Clean Air Performance Professionals

21860 Main Street Ste A
Hayward, California 94541

Submitted at 6/12/2012 Council Meeting

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

Senate Transportation and Housing Committee

Senator

Mark DeSaulnier (Chair) & Comittee

Chief Consultant: Carrie Cornwell
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Clean Air Performance Professionals

21860 Main Street Ste A
Hayward, California 94541

Thursday, May 10, 2012
Honorable John L. Burton
Chairman, California Democratic Party
1401 21st St # 200, Sacramento, CA 95811
(916) 442-5707 / 5715 fax
shawanda@caden.org

RE: NO on SB 1396 Dutton & AB 523 Valadao unless amended.

Good afternoon Senator Burton,

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 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.

We do NOT support AB 523 or SB 1396 unless the ethanol mandate is changed to voluntary ethanol in our gas.

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 & SB 1326 are just a short put (waiver) from better results.

Thank you for your life time of service.

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

Charlie Peters
Cc: interested parties

CAPP contact: Charlie Peters (510) 537-1796 cappcharlie [at] earthlink.net

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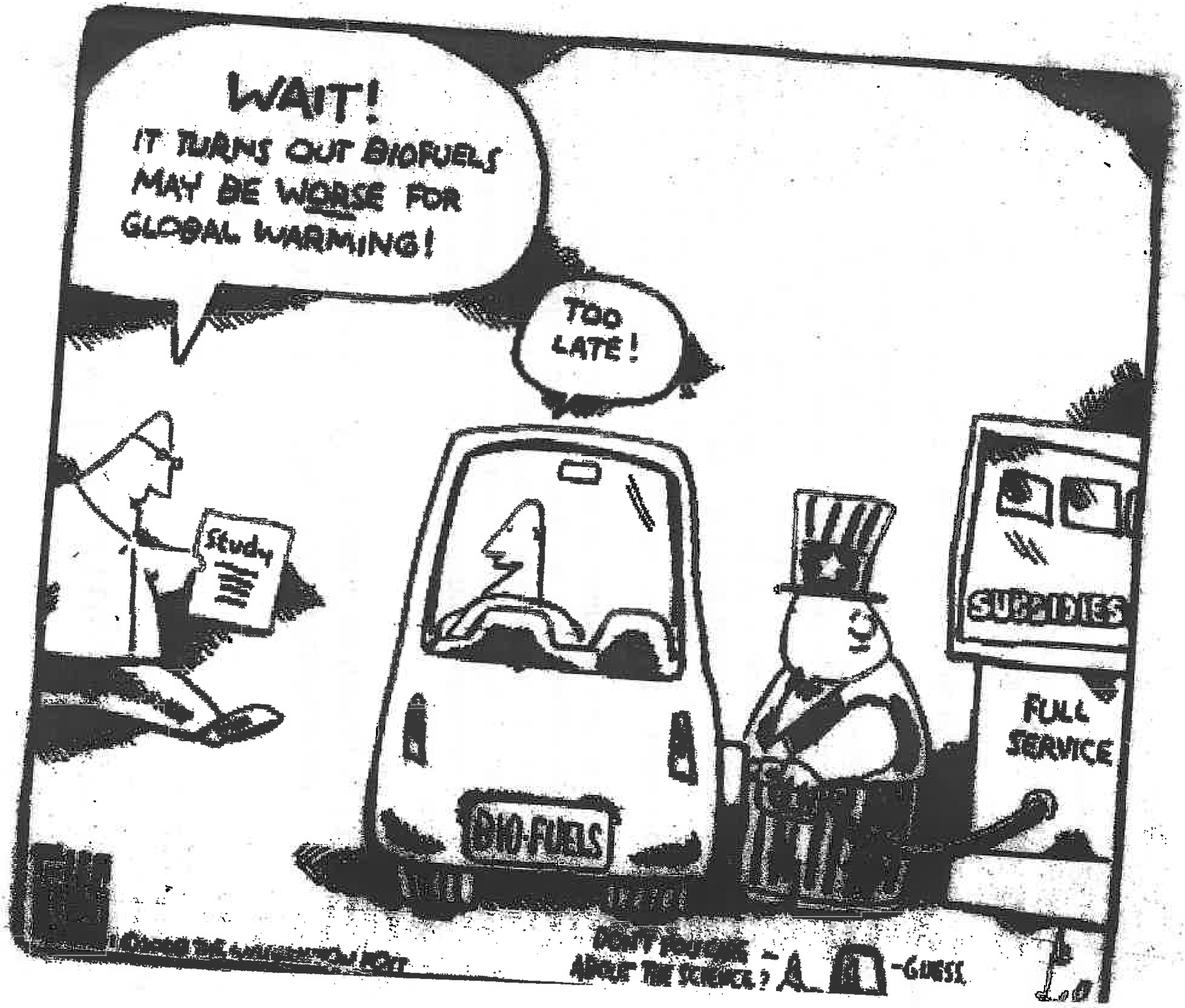

WAIT! IT TURNS OUT BIOFUELS MAY BE WORSE FOR GLOBAL WARMING!
TOO LATE!
Study
BIO-FUELS
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FULL SERVICE
ABOUT THE SCIENCE?
-GUESS

.BUSINESS WIRE Aug. 2, 1999

Monday August 2, 6:04 pm Eastern Time

Company Press Release

Refiners Applaud EPA Panel Recommendations Support Federal Law to Facilitate California MTBE Phase-out

GLENDALE, Calif.--(BUSINESS WIRE)--Aug. 2, 1999--California's petroleum industry applauded the recommendations of the US Environmental Protection Agency's (EPA) Blue Ribbon Panel, which called for the removal by Congress of the current Clean Air Act requirement that cleaner-burning gasoline include oxygenate additives such as MTBE.

"One of the greatest hurdles to a smooth and cost-effective phase-out of MTBE in California gasoline is the federal government's oxygenate mandate. The Panel's action is a very positive step," said Douglas F. Henderson, executive director of the Western States Petroleum Association. "In his March 1999 Executive Order Governor Gray Davis called removing the federal oxygenate mandate an 'essential element' for the phase-out of MTBE in California. We couldn't agree more," said Henderson.

California air quality laws are the strictest in the nation, requiring our gasoline to be even cleaner than the cleaner-burning gasoline required under US regulations covering the other states. Yet California does not require the addition of oxygenates to achieve these higher standards. ``We can still produce the cleanest gas in the country without the federal government mandating arbitrary amounts of oxygenates in California gasoline," Henderson concluded.

To pave the way for the phase-out, California Senator Dianne Feinstein and Congressman Brian Bilbray have introduced legislation, S 266 and HR 11, which would keep California's strict environmental standards for gasoline intact while exempting our state from the federal oxygenate mandate.

"The Feinstein/Bilbray legislation was strongly supported by the University of California's SB 521 report on MTBE requested by the state legislature. Further, the California Energy Commission concluded that passage of Feinstein/Bilbray could reduce the costs of an MTBE phase-out in California by as much as half," said Henderson.

S 266 and HR 11 enjoy broad bi-partisan support, including but not limited to Governor Gray Davis, California Air Resources Board, California Environmental Protection Agency, the California Chamber of Commerce, California Manufacturers Association, California Council for Environmental and Economic Balance, Natural Resources Defense Council (California chapter), Sierra Club, Planning and Conservation League, Association of California Water Agencies, Western States Petroleum Association and virtually the entire California Congressional delegation.

The Western States Petroleum Association (WSPA) is the non-profit trade association representing approximately 36 companies that account for the bulk of petroleum exploration, production, refining, transportation and marketing in the six western states of Arizona, California, Hawaii, Nevada, Oregon and Washington.

Contact:

Western States Petroleum Association
Jeff Wilson, 818/543-5344
Dave Fogarty, 650/340-0470

liberty online
ocregister.com THE ORANGE COUNTY REGISTER

April 7, 2000

The process can seem agonizingly slow and filled with detours into the legislative back country. But it has begun to seem possible that California legislators will finally get the controversial gasoline additive MTBE out of the state's gasoline and make progress on the difficult matter of instituting a balanced approach to the difficult issues revolving around motor fuels and environmental concerns.

It is important to remember that MTBE, which has had a propensity to leak through storage tanks and infiltrate water supplies at a very fast rate, making water at least noxious to smell and possibly a health hazard, was introduced at the behest of government clean-air regulators. The substance is an oxygenate, which means (in layman's terms) it makes fuels burn more efficiently so fewer noxious chemicals are released into the air.

MTBE was viewed as the least expensive way for petroleum refiners to meet new state and federal clean-fuel standards - the alternative is ethanol, refined from corn and beloved of Midwest farmers and corporate giants such as Archer-Daniels Midland. Oil companies invested millions in converting to MTBE-laden fuels and even though numerous environmental problems, including wells and the shutdown of entire water systems, have been connected to MTBE, they have been reluctant to phase it out quickly. Gov. Davis has announced a phase-out, but it is not scheduled to go into full effect until 2002.

Perhaps that is why business heavyweights such as the Chamber of Commerce appeared at Tuesday's state Senate Transportation Committee hearings to oppose Arcadia Republican Sen. Richard Mountjoy's SB 1971, which would remove MTBE from gasoline in California by the end of the year. But the committee approved SB 1971 by a 7-3 vote. It also approved SB 1972 (by a 10-1 vote), which directs the University of California to study oxygenates and alkylates now being considered as MTBE replacements - before their use is mandated.

Gov. Davis has also asked for an exemption from federal oxygenation mandates issued by the Environmental Protection Agency. But the request puts Democratic presidential hopeful Al Gore in a ticklish position, since he wants to appeal both to Iowa farmers and California motorists. Whatever the reason, the federal government has not responded to the waiver request.

Charlie Peters, who has represented Clean Air Performance Professionals, the mechanics who do smog checks, told the committee that a waiver is not needed, that the federal government's oxygenate standards do not represent a legally enforceable mandate. 'I said that fuel in California already exceeds federal standards and has for a long time,' he told us, 'so there is no legal problem with using something other than oxygenates in California.'

Whether that's true or not - it could be a topic that can keep lawyers on either side busy for a while - it is important to get the MTBE out of California gasoline as quickly as possible and to have a thorough understanding of alternative additives before mandating their use.

We hope SB 1971 and SB 1972 - which go next to the Senate Environmental Quality Committee - become law quickly.

Clean Air Performance Professionals

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

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

DIANNE FEINSTEIN
CALIFORNIA

United States Senate
WASHINGTON, DC 20510-0504

April 30, 2001

The Honorable George W. Bush
The White House
1600 Pennsylvania Avenue NW
Washington, DC 20510

Dear Mr. President:

The State of California needs your help. Californians have been besieged by a huge increase in natural gas costs and the likelihood of energy blackouts this summer, coupled with a dramatic rise in electricity rates. At the same time, there are predictions that retail gasoline prices may soon climb to $3 per gallon or more.

Oil refiners and other energy industry experts agree that one of the factors leading to the high cost of gasoline in California is the Clean Air Act's two percent oxygenate requirement for reformulated gasoline.

I have previously written to you requesting that you to direct the Environmental Protection Agency (EPA) to approve California's request for a waiver of the two percent oxygenate mandate. But aside from a brief note acknowledging a receipt of my letter from a member of your staff, I've gotten no response to this urgent request.

Failure to grant this waiver, I fear, could lead to even higher gasoline prices and possible gasoline shortages. So, I am asking you once again to direct EPA Administrator Whitman to grant the waiver.

The two percent oxygenate requirement has led to the widespread use of methyl tertiary butyl ether (MTBE) in gasoline. MTBE, in turn, has contaminated water supplies in many communities in California and across the country.

At a hearing on the subject this past Thursday, Senator Frank Murkowski, who chairs the Energy and Natural Resources Committee, noted that the oxygenate mandate is unnecessary to protect air quality, and has led to higher gasoline prices and water supply contamination. Senator Jeff Bingaman (the Ranking Member) and other Committee members joined Chairman Murkowski in suggesting that we need to rethink the mandate. But even if this legislation does move ahead during this Congress, California needs the waiver now.

Letter to President Bush
Page Two

With the two percent oxygenate requirement in place, the only alternative to MTBE is ethanol. There is not a sufficient supply of ethanol, however, to meet demand in California and across the nation. With supplies inadequate to meet demand, we can be assured of disruptions and price spikes during the peak driving months of the summer.

Let me give you an example. Tosco is committed to eliminating MTBE. But, according to Tosco's CEO Thomas O'Malley, the company's refineries simply cannot get enough ethanol at a reasonable price to meet the two percent requirement.

A waiver is good for the environment. A broad-based EPA "Blue Ribbon Panel" concluded in 1999 that the oxygenate requirement is not necessary for clean air. A waiver would mean cleaner air and cleaner drinking water for millions of Californians. California's own clean air and reformulated gasoline requirements are the most stringent in the nation and would continue to be in effect, even if a waiver were granted.

California uses a "performance model" under which refiners have the flexibility to make clean-burning gasoline with or without oxygenates. This "performance model" approach gives refiners both stringent requirements for clean air and flexibility in determining the constituents of gasoline. This approach enables refiners to meet changes in demand and keep prices in check.

The bottom line, Mr. President, is that an arbitrary two percent oxygenate requirement creates an unneeded federal "recipe" for gasoline. The requirement is causing groundwater contamination. It adds to the price of gasoline unnecessarily and it will probably trigger disruptions in gasoline supplies this summer.

I hope you will agree that the California waiver application has great merit and that you will direct that your Administration to grant it.

Sincerely,

Dianne Feinstein
United States Senator

NEWS RELEASE
May 22, 2001

CONTACT: Dave Sebeck
(916) 322-8977

BURTON: HOLIDAY WEEKEND EMPHASIZES NEED FOR MTBE WAIVER

SACRAMENTO—As an additional 4 million Californians take to the roads this weekend for the Memorial Day holiday, Senate President pro Tem John Burton today reiterated his call on President Bush to grant California's appeal for a waiver of the two percent oxygenate mandate for reformulated gasoline.

"This weekend is the start of the vacation driving season," Burton said. "Granting a waiver from the one-size-fits-all federal mandate will enable us to deal with the health and safety issues associated with MTBE and help keep the price of gasoline down for consumers during the critical summer months."

The two percent oxygenate mandate has resulted in the widespread use of MTBE (methyl tertiary butyl ether) in gasoline. MTBE has been found in water supplies in many California communities, and is being phased out in the state by 2003. Since California gives refiners flexibility to make clean burning gasoline without oxygenates, the two percent oxygenate mandate is unnecessary and adds approximately 6.4 cents per gallon to the cost of gasoline.

Burton and other California leaders wrote President Bush earlier this month requesting the waiver. Estimates show the cost to California consumers if the waiver is not granted would be approximately $472 million.

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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 Paolo, 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 Grumet, 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

Trust Accuses White House of Playing Politics With California Fuel Issue

White House Ignored EPA Advice, Will Create Energy, Smog Problem

Clean Air Trust, June 11, 2001

(Washington, D.C.) - The nonprofit Clean Air Trust today accused the White House of "playing politics" by rejecting a request by California to avoid mandatory use of ethanol in reformulated gasoline in the state.

The Trust noted that the White House ignored the advice of the Environmental Protection Agency, which had concluded that granting California a waiver from the requirement would lead to less smog-forming pollution than if an ethanol mandate were required. (The official EPA recommendation is available from the Clean Air Trust.)

The Trust also noted that the California Energy Commission has predicted that White House decision could lead to gasoline shortages and higher gas prices. The ethanol lobby had stridently opposed California's request. An official announcement is said to be imminent.

"The White House is simply playing politics with this issue," said Frank O'Donnell, executive director of the Clean Air Trust. "This will mean dirtier air and price hikes at the pumps in California," he added.

"This is an astonishingly bad decision -- the California equivalent of arsenic," O'Donnell said, referring to the Bush Administration's earlier decision to rescind arsenic-in-drinking water standards.

"Once again, the views of EPA's professional staff have been thrown in the trash in favor of political considerations," O'Donnell added, noting EPA had concluded that the White House decision would mean up to an additional 26 tons a day of smog-forming pollution in California.

The issue arose because the Clean Air Act requires that gas sold in the nation's smoggiest cities contain an "oxygenate" that -- in theory -- makes it burn more cleanly. The requirement applies to about 70 percent of the gas sold in California.

Refiners have generally met this oxygen requirement through the additive MTBE. But California ordered MTBE to be phased out by the end of next year because it has contaminated groundwater.

The only practical alternative to MTBE is ethanol, which the California Air Resources Board found (and EPA agreed) creates more smog-forming pollution because it is more volatile. In other words, the oxygen mandate would become an ethanol mandate once MTBE is banned.

California's refiners and the state have concluded that they can make the cleaner-burning gasoline without any mandatory oxygen component.

Mandatory ethanol use poses additional challenges. It generally must be shipped to California from the Midwest. Because of limited ethanol supplies in California, specialists with the California Energy Commission have warned that an ethanol mandate could trigger a 6-10 percent gasoline shortfall by 2003, which would result in gasoline price spikes.

"The only real question here is why did the Bush Administration opt for more dirty air and more energy problems in California," said O'Donnell. "Was this done to cause political damage to California Governor Gray Davis? Was it to punish California's voters? Was it a payoff to ethanol producer Archer Daniels Midland, which contributed heavily to the Bush inauguration -- or was it all of the above?"

http://www.cleanairtrust.org/release.061101.html

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

Congress of the United States
House of Representatives
Washington, DC 20515

July 13, 2001

President George W. Bush
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

Dear Mr. President:

We are writing to request that you reconsider your recent decision to deny California's request for a waiver of the Clean Air Act's oxygenate requirement within federal reformulated gas areas in California.

As you know in April 1999, Governor Gray Davis requested a waiver from the federal oxygenate requirement. After numerous exchanges between the state and the U.S. Environmental Protection Agency (EPA), EPA concluded that it had sufficient information to act on this request in February 2000. After a lengthy review, EPA's technical and professional staff concluded that a partial waiver of the oxygenate standard was indeed technically warranted and legally justified.

In fact, EPA prepared a proposed rule granting a partial waiver. This waiver proposal was approved at EPA and forwarded to the White House at the end of the Clinton Administration. Unfortunately, the proposal was not issued before the end of the last Administration.

EPA sought "to grant a waiver by allowing a year-round average oxygen level of 1.0 weight percent, through the end of 2004." EPA stated that "a partial waiver will enable California to achieve even greater reductions in NOx emissions." Additionally, according to EPA, "A partial waiver will have an effect on emissions other than NOx, and these overall effects support the conclusion that a partial waiver would aid California in attaining the ozone and particulate matter [national ambient air quality standards]." EPA went so far as to state:

> We conclude that compliance with the 2.0 weight percent oxygen content requirement for [reformulated gasoline] would interfere with attainment of the [national ambient air quality standards] for ozone and [particulate matter] in the [reformulated gasoline] areas in the State.

EPA stated that the waiver would allow "the flexibility for the state to achieve the greatest additional NOx reductions possible."

The state of California has recently estimated that denying the waiver would cost the state an additional $450 million each year. Additionally, the waiver would have significantly increased the flexibility available to refiners producing gasoline for California. According to some experts, denying the waiver request could lead to fuel supply disruptions in California.

In light of this information, denial of the waiver appears to be at odds with your proposed national energy policy. The policy prepared by the National Energy Policy Development (NEPD) group laments the "proliferation of distinct regional and state gasoline and diesel product standards," and states:

> The NEPD group recommends that the President direct the Administrator of the EPA to study opportunities to maintain or improve the environmental benefits of state and local "boutique" clean fuels programs while exploring ways to increase the flexibility of the fuels distribution infrastructure, improve fungibility, and provide added gasoline market liquidity.

We are concerned that denial of the waiver accomplishes just the opposite of this policy goal. Specifically, granting California's request for a waiver from the oxygenate requirement would improve the environmental benefits of gasoline in California while increasing flexibility of the fuels distribution infrastructure, improving fungibility, and providing added gasoline market liquidity.

California has made a clear showing that the oxygenate standard is harmful to the state of California. Indeed, Linda Fisher, the Environmental Protection Agency's deputy administrator, recently testified before the Senate Energy and Natural Resources Committee that the federal reformulated gas program has delivered clean-air gains but questioned the need for any oxygenate mandate. *Los Angeles Times*, "EPA's Ethanol Mandate May Be Outdated," (June 22, 2001).

We urge you to avoid this expensive, polluting, and potentially disruptive mistake. Please reconsider California's request for a waiver from the oxygenate requirement.

Sincerely,

http://www.sacbee.com/news/calreport/data/N2001-08-12-1300-1.html

The Sacramento Bee 8/12/01

California sues EPA over ethanol requirement

By Leon Drouin Keith Associated Press Writer

LOS ANGELES (AP) -- California officials are suing the U.S. Environmental Protection Agency in hopes of reversing a decision requiring the state to use what they consider a needlessly expensive and polluting gasoline additive.

The lawsuit, filed late Friday afternoon in the 9th U.S. Circuit Court of Appeals in San Francisco, calls on the agency to waive rules that effectively will require ethanol to be added to most of the state's gasoline. State officials announced the move in a conference call with reporters Sunday.

Gov. Gray Davis has ordered that the only oxygenate available besides ethanol -- MTBE -- be phased out by January 2003 because it pollutes ground water. State officials argue that California can meet federal air-quality goals with non-oxygenated, reformulated gasoline.

The EPA's oxygenate requirement is "a straitjacket mandate that will drive up gas prices while increasing air pollution," Davis said in a statement. "The potential for harm to Californians, both economically and environmentally, leaves me no choice but to fight back with guns blazing."

California produces 5 million to 7 million gallons of ethanol a year, a far cry from the estimated 600 million to 900 million gallons it would need to comply with the rules. That would make the state dependent on the Midwest, which grows the corn used to make most ethanol.

Winston Hickox, secretary of the California Environmental Protection Agency, said that because California's ethanol needs represent a huge portion of the roughly 2 billion gallons expected to be produced this year, the chances are great that supply problems could send prices skyrocketing.

According to state estimates, the ethanol switch could add as little as 2 or 3 cents to the price of a gallon of gasoline, but supply problems could send pump prices soaring 50 cents or more.

Although ethanol producers have insisted they'll be able to handle the increased demand, Hickox said, "It would be a reckless play on our part to assume that is the case."

Representatives of two environmental groups, the Natural Resources Defense Council and the Clean Air Trust, joined state officials in the press conference and agreed that requiring ethanol could do more harm than good to California's famously polluted air.

Studies have shown that while ethanol blends reduce carbon monoxide levels, they increase levels of oxides of nitrogen, which are of greater concern in most of California.

"It's not sound science -- it's political science," Clean Air Trust Executive Director Frank O'Donnell said of the EPA's refusal to grant the waiver.

EPA officials in Washington, D.C., and San Francisco did not return several calls seeking comment Sunday.

But they have contended that under the Clean Air Act, they lack the authority to grant the state's request. Federal officials have said the state hasn't proven that complying with the oxygenate requirement would result in a net increase of air pollution.

Hickox said filing deadlines meant the suit had to be submitted Friday, but he is continuing to examine options to deal with the federal agency's rejection of the state's waiver request last month.

Davis has given Hickox until late September to come up with recommendations, which could include delaying the MTBE phase-out or pressing for more in-state production of ethanol using material such as rice straw instead of corn.

The state also is trying to get legislation passed in Congress that would allow the waiver, but O'Donnell said Bush administration officials have tried to block those efforts.

http://www.sacbee.com/news/calreport/data/N2001-08-12-1300-1.html

Please click here to return to the previous page.

Press Release

OFFICE OF THE GOVERNOR

PR01:356
FOR IMMEDIATE RELEASE
08/13/2001

GOVERNOR DAVIS SUES U.S. EPA OVER GASOLINE ADDITIVE 8/13/2001

SACRAMENTO

Governor Gray Davis today announced that California is suing the U.S. Environmental Protection Agency (EPA) to force the agency to drop a fuel additive requirement that will increase gasoline costs and air pollution.

"EPA made a decision that failed to follow sound science," Governor Davis said. "The EPA simply ignored the voluminous information we sent them showing that ethanol does nothing to clean the air and actually increases air pollution. We regret having to take this action, but we are left with no choice. California residents should not have to pay more for gasoline and suffer from increased air pollution."

The suit, filed in San Francisco's Ninth Circuit Court by the California Environmental Protection Agency's Air Resources Board (ARB), asks that the U. S. EPA drop its requirement that oxygenates be added to 70 percent of California gasoline.

ARB maintains that the U.S. EPA ignored extensive information that ethanol, the only oxygenate that will be available in sufficient quantity to California refiners in 2003, will drive up the cost of gasoline while increasing smog-forming nitrogen oxide (NOx) and cancer-causing particulate matter (PM) pollution.

Scientific studies have shown that gasoline formulated to California standards, which are stricter than U.S. EPA standards, burns cleaner without oxygenates such as ethanol. The studies also show that oxygenates in gasoline increase NOx emissions and the formation of ozone and PM. The federal oxygenate requirement is, however, seen as a boon to mid-western agri-business interests, which produce ethanol from corn.

California would need at least 660 million gallons of ethanol each year under the federal oxygenate mandate. Disruption in ethanol supplies would bring sharp gasoline price spikes to California consumers.

The waiver request came after Governor Davis signed an executive order banning the oxygenate MTBE by December 31, 2002. MTBE in gasoline can cause water pollution. On June 12, the U.S. EPA announced the rejection of California's waiver request.

If the EPA's action is allowed to stand, California would be hindered in its attempts to meet the ozone and PM clean air standards that the EPA has set.

The Orange County Register

Wednesday, August 15, 2001

Use states' rights to challenge mandate

Gov. Gray Davis' decision to sue the U.S. Environmental Protection Agency to force it to grant a waiver from an EPA mandate to include oxygenates in gasoline used in California is fine so far as it goes. The EPA mandate, recently reinforced by the Bush administration, is scientifically suspect, politically driven and could make California's smog situation worse rather than better.

But there might be better grounds on which to fight this battle.

The EPA, under the 1990 Clean Air Act, has required that gasoline sold in certain parts of California contain 2 percent oxygenates, which are said to make fuel burn cleaner. California refineries met the requirement by adding MTBE, which created water pollution problems when it leached into the groundwater through leaky tanks or spills. The Davis administration plans to phase out MTBE in January 2003.

That leaves ethanol, made from corn in the Midwest. But according to the California Air Resources Board, increasing the amount of ethanol in California gasoline could increase emissions of nitrogen oxides and volatile organic compounds, the major ingredients of smog.

Ethanol, whose major producer is the Archer Daniels Midland Co., a shrewd political contributor to both parties, is subsidized by the federal government through an excise tax exemption. It cannot be shipped in pipelines because it mixes with water and can cause corrosion, so it would have to be shipped by barge, rail or truck. It could cost California refiners as much as $1 billion to convert to ethanol.

The Clean Air Act allows a waiver of the oxygenate requirement, but the issue has become a political football. A proposal in Congress to grant the waiver lost after heavy lobbying from the ethanol industry, with solid bipartisan opposition from Midwestern representatives.

Hint: George W. Bush lost Iowa by fewer than 5,000 votes last year and has a realistic chance of GOP gains in 2002 and 2004. He lost California by a much larger margin.

While a lawsuit asking the 9th Circuit Federal Appeals Court to force the EPA to grant the waiver might be successful, it could be more beneficial to take a stand on constitutional and states' rights grounds.

California has always imposed stricter rules for cleaner-burning gasoline than the federal government, and several refiners have developed cleaner and cheaper blends without oxygenates that cannot be sold in much of California due to the oxygenate mandate. Given this, it is questionable whether the federal government even has the authority to mandate specific ingredients for gasoline in California rather than general standards (which California meets without oxygenates).

Charlie Peters, of Clean Air Performance Professionals, which represents independent smog check facilities, has suggested that California simply impose a 1 percent oxygenate cap, which would give refiners the option of adding up to 1 percent oxygenates to meet California standards. Under our federal system, in which most health and safety regulation is left to the states, the state government has full authority to issue standards that differ from federal standards. It is even possible that cities affected by MTBE pollution or local water boards have such authority.

Would the EPA then take California to court or would it back off? Most likely it would back off. If it didn't, California would have a powerful case incorporating legitimate state authority, federalism and serious questions as to whether the federal government has authority to veto standards without a clear interstate commerce issue involved. Our chances of winning in the current U.S.Supreme Court - or the court as it is likely to be changed by any Bush appointee - would be excellent.

A lawsuit against the EPA is an encouraging sign that Gov. Davis means to challenge an arbitrary decision. Using the powers the U.S. Constitution clearly gives to state governments might be even better.

This lawsuit was in part filed to meet a deadline, keeping that option open.

But according to California Environmental Protection Agency chief Winston Hickox, Gov. Davis is considering additional options and plans a comprehensive approach by the end of September. The federalism option should be high on the list.

http://clubs.hemmings.com/capp/

Clean Air Performance Professionals

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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.

http://www.sfgate.com/cgi-bin/article.cgi?file=/news/archive/2001/10/31/commentary1159EST0053.DTL

Getting High On Alcohol

By Stella, Hemmings Motor News, -- March 2002

This month's letter is being written in California. I flew out to attend the state's Inspection and Maintenance Review Committee (IMRC) meeting that was announced to be held on the 25th of January. To fly at an economical price these days, you must purchase a ticket at least two weeks beforehand. And because of the events of September 11th, even using your frequent flyer mileage must be done in advance. Notifications of the IMRC meetings are sent out one to two weeks before the meetings.

Years ago, the meetings were held on the last week of the month so you could plan ahead to attend. I flew out on January 22nd, and after the plane landed in San Francisco, CAPP president Charlie Peters informed me that the meeting had been cancelled. There was no "formal" cancellation, and Charlie had called more than one official to get an answer. Even a member of the IMRC committee indicated a lack of notification.

Last month, I wrote about the 166-page IMRC meeting transcript. An interesting comment from Richard Skaggs, a committee member, was, "Why weren't there more car club people attending these meetings?"

How can somebody attend? When you call the phone number (916)-322-8181 on the IMRC letterhead, the phone is not answered.

More on Federal Scrappage

I received more information on S-1766 from Gail Barnes of www.FuelLine.com. In part: Tucked away in "The Energy Act of 2002" (S-1766), a bill sponsored by Sen. Tom Daschle (D-SD) and Sen. Jeff Bingaman (D-NM), is Section 803, which would provide federal funding to states that run automobile scrappage programs for vehicles more than 15 years old. S-1766 is expected to be debated in the U.S. Senate beginning February 11th.

The Daschle bill is also titled "A bill to provide for the energy security of the Nation, and for other purposes." One of those "other purposes" is to provide "Assistance for State Programs to Retire Fuel-Inefficient Motor Vehicles." According to sources, there are currently approximately 38 million vehicles on U.S. roads that are 15 years old or older, among them approximately 300,000 cars which are under restoration.

Representative W. J. (Billy) Tauzin (R-LA) is sponsor of a companion House bill, HR-2436. The full text of both S-1766 and HR-2436 is available at . Please voice your comments or concerns to your elected officials. As Charlie Peters says, "We have a system in this country and if we don't use it, we just might lose it." And, possibly because of the anthrax scare, letters may be delayed. Reports are recommending an e-mail, fax or phone call. Many may choose two ways just to be sure.

Regulating CO2 From Cars

California could become the first state to regulate gases from cars and trucks that are linked to alleged global warming, opening a new front in the fight against tailpipe exhaust. With AB-1058, the legislation targets carbon dioxide emitted by the state's 23 million passenger vehicles. Fran Pavley, a former schoolteacher from Agoura Hills and elected to the Assembly last year, is the sponsor of the bill. It requires the state Air Resources Board to adopt by January 2004 regulations that achieve the "maximum feasible and cost-effective reduction" of carbon dioxide from cars and light trucks. The controls would take effect in January 2005.

After three attempts, the bill passed 42 to 24. The interesting part of this story is the number of legislators who declined to vote. It was sent to the Senate despite a claim that it represents the worst form of environmental extremism. "This bill gives the Air Resources Board, a group of un-elected bureaucrats, the ability to create sweeping regulations in less than two years," said Minority Leader Dave Cox of Fair Oaks. "Is there a possibility that (some) of these vehicles will be forced off the road? I think so." Supporters of Pavley's bill said it would allow California to set an example in an area that it has traditionally excelled: control of auto emissions. Some opposed say it is only a mandate for ethanol gasoline. Sources say that there was a similar bill during Governor George Deukmejian's term of office (1982-90), and that the Governor vetoed it.

A Voice From Ethanol's Past

The Indianapolis "Star" recently reported on bills that would phase out the use of a gasoline additive. "Friendly to the environment and beneficial to corn farmers," that's how supporters describe legislation being considered by both chambers of the Indiana General Assembly. Senate Bill-381 and House Bill-1338 would phase out the use of methyl tertiary-butyl ether (MTBE) in gasoline by July 23, 2004. The measures would require that gas sold or used in Indiana contain no more than 0.5 percent of MTBE.

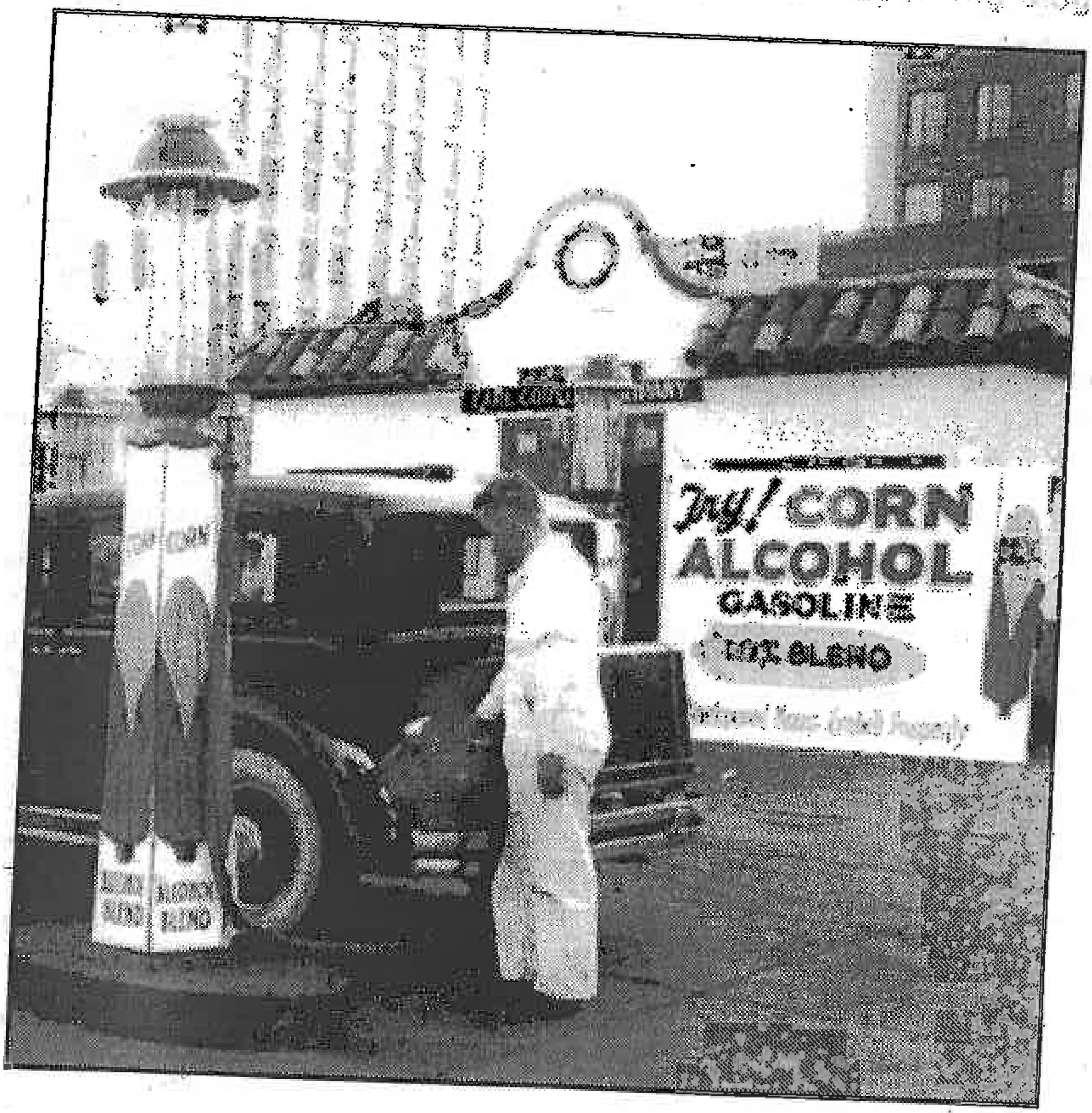
Still, the legislation has a long list of supporters, including environmental groups and petroleum companies. While the most enthusiastic supporters are the state's 30,000 corn growers, it has been reported that corn prices are set by federal subsidies (rather than the free market during the past several years), thus the real money-makers in this deal, should the legislation become law, could be the major petroleum companies.

One of the chief sponsors of Senate Bill-381, Sen. Robert Jackman of Milroy, says he's confident that increased demand for corn will raise crop values, which will help farmers in his central Indiana district. "I think its effect on agriculture would be absolutely phenomenal," said Jackman, who rents land that he owns to corn farmers. Most experts agree that increasing the use of ethanol wouldn't affect the price Hoosiers pay at the pump. Still, some believe that if the price of corn increases, gasoline prices could rise in states outside the corn-abundant Midwest. But for Indiana, the legislation is a win-win situation, say Jackman and the bills' other chief supporters.

Nothing New Under The Sun

I received an article from "Nation's Business" for May 1933 -- yes, the year WAS 1933 -- titled "Mixing Alcohol and Gasoline." Some quotes may interest you: "Among the more recent farm relief proposals is a plan for adding alcohol, made from farm products, to motor fuel. The plan is receiving serious consideration in several quarters. Corn-belt states are particularly interested. It is estimated that more than five hundred million bushels of corn would be used in making the alcohol needed for a ten per cent dilution of the gasoline annually consumed here."

"There are many technical objections to the use of such fuels, however. Carburetors have to be adjusted, except for the weakest dilutions, and other mechanical changes might have to be made to obtain maximum efficiency. Problems of corrosion also arise. Less mileage is said to be obtained from the blended fuel. These and other difficulties, while serious, are hardly positive bars to the use of such fuels and are offset in a small degree by certain inherent advantages of the blended fuel, such as its anti-knock qualities. As someone has said, this utilization of our surplus farm crops is more of an economic than a practical problem. From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the economic view, formidable obstacles present themselves."

"Getting back to cost comparisons, the current selling price of gasoline at refineries is less than five cents a gallon--taxes and distribution costs bring this up to the 13 to 20 cents the motorist pays at the pump. Actual cost of making alcohol of 95 per cent purity from molasses is put at about 20 cents a gallon and the selling price at more than 30 cents... Petroleum also supplies raw materials for the manufacturer of alcohol. At current crude-oil prices, such alcohol can be made at costs as low or lower than alcohol from any other raw material, it is said."

"Also to be considered is the fact that few large commercial distilleries now make alcohol from corn. Heavy expenditures would be necessary to bring this division of the alcohol industry up to the needed production were the alcohol-gasoline plan adopted nationally. The groundwork for such expansion is reported already being laid by several distillers in anticipation of enactment of such legislation by the states or Congress."

"The plan is a bad proposition, its opponents say, of mixing an inferior dilutent costing, at a minimum, 18 to 20 cents a gallon with a product costing five cents a gallon and then finding someone to bear the added cost--in this case the motorist. It is, they say, merely a project to subsidize certain groups of the farm public at the expense of the gasoline-consuming public." 'Nation's Business' was published by The United States Chamber of Commerce.

And, I have a request for my readers: Recently, Charlie Peters and I noticed, at a rent-it-yourself yard in the San Francisco bay area, that all the license plates on their rentals were from Arizona, but that the phone numbers painted on them, were local. I thought this was odd. Charlie called the California Air Resources Board to find out if the environmental standards, DMV fees and fair competitive market issues deserve review. With all the fanfare about controlling emissions, I wonder if anyone has run across anything similar in their area? Please let me know, and I will share it.

Tribute To A Good Man

This may be the hardest paragraph that I have written. By now you know that Terry Ehrich has passed on. It's hard to believe that he was involved in the automotive hobby longer than many hobbyists have been around. I first heard of him when I started receiving "Hemmings" back in the 1970s, and first met him in 1993. Terry was unique in that he was not only an enthusiastic "car guy," but an ardent environmentalist; to most people the two are not compatible, but he managed to excel at both with ease. I was honored to be selected by him for the "Hobby Hero" award in 1995 and 1996. The "Hemmings" awards are given out on Press Day in Bennington, and after the presentations, the attendees are "turned loose" on the "Hemmings" fleet of collectible cars and trucks. I will never forget the look on his face when I pulled into the "Hemmings" lot behind the wheel of the "Hemmings" 1917 American LaFrance fire truck. I will miss his good humor and thoughtful comments on this column over the past ten years. He was my hero - and my friend.

More next month...

Stella

http://clubs.hemmings.com/clubsites/capp/march02.html

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http://waternet.com/news.asp?mode=4&N_ID=30919

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 if 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 pubic 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 band, 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

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

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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California State Senate

JOHN L. BURTON
PRESIDENT PRO TEMPORE

COMMITTEES
RULES
CHAIRMAN

June 6, 2002

Robert Bruce Bullard
20 Luna Lane #2
San Anselmo, CA 94960

Dear Mr. Bullard:

Thank you for your letter recommending that Governor Davis execute an executive order to remove the oxygenate requirements from the RFG gasoline program.

You suggestion is interesting, and I believe the Governor's office should be aware of your proposal. Accordingly, I am forwarding your letter to Governor Davis.

Thank you for your interest and hard work on this MTBE issue. It is appreciated.

Peace and Friendship,

John L Burton

JOHN L. BURTON
President pro Tempore
State Senate

cc: Linda Adams, Chief Deputy, Legislative Secretary
Governor Gray Davis

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-rup7.3

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Senior Democratic Member
Committee on Government Reform

Member
Committee on Energy and Commerce

Congress of the United States
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HENRY A. WAXMAN
29th District, California

October 22, 2003

The Honorable Arnold Schwarzenegger
Governor-elect
State of California
Sacramento, CA

Dear Mr. Schwarzenegger:

I am writing to share an analysis of how pending energy legislation in Congress will affect California.

This legislation is a pork-barrel, anti-environment bill. It tramples states' rights on land use, punches holes in the Clean Water Act and Safe Drinking Water Act, gives away billions of dollars in special interest favors, and establishes massive pro-pollution subsidies and incentives. It does all this while doing nothing to address our nation's dependence on oil or the threat of climate change.

And it is of special concern to California, which will be impacted more than any other state. The bill tilts management of public lands in California toward energy production. In a shocking transfer of wealth, the bill requires Californians to provide hundreds of millions of dollars in subsidies to ethanol producers in the Midwest each year. The bill shields oil companies from liability for having to clean up California groundwater that they are responsible for contaminating. It slants the relicensing of hydroelectric projects in California towards the energy industry by excluding the state, cities, businesses, and Indian tribes from participation in the new relicensing process.

And even though congressional Republicans are dropping their proposal to inventory oil and gas reserves on the outer continental shelf, several provisions in the energy bill lay the groundwork for drilling off the California coast. In fact, one provision would authorize the federal government to issue coastal easements to support oil exploration and development without even consulting with the state.

Perhaps most significantly, the energy bill fails to address any of the Enron-style energy market manipulations that cost California consumers billions of dollars and began California's economic troubles.

There may be little you can do to influence the substance of this important legislation, but given its enormous impact on California, I thought the enclosed analysis would be of interest to you.

With best wishes,

Sincerely,

Henry

Henry A. Waxman
Member of Congress

NEWS FROM ...

U.S. REPS. CHRIS COX AND HENRY WAXMAN

Contact: Marilyn Cosenza (Cox): (202) 225-5611
Karen Lightfoot (Waxman): (202) 225-5051

California House Delegation Urges EPA Action on Cheaper, Cleaner Fuels

WASHINGTON (Thursday, March 18, 2004) — Rep. Chris Cox (CA-48), Rep. Henry Waxman (CA-30), and members of the California House delegation today sent a letter to EPA Administrator Michael Leavitt expressing support for Governor Arnold Schwarzenegger's recent request for a waiver of the Clean Air Act's ethanol/MTBE mandate for California. This waiver would allow California to use cleaner blends of gasoline, while saving consumers money at the pump.

The letter was signed by 52 of the 53 members of the California delegation.

For five years, California has sought a waiver allowing it to sell cleaner-burning gasoline without oxygenates such as MTBE and ethanol. EPA's Blue Ribbon Panel on Oxygenate in Gasoline reported on September 15, 1999, that "within California, lifting the oxygenate requirement will result in greater flexibility to maintain and enhance emission reductions, particularly as California pursues new formulation requirements for gasoline." Although last year the U.S. Ninth Circuit Court of Appeals vacated the EPA's 2001 decision to deny a waiver, the EPA still has not granted the waiver request.

"For over a decade, the congressional mandate that California use ethanol or MTBE has set back our efforts to achieve cleaner air and water, while driving up the cost of gasoline to consumers," said Rep. Cox. "The California congressional delegation has once again asked that the EPA consider a proposal that makes sense for California's environment and its economy."

California has already banned MTBE, one of the most commonly used oxygenates, because it poses significant risks to the state's groundwater and surface water resources. Without the requested waiver, California's efforts to meet its fuel needs will continue to require massive use of ethanol--a complicated and costly mandate that the California Air Resources Board asserts will jeopardize California's attainment of federal ozone standards.

The EPA recently found that the oxygenate requirement was not necessary for either New Hampshire or Arizona to meet their clean air goals. The resulting flexibility could allow the states to produce clean gasoline in the most cost-effective way possible. Today, the delegation asks EPA to allow California similar flexibility to use cleaner-burning gasoline, whether or not it contains oxygenates.

"California can improve its air quality, address the threat MTBE poses to our water, and alleviate the excessive prices for gasoline, but the oxygenate waiver is crucial to this effort. I am deeply disappointed that the U.S. EPA has not yet granted California's request," said Rep. Waxman (D-Los Angeles).

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The Clean Air Act: At what cost?

Oil firms, Sierra Club want waiver for state on adding ethanol to gas

By Mark Glover, Sacramento Bee, Sunday, March 28, 2004

With gasoline topping $2 a gallon and fears of more price spikes ahead, California is eagerly awaiting a decision on its request for a federal waiver of a clean-air mandate the state believes contributes to unstable fuel prices.

And "state" is a nearly all-inclusive word when it comes to those who object to the Clean Air Act mandate that a percentage of fuel sold in smoggy areas contain oxygenated compounds.

The coalition that wants the Bush administration to waive the gas-additive requirement for California includes an eclectic combination of groups and individuals not usually seen on the same page when it comes to environmental issues. The chorus includes Gov. Arnold Schwarzenegger, the Sierra Club, the California Environmental Protection Agency, the American Automobile Association and oil companies.

In a Jan. 28 letter to federal EPA Administrator Michael Leavitt, Schwarzenegger requested a waiver of the minimum oxygen content mandate, saying it "slows environmental improvement, raises costs and is no longer required to ensure substantial and sustained ethanol use in California."

The governor's letter was followed by another sent by Terry Tamminen, California's environmental chief, who included data supporting Schwarzenegger's contentions. Much of the state's concern is tied to an ethanol-delivery system that originates far from California's borders.

Californians already pay about 20 cents a gallon more than the U.S. average, due primarily to the state's strict pollution standards. And while federal waiver advocates have not projected exact fuel pump savings, they agree that some savings are inevitable if the waiver is approved.

In leading the charge for the waiver, Schwarzenegger echoed previous efforts by the man whose job he took -- former Gov. Gray Davis.

As governor, Davis repeatedly sought a waiver of the oxygenate mandate, going so far as to sue the federal EPA in August 2001.

At that time, Davis was also phasing out the oxygenate additive MTBE (methyl tertiary butyl ether). As of Jan. 1, California prohibited MTBE in gasoline because of water pollution concerns. The state's refineries have switched to ethanol as an alternative.

Oxygenates enhance combustion in motor vehicle engines, producing a cleaner burn and accompanying lower levels of emissions. But MTBE and ethanol must be handled differently, with a primary concern being ethanol's tendency to corrode pipelines. Oil companies add it at distribution points -- where gas goes from pipelines to trucks or ships -- while MTBE was typically mixed at refineries and moved through pipelines to distributors.

Now, many in California would prefer to see ethanol go the way of MTBE.

Their arguments could fill a book. They cite everything from refiners' ability to blend cheaper, cleaner-burning fuels to California's already strict standards for auto emissions.

And they cite multiple scenarios where ethanol could -- and already has -- been blamed for higher prices at the pump: the cost to transport ethanol hundreds or thousands of miles, tanker or rail transportation tie-ups that create spot ethanol shortages, weather conditions that produce a bad crop of corn (from which ethanol is derived), refiners that pour more gas into their blends because ethanol takes up less volume than MTBE and refiners that struggle to add proper ethanol amounts to the already tricky formula for summertime gasoline.

"Basically, we don't like the federal ingredients to meet the standard," said Jennifer Mack, spokeswoman at the AAA office in San Francisco.

Jeff Wilson, a spokesman for the Sacramento-based Western States Petroleum Association, called the ethanol-additive process "an unnecessary cost to consumers and a burden on refiners that doesn't make sense. The forced use of ethanol in California doesn't make sense.

"Give the (oil) industry a goal, and it will work to meet it. But don't mandate a government gasoline recipe."

The petroleum association has an unlikely ally in the Sierra Club, historically one of the harshest critics of the oil industry.

"In ethanol, there is a concern about evaporation, where you could actually have an increase in smog instead of a decrease," said Bill Magavern, a Sierra Club lobbyist in Sacramento. "We support the waiver. We can meet the standard without the oxygenate requirement."

The petroleum association, which represents major oil refiners such as ExxonMobil, BP and ConocoPhillips, and the Sierra Club have differing priorities for meeting clean-air standards without ethanol.

Wilson said the oil industry has an army of fuel-blending experts to turn loose on producing gasoline that is more environmentally friendly. Noting that "no two refineries are alike," Wilson said different clean-air solutions would likely be developed at different sites.

He contended that refiners' developing cleaner fuels is far better than relying on ethanol and its related transportation costs: "Ethanol adds complications. Ethanol is depending on rail (transportation) or a tanker on the Mississippi River or through the Panama Canal."

Magavern noted that the Sierra Club has long favored clean-air solutions at the manufacturing source, such as development of vehicles that do not require high-octane fuels and sophisticated engines that produce fewer emissions.

An informal sampling of Sacramento-area residents who were filling up at local pumps last week showed squeamishness about turning a possible clean-air solution over to oil companies. In a reversal of contemporary voter trends, most favored a continuation of federal regulation.

"At least with the federal government watching it, if something is not right, we can go to them and demand some answers," said Carlos Becknell, a 46-year-old Sacramentan filling up at the Unocal 76 service station at 15th and X streets.

Andrew James, a 43-year-old who moved from New York City to Sacramento almost a year ago, offered similar sentiments at a nearby pump: "When I came here from Manhattan, the cost of (homes) wasn't that bad, but the price of gas was the worst part. But I don't think I want the oil companies to have that much power in this. I think I want the (federal) government to keep an eye on it."

Others were more willing to let the oil industry have its crack at reducing air pollution.

"The people who make the gas have all the scientific knowledge to make it cleaner. Why not let them try to solve the problem?" said Carmichael resident Geraldine Leonard, filling up at a Chevron station on Greenback Lane in Citrus Heights. "I think it's in the best interest of the oil companies to make cleaner gas, and the (emissions) could be monitored by the state anyway."

That's a key point. No matter what gasoline blend oil companies might come up with, it would still have to meet California clean-fuel standards that are tougher than federal standards.

In the end, the federal EPA will make the call. And while some politicians and oil industry experts believe the agency will answer Schwarzenegger's request within a few weeks, Washington, D.C.based EPA spokesman John Millett warned that California's case is "painstaking and technical."

Millett added: "There's a wide range of issues in California. It's certainly vehicle miles traveled, congestion, climate and geography as well. ... All I can say right now is that we're still reviewing the information."

Millett also indicated that attempts to compare California's request for a waiver with two states that have already received EPA exemptions on the oxygenate requirement – Arizona and New Hampshire-- were far-fetched.

"Those are different cases with different issues," he said.

Analysts noted that New Hampshire's population density, traffic volume and climate are vastly different from California. And the New England state originally opted to go into the oxygenate program before initiating a prolonged effort to phase out MTBE.

Not surprisingly, one of the few voices calling for the preservation of the ethanol additive in California belongs to the ethanol lobby: Corn Belt states that produce ethanol stand to lose out on billions of dollars in the Golden State's massive fuel market.

In his letter to the EPA's Leavitt, however, Schwarzenegger saw a silver lining for ethanol interests, alluding to "California's fuel regulations that allow, but not require, oxygen in gasoline." The governor also mentioned the possibility of spurring ethanol production within California.

But for now, those plans are on hold as everyone waits to hear an answer from the EPA.

The Bee's Mark Glover can be reached at (916) 321-1184 ormglover@sacbee.com

http:www.sacbee.com/content/news/envirorment/story/8672810p-9600654c.html

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

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

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

Clean Air Performance Professionals

Sunday, October 15, 2006

VOTE NO on Prop. 87

The $0.51 per gal. corporate welfare to the oil refiners for adding 5.6% ethanol to California gas is about $500,000,000.00 per year

The ethanol may add over $1.00 per gal. to the gas profit in California.

That may be about $100 billion in oil profit from California motorists.

The science is interesting but so is the money.

A $4 billion Prop. 87 oil tax may add $40 billion in oil profit.

Charlie Peters
(510) 537-1796
Clean Air Performance Professionals

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California's Big-Bucks Battle Over Clean Energy

By Margot Roosevelt/Los Angeles, TIME, Oct. 23, 2006

How much will Americans do to help clean up the air, reduce global warming and promote energy independence? One test will come in November, when voters in California, the nation's biggest state, decide on a ballot measure that would raise $4 billion for alternative energy investments by taxing oil drilling. The explosive battle over Proposition 87, known as the Clean Alternative Energy Act, has turned into the costliest initiative campaign in American history — with $105 million spent so far, mostly on television spots.

Some call it Bing vs. Big Oil. The bulk of the money behind the measure comes from Stephen Bing, 41, a Hollywood producer who was, until now, best known for fathering actress Elizabeth Hurley's baby out of wedlock. Bing, heir to a $600 million New York real estate fortune and a generous contributor to Democratic candidates, has spent $40 million of his own money on Prop 87 so far. Though he won't talk to the media, he has recruited two prominent spokesmen, former President Bill Clinton and former Vice President Al Gore, as well as such Hollywood supporters as Julia Roberts, Geena Davis and Jamie Lee Curtis.

Both Clinton and Gore appear in TV ads for the initiative. "Prop 87 is the one thing Californians can do now to clean up the air, help stop the climate crisis and free us from foreign oil," Gore says in his spot. Clinton, accompanied by Davis (who starred as the first female President on last season's TV series Commander in Chief) appeared at a Prop 87 rally at the University of California in Los Angeles last week. "California is being given an opportunity and an obligation to do something remarkable to save the planet," Clinton told the crowd of 5,000. "You are dangerously dependent on unstable sources of oil, and your air is too polluted." Silicon Valley bigwigs, including Google founder Larry Page and venture capitalists John Doerr and Vinod Khosla — wagering that clean tech will be the next bonanza — have also ponied up several million in favor of the initiative.

If the measure passes, oil drilled in California, the world's sixth largest economy and the fourth largest oil-producing state in the U.S., would be taxed at a rate from 1.5% to 6%, depending on global crude prices. The proceeds, capped at $4 billion, would fund a state agency to sponsor research and projects in wind, solar, ethanol and other energy alternatives. The idea of putting a tax on oil extraction is not new — both Texas and Alaska have one — but California's idea to use the money for alternative energy projects is.

About 37% of California's oil is pumped in the state, and another 21% comes from Alaska. But the rest is imported, and the campaign for the initiative has sought to draw a link between foreign oil and global terrorism. One spot features a photograph of King Abdullah of Saudi Arabia and an angry Middle Eastern mob burning American flags, as the narrator asserts: "We buy their oil, they burn our flag." Gore warns at the end of his ad that the sooner Californians pass Prop 87, "the safer we'll be."

Such scare tactics are being used on both sides. Oil companies, led by Chevron and Aera Energy, an operation of Shell and ExxonMobil affliates, have poured $73 million so far into defeating the measure, claiming that it will raise gas prices at the pump. Proponents dispute that, pointing out that crude oil prices are set globally, not locally. (What's more, the measure includes a provision barring companies from passing the tax on to consumers.) Oil companies also claim the extraction tax will put marginal operations out of business — thus reducing the supply of domestic crude and forcing California to import even more foreign oil. "Aren't gas prices high enough?" ask anti-Prop 87 flyers distributed to voters this week.

Big Oil's campaign seems to have been effective so far. Support for the initiative has dropped from a 52%-31% lead last July to a statistical dead heat at 44% to 41% in a Field survey released on Oct. 4. Several of the state's leading newspapers are urging defeat of the initiative, including the Los Angeles Times, which called the measure "an extortion tax," arguing that "high gas prices are already creating a powerful market incentive for privately funded research on alternative fuels." Moreover, a lack of enthusiasm for California's Democratic candidate for governor, Phil Angelides, lagging far behind Republican Arnold Schwarzenegger in the polls, could discourage likely Prop 87 supporters from turning out to vote.

Supporters hope that the Gore and Clinton TV spots could give new impetus to the initiative. "It comes down to: Who do you trust?" says consultant Paul Begala, a former Clinton aide who is a strategist for the Yes on 87 campaign. "Do you believe Al Gore, Bill Clinton and [Los Angeles mayor] Antonio Villaraigosa? Or do you believe the oil companies?" In a blue state such as California, that argument carries weight. But in a state where gas prices are the highest in the nation, consumers are also worried about whether taxing Big Oil for clean air and energy independence will affect own pocketbooks.

http://www.time.com/time/nation/article/0,8599,1549682.html

Star-studded Entourage Stumps for Prop 87

By Alexis Martin, New America Media, Nov 02, 2006

SAN FRANCISCO - A state ballot initiative designed to tax oil companies to fund alternative energy development will save lives, create jobs, and combat climate change, former President Bill Clinton told a crowd of at least 2,000 at a rally in front of San Francisco City Hall Wednesday.

The crowd was restless in anticipation of the former president's arrival throughout a star-studded event that brought high profile supporters such as San Francisco Mayor Gavin Newsom, actress Eva Longoria, singer Bonnie Raitt and San Francisco District Attorney Kamala Harris to the stage. Wednesday's rally marked the final push of support for Proposition 87 in the days leading up to Tuesday's election. The initiative would impose a 1.5 to 6 percent tax on California's oil producers to raise $4 billion for alternative energy development.

"The debate over Prop. 87 is like so many decisions we're being asked to make across the country: one side says we can stay the course," Clinton said as boos erupted from the crowd. "The other side says we can do better."

Clinton is one among many celebrity supporters of the initiative, including former Vice President Al Gore, U.S. Sen. Barack Obama , D-Ill and filmmaker Stephen Bing, who has spent nearly $50 million backing the initiative.

Supporters say Proposition 87 will make oil companies pay for cleaner energy at no cost to consumers.

"The 'No' campaign was created and financed by oil companies," said Yusef Robb, campaign spokesperson for Yes on 87. "We want to let voters know that it's up to them to stop the oil companies from buying another election and keeping us dependent on the oil they sell.

Opponents of Proposition 87 say the initiative would increase prices at the gas pump, increase California's dependence on foreign oil and is not the way to advance alternative energies, according to arguments in the legislative analysis.

Many rally attendees, who admitted coming out primarily to see the former president, were already certain that they would support 87, which was leading 44 percent to 41 in the latest Field Poll. Some said Clinton's support for the initiative guided their decision to vote for it.

"I want to see Bill Clinton; he was a great president," said Kate Mangan when asked why she chose to attend. "I'm totally for 87 - even more because he's behind it."

Cheers erupted from the crowd as soon as the former president's motorcade was spotted. Newsom, who acted as emcee for the event, playfully teased the impatient crowd, promising that it would only be a few minutes until Clinton arrived throughout the two-hour program.

This is Clinton's second speaking engagement in California to rally support for Proposition 87; his first was in Los Angeles at a UCLA rally in October.

"We can save the lives of a lot of children by giving them cleaner air to breathe," he said. "We have got to be better than we are today."

http://news.newamericamedia.org/news/view_article.html?article_id=4986c332b524d8d42d8c07a70e54aff8#

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Ethanol Economics...

Tom McClintock, Citizens for the California Republic, 6/18/07

The public policy farce that the "Green Governor" unleashed with AB 32 (the so-called "greenhouse gas" law) continues. Using their newly granted power to slash carbon dioxide emissions, the California Air Resources Board (all Schwarzenegger appointees) has mandated that every gallon of gasoline sold in California must contain at least 10 percent ethanol by 2010.

First, a few basic facts. Californians use about 15 billion gallons of gasoline a year, meaning that the new ten percent CARB edict will require about 1.5 billion gallons of ethanol. Corn is the most common ethanol-producing crop in the country, yielding about 350 gallons of ethanol fuel per acre. That means converting about 4.3 million acres of farmland to ethanol production, just to meet the California requirement. But according to the USDA, California currently has only 11 million acres devoted to growing crops of all kinds. Get the picture?

The entire purpose of this exercise is to reduce the carbon dioxide emissions from California automobiles (although Californians already have the 8th lowest per capita gasoline consumption in the country). And that's where the public policy discussion becomes farce.

As more acres are brought into agricultural production, the demand for nitrogen fertilizer will grow accordingly, which is itself produced through the use of fossil fuels. And the most likely source of new agricultural land will be converting rain forests to agriculture, although deforestation is already the second biggest man-made contributor of carbon dioxide emissions, ranking just behind internal combustion. And here's the clincher: ethanol is produced through fermentation, by which glucose is broken down into equal parts of ethanol and – you guessed it – carbon dioxide.

Obviously, this edict will hit gasoline consumers hard: ethanol is less efficient than gasoline and it's more expensive – meaning you'll have to buy more gallons at the pump and pay more per gallon.

The bigger impact, though, will be at the grocery store. By radically and artificially increasing the demand for ethanol, the cost pressure on all agricultural products (including meat and dairy products that rely on grain feed) will be devastating. Earlier this year, spiraling corn prices forced up by artificially increased demand for ethanol produced riots throughout Mexico.

The CARB regulations will undoubtedly hit Californians hard – but they will hit starving third world populations even harder. Basic foodstuffs are a small portion of the family incomes in affluent nations, but they consume more than half of family earnings in third world countries.

So when the global warming alarmists predict worldwide starvation, they're right. They're creating it.

http://www.indybay.org/newsitems/2003/12/15/16659021.php

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The Farce About Ethanol..

By State Senator Tom McClintock, Free Republic, June 28, 2007

In response to my blog, "Ethanol Economics," Former Secretary of State Bill Jones (now Chairman of Pacific Ethanol), made five key points in his piece, "The Facts About Ethanol." Just for fun, let's run "The Facts About Ethanol" through the old fact-checker:

"Today, ethanol is about 65 cents per gallon cheaper than gasoline in the California market." That's only after taxpayers and consumers have kicked in a subsidy of $1.50 per gallon - or $7 billion a year paid into the pockets of ethanol producers to hide the staggering price of ethanol production. And even with the subsidy, the California Energy Commission estimates that the new CARB edict will INCREASE the price per gallon by between 4.2 and 6.5 cents - on top of the tax subsidies. Ouch.

"Allowing a 10 percent blend of ethanol into gasoline provides a 4 percent supply increase to the marketplace at a price far below current gasoline prices." Not only is the price far ABOVE current gasoline prices (see above) but Bill ignores the fact that ethanol produces less energy than gasoline - meaning you'll have to buy more gallons for the same mileage.

"CARB's recent vote reduces our reliance on oil from overseas..." Let's walk through the numbers again. One acre of corn produces 350 gallons of ethanol; the CARB edict will require 1.5 billion gallons of ethanol, in turn requiring 4.3 million acres of corn for ethanol production. Yet California only has 11 million acres devoted to growing crops of any kind. And that, in turn, means an increasing reliance on foreign agricultural produce, shifting our energy dependence from King Abdullah to Hu Jintao.

"Further, it sends a signal to companies like ours to continue to invest in California production to help make this state energy independent." Yes, you can sell a lot more ethanol with a kind word and a gun than with a kind word alone. You got me there. But it also sends a signal to the market to raise prices on every product that relies upon corn for both food and grain feed - meaning skyrocketing prices for everything from corn meal to milk. Remember the tortilla riots in Mexico in January?

"Pacific Ethanol uses state-of-the-art production practices that reduce carbon dioxide emissions by up to 40 percent compared to conventional gasoline." Unless Pacific Ethanol has re-written the laws of chemistry, ethanol is produced by converting glucose into two parts ethanol and two parts carbon dioxide. The chemical equation is C6H12O6 = 2C2H5OH + 2CO2. (Memo to Bill: If you're not using this formula, you're not producing ethanol. And if you are, you're also producing lots of carbon dioxide. Better check.)

http://www.freerepublic.com/focus/f-news/1858095/posts

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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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Lay off ethanol

Our View, News Herald, July 14, 2008 10:51:57 AM

Our View Lay off ethanol It is predicted that gasoline prices will jump 10 percent if the Senate version of a federal energy bill becomes law.

The bill would mandate tripling ethanol use in the whole country to 5 billion gallons by 2012. Agribusiness leader Archer Daniels Midland would receive 41 percent of the business.

Ethanol can harm the environment. It increases the production of "hydrocarbon and nitrogen oxide emissions," said Charlie Peters, president of the Clean Air Performance Professionals.

He pointed out that oxygenates such as ethanol "cause a degradation of the fuel process in cars," which "increases the volume of fuel you need." He estimated ethanol will increase fuel consumption up to 10 percent.

The best way to reduce pollution is to make it as easy as possible to buy new cars with high emissions standards and to repair or junk older cars that are polluters. Increasing the cost of driving means people will have less money for new cars and repairs.

The House of Representatives' version of the bill doesn't include the ethanol mandate. President Bush, aided by representatives, should make sure that this unneeded and costly ethanol mandate is not made law.-

Freedom Communications

http://www.newsherald.com/news/ethanol-15462-cars-mandate.html

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

THE WHITE HOUSE

WASHINGTON

March 11, 2011

Mr. Charlie Peters
Apartment A
21860 Main Street
Hayward, California 94541

Dear Charlie:

Thank you for sending me materials to review. I appreciate hearing from you.

I am encouraged by the outpouring of messages and suggestions from Americans across the country. Some comments are supportive, others are critical, but all reflect the desire of Americans to participate in a dialogue about our common concerns and challenges. To learn more about my Administration's agenda, please visit: www.WhiteHouse.gov.

Thank you again for contacting me and for your continued participation.

Sincerely,

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.

... DISTRICT, CALIFORNIA

COMMITTEE ON
WAYS AND MEANS

JOINT COMMITTEE
ON TAXATION

WWW.HOUSE.GOV/STARK

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, DC 20515

239 CANNON HOUSE O...
WASHINGTON, D...
(202) 225-5...

39300 CIVIC CENTER D...
FREMONT, CA
(510) 494-13...

PETEMAIL@MAIL.H...

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

Pete Stark
Member of Congress

FHS/eh

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

Clean Air Performance Professionals

21860 Main Street Ste A
Hayward, California 94541

Tuesday, February 7, 2012
Honorable David Valadao
State Capitol
(916) 319-2030 / 319-2130 fax

RE: Vote NO on Assembly Bill 523 unless amended.

Goodmorning Mr. Valadao,

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

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

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

Your AB 523 is just a short put (waiver) from better results, fuel ethanol stinks.

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

Thank you for your service

Clean Air Performance Professionals

Charlie Peters
(510) 537-1796
cappcharlie@earthlink.net
cc: interested parties

"Measured in dollars, the nation is on pace this year to ship more gasoline, diesel, and jet fuel than any other single export, according to U.S. Census data going back to 1990. It will also be the first year in more than 60 that America has been a net exporter of these fuels." ---

In a first, gas and other fuels are top U.S. export

By Chris Kahn, AP Energy Writer, Updated: 03/02/12 06:14 pm

NEW YORK -- For the first time, the top export of the United States, the world's biggest gas guzzler, is -- wait for it -- fuel.

Measured in dollars, the nation is on pace this year to ship more gasoline, diesel, and jet fuel than any other single export, according to U.S. Census data going back to 1990. It will also be the first year in more than 60 that America has been a net exporter of these fuels.

Just how big of a shift is this? A decade ago, fuel wasn't even among the top 25 exports. And for the last five years, America's top export was aircraft.

The trend is significant because for decades the U.S. has relied on huge imports of fuel from Europe in order to meet demand. It only reinforced the image of America as an energy hog. And up until a few years ago, whenever gasoline prices climbed, there were complaints in Congress that U.S. refiners were not growing quickly enough to satisfy domestic demand; that controversy would appear to be over.

Still, the U.S. is nowhere close to energy independence. America is still the world's largest importer of crude oil. From January to October, the country imported 2.7 billion barrels of oil worth roughly $280 billion.

Fuel exports, worth an estimated $88 billion in 2011, have surged for two reasons:

-- Crude oil, the raw material from which gasoline and other refined products are made, is a lot more expensive. Oil prices averaged $95 a barrel in 2011, while gasoline averaged $3.52 a gallon -- a record. A decade ago oil averaged $26 a barrel, while gasoline averaged $1.44 a gallon.

-- The volume of fuel exports is rising. The U.S. is using less fuel because of a weak economy and more efficient cars and trucks. That allows refiners to sell more fuel to rapidly growing economies in Latin America, for example. In 2011, U.S. refiners exported 117 million gallons per day of gasoline, diesel, jet fuel and other petroleum products, up from 40 million gallons per day a decade earlier.

There's at least one domestic downside to America's growing role as a fuel exporter. Experts say the trend helps explain why U.S. motorists are paying more for gasoline. The more fuel that's sent overseas, the less of a supply cushion there is at home.

Gasoline supplies are being exported to the highest bidder, says Tom Kloza, chief oil analyst at Oil Price Information Service. "It's a world market," he says.

http://www.thereporteronline.com/article/20111230/TMP08/312309977/in-a-first-gas-and-other-fuels-are-top-u-s-export

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For Immediate Release
April 11, 2012

Contact: Larry Venus
(916) 651-4031

Sen. Dutton to Author 'Gas Tax Cap'

SACRAMENTO - Sen. Bob Dutton (R-Rancho Cucamonga) has introduced Senate Bill 1396 that will provide some tax relief to consumers when gas prices rise above $4 a gallon.

Dubbed the "Gas Tax Cap" and developed by Board of Equalization member George Runner, SB 1396 caps the state excise tax on gasoline at 35.7 cents and limits sales tax to the first $4 per gallon of gasoline. It would also cap diesel taxes at their current levels.

Senator Dutton said Assemblywoman Beth Gaines (R-Roseville) will be a principal co-author of the legislation.

"I'm happy to carry this piece of legislation developed by Senator Runner," said Senator Dutton. "It will ensure taxpayers aren't gouged by additional taxes when gas prices rise above $4 a gallon, as motorists have experienced the last several months."

Dutton added, "I believe California's economy is best served when the residents have the ability to hold on to more of their hard-earned paychecks. We all feel the financial burden of increased gas prices and those high prices should not result in a windfall for government."

Should the average annual fuel price rise just one dollar-from $4 to $5 per gallon-the typical California consumer would be forced to pay 8 cents more in taxes per gallon. For most consumers this would translate into a $1 or more in additional tax for each tank of gas.

As a whole, California consumers would be burdened $1.4 billion more in gas taxes each year - on top of the nearly $7 billion in taxes they are already paying.

"Senator Dutton is stepping forward to fight for California consumers who are sick of high gas prices," said Runner. "Lawmakers like to complain about high gas prices. Now they have a chance to do something to help."

According to the American Petroleum Institute, California's gasoline taxes and fees, averaging 69 cents per gallon, are the second highest in the nation. California's diesel taxes, averaging 79.5 cents per gallon, are the highest in the nation.

Among these taxes and fees are a federal excise tax of 18.4 cents per gallon, a state excise tax of 35.7 cents per gallon and a sales tax that averages 3.12%. Notably, the sales tax is calculated on the total price of the fuel sale including excise taxes, resulting in double taxation-California consumers pay a tax on a tax.

"Most Californians don't realize they're already paying about $10 in tax each time they fill up their gas tank," said Runner. "Without a cap, that number could get even worse."

The measure would not worsen the state's budget, as Governor Jerry Brown's budget proposal projected average quarterly fuel prices of no greater than $3.82 during the 2012-13 fiscal year.

The proposal, which has received early support from the National Tax Limitation Committee, is being introduced with an urgency clause, meaning that it will take effect immediately once signed by the Governor.

http://cssrc.us/web/31/default.aspx?AspxAutoDetectCookieSupport=1

NO on California SB 1396 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

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

Big oil & big friends GMO fuel/food has moved from 2006 fuel price of $2 to $4, hundreds of $billions to the pockets of the 1%. Will GMO food affect the beef?

"Baker-Branstetter said, 'Some level of misfueling is inevitable, but retailers should do all they can to minimize it, instead of an avoidable pattern. All parties recognize the risks from selling a new fuel that is incompatible with many existing vehicles and equipment, but this risk should not be born solely by consumers'." ----------------------------------

Ethanol Liability Bill Could Put Consumers at Risk at the Pump

Staff infoZine, Saturday, April 21, 2012

Fuel providers and product manufacturers argue that they won't sell E15 or honor warranties for products that use it if they are held accountable for any of the resulting damage.

Washington, D.C. - infoZine - The House Energy and Commerce committee is considering a bill that would leave consumers on the hook for any product damage caused by E15 – a new blend of gasoline and ethanol – and other fuels or fuel additives. The Domestic Fuels Protection Act of 2012 (H.R. 4345) would shield fuel providers and automakers from any liability from any damage caused by these fuels.

The House Subcommittee on Environment and the Economy will examine the legislation in a Thursday hearing. Consumers Union, the policy and advocacy division of Consumer Reports, is scheduled to testify.

"Rather than trying to solve the problem of preventing damage from E15 and easing its transition into the marketplace, this bill would simply sweep aside all liability for everyone but the consumer," said Shannon Baker Branstetter, policy counsel for Consumers Union testifying at the hearing. "Immunizing fuel providers on the one hand and vehicle and equipment manufacturers on the other leaves consumers squeezed in the middle."

On July 25, 2011, the Environmental Protection Agency (EPA) issued regulations to help upstream fuel providers, retailers, and consumers avoid mistakenly fueling with E15 for vehicles and non-road engines for which E15 is not compatible, including vehicles manufactured before 2001 and other outdoor power equipment like mowers or boat engines. Misfueling can result in significant costs to consumers, including engine and other part replacement and paying for damage.

Fuel providers and product manufacturers argue that they won't sell E15 or honor warranties for products that use it if they are held accountable for any of the resulting damage. However, eliminating all liability removes incentives for manufacturers and fuel providers to properly inform customers of the risks of misfueling as new fuels like E15 are introduced.

In its testimony, the consumer group also proposed solutions to help reduce consumer confusion and avoid misfueling. Suggestions ranged from iconic labels on gas pumps to identify non-compatible products to prompts confirming E15 purchases, as well as separate dispensers for non-vehicle fueling.

Baker-Branstetter said, "Some level of misfueling is inevitable, but retailers should do all they can to minimize it, instead of an avoidable pattern. All parties recognize the risks from selling a new fuel that is incompatible with many existing vehicles and equipment, but this risk should not be born solely by consumers."

http://www.infozine.com/news/stories/op/storiesView/sid/51550/

NO on AB 523 & SB 1396 unless the ethanol mandate is changed to voluntary.

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

Congress of the United States
House of Representatives
Washington, DC 20515

May 11, 2012

The Honorable Margaret Hamburg
Commissioner
U.S. Food and Drug Administration
10903 New Hampshire Avenue
Silver Spring, MD 20993

Dear Commissioner Hamburg:

We write out of concern that the use of antibiotics in corn-based livestock feed may be contributing to the development of antibiotic-resistant bacteria and subverting the Food and Drug Administration's (FDA) efforts to ensure the judicious use of antibiotics in food-animal production.

Misuse and overuse of antibiotics, especially in small doses not intended to treat disease, leads to the growth of bacteria that are antibiotic-resistant, endangering humans who become infected and cannot be effectively treated with routine antibiotic therapy.[1] Antibiotic resistant strains of bacteria are a grave public health threat that is growing worldwide. When a person has an antibiotic-resistant infection, not only is treatment of that patient more difficult, the antibiotic-resistant infection may spread to other people. It is estimated that between five and ten percent of all hospital patients develop an infection, and about 90,000 of these people die every year as a result of these infections, the majority of which are antibiotic-resistant.[2]

Currently, about 80 percent of antibiotics sold in the Unites States are used in animals and have the potential to make their way into our food stream. As a step to combat the growing crisis of antibiotic resistance, just last month FDA announced that it will ask drug manufacturers to voluntarily change the labels on antibiotics used in food-animals to require a veterinary prescription. This measure is expected to drastically reduce the use of antibiotics in agriculture for the purposes of animal growth promotion.

The same antibiotics that are used in animal agriculture and that are important for human medicine such as penicillin, erythromycin, virginiamycin and tylosin, are also used by ethanol producers in order to prevent bacterial growth during the corn-based ethanol fermentation process. Producers sell the byproduct of ethanol production, known

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[1] Guidance for Industry: *The Judicious Use of Medically Important Antimicrobial Drugs in Food-Producing Animals.* Food and Drug Administration, April 13, 2012.
See:http://www.fda.gov/downloads/animalveterinary/guidancecomplianceenforcement/guidanceforindustry/ucm216936.pdf

[2] http://www.niaid.nih.gov/topics/antimicrobialResistance/Understanding/Pages/quickFacts.aspx

as "distillers grains with solubles" or DGS, as livestock and poultry feed. In 2008, FDA initiated a nationwide survey of 60 distiller grains and detected antibiotic residues in more than half of tested samples.[3] A later study by the FDA demonstrated that levels of certain antibiotics remaining in DGS have the potential to cause antibiotic resistant bacteria.[4]

A recent report by the Institute for Agriculture and Trade Policy (IATP),[5] explains that there exist non-antibiotic alternatives to combat bacterial growth in ethanol plants. Furthermore, some ethanol plants opt to operate antibiotic-free in order to sell the produced DGS to the layer hen industry where DGS with antibiotic residues, particularly virginiamycin, are prohibited by the FDA. According to the FDA "when the distillers grains are used as feed or feed ingredients the antimicrobial would be considered a Food Additive and regulated by the FDA."[6] However, according to a recent report by the Institute for Agriculture and Trade Policy (IATP),[7] drug companies that sell antibiotics to ethanol producers have stated that their drugs are not subject to FDA regulation because they are "Generally Recognized As Safe" or GRAS, which appears to be in direct conflict with FDA's posture

In order to clarify this matter and to better understand the actions the FDA is taking to address this issue, we request that you respond to the following questions and provide supporting documents and other relevant information within 15 business days or by close of business on June 1, 2012.

1. Why hasn't the FDA published the full results of the 2008 survey of antibiotic residues in DGS? Are the full results of the 2008 survey publically available? If so, where? If not, why not?

2. Did the information collected by the FDA in its surveys of antibiotic residues in DGS suggest that drug contamination may pose a risk to animals used for human consumption? Are these antibiotic residues found in meat or poultry products? Are these antibiotic residues found in milk and eggs? Please provide the full results of studies in which residues of DGS were surveyed.

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[3] *See*:http://www.fda.gov/downloads/AnimalVeterinary/Products/AnimalFoodFeeds/Contaminants/UCM151206.pdf and National Grain and Feed Association. FDA sampling detects antibiotic residues in ethanol distillers products. *NGFA Newsletter*. 2009; 61(2):1, http://www.ngfa.org/files/misc/News1-29-09.pdf

[4] Karen Blickenstaff, Faiza Benahmed, Sonya Bodeis-Jones, Marla Luther, Linda Benjamin and Mark Rasmussen, "Impact of Low Level Antimicrobial Residues in Distillers Grains," abstract, poster session of the Symposium on Biotechnology for Fuels and Chemicals, New Orleans, LA. May 2, 2012. See abstract: http://sim.confex.com/sim/34th/webprogrampreliminary/Paper21348.html

[5] *Bugs in the System: How the FDA Fails to Regulate Antibiotics in Ethanol Production.* May 2012 *See*:http://www.iatp.org/files/2012_05_02_AntibioticsInEthanol_JO.pdf

[6] *Bugs in the System: How the FDA Fails to Regulate Antibiotics in Ethanol Production.* May 2012 See page 8.

[7] *Bugs in the System: How the FDA Fails to Regulate Antibiotics in Ethanol Production.* May 2012 *See*:http://www.iatp.org/files/2012_05_02_AntibioticsInEthanol_JO.pdf

3. Does FDA believe that the presence of antibiotics in DGS used for livestock feed may pose a similar public health concern as the impact of directly using antibiotic drugs to promote livestock growth? Please fully document your response.

4. A report by the IATP presents FDA's position that antibiotics in DGS are considered Food Additives and are therefore subject to regulations under the Federal Food, Drug and Cosmetic Act, but that industry rejects this view. What is FDA doing to ensure that ethanol producers are complying with Food Additive Regulations? If FDA is not taking any action to ensure compliance or if FDA has changed its position regarding the need to comply with Food Additive regulations, please provide a clear explanation.

5. Why did FDA choose to ban the use of DGS contaminated with the antibiotic, virginiamycin, in laying hens, but not in other food-producing animals? Please fully document your response.

As the threat of antibiotic resistance expands, we must ensure that the unnecessary use of antibiotics in agricultural animals is minimized and FDA has the ability to limit their use if it serves to protect public health. We appreciate your timely response to these questions. Should you have any further questions, please have your staff contact Dr. Avenel Joseph of Rep. Markey's staff at 202-225-2836 or Dr. Carolyn Shore of Rep. Slaughter's staff at 202-225-3615.

Sincerely,

Edward J. Markey

Louise M. Slaughter

Edward J. Markey

Louise M. Slaughter

"I know of two retailers in Memphis who offer ethanol-free gas. What we all need to do as consumers is demand that ethanol-free gas be made more widely available. Ask your favorite gasoline retailer to make ethanol-free gas an option at their station. It is better for the environment and better for your car." --

Pure gasoline is a better choice

By Cooper Samuel, Memphis Commercial Appeal, May 13, 2012

Little is either known or thought about by the consumer in general about the ethanol blended into the gasoline we buy for our cars, motorcycles, lawnmowers and so on. It is something we all should think about.

Corn ethanol has had many opponents, including environmentalists who say it contributes to climate pollution, deforestation and agricultural runoff that pollutes waterways. It should also be noted that ethanol is bad for cars, lawnmowers and aircraft. Ethanol, which is a form of alcohol, dries out plastics and deteriorates rubber/neoprene, which make up many of the components in a car's fuel system. It is corrosive to many metals and contributes to gumming in carburetors and fuel injectors.

Gasoline has a higher energy content than alcohol and therefore cars get anywhere from four to six more miles per gallon on pure gasoline than an ethanol-blended gas. Pure gasoline also results in reduced costs of maintenance associated with the damage done to your car by ethanol.

I know of two retailers in Memphis who offer ethanol-free gas. What we all need to do as consumers is demand that ethanol-free gas be made more widely available. Ask your favorite gasoline retailer to make ethanol-free gas an option at their station. It is better for the environment and better for your car.

Cooper Samuel

Memphis

http://www.commercialappeal.com/news/2012/may/13/letter-pure-gasoline-better-choice/

California (GMO) AB 523 & SB 1326 are just a short put (waiver) from better results.

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

Hydrogen highway grants fail the smell test

By Thomas Elias, Ventura County Star, May 16, 2012

Millions of dollars in "hydrogen highway" grants by a state commission are drawing cries of favoritism and collusion as they seem to guarantee that most refueling stations for hydrogen fuel cell vehicles due to hit the road between now and 2017 will be owned by two large companies closely aligned with auto manufacturers.

Very quietly, the California Energy Commission is letting carmakers – seven of the eight companies involved are foreign-owned – decide which proposals for building hydrogen stations get the grants, authorized by a law passed in 2007.

So far, virtually all grants have gone to two corporations that deal in industrial chemicals including liquefied and compressed natural gas, among other products – the German-based Linde Group and Pennsylvania-based Air Products and Chemicals Inc. Recent grants to set up stations range from $1.4 million to $2 million each.

Here, You Guys Decide

"It's unprecedented for private companies to decide how state money is spent," says Jamie Court, president of the Consumer Watchdog public advocacy group. "It amounts to turning the keys of the state treasury over to large corporations."

Meanwhile, at almost the same moment the Energy Commission gave preliminary approval for its most recent $23 million in grants to Linde and Air Products, the state Public Utilities Commission agreed to a lawsuit settlement with NRG Energy Inc. Since 2010, NRG has owned most assets of Dynegy Inc., one of the major electric generators that bilked California consumers out of about $10 billion during the energy crunch of 2000 and 2001.

The settlement has NRG building $100 million worth of electric car recharging stations it will own, thus assuring it will be the biggest owner of such stations for years to come. Given that leg up for NRG, it will be difficult for smaller companies to compete, a problem also set up by the Energy Commission policy.

What the Family Looks Like

Both Linde and Air Products are members of the California Fuel Cell Partnership, which promotes development of hydrogen cars. Others among the 32 partners include the Energy Commission and the eight carmakers – Toyota, Daimler Benz, GM, Nissan, Hyundai, Chrysler, Honda and Volkswagen. That means the commission and the automakers have steered virtually all grants to their own partners. The partnership says all members pay the same dues, but won't give an amount. The Energy Commission reports it paid $87,000 to belong for 2012.

"The grant process appears totally rigged," says Court, noting there is at

least the appearance of collusion between the partner companies.
Another who believes there is illegal collusion is Paul Staples, president of Eureka-based HyGen Industries, which convinced 15 service station owners in prime locations across California to permit HyGen hydrogen pumps at their sites. These would look somewhat like today's diesel fuel pumps.

But HyGen has had only one site approved by a carmaker, a station in West Hollywood. So Staples didn't apply for one of the recent grants, explaining that one station would not allow sufficient economies of scale in making hydrogen fuel from water. Linde and Air Products locations, meanwhile, won approval from their partner carmakers for the gas-tax-funded grants.

"The collusion is as obvious as the nose on your face," said Staples. "It would be funny if it weren't so serious. Even the yearly dues are so high small companies need not apply."

The Energy Commission says it lets carmakers okay or veto refueling grant sites because they "possess confidential market data on potential early adopter fuel cell vehicle purchasers (like most hybrids, the first fuel cell cars will cost more than ordinary ones). On the basis of this confidential business information, (automakers) can identify…stations with use."

It's hard to see how any carmaker would rationally believe one approved site at the same address as an Air Products plant in industrial Wilmington, near the Los Angeles-Long Beach Harbor, would draw many car owners or why it's worthy of $2 million in tax money. But that's one grant approved by a car manufacturer and tentatively rubber-stamped in April by the Energy Commission.

Both carmakers and the commission ignored proposed HyGen sites in places like San Francisco, Pacific Palisades, Sacramento and Newport Beach, locales where swarms of hybrids were bought soon after they first became available. Asked why the Wilmington site is better suited for state money, the commission said only that it never got applications for any of the others. But applications for them were not feasible since no carmaker would approve them. Catch 22.

And yet the commission insists "there is no evidence to support the allegation of (collusion)" between carmakers and their chosen grant recipients.

The bottom line: Nothing will now undo the decision on electric car refueling stations. But there's still time for the Energy Commission to wake up and stop letting carmakers decide who gets its taxpayer-funded grants.

Mr. Elias may be contacted at tdelias@aol.com. His book, "The Burzynski Breakthrough: The Most Promising Cancer Treatment and the Government's Campaign to Squelch It," is now available in a soft cover fourth edition. For more Elias columns, see www.californiafocus.net

http://www.vcstar.com/news/2012/may/16/elias-hydrogen-highway-grants-fail-the-smell/

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"This may not be the slam-dunk, final nail in the coffin, but it raises flags that there are models in the legacy fleet that weren't built for E15 and really shouldn't be using it," John Cabaniss Jr., director of environment and energy at Global Automakers, which represents 14 vehicle manufacturers, said in a telephone interview. "Automakers have to be prepared for the introduction of a new fuel. We can't go back and redesign vehicles that have been on the road for years."

With Sales Imminent, Ethanol Blend's Impact on Engine Durability Remains Contentious

By Jim Motavalli, New York Times, May 17, 2012, 2:03 pm

A new engine-durability study that found damage in engines run on gasoline with 15-percent ethanol content proved one of two things: either the Environmental Protection Agency was hasty in authorizing the sale of the fuel blend or the study's authors produced "junk science," in the words of one critic.

Either way, the report (PDF), released on Wednesday, was not likely to assuage questions among consumers as to whether the fuel, expected to appear imminently at gas pumps, was entirely safe to use.

E15 represents a ratcheting up of the ethanol content in the standard pump gasoline formulation, known as E10. Automakers and some consumers contend that a formulation with 15 percent ethanol would harm engines, especially those of older cars. Consumers should not expect supplies of E10 to dwindle, however, as neither suppliers nor filling stations are legally compelled to produce or buy E15. The tests were commissioned by the Coordinating Research Council, a nonprofit group financed by eight major automakers and the American Petroleum Institute. As noted by our colleagues at Green, the council contracts with multiple laboratories for its tests.

In its approval of E15 in April, the E.P.A. said use of the fuel would be recommended only for cars from the 2001 model year and later. A warning sticker, the design of which has not reached final approval, would appear on gas pumps warning of its use in older vehicles, boats and small engines like those found on lawn-care equipment. That provision has not stopped consumers and automotive trade groups from arguing that misfueling may still occur.

Automakers are deeply concerned about E15, and the report is powerful ammunition.

"This may not be the slam-dunk, final nail in the coffin, but it raises flags that there are models in the legacy fleet that weren't built for E15 and really shouldn't be using it," John Cabaniss Jr., director of environment and energy at Global

Automakers, which represents 14 vehicle manufacturers, said in a telephone interview. "Automakers have to be prepared for the introduction of a new fuel. We can't go back and redesign vehicles that have been on the road for years."

The imminent arrival of E15 has inspired an unlikely alliance between automakers and environmental groups, parties who historically have been at odds with each other's agendas. Michal Rosenoer, biofuels policy campaigner at Friends of the Earth, an environmental advocacy group, said the study proved that the E15 approval process was rushed. The E.P.A., she said in an interview, "could have required additional studies on the public and environmental effects of using E15, but didn't."

In March, groups as disparate as the United States Chamber of Commerce and the Union of Concerned Scientists opposed a bill that would require a large percentage of gasoline cars to be ethanol-friendly by 2018.

Neither the E.P.A. nor the Energy Department, which conducted E15 testing, made officials available for an interview. In a blog post, Patrick B. Davis, vehicle technologies program manager at the Energy Department, defended the agency's test — 86 cars up to 120,000 miles each — on ethanol blends, and described the new study as "significantly flawed."

Among other things, Mr. Davis castigated the research council for not testing any engines on E10, the fuel in use by most motorists. He also claimed one of the engines chosen had been subject to a recall for leaky valves, including when running on E10. (The council did not disclose the engine models used.)

"We believe the choice of test engines, test cycle, limited fuel selection and failure criteria of the C.R.C. program resulted in unreliable and incomplete data, which severely limits the utility of the study," Mr. Davis wrote.

Even more scathing was Bob Dinneen, president and chief executive of the Renewable Fuels Association, a trade group representing ethanol producers. In addition to his description of the study as "junk science," Mr. Dinneen said in an interview that the stress tests used to simulate high mileage on the engines was flawed and performance on E20 was irrelevant because the fuel was "not seen in the marketplace."

Mr. Dinneen asserted the report was politically motivated, because the American Petroleum Institute had lost "10 percent of its barrel to a domestic industry. They're muddying the waters as E15 commercialization comes closer to reality and trying to scare the public, which I think is irresponsible," he said.

http://wheels.blogs.nytimes.com/2012/05/17/with-sales-imminent-ethanol-blends-impact-on-engine-durability-remains-contentious/

NO on CA / AB 523 & SB 1396 unless the ethanol mandate is changed to voluntary.

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Obama touts $3B plan for food security

By Susan Crabtree, The Washington Times, May 18, 2012

President Obama speaks May 18, 2012, at the Symposium on Global Agriculture and Food Security at the Chicago Council on Global Affairs at the Ronald Reagan Building in Washington. (Associated Press)

President Obama announced a new public-private partnership to help African farmers and fight hunger and malnutrition in a speech Friday ahead of the Group of Eight summit at Camp David.

With Irish rock star and humanitarian activist Bono in the front row of the audience, the president said a consortium of agribusiness giants including DuPont, Monsanto and Cargill, along with smaller African-based companies would commit $3 billion for projects assisting farmers in the developing world to create local markets and improved supply chains.

Along with the need to address "unacceptable" starvation, Mr. Obama said fighting hunger in impoverished areas benefits American companies by expanding the world market and advancing world peace.

'It's a moral imperative, it's an economic imperative and it's a security imperative," he said, noting that Africa once was an exporter of agricultural products.

"There is no reason why Africa cannot feed itself," he added.

Most of this weekend's G-8 summit at the presidential retreat at Camp David will focus on the deepening economic crisis in Europe, including worries over Greece and the future of the euro, as well as Iran's nuclear program and the effectiveness of the sanctions the U.S. and its allies have imposed on Tehran. Mr. Obama also wants to build on the work of the 2009 summit in L'Aquila, Italy, which sought to mobilize $22 billion over three years to increase investments in poor countries and improve food security.

But many countries have yet to fulfill the financial food security pledges they made in 2009, and the G-8 leaders will release an "accountability report' this weekend detailing how much of those funds are still outstanding. Administration officials said the U.S. has fulfilled its obligations, and the new public-private partnership does not call for further U.S. investments.

The heads of four African countries — Benin, Ethiopia, Ghana and Tanzania — will join Mr. Obama and the other G-8 leaders at Camp David on Saturday for a session on food security.

http://www.washingtontimes.com/news/2012/may/18/obama-touts-3b-plan-food-security/

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Further proof ethanol belongs in your martini and not your gas tank

By Paul Mulshine, Star Ledger, May 21, 2012

No greater fraud has ever been inflicted on the motoring public than ethanol.

Ethanol exists as a motor fuel only because the agribusiness lobby has bought a bunch of congressmen as well as a bunch of environmentalists to promote the idea that it is a sound alternative to gasoline.

It's not. Ethanol costs more than gas but has only two-thirds of the energy per unit of volume.

If you live in Jersey there's a good chance you have never been able to get real gas. So you have no basis to compare the ethanol-polluted fuel we have here with pure gasoline.

I did so a couple years ago when I drove across the country. Both were available and I found that my car ran noticeably better on pure gas as opposed to E-10. That's the gas polluted by 10 percent ethanol we're required to use here in Jersey.

The lobby is in the process of buying enough votes in Congress to force us to use E-15, a fuel in which there is only 85 percent gasoline.

On Sunday the New York Times carried this article showing the harm that can be done to engines by E-85:

A new engine-durability study that found damage in engines run on gasoline with 15-percent ethanol content proved one of two things: either the Environmental Protection Agency was hasty in authorizing the sale of the fuel blend or the study's authors produced "junk science," in the words of one critic.

The article is quite informative but the reporter goes a bit too far in an effort to achieve balance by putting that "junk science" quote from "one critic" in the first paragraph.

The one critic is not an independent scientist but a flack for an ethanol advocacy group, one that would contend any such study was invalid.

When you go to the actual study, you encounter this summation:

* Valve & valve seat wear and bore wear

* Abrasive and adhesive wear and corrosion

* Can lead to compression loss, misfire, and catalyst damage

* Catalyst durability issues from ethanol effects on calibration

The article also quotes an environmentalist making the pitch for ethanol. This is nonsense as well. As I noted here in this blog post about Syracuse scientist David Pimental, ethanol is dreadful for the environment. The worst would is E-85, which is 85 percent ethanol:

Americans are seduced by the idea that there is some "alternative fuel" that will permit them to keep driving giant gas guzzlers while also cutting oil imports. I told Pimental about watching a 110-pound woman emerge from a four-ton SUV that pulled up next to me in a parking lot. He did some quick calculations in his head.

"The tank on that car would hold 30 gallons," he said. "It takes 22 pounds of corn to make one gallon of ethanol, so that's 660 pounds of corn to fill that tank just once."

That's 660 pounds of corn that won't make it into the food chain. Yet Congress grants exemptions to the fuel-economy rules for gas guzzlers set up to run on E-85, a fuel that is 85 percent ethanol. Since ethanol has less energy than gasoline per gallon, the fuel economy on these monsters can drop as low as 8 mpg. If you think we can end our dependence on foreign oil with vehicles that get 8 mpg, then you belong in a mental institution -- or in Congress,

As I said, the only way ethanol would be used on the free market is to get you tanked up, not your car. It makes great vodka; awful fuel

http://blog.nj.com/njv_paul_mulshine/2012/05/further_proof_ethanol_belongs.html

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GOOGLE: Prop 87.(510).537-1796

"Recent AB 32 Implementation Group polling confirms that two-thirds of California voters oppose CARB's carbon credit trading plan, which is scheduled to kick off later this year with an auction in November." --

Group says state's cap-and-trade auction will further damage the already fragile economy

Editor, Lake County News, Wednesday, 23 May 2012 22:50

SACRAMENTO – The AB 32 Implementation Group, a coalition of business and taxpayer organizations, on Wednesday expressed strong concerns about the California Air Resources Board's (CARB) plan to initiate an auction of emissions permits as part of the AB 32 cap-and-trade regulation (AB 32 is California's Global Warming Solutions Act).

They observe CARB is exceeding its authority and the auction will add a tremendous strain to the state's already fragile economy.

"Imposing billions of dollars of new costs on manufacturers, power and fuel producers, agriculture, and other energy users when unemployment is in double digits and taxes may go up to balance the state budget is the height of folly," said Dorothy Rothrock, vice president of government relations for the California Manufacturers and Technology Association and AB 32 Implementation Group member. "In the end, California consumers and the state's economy will be the ultimate victims of this ill-conceived and poorly researched scheme."

"As currently planned, CARB's auction will pit California employers against Wall Street traders for a diminishing pool of allowances that they must have if they are to stay in business here. That's a recipe for continued business flight, job loss and economic decline," Rothrock continued.

The AB 32 Implementation Group contends that AB 32's carbon emissions goals can be met without a Wall Street-style auction and protect California employers, jobs and the state's economy by issuing emissions allowances up to an efficiency benchmark.

Allowing them to trade permits under a declining statewide cap would reward the most efficient companies and encourage cost-effective emission reductions.

"Despite CARB's attempt to frame the cap-and-trade auction as a source of free money, it's a textbook tax on business and consumers – pure and simple. But AB 32 doesn't give CARB taxing authority and lawmakers never intended AB 32 as a revenue generator. And since we are the only state imposing this new tax, our manufacturers will be at a competitive disadvantage. On top of other high costs in California, this will be one more reason to shift jobs and production to other locations," Rothrock added.

Recent AB 32 Implementation Group polling confirms that two-thirds of California voters oppose CARB's carbon credit trading plan, which is scheduled to kick off later this year with an auction in November.

"There is still time to fix cap-and-trade by removing the most damaging elements of the regulation, including the auction of permits," Rothrock concluded. "We should immediately send signals to investors and employers that CARB will not move forward with a job-killing auction. For the sake of the economy, consumers and the environment, CARB should make AB 32 implementation as low-cost as possible."

http://www.lakeconews.com/index.php?view=article&catid=10%3Abusiness-news&id=25177%3Agroup-says-states-cap-and-trade-auction-will-further-damage-the-already-fragile-economy&tmpl=component&print=1&layout=default&page=&option=com_content&Itemid=294

NO on CA / AB 523 & SB 1396 unless the ethanol mandate is changed to voluntary.

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Battle Brewing Over Labeling of Genetically Modified Food

By Amy Harmon & Andrew Pollack, New York Times, 24-May-12

Great Barrington, Mass. — On a recent sunny morning at the Big Y grocery here, Cynthia LaPier parked her cart in the cereal aisle. With a glance over her shoulder and a quick check of the ingredients, she plastered several boxes with hand-designed stickers from a roll in her purse. "Warning," they read. "May Contain GMO's (Genetically Modified Organisms)."

For more than a decade, almost all processed foods in the United States — cereals, snack foods, salad dressings — have contained ingredients from plants whose DNA was manipulated in a laboratory. Regulators and many scientists say these pose no danger. But as Americans ask more pointed questions about what they are eating, popular suspicions about the health and environmental effects of biotechnology are fueling a movement to require that food from genetically modified crops be labeled, if not eliminated.

Labeling bills have been proposed in more than a dozen states over the last year, and an appeal to the Food and Drug Administration last fall to mandate labels nationally drew more than a million signatures. There is an iPhoneapp: ShopNoGMO.

The most closely watched labeling effort is a proposed ballot initiative in California that cleared a crucial hurdle this month, setting the stage for a probable November vote that could influence not just food packaging but the future of American agriculture.

Tens of millions of dollars are expected to be spent on the election showdown. It pits consumer groups and the organic food industry, both of which support mandatory labeling, against more conventional farmers, agricultural biotechnology companies like Monsanto and many of the nation's best-known food brands like Kellogg's and Kraft.

The heightened stakes have added fuel to a long-simmering debate over the merits of genetically engineered crops, which many scientists and farmers believe could be useful in meeting the world's rapidly expanding food needs.

Supporters of labeling argue that consumers have a right to know when food has been modified with genes from another species, which they say is fundamentally different from the selective breeding process used in nearly all crops.

Almost all the corn and soybeans grown in the United States now contain DNA derived from bacteria. The foreign gene makes the soybeans resistant to an herbicide used in weed control, and causes the corn to produce its own insecticide.

"It just makes me nervous when you take genetic matter from something else that wouldn't have been done in nature and put it into food," said Ms. LaPier, 44, a mental health counselor whose guerrilla labeling was inspired by the group Label It Yourself. She worries that her daughter, 5, could one day suffer ill effects like allergies.

The F.D.A. has said that labeling is generally not necessary because the genetic modification does not materially change the food.

Farmers, food and biotech companies and scientists say that labels might lead consumers to reject genetically modified food — and the technology that created it — without understanding its environmental and economic benefits. A national science advisory organization in 2010 termed those benefits "substantial," noting that existing biotech crops have for years let farmers spray fewer or less harmful chemicals, though the emergence of resistant weeds and insects threatens to blunt that effect.

In a letter circulating on social networks, one Iowa farmer, Tim Burrack, criticized this month's O, the Oprah Magazine, which cited research linking genetic engineering to health concerns that many scientists have discredited and proposed "5 Ways to Lessen Your Exposure to GMO's." Mr. Burrack urged Ms. Winfrey not to "demonize GM crops."

But some food experts argue that food manufacturers have an obligation to label. Consumers "have a right to take genetic modification into consideration," said Marion Nestle, a professor of nutrition, food studies and public health at New York University. "And if the companies think consumer objections are stupid and irrational, they should explain the benefits of their products."

Until now, Americans have made little fuss about genetically modified crops on the market compared with Europeans, who require that such foods be labeled. Demonstrators in Britain are threatening to destroy some genetically modified wheat being grown in a research trial near London.

The current push for labeling in this country stems in part from a broadening of the genetically modified menu to include herbicide-resistant alfalfa and the possible approval this year of a fast-growing salmon, which would be the first genetically engineered animal in the food supply.

Gary Hirshberg, chairman of Stonyfield Farms, the organic yogurt company, has raised more than $1 million for the Just Label It campaign to influence the F.D.A. after fighting approval of engineered alfalfa, arguing that cross-pollination would contaminate organic crops fed to cows.

"This is an issue of transparency, truth and trust in the food system," Mr. Hirshberg said.

Biotechnology companies say that the California labeling initiative, while portrayed as promoting consumer choice, is really an effort by some consumer and environmental groups and organic food growers to drive genetically modified foods off the market.

"These folks are trying to use politics to do what they can't accomplish at the supermarket, which is increase market share," said Cathleen Enright, an executive vice president at the Biotechnology Industry Organization, which represents Monsanto and DuPont.

Rather than label food with what consumers might regard as a skull and crossbones, the companies say food producers may ultimately switch to ingredients that are not genetically modified, as they did in Europe.

If the California initiative passes, "we will be on our way to getting GE-tainted foods out of our nation's food supply for good," Ronnie Cummins, director of the Organic Consumers Association, wrote in an letter in March seeking donations for the California ballot initiative. "If a company like Kellogg's has to print a label stating that their famous Corn Flakes have been genetically engineered, it will be the kiss of death for their iconic brand in California — the eighth-largest economy in the world — and everywhere else."

The Grocery Manufacturers Association, which represents major food brands, declined to comment on what members would do if the California measure passed. But Rick Tolman, chief executive of the National Corn Growers Association, said after meeting with food executives this month that he had the "strong impression" that they would rather reformulate their ingredients than label their products genetically engineered. "They think a label will undermine their brand," he said.

When asked if they wanted genetically engineered foods to be labeled, about 9 in 10 Americans said that they did, according to a 2010 Thomson Reuters-NPR poll.

The current call for transparency has resonated among some Americans upset by reports of BPA (a chemical used in plastics) in food packaging and pink slime (an ammonia-treated additive) in meat. Ms. LaPier has made an effort to label Kashi cereals, which advertise themselves as natural, since learning they contain genetically modified soy. Since discovering the Label It Yourself Facebook page in March, she has added several of her own pictures to its gallery of handmade labels on grocery store shelves across the nation.

Depending on the jurisdiction, such labeling could constitute a trademark violation against the manufacturer or a trespass against the store. No one has been prosecuted, but also, no one has been caught, according to a spokesman for the group.

So far, the F.D.A. has said only that it is studying the labeling petition; none of the state-level labeling bills proposed over the last year have passed.

For labeling proponents, California, where the Legislature would be bypassed by a direct popular vote, is the big prize.

A decade ago in Oregon, a similar measure that appeared to have the support of two-thirds of voters was rejected after a last-minute spending blitz by labeling opponents. With the financial backing of the organic industry, labeling supporters in California say they will be better prepared.

http://www.nytimes.com/2012/05/25/science/dispute-over-labeling-of-genetically-modified-food.html?_r=1#

"It is reported that today California is using Brazil sugar cane ethanol at $0.16 per gal 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."

"California gas, he explained, costs more to make – because it needs to be formulated to meet the state's high standards regarding reduction in air pollution." ----

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Cleaner Gasoline Means Higher Prices in California

San Francisco CBS Local, May 28, 2012, 10:17 AM

BERKELEY (CBS SF) – Californians routinely pay some of the highest gas prices in the nation, and the current cost of a gallon at the pump is no exception. But, drivers who think they're being unfairly exploited by the oil companies should think again – says one UC Berkeley economist, who points to many other reasons why the cost of fuel is so high.

We pay, on average, 60-cents more per gallon than the national average.

The average price for a gallon of gas, nationwide, hovered around $3.68, whereas it's roughly $4.30 a gallon in California.

"I am a big conspiracy theorist myself," said a driver who identified himself only as Scott. "There doesn't seem to be any oversight whatsoever on the gas or the gas prices."

He theorized that refineries deliberately shut down refineries to drive up prices.

Not so, says Haas School of Business economist Severin Borenstein.

"I think there is some concern about the west coast gasoline market, the rest of the U.S. is actually quite competitive but we have fewer refineries in the west coast and the ownership of them is more concentrated," he explained.

"That doesn't mean that they're intentionally shutting down refineries or causing problems," he continued, "but it does change their incentives a bit."

California gas, he explained, costs more to make – because it needs to be formulated to meet the state's high standards regarding reduction in air pollution

http://sanfrancisco.cbslocal.com/2012/05/28/cleaner-gasoline-means-higher-prices-in-california/

NO on CA / AB 523 & SB 1396 unless the ethanol mandate is changed to voluntary.

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

CA BALLOT INITIATIVE WOULD REQUIRE LABELING OF GENETICALLY MODIFIED FOODS AMID GROWING EVIDENCE OF HEALTH IMPACTS

Genetically modified foods linked to animal deaths, liver damage and sharp rise in allergies

East County Magazine, May 28, 2012

(Sacramento)--California is ground zero in the growing national movement to give consumers the right to know if their food contains genetically engineered food, according to today's front page story in the New York Times.

The California Right to Know ballot initiative to label genetically engineered foods "cleared a crucial hurdle this month, setting the stage for a probable November vote that could influence not just food packaging but the future of American agriculture," wrote Times reporters Amy Harmon and Andrew Pollack.

The California Right to Know campaign submitted nearly one million signatures to the state May 2 – nearly twice the number needed to get on the November ballot. This monumental achievement puts California at the forefront of national public outcry for the right to know about genetically engineered food.

In March, more than one million people submitted comments to FDA on a petition asking for mandatory labeling of genetically engineered foods. Polls show that 90% of Americans want this type of labeling. Twenty states have tried to legislate GMO (genetically modified organism) labeling but none have succeeded, due to intense opposition from corporate special interests.

Genetically modified foods contain genes spliced from one organism into another, including adding genes from bacteria and viruses into the food supply. The goal is often to increase crop yield. This has led to at times bizarre results, such as Monsanto registering a GMO potato as a licensed pesticide after failing to gain legal recognition as a food for a potato with an herbicide gene spliced into it. The European has a moratorium banning GMOs from store shelves amid growing health concerns.

Soy allergies increased 50% in the United Kingdom after GMO soy was introduced. GMO soy contains an allergen-type protein not found in natural soy. So does GMO corn, yet the majority of the soy and corn sold in the U.S. is GMO. (You can avoid it, for now, by buying certified organic products which by law in the U.S. may not contain GMOs.)

There are troubling signs of even more serious problems. Rats fed GMOs developed serious liver problems and over half the children of mother rats fed GMO soy died within three weeks of birth, researchers found. Sheep grazing on Bt cotton plants (a GMO crop) had a 25% fatality rate within a week. Over two dozen U.S. farmers reported that BT corn caused sterility in pigs and cows. Learn more about health issues associated with GMO crops here: http://www.organicconsumers.org/articles/article_11361.cfm

California will be the only state to vote on the issue this fall. "We have a right to know what's in the food we eat and feed our children. The voters of California will surely vindicate our rights this November," said Stacy Malkan, media director for the California Right to Know campaign.

The U.S. Food & Drug Administration has not seriously investigated health risks of GMOs. Currently, however, the FDA is headed by a former executive from Monsanto, the world's leading company producing GMO products. Critics contend that the FDA has failed to protect consumers.

http://eastcountymagazine.org/print/9836

NO **on CA / AB 523 & SB 1396 unless the GMO ethanol mandate is changed to voluntary.**

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

EPA, ethanol, and catch-22

By Jonathan DuHamel, Tucson Citizen, June 01, 2012

The Environmental Protection Agency (EPA) mandates that petroleum refiners blend 8.65 million gallons of cellulosic ethanol (not made from corn) into gasoline this year. Last year the requirement was 6.6 million gallons. Oil refiners have not met the mandated requirements because commercial quantities of cellulosic ethanol do not exist. Even the records of the EPA show that no commercial supply exists. The oil refiners were fined by the EPA for failure to meet the impossible mandate.

The American Petroleum Institute and others petitioned the EPA seeking relief from the mandate. The EPA dismissed the petition saying, "the objections raised in the petition [i.e., cellulosic ethanol does not exist] ...are not of central relevance to the outcome of the rule because they do not provide substantial support for the argument that the Renewable Fuel Standard program should be revised as suggested by petitioners..."

The EPA says the mandate provides incentive for companies to begin producing cellulosic ethanol.

Production of cellulosic ethanol from wood chips has been around for a long time.

According to researcher Robert Rapier, "In 1819, Henri Braconnot, a French chemist, first discovered how to unlock the sugars from cellulose by treating biomass with sulfuric acid. The technique was later used by the Germans to first commercialize cellulosic ethanol from wood in 1898. But believe it or not, commercialization also took place in the U.S. in 1910. The Standard Alcohol Company built a cellulosic ethanol plant in Georgetown, South Carolina to process waste wood from a lumber mill. Standard Alcohol later built a second plant in Fullerton, Louisiana. Each plant produced 5,000 to 7,000 gallons of ethanol per day from wood waste, and both were in production for several years."

But they ultimately failed.

In spite of that history, there is no successful commercial production today in the U.S. The EPA wants us to repeat the mistakes of the past.

Current attempts at producing cellulosic ethanol are experimenting with the grass Miscanthus giganteus. The trouble with this approach is that the yearly production from1,000 acres would be equal to 55 seconds of U.S. oil consumption according to Rapier. So how much land would it take to meet the mandate?

The whole idea of using ethanol is to reduce our use of foreign petroleum. But growing the grass or corn takes petroleum to farm and process the source material. Also ethanol has less energy than gasoline so we wind up using more gasoline anyway.

The whole thing is just so much folly, but such is the state of energy policy in the Obama administration.

http://tucsoncitizen.com/wryheat/2012/06/01/epa-ethanol-and-catch-22/

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

Bill Clinton, Al Gore & Senator Obama supported the California 2006 Prop. 87. Bill, Al, have changed opinion on the GMO ethanol mandate, I wonder if Obama will make this the time for CHANGE?

"Flint Hills Resources LLC, the unit of Koch Industries Inc. that invested in Edeniq Inc. last month, is using the company's equipment at one of its four corn-based ethanol plants to boost production." --

Flint Hills Using Edeniq Gear to Boost Ethanol Yields

By Andrew Herndon, Bloomberg, June 4, 2012 3:00 PM PT

Flint Hills Resources LLC, the unit of Koch Industries Inc. that invested in Edeniq Inc. last month, is using the company's equipment at one of its four corn-based ethanol plants to boost production.

Flint Hills will test the company's process for making cellulosic ethanol from non-food plant material, and may order additional "bolt-on technologies" to outfit its other three plants with similar capabilities, closely held Edeniq said today in a statement.

Edeniq, based in Visalia, California, is installing its Cellunator milling equipment, which will make more corn starch available for ethanol fermentation, at Flint Hills' plant in Fairbank, Iowa. It also will provide systems for extracting oils that can be sold to biodiesel producers.

"With Cellunators, we typically see between three to five percent improvement in yield," Brian Thome, Edeniq's chief executive officer, said today by telephone. The corn oil "adds another high-value co-product to the revenue stream" in addition to cattle feed that plants typically produce, Thome said.

Flint Hills also operates plants in Iowa Falls, Menlo and Shell, Iowa, and its four facilities have a combined production capacity of 440 million gallons a year.

Edeniq earlier this year started up a cellulosic ethanol pilot plant at its headquarters that was partially funded by the U.S. Department of Energy. The enzymes and mechanical equipment developed there will be tested by Flint Hills initially and may be sold to other U.S. ethanol producers beginning next year, Thome said.

His company plans to partner with Brazilian sugar cane ethanol producers to improve the yields of their facilities, with the first deal expected later this year, he said.

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To contact the editor responsible for this story: Reed Landberg at landberg@bloomberg.net

http://www.bloomberg.com/news/2012-06-04/koch-s-flint-hills-installs-edeniq-gear-to-boost-ethanol-yields.html

GOOGLE: (510) 537-1796 Prop.87.2006

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

Looming congressional standoff stems from order to include corn-based fuel in all gas

By Leslie Brooks Suzukamo, Twin Cities, June 5, 2012

Expect a fight between Congress and the oil companies over the federal mandate that requires 10 percent ethanol be mixed in with U.S. gasoline supplies, the head of ethanol's trade association told ethanol producers gathered in Minneapolis.

"Brace yourselves, because it's going to be brutal," Bob Dinneen, president and CEO of the Renewable Fuels Association, told the audience Tuesday, June 5, at the International Fuel Ethanol Workshop at the Minneapolis Convention Center.

The promise of a political battle comes on the heels of last year's loss in Congress of a $6 billion tax credit that had supported ethanol for two decades.

But the market for the corn-based biofuel did not collapse with the tax break because the industry can rely on the U.S. Renewable Fuels Standard that requires gasoline contain 10 percent ethanol made from corn.

That standard also has allowed the industry to grow from producing 6.5 billion gallons in 2007 to about 14 billion last year, according to the Renewable Fuels Association.

But the industry has hit the so-called "blend wall" of 15 billion gallons, meaning it's produced all the ethanol that can be blended.

To continue to grow, the industry wants to sell higher ethanol blends of gasoline, including a 15 percent blend called E15 that the U.S. Environmental Protection Agency recently approved for use in late model cars and trucks.

E15 has yet to go on sale because retailers have not been cleared to sell it.

Meanwhile, the oil industry is actively lobbying for the Renewable Fuel Standard to be repealed, Dinneen said.

The industry is afraid that if E15 gains traction in the marketplace, it will further erode oil's share of the American gas tank, the ethanol trade association leader said in a fiery speech to the attendees.

"The oil industry will stop at nothing to stop E15," he said.

To be sure, ethanol has seen better times.

Environmentalists, once aligned with the ethanol industry, lately have criticized the biofuel for diverting corn from the food market to the gas pump, and raising food costs in the process.

Poultry and livestock farmers say ethanol has driven up the price of their feed, cutting their margins.

A conference panel discussing the health of the ethanol industry said Tuesday that the loss of the Volumetric Ethanol Excise Tax Credit, VEETC, last year has had little effect on the industry.

Randy Doyal, CEO of Claremont-based Al-Corn Clean Fuels said the VEETC credit mainly benefited the refinery blenders, making their gasoline cheaper to sell, a view echoed by many at the conference.

But the industry is undergoing consolidation, and Al-Corn has benefited by picking up two ethanol plants in Minnesota and Ohio, Doyal said afterwards.

The panelists, among the stronger players in the market, said that ethanol producers can survive without VEETC if they pay attention to the basics, such as having a good location, strong management, adequate capitalization and good risk management practices to handle fluctuations in corn prices.

"If you're in the upper class of companies, you will survive because you can live on margins that others cannot," said Mark Marquis, president of Marquis Energy Inc. of Hennepin, Ill.

The real growth of the industry will rest not upon E15 but a non-corn ethanol called cellulosic ethanol, said Mark Yancey, vice president of BBI International Consulting Services, which assists the ethanol industry and organizes the conference.

The Renewable Fuel Standard calls for 16 billion gallons of cellulosic ethanol by 2022, he said. That would put to rest the food-vs.-fuel debate of corn ethanol.

Leslie Brooks Suzukamo can be reached at 651-228-5475. lsuzukamo@pioneerpress.com

http://www.twincities.com/allheadlines/ci_20786726/ethanol-producers-brace-fight-from-congress-oil-industry

"He said Raizen, a joint venture between Brazil's biggest sugar and ethanol producer, Cosan, and Royal-Dutch Shell, would increase shipments to the U.S. market by 20 to 30 percent due to the favorable exchange rate." --

Raizen expects to sell more ethanol to US - exec

Thomson Reuters, 8 June 2012

* Raizen seen exporting 20-30 pct more ethanol to U.S.
* Real-dollar exchange favors ethanol exports to U.S.
* Imports of U.S. corn-based ethanol seen after U.S. summer

SAO PAULO, June 8 (Reuters) - Raizen, Brazil's largest seller of sugar and ethanol, expects ethanol exports to the United States to grow by 20 to 30 percent this 2012/13 season, a company executive said in a newspaper interview published on Friday.

Leonardo Gadotti Filho, vice president of logistics, trading and distribution, told Valor Economico that 500 million liters of ethanol exports to the U.S. market had already been contracted for this year, equivalent to Raizen's total exports to the United States in 2011.

He said Raizen, a joint venture between Brazil's biggest sugar and ethanol producer, Cosan, and Royal-Dutch Shell, would increase shipments to the U.S. market by 20 to 30 percent due to the favorable exchange rate.

"The (stronger) dollar is making the business more attractive," he said

Brazil will continue to swap Brazilian cane ethanol exports for U.S. corn-based ethanol imports this year, he added.

Brazilian ethanol gets a premium on the U.S. market because it is recognised as an advanced biofuel under U.S. renewable fuel standards.

But with local demand for ethanol far exceeding supply, Brazil has been importing U.S. corn-based ethanol to help offset its demand-supply gap.

Imports of U.S. ethanol should pick up in the second half of the year.

"It will be in the post-summer season, when consumption of ethanol slows in the United States and prices fall there," he said. "At the same time, prices rise in Brazil as the harvest of cane nears its end."

Apart from the slightly larger cane crop this year in Brazil, Gadotti estimated that mills would shift a little more cane to ethanol production this year, away from sugar, making exports of ethanol Less likely to hurt local supply.

"There hasn't been an impact on internal supply, since we export Brazilian ethanol while we import American ethanol. It's an exchange of volumes," he said.

He also expects shipments of Brazilian industrial ethanol for use as feedstock in "green" plastic projects in Asia to increase this year.

He said Raizen's overall shipments could reach 1 billion liters of ethanol this year. It traded 6-7 billion liters of ethanol last year, while producing about 1.9 billion liters. Production and trading volumes are expected to be similar in 2012.

The agriculture ministry's crop supply agency Conab forecast the current crop that started crushing in April will put out 23.96 billion liters of ethanol, up from 22.86 billion last year.

Raizen has not responded to a request by Reuters for comment on the interview by Gadotti in the paper.

http://in.reuters.com/article/2012/06/08/ethanol-brazil-idINL1E8H87D520120608

NO on CA-AB 523 & SB 1396 unless the ethanol mandate is changed to voluntary.

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

Corporate welfare is soooo much fun. Just import an Italian company to export the profits.

"Sen. Harris Blake, R-Moore, said lawmakers are looking forward to a payoff on biofuels from taxpayers' investments.

"We spent a lot of money on that biofuels center, I mean big bucks," said Blake, who backs drilling for the natural gas believed to be in underground deposits centered on his home district. "Now we need to do something if we think there's any potential future for it. A lot of people think there (is)." --

Rocky Mount Telegram, Associated Press, June 9, 2012

OXFORD – North Carolina's farm economy, already the state's largest industry, could be nearing a milestone as policymakers and business executives take another stab at betting on ethanol.

An Italian company's Wilmington-based subsidiary is geared up to build a factory that can convert grassy plants into fuel for cars and trucks amid Sampson County's hog and turkey growers.

With financial and verbal encouragement from local, state and federal governments, the company has picked a site that takes advantage of the smelly concentration of industrial-scale hog farming operations. The idea is it can get a relatively cheap, abundant supply as hog farmers grow fuel plants on land used to absorb the dirty but nutrient-rich water from their waste-holding lagoons.

"I'm sure that there would be a lot of people that would be interested in doing that. It just depends on what your situation is," said farmer Gerald Warren of Newton Grove, who has attended community meetings about the project. But he doubts he'll replace the Bermuda grass that now soaks up nutrients from the wastewater of about 100,000 hogs a year, since he feeds all the hay he can grow to the 900 cattle he also raises.

"It could be a good thing," Warren said of Chemtex International's plans. "I'm certainly not negative toward it."

The project may be the most promising project yet to come out of an unusual, four-year-old effort to boost North Carolina's agriculture with a wave of field-grown alternative fuel stocks. The Biofuels Center of North Carolina has produced economic estimates that project profits for both ethanol-maker Chemtex and pork producers in Duplin, Sampson and Wayne counties now using nearly 100,000 acres as sprayfields.

The Oxford-based Biofuels Center has gotten $20 million from taxpayers for its 10-year mission of establishing a biofuels industry that converts grasses, wood pulp and even algae into motor fuels the future may demand. The center calls itself the nation's only state agency with a mission to help businesses, universities and others involved in the science, growing, production and logistics of biofuels.

"Anyplace that can grow has the capability for biofuels," Biofuels Center President Steven Burke said. But "North Carolina is perfectly suited, for we have diversity of land, growing conditions and climate able to grow a large variety of fuel plants."

Chemtex hopes to "take some pretty marginal land, land that's not producing major value to farmers, like sprayfield land. We see that as an opportunity," project manager Allana Whitney said.

The ethanol plant is waiting for the U.S. Agriculture Department to approve a loan guarantee. The state's first ethanol plant went bankrupt last year despite $35 million in USDA loan guarantees and millions more in loans and private investment. That Raeford-based company couldn't produce ethanol cheaply enough after surging demand for corn from developing countries drove up the price.

Chemtex is looking to imitate the world's first commercial-scale cellulosic ethanol plant, which its parent company Gruppo Mossi & Ghisolfi expects to open soon in northwestern Italy. Cellulosic ethanol comes from non-food plants, in contrast to the fuel factories that have depended for decades on corn or other food grains.

The Biofuel Center thinks the Chemtex site near Clinton could be the first of more than a dozen ethanol plants statewide, each employing several dozen workers. The ethanol operations and the jobs will be spread out because the plants used for fuel are heavy and too expensive to transport far, U.S. Agriculture Secretary Tom Vilsack said during a visit to the biofuels center last month.

"So these bio-refineries will not be large in scale. They'll have to dot the rural landscape," he said. "These jobs by their very nature of where the fuel will be produced, will be in small communities in rural areas."

Besides related jobs in supplying the ethanol operations with materials, transportation and innovations, companies in North Carolina, Wisconsin and elsewhere are springing up to develop spinoff products like bottles that feel like plastic but come from rebuilt plant molecules, Vilsack said.

Biofuel refineries are already springing up in Iowa, Michigan, Oregon and elsewhere, though most federal tax subsidies expired last year. But demand persists as the military tries to go green.

To cut its reliance on foreign oil, the Navy, USDA and the U.S. Energy Department are pumping $500 million into producing fuels to power the country's warships and planes. The Navy is shooting for getting half its energy needs from oil alternatives by 2020. The Air Force plans to convert half of its petroleum-based jet fuel to other sources by 2016.

Fort Bragg's goal is to cut consumption by half between 2005 and next year in vehicles unrelated to war-fighting. It has 1,200 flex-fuel automobiles, fire trucks and road-graders that burn different ethanol blends.

Airlines also are demanding biofuels. International Air Transport Association chief executive Tony Tyler said Thursday airlines have made about 1,500 commercial flights using biofuels, which create less pollution and carbon emissions. The global airline industry group wants governments to encourage production to increase volume and lower costs.

Sen. Harris Blake, R-Moore, said lawmakers are looking forward to a payoff on biofuels from taxpayers' investments.

"We spent a lot of money on that biofuels center, I mean big bucks," said Blake, who backs drilling for the natural gas believed to be in underground deposits centered on his home district. "Now we need to do something if we think there's any potential future for it. A lot of people think there (is)."

http://www.rockymounttelegram.com/news/ncwire/ethanol-maker-see-green-field-grown-fuel-1096993

***NO** on CA / AB 523 & SB 1396 unless the ethanol mandate is changed to voluntary.*

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

Is Sunoco, SHELL, BP, DuPont, Monsanto, Pacific Ethanol, Government-motors, Cargill & Valero in the GMO food/fuel game? ---
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Group to launch campaign touting benefits of ethanol

By Skyler Swisher, Daytona Beach News-Journal, June 11, 2012

DAYTONA BEACH -- American Ethanol, an official partner of NASCAR, is launching a national campaign that aims to educate race fans about the benefits of the fuel.

Ethanol will be promoted on Turner Sports, TNT and NASCAR.com, along with race entitlement sponsorships at Iowa Speedway and Chicagoland Speedway.

The campaign features Richard Childress Racing driver Austin Dillon, grandson of legendary NASCAR team owner Richard Childress.

The 2011 NASCAR Camping World Truck Series driving champion and NASCAR Nationwide Series championship contender stars in a 30-second national television commercial that highlights the benefits of U.S.-made ethanol. Fellow driver Kevin Harvick also makes an appearance in the spot, which is scheduled to debut during the broadcast of the Pocono 400 NASCAR Sprint Cup Series race on TNT.

-- Skyler Swisher

http://www.news-journalonline.com/business/local-business/2012/06/11/group-to-launch-campaign-touting-benefits-of-ethanol.html

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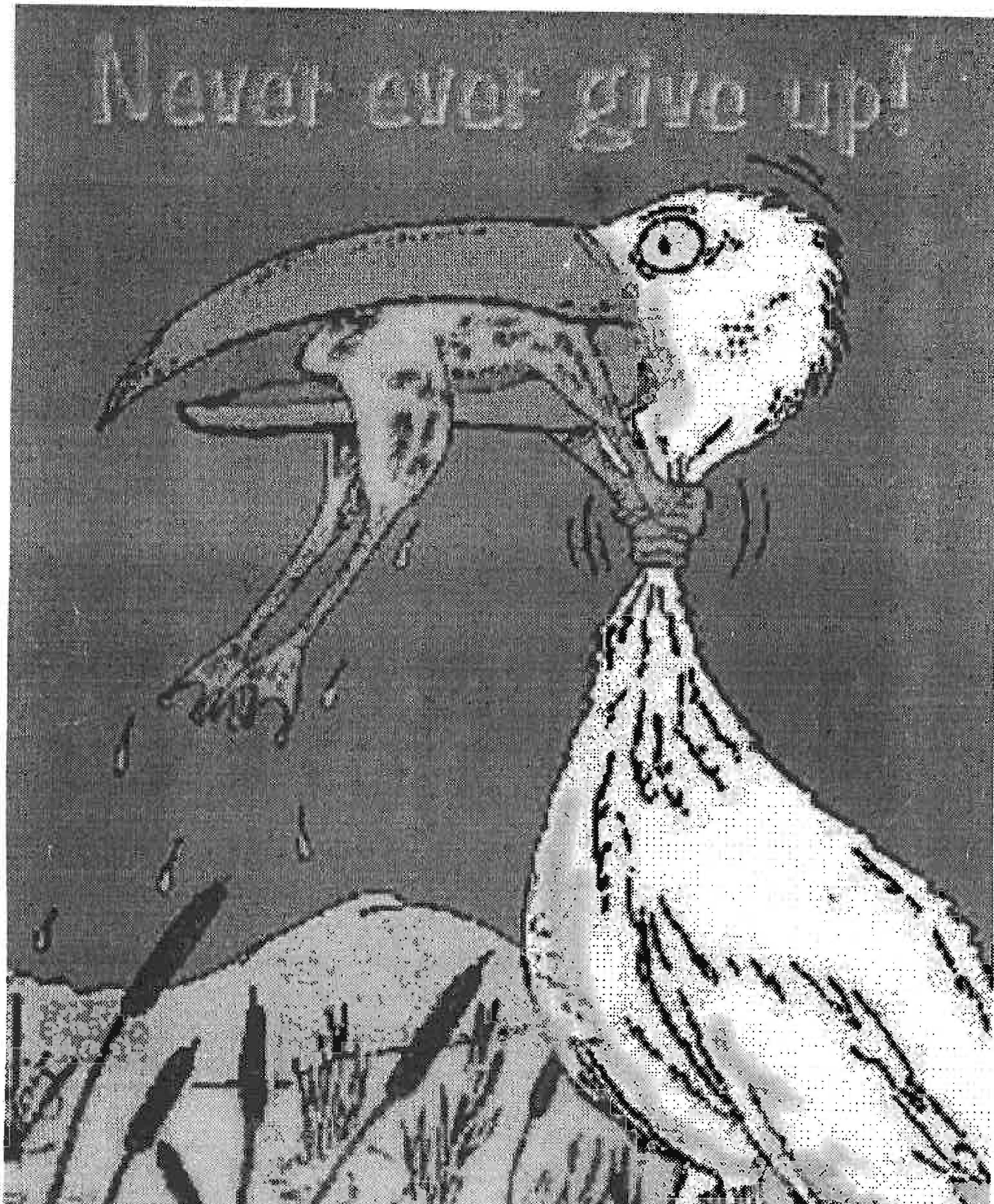
Never ever give up!

Next month, Sunoco's Philadelphia refinery will become the latest in a number of refinery closures which have resulted in a 4% decline in refining capacity in the US since last year.

Overall, gasoline demand in the US declined since the 2008 spike at $147 a barrel and flattened since the subsequent global economic recession, said Drevna.

Biofuels Seen as a Small but Growing Threat

Although advanced biofuels are at de minimis levels of production this year, Raymond James equity research analysts forecast 800 million gallons of production by the end of 2013.

Meanwhile, the 133.93 billion gallons of gasoline consumed in the US last year contained about 12.87 billion gallons of ethanol, accounting for 9% of each gallon pumped into tanks.

Advanced biofuel and ethanol production are unlikely to make too much of a dent in the US liquid fuel market which is expected to sell 186 billion gallons of gasoline and diesel this year.

But AFPM sees mandates on alternative sources of liquid fuels for transportation and chemicals as a direct threat to the industry - and the American economy.

"We don't think [biofuels] should be mandated whether it's corn ethanol, biofuels or biodiesel until such time as those products are as efficient, reliable and abundant as gasoline and diesel produced from petroleum," said Drevna. "Until they are able to compete head to head then let the free market decide, let the consumer decide.

"...E15 goes way beyond what makes sense." - Drevna

"The RFS was based on ideology and political science rather than reality and real science. We believe it needs to be significantly modified to prevent harm to American consumers and the economy."

But the RFS2 has not been without its problems. Earlier this year, the EPA had to revise down its quota for cellulosic ethanol from 500 million gallons to 10.5 million gallons as advanced biofuels are still at zero commercial production. But refiners were still fined $6.8 million by the EPA - part of what Drevna said was a "hidden tax" for the consumer as costs were transferred to the consumer.

US ethanol producers last year reached saturation point of production for its domestic market as a 10% blendstock in gasoline. EPA's decision to raise the maximum percentage blend to 15% is potentially dangerous, said Drevna.

A recent Coordinating Research Council (CRC) study found that there are at least 5 million vehicles on American roads which are at risk of failure with 15% ethanol blended fuel.

"We don't think the EPA has the authority to bifurcate the fuel system. How much corn are we going to use to blend when we have enough oil under our own feet and off our own shores? We're not anti-ethanol but E15 goes way beyond what makes sense."

http://energy.aol.com/2012/06/12/oil-refiners-launch-counter-offensive-on-obamas-war-on-fossil/

Oil Refiners Launch Counter Offensive on Obama's 'War on Fossil Fuels'

By Felicity Carus, AOL Energy, June 12, 2012

America's oil refiners are preparing to intensify efforts to press the federal government to drop mandates to encourage the development of advanced biofuels and counter the Obama administration's "war on fossil fuels."

The Renewable Portfolio Standard requires that 36 billion gallons of renewable fuel be blended with petroleum-based products by 2022 under the Bush-era Energy Independence and Security Act of 2007.

Five years can be a very long time in US energy politics, said Charles Drevna, president of the American Fuel & Petrochemical Manufacturers, whose members include oil supermajors such as Shell, BP and Chevron.

"RFS2 was really conceived at a different time in the nation's history even though it was only a few years ago. There was a thought permeating through Congress that we were eventually going to run out of natural resources.

Policy Tools not keeping Pace with Shifting Market Dynamics

"Since then, as a nation we fully understand we're not an energy poor nation, we're an energy rich nation with the advent of fracking and horizontal drilling.

"We've had this 4-5 year experiment going on which we believe has proved to be a failure."

The RFS2 demonstrates how quickly the dynamics of the energy industry can outgrow policy, said Drevna, in an exclusive interview with AOL Energy.

"Policymakers haven't kept pace [with change in the energy industry] and that's always a problem when you have new technology and entrepreneurship being developed but when you're forced to apply mandates and uneconomic solutions once they're passed they're very difficult to get amended.

"One of our major goals at AFPM is to have Congress and whatever administration it is to take a long hard look at the RFS and come to the epiphany that if we want to limit our reliance on foreign sources of crude oil the best way to do it is to develop our own resources and forget this totally anti-consumer anti-environment anti-common sense approach to national security which is mandating biofuels and renewables."

At the end of May, Drevna warned the House Committee on Oversight and Government Reform: "The policies of the administration and EPA continue to support a war on fossil fuels that ultimately harms consumers, workers, the economy and our country's national security."

AFPM is a 110-year-old trade association which represents 98% of US oil refiners that process 18 million barrels of oil a day with a combined annual revenue of $725 billion.

In April, the US Energy Information Agency forecast that US gasoline demand this summer - usually a peak period - is expected to be the lowest in 11 years, partly due to rising gasoline prices at the pump and more fuel efficient vehicles.