

CalPERS targets emissions

Automakers, utilities and others face questions on global-warming actions.

By Gilbert Chan -- Bee Staff Writer

Tuesday, Feb. 15, Sacramento Bee

Trustees of the California Public Employees' Retirement System approved a campaign Monday asking automakers, utilities and other public companies to reveal their efforts to curb global warming.

The four-prong environmental initiative, approved unanimously by CalPERS board members, comes as the international Kyoto Protocol for cutting greenhouse gas emissions takes effect Wednesday.

It also comes after automakers spurned a meeting with CalPERS and the California State Teachers' Retirement System to explain a lawsuit against new state rules clamping down on greenhouse-gas exhaust from cars.

"This is a bad time for the automakers to be turning in the other direction," said CalPERS trustee and state Controller Steve Westly. "Detroit ought to be investing in cleaner vehicles, not a blockade."

Promoted by Westly and fellow trustee and state Treasurer Phil Angelides, the CalPERS campaign is aimed at exploring global warming and the potential financial risks faced by companies in its \$182.9 billion investment portfolio.

CalPERS, the nation's largest public pension fund, and CalSTRS, the No. 3 fund, already have agreed to boost investments in clean technology. Both are considering plans to improve the energy efficiency of real estate in their portfolios.

One expert called the CalPERS environmental corporate governance campaign unprecedented for U.S. pension funds.

"That would be considered ahead of the curve. It's not something you traditionally see," said Charles Elson, director of the Weinberg Center for Corporate Governance at the University of Delaware. "In Europe, corporate social responsibility is in vogue. American governance has been focused on shareholder return."

In tackling global warming, CalPERS trustees say they want to ensure their investments in automakers, electric utilities and other public companies are not jeopardized by environmental issues. But investment officials said studies are inconclusive about whether good corporate environmental practices actually result in higher investment returns.

Monday's move is aimed at prompting companies to disclose information about the environment risks that could erode their financial performance.

"This is not just an environmental issue, but a significant issue that will begin to show up on the balance sheets of corporations whom we invest in," Angelides said during a telephone news conference.

Former Vice President Al Gore quickly endorsed CalPERS' campaign Monday and chided the Bush administration for not signing onto the Kyoto treaty. The accord, adopted by more than 140 nations, is considered the first step in stopping global warming by reducing greenhouse gases starting in 2008.

"This is a very financially prudent step to protect the people and the taxpayers of California against clear risks recognized by the rest of the world outside the Bush White House," Gore said.

Under the CalPERS plan, the fund will:

- Join a European-based project asking companies in the Financial Times 500 to release investment information related to carbon emissions.

- Ask automakers to discuss their plans to reduce emissions, especially in California. CalPERS will support shareholder proposals asking Ford and General Motors to disclose this information.
- Ask electric companies and utilities to report greenhouse emission risks.
- Promote companies with the best environmental practices.

Also on Monday, CalPERS Chief Investment Officer Mark Anson reported the fund recorded a 13.5 percent return in 2004, boosting assets to \$182.9 billion. That follows a 23.3 percent gain in 2003, which reversed losses in the previous three years. The fund aims for an annual return of at least 12.94 percent.

CalPERS to Press Automakers for Cleaner-Burning Vehicles

From Bloomberg News

Los Angeles Times, Tuesday, Feb. 15, 2005

The California Public Employees' Retirement System voted Monday to put pressure on automobile makers to design cleaner-burning vehicles after Ford Motor Co. and eight other carmakers refused to appear for a scheduled meeting with the pension fund.

CalPERS, the nation's biggest pension fund with \$182 billion in assets, decided it would support shareholder proposals at Ford and General Motors Corp. that request a report on each company's plans to comply with California's new greenhouse gas emission standards.

A group representing the automakers sued the state of California in December over rules requiring cuts in carbon dioxide emissions, saying the state cannot regulate fuel use in cars. The suit seeks to stop the regulations from taking effect. CalPERS had demanded that representatives from the companies travel to Sacramento to explain why the fund shouldn't use its clout as a big investor to try to force the companies to abide by the new law.

"Automakers didn't want to come to our doorstep, so we're taking the fight to theirs," said California Controller Steve Westly, a member of CalPERS' board.

The pension fund also will consider including two of the automakers in a public listing of companies that CalPERS says have poor economic performance, excessive executive compensation and poor corporate governance practices. The fund didn't say which automakers would be the likely candidates for the list.

California is the first state to pass regulations that limit emissions of the heat-trapping gas tied to global warming.

The Alliance of Automobile Manufacturers said the law was an attempt to force automakers to build more fuel-efficient vehicles.

The Washington-based Alliance represents GM, the world's largest automaker, DaimlerChrysler, BMW, Ford, Mazda Motor Corp., Mitsubishi Motors Corp., Porsche, Volkswagen and Toyota Motor Corp. The trade group joined California car dealers in filing the suit.

Park service pays \$25,000 fine to Valley air district

By Mark Grossi / The Fresno Bee

Tuesday, February 15, 2005

The National Park Service has paid a rare \$25,000 fine over a brush-clearing fire that Sequoia and Kings Canyon National Parks crews ignited in defiance of a local air district's no-burn order.

The fine ended an unusually public confrontation between Sequoia-Kings Canyon and the San Joaquin Valley Air Pollution Control District, which protects 3.5 million people from smoke and smog-forming gases in such fires.

The parks never had been cited, much less fined, for violating a no-burn order.

"I think this is the first time we've had the park service pay a penalty," said Wayne Clark, air district compliance manager. "The decision about burning is ours to make."

Sequoia-Kings Canyon officials said they hoped to build a good working relationship with the district. "We will work diligently to avoid any misunderstandings," said Sequoia-Kings Canyon spokeswoman Alexandra Picavet.

The park service's regional office in San Francisco negotiated the \$75,000 fine down to \$25,000. Regional spokeswoman Holly Bundock said the payment, which went to the air district's general fund, is not an admission of guilt.

Sequoia-Kings Canyon are 865,000 acres of adjoining national parks with one of the premier forest-thinning burn programs in the country. The small, controlled fires promote forest health and prevent larger blazes.

The Wilderness Society praised Sequoia-Kings Canyon efforts to prevent wildfire in the overgrown Sierra and criticized the local air district's citation.

"It doesn't make sense," said regional director Sara Barth. "I understand the short-term concern for the air during a controlled burn. But the controlled burn is helping to prevent a catastrophic fire, which is as bad as it gets for air quality."

Like other forest management agencies, Sequoia-Kings Canyon talks often with air authorities during warm months about weather conditions for fires. The basic question: Will a fire smoke out a downwind community or overload the Valley with smog-making gases?

Parks officials said their opinions on burn conditions have conflicted with the air district's conclusions before, but their differences came to a head June 30.

That day, the air district decided the conditions were not right for burning. Parks officials disagreed, saying their assessment and the federal fire forecast indicated the smoke would not cause a problem.

Sequoia-Kings Canyon said air district inspectors had approved burns in the area on the previous two days. Parks Superintendent Richard Martin decided crews should proceed with the burn.

The resulting smoke did not cause a problem downwind, but air district officials cited the parks, saying the no-burn order must be observed when it is issued.

The Valley's air is among the most unhealthy in the country, and officials said they take no chances with air quality.

District compliance manager Clark said the park service's payment of the fine appeared to open the door for better understanding between the agencies.

"I think they're saying they want to be part of the solution," he said. "It's a good sign."

Study: Pollution May Affect Babies' Genes

By KAREN MATTHEWS, Associated Press Writer

in the S.F. Chronicle, Tuesday, February 15, 2005

NEW YORK, (AP) -- A study of New York City newborns suggests that prenatal exposure to air pollution may be linked to genetic changes associated with an increased risk of cancer, researchers said Tuesday.

The study by Columbia University followed 60 newborns and their non-smoking mothers in low-income neighborhoods, primarily in Harlem and the Bronx.

Their exposure to combustion-related pollutants caused primarily by vehicles was measured by backpack air monitors worn by the women during the third trimester of their pregnancies.

When the babies were born, genetic alterations were measured. Researchers found about a 50 percent increase in the level of persistent genetic abnormalities in the infants who had the higher

levels of exposure, said Dr. Frederica Perera, director of the center and senior author of the study.

"We already knew that air pollutants significantly reduced fetal growth, but this is the first time we've seen evidence that they can change chromosomes in utero," Perera said.

She said the kind of genetic changes that occurred have been linked in other studies to increased risk of cancer.

"While we can't estimate the precise increase in cancer risk," Perera said, the findings underscore the need for government to take steps to protect children.

The study, published in the journal *Cancer Epidemiology Biomarkers and Prevention*, is part of a broader multi-year research project started in 1998 that examines the health effects of exposure of pregnant women and babies to air pollutants, pesticides and tobacco smoking.

James Quinn, a biologist at McMaster University in Ontario, Canada, who was one of the authors of an earlier study that examined pollution-related mutations in mice, said the Columbia study merits attention.

"This study adds to a growing list of studies suggesting that anthropogenic air pollution carries health risks and genetic consequences that may affect the next generation," Quinn said in an e-mail.

Although the research isn't conclusive and leaves open other possible causes for the genetic changes, Quinn said, the pollutants were "a likely explanation for the elevated anomalies. Presumably there will be follow-up experimental work."

Christopher Somers, a research associate at the University of Regina who was another author of the mouse study, said, "The fact that the simple act of an expectant mother breathing might cause chromosome abnormalities in her unborn child is cause for concern."

Crop center takes root

By Darla Welles, The Porterville Recorder

Tues., Feb. 15, 2005

The California Crop Center, a new feature at the 2005 World Ag Expo in Tulare, got off to a promising start last week.

Housed in a small pavilion near the dairy building on the grounds of the International Agri-Center where the massive farm show is presented each February, the center is designed to serve as sort of a clearing house for information related to the production and marketing of the many specialized crops grown throughout the state.

In its inaugural year, the center's organizers brought in speakers to highlight various aspects of interest to growers of different categories of crops each of the three days of the show.

The first day focused on the grape industry, with speakers on issues faced by the growers of both wine and table grapes, as well as raisin producers.

The second day was given over to the wide range of tree-fruit crops, from citrus to nuts.

And the final day took a look at field crops, from alfalfa and cotton to the wide range of vegetables - asparagus to zucchini - produced in the state.

"I'm very pleased with the way things are going," said Stan Bird, a consultant and marketing expert from Minnesota, who worked along with Ron Goble, associate publisher and editor of *Western Dairy Business Magazine* which is headquartered on the expo grounds, to help get the center started.

"We're getting pretty good attendance for a new program," Bird said. "Of course, it is our hope that it will continue to grow from this start."

Bird said that while the programs focused largely on California crops, much of the information provided in the talks would be of value to growers from other parts of the country and from throughout the world who flock to the Ag Expo each year.

"Information on pest control, air and water quality issues, food safety and federal regulations on agriculture are of interest to people from all over," he said.

In addition to offering lectures, the crop center also allowed space for agricultural trade associations to set up displays and talk with the growers who attended lectures or just wandered into the center between presentations.

Among those tending display booths in the crops center was Joel Nelsen, president of California Citrus Mutual, an Exeter-based trade association for citrus growers from throughout the region.

Nelsen, who was also one of the program speakers, expressed optimism about the future of the crop center.

"It's not really big in terms of turnout," he said, "But the traffic through here has been pretty steady and a lot of people wanted to ask questions and talk to me after my talk. I think this could turn out to be a really good service to add to the Expo."

Colleen Aguiar, visiting from Modesto in her role as manager for industry relations with the Almond Board of California, agreed.

"Having this available to us gives us not only the opportunity to serve California growers with information, but to also meet people from the international agricultural community," she said. "Here we can offer all of those who are interested the latest information about many topics, including fertilizers, crop chemicals, irrigation and machinery."

State dairy, air issues take world expo focus

By DENNIS POLLOCK THE FRESNO BEE

Saturday, Feb. 12, Modesto Bee

TULARE — The global reach of California agriculture took center stage at this week's World Ag Expo.

It occurred during two seminars — one focusing on the need for food security and specialty crops; the other on dairy producers and air quality.

"Do we want a home-grown food supply or do we want our food to come from offshore," asked Chuck Ahlem, Hilmar Cheese's co-owner and founder.

Formerly undersecretary of the state Department of Food and Agriculture, Ahlem was one of the panelists for a program on "Clearing the air for dairy producers."

But he also brought up stricter regulation on water quality. Ahlem resigned his state ag post after water-quality enforcers fined Hilmar Cheese \$4 million.

"With the logpile of regulations of top of us, can we still provide a safe and competitive food supply?" Ahlem asked.

Earlier, at another seminar, state Agriculture Secretary A.G. Kawamura said California's stricter environmental controls pose challenges but also make the state a model for the world.

"It makes for a working landscape, agriculture as good neighbors, not bad," he said.

Pointing to increased globalization, Kawamura talked of visiting Japan with Gov. Schwarzenegger to promote tourism and trade.

"We went to a Japanese market looking for California citrus," he said. "We found citrus from South Africa, Israel and Chile and some California lemons. Fifteen years ago, we were the only citrus player in that market."

Kawamura suggested viewing the federal Farm Bill as "not a cost but an investment" in the nation's "food security and its national security."

Among those in the audience for his talk was Moyiwa Omololu from Nigeria, who heads the Alliance for Agriculture in that country.

"We need to eat, but to eat right," Omololu said. "We are trying to bring the president of Nigeria for an agricultural tour of the state of California. We want him to see the sophistication of agriculture in this place."

"Sophistication of agriculture" also was a topic at the dairy seminar, where there was much talk of a need to improve scientific research on how dairy cows figure into the problem of poor air quality in the Valley.

"We need to come up with what are called 'best available control technologies,'" said David Crow with the San Joaquin Valley Air Quality District. "But we don't know what those are."

Crow said a dairy advisory group has been convened to address that issue and others.

"By April, we need to have an assessment of all the science that is out there," Crow said. "Stay tuned, we won't have bottom-line answers until April."

[Tuesday, Feb. 15, Modesto Bee, Opinion Column](#)

Only united leaders can fix valley's federal funding

by Carol Whiteside

It was a remarkable occasion. Six members of the House of Representatives, representing both political parties -- some with newly launched congressional careers, others with established years of service to country and constituencies -- together calling on the federal government to address the long-standing disparity of governmental resources that exists between the San Joaquin Valley and the rest of the nation.

Every congressional representative of the 3.3 million Californians living in the San Joaquin Valley joined in the call. Senior members like Bill Thomas, chairman of the House Ways and Means Committee and a central player in the national debate on health care and Social Security, joining Natural Resources Chairman Richard Pombo of Tracy, Water and Power Subcommittee Chairman George Radanovich of Mariposa, second-term leaders like Devin Nunes of Visalia and Dennis Cardoza of Merced and newly elected Jim Costa of Fresno in a united effort on behalf of all valley constituents.

This was not a call for more money to be spent willy-nilly in the valley, but a demand that current funding is spent fairly and with a strategic purpose.

The congressmen released a preliminary report last week by the independent Congressional Research Service. The report demonstrates the valley lags far behind the rest of the nation in realizing necessary federal support for basic infrastructure needs; even the Appalachian region receives more governmental attention in this area.

The congressmen know also that the valley is the fastest-growing area in the nation in population, which means that investments in the area now will count for so much more in the future. The converse is also true. Shortfalls left neglected will only worsen over time.

Our congressional delegation has taken the first step to addressing this often overlooked problem. Now they intend to talk to all the stakeholders in the valley to help shape and craft a

strategy. They have taken this first step in a bipartisan manner -- in spite of the time demands and requirements of their other duties and positions.

I hope other state and local leaders will step forward and join in this effort to improve the quality of life in the San Joaquin Valley.

Gov. Schwarzenegger and his administration have signaled support of coordinated efforts. Our state senators and Assembly members have joined the call for concerted, bipartisan action. The many mayors, county supervisors and local officials of the valley also are needed in this commitment to finding solutions. More and more, mayors and county officials are demanding coordinated local jurisdictional actions. It is a call Congress has heard also.

And we must not forget the necessary and essential roles played by the public and private sector together in meeting these challenges. Six representatives cannot, and should not, stand alone in this effort.

We live in an area with the highest poverty and fastest growth rates in the United States. We are the world's most productive agricultural region and suffer the worst air quality in the United States. We need to improve our jobs base and diversification, and at the same time preserve our strengths and culture.

The Congressional Research Service report on the San Joaquin valley requested by Nunes, Thomas, Pombo, Radanovich, Cardoza and Costa is an important first step in acknowledging our challenges and determining a strategy to overcome them. While other reports and studies also highlight these findings, for the first time the federal government itself is specifically measuring them.

The Congressional Research Service report can be the foundation of a long-term strategy to significantly improve the quality of life in the San Joaquin Valley. It will not happen overnight. It needs to be sustained and ongoing. It cannot be accomplished by six House members alone. But we owe a debt of gratitude to them for this important first step, and a commitment of support for their efforts.

Whiteside, formerly mayor of Modesto, is president of the Great Valley Center, a private, nonprofit organization based in Modesto.

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It takes more than farm regs to solve pollution problems

By MARCIA BOER

We all abide by regulations of some sort, no matter what type of business we are in or work for. For the most part, regulations are determined by the people who are most affected by them, both pro and con. Usually, those on both sides of the issue have worked out compromises and come to an agreement about how and why regulations are needed and enforced.

Why are regulations forced on certain groups, but not others who are essentially doing the same work? How can this make for an equal playing field when it comes to costs of doing business and implementing required "plans" regarding some of the new regulations?

The new regulations regarding dust from farming operations apply to farmers who farm 100 or more acres that are either touching each other or separated by a road. These same regulations do not apply to a farmer farming 99 acres. The farmer with 100 or more acres must submit a plan to decrease dust in his farming practices. There are several ways that he can do this: watering down roads, changing the types and amounts of irrigation, updating his older equipment for new, more dust-efficient equipment, planting cover crops on unused open land and other ways. This all takes money and time, and both are always in short supply in our industry.

The farmer with 99 acres or fewer can just keep doing what he has always done.

Whoever came up with these regulations didn't think them through. What makes the dust from 100 acres any worse than dust from 99 acres?

Most farmers try to keep the dust down on their farms for the simple reason that they live and work there. They do not like working in dusty conditions and breathing dirty air any more than the next guy. That is why, over the years, farmers have made tremendous changes in the way we do business. We have adapted to meet new requirements. We are still adapting. Each successive generation tries to find ways to be more efficient and profitable.

How many more regulations will be placed on the farming industry before the powers that be realize that it is the sheer numbers of people living in our state that are the greatest makers of air pollution? The number of vehicles has been increasing while the farmed acres have decreased, yet the air pollution has gotten worse. Vehicles traveling our roadways create dust. Farmers grow plants and trees that clean the air. Why shouldn't we get credit for each tree or acre planted? If farmers have to spend extra money and time trying to decrease pollution, why aren't we compensated for the good that our crops do?

Regulations on any industry should be applied equally to all, not to just a few.

[Fresno Bee editorial, Tues., Feb. 15, 2005:](#)

Doing without diesel

Tulare County and its cities lead the way to cleaner air for the Valley.

A number of public agencies in Tulare County showed off their progressive approach to cleaner air last week, putting buses, street sweepers and garbage trucks on display at the Visalia Municipal Airport.

The vehicles have been converted from diesel fuel to compressed natural gas, or CNG, and that's a great plus for the environment.

Diesel fuel is one of the most harmful pollutants filling the Valley's skies, and is directly linked to a range of heart and lung disorders, some of them potentially fatal. Diesel is an especially worrisome source of tiny particulate matter that can do great damage to human lungs. CNG, on the other hand, burns much cleaner.

It's not a perfect trade-off. Vehicles powered by CNG typically have a shorter range between fillups, and there aren't yet enough fueling stations for them.

But even that's changing. The Visalia Unified School District is building a \$1million CNG filling station to serve its converted vehicles, and the city of Visalia will also use the station for Visalia City Coach buses and city trash-collection trucks that use the fuel. In addition, Visalia is committed to making CNG-fueled vehicles its preferred choice when existing vehicles come to the end of their working lives and must be replaced. The city already operates some CNG-powered garbage trucks.

Tulare County is getting aggressive as well. The county already operates a fleet of some 50 hybrid vehicles, which are powered by a combination of gasoline and electric engines.

Conversion of vehicles comes at a cost. The price for changing engines runs anywhere from \$8,000 to \$30,000, depending on vehicle type.

But in a Valley that routinely posts more violations of the daylong smog standard than any other place in the country, it's worth the expense.

In addition, those expenses will come down as more and more public agencies and private-sector fleet operators make such switches.

Other cities and counties around the Valley are moving in the direction of cleaner fuel vehicles, and that's wonderful news. Tulare County cities such as Visalia and the county itself have been leaders in that effort, and it's good to see them working hard to make the air better for all of us. Bravo, and keep up the clean air work.