

Air panel revisits charging a \$2 fee Vehicle registration surcharge would fund pollution reduction.

By Mark Grossi / The Fresno Bee, also published in the Modesto Bee
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Air authorities in San Francisco, Los Angeles and Sacramento have accepted a \$2 vehicle registration fee to fight pollution, but that hasn't happened yet in the murky San Joaquin Valley.

The local air district board last month rejected the fee, which would raise almost \$5 million annually for pollution reduction efforts such as buying cleaner-running school buses.

The San Joaquin Valley Air Pollution Control District governing board today will reconsider the \$2 surcharge, authorized by Assembly Bill 923 this year.

Supporters are calling the fee a "no-brainer," and they point out one of the biggest advantages: It would provide the local fund raising that the state requires before pitching \$12 million into the Carl Moyer program for the Valley.

The program has helped pay for replacing hundreds of old diesel engines on farm ground-water wells. The air district board today is expected to hear from industries, health advocates and others who believe the fee will help control pollution in one of the nation's dirtiest air basins.

"All the agriculture groups I know support the surcharge," said Manuel Cunha, president of the Nisei Farmers League.

Added Bob Riding, vice chairman of the regional Clean Cities Coalition: "These surcharge fees have gone into programs that have replaced aging diesel engines. They have been wildly successful."

Kern County Supervisor Barbara Patrick, air district board chairwoman, believes the fee will pass.

"Other major districts have done it," she said Wednesday. "We had board members who had additional questions, and they will be answered."

In November, several members of the board said they wanted background on how such surcharges have been used in the past.

Valley residents since 1990 have paid a \$4 vehicle registration surcharge for air quality programs. Another \$1 surcharge was added last year under Senate Bill 709, which should raise about \$2.4 million.

The latest \$2 bump would increase the total surcharge to \$7. Air district board member Dan Prince, a Ripon City Council member, said the public needed more notice of the increase.

"And we wanted an accounting of where the money is used," Prince said. "In the last month, we have seen more information on it. I fully expect it to pass now."

That would be good news, says Josette Merced Bello, president and chief executive officer of the American Lung Association of Central California.

"Two dollars per year is less than a penny a day," she said. "That's a small price to pay for better air quality and better health."

Asthma burdens Valley schools Lung condition causes 800,000 absences per year, study finds.

By Anne Dudley Ellis, staff writer
The Fresno Bee
Thursday, December 16, 2004

One-third of children with asthma in the San Joaquin Valley miss one or two days of school every month, leading to more than 800,000 absences a year, according to a report issued Wednesday by researchers at California State University, Fresno.

Researchers explored a variety of issues concerning asthma, a respiratory disease that is a growing epidemic for school-age children in the eight-county region from Bakersfield to Stockton.

The Valley's polluted air is a major factor in the frequency and severity of asthma symptoms in children, researchers said.

"I think we're at a place right now where we know what some of the triggers for asthma are. We know we have an air quality problem, but we've yet to come up with a set of strategies," said Virginia Rondero Hernandez. "We need to keep talking about it because our kids are affected by this on a daily basis."

Hernandez was lead investigator on the report, "Struggling to Breathe: The Epidemic of Asthma Among Children and Adolescents in the San Joaquin Valley." She also is associate director of research and evaluation at Fresno State's Central California Children's Institute, which issued the report. With an estimated 808,000 school absences annually due to asthma, Valley school districts lose at least \$26 million a year in state attendance money, researchers found. Districts don't get paid for absent students, even if they are sick. In the Fresno Unified School District, it's \$36 a day per student.

Asthma is the No. 1 reason for school absences in Fresno Unified, said spokeswoman Susan Bedi. About 9,000 students were identified as having asthma last year, Bedi said, with 2,873 of those students taking medication for asthma.

Students on preventive medication miss less school, Bedi said, an encouraging trend in Fresno Unified.

Not only is asthma costly to schools, it keeps students from learning and limits social, physical and emotional development.

"I think the effects are profound in the sense that depending on the number of days they miss, they're missing academics they need," Hernandez said.

In turn, parents have to miss work to stay home with children having asthma attacks, Hernandez said.

Asthma significantly affects young people throughout the Valley, with 15.8% ages 0 to 17 diagnosed, compared to 13.6% diagnosed with asthma statewide.

Valley children and adolescents with asthma visit emergency rooms 25,000 times and are hospitalized 4,000 times a year, the study found.

Researchers also found that asthma symptoms were not controlled well, even by medication, in more than 50,000 Valley children and adolescents. Out of 87,000 young people taking asthma medicine, 60.6% experience symptoms at least once a month.

Hernandez said she was shocked by the prevalence of asthma in the Valley and the number of asthma attacks, despite medication. She hopes that the report raises awareness of how asthma affects the Valley's young people and the need to find solutions, including better detection and tracking of young people with asthma.

New dairy loans up for review

Pollution control board placed moratorium on loans amid questions of their effect on the environment

By Jake Henshaw, Sacramento Bureau
Tulare Advance-Register, Wednesday, Dec. 15, 2004

SACRAMENTO — New rules for granting controversial loans to dairies for pollution control projects may be ready for review as soon as next month, officials of the granting agency said Tuesday.

The Pollution Control Financing Authority in October placed a temporary moratorium on the low-interest, tax-exempt loans amid questions about their effect on the environment and on the growth of dairies.

Two Tulare County dairies — Dairyland (Van Beek Brothers partnership) and Joe G. and Diane Airoso — are among those whose applications for loans are frozen.

The financing authority board, chaired by Treasurer Phil Angelides, decided to hold off on future loans until it adopts new rules for awarding such assistance.

It wasn't clear Tuesday when the moratorium would end.

In October, the board also directed its staff to review the 18 loans made previously, valued at \$66 million, to be sure that they were legal and to appoint an advisory panel to help develop new criteria for future loans.

In a status report presented to the board Tuesday, the staff said it has concluded that the 18 existing loans went for qualified pollution control facilities under state and federal laws.

The report went on to say the agency's staff next plans

to audit the projects to be sure their loans were used to build the projects as funded.

The staff proposed to seek bids for an auditor, but a representative of Controller Steve Westly said he would prefer to conduct the audits.

Mark Murray, executive director of Californians Against Waste, urged the audit to go beyond finances to look at whether the projects actually reduced pollution.

"I'm hoping they're also looking at programmatic issues, not just financial issues," Murray said.

Environmentalists have suggested that the financing authority may have made loans that did more for dairy growth than environmental improvement because of a lack of expertise in air and water quality issues.

John Dunlap, a lobbyist for the Dairy Action Network, made up of dairies moving from Southern California to the Central Valley, said dairies already undergo environmental reviews by other agencies to get projects approved.

"If there is a broader policy debate, there are other venues," Dunlap said. "It's not here at the relatively modest loan guarantee program."

Paul Hefner, a spokesman for Westly, said Tuesday that the controller doesn't want to turn the financing authority into an environmental review agency but does want to make sure loan applicants get all the environmental and other permits required from the appropriate agencies.

In a broader review of the agency's procedures, the financing authority staff Tuesday recommended steps to ensure that all pollution control claims are verified and environmental permits are reviewed before the board acts on future loan applications.

In October, Angelides said he only wants to make future loans to projects that exceed legally required standards for air and water quality.

Both Dunlap and Murray are among the more than a dozen members of the advisory committee assembled by the financing authority staff to help develop new rules for awarding dairy loans.

The advisory panel is expected to meet in early January with the goal of making recommendations to the financing authority board in late January.

Shell refinery talks fall through Company says it will close plant early next year if sales deal can't be reached

By ERIN WALDNER, Californian staff writer
Bakersfield Californian, Thursday, Dec. 16, 2004

Hope that the Shell Bakersfield Refinery will remain open dimmed Wednesday when Shell announced that negotiations with a leading bidder had reached an impasse.

Lynn Laverty Elsenhans, president and chief executive officer of Shell Oil Products U.S., confirmed recent reports that Shell had been working with a leading bidder, "but we could not reach an agreement that offered terms and negotiations acceptable to both parties."

Elsenhans said Shell is focusing on operating the refinery through March, at which point the company will close the Rosedale Highway plant if a sales agreement has not been reached.

Shell spokesman Stan Mays said the company continues to have discussions with other bidders.

Mays declined to name the top bidder that was negotiating with Shell. Oil Price Information Service reported Dec. 9 that Kelso & Co., a private equity investment firm in New York, was the leading candidate.

OPIS said in a Wednesday newsletter that most trade sources familiar with the situation believe the statement from Shell implies that talks with Kelso have broken down.

Shell critic Jamie Court from the Foundation for Taxpayer and Consumer Rights said, "It looks like Shell's on track to be the Grinch that stole Christmas."

He called on the California Attorney General's Office to find out if Shell is hindering the sales process by withholding certain items from the sale. Shell has said it will lease, not sell, a products terminal that's used to transport fuel from the refinery to truckers. Shell also is holding onto pipelines that feed the refinery.

Sen. Barbara Boxer, D-California, urged California Attorney General Bill Lockyer to make the breakdown in negotiations part of his office's antitrust investigation into Shell.

The Attorney General's office launched an investigation into Shell's decision to close the refinery following the company's announcement in November 2003 that it would close the plant in 11 months. The refinery produces 2 percent of the state's gasoline supply and 6 percent of the diesel.

Industry experts say the refinery's closure will lead to higher fuel prices.

Tom Dresslar, a spokesman for Lockyer, said, "We will be reviewing the circumstances that led to this apparent failure" in negotiations to sell the refinery.

He continued: "While we don't have an indication at this point of any bad faith on Shell's part, it's important to remember that Shell did commit itself to making a good faith effort to complete a sale."

Dresslar said he did not want to speculate on the attorney general's next step.

"Clearly, we retain all of our law enforcement options," he said.

Mays insisted Shell has received multiple bids on the refinery with the terms the company set.

Employees at the refinery were updated Wednesday on the sales process, according to Mays.

Ed Huhn, secretary-treasurer of the union that represents workers at the refinery, said reaction would be mixed. Some employees, anticipating a Nov. 11, 2004, closure date, as Shell originally planned, have already relocated their families, mostly to Texas, where Shell also operates a refinery.

The Bakersfield refinery has about 230 employees and uses another 150 contractors.

Huhn said if March is a firm closure date, "It would be more palpable to everyone out there than going on and on and on" with this issue.

Huhn said the situation looked more optimistic last week when he heard the refinery was going to undergo a cleaning and maintenance process called a turn-around.

"You probably wouldn't spend the money overhauling your vehicle if you were going to send it to a junk yard," he said.

Huhn, echoing Dresslar and Court, said he was disappointed to learn that Shell's negotiations with the bidder had apparently failed, but that he remained optimistic it will sell.

Kelso did not return a call seeking comment.

News Brief

The Modesto Bee, Thursday, Dec. 16

AIR DISTRICT CALENDAR AVAILABLE: The San Joaquin Valley Air Pollution Control District announced that its 2005 Clean Air Kids calendar, featuring original artwork by 14 children from around the eight-county district, is available to the public free of charge. A clean air message for each month is presented in English and Spanish. The wall calendars are available at air district offices, including the one at 4230 Kiernan Ave., Suite 130, in north Modesto.

[Fresno Bee commentary, Thursday, December 16, 2004:](#)

BARBARA PATRICK: Car registration surcharge would help clean up air

For less than the cost of a gallon of gas, motorists from Bakersfield to Stockton can help to clean up our air if the San Joaquin Valley Air Pollution Control District votes for an added \$2 surcharge on motor vehicle registration fees in the Valley.

If passed on Thursday, the estimated \$4.8 million per year in increased fees would be used to draw down \$7 million to \$10 million in state funds earmarked for the San Joaquin Valley. This presents an opportunity to participate positively in leveraging state dollars to clean our air. Without passage, this money will be dispersed to other areas of California.

It is especially significant that Gov. Arnold Schwarzenegger made room within an extremely tight state budget to create permanent funding for the Carl Moyer Emission Reduction Program. Eighty-six million dollars is available statewide to fund projects that significantly reduce emissions.

Replacing polluters

The incentive dollars provided would help to fund the replacement of old engines/vehicles with newer ones certified to more stringent standards. This would include replacing polluting school buses and heavy-duty diesel engines. Other eligible projects include locomotives, forklifts, ag pumps, programs to reduce idling at truck stops and the reinstatement of programs designed to get gross-polluting vehicles off our roads. Moyer Program funds, along with state, federal and district funds, have been used since the district's inception to fund the reduction of 36,500 tons of pollution here in the Valley.

Agricultural, business and environmental groups have stepped forward to support the district's adoption of the surcharge. Such groups include Operation Clean Air, the Fresno Business Council, the Building Industry Association, Southern California Gas Co., the American Lung Association of Central California and the Fresno Metro Ministry. Moreover, the air district's own Citizens' Advisory Committee, representing Valley cities, industries and environmental groups, recently voted unanimously to support the fee increase.

The governing boards of the South Coast, Bay Area and Sacramento air quality management districts have already approved the surcharge that would begin on April 1. It is time for our Valley air board to act.

In my home county, 586 engines have been replaced through the Heavy-Duty Engine Program, which includes Moyer funding. The city of Bakersfield has replaced 11 refuse trucks with natural gas trucks. The Kern County Superintendent of Schools replaced 27 school buses with natural

gas buses. Dozens of farms have replaced ag pumps, re-powered off-road vehicles such as harvesters, tractors and other ag related diesel equipment. Other businesses have re-powered on-road trucks by replacing old diesel engines with new, cleaner operating diesel engines.

Many reasons

Air pollution is identified as a top concern for Valley residents and, with so much more to be done, I support the surcharge increase because:

The emissions reductions are necessary, measurable and quantifiable.

Projects would be funded based on stringent project funding criteria.

The other major air districts have already acted to increase the surcharge.

Valley residents would have the opportunity to participate in making a positive change in our air quality.

Barbara Patrick is a Kern County supervisor and a Valley representative to the California Air Resources Board.

[OPEN FORUM, S.F. Chronicle, Thursday, December 16, 2004](#)

Automakers attack state's rights

By Bill Lockyer

Fasten your seatbelts, folks. The lawsuits filed by automakers this week against California's tough vehicle greenhouse-gas emissions law are just the beginning of what could be a nasty ride.

As soon as the state's Air Resources Board passed regulations to enforce the new law in September, the auto industry plotted for battle. The first salvo reminds me of the vicious fight they waged -- and lost -- against the landmark air bags case; the Supreme Court called that one the "regulatory equivalent of war."

The auto companies are going to lose this fight, too.

The regulation the industry is trying to kill would require a roughly 30 percent reduction in greenhouse-gas emissions from cars and trucks sold in California by 2016. The law, written by Assemblywoman Fran Pavley, D-Agoura Hills, is about a state's right to defend its people and its environment from automotive pollution. The lawsuit directly attacks California's right to protect the health and welfare of its citizens.

The car companies' arguments against the law are laughable. During state testimony, the head of the auto industry alliance, Fred Webber, called global warming "a big if."

A big if? Let's talk about the scientific data. In California alone, according to the U.S. Environmental Protection Agency, global warming could double heat deaths in Los Angeles, with the poor and elderly most at risk. It could also worsen smog and, as a result, increase incidence of asthma and other respiratory diseases. Extreme weather could threaten the state's agricultural lands and Sierra snowpack, damage water supplies by increasing salinity in the San Francisco Bay and San Joaquin Delta, and cause rising sea levels that damage the coast and wetlands. According to a review of climate studies by National Geographic, "belches of carbon dioxide and other greenhouse gases could send more than a million land-dwelling plants and animals down the road to extinction."

The greenhouse-gas regulations aren't going to solve global warming, but they're a critical step in the right direction. If, as expected, other states choose California's standards over weaker federal rules and Canada adopts similar ones, the worldwide impact could increase dramatically. The emerging auto markets of China and India already are insisting on a cleaner generation of cars. Why shouldn't we?

California is, and always will be, the standard-bearer in this country on laws that protect the environment. For more than 30 years, our state's leadership on air-pollution regulations has led to

the invention of cleaner technologies employed nationwide. And nearly every step of the way, the auto industry has resisted, only to realize greater profits in the long run.

Let's look at the crux of the auto industry argument. Automakers say that, stripped bare, the greenhouse-gas law is really about fuel economy. They're wrong. It's about air pollution. Period. It's about using better technology to reduce vehicle pollutants. Some of these technologies also may save fuel or otherwise reduce a car's operating costs -- a positive benefit. But bottom line: California is regulating what it considers to be air pollution under its Clean Air Act authority, not setting fuel-economy standards.

It's not technology that threatens automakers. Most of it -- better engines, transmissions and other components -- exists today. And it's not a lack of consumer demand. Industry analysts predict that hybrid cars could comprise 20 percent of the overall auto market by 2010 and four times that by 2015.

It seems car companies don't want any emissions regulations at all. Their legal teams are fighting California's new standards, while their Washington lobbyists are railroading attempts to pass tougher federal standards. The companies filing suit include Detroit's Big Three and Toyota, among others. GM, Ford and Daimler-Chrysler have reason to worry. They lag behind in hybrid production, focusing instead on big, dirty trucks and SUVs. If domestic automakers want to survive global competition, why not hire engineers instead of lawyers, develop innovative technologies, not legal briefs?

On behalf of the state Air Resources Board, I will defend the state's anti-global warming law in court. It has great popular support. The automakers that have filed these lawsuits are losing in the court of public opinion. They also will lose in the court of law.

Bill Lockyer is California's attorney general. He drives a hybrid.