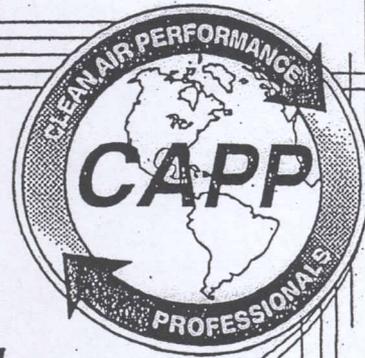


Charlie Peters
07-7-7
7/27/07



Proposed Amendment:

Clean Air Performance Professionals

(Chief, Sherry Mehl, DCA/BAR, has never found out if what is broken on a Smog Check failed car gets fixed, never)

Amendments to Section 44036 California Health and Safety Code *Consumer protection-oriented quality assurance portion of the motor vehicle inspection and maintenance program*

Preamble - Under these amendments, an in-field vehicle repair audit program is added to Section 44036 of the California Health and Safety Code. These amendments, in conjunction with existing BAR legal responsibilities will create a program with the goal and procedures intended to create maximum vehicle owner satisfaction. The in-field vehicle repair audit program will provide a mechanism for continuous improvements in how vehicles are repaired so that customers will be better satisfied with the time and investment that they are making in California's Smog Check Program. By adopting a new philosophy of management we are acknowledging that motorists no longer need to live with vehicle repairs that might be characterized as insufficient or defective.

By identifying the actual quality of repairs through in-field audits of known, defects, and feeding this information back to smog check technicians and BAR staff, there would be continual improvement of quality and opportunity to reduce waste in repair actions.

Presently fear of loss of license or legal sanctions is a barrier to improving the quality of vehicle repairs. This program will encourage effective two-way communication and other mechanisms that will enable technicians and regulators and consumers to be part of the new quality audit program.

A program will help remove the barriers that rob service technicians and managers of their pride in workmanship. The in-field vehicle repair audit program will institute a vigorous program of education and self-improvement for all participants in the Smog Check program. In summary, these amendments provide a permanent legislative and Executive commitment, and the necessary audit procedures for ever-improving quality and productivity in the vehicle repairs (and emissions reductions), mandated under California's vehicle emissions inspection and maintenance program.

44036 (a) The consumer protection-oriented quality assurance portion of the motor vehicle inspection program shall

ensure uniform and consistent tests and repairs by all qualified Smog Check technicians and licensed Smog Check stations throughout the state, and shall include a number of stations providing referee functions available to consumers.

(b) To achieve the goal of consumer protection and quality assurance, the department is directed to adopt in-field audits using known vehicle defects. The in-field audits will be used to determine if a technician does actually detect, diagnose and repair the designated audit vehicle defect.

(c) As there are no clear standards to see that emissions defects are being corrected, these audits are to be conducted without notification being provided to ensure accurate assessment. The improved methods generated by the audits will provide continuous improvements in the quality of vehicle repairs actually occurring.

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UN unveils plan to release untapped wealth of...\$7 trillion (and solve the world's problems at a stroke)

By Philip Thornton, Economics Correspondent, 30 January 2006

The most potent threats to life on earth - global warming, health pandemics, poverty and armed conflict - could be ended by moves that would unlock \$7 trillion - \$7,000,000,000,000 (£3.9trn) - of previously untapped wealth, the United Nations claims today.

The price? An admission that the nation-state is an old-fashioned concept that has no role to play in a modern globalised world where financial markets have to be harnessed rather than simply condemned.

In a groundbreaking move, the UN Development Programme (UNDP) has drawn up a visionary proposal that has been endorsed by a range of figures including Gordon Brown, the Chancellor of the Exchequer, and Joseph Stiglitz, the Nobel Laureate.

It says an unprecedented outbreak of co-operation between countries, applied through six specific financial tools, would slice through the Gordian knot of problems that have bedeviled the world for most of the last century.

If its recommendations are accepted - and the authors acknowledge this could take years or even decades - it could finally force countries to face up to the fact that their public finance and growth figures conceal the vast damage their economies do to the environment.

At the heart of the proposal, unveiled at a gathering of world business leaders at the Swiss ski resort of Davos, is a push to get countries to account for the cost of failed policies, and use the money saved "up front" to avert crises before they hit. Top of the list is a challenge to the United States to join an international pollution permit trading system which, the UN claims, could deliver \$3.64trn of global wealth.

Inge Kaul, a special adviser at the UNDP, said: "The way we run our economies today is vastly expensive and inefficient because we don't manage risk well and we don't prevent crises." She downplayed concerns over up-front costs and interest payments for the new-

fangled financial devices. "The gains in terms of development would outweigh those costs. Money is wasted because we dribble aid, and the costs of not solving the problems are much, much higher than what we would have to pay for getting the financial markets to lend the money."

The UNDP is determined to ensure globalisation, which has generated vast wealth for multinational companies, benefits the poorest in society.

It urges politicians to embrace some groundbreaking schemes put in place in the past 12 months to tackle global warming, poverty and disease, based on working with the global markets to share out the risk.

These include a pilot international finance facility (IFF) to "front load" \$4bn of cash for vaccines by borrowing money against pledges of future government aid.

The scheme, which is backed by the UK, France, Italy, Spain, Sweden and the Bill and Melinda Gates Foundation, was born out of a proposal by Gordon Brown for a larger scheme to double the total aid budget to \$100bn a year.

In an endorsement of the report, Mr Brown said: "This shows how we can equip people and countries for a new global economy that combined greater prosperity and fairness both within and across nations."

The UNDP says rich countries should build on this and go further. It proposes six schemes to harness the power of the markets:

* Reducing greenhouse gas emissions through pollution permit trading; net gain \$3.64trn.

* Cutting poor countries' borrowing costs by securing the debts against the income from stable parts of their economies; net gain \$2.90trn.

* Reducing government debt costs by linking payments to the country's economic output; net gain \$600bn.

* An enlarged version of the vaccine scheme; net gain (including benefits of lower mortality) \$47bn.

* Using the vast flow of money from migrants back to their home country to guarantee; net gain \$31bn.

* Aid agencies underwriting loans to market investors to lower interest rates; net gain \$22bn.

Professor Stiglitz, the former chief economist of the World Bank and a staunch critic of the way globalisation harms the poor, said: "Globalisation has meant the closer integration of countries, and that in turn has meant a greater need for collective action.

"One of the most important areas of failure is the environment. Without government intervention, firms and households have no incentive to limit their pollution." He said a global public finance system would force countries to acknowledge the external damage their policies had, "the most important being global climate change".

Solving the environmental crisis tops the UN's \$7trn wish-list. It calls for an international market to trade pollution permits that would encourage rich countries to cut pollution and hit their targets under the Kyoto protocol.

But - and the UN admits it is a big "but" - the US would have to sign up to Kyoto and carbon trading to achieve the \$3.64trn that it believes the system would deliver over time.

"We are dealing with a global problem as pollution can only be dealt with internationally," Ms Kaul said. Richard Sandor, the head of the Chicago Climate Exchange, added: "Many encouraging signs are emerging. When the business case is clear, private entrepreneurs step forward."

But, the proposal is unlikely to get support from some green groups who believe that action to curb consumption, rather than market incentives, are the way to reduce carbon emissions.

Andrew Simms, director of the New Economics Foundation, said it left unanswered questions over how these markets would be managed and how the benefits and costs would be distributed. "We have nothing against markets so it would be missing the point to get into a pro- or anti-market stance. The point is how you distribute the benefits."

He said the Nineties, the zenith decade for globalisation, had seen just 60 cents out of every \$100 worth of growth reach the poorest in society, compared with the \$2.20 in the Eighties.

He said a pollution trading regime had the potential to deliver "enormous" benefits to poor countries, but said the UN report failed to show a detailed plan.

"Our view is that you have to cap pollution, allocate permits and then you can trade. But it depends on how it is set up. Because you are dealing with a global commons of the atmosphere, the danger is that you could be effectively dealing in stolen goods."

He said a system set up now to trade in pollution permits could end up permanently depriving poor countries that joined the system further down the road.

International problems - and solutions

-PANDEMIC DISEASES

Millions of people across the developing world have died from malaria, tuberculosis and HIV/Aids, as well as from other pandemics. Vaccines needed to avert them require much-needed investment.

SOLUTION: An advance commitment by rich countries to buy \$3bn (£1.7bn) worth of vaccines would be enough to encourage pharmaceutical giants to invest in finding medicines that would eliminate these pandemics.

SAVING: \$600bn

ALTERNATIVE SOLUTION: Vaccines are needed but more should be done in the meantime. Extra aid is needed for simple tools such as mosquito nets that would curb spread of malaria.

PARIAH STATES

Big business and global money ignore countries where they see the risk of conflict outweighing their potential profit margins.

SOLUTION: Guarantees by international organisations such as the International Monetary Fund to lower the cost of borrowing for poor nations by underwriting investors' loans to conflict-torn states.

SAVING: \$22bn

ALTERNATIVE SOLUTION: Sometimes large volumes of cash are needed and this is one. Live8 showed there was huge support among taxpayers for higher aid to countries in distress.

Hitting a commitment made in the 1960s of 0.7 per cent of GDP would unlock \$140bn a year.

NATIONAL BANKRUPTCY

Once great nations such as Brazil and Argentina were reduced to the status of beggars after poor economic policy combined with debts with national and international lenders.

SOLUTION: A system to enable countries to take loans linked to their average economic growth rate to ensure that they do not have to cut public spending to raise the money to borrow needed funds during the hard times.

SAVING: \$600bn

ALTERNATIVE SOLUTION: A system to allow countries to seek protection from their creditors in the same way that US companies can take so-called Chapter 11 bankruptcy.

SPECULATIVE INVESTORS

Poor countries suffer most from swings in investment tastes by the big global investors that means money can leave as soon as it arrives.

SOLUTION: Enable countries to buy "insurance policies" against big swings in growth that would ensure that they did not have to cut public spending every time. In

1997 it wreaked havoc across South-east Asia.

SAVING: \$2,900bn

ALTERNATIVE SOLUTION: Curb speculative investment by imposing a tax on foreign exchange transactions aimed at destabilising a currency. It could directly raise funds for development while preventing the worst excesses of the markets.

GLOBAL WARMING

Scientists believe human activity has led to climate change and disappearing Arctic ice. The world's poor also have to live with lethal storms and floods.

UN SOLUTION: A system of international trading in permits to allow pollution that would encourage countries to cut their emission of greenhouse gases so they can sell their "right to pollute" to other states. UNDP says it is more effective than just setting targets.

SAVING: \$3,620bn

ALTERNATIVE SOLUTION: An international approach is needed but one that prevents people from causing harm by setting pollution targets rather than trying to bribe them not to. Also agree global airline tax.

BRAIN DRAIN

Millions of skilled workers leave their home countries every year in search of a better life in the West. In some states nine out of 10 professionals have left.

SOLUTION: Enable countries to borrow on the open markets against the money workers send home. The capital would be used to invest in the country to build infrastructure that would discourage people from leaving.

SAVING: \$31bn

ALTERNATIVE SOLUTION: An international code of ethical guidelines overseen by bodies such as the World Health Organisation (for doctors and nurses) to monitor the harm that migration of professionals causes.

<http://news.independent.co.uk/world/politics/article341967.ece>

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**Select Committee on
Air Quality in the Central Valley**
Truck and Vehicle Air Emission

June 20, 2003

**Kings County Board of Supervisors Chambers
Hanford, California**

SENATOR DEAN FLOREZ: --go ahead and get started. If you can't hear me, just let me know. Want to bring the Senate Select Committee on Air Quality in the Central Valley to order. As you know, this committee's been traveling throughout the Central Valley and in Sacramento since January, and of course, we're pleased to be here in Kings County to discuss the very critical issue of air quality, and particularly as it deals with truck and vehicle emissions.

(Snip)

MR. CHARLIE PETERS: Yes, hello, Senator. Very exciting to be allowed to be here today and to put some input into all of your hard work to trying to coordinate some efforts to improve air quality in the Central Valley.

It seems as though I must be confused, because I probably shouldn't be here today, 'cause I'm not here asking for any money. That seems to be the basis for this. Everybody seems to want some money for their jobs or their technology and so on. But, what I would like to do is provide for you an opinion or two that maybe we can do something that might significantly improve air quality in the Central Valley while improving the lives of the citizens in the Valley and not only by air quality, but improving their relationship with business and government and that sort of thing.

I'm Charlie Peters, Clean Air Performance Professionals, and we're a coalition of motorists. Things that we support are, we support a smog check inspection and repair audit, a gasoline oxygen cap for the fuel for gasoline, and elimination of the dual fuel café credit,

and those items we believe would cut car impact 50 percent in one year.

The changes as far as the motorists are concerned that would decrease the amount of illusions or fraud or whatever you want to call it in the smog check program in half in one year, it could potentially cut the failure rate in smog check in half in one year, and it could cut the costs to the motorists in half in one year. And we believe that that could decrease the car impact 50 percent in one year.

Smog check could cut the toxic impact in half in a year, _____ waiver allowing flexibility on the fuel which virtually every stakeholder in the State of California has stated that they support would save a \$10 billion national refinery welfare program of 52 cents a gallon for the ethanol use. That's one small portion of the incentives for the ethanol use. Ethanol gets less gas mileage, produces more NOx, costs more money, plus the taxes in the incentives. And about a third of the total gasoline use in the new vehicles is generated from a credit, a café credit

which the car manufacturer can produce a car that can run as an example on E85 and gasoline and the credit for the café amounts to about a third of the fuel used in the current cars in California, the new car. So we believe that somehow or another if that credit was eliminated first of all, the cost of doing that's about \$900 per car is our understanding.

_____ significantly reduce the price of the cars. And significantly improve the amount of fuel being used in the fleet.

I have in front of you, hopefully in have in front of you or can supply to you an article that was in the Daily Breeze indicating that a change in management of smog check from a adversarial complaint-based process which supports fraud and cheating, to a performance-based process that demands changes in behavior, that could significantly improve how the public's being treated.

One of the things that you've been supporting is a, to do some smoke testing of cars. The California Smog Check program does not allow any provider in the State of California to fail a car for smoking. I would suggest the possibility of incorporating the ability of a Smog Check provider to fail a car for smoking. And to fix it. That would get you 10 million smoke tests a year at no charge. You don't have to pay extra money to all the police in the state to go out and give people fines and give that money to the Bureau of Automotive Repair to create more welfare. All you got to do is allow the mechanic to do his job.

We have nice little cars running all over the State of California like U-Hauls.

There are tens of thousands of U-Hauls running all over the State of California. As far as I can find out, there's not a one of them that has a California plate. None of them are contributing to the California monies at DMV, and none of them ever get a smog check. I don't think that's fair, Senator. I think that should be addressed.

The people who are in the automotive repair trade have solvent that's supplied by Safety Clean. Supposed to be a clean air industry. All those vehicles are registered in Chicago and none of them ever get a smog check. They got California plates, but they never get a smog check.

There are huge opportunities to change how the public is being treated. The relationship between the government and business to better serve the public and significantly improve air quality. What I have said to you, Senator, is that the air quality in the Central Valley can be cleaned up to meet standards in one year at no cost. That's what I said. We had an approval to do this pilot study of improved management in 1993 to start within 45 days. We would petition you, sir, to give consideration to this possibility. This year we have met with Senator Robert Presley, the father of Smog Check. We have met with the Secretary of State and Consumer Services. We have met with Senator Torlakson's staff, with the Air Resources Board, the Department of Consumer Affairs, and the chief of the Bureau of Automotive Repair, heavily pushing for a possibility of demonstrating the effectiveness of an approved oversight of Smog Check. Thank you.

http://www.sen.ca.gov/air/6_20_03_TRUCKS/TRUCKVEHICLE_TRANSCRIPTS.DOC

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The bitter debate over smog-check cheating

By Thomas Elias, San Diego Daily Transcript, April 18, 2003

Almost no one questions that cheating is rampant in California's Smog Check programs, both in rural areas where tests are easier to pass and in so-called "enhanced" areas where the tough Smog Check II plan reigns. But there's plenty of dispute over how to straighten out this always contentious program.

Even though no one knows just how often cheating occurs, the state Bureau of Automotive Repair reports it conducted undercover checks last year at more than 1,500 of the 8,000 testing stations around the state. Almost all those visits came after the bureau already knew cheating had occurred on site, with most such clues gleaned from discrepancies showing up on its computers.

The industry group Clean Air Performance Professionals estimates at least some cheating goes on every year in "at least 80 percent" of Smog Check shops, says the group's president, Charlie Peters.

But the Bureau of Automotive Repair has limited funds and can't do much random testing, so large numbers of stations probably get away with routine criminal chicanery. This can take many forms: Some stations may have a car standing by that's already passed the test, ready to substitute for your smoky vehicle, for a price. That's called "clean-piping." Others may ignore a missing part or faulty timing, either out of friendship or for pay.

Even certified Gold Shield repair stations, where the state spends some \$20 million per year helping to fix polluting cars, can cheat. Sometimes they put more parts in than are needed to clean up a car's emissions. Other times they may charge a customer hundreds of dollars, but not really repair anything, knowing a confederate in the testing station will clean-pipe the car later. That's an effort to cheat both the customer and the Smog Check system.

The Bureau of Automotive Repair fights all this with computers that instantly note when two tests at the same station produce identical results, as often happens with clean-piping. The same computers sound an alarm when tests produce results that are impossible for a particular make or model. They report when tests take too short a time, implying that mechanics have failed to make the required visual or functional inspections.

And the BAR sends in undercover cars when it gets repair receipts from Gold Shield stations showing replacement of parts not justified by a car's test results.

But that doesn't nab nearly all cheats, and the bureau lacks the money to randomly test all stations every year.

Instead, it relies on the threat of lifting station owners' licenses, thus rendering worthless investments of \$250,000 or more in dynamometers and other equipment.

"We like to have probable cause before we move in," says Rich Mundy, the BAR's deputy chief for field operations and enforcement. "It's much more efficient than when we did 9,000 random checks a year (during the early 1980s)."

But cheating can be done by employees, even right under the nose of a well-meaning shop owner. Owners are then held responsible, and can lose their licenses if they can't show they've taken some kind of action to prevent mechanics from cheating. "We suggest they might use their own cars to check the honesty of their mechanics or make sure that at least two people are involved in some way on every check," said Mundy.

"That's unfair," says Peters. "There have been shops where employees were caught clean-piping and the owner had no way to know about it, but they were put out of business, even though they did take precautions."

Peters favors a return to the system in effect before 1991, when the BAR randomly checked testing stations and gave two or three warnings and fines before lifting a license. He also believes the BAR should use cars that it knows will test as gross polluters to check on the honesty of licensed repair shops.

"They need to use real cars with real problems and determine just what those problems are before the car goes to the

shop," Peters said. "Then they could act if someone deliberately cheated on the repairs. As it is, they act only on complaints, and most car owners have no idea what's needed to put their car in compliance, so they don't complain."

He contends that during the years 1985-'91, when a warning-and-fine system was in effect, cheating stations dropped to no more than 20 percent from about 80 percent found dishonest on previous random checks.

"If we can change behavior from consistent fraud to consistent reliability, that's a good thing, and it's not happening today," he said.

Replies Mundy, "We don't take licenses away from guys who just slip. But if they cheat with design, that's fraud and that's a crime. And I would strongly dispute that 80 percent of all shops do some cheating, or that they did it before 1985."

These two sides will plainly not soon arrive at agreement. But they ought to find a compromise. For today's system may indeed be overly tough on shop owners who want to be honest, but are confounded by corrupt employees.

What's needed is a plan that motivates honesty, for that's the only way to assure both fairness in smog testing and the clean air that's the aim of the whole program.

Elias is author of the book "The Burzynski Breakthrough: The Most Promising Cancer Treatment and the Government's Campaign to Squelch It." His e-mail address is thomas.elias@sddt.com.

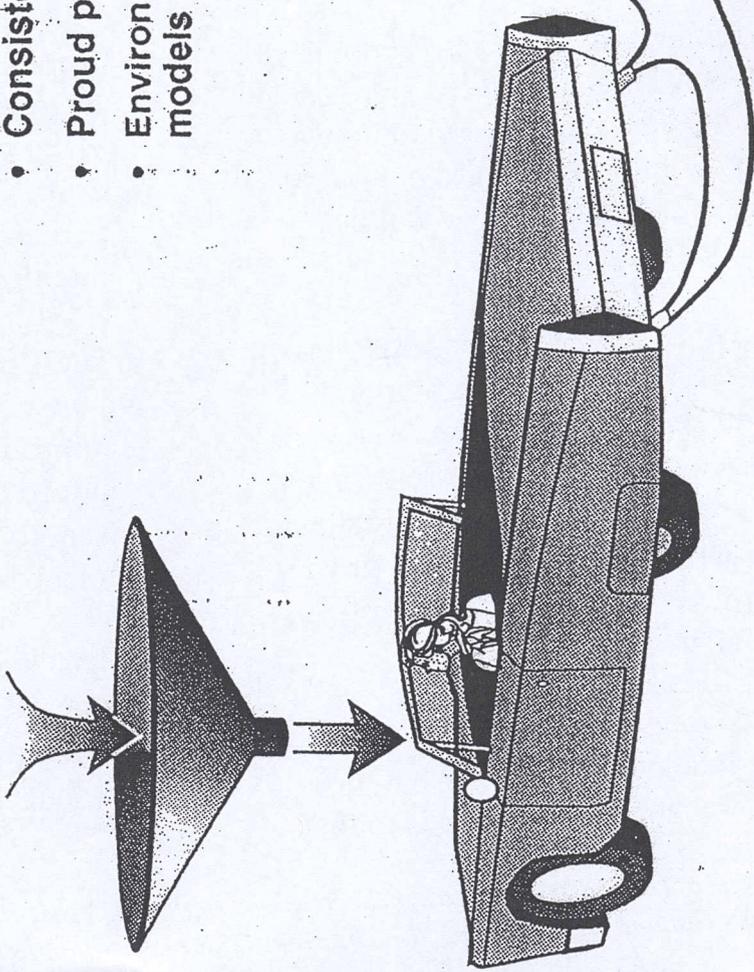
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CAPP TQM/enhanced PICA Program

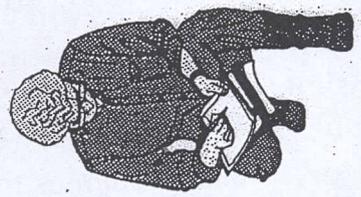
Responsible Quality Management



Outcome

Responsible State Government Management will result in:

- Effective government
- Consistent and effective consumer service
- Proud professional repair industry
- Environmental impact superior to the models



Charlie Peters
07-9-4
7/27/07

Clean Air Performance Professionals

Fax (510) 537-9675

Terminate "car tax" AB118 (Nunez)
VETO SB23 (Cogdill) unless amended

To:

Honorable

Governor

Arnold Schwarzenegger

State Capitol Building Sacramento, CA 95814

Phone: (916) 445-2841, Fax: (916) 445-4633

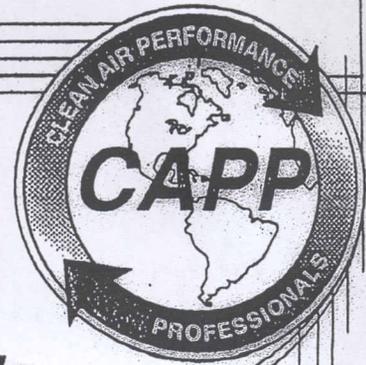
governor@governor.ca.gov

from: Charlie Peters

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Clean Air Performance Professionals

Saturday, July 14, 2007

NO on AB118

* Currently \$0.51 per gallon goes to oil refiners for adding 5.6% ethanol to California gasoline. That is about \$500,000,000.00 per year corporate welfare.

* AB118 may add over \$1.00 per gallon to additional gasoline profits in California

* This is about the money from your pocket

* The corn ethanol waiver in the 2005 federal energy bill will lower gasoline prices, improve miles per gallon, lower oil use and improve the air.

* NO on AB118. Contact your elected officials and share your opinion

(make copies and give to your friends)

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Ethanol: Midwest corn, D.C. pork

By Mark J. Perry, *The Sacramento Bee*, September 18, 2007

FLINT, Mich. -- In the politically motivated rush to replace gasoline with corn ethanol, we may be doing ourselves real economic harm.

The government-supported push for ethanol will not only increase taxes and damage the environment, but will add to Americans' burden of high fuel and food costs and especially hurt people on fixed incomes. And it will do almost nothing to reduce dependence on foreign oil -- all of the ethanol production this year will replace less than 5 percent of the gasoline sold.

Clearly, there is a limit to how much of the U.S. corn crop can be gobbled up for ethanol without pushing food prices higher and higher. Increased production of corn-based ethanol during just the past 12 months has raised food prices by \$47 per person, according to a study by Iowa State University. Before the summer is over, the price of milk is expected to jump 40 cents a gallon, and up to 60 cents more for a pound of cheese.

Nevertheless, a Senate energy bill is coming up for final approval next month that would require a sevenfold increase in ethanol from 5 billion gallons this year to 36 billion gallons by 2022. The measure also provides loan guarantees, biofuels research and development grants, and grants for ethanol plant construction for the politically powerful ethanol industry.

As if that's not enough, Sen. Richard Lugar, R-Ind., and Sen. Tom Harkin,

D-Iowa, are co-sponsoring a bill that would raise the ethanol mandate to 60 billion gallons by 2030.

Ethanol cannot be justified on a scientific or economic basis, and the only reason the industry has survived and profited is that the government gives corn farmers and ethanol producers very generous subsidies. As *The Wall Street Journal* pointed out, ethanol is produced by mixing corn with our tax dollars, currently \$5.5 billion annually in more than 200 ethanol tax breaks and subsidies.

If extended through 2022, as the Senate energy bill provides, the ethanol subsidies will cost taxpayers an estimated \$131 billion, according to the Tax Foundation. Subsidies under the Lugar-Harkin measure would cost as much as \$205 billion over the next 15 years.

The scientific problem with corn ethanol is that it contains one-third less energy than gasoline. So a motorist has to purchase one-third more fuel to go the same distance. If you total up all of the fossil fuel that goes into making and transporting ethanol -- nitrogen-based fertilizer and herbicides, fuel to run farm machinery and delivery trucks, natural gas for the distilling process at ethanol plants -- it takes more energy to produce ethanol than the fuel provides.

Furthermore, the rush to produce ethanol is adversely impacting the environment. In many parts of the corn belt, water tables are dropping,

in some places 10 feet or more in the past decade, because it takes so much water to grow corn and produce ethanol. For that matter, if the government keeps mandating unreasonably high levels of ethanol production, a prolonged drought that devastates the corn crop could cause fuel shortages in the future.

In addition, heavy corn production exacerbates soil erosion, pollutes groundwater supplies from chemical runoff, and increases the level of greenhouse gas emissions from the conversion of grassland to corn production.

The U.S. has an estimated 131 billion barrels of oil and 1,000 trillion cubic feet of natural gas available domestically, but currently off-limits, in and around the U.S. If Congress wants to moderate fuel prices and help consumers and the economy, it ought to open up these potentially oil-rich areas off the Atlantic and Pacific coasts, and in Alaska, to oil and natural gas production.

But there is a real danger that Congress will remain oblivious to the economic and scientific realities of ethanol and take us down the wrong path by mandating a huge increase in ethanol production. Washington might have a love affair with ethanol for political reasons, but increasing ethanol production will only lead to higher taxes, higher prices for both food and fuel, and damage to the environment, making us all worse off in the process. Congress needs to say no to the ethanol hustlers and end their political addiction to corn.

About the writer: Mark J. Perry is a professor of finance and economics at the Flint campus of the University of Michigan. Readers may write him at UM/Flint, 350 David M. French Hall, Flint, MI 48502-1950 or e-mail him at mjperry@umich.edu. Distributed by McClatchy-Tribune Information Services.

<http://www.sacbee.com/110/v-print/story/384067.html>

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Biofuels: The Water Problem

By Robert Bryce, Energy Tribune, Posted on Aug. 21, 2007

The latest indictment of biofuels concerns the copious quantities of water needed to produce them. In late June, two Colorado scientists, Jan F. Kreider, an engineering professor at the University of Colorado, and Peter S. Curtiss, a Boulder-based engineering consultant, presented their peer-reviewed report, "Comprehensive Evaluation of Impacts from Potential, Future Automotive Fuel Replacements" at a conference sponsored by the American Society of Mechanical Engineers. The two found that producing one gallon of corn ethanol requires the consumption of 170 gallons of water. That figure includes the amount needed for all irrigation and distillation. For comparison, the two scientists estimated that each gallon of gasoline requires just 5 gallons of water. If Kreider and Curtiss are right, the 5 billion gallons of corn ethanol produced in America in 2006 required more water than production of the 140 billion gallons of gasoline the U.S. consumed that year.

The numbers for soybean-based biodiesel were even worse. Kreider and

Curtiss calculated that each gallon requires a whopping 900 gallons of water. Cellulosic ethanol was slightly better than either, requiring some 146 gallons of water per gallon. When asked about the U.S. Senate's version of the energy bill mandating the production of 36 billion gallons of ethanol per year by 2022 (most of which presumably will come from cellulosic ethanol), Kreider told us that even if there were a proven production method for cellulosic ethanol, "there's not enough land, not enough water, and not enough transportation infrastructure to provide [that] quantity of fuel."

What about CO2 emissions? Kreider and Curtiss say that while soy biodiesel's are comparable to conventional gasoline, corn ethanol is a loser. During the entire life cycle of ethanol, carbon dioxide emissions are "about 50 percent larger for ethanols than for traditional fossil fuels; such fuels are not the answer to global warming, they make it worse." Go to www.fuelsandenergy.com, to read the study.

<http://www.energytribune.com/articles.cfm?aid=599>

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Ethanol Economics...

Tom McClintock, Citizens for the California Republic, 06-18-2007

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.carepublic.com/blog.html?domain=tom_mcclintock&blog_id=136&category_id=&start=0&arcyear=&arcmonth=&curyear=&curmonth=&curday=

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Daniels, Agriculture Secretary Mike Johanns and EPA Administrator Stephen Johnson spoke, delivering their usual fare about how ethanol was the greatest thing since sliced corn bread. They expected warm applause; in the past the entire ag community united around helping their brother corn farmers make a buck. But now that ethanol is literally taking food from their beasts' mouths, much of that community has grown less friendly. According to one attendee, Messrs. Daniels, Johanns and Johnson were later slammed with snippy ethanol questions from angry livestock owners, much to their dazed surprise. Word is that even the presidential candidates--who usually can say no wrong about ethanol while touring the Midwest--are having to be more selective about where they make their remarks.

Things are even hotter in Washington, where lobbying groups are firming up their positions against corn ethanol. The hugely influential National Cattlemen's Beef Association has gone so far as to outline a series of public demands, including an end to any government tax credits (subsidies) for ethanol and an axe to the import tariff on foreign ethanol. Put another way, the cattlemen are so angry that they are demanding free markets and free trade--a first. Maybe ethanol really is a miracle fuel. In any event, expect the ethanol call to get harder for Plains state senators such as Max Baucus, Ben Nelson and Byron Dorgan.

The National Turkey Federation estimates its feed costs have gone up nearly \$600 million annually and is surely letting loose on members from turkey states such as Minnesota and Missouri. The National Chicken Council, which represents companies that produce, process and

market chickens, has been hitting the southern political caucus, putting pressure on senators from big poultry states such as Georgia, Arkansas and Alabama. Chicken giant Tyson's, the second largest employer in Arkansas (after Wal-Mart), even felt the need to warn about the effect of rising corn prices on its business in its first quarter earnings statement. Food and drink manufacturers, which rely heavily on corn and corn syrup for their products, are also making the Washington rounds. The Grocery Manufacturers Association this week called for Congress to undertake a study before it imposed a bigger ethanol mandate. Soft-drink companies such as Coca-Cola (of Mr. Chambliss's Georgia) are also up in arms.

From the other side, green groups are grouching about the environmental consequences of intensive corn farming. International aid organizations are complaining that ethanol is raising the overall cost of food and diverting grain from poor countries. Ducks Unlimited, part of Washington's "hooks and bullets" conservation lobby, sported a recent article in its magazine complaining that farmers are taking idle land out of conservation programs--land currently home to ducks--and using it for corn farming again.

All this pressure is beginning to hit home. Ethanol isn't going away anytime soon; you can't unring a bill. But senators are said to be readying amendments to offer to the new ethanol bill that would use triggers or waivers to further water down the corn element. Turns out there are huge economic consequences to Congress micromanaging energy policy, and all to aid its campaign donors in agribusiness. A lesson the U.S. is now learning the hard way.

Ms. Strassel is a member of The Wall Street Journal's editorial board, based in Washington. Her column appears Fridays.

<http://www.opinionjournal.com/columnists/kstrasselpw/?id=110010094>

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Gasoline Price Gouging Becomes Ever More Obvious

Tom Elias, Santa Monica Mirror., May 3 - 9, 2007

Just in case anyone still believes it's an accident oil companies like ExxonMobil and Chevron and BP and Shell have achieved record profits quarter after quarter during the last few years, here's some information that will utterly debunk such naive thinking:

As of early spring, crude oil prices were several pennies lower per gallon this year than last year. But the pump price of gasoline was considerably higher. In February, the average California price of \$2.81 was nearly 24 cents higher than a year earlier and 45 cents above the national average. In early April, the average California price of \$3.29 was 62 cents over the national average.

Today's price seems well on its way to topping the all-time average statewide high of \$3.38 per gallon.

How can this be happening when oil companies continually tell us, their customers, that fluctuations in the price of crude and refinery problems are the major impetus for changes in their pump prices?

Easy. It's called gouging. As long as no significant gasoline retailer breaks ranks and the price at the pump remains fairly constant from one street corner to the next within a region, there is no reason for any oil company not to raise prices. So they do. That's how ExxonMobil made a record \$39 billion profit during the third quarter of last year (about half the entire budget of the state of California, to put it into perspective, in just one quarter).

But Exxon's profits dropped a tad in the fourth quarter, you might note. So did those of the rest of Big Oil.

The reason for that was clear and fairly well documented: Oil companies last fall did all they could to keep Republicans in the majority in Congress because no matter how high prices went during its reign, the GOP never did a thing to rein them in. No hearings questioning oil company executives about their pricing practices. No anti-gouging bills. Nothing.

And historically, when gasoline prices drop during the fall political season, the party in power stays there. So – surprise – prices dropped from last summer's peak average of \$3.38 for a gallon of unleaded regular to about \$2.20 just before Election Day last November.

The prediction here then was that prices would rise gradually starting the week after the election. And they did, with the average price in California now over \$3.30.

There is, of course, no smoking-gun piece of evidence to prove that oil companies set their prices in concert, acting as a cartel. There is also no hard evidence that a combination of collusion and political opportunism led to last fall's unified price drop.

This may be because no one has either subpoenaed oil company emails and letters or eavesdropped on their telephone calls. It's also because state investigators have repeatedly thrown up their hands in frustration over their inability to get to internal

oil company communications of all kinds. Only federal officials have the power to subpoena that material, and so far they have not.

But the fact is that during last fall, as prices fell, the difference in what oil companies paid for a gallon of crude oil and what they charged for a gallon of gasoline at the pump dropped sharply. From a peak difference of \$1.37 per gallon in October 2005 to a low of 85.9 cents per gallon in November, oil company margins fell by more than 50 cents per gallon.

But they started to climb once again the moment the election was history, standing last month at \$1.22 per gallon.

This number means that while oil companies continue to insist there's a direct link between what they pay for crude oil and what they charge for gasoline, that connection has been altered, stretched or eliminated altogether during the last three years.

"These figures show that gasoline prices are not about the price of oil, but about maximizing the already obscene profits of oil companies and their refiners," said Judy Dugan, research director for the consumer advocate Foundation for Taxpayer and Consumer Rights.

The newest numbers and the repeated failures of state investigators also combine to show why a full-scale investigation of gasoline pricing should now become one of the highest priorities of the new Democratic majority in Congress.

<http://www.smmirror.com/MainPages/DisplayArticleDetails.asp?eid=5442>

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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

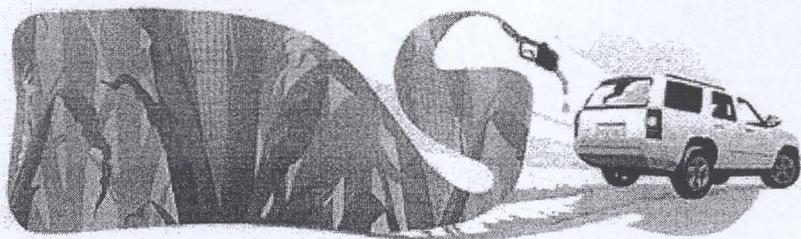
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The ethanol myth

October 2006, *Consumer Reports'* E85 tests show that you'll get cleaner emissions but poorer fuel economy ... if you can find it



The Bush administration has been pushing ethanol as a renewable, homegrown alternative to gasoline. Now, the auto industry is abuzz with the promise of its flexible-fuel vehicles (FFVs), which are designed to run on either gasoline or the blend of 85 percent ethanol and 15 percent gasoline called E85.

GM's advertising says, "Energy independence? The answer may be growing in our own backyard," and has coined the slogan "Live green, go yellow," referring to the corn from which most U.S. ethanol is made. DaimlerChrysler, Ford, and GM have said that they plan to double production of FFVs and other biofuel vehicles to 2 million by 2010.

A recent Harris Interactive study of vehicle owners found that more than half were interested in purchasing an FFV, mostly for reduced dependency on petroleum and improved fuel economy.

But after putting a 2007 Chevrolet Tahoe FFV through an array of fuel economy, acceleration, and emissions tests, and interviewing more than 50 experts on ethanol fuel, *CR* determined that E85 will cost consumers more money than gasoline and that there are concerns about whether the government's support of FFVs is really helping the U.S. achieve energy independence. Among our findings:

- The fuel economy of the Tahoe dropped 27 percent when running on E85 compared with gasoline, from an already low 14 mpg overall to 10 mpg (rounded to the nearest mpg). This is the lowest fuel mileage we've gotten from any vehicle in recent years.
- With the retail pump price of E85 averaging \$2.91 per gallon in August, according to the Oil Price Information Service, which tracks petroleum and other fuel prices, a 27 percent fuel-economy penalty means drivers would have paid an average of \$3.99 for the energy equivalent of a gallon of gasoline.

- When we calculated the Tahoe's driving range, we found that it decreased to about 300 miles on a full tank of E85 compared with about 440 on gasoline. So you have to fill up more often with E85.
- The majority of FFVs are large vehicles like the Tahoe that get relatively poor fuel economy even on gasoline. So they will cost you a lot at the pump, no matter which fuel you use.
- Because E85 is primarily sold in the upper Midwest, most drivers in the country have no access to the fuel, even if they want it. For our Tahoe test, for example, we had to blend our own (see [The great E85 fuel hunt](#)).
- The FFV surge is being motivated by generous fuel-economy credits that auto-makers get for every FFV they build, even if it never runs on E85. This allows them to pump out more gas-guzzling large SUVs and pickups, which is resulting in the consumption of many times more gallons of gasoline than E85 now replaces.

We put the Tahoe through our full series of fuel-economy and acceleration tests while running on each fuel (see our [test results](#)). When running on E85 there was no significant change in acceleration. Fuel economy, however, dropped across the board. In highway driving, gas mileage decreased from 21 to 15 mpg; in city driving, it dropped from 9 to 7 mpg.

You could expect a similar decrease in gas mileage in any current FFV. That's because ethanol has a lower energy content than gasoline: 75,670 British thermal units per gallon instead of 115,400, according to the National Highway Traffic Safety Administration. So you have to burn more fuel to generate the same amount of energy. In addition, FFV engines are designed to run more efficiently on gasoline. E85 fuel economy could approach that of gasoline if manufacturers optimized engines for that fuel.

When we took our Tahoe to a state-certified emissions-test facility in Connecticut and had a standard emissions test performed, we found a significant decrease in smog-forming oxides of nitrogen when using E85. Ethanol, however, emits acetaldehyde, a probable carcinogen and something that standard emissions-testing equipment is not designed to measure. But that might be a relatively minor evil. "Acetaldehyde is bad," says James Cannon, president of Energy Futures, an alternative-transportation publication, "but not nearly as bad as some of the emissions from gasoline."

http://www.consumerreports.org/cro/cars/new-cars/ethanol-10-06/overview/1006_ethanol_ov1_1.htm?resultPageIndex=1&resultIndex=1&searchTerm=ethanol

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Ethanol: A Costly Snake Oil and a Danger to America

Ray Wallace, American Chronicle, April 22, 2006

President Bush thought it was OK for Arabs to buy control of U.S. ports. Does he also think it's OK for Arabs to invest nearly \$185 billion in the fire- and explosion-prone fuel factories now being planned, built, and operated -- with U.S. taxpayer money -- in farm communities across America?

Concerning Thomas C. Dorr of the U.S. Department of Agriculture (USDA), the following appears in "Dorr calls for new rural investment opportunities," by Jean Caspers-Simmet, in the Feb. 14, 2006 Rochester, Minnesota Agri News at

<http://webstar.postbulletin.com/agrinews/226787206645274.bsp>:

"Last June Dorr attended the Second Annual Renewable Energy Finance Forum in New York City.

"Represented in the room was \$125 billion of capital willing to invest in green energy. A venture capitalist shared how his firm raised \$185 billion capital to invest in Midwest ethanol refining capacity. Dorr asked how much came from the Middle East. The investor said nearly all of it."

Addressing the National Ethanol Conference Panel in Las Vegas, Nevada on Feb. 22, 2006, Mr. Dorr seems to have been responding to the above news report when saying (as documented on the USDA's own website at

<http://www.rurdev.usda.gov/srty/2006/022206NatEthanolConfremarks.pdf>):

"From a national energy policy standpoint, it doesn't make a great deal of difference who owns the plants."

Doesn't it?

If Middle East billions get invested in ethanol plants in the U.S. Midwest alone, doesn't that put our farmers -- whom the Bush Administration keeps urging to invest in ethanol plants -- in direct and unfair competition with oil-rich sheiks?

This also puts the lie to government propaganda that taxpayer-subsidized ethanol distilleries are supposed to

benefit U.S. family farmers and their local communities.

Bush also claims ethanol helps cure U.S. addiction to Middle East oil.

Whoever heard of his Middle East buddies' investing a penny to wean anyone off oil?

Alarms should be going off everywhere. Instead, Bush neglects to truthfully tell America:

Making ethanol costs more and uses more foreign oil than it replaces.

Vehicles burning ethanol run fewer miles.

Ethanol wouldn't be made if taxpayer subsidies stopped.

Says Cornell University's David Pimentel:

"The government spends more than \$3 billion a year to subsidize ethanol production when it does not provide a net energy balance or gain, is not a renewable energy source or an economical fuel. Further, its production and use contribute to air, water and soil pollution and global warming...."

"Ethanol production in the United States does not benefit the nation's energy security, its agriculture, economy or the environment. Ethanol production requires large fossil energy input, and therefore, it is contributing to oil and natural gas imports and U.S. deficits."

? From "Cornell ecologist's study finds that producing ethanol and biodiesel from corn and other crops is not worth the energy," by Susan S. Lang, on the Cornell University website at:

<http://www.news.cornell.edu/stories/July05/ethanol.toocostly.ssl.html>

Tad W. Patzek of the University of California at Berkeley adds:

"The National Corn Growers Association has been asking every corn grower to lobby Congress to increase domestic production of fossil fuels by

opening the Arctic National Wildlife Reserve and the Outer Continental Shelf for exploration and production, and by drilling everywhere on U.S. territory for oil and gas. Why? Because the U.S. agricultural industry depends heavily on natural gas, coal, and petroleum for its existence...."

"Corn agriculture is a scheme to launder fossil fuels into an industrial raw material, while damaging the environment of roughly half the continental U.S. land mass, and poisoning most rivers, streams, and coastal waters."

? From "Corn Ethanol: Laundering Fossil Fuels, Bilking Taxpayers, Damaging the Environment," by Tad W. Patzek, the April 2006 featured story in the Energy Tribune, at: <http://www.energytribune.com/articles.cfm?aid=67>

Patzek reduces matters to the following dollar terms on this Berkeley site:

http://petroleum.berkeley.edu/patzek/BiofuelQA/Materials/TWP_cover_story.pdf

"American taxpayers have spent a staggering \$143.8 billion on farm subsidies over the past ten years, more than \$104 billion of which (72%) went to 10% of recipients...."

"As long as agribusiness receives tens of billions of dollars each year in crop-price and environmental subsidies, it obtains a significant gift from the taxpayers: industrial raw materials (e.g., corn grain) at rock-bottom prices, which can be processed into, say, ethanol at a significant profit.

"This profit is further enhanced by a subsidy of 50 cents per gallon of ethanol -- also courtesy of the taxpayers."

SO WHY are taxpayers subsidizing the corn-to-ethanol factories now dotting America, with more planned? Why shovel taxpayer money to corporations first to make and then to use ethanol? Why is government forgiving these corporations their taxes -- while requiring ordinary taxpayers not only to make up the loss but also to pay big

prices for the very ethanol they've repeatedly subsidized?

The excuse being given is that ethanol is "green energy." But the only green that concerns foreign investors is in U.S. wallets. It wasn't to improve American environment that an Australian corporation with Asian ties recently bought 60 per cent controlling interest in Midwest Grain Processors, the biggest so-called "farmer owned" ethanol producer in the entire U.S.

The national press isn't reporting:

How much ethanol pollutes as it's being burned in vehicles and as it's being made in smoke-stacked, air-, water-, people-, and community-fouling U.S. factories.

Where all the water is coming from -- in drought-concerned America -- for new factories that guzzle up to six gallons of water for every gallon of ethanol produced.

The week after declaring a state-wide Drought Watch and telling residents to cut back on water use, PA Environmental Protection Secretary Kathleen McGinty announced plans for water-hungry fuel factories. "Massive" is how she proudly described a PA fuel factory as likely the largest east of the Mississippi. Did McGinty forget her public warning (just the week before) that PA's Susquehanna River is 65 per cent below its normal flow?

In addition to addicting folks to more Middle East crude, the powerful U.S. agribusiness lobby --in tandem with the powerful international ethanol lobby -- is now subjecting U.S. officials, farmers, air, water, food supply, and economy to the whims of global energy cartels. Ethanol is another name for world-class snake oil.

U.S. tax dollars shouldn't disappear into areas of the world that sanction religious beheadings and terrorism. No money should disappear anywhere because of lies about protecting the environment.

Something good:

The U.S. Environmental Protection Agency (EPA) has ruled that, starting in May 2006, not a drop of polluting ethanol need ever again be blended with gasoline.

Today's gasoline refineries already have the technology to make cleaner-burning fuel without using anything grown on a farm.

Something else:

The EPA now wants to permit individual ethanol factories to dump hundreds of tons more pollution into the air -- over twice as much as currently allowed!

Not "green," that's nuts.

Why is the EPA backing a costly, toxic, Middle East-supporting fuel that does the exact opposite of what we're told it does? Why is the EPA selling out our environment, agriculture, and economic integrity?

International ethanol giant Archer Daniels Midland, reportedly the largest recipient of U.S. corporate welfare, wants taxpayers to keep on subsidizing the building of multimillion-dollar ethanol factories ? and to then keep on paying investors 50 cents for each gallon of ethanol flowing, night and day, from these factories. State and local officials keep handing ethanol investors more money.

This is no benefit to taxpayers. It's a gravy train for outsiders. The proof is that Middle East and other foreigner investors are jumping on it. Ethanol shills talk pretty about renewable solar and wind energy but they don't use sunlight or any kind of wind but their own hot air.

They tell farmers that ethanol raises corn prices. But the less that market-controlling ethanol barons decide to pay for corn, the bigger are their own ? and the less are farmers' -- profits. Furthermore, corn is only a temporary

ingredient of ethanol, as President Bush himself indicated in his last State of the Union speech.

With oil supplies declining, why pay oil men for fuel made from corn or anything else for which they don't drill? Besides food, this includes so-called "renewables" like U.S. garbage, U.S. manure, and U.S. rubber tires. Picture the U.S. pollution pouring from such plants!

While trying to hide behind U.S. farmers, foreign ethanol investors hope U.S. taxpayers sleep through this disaster. The global ethanol industry relies on subsidies. It doesn't need one farmer anywhere as a permanent partner. U.S. Farmers are ethanol patsies. So are U.S. taxpayers who get handed the bill.

The same, corporation-lobbied politicians who've led us into war in the oil-rich Middle East are leading the ethanol parade at home. Ethanol is simply the most widespread, costly, and U.S. security-risking money scam in history.

NO GOVERNMENT should make anyone pay a penny to any industry -- let alone to investors from countries seeking our downfall -- for an oil-wasting agricultural product that compromises a single U.S. farmer or is made in a single, toxic U.S. factory.

In each American community that hosts or is being targeted by an ethanol factory, common sense, honesty, and citizens' physical and economic health are being needlessly trashed for others' profits.

So are America's agricultural foundation, political future, and energy security.

There's plain terrorism, and there's economic terrorism.

And there's plain stupidity.

<http://www.americanchronicle.com/articles/viewArticle.asp?articleID=8467>

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International Renewable Fuels Fellowship Announced by Eisenhower Fellowships

PRNewswire, September 23, 2005

PHILADELPHIA, Sept. 23 /PRNewswire/ -- Eisenhower Fellowships is pleased to announce that it is accepting applications for its 2006 agriculture fellowship program focused on "International Use and Trade in Renewable Fuels (such as ethanol and biodiesel)." The program is for farmers with an established leadership track, aged 32-45, who are on their way to playing increasingly prominent leadership roles in the agriculture sector. Fellows are chosen to travel abroad for 4 to 8 weeks, with an individually-tailored itinerary of meetings with counterparts and key professionals in positions of leadership in another country.

Selection is highly competitive and based on a record of demonstrated professional leadership, potential for continued development, and a long-term commitment to the agriculture sector. The fellowship covers all international and domestic travel, hotel accommodations, and meals for Fellow

and spouse.

Eisenhower Fellowships is a private, non-profit, non-partisan organization seeking to foster dialogue and leadership through the exchange of information, ideas, and perspectives among emerging leaders throughout the world. Established in 1953 as a birthday tribute to President Dwight D. Eisenhower, the organization has sponsored some 1,600 Fellows from more than 100 countries. The chairman of Eisenhower Fellowships is Dr. Henry A. Kissinger; former President George H.W. Bush is honorary chairman. For more information and to download an application please visit our website at <http://www.eisenhowerfellowships.org> or contact Julia Ransom at jransom@eisenhowerfellowships.org. Application deadline is December 2, 2005, with finalist interviews held in Philadelphia in January 2006.

SOURCE Eisenhower Fellowships

Web Site: <http://www.eisenhowerfellowships.org>

<http://www.prnewswire.com/cgi-bin/stories.pl?ACCT=104&STORY=/www/story/09-23-2005/0004114382&EDATE=>

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Ethanol waiver available

Editorial: The Orange County Register, September 20, 2005

The federal energy bill has a provision for states to get a waiver from the gasoline ethanol mandate. California should apply for it immediately.

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.

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http://www.ocregister.com/ocregister/opinion/atoz/article_682070.php

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Extension of Ethanol Credit Draws Fire

Critics Say Flexible-Fuel Provision Boosts Oil Consumption

By Juliet Eilperin / Washington Post, June 6, 2005; A06

A little-noticed provision in the House energy bill provides a key concession to major automakers, allowing them to take credit for producing vehicles that run on ethanol even if owners are using regular gas.

The measure, which makes it easier for manufacturers to meet federal fuel economy requirements, underscores the problems lawmakers encounter when trying to promote alternative fuels. While U.S. officials have been trying to spur a broad market for "flexible-fuel vehicles" that can run on gas or an ethanol blend, some studies suggest that this policy has increased domestic oil consumption over the past decade.

The flexible-fuel credit, which is set to expire in 2008, would be extended for six years under language adopted by the House on April 21. It allows car makers to get credit for fuel economy for flexible-fuel vehicles even if owners never use anything but gas.

The Natural Resources News Service, a nonpartisan organization that focuses on environmental issues, provided the bill language to The Washington Post.

Senators are weighing whether to include the measure in the energy bill that will reach the floor later this month.

Rep. Joe Barton (R-Tex.), chairman of the House Energy and Commerce Committee, said in a statement that the credit reflected a "balanced approach" to energy consumption that "will help alleviate our reliance on foreign oil and achieve a cleaner environment."

But environmentalists such as David Friedman, research director for the

clean vehicles program of the Union of Concerned Scientists, countered that, since its inception in 1993, the flexible-fuel credit has allowed manufacturers to avoid \$1.6 billion in federal fines and U.S. gasoline consumption to increase by 4 billion gallons.

"We have no problem with the automakers getting credit for the alternative fuels actually used in vehicles, because that's a good thing," Friedman said. "This pretends that they're selling hybrids when they're selling gas guzzlers."

In 2002, a National Academy of Sciences study concluded that the flexible-fuel credit "has had, if any, a negative effect on fuel economy, petroleum consumption, greenhouse gas emissions and cost. These vehicles seldom use any fuel other than gasoline, yet enable automakers to increase their production of less fuel-efficient vehicles."

However, the program remains popular on Capitol Hill with both Democrats and Republicans, particularly those from car- and ethanol-producing states. Gloria Bergquist, spokeswoman for the Alliance of Automobile Manufacturers, said the policy addressed the "chicken and egg problem" of how to make renewable fuels more accessible to consumers.

"The refiners say they're not going to produce clean fuels until there's autos to use them, and the automakers say, well, we need the clean fuels if we're going to manufacture these clean vehicles," Bergquist said in an interview.

Under current law, companies that produce flexible-fuel vehicles get credit for meeting fuel standards as if car owners drive half the time with

an 85 percent ethanol fuel blend. This rarely happens. According to federal officials, drivers use a blend less than 1 percent of the time, and less than 0.2 percent of U.S. gas stations sell the appropriate fuel.

But auto companies still reap the benefits as if drivers were exercising the blend option. In 2004, Ford sold more than 240,000 six-cylinder Ford Explorers, 87 percent of which were dual-fuel vehicles. That meant the company got credit for the sport-utility fleet averaging nearly 31 miles per gallon, while it actually averaged closer to 20 miles per gallon.

"It's a special-interest provision that benefits the automobile manufacturers, based on a pretense," said Rep. Henry A. Waxman (Calif.), who, with other energy committee Democrats, tried unsuccessfully to strip the provision from the energy bill.

Some U.S. manufacturers are trying to educate customers about using alternative fuels. General Motors Corp. funded a mailing to Sioux Falls, S.D., residents informing them that a local ethanol producer, VeraSun Energy, had installed 35 ethanol gas pumps in the city.

But most flexible-fuel vehicle drivers remain unaware that they can switch from gas. In a recent survey of owners in South Dakota, VeraSun found that 68 percent did not know they could use ethanol in their vehicles.

"We have a lack of awareness," said Doug Durante, executive director of the Bethesda-based Clean Fuels Development Coalition. But he predicted that ethanol sales were on the verge of taking off. "This is a very slow start, but it's a steady market. I just think it's the future."

<http://www.washingtonpost.com/wp-dyn/content/article/2005/06/05/AR2005060501015.html>

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Clean Air

Frank O'Donnell, Clean Air Trust, May 2004

We have all read the recent stories that mandatory use of ethanol in states that have banned MTBE (including California, New York and Connecticut) could mean higher gas prices as gasoline marketers shift to summer fuel blends.

With that in the background, we thought you might be interested in dramatic new evidence by the state of California, which shows that forced use of ethanol in gasoline will also mean more pollution in California.

California recently sent the evidence (see link, below) to the U.S. Environmental Protection Agency as part of its effort to obtain a waiver from mandatory use of ethanol in reformulated gasoline. California's evidence shows that forced use of ethanol will mean higher nitrogen oxides and particle soot pollution -- and inhibit the state's ability to meet federal air quality standards for particle soot. California also argues that requiring high-volatility ethanol will mean increased smog-forming hydrocarbon pollution from lawn and garden equipment and gasoline containers.

This evidence appears very solid. If the Bush administration rejects this request, it will appear very politically motivated. It will suggest the administration is more interested in electoral votes from farm states than in sound science or the health of breathers in high-pollution areas. It would also appear to doom a similar request by the state of New York -- and raise the specter of a real gas crunch in the Northeast this spring (since oil companies have to make a special, lower-volatility blendstock to compensate for higher-volatility ethanol.)

You may recall that California tried earlier (under Governor Gray Davis) to obtain a waiver. The EPA career staff not only recommended such a waiver, but actually wrote a proposed rule that would have granted it. President Clinton left office without taking action on the request, and the Bush EPA rejected it in 2001 following heavy lobbying by farm state interests. California sued, and won an initial battle in federal court. It submitted the new information as Gov. Arnold Schwarzenegger continues to fight for the right to permit companies to sell cleaner-burning gasoline without ethanol.

<http://www.arb.ca.gov/fuels/gasoline/oxy/oxy.htm>

http://www.iowastatedaily.com/home/index.cfm?event=displayArticleComments&ustory_id=b013ed16-a346-1028-a55e-75b0145261f1

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The Oil We Eat

Following the food chain back to Iraq

Posted on Friday, July 23, 2004. Originally from Harper's Magazine, February 2004. By Richard Manning.

The secret of great wealth with no obvious source is some forgotten crime, forgotten because it was done neatly.—Balzac

The journalist's rule says: follow the money. This rule, however, is not really axiomatic but derivative, in that money, as even our vice president will tell you, is really a way of tracking energy. We'll follow the energy.

We learn as children that there is no free lunch, that you don't get something from nothing, that what goes up must come down, and so on. The scientific version of these verities is only slightly more complex. As James Prescott Joule discovered in the nineteenth century, there is only so much energy. You can change it from motion to heat, from heat to light, but there will never be more of it and there will never be less of it. The conservation of energy is not an option, it is a fact. This is the first law of thermodynamics.

Special as we humans are, we get no exemptions from the rules. All animals eat plants or eat animals that eat plants. This is the food chain, and pulling it is the unique ability of plants to turn sunlight into stored energy in the form of carbohydrates, the basic fuel of all animals. Solar-powered photosynthesis is the only way to make this fuel. There is no alternative to plant energy, just as there is no alternative to oxygen. The results of taking away our plant energy may not be as sudden as cutting off oxygen, but they are as sure.

Scientists have a name for the total amount of plant mass created by Earth in a given year, the total budget for life. They call it the planet's "primary productivity." There have been two efforts to figure out how that productivity is spent, one by a group at Stanford University, the other an independent accounting by the biologist Stuart Pimm. Both conclude that we humans, a single species among millions, consume about 40 percent of Earth's primary productivity, 40 percent of all there is. This simple number may explain why the current extinction rate is 1,000 times that which existed before human domination of the planet. We 6 billion have simply stolen the food, the rich among us a lot more than others.

Energy cannot be created or canceled, but it can be concentrated. This is the larger and profoundly explanatory context of a national-security memo George Kennan wrote in 1948 as the head of a State Department planning committee, ostensibly about Asian policy but really about how the United States was to deal with its newfound role as the dominant force on Earth. "We have about 50 percent of the world's wealth but only 6.3 percent of its population," Kennan wrote. "In this situation, we cannot fail to be the object of envy and resentment. Our real task in the coming period is to devise a pattern of relationships which will permit us to maintain this position of disparity without positive detriment to our national security. To do so, we will have to dispense with all sentimentality and day-dreaming;

and our attention will have to be concentrated everywhere on our immediate national objectives. We need not deceive ourselves that we can afford today the luxury of altruism and world-benefaction." "The day is not far off," Kennan concluded, "when we are going to have to deal in straight power concepts."

If you follow the energy, eventually you will end up in a field somewhere. Humans engage in a dizzying array of artifice and industry. Nonetheless, more than two thirds of humanity's cut of primary productivity results from agriculture, two thirds of which in turn consists of three plants: rice, wheat, and corn. In the 10,000 years since humans domesticated these grains, their status has remained undiminished, most likely because they are able to store solar energy in uniquely dense, transportable bundles of carbohydrates. They are to the plant world what a barrel of refined oil is to the hydrocarbon world. Indeed, aside from hydrocarbons they are the most concentrated form of true wealth—sun energy—to be found on the planet.

As Kennan recognized, however, the maintenance of such a concentration of wealth often requires violent action. Agriculture is a recent human experiment. For most of human history, we lived by gathering or killing a broad variety of nature's offerings. Why humans might have traded this approach for the complexities of agriculture is an interesting and long-debated question, especially because the

skeletal evidence clearly indicates that early farmers were more poorly nourished, more disease-ridden and deformed, than their hunter-gatherer contemporaries. Farming did not improve most lives. The evidence that best points to the answer, I think, lies in the difference between early agricultural villages and their pre-agricultural counterparts—the presence not just of grain but of granaries and, more tellingly, of just a few houses significantly larger and more ornate than all the others attached to those granaries. Agriculture was not so much about food as it was about the accumulation of wealth. It benefited some humans, and those people have been in charge ever since.

Domestication was also a radical change in the distribution of wealth within the plant world. Plants can spend their solar income in several ways. The dominant and prudent strategy is to allocate most of it to building roots, stem, bark—a conservative portfolio of investments that allows the plant to better gather energy and survive the downturn years. Further, by living in diverse stands (a given chunk of native prairie contains maybe 200 species of plants), these perennials provide services for one another, such as retaining water, protecting one another from wind, and fixing free nitrogen from the air to use as fertilizer. Diversity allows a system to “sponsor its own fertility,” to use visionary agronomist Wes Jackson’s phrase. This is the plant world’s norm.

There is a very narrow group of annuals, however, that grow in patches of a single species and store almost all of their income as seed, a tight bundle of carbohydrates easily exploited by seed eaters such as ourselves. Under normal circumstances, this eggs-in-one-basket strategy is a dumb idea for a plant. But not during catastrophes such as floods, fires, and volcanic eruptions. Such catastrophes strip established plant communities and create opportunities for wind-scattered entrepreneurial seed bearers. It is no accident that no matter where agriculture sprouted on the globe, it always happened near rivers. You might assume, as

many have, that this is because the plants needed the water or nutrients. Mostly this is not true. They needed the power of flooding, which scoured landscapes and stripped out competitors. Nor is it an accident, I think, that agriculture arose independently and simultaneously around the globe just as the last ice age ended, a time of enormous upheaval when glacial melt let loose sea-size lakes to create tidal waves of erosion. It was a time of catastrophe.

Corn, rice, and wheat are especially adapted to catastrophe. It is their niche. In the natural scheme of things, a catastrophe would create a blank slate, bare soil, that was good for them. Then, under normal circumstances, succession would quickly close that niche. The annuals would colonize. Their roots would stabilize the soil, accumulate organic matter, provide cover. Eventually the catastrophic niche would close. Farming is the process of ripping that niche open again and again. It is an annual artificial catastrophe, and it requires the equivalent of three or four tons of TNT per acre for a modern American farm. Iowa’s fields require the energy of 4,000 Nagasaki bombs every year.

Iowa is almost all fields now. Little prairie remains, and if you can find what Iowans call a “postage stamp” remnant of some, it most likely will be a cornfield. This allows an observation. Walk from the prairie to the field, and you probably will step down about six feet, as if the land had been stolen from beneath you. Settlers’ accounts of the prairie conquest mention a sound, a series of pops, like pistol shots, the sound of stout grass roots breaking before a moldboard plow. A robbery was in progress.

When we say the soil is rich, it is not a metaphor. It is as rich in energy as an oil well. A prairie converts that energy to flowers and roots and stems, which in turn pass back into the ground as dead organic matter. The layers of topsoil build up into a rich repository of energy, a bank. A farm field appropriates that energy, puts it into seeds we can eat. Much of the energy moves from the earth to the rings of fat around our necks

and waists. And much of the energy is simply wasted, a trail of dollars billowing from the burglar’s satchel.

I’ve already mentioned that we humans take 40 percent of the globe’s primary productivity every year. You might have assumed we and our livestock eat our way through that volume, but this is not the case. Part of that total—almost a third of it—is the potential plant mass lost when forests are cleared for farming or when tropical rain forests are cut for grazing or when plows destroy the deep mat of prairie roots that held the whole business together, triggering erosion. The Dust Bowl was no accident of nature. A functioning grassland prairie produces more biomass each year than does even the most technologically advanced wheat field. The problem is, it’s mostly a form of grass and grass roots that humans can’t eat. So we replace the prairie with our own preferred grass, wheat. Never mind that we feed most of our grain to livestock, and that livestock is perfectly content to eat native grass. And never mind that there likely were more bison produced naturally on the Great Plains before farming than all of beef farming raises in the same area today. Our ancestors found it preferable to pluck the energy from the ground and when it ran out move on.

Today we do the same, only now when the vault is empty we fill it again with new energy in the form of oil-rich fertilizers. Oil is annual primary productivity stored as hydrocarbons, a trust fund of sorts, built up over many thousands of years. On average, it takes 5.5 gallons of fossil energy to restore a year’s worth of lost fertility to an acre of eroded land—in 1997 we burned through more than 400 years’ worth of ancient fossilized productivity, most of it from someplace else. Even as the earth beneath Iowa shrinks, it is being globalized.

Six thousand years before sodbusters broke up Iowa, their Caucasian blood ancestors broke up the Hungarian plain, an area just northwest of the Caucasus Mountains. Archaeologists call this

tribe the LBK, short for linearbandkeramik, the German word that describes the distinctive pottery remnants that mark their occupation of Europe.

Anthropologists call them the wheat-beef people, a name that better connects those ancients along the Danube to my fellow Montanans on the Upper Missouri River. These proto-Europeans had a full set of domesticated plants and animals, but wheat and beef dominated. All the domesticates came from an area along what is now the Iraq-Syria-Turkey border at the edges of the Zagros Mountains. This is the center of domestication for the Western world's main crops and livestock, ground zero of catastrophic agriculture.

Two other types of catastrophic agriculture evolved at roughly the same time, one centered on rice in what is now China and India and one centered on corn and potatoes in Central and South America. Rice, though, is tropical and its expansion depends on water, so it developed only in floodplains, estuaries, and swamps. Corn agriculture was every bit as voracious as wheat; the Aztecs could be as brutal and imperialistic as Romans or Brits, but the corn cultures collapsed with the onslaught of Spanish conquest. Corn itself simply joined the wheat-beef people's coalition. Wheat was the empire builder; its bare botanical facts dictated the motion and violence that we know as imperialism.

The wheat-beef people swept across the western European plains in less than 300 years, a conquest some archaeologists refer to as a "blitzkrieg." A different race of humans, the Cro-Magnons—hunter-gatherers, not farmers—lived on those plains at the time. Their cave art at places such as Lascaux testifies to their sophistication and profound connection to wildlife. They probably did most of their hunting and gathering in uplands and river bottoms, places the wheat farmers didn't need, suggesting the possibility of coexistence. That's not what happened, however. Both genetic and linguistic evidence say that the farmers killed the hunters. The Basque people are probably the

lone remnant descendants of Cro-Magnons, the only trace.

Hunter-gatherer archaeological sites of the period contain spear points that originally belonged to the farmers, and we can guess they weren't trade goods. One group of anthropologists concludes, "The evidence from the western extension of the LBK leaves little room for any other conclusion but that LBK-Mesolithic interactions were at best chilly and at worst hostile." The world's surviving Blackfeet, Assiniboine Sioux, Inca, and Maori probably have the best idea of the nature of these interactions.

Wheat is temperate and prefers plowed-up grasslands. The globe has a limited stock of temperate grasslands, just as it has a limited stock of all other biomes. On average, about 10 percent of all other biomes remain in something like their native state today. Only 1 percent of temperate grasslands remains undestroyed. Wheat takes what it needs.

The supply of temperate grasslands lies in what are today the United States, Canada, the South American pampas, New Zealand, Australia, South Africa, Europe, and the Asiatic extension of the European plain into the sub-Siberian steppes. This area largely describes the First World, the developed world. Temperate grasslands make up not only the habitat of wheat and beef but also the globe's islands of Caucasians, of European surnames and languages. In 2000 the countries of the temperate grasslands, the neo-Europes, accounted for about 80 percent of all wheat exports in the world, and about 86 percent of all corn. That is to say, the neo-Europes drive the world's agriculture. The dominance does not stop with grain. These countries, plus the mothership—Europe—accounted for three fourths of all agricultural exports of all crops in the world in 1999.

Plato wrote of his country's farmlands:

What now remains of the formerly rich land is like the skeleton of a sick man. . . . Formerly, many of the

mountains were arable. The plains that were full of rich soil are now marshes. Hills that were once covered with forests and produced abundant pasture now produce only food for bees. Once the land was enriched by yearly rains, which were not lost, as they are now, by flowing from the bare land into the sea. The soil was deep, it absorbed and kept the water in loamy soil, and the water that soaked into the hills fed springs and running streams everywhere. Now the abandoned shrines at spots where formerly there were springs attest that our description of the land is true.

Plato's lament is rooted in wheat agriculture, which depleted his country's soil and subsequently caused the series of declines that pushed centers of civilization to Rome, Turkey, and western Europe. By the fifth century, though, wheat's strategy of depleting and moving on ran up against the Atlantic Ocean. Fenced-in wheat agriculture is like rice agriculture. It balances its equations with famine. In the millennium between 500 and 1500, Britain suffered a major "corrective" famine about every ten years; there were seventy-five in France during the same period. The incidence, however, dropped sharply when colonization brought an influx of new food to Europe.

The new lands had an even greater effect on the colonists themselves. Thomas Jefferson, after enduring a lecture on the rustic nature by his hosts at a dinner party in Paris, pointed out that all of the Americans present were a good head taller than all of the French. Indeed, colonists in all of the neo-Europes enjoyed greater stature and longevity, as well as a lower infant-mortality rate—all indicators of the better nutrition afforded by the onetime spend down of the accumulated capital of virgin soil.

The precolonial famines of Europe raised the question: What would happen when the planet's supply of arable land ran out? We have a clear answer. In about 1960 expansion hit its limits and the supply of unfarmed, arable lands came to an end. There was nothing left to plow.

What happened was grain yields tripled.

The accepted term for this strange turn of events is the green revolution, though it would be more properly labeled the amber revolution, because it applied exclusively to grain—wheat, rice, and corn. Plant breeders tinkered with the architecture of these three grains so that they could be hypercharged with irrigation water and chemical fertilizers, especially nitrogen. This innovation meshed nicely with the increased "efficiency" of the industrialized factory-farm system. With the possible exception of the domestication of wheat, the green revolution is the worst thing that has ever happened to the planet.

For openers, it disrupted long-standing patterns of rural life worldwide, moving a lot of no-longer-needed people off the land and into the world's most severe poverty. The experience in population control in the developing world is by now clear: It is not that people make more people so much as it is that they make more poor people. In the forty-year period beginning about 1960, the world's population doubled, adding virtually the entire increase of 3 billion to the world's poorest classes, the most fecund classes. The way in which the green revolution raised that grain contributed hugely to the population boom, and it is the weight of the population that leaves humanity in its present untenable position.

Discussion of these, the most poor, however, is largely irrelevant to the American situation. We say we have poor people here, but almost no one in this country lives on less than one dollar a day, the global benchmark for poverty. It marks off a class of about 1.3 billion people, the hard core of the larger group of 2 billion chronically malnourished people—that is, one third of humanity. We may forget about them, as most Americans do.

More relevant here are the methods of the green revolution, which added orders of magnitude to the devastation. By mining the iron for tractors, drilling the new oil to fuel

them and to make nitrogen fertilizers, and by taking the water that rain and rivers had meant for other lands, farming had extended its boundaries, its dominion, to lands that were not farmable. At the same time, it extended its boundaries across time, tapping fossil energy, stripping past assets.

The common assumption these days is that we muster our weapons to secure oil, not food. There's a little joke in this. Ever since we ran out of arable land, food is oil. Every single calorie we eat is backed by at least a calorie of oil, more like ten. In 1940 the average farm in the United States produced 2.3 calories of food energy for every calorie of fossil energy it used. By 1974 (the last year in which anyone looked closely at this issue), that ratio was 1:1. And this understates the problem, because at the same time that there is more oil in our food there is less oil in our oil. A couple of generations ago we spent a lot less energy drilling, pumping, and distributing than we do now. In the 1940s we got about 100 barrels of oil back for every barrel of oil we spent getting it. Today each barrel invested in the process returns only ten, a calculation that no doubt fails to include the fuel burned by the Hummers and Blackhawks we use to maintain access to the oil in Iraq.

David Pimentel, an expert on food and energy at Cornell University, has estimated that if all of the world ate the way the United States eats, humanity would exhaust all known global fossil-fuel reserves in just over seven years. Pimentel has his detractors. Some have accused him of being off on other calculations by as much as 30 percent. Fine. Make it ten years.

Fertilizer makes a pretty fine bomb right off the shelf, a chemistry lesson Timothy McVeigh taught at Oklahoma City's Alfred P. Murrah Federal Building in 1995—not a small matter, in that the green revolution has made nitrogen fertilizers ubiquitous in some of the more violent and desperate corners of the world. Still, there is more to contemplate in nitrogen's less sensational chemistry.

The chemophobia of modern times excludes fear of the simple elements of chemistry's periodic table. We circulate petitions, hold hearings, launch websites, and buy and sell legislators in regard to polysyllabic organic compounds—polychlorinated biphenyls, polyvinyls, DDT, 2-4d, that sort of thing—not simple carbon or nitrogen. Not that agriculture's use of the more ornate chemistry is benign—an infant born in a rural, wheat-producing county in the United States has about twice the chance of suffering birth defects as one born in a rural place that doesn't produce wheat, an effect researchers blame on chlorophenoxy herbicides. Focusing on pesticide pollution, though, misses the worst of the pollutants. Forget the polysyllabic organics. It is nitrogen—the wellspring of fertility relied upon by every Eden-obsessed backyard gardener and suburban groundskeeper—that we should fear most.

Those who model our planet as an organism do so on the basis that the earth appears to breathe—it thrives by converting a short list of basic elements from one compound into the next, just as our own bodies cycle oxygen into carbon dioxide and plants cycle carbon dioxide into oxygen. In fact, two of the planet's most fundamental humors are oxygen and carbon dioxide. Another is nitrogen.

Nitrogen can be released from its "fixed" state as a solid in the soil by natural processes that allow it to circulate freely in the atmosphere. This also can be done artificially. Indeed, humans now contribute more nitrogen to the nitrogen cycle than the planet itself does. That is, humans have doubled the amount of nitrogen in play.

This has led to an imbalance. It is easier to create nitrogen fertilizer than it is to apply it evenly to fields. When farmers dump nitrogen on a crop, much is wasted. It runs into the water and soil, where it either reacts chemically with its surroundings to form new compounds or flows off to fertilize something else, somewhere else.

That chemical reaction, called acidification, is noxious and contributes significantly to acid rain. One of the compounds produced by acidification is nitrous oxide, which aggravates the greenhouse effect. Green growing things normally offset global warming by sucking up carbon dioxide, but nitrogen on farm fields plus methane from decomposing vegetation make every farmed acre, like every acre of Los Angeles freeway, a net contributor to global warming. Fertilization is equally worrisome. Rainfall and irrigation water inevitably washes the nitrogen from fields to creeks and streams, which flows into rivers, which floods into the ocean. This explains why the Mississippi River, which drains the nation's Corn Belt, is an environmental catastrophe. The nitrogen fertilizes artificially large blooms of algae that in growing suck all the oxygen from the water, a condition biologists call anoxia, which means "oxygen-depleted." Here there's no need to calculate long-term effects, because life in such places has no long term: everything dies immediately. The Mississippi River's heavily fertilized effluvia has created a dead zone in the Gulf of Mexico the size of New Jersey.

America's biggest crop, grain corn, is completely unpalatable. It is raw material for an industry that manufactures food substitutes. Likewise, you can't eat unprocessed wheat. You certainly can't eat hay. You can eat unprocessed soybeans, but mostly we don't. These four crops cover 82 percent of American cropland. Agriculture in this country is not about food; it's about commodities that require the outlay of still more energy to become food.

About two thirds of U.S. grain corn is labeled "processed," meaning it is milled and otherwise refined for food or industrial uses. More than 45 percent of that becomes sugar, especially high-fructose corn sweeteners, the keystone ingredient in three quarters of all processed foods, especially soft drinks, the food of America's poor and working classes. It is not a coincidence that the American pandemic of obesity tracks rather nicely with the fivefold increase in corn-syrup production

since Archer Daniels Midland developed a high-fructose version of the stuff in the early seventies. Nor is it a coincidence that the plague selects the poor, who eat the most processed food.

It began with the industrialization of Victorian England. The empire was then flush with sugar from plantations in the colonies. Meantime the cities were flush with factory workers. There was no good way to feed them. And thus was born the afternoon tea break, the tea consisting primarily of warm water and sugar. If the workers were well off, they could also afford bread with heavily sugared jam—sugar-powered industrialization. There was a 500 percent increase in per capita sugar consumption in Britain between 1860 and 1890, around the time when the life expectancy of a male factory worker was seventeen years. By the end of the century the average Brit was getting about one sixth of his total nutrition from sugar, exactly the same percentage Americans get today—double what nutritionists recommend.

There is another energy matter to consider here, though. The grinding, milling, wetting, drying, and baking of a breakfast cereal requires about four calories of energy for every calorie of food energy it produces. A two-pound bag of breakfast cereal burns the energy of a half-gallon of gasoline in its making. All together the food-processing industry in the United States uses about ten calories of fossil-fuel energy for every calorie of food energy it produces.

That number does not include the fuel used in transporting the food from the factory to a store near you, or the fuel used by millions of people driving to thousands of super discount stores on the edge of town, where the land is cheap. It appears, however, that the corn cycle is about to come full circle. If a bipartisan coalition of farm-state lawmakers has their way—and it appears they will—we will soon buy gasoline containing twice as much fuel alcohol as it does now. Fuel alcohol already ranks second as a use for processed corn in the United

States, just behind corn sweeteners. According to one set of calculations, we spend more calories of fossil-fuel energy making ethanol than we gain from it. The Department of Agriculture says the ratio is closer to a gallon and a quart of ethanol for every gallon of fossil fuel we invest. The USDA calls this a bargain, because gasohol is a "clean fuel." This claim to cleanness is in dispute at the tailpipe level, and it certainly ignores the dead zone in the Gulf of Mexico, pesticide pollution, and the haze of global gases gathering over every farm field. Nor does this claim cover clean conscience; some still might be unsettled knowing that our SUVs' demands for fuel compete with the poor's demand for grain.

Green eaters, especially vegetarians, advocate eating low on the food chain, a simple matter of energy flow. Eating a carrot gives the diner all that carrot's energy, but feeding carrots to a chicken, then eating the chicken, reduces the energy by a factor of ten. The chicken wastes some energy, stores some as feathers, bones, and other inedibles, and uses most of it just to live long enough to be eaten. As a rough rule of thumb, that factor of ten applies to each level up the food chain, which is why some fish, such as tuna, can be a horror in all of this. Tuna is a secondary predator, meaning it not only doesn't eat plants but eats other fish that themselves eat other fish, adding a zero to the multiplier each notch up, easily a hundred times, more like a thousand times less efficient than eating a plant.

This is fine as far as it goes, but the vegetarian's case can break down on some details. On the moral issues, vegetarians claim their habits are kinder to animals, though it is difficult to see how wiping out 99 percent of wildlife's habitat, as farming has done in Iowa, is a kindness. In rural Michigan, for example, the potato farmers have a peculiar tactic for dealing with the predations of whitetail deer. They gut-shoot them with small-bore rifles, in hopes the deer will limp off to the woods and die where they won't stink up the potato fields.

Animal rights aside, vegetarians can lose the edge in the energy argument by eating processed food, with its ten calories of fossil energy for every calorie of food energy produced. The question, then, is: Does eating processed food such as soy burger or soy milk cancel the energy benefits of vegetarianism, which is to say, can I eat my lamb chops in peace? Maybe. If I've done my due diligence, I will have found out that the particular lamb I am eating was both local and grass-fed, two factors that of course greatly reduce the embedded energy in a meal. I know of ranches here in Montana, for instance, where sheep eat native grass under closely controlled circumstances—no farming, no plows, no corn, no nitrogen. Assets have not been stripped. I can't eat the grass directly. This can go on. There are little niches like this in the system. Each person's individual charge is to find such niches.

Chances are, though, any meat eater will come out on the short end of this argument, especially in the United States. Take the case of beef. Cattle are grazers, so in theory could live like the grass-fed lamb. Some cattle cultures—those of South America and Mexico, for example—have perfected wonderful cuisines based on grass-fed beef. This is not our habit in the United States, and it is simply a matter of habit. Eighty percent of the grain the United States produces goes to livestock. Seventy-eight percent of all of our beef comes from feed lots, where the cattle eat grain, mostly corn and wheat. So do most of our hogs and chickens. The cattle spend their adult lives packed shoulder to shoulder in a space not much bigger than their bodies, up to their knees in shit, being stuffed with grain and a constant stream of antibiotics to prevent the disease this sort of

confinement invariably engenders. The manure is rich in nitrogen and once provided a farm's fertilizer. The feedlots, however, are now far removed from farm fields, so it is simply not "efficient" to haul it to cornfields. It is waste. It exhales methane, a global-warming gas. It pollutes streams. It takes thirty-five calories of fossil fuel to make a calorie of beef this way; sixty-eight to make one calorie of pork.

Still, these livestock do something we can't. They convert grain's carbohydrates to high-quality protein. All well and good, except that per capita protein production in the United States is about double what an average adult needs per day. Excess cannot be stored as protein in the human body but is simply converted to fat. This is the end result of a factory-farm system that appears as a living, continental-scale monument to Rube Goldberg, a black-mass remake of the loaves-and-fishes miracle. Prairie's productivity is lost for grain, grain's productivity is lost in livestock, livestock's protein is lost to human fat—all federally subsidized for about \$15 billion a year, two thirds of which goes directly to only two crops, corn and wheat.

This explains why the energy expert David Pimentel is so worried that the rest of the world will adopt America's methods. He should be, because the rest of the world is. Mexico now feeds 45 percent of its grain to livestock, up from 5 percent in 1960. Egypt went from 3 percent to 31 percent in the same period, and China, with a sixth of the world's population, has gone from 8 percent to 26 percent. All of these places have poor people who could use the grain, but they can't afford it.

I live among elk and have learned to respect them. One moonlit night during the dead of last winter, I looked out my bedroom window to see about twenty of them grazing a plot of grass the size of a living room. Just that small patch among acres of other species of native prairie grass. Why that species and only that species of grass that night in the worst of winter when the threat to their survival was the greatest? What magic nutrient did this species alone contain? What does a wild animal know that we don't? I think we need this knowledge.

Food is politics. That being the case, I voted twice in 2002. The day after Election Day, in a truly dismal mood, I climbed the mountain behind my house and found a small herd of elk grazing native grasses in the morning sunlight. My respect for these creatures over the years has become great enough that on that morning I did not hesitate but went straight to my job, which was to rack a shell and drop one cow elk, my household's annual protein supply. I voted with my weapon of choice—an act not all that uncommon in this world, largely, I think, as a result of the way we grow food. I can see why it is catching on. Such a vote has a certain satisfying heft and finality about it. My particular bit of violence, though, is more satisfying, I think, than the rest of the globe's ordinary political mayhem. I used a rifle to opt out of an insane system. I killed, but then so did you when you bought that package of burger, even when you bought that package of tofu burger. I killed, then the rest of those elk went on, as did the grasses, the birds, the trees, the coyotes, mountain lions, and bugs, the fundamental productivity of an intact natural system, all of it went on.

About the Author: Richard Manning is the author of *Against the Grain: How Agriculture Has Hijacked Civilization*, published by North Point Press.

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Agriculture News

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Ethanol Use Reduced Greenhouse Gas Emissions by 5.7 Million Tons in 2003

The Renewable Fuels Association (RFA) today announced that according to the latest figures from Argonne National Laboratory, the use of ethanol-blended fuels reduced carbon dioxide-equivalent greenhouse gas (GHG) emissions by approximately 5.7 million tons in the United States during 2003. This reduction is equivalent to removing the annual greenhouse gas emissions of more than 853,000 cars from the roads.

"Ethanol use represents the only effective tool we have to combat greenhouse gas emissions from the transportation sector in the next 10 or 15 years," said Bob Dinneen, RFA president. "That is the conclusion of the renowned Pew Center on Global Climate Change. Enacting public policies like the renewable fuels standard, which would increase the use of ethanol, will cut greenhouse gas emissions as well as enhance energy security, boost rural economic development and reduce harmful air pollution."

Ethanol-blended fuels reduce vehicular emissions of carbon dioxide, methane, and other gases that contribute to global warming. According to a 2003 study by the Pew Center on Global Climate Change: "replacement fuels offer the greatest promise for reducing transportation sector GHG emissions" over the next 15 years. Replacement fuels, like ethanol, are alternative fuels that can be blended with petroleum fuels and, therefore, utilize the existing gasoline infrastructure. The Pew Center concluded: "ethanol produced from corn in the United States reduces full cycle GHG emissions by 30 percent compared to gasoline..."

This reduction is due, in part, to the "carbon cycle," whereby much of the carbon dioxide released when ethanol-blended fuels are used is reabsorbed by biomass plants, like corn, during growth. These biomass plants provide the feedstocks for ethanol production.

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The Bait and Switch

Hemmings Motor News / Clean Air Performance Professionals, August 2002

In January 2001, California introduced legislation (AB-1058) to require the state Air Resources Board (CARB) to develop and adopt regulations to achieve the maximum feasible and cost effective reductions of greenhouse gasses emitted by motor vehicles.

As of June 28, 2002, AB-1058, also known as the global warming bill, was stalled in the Assembly. Many residents of California had let their representatives know that they didn't want a bill that could take away vehicle choice, impose taxes and subject them to regulations from a bureaucracy. But as the public prepared for their fourth of July vacations, the Legislature found an innocuous bill entitled Assembly Bill 1493, which originally dealt with state audits and had nothing to do with emissions. They then proceeded to do what is called a "gut and amend" and remove all the existing language of AB-1493 and replace it with the language of AB-1058, the bill authored by ex-school teacher Fran Pavley to limit CO2 emissions from cars and trucks.

But the public was sidestepped by effectively renaming the bill AB-1493 and rushing it through the Legislature in a matter of two business days. After Friday's "gut and amend," the bill was sent to the Senate floor Saturday night, where it passed in a matter of minutes without any discussion, debate or the customary committee oversight, as the big topic of controversy was the

California budget with its \$24-billion deficit.

It came back to the Assembly on Monday morning, July 1, and was referred to the Transportation Committee, which held a non-noticed public hearing (effectively non-public hearing) in a room the size of your average dining room. It wasn't in the open; it was in a closed room that was inaccessible to the general public. The public didn't have a chance to make their views known. It passed out of committee, then it was brought to the floor under another procedure called a WOLF (without reference to file). A WOLF allows a bill to be brought to the floor without public notice that it was going to be heard. It was brought to the floor where it passed with the minimum vote required. There has been much mis-information as to the bill going to the Governor's desk to await his signature. The bill is still sitting at the Assembly desk.

CAPP President Charlie Peters reported that, "Senator Quentin Kopp informed him in January of 1993 that Remote Sensing technology was in the wings to replace the current Smog Check inspections. June 26th, CARB held a workshop for another "Pilot Study" on remote sensing. Will this affect the old cars? You Bet! Old cars are NOT exempt from remote sensing."

"Last month, the Speaker of the Assembly's Chief of Staff John Stevens also mentioned that a deal with the Global Warming Bill

and the bill to place San Francisco motorists into the Smog Check II Program was under consideration by Senator Burton. It will be interesting to see what happens regarding support for the Smog Check II Bill (AB-2637) now that AB-1493 has moved."

"In my opinion, the 'big' global warming game is a shift from oil and internal combustion engines to bio-fuels and fuel cells. Oil is quick and cheap to bring to market and therefore the market cannot easily be controlled. Bio-fuels and fuel cells, however, are the result of government funded public/private partnerships which can control who gets to be a player and how much fuel is available."

"The Pew Charitable Trust's global warming partnerships with business <http://www.pewclimate.org/belc> appear to support the credit trading money game that can, if it is allowed to continue to develop along its present course, eliminate any market competition, in effect confiscating the market. Bio-fuel/fuel-cell carbon tax games may very possibly generate a privatized rapid transit business that can make the devastation of ENRON's energy activities look like a Sunday school picnic."

Sources say it is prophetic that AB-1493's passage by the Legislature occurred during the week of July Fourth, Independence Day!

More next month ... **Stella**

<http://clubs.hemmings.com/clubsites/capp/aug02.html>

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When a Crop Becomes King

Michael Pollan, The New York Times, July 19, 2002

Here in southern New England the corn is already waist high and growing so avidly you can almost hear the creak of stalk and leaf as the plants stretch toward the sun. The ears of sweet corn are just starting to show up on local farm stands, inaugurating one of the ceremonies of an American summer. These days the nation's nearly 80 million-acre field of corn rolls across the countryside like a second great lawn, but this wholesome, all-American image obscures a decidedly more dubious reality.

Like the tulip, the apple and the potato, *zea mays* (the botanical name for both sweet and feed corn) has evolved with humans over the past 10,000 years in the great dance of species we call domestication. The plant gratifies human needs, in exchange for which humans expand the plant's habitat, moving its genes all over the world and remaking the land (clearing trees, plowing the ground, protecting it from its enemies) so it might thrive.

Corn, by making itself tasty and nutritious, got itself noticed by Christopher Columbus, who helped expand its range from the New World to Europe and beyond. Today corn is the world's most widely planted cereal crop. But nowhere have humans done quite as much to advance the interests of this plant as in North America, where *zea mays* has insinuated itself into our landscape, our food system—and our federal budget.

One need look no further than the \$190 billion farm bill President Bush signed last month to wonder whose interests are really being served here. Under the 10-year program, taxpayers will pay farmers \$4 billion a year to grow ever more corn, this despite the fact that we struggle to get rid of the surplus the plant already produces. The average bushel of corn (56 pounds) sells for about \$2 today; it costs farmers more than \$3 to grow it. But rather than design a program that

would encourage farmers to plant less corn—which would have the benefit of lifting the price farmers receive for it—Congress has decided instead to subsidize corn by the bushel, thereby insuring that *zea mays* dominion over its 125,000-square-mile American habitat will go unchallenged.

At first blush this subsidy might look like a handout for farmers, but really it's a form of welfare for the plant itself—and for all those economic interests that profit from its overproduction: the processors, factory farms, and the soft drink and snack makers that rely on cheap corn. For *zea mays* has triumphed by making itself indispensable not to farmers (whom it is swiftly and surely bankrupting) but to the Archer Daniels Midlands, Tysons and Coca-Colas of the world.

Our entire food supply has undergone a process of "cornification" in recent years, without our even noticing it. That's because, unlike in Mexico, where a corn-based diet has been the norm for centuries, in the United States most of the corn we consume is invisible, having been heavily processed or passed through food animals before it reaches us. Most of the animals we eat (chickens, pigs and cows) today subsist on a diet of corn, regardless of whether it is good for them. In the case of beef cattle, which evolved to eat grass, a corn diet wreaks havoc on their digestive system, making it necessary to feed them antibiotics to stave off illness and infection. Even farm-raised salmon are being bred to tolerate corn—not a food their evolution has prepared them for. Why feed fish corn? Because it's the cheapest thing you can feed any animal, thanks to federal subsidies. But even with more than half of the 10 billion bushels of corn produced annually being fed to animals, there is plenty left over. So companies like A.D.M., Cargill and ConAgra have figured ingenious new

California Scheming

By Christopher C. Horner, Protect Rural Scotland Party, 04/25/2002

The Washington Post first reported internal memos revealing that the vocal "global warming" movement and its 1997 Kyoto Protocol were fruit of a stealthy and extensive corporate lobbying campaign. The ringleader? Enron (surprise!). The memos disclosed that "green" groups were courted, funded and even created to spread the gospel that man is killing the planet by burning fossil fuels, a malady Enron offered to mitigate through its natural gas, windmill and solar ventures.

Now similar schemes, cloaking issues in green to garner political influence and economic advantage, are arising in the market for fueling America's automobility.

In California, which excluded coal from its electricity mix thus leading to its embarrassing, expensive, and dangerous summer of 2001, corporate interests are seeking to exploit green values to set a heightened, specific requirement for a particular gasoline additive, notwithstanding its well-documented environmental (and economic) downsides.

Incredibly, California's legislature again is lending a helping hand.

The Post's initial revelation of the corporate-funded Kyoto campaign involved a torrent of internal memos, including Enron's dictation of the need and content for an international treaty restricting energy use emissions. Among them was the 1996 internal Enron memo which included the sub-heading:

"Making sure there is a treaty," detailing high-level meetings with Clinton administration officials. Oval Office meetings followed soon thereafter.

Enron's chief "warming" salesman, John Palmisano, provided a damning post-Kyoto assessment in another internal memo, in which he wrote: "If implemented, this agreement will do more to promote Enron's business than will almost any other regulatory initiative outside of restructuring of the energy and natural gas industries in Europe and the United States." The memo went on that the Kyoto deal was "exactly what I have been lobbying for," "it seems like we won," "again, we won," and "another victory for us". It closed: "This agreement will be good for Enron stock!!"

Well, Enron, for obvious reasons doesn't have the clout it used to. But riding in the "global warming" wake it helped create, the ethanol lobby is riding on, led by the all-time political influence and corporate pork king, Archer Daniels Midland (ADM).

Sniffing the potential of what wooed legislators and regulators can award them but actual competition never would provide, this special interest appears to have scored big in California. And it smacks of Enron's exposed campaign of fronting "green" groups to fuel its greedy agenda.

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required California's Air Resources Board to adopt regulations yielding the "maximum feasible" reduction in carbon dioxide (CO₂) emissions from passenger cars and trucks. CO₂ is a naturally occurring gas. A small percentage (approximately .03) of the world's total is produced by releasing fossil-based energy through combustion.

The principal component of human breath, CO₂ is also consumed by plants to produce oxygen. As such it obviously has no ill human health effects as long as, like with any ambient gas, you don't try breathing it exclusively. It does, however, pose tremendous business opportunities for new, high cost boutique fuels. But because of their higher energy costs, which hit seniors and the poor particularly hard, related fuel interests appreciate environmental claims such as "catastrophic global warming" being accepted. Hence industry's stealth green campaigns. There is a lot of money to be made by making the world a poorer place through energy suppression policies.

And that's where ethanol, the highly toxic gasoline additive derived from corn, comes into play.

Ethanol has serious fuel performance, production, logistical, and price problems dwarfing even those of the demonized MTBE. According to a 1994 affidavit sworn and filed in federal litigation, then-California Secretary of Environment Don Strock said that by "[a]dding ethanol to gasoline ... the State would suffer increases in ozone, particulate matter, oxides of nitrogen

(NO_x); and a loss of carbon monoxide (CO) emission reduction benefits."

No objective environmental assessment of ethanol supports its use.

Yet, the California Senate is poised to consider the "climate" legislation desired by the ethanol lobby, currently rushing it through committees. Until cars requiring no hydrocarbons become "feasible" (quite possibly never), AB 1058 would seemingly require that gasoline contain a hefty dose of the "oxygenate" produced from corn.

Why? Well, according to energy trade reporters in California, those wacky ethanol boys are up to their "ears" in this.

As bad as the corporate scheming is the environmental groups that stand behind the effort. According to the Associated Press, a group calling itself Bluewater Network is this bill's green face. Who are they? Well, Bluewater is a self-described "project of the Earth Island Institute" (EII). And as some readers may recall, EII on its website dismissed overly mourning the 9/11 tragedies in this fashion: "The majority of the victims were, unfortunately, working for the Pentagon and various elements of multinational financial empires." Bet you never knew those people deserved it.

It is time that legislators and regulators stop adopting fashionable eco-scare campaigns, until they at least learn what interests are actually behind each one. There is a good reason elected citizens, not corporate CEOs, make policy.

Christopher C. Horner is a Senior Fellow at Competitive Enterprise Institute.

<http://www.protectruralscotland.com/kyoto1.htm>

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Getting High On Alcohol

Stella Sez, 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 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 bald proposition, its opponents say, of mixing an inferior dilute 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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"THE FIGHT OVER MANDATES"

Stella Sez, Hemmings Motor News, JULY 2000

In a letter sent to the Assistant Administrator of the Environmental Protection Agency, Robert Perciasepe, the Renewable Fuels Association (RFA) urged the EPA to deny California's request for a waiver from the federal reformulated gasoline (RFG) oxygen standard, "because their request fails to demonstrate that fuels without oxygenates, like ethanol, improve air quality."

Meanwhile, US Senator Peter G. Fitzgerald (R-Illinois) is urging that lawmakers designate \$14 million for a Southern Illinois University (SIU) ethanol facility. After more than a decade of pleas by the farm community and unsuccessful appropriations battles in Congress, the national ethanol research plant at SIU may become a reality. (Does Colorado already have a federally funded ethanol facility?) The final version of this year's crop of insurance reform bills will provide full federal funding for the project, if it is approved by Congress.

However, it has been reported by the Lake Tahoe "Daily Tribune" that ethanol is polluting Lake Tahoe's groundwater. Earlier this year, ethanol replaced MTBE in all reformulated gasoline sold in and around Lake Tahoe. Ethanol has been detected in Lake Tahoe's groundwater at concentrations as high as 130,000 parts per billion (ppb).

Is Ethanol A Cancer Risk?

Unlike MTBE, little is known about the impacts of ethanol releases into groundwater or the environment. However, because ethanol is the primary ingredient of beverage alcohol, which is classified by the

California Proposition 65 Committee and other cancer experts as a human carcinogen, many are concerned about the possibility that ethanol may pose a cancer risk. Additionally, independent researchers have determined that ethanol in groundwater can extend plumes of other more potent gasoline carcinogens (benzene, toluene, etc.) up to 25%. In addition, ethanol is less effective than MTBE at fighting air pollution, and due to transportation and supply problems, will likely increase gasoline prices.

Additional reports are concerned about the high sulfur content of gasoline. The auto industry is calling on CARB and EPA to lower sulfur levels. The sulfur content of denatured ethanol is receiving increased attention as politicians and refiners simultaneously attempt to lower MTBE and sulfur levels in the gasoline pool. The topic received considerable attention during a California Air Resources Board (CARB) workshop in April on CaRFG3. CAPP President Charlie Peters attended the workshop and according to a presentation given there, sulfur levels in ethanol, once denatured, are being called into question. CaRFG3 calls for 20 ppm of sulfur. CARB requested samples because reports are that ethanol may contain between 60-160 ppm of sulfur.

Recently, the National Institute for Environmental Health Sciences (NIEHS) released its congressionally mandated report on cancer-causing substances. The report declined to list MTBE as a cancer-causing agent or as an agent likely to cause cancer, however, but did add ethanol-based

beverage alcohol to the list of known carcinogens.

"Super Clean Gasoline"

"Super Clean Gasoline" is on it's way to many gas stations. This month, a new type of reformulated, smog-reducing gas will be required in Boston, New York, Washington, Philadelphia, Houston, Dallas, Chicago and other major cities. The EPA predicts that the new fuel will cost up to two cents a gallon more than conventional gas to produce, and the costs will be passed on at the pump. But even before this new gasoline is introduced, the battle to delay it's introduction has been waged. The EPA has rejected requests for a temporary waiver from Illinois and Wisconsin. The EPA recently awarded a temporary waiver to St. Louis as pipeline problems restricted supply of the new grade to the area. Does the "new" RFG 2 have MTBE in it, or ethanol? I asked that question of Mr. Donald Bea of the Inspection and Maintenance Review Committee (IMRC). He told me the 2% oxygenate mandate is still in place. He also said the RFG 2 has lower sulfur and lower Reid Vapor Pressure (RVP). Mr. Bea also mentioned that because of the lower RVP required in the Northeast, ethanol may not be used.

In New York, Governor George Pataki signed two major environmental initiatives into law, including a ban on MTBE that has polluted underground water supplies. According to the "New York Times" article, "Mr. Pataki also signed legislation that tries to limit the amount of pollutants that now drift into New York from coal-burning power plants in Midwestern and

Southern states, causing acid rain. The measure seeks to stop New York companies from selling pollution allowances. The credits, essentially the right to pollute, are awarded to companies that cut their own emissions below a federal standard. The credits are now sold on the open market, usually to utilities with older power plants that find it cheaper to buy such credits instead of modernizing their plants and cutting their emissions.

"The new law calls for the state to seize all proceeds that a New York utility makes from selling its credits to polluters in the Midwest and the South. The law allows state regulators to impose a fine equal to the amount of such a sale; the fine would be used to promote development and the use of nonpolluting energy sources like solar power. The law limiting pollution credits goes into effect immediately, and the ban on MTBE is to take effect in January 2004."

Beware Of The Texas Emission Patrol

The first wave of Houston-area vehicle owners is scheduled to appear in justice-of-the-peace courts to explain why they didn't obey letters ordering them to have their vehicles tested for excessive emissions. Commuters in the Dallas-Fort Worth area also have been summoned to court. The citations were issued in May after random roadway tests, conducted since the end of 1998, detected vehicles that emitted excessive pollutants. The owners, identified by their license plate numbers, were sent letters directing them to have their vehicles inspected at an emission-testing station. Thus far, 125 people have received

citations for failing to heed the letters, a criminal violation that carries a fine of up to \$350.

The Texas Legislature ordered random roadway testing of cars in 1995 after lawmakers abandoned a plan that would have required regular emissions testing for vehicles in Harris and its surrounding counties. The 1995 decision was viewed as a compromise to spare commuters who live outside Harris County the burden of having their vehicles undergo annual emissions testing. The remote testing, done from a van at random locations that commuters use, is conducted by a contractor who uses a sensing unit, a camera and a device that measures a vehicle's speed and acceleration.

Charlie Peters and I attended the IMRC meeting at the California Air Resources Board hearing room in Sacramento on May 31. This meeting was of special interest, as the subject was Smog Check evaluation report to the Governor and Legislature. The reports done by the IMRC and CARB/BAR were reported to be based on many assumptions as well as computer models. The perception created appeared to be an attempt to resolve differences between the reports. CARB seems to support separation of test and repair and the IMRC supports remote sensing, creating a debate between A and B: remote sensing and separation of test and repair. Some options under consideration CARB mentioned (to comply with the perceived shortfall of meeting the State Implementation Plan [SIP]), were: putting 1966 to 1973 cars back into the program (goodbye SB-42); more stringent cut points to increase effectiveness; increasing the cut points halfway between current cut points and what

is required in the SIP. A chart showing SIP hydrocarbon cut points are more stringent for older cars than newer cars. I will report more on this next month.

HALT In The Name Of The Law

No more high-speed police pursuits, ever. That is the goal of a new technology demonstrated during the California Peace Officers Association's annual conference. The device is cunningly dubbed "High speed Avoidance using Laser Technology," or HALT. If implanted in cars, the small microsensor would allow police with a remote control laser gun to force motorists to a slow, safe stop from up to half a mile away.

The sensor would be embedded near the license plate, giving officers something to aim at. Implanting the device into a new car would cost about \$20. Retrofitting cars already on the streets with the sensors would cost about \$100. California sources reported that it was mentioned on the evening news that you would not be able to re-register your vehicle unless you had this installed!

Last but not least, the Pennsylvania Newspaper Association, a non-profit organization representing 300 publications, filed a "friend of the court" brief supporting the contention that Commonwealth Court erred in concluding that documents concerning the state's \$145 million settlement with Envirotech Inc. did not constitute "public records." The California company had been contracted to build and operate auto emissions-testing centers throughout Pennsylvania; the Ridge administration agreed to the buyout after canceling the contract. The case is scheduled for September.

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

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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.

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Mixing Alcohol and Gasoline

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.

Since this would more than absorb the usual excess corn crop, the plan has enlisted ardent champions in corn-producing states. Bills have been introduced in the legislatures of at least two states, Illinois and Iowa, to bring about alcohol-gasoline blends. Two similar measures were introduced during the last session of congress. Iowa State College has undertaken investigational work and has issued reports on this use of farm products. A study of the possibilities of use of corn and other surplus crops for this and other non-food purposes has also been recommended by the United States Chamber's Special Committee on Agricultural Policy.

The mixture is used abroad

That automobiles can operate on such blended fuel is evidenced by the fact that they are now doing so in more than a dozen foreign countries. In eight of these countries—Austria, Brazil, Chile, France, Germany, Hungary, Italy and Latvia—the use of such blends is required by law as a means for utilizing agricultural products.

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 some one has said, this utilization of our surplus farm crops is more of an economic than a practical problem. From the economic view, formidable obstacles present themselves.

The United States, it has been pointed out, occupies a position far different from that of countries where the alcohol-gasoline blends have reached their widest use. Gasoline, in those countries, costs more than alcohol. The countries in question import their petroleum supplies and manufacture their own alcohol.

In this country, on the other hand, we have vast stores of petroleum and it is far cheaper than alcohol.

Fuel would cost more

Thus the blended fuel would have to sell here at a premium over unblended gasoline. From the maze of conflicting statistics and estimates already made in the matter, we may select one source which places this premium, for a mixture containing 2.5 to three percent alcohol, at from one to one and one-half cents a gallon. Whether the farmers' fondest friends, or even the farmers, would voluntarily pay the difference is a question. One way of erasing this difference would be to place a higher tax on all unblended fuels, or conversely, to reduce the tax on the blended gasoline.

Here, however, another difficulty rears itself. Unless prevented by law, marketers of gasoline could very well comply with state laws regarding blended fuel, without using alcohol made from corn. While one authority states that corn as a source of alcohol can compete freely with molasses and with synthetic alcohol

so long as corn remains below 32 cents a bushel (recent farm prices have been between 10 and 15 cents), the fact remains that the present alcohol of commerce is of the molasses variety.

Opponents of the plan point out that it is the delivered price of corn at the distillery, and not the farm price, that governs. They declare that under any probable conditions alcohol can be made most cheaply from materials other than excess farm products. Blackstrap molasses, the largest present source, is a by-product of the sugar-cane industry, and its price is governed only by its worth to the alcohol producers. Depression of alcohol prices through subsidized production of alcohol from farm products, they argue, would mean merely that the present alcohol producers would pay less for molasses and thus keep their costs below those of competitors using corn.

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.

Some proponents of the plan cite the necessity for such expansion as a point in favor of their proposal, saying that such expenditures would create needed employment. The possible unemployment, and impairment of present investments, in both the alcohol and petroleum industries as now organized should be considered, however.

Cost is a large factor

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. Now it has been estimated that, to make alcohol from corn at a cost of 20 cents a gallon, alcohol plants would have to buy their corn, delivered, at not more than 25 cents a bushel. Further, 20-cent alcohol could only be made from corn by large, efficient and centralized distilleries, opponents of the plan say, and such centralization would mean that the 25-cent corn price would be subject to further deductions for freight to those central points. Even the establishment of numerous small distilleries in the corn belt, close to supplies, would avail nothing, since the higher operating costs of such plants would offset saving in freight.

The plan is a bald proposition, its opponents say, of mixing an inferior diluent costing, at a minimum, 18 to 20 cents a gallon with a product costing five cents a gallon and then finding some one 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.

In lighter vein another argument has been brought against this use of alcohol. The thirsty would have only to shake up a few gallons of the blended gasoline with a gallon of water to separate the alcohol. There are implications in such a situation that deserve consideration.

Aside from all the pros and cons of the entire question, however, there seems a basis for the thought that some such plan may eventually be adopted. Diminishing petroleum supplies or new technical developments in the conversion process may some day make adoption of such a plan economically possible and advisable.
P.H.H.

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