

EPA Won't Give a Pass on Fuel Additive

Three states lose their bids to not oxygenate gas. California, which has tough standards, says the rule actually increases air pollution.

By Tom Hamburger, Los Angeles Times, June 3, 2005

WASHINGTON - EPA Administrator Stephen L. Johnson rejected a request Thursday from California and two other states to waive requirements that gasoline contain an additive to reduce air pollution.

Johnson said the states had not shown that using an oxygenate - a substance that adds oxygen to the gasoline - would interfere with their ability to meet federal air standards. As a result, the waiver request was denied.

The decision was criticized by Sen. Dianne Feinstein (D-Calif.), California Gov. Arnold Schwarzenegger and officials from New York and Connecticut - the other states that had requested waivers.

The move was praised by corn growers and manufacturers of ethanol, an oxygenate made from corn.

"With this decision, the EPA continues to acknowledge the proven benefits ethanol has on air quality," Leon Corzine, the president of the National Corn Growers Assn., said in a statement.

The substances most commonly used as oxygenates are ethanol and MTBE, or methyl tertiary butyl ether. California banned MTBE in March 1999 because of concerns over groundwater contamination from leaks in storage tanks.

In April 1999, then-Gov. Gray Davis requested a waiver from the oxygenate mandate. In 2001, the Environmental Protection Agency denied California's application, saying the state did not demonstrate what the effect on the ozone level would be if the waiver were granted.

As a result, California is compelled to blend ethanol with gasoline, raising the cost and, critics say, increasing air pollution in the summer. The state has the most stringent gasoline standards in the nation and has reduced emissions without requiring such additives.

"The California Air Resources Board researched this issue at length and found that ethanol-blended gasoline does not help California meet the goals of the Clean Air Act as it relates to ozone formation," Feinstein said in a statement. "In fact, ethanol actually increases the emission of pollutants that cause ozone in the summer months."

Feinstein said in her statement that she had spoken with the EPA's Johnson about the decision and that she was "reviewing options."

An aide to Schwarzenegger said the governor was unhappy with the decision.

"California has demonstrated it can produce clean fuel that protects air quality without the use of oxygenates," said Schwarzenegger spokeswoman Julie Soderlund in Sacramento. "The governor has called upon Congress to address this issue through the federal energy bill."

Feinstein, a member of the Senate Energy Committee, recently succeeded in adding language to pending energy legislation that would grant California a waiver from the oxygenate requirement during the summer.

Federal law mandates that gasoline sold in areas with smog contain 2% oxygen by weight. The law does not say which oxygenate must be used.

The three states that petitioned the EPA use only ethanol because of concern about MTBE's threat to groundwater.

The EPA rejected the New York and Connecticut petitions for what it said was a failure to submit sufficient technical data.

California offered data, but the EPA concluded that the state had "not demonstrated that the oxygen content requirement prevents or interferes with the state's efforts to achieve clean air."

Under terms of the Clean Air Act, the agency said, it was required to reject the request.

EPA rejects waivers of state ethanol rules

By John Heilprin, Associated Press, Printed in Tri-Valley Herald, June 3, 2005

WASHINGTON - Motorists in California, New York and Connecticut will have to continue using corn-based ethanol in their gasoline to cut air pollution at an extra cost of up to 8 cents a gallon. The three states had asked the Environmental Protection Agency to waive a 1990 requirement in the Clean Air Act that gasoline contain an oxygenate - either ethanol or MTBE - to help fight air pollution.

In a boost to corn and ethanol producers, EPA Administrator Stephen Johnson decided Thursday that the states had not shown that using an oxygenate has prevented or interfered with their ability to meet federal air standards.

The agency said it considered other factors, including "increased energy security and support for rural and agricultural economies." Critics accused the agency of playing "ethanol politics."

Oxygenate additives on average increase the price for gasoline by 4 cents to 8 cents per gallon, the EPA estimates. But the benefits include at least 100,000 tons per year fewer smog pollutants nationally. That is equivalent to the tailpipe emissions of 16 million vehicles.

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Lawmakers from the affected states were disappointed by the EPA's decision.

"With gas prices already through the roof it is unconscionable for the EPA to play ethanol politics," said Sen. Charles

EPA: States must keep using corn-based ethanol in cars

**By John Heilprinthe, Associated Press
Modesto Bee, Friday, June 3, 2005**

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"With gas prices already through the roof it is unconscionable for the EPA to play ethanol politics," said Sen. Charles Schumer, D-N.Y. "There are many other ways to keep the air clean without using ethanol, but the EPA is more interested in political games than the costs to New York drivers."

Connecticut's attorney general, Richard Blumenthal, said the order was a "gargantuan gift to the ethanol industry."

Sen. Dianne Feinstein said California's gasoline is formulated to a higher standard than required by the Clean Air Act before ethanol is mixed in. The California Democrat said some research shows ethanol even contributes to summer smog.

"The scientific evidence linking ethanol-blended gasoline with air pollution continues to mount," Feinstein said. "Yet the EPA continues to resist taking the right action."

The EPA in 2001 rejected California's request for a waiver. A federal appeals court ordered the Bush administration to reconsider the decision.

The American Farm Bureau Federation, a trade group, said the decisions benefits everyone, not just farmers and ranchers.

"Ethanol burns cleaner, is lower cost and contains a renewable fuels component," said Bob Stallman, the federation's president.

Ethanol or MTBE gasoline blends have been in use since 1995.

Currently they are in use in 17 states and the District of Columbia.

In April, the House passed an energy bill that would eliminate the 2 percent oxygenate requirement.

EPA to state: Ethanol rule stands

The agency again denies a request to dump gas additive.

By Dale Kasler – Bee Staff Writer

Sacramento Bee, Friday, June 3, 2005

The federal government ordered California on Thursday to continue blending ethanol into its gasoline, rejecting for a second time the state's plea to scrap the rule requiring use of the controversial fuel additive.

State officials and refinery executives have been pushing the U.S. Environmental Protection Agency for years to drop the ethanol requirement.

They say the requirement can increase gas prices several cents a gallon and, because of ethanol's chemical properties, can actually worsen California's air pollution problems in summer.

But the EPA, ruling for the second time in four years, said California hadn't proved that the requirement "prevents or interferes with the state's efforts to achieve clean air."

It issued similar denials to Connecticut and New York, which also sought the removal of the ethanol requirement.

California officials had continued fighting the requirement even though ethanol, which replaced the fuel additive MTBE in 2003, is being blended in practically every corner of California.

They say ethanol has its place in California as a pollution fighter, but the federal rule forces the state to use ethanol even when it isn't beneficial.

"We're disappointed," said spokesman Jerry Martin of the California Air Resources Board, which regulates fuel formulas.

"We have no problem with ethanol - we just don't think that the requirement works very well in a hot climate like California in the summertime."

The EPA, in congressional testimony in July, estimated that ethanol can add 4 cents to 8 cents to the price of a gallon of gas.

But ethanol backers say the additive has become so cheap that it actually helps bring pump prices down. They also cite ethanol as a clean-burning, renewable product that can reduce California's dependence on oil, and hailed the EPA's decision.

"It's a very positive day for the air quality in California and the consumers in California," said Neil Koehler of Pacific Ethanol Inc., which is starting construction on a \$60 million ethanol-production plant in Madera.

Koehler and his partner, former California Secretary of State Bill Jones, are among a small but growing army of entrepreneurs angling to build ethanol plants in the state.

Yet state officials contend the ethanol requirement is too rigid. "California recognizes the benefits of ethanol to reduce petroleum demand, but our state needs the flexibility to use it in a way that does not threaten our air quality," said a statement released by Gov. Arnold Schwarzenegger's office.

"The scientific evidence linking ethanol-blended gasoline with air pollution continues to mount," U.S. Sen. Dianne Feinstein, D-Calif., said in a prepared statement.

"Yet the EPA continues to resist taking the right action."

Feinstein last week persuaded the Senate Energy Committee to add a clause to a pending energy bill that would exempt California from the ethanol requirement during summer.

"When the temperature is the hottest, ethanol can contribute to the smog in California," said Feinstein spokesman Howard Gantman.

The EPA decision pitted California against Midwestern agribusiness interests, whose political clout in Washington has already spawned significant tax subsidies for ethanol. The matter was being closely watched because California uses about one-fourth of all the ethanol produced in the United States.

Without California as a market, the ethanol industry would be in huge trouble.

Connecticut's attorney general, Richard Blumenthal, said the EPA decision was a "gargantuan gift to the ethanol industry."

California oil refiners say they'll continue using ethanol regardless of the EPA's decision.

But they believe the requirement puts them in a kind of straitjacket that limits their ability to tinker with fuel recipes to maximize production.

As a result, the requirement can add a few pennies a gallon to gas prices, they say. The current statewide average is \$2.41 a gallon for self-serve regular, AAA says.

"When ethanol is required, it reduces the flexibility of refiners," said Joe Sparano, president of Western States Petroleum Association, the refiners' trade group.

"The industry has made it very clear: Removing the federal mandate and getting the waiver would be positive."

Yet ethanol backers say ethanol has become so cheap that it actually keeps gas prices lower.

A production boom in the Midwest has created a bounty of inexpensive ethanol.

"Ethanol prices are extremely attractive because there is an oversupply of ethanol nationally relative to demand," said Pat Perez, manager of transportation fuels at the California Energy Commission.

But while the spot-market price of ethanol has fallen to about \$1.22 a gallon, much of the ethanol currently being used was purchased a while back at significantly higher prices via long-term contracts, inflating the cost of gas, said petroleum industry consultant David Hackett.

The controversy began after Congress in 1990 required smog-ridden regions, which included much of California, to blend gasoline with an oxygenate - an additive that would pump oxygen into the fuel.

The state chose a chemical called MTBE.

But then-Gov. Gray Davis banned MTBE after it was found to pollute groundwater. That left the other main oxygenate, ethanol.

Fearful of rising gas prices, Davis postponed the MTBE ban to December 2003 and asked the EPA to scrap the ethanol requirement.

The EPA turned him down in June 2001, prompting the state to sue the federal agency.

In 2003 the 9th U.S. Circuit Court of Appeals ordered the EPA to rethink its decision.

And after voters recalled Davis, Schwarzenegger petitioned the EPA to abandon the requirement. On Thursday, however, the EPA said it was right the first time.

If it granted California's request, emissions of nitrogen oxide would likely fall, but carbon monoxide emissions would likely increase, the EPA said.

"California has not demonstrated that the oxygen content requirement prevents or interferes with the state's efforts to achieve clean air," the EPA said.

Spare the Air season begins Tuesday

Visalia Times-Delta, Thursday, June 2, 2005

The ninth Spare the Air season will begin Tuesday in the San Joaquin Valley.

The season runs through September. During that time, the San Joaquin Valley Air District will forecast Spare the Air days when air quality is expected to be unhealthy.

When the district forecasts a Spare the Air day, e-mail or faxes are sent to the more than 700 Valley employers who have registered for the program.

The district notifies employees and encourages them to adopt air-friendly behaviors that will help reduce ozone levels.

Residents can Spare the Air by doing things such as:

- Carpooling, vanpooling or taking the bus
- Postponing the use of gas-powered lawn-care equipment
- Using an electric briquette lighter
- Keeping cars tuned up.

For information on how to Spare the Air or become an employer partner, call 230-5853 or www.valleyair.org.

KernCOG seeking input on planning

**By Doug Keeler, Midway Driller City Editor
Taft Midway-Driller, Thursday, June 2, 2005**

KernCOG - The Kern County Council of Governments -- is holding a series of workshops to get public input for a program of repairing and expanding county roadways over the next 25 years.

West Side residents get their chance to advise KernCOG at a workshop in Taft on June 21.

The meeting will be held at 6 p.m. in the Civic Center council chambers.

KernCOG is the county's regional transportation planning agency and is developing a list of the most-needed transportation projects.

Input from the workshop in Taft will be compiled into both long-range transportation planning and a list of projects for a proposed sales tax increase to be voted on in the November 2006 election to fund highway repair and expansion.

Input from the public meeting will be combined with plans already being developed for KernCOG's Destination 2030 Regional Transportation Plan, which KernCOG officials describe as a blueprint for spending federal transportation dollars to develop the counties transportation system.

While the Destination 2030 plan contains more than just highway projects - it covers nearly every facet of transportation from pedestrian walkways and bike paths to landscaping and [air quality](#) improvements -- its primary focus is on upgrading the roadways in the county.

KernCOG's planning doesn't include projects that Taft and the other 11 cities in the county or the county itself can pay for out of their own budgets.

College district contests fine

Officials file an appeal calling the \$20,100 state fine against Fresno City College unreasonable. By Jim Steinberg / The Fresno Bee , Friday, June 3, 2005

A \$20,100 state fine against State Center Community College District for conditions in Fresno City College's Math-Science Building is unreasonable, the district says in an appeal of the state's findings and penalty.

The district did not know of a hazard or violation, the appeal says. Copies of the appeal are available for inspection in the office of Douglas Brinkley, vice chancellor for finance and administration.

City College science faculty had filed a complaint with the state Division of Occupational Safety and Health over alleged health violations, including ventilation deficiencies, exposure to

formaldehyde and other contaminants and inadequate controls of hazardous substances and regulated carcinogens.

The district's appeal is its formal response to the charges before Cal-OSHA. On a page asking potential issues to be raised on appeal, the district answers with a list of nine items, including insubordination and financial hardship.

Attorney Fred Walter of Healdsburg, representing State Center in the Cal-OSHA appeal, said the filing refers to all conceivable "affirmative defenses" that the district might raise to the Cal-OSHA allegations. "You have to raise them all, or you waive them," Walter said.

He declined to comment further, other than saying, "We continue to review the citations. We have serious questions about the validity of at least some, if not all, citations and issues."

Dean Fryer, a spokesman for Cal-OSHA in San Francisco, said the district's written comments will go to the Cal-OSHA appeal board to see whether the fine and citations supporting the fine should be overturned or amended. An employer, in this case State Center, can usually ask for an informal conference to discuss citations and a possible settlement.

"An appeal can take one year" to schedule, Fryer said.

Work already is under way in the Math-Science Building to address faculty concerns.

"It is encouraging that they see there are issues that they want to correct," Fryer said of State Center officials.

That work doesn't preclude the district from contesting the extent of citations and the amount of the fine, Fryer said.

Math instructor Zwi Reznik, president of the State Center Federation of Teachers, was in Los Angeles on Thursday and had not seen the district's appeal. The union has been involved in science faculty's complaints about the building.

Reznik said the district has the right to appeal Cal-OSHA's findings, although he wondered about the legal costs. Because the district has already initiated repairs inside the Math-Science Building, Reznik said, the logic behind the appeal "is beyond me."

Chemistry instructor Kirk Kawagoe said the district should not be claiming ignorance of problems in the building because faculty members have been lodging complaints for decades.

"Just with me," Kawagoe said, "they go back three or four years."

Kawagoe said faculty members have complained about adverse conditions in talks and in writing, but "I don't know that the chancellors were getting the complaints."

The complaints "could have stopped at others lower down," he said. "I've heard that [district Chancellor Tom] Crow wasn't initially getting the information."

Crow could not be reached to comment Thursday.

No burn era

First regulations banning open-air burning of ag waste take effect.

The first phase of a ban on open-field burning of ag wastes took effect on Wednesday, with fruit and nut growers and producers of certain field crops bearing the brunt of the early stages. It's the latest chapter in a long overdue effort to eliminate an important component of Valley air pollution.

The ban is the result of Senate Bill 705, by Sen. Dean Florez, D-Shafter, passed and signed into law in 2003. It was an uphill struggle for the Valley senator to get the legislation approved, and he still must contend with the animus of an ag industry that fought the legislation with all its considerable might.

The struggle is not over, though it now involves debate and disagreement about how to implement the law. There are real problems facing growers of certain crops if they are no longer permitted to burn wastes in the open.

The ban will be phased in over the next five years, and some of the rules for the subsequent stages aren't yet in place. And already some delays have been approved for specific crops in the first phase by the San Joaquin Valley Unified Air Pollution Control District, which is charged with enforcing the new law.

Delays have already been approved for apple, pear, quince and fig prunings, and for rice straw, the stubble left in rice fields after harvest. A similar ban was phased in for the Sacramento Valley, where the vast bulk of the state's rice crop is grown, beginning in 1991. The biggest obstacle growers and air pollution regulators face is the absence of sufficient chipping technology and biomass plant capacity to handle all the material that for decades has routinely been burned.

Florez hopes to address part of that problem with another bill, SB1056, would study incentives to boost the existing biomass industry, increasing its scope and competitiveness while offering farmers an affordable alternative to traditional burning. SB1056 passed the Senate by a vote of 29-5 on Wednesday.

Agriculture has borne the heaviest regulatory burden in the early stages of our effort to reduce the Valley's air pollution. In addition to the burn ban, ag has faced new regulations aimed at such things as dust and diesel engine emissions. Partly that's been a matter of "taking the low-hanging fruit," as more than one waggish observer has noted.

It's incumbent on the rest of us in the Valley to recognize that. Reducing the air pollution created by the Valley's enormously profitable ag industry means significant progress - but it's still only a fraction of what we all must do.