

New air chief has eye on Valley

Governor's appointee says she wants to push up smog cleanup deadline.

By E.J. Schultz / Bee Capitol Bureau

Fresno Bee, Wed., July 18, 2007

SACRAMENTO -- Declaring an "end to business as usual," the state air board's new leader told lawmakers Tuesday that she would push to move up a San Joaquin Valley smog cleanup deadline.

"Legally, what they did was correct," Mary Nichols said, referring to the board's recent decision to approve an 11-year extension to the deadline. "But I want to assure you that I don't believe that that is acceptable. I think that asking the people in the region to breathe the quality of air that they're breathing now for 11 more years is not an appropriate thing to do."

Nichols, speaking at a preliminary Senate confirmation hearing, stopped short of guaranteeing that the state Air Resources Board would amend the extension, which has drawn heavy criticism from environmentalists.

"I have not made a decision to ask the board to do that," she said.

"But I am willing to look at whether that would be a way that we could ensure that people are keeping their eye on the ball."

Nichols' appearance before the Senate Rules Committee came about two weeks after Gov. Schwarzenegger picked her to replace the ousted Robert Sawyer.

The governor said he fired Sawyer as chairman in part because he was displeased with the board's decision to delay smog cleanup in the Valley, one of the worst air basins in the nation. The extension to 2024 -- more than a decade beyond the initial deadline set by the federal government -- also was approved by the San Joaquin Valley Air Pollution Control District.

But Sawyer and others have said that the real reason he was fired was his refusal to cede to demands from the governor's top staffers -- especially on how the board should implement the state's landmark global warming law.

When pressed by lawmakers Tuesday, Nichols said she and Sawyer basically held the same view on the Valley: that the local air district had little choice but to ask for the extension because current rules and technology would not allow officials to clean the air sooner.

Still, Nichols indicated a willingness to push for regulations that would force companies to develop clean-air technology sooner, which might allow the board to move up the deadline.

"I believe that 'technology-forcing' is a very legitimate function of rules" -- but it won't work every time, she said in an interview.

Any changes to the Valley plan won't likely occur for months, after the air board studies possible new rules that might help clean the air sooner.

Environmentalists are pushing for rules that would ban older vehicles during dirty-air days.

The board resisted such rules under Sawyer's leadership, fearing they would devastate the Valley's economy. Nichols said she would only consider them as a last resort.

Sen. Roy Ashburn, a Bakersfield Republican and member of the Rules Committee, asked Nichols why the bowl-shaped Valley should face tougher rules just because it is plagued by natural conditions that trap bad air.

Nichols replied that federal law guarantees "basic, livable, healthful air" no matter where you live.

But she also described herself as being "practical" on such issues.

Indeed, when working for the federal Environmental Protection Agency under the Clinton administration, Nichols helped shape a policy that allows regions to be forgiven for exceeding

dust-borne pollution standards if officials can prove the violation occurred as a result of a natural event -- like high winds.

Nichols, an environmental lawyer who led the state air board during Gov. Jerry Brown's administration, has won high praise from environmentalists.

"I feel comfortable that she's very serious" about changing course on the Valley air plan, said Kathryn Phillips, of the national nonprofit Environmental Defense.

But business leaders also believe that Nichols is a pragmatist.

"I think she appreciates what we're faced with," said Cynthia Cory, director of environmental affairs for the California Farm Bureau.

Much of Tuesday's hearing was focused on how the board would implement the state's new global warming law, which calls for a 25% cut in the state's greenhouse gases by 2020.

Democrats favor a regulatory approach.

But the Schwarzenegger administration wants to emphasize a market-based "cap-and-trade" system that would let companies buy or sell carbon credits in order to comply with the new emissions rules.

Nichols said regulations are important, but said there are circumstances when "cap and trade and market mechanisms have proven themselves to be useful in moving us further and faster than regulations."

Nichols took the helm of the 11-member board the day Schwarzenegger appointed her. Lawmakers are expected to hold a formal confirmation hearing sometime next year.

Major issues crowd agenda of state board on air quality

By Michael Gardner, Copley News Service
San Diego Union Tribune, Tues., July 17, 2007

SACRAMENTO - In the coming months, the state's top air-quality regulators will pursue a grinding schedule packed with consequences for millions of Californians, whether in their cars, on the job or at home.

The California Air Resources Board has been edging forward on a series of far-reaching regulations, although many have been overshadowed by Gov. Arnold Schwarzenegger's international campaign to slow global warming.

"I don't know when I've seen such a diversity of issues before us in such a relatively short period of time," said Ron Roberts, a San Diego County supervisor and air board member for 12 years. "I can't remember anything that quite compares to this."

The board's targets include ports, diesel trucks and heavy-duty equipment, cigarettes and indoor air cleaners.

Jostling over money also looms. Regulators are preparing to spend \$1 billion in voter-approved bond funds for clean-air initiatives related to moving goods by ship, rail or truck.

The agenda could be made even more daunting by political upheaval that has yet to subside.

The Senate Rules Committee Tuesday convened an unusual pre-confirmation hearing to secure commitments from Schwarzenegger's air board chairwoman, Mary Nichols.

Nichols' appointment drew widespread praise from most quarters, but Senate Democrats want to question Nichols over how she plans to implement controversial regulations to curb greenhouse-gas emissions. Democrats also want to gauge whether she can stand up to the Republican governor - and his inner circle - when necessary.

"We just want some basis on which to evaluate her performance," said Senate President Pro Tempore Don Perata, D-Oakland. "I see this as a friendly conversation."

Nichols' appointment took effect immediately, and she can serve up to a year without Senate confirmation. Senate Democrats hope to compare performance with her promises when formal confirmation proceedings take place, probably not until spring, Perata said.

Clean-air advocates have lauded Nichols, a former chief environmental aide to former Democratic Gov. Gray Davis. They, too, will look for signs of interference from Schwarzenegger or his top advisers, Susan Kennedy and Dan Dunmoyer, who have business-friendly reputations.

"We are all going to be watching very closely to make sure Mary Nichols is provided the autonomy and independence she needs to protect public health and air quality," said Bonnie Holmes-Gen, who monitors the board for the American Lung Association.

The governor recently fired board chairman Robert Sawyer, a highly respected clean-air expert. In the fallout, the board's chief executive officer quit in protest, claiming Schwarzenegger's team meddled in air board matters on industry's behalf.

There was one stinging moment Tuesday during her testimony involving a controversial extension of time to meet federal clean-air standards in the San Joaquin Valley. Schwarzenegger's team had cited Sawyer's calls for an extension as one reason for his ouster.

Like Sawyer before her, Nichols told Sen. Roy Ashburn, R-Bakersfield, that she would like to see the extension at least shortened, but that the chronic air pollution and available remedies simply will not allow the valley to meet the deadline.

"Which is exactly what Dr. Sawyer said," noted Ashburn. "So, if he was fired for saying that and you come into office taking the very same position, then what's the difference?"

Despite the unfolding drama, California is expected to sustain its reputation as a national trendsetter on global warming and other pollution issues, said William Becker, executive director of the National Association of Clean Air Agencies.

"Nothing's changed," Becker said. "State and national air pollution agencies look first to California for its leadership, for its experiences as laboratories of innovation."

Becker called the staff upheaval "a slight hiccup" that will pass as other pressing issues retake the stage.

The first test comes July 26, when California regulators look to crack down on diesel equipment used by construction companies, ports and ski resorts. Industry - and its allies within the Schwarzenegger administration - have appealed for leniency.

The heavily lobbied regulation, which includes phasing out dirty diesel engines over the next dozen years, could cost companies \$3 billion, according to air board figures. Contractors say the price is closer to \$13 billion and could shut down companies, tossing thousands out of work.

Construction industry representative John Dunlap, a former air board chairman under Republican Gov. Pete Wilson, said he recognizes the board will be watched closely in the wake of the tumult.

Dunlap said a meeting with high-level regulators left him with "assurances they were committed to taking up this issue with a new eye." Labor and company officials unveiled a compromise that would provide more time and incentives to comply.

After the showdown over diesel, regulators will be staring at dockets that include old headaches never cured.

"I see it as catch-up," said Tim Carmichael, policy director of the Coalition for Clean Air. "They have fallen significantly behind on their commitments to reduce air pollution."

Major debates ahead for the 11-member board include:

- **Zero-emission vehicles:** The board will review automaker rules four years after retreating from the nation's toughest requirements to sell more electric cars. Regulators may look at new mandates in light of changing technology, particularly the approaching era of plug-in hybrids, which can be recharged in a standard wall socket.

- **Smoking:** The board is researching programs to reduce public exposure after declaring secondhand smoke a toxic risk. The effort could range from stepped-up public education to limits on smoking in public places, such as parks, bus stops and beaches.
- **Air cleaners:** The board will consider standards for popular indoor air cleaners that actually might pose a health hazard.
- **Ports:** In addition to considering more restrictions on diesel equipment at ports, the board is drafting proposals to encourage cruise lines and container vessels to turn off their engines while docked and instead draw on port-provided electric power. Requirements for cleaner fuels powering vessels also are being initiated.
- **Commercial boats:** The board is exploring new regulations to cut pollution coming from harbor craft, such as fishing boats, tour boats, tugboats and ferries.
- **Fuels:** The board is likely to adopt programs to encourage growth in alternative fuels, from ethanol to biodiesel. It's part of a far-reaching campaign to reduce reliance on carbon-based fossil fuels.
- **Diesel trucks:** Plans are being readied for more forceful rules to curb pollution from diesel trucks separate from the proposed regulations on off-road construction equipment.
- **San Joaquin Valley:** The board will take up proposals to reduce intense pollution in the San Joaquin Valley, from Bakersfield to Stockton.
- **Global warming incentives:** In probably the most controversial and time-consuming task, regulators must adopt mandatory greenhouse-gas reductions. Those rules likely will be tempered by market-based incentives that would allow companies to buy and sell pollution credits to minimize the economic effects.
- **Global warming costs:** The board might consider fees on business and motorists to offset the cost of new controls.
- **Global warming early action:** The board again will ponder whether to expand the number of immediate steps it can order to reduce greenhouse gas emissions. The board in June adopted three such programs, drawing fire for not going further, faster.

Clearing the air

Smog chief appointee reassures Senate panel

By Chris Bowman - Bee Staff Writer

Sacramento Bee, Wednesday, July 18, 2007

Gov. Arnold Schwarzenegger's newly appointed air pollution chief Tuesday disputed accounts that the governor has tried to slow progress on the state's pioneering anti-global warming law.

Speaking before a state Senate committee, Mary Nichols said her mandate as chairwoman of the California Air Resources Board is to "speed up, not slow down" implementation of the law, which calls for a 25 percent reduction in climate-altering emissions by 2020.

The air board is facing legislative scrutiny after Schwarzenegger ousted Chairman Robert Sawyer last month. The board's executive officer, Catherine Witherspoon, resigned a few days later.

Sawyer and Witherspoon blamed Schwarzenegger's top aides for trying to directly manage the air board and its staff as though they were an extension of the governor's staff.

Schwarzenegger has widely touted the Global Warming Solutions Act of 2006 -- also known as Assembly Bill 32, adding to his international renown as an environmental hero.

The loss of the two air board leaders most responsible for implementing the act rattled legislative leaders who stake their own political images in the success of the act -- the first in the nation to cap climate-changing emissions by mandate.

"We're all in this together," said Senate President Pro Tem Don Perata, who presided over Thursday's Senate Rules Committee hearing. "I take no delight in having missteps being publicized. It sets us back as a state."

But Perata concluded the Nichols examination satisfied that she would faithfully implement the climate change law and resist outside pressures to weaken those regulations. Nichols must be confirmed by the full Senate within the next year to stay on the job.

He said anyone who thinks the Governor's Office will be able to push her around "has another thought coming. She's been around. ... I expect her to make some people uncomfortable both on the environmental side and on the industry side."

Assembly Speaker Fabian Núñez, who held a similar hearing earlier this month, said Nichols' statements before the Senate committee show "that her command of the issues and enthusiasm for her role are impressive. She also recognizes the importance of AB 32 to California's future."

Nichols, a Democrat and an environmental policy lawyer, was chairwoman of the Air Resources Board under Gov. Jerry Brown in 1978. She later served as secretary of the California Resources Agency -- which oversees forestry and fire protection; water, fish and game; and state parks -- under Gov. Gray Davis.

Senators at Thursday's hearing tried to pin down Nichols on her approach to reducing the heat-trapping or greenhouse gases such as carbon dioxide, which come from combustion of oil, coal, natural gas and other fossil fuels.

Schwarzenegger favors a flexible "cap-and-trade" approach that relies on market forces: Companies that more than meet the emission caps could sell pollution credits to those that underperform.

Democrats generally prefer more-traditional regulations and contend the governor is unilaterally pushing the former without legislative approval.

Nichols said the trading strategies "will play a role, but only after we have played out (regulations)."

She said the first three greenhouse gas-reducing measures adopted by the air board last month were "not the end" of the "early actions." She has asked board staff to see if more measures can be taken before year's end.

In firing Sawyer, Schwarzenegger administration officials said the governor was irked that the air board chairman had backed the air board's June 14 vote to support a waiver giving San Joaquin Valley polluters until 2024 to comply with federal Clean Air Act restrictions.

The move appears to contradict the governor's case before the Bush administration that California cannot afford to wait any longer for federal approval of its greenhouse gas limits on automobile exhausts, the governor's aides said.

Under questioning from Sen. Roy Ashburn, R-Bakersfield, Nichols said she would have made the same decision as Sawyer because the San Joaquin Valley did not have the pollution controls needed to comply within the federal deadline.

The governor's problem with Sawyer, a retired University of California, Berkeley, professor, went beyond the San Joaquin Valley, Nichols said.

"He didn't have a relationship with the governor, and he didn't have an interest in the political side of the job," Nichols said.

Outside the hearing, Nichols added, "I've already sat down longer with the governor than my predecessor."

New chairwoman of state air-quality board defends role

BY SAMANTHA YOUNG, Associated Press
LA Daily News, July 18, 2007

SACRAMENTO - Gov. Arnold Schwarzenegger has instructed California air quality regulators to aggressively pursue rules to implement the state's landmark global warming law, the new chairwoman of the California Air Resources Board told senators Tuesday.

The comments by Mary Nichols, former secretary of the state Resources Agency, came during an unusual appearance before the Senate Rules Committee slightly more than a week after Schwarzenegger appointed her to the post.

Her message was intended to counter the suggestion that top Schwarzenegger aides had tried to undermine a number of air quality regulations, which was alleged earlier this month by the air board's former top two officials.

The hearing also served as a forum for state senators who wanted public assurances that Nichols would act independently on air quality issues and would not be subject to political manipulation.

"I don't believe that there's any person on the governor's staff who is under any illusion that their role is to slow down, interfere or weaken or delay actions that are going to be taken to clean the air and reach the goals of AB 32," Nichols said, referring to the Democratic bill to cut greenhouse-gas emissions that

Schwarzenegger signed last year. "My mandate is to speed up, not slow down."

Late last month, Schwarzenegger fired the board's previous chairman, Robert Sawyer, saying the panel needed new leadership to navigate the complex implementation of the global-warming law. Schwarzenegger also said he was unhappy with a board decision to request an 11-year extension to meet federal air pollution rules in the San Joaquin Valley.

Governor's air board nominee says she has sufficient independence

By Samantha Young, Associated Press Writer

In the S.F. Chronicle and Contra Costa Times, Wednesday, July 18, 2007

SACRAMENTO-Gov. Arnold Schwarzenegger has instructed California air quality regulators to aggressively pursue rules to implement the state's landmark global warming law, the new chairwoman of the California Air Resources Board told senators Tuesday.

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Sawyer and former executive director Catherine Witherspoon, who resigned in protest days later, said the governor's office interfered with the board. Schwarzenegger aides inappropriately lobbied staff and board members for weaker air quality rules, they said.

"Part of the reason for this early hearing is to get your assurances that you are taking the steps to restore the confidence and integrity of the board," Senate President Pro Tem Don Perata, D-Oakland, told Nichols during the hearing.

Nichols said she would have the independence to do her job. She also said Sawyer lacked the "political interest" required to implement the country's most sweeping global warming law.

A former secretary of the California Resources Agency, Nichols is more of a political figure than her predecessor, a retired University of California, Berkeley engineering professor who was well-respected in the scientific community.

Of particular concern to senators was whether members of the Air Resources Board were told by the governor's staff to limit pending global warming rules and air pollution regulations that would require cleaner diesel engines.

The board last month approved a set of three "early action" regulations aimed at reducing greenhouse gases. That brought protests from environmental groups and Sawyer, who said the board could have done more.

Nichols said the board staff is re-evaluating more than two dozen regulations that it had determined need more study. Those affect diesel trucks, paints, electricity at California's ports and cement plants.

Schwarzenegger will continue pushing a carbon market to help the state reduce greenhouse emissions, she said. Such a market allows businesses that cannot meet their emission limits to buy pollution credits from other businesses that have been able to reduce emissions.

Schwarzenegger favors this approach, while Democrats say the global warming law requires the air board to develop regulations to cut emissions before it considers implementing the so-called cap-and-trade systems.

Nichols oversaw such a system when she worked for the U.S. Environmental Protection Agency during the Clinton administration. She said she believed such a market would play a role in California's global warming program but vowed that strong regulations would be established first.

Those assurances appeared to satisfy environmental groups, which have criticized the administration for overreaching its authority on the global warming law. They also say administration officials tried to water down a pending regulation seeking to make diesel engines less polluting.

"We'll be able to find out next week when the board considers the diesel regulation whether she can make good on her promise to move more quickly on air quality," said Bill Magavern, a lobbyist for Sierra Club in Sacramento.

The Senate has a year to confirm Nichols while she serves as the board chairwoman, Perata spokeswoman Alicia Trost said. Meanwhile, Nichols said the board likely would establish a process to hire a new executive director later this summer.

Meanwhile, Assemblywoman Loni Hancock, D-Berkeley, is considering legislation that would create fixed terms for members of the Air Resources Board in an effort to shield them from political retribution. Board members now serve at the will of the governor.

Proposed air board leader pleases Dems **Governor's nominee advocates need for clean air regulations**

Matthew Yi, Chronicle Sacramento Bureau
S.F. Chronicle, Wednesday, July 18, 2007

Sacramento -- Mary Nichols, Gov. Arnold Schwarzenegger's pick to lead the state air board in its fight against global warming, earned the favor of Democratic leaders in the state Legislature on Tuesday when she said her agency's priority is to set new regulations.

The Republican governor and Democratic legislators have been at odds over how to meet the goals of a landmark legislation to cut greenhouse gases by 25 percent by 2020, which could change what Californians drive and force businesses to retrofit operations to become greener.

Nichols said plans such as the governor's preferred idea of allowing high-polluting businesses to pay low-polluting firms should come "only after we have laid out the program, with regulations."

In an interview with reporters after her nearly two-hour hearing before the state Senate Rules committee, she said:

"Regulations are the fundamental basis for implementing AB32, and there won't be any possibility of a successful market without a regulatory framework and basis to work from."

Schwarzenegger has favored the creation of market-based systems such as "cap and trade," which allows high-polluting businesses to pay low-polluting companies for their emissions credits. Democratic lawmakers, meanwhile, have argued that the global warming legislation primarily requires regulations to cut emissions before considering any market systems.

That difference in opinion is also being played out in negotiations over the \$140 billion state budget for the current fiscal year. The governor has proposed adding 24 jobs to the air board to look at programs such as cap and trade, but the Legislature's budget plan assigns all but two of the jobs to focus on regulations.

The rift between Democratic legislators and Schwarzenegger really boiled over when the governor fired chairman Robert Sawyer 2 1/2 weeks ago for apparently trying to enact more rules than what the administration had approved. The firing was followed by the resignation of the agency's executive officer.

On Tuesday, Nichols' comments before the state Senate Rules committee, which has a year to confirm her appointment, seemed to side more with Democratic lawmakers than the administration.

Nichols said that while systems such as cap and trade could cut emissions faster than regulations, "there is no point in talking about it" until there is assurances that that is possible.

Aaron McLearn, a spokesman for the governor, said that Nichols' comments are not inconsistent with the governor's position. "The governor has said all along that you need to have both regulations and market-based systems," he said.

Nichols also was critical of the governor's budget proposal to add 24 jobs specifically for developing market systems.

"That was a mistake on the part of the administration, I think, to have identified positions as being for markets versus regulation," she said, adding that the more prudent approach is for the agency's staff to study each economic sector separately on how to cut emissions.

McLearn said the governor's office agrees with Nichols and is "working with the Legislature to try to change" the administration's position.

Nichols assured Senate President Pro Tem Don Perata, D-Oakland, and four other senators on the Rules Committee that her mandate from Schwarzenegger is to "speed up, not slow down" in finding ways to cut carbon dioxide emissions.

Those answers seemed to satisfy Democratic legislative leaders on Tuesday.

"I'm well satisfied with your appointment," Perata said by the end of the hearing. His committee has a year to confirm her appointment.

Assembly Speaker Fabian Núñez, D-Los Angeles, who co-wrote AB32, was more enthusiastic.

"It makes me very, very happy, and I think that as long as the administration doesn't try to micromanage her, Mary Nichols will do a superb job to make sure that AB32 is implemented fully," said Núñez, who held a legislative oversight hearing on implementation of the law shortly after the departures of the air board's top two officials.

Although he had hinted that he may want to have additional hearings, Núñez said Tuesday his mind has changed.

"I think we need to move forward, and I don't think we need another hearing," he said.

Bill Magavern, a lobbyist for the Sierra Club, said he believes Nichols' testimony to look at more regulations is a "sweet reversal for environmentalists given that in June we asked the air board" to implement more rules early.

"She made it clear that she wants to clean up our air quicker and reduce greenhouse gases as much as possible," Magavern said.

A chief lobbyist for an industry group said that while her association continues to favor systems such as cap and trade, the group may be open to regulatory ideas.

"We're perfectly happy to go along with a regulatory framework ... as long as it's least cost, technologically feasible, rational and scientifically based," said Dorothy Rothrock, a chief lobbyist for the California Manufacturers and Technology Association.

Nichols says governor wants her to fight for a cleaner environment

By Margot Roosevelt, Times Staff Writer
L.A. Times, Wed., July 18, 2007

SACRAMENTO - Environmental lawyer Mary Nichols, the newly appointed head of the powerful California Air Resources Board, assured state legislators Tuesday that her mandate from the governor is to "speed up, not slow down" the state's ambitious effort to slash global-warming pollution.

To prove the point, she told the Senate Rules Committee that she has asked the board's staff to reconsider which new regulations can be quickly adopted to cut greenhouse gases, adding that the board will reopen the issue of such early action in October, rather than in December as previously scheduled.

Nichols testified in the wake of allegations by the board's former chairman and chief executive that Gov. Arnold Schwarzenegger's staff sought to weaken global warming rules to placate industry critics. Specifically, Chief of Staff Susan Kennedy and Cabinet Secretary Dan Dunmoyer were accused of forcing the air board to limit initial global warming measures, adopted last month, to three: a low carbon fuel standard, a limit on auto refrigerant gases and the improved capture of landfill methane.

By law, the board was required to identify "discrete early action greenhouse gas reduction measures" by June 2007 which are to be developed into regulations and enforced by 2010. The board is working on 23 other measures to be adopted later.

Schwarzenegger's staff insisted that the governor had not brought pressure on the board to limit the early action agenda.

Nichols, an activist who has worked for Democratic office holders in the past, told the Rules Committee that the three measures were "a start. But that's not the end of it.... The public does want to see action."

Among the additional early rules that environmentalists want are controls on cement plants and diesel trucks - both heavy emitters of greenhouse gases - and the electrification of ports, where idling diesel-burning ships emit large amounts of pollutants.

Whether Nichols is able to move quickly on such measures will be one test of how strong a mandate she has to enact tough rules to cut global warming pollution and clean up the air. Another will come next week, when the board is to take up a proposed crackdown on diesel pollution from tractors, cranes and other construction equipment, significant sources of greenhouse gas emissions as well as soot and smog-forming pollutants.

Under California's landmark 2006 legislation, Assembly Bill 32, the state must cut the emission of carbon dioxide and other planet-warming gases to 1990 levels by 2020, an estimated 25% reduction.

The air board is charged with establishing a mandatory reporting system for industries and other sources of greenhouse gases and with deciding how and where to require cutbacks. Some 40% of all the state's carbon dioxide emissions come from cars and trucks. Schwarzenegger has threatened to sue if the Bush administration refuses to allow California to adopt its own auto rules. But the air board may also seek new ways around federal restrictions.

Nichols, whose role will be key in the protracted and controversial process, said that the governor has "given me every assurance I need that I will have the support to go out and clean up the air. And that is what I'm going to do."

As for the fact that Schwarzenegger fired her predecessor, Robert Sawyer, Nichols said, "Bob Sawyer is an outstanding scientist, but he didn't have a relationship with the governor and he didn't have an interest in the political side of the job...."

"The implementation of these laws is an intensely political activity, as well as a technical one.

"If we can't get the public to agree, then we don't have a program," she said.

Nichols acknowledged that there were "communication glitches, to put it mildly" in the relations between the governor's staff and the board leadership, but she added, "No person on the governor's staff is under any illusion that their role is to slow down or weaken the goals of AB 32."

Democrats in the Legislature have expressed concern that Schwarzenegger's push for market-based programs to slow global warming emissions will mean replacing mandatory regulations on industry with less effective measures.

"I don't think the ink was dry in signing the law before we saw a slew of executive orders, advisory committees and other actions that at best contradicted - even controverted - the very purpose of the law," Senate President Pro Tem Don Perata (D-Oakland) told Nichols.

Under a market cap-and-trade program, which Schwarzenegger has championed, emissions would be capped overall, but companies could trade pollution credits among themselves. Such systems are controversial because they allow companies to continue polluting if they purchase credits from companies that have reduced their emissions.

Nichols acknowledged that "the governor's enthusiasm for markets, as a salesman, has caused some consternation." But she assured the committee that "you can't create a market without a strict regulatory system that underpins it."

Nichols said she would work closely with the Legislature to implement global warming laws. And committee members gave her a warm reception.

"We are in this together," Perata said. "Lets make this a two-way swinging door." Nichols must be confirmed by the full Senate within a year of her appointment.

Specialty crops gain more farm bill cash

Air quality program, bloc grants in deal

By MICHAEL DOYLE - BEE WASHINGTON BUREAU

Modesto Bee, Wednesday, July 18, 2007

WASHINGTON - The House Agriculture Committee on Tuesday fended off a rebellion by California fruit and vegetable growers by dramatically boosting the amount of money dedicated to specialty crops in a new farm bill.

Committee leaders agreed to add hundreds of millions of dollars for specialty crop bloc grants, research, conservation and produce purchases. The budget math is tricky and still incomplete.

"I am very pleased," said Rep. Dennis Cardoza, D-Merced. "This will finally give specialty crops the support they deserve."

In a bid to win broader political support, committee leaders agreed to impose new limits on farm subsidies. Growers with adjusted gross income of more than \$1 million no longer could collect farm payments.

"It's something we can live with," said Donald R. Bransford, a Colusa County grower and member of the California Rice Commission. "Compromise is part of the process."

The farm bill provides billions of dollars in traditional subsidies for cotton, rice, wheat and corn growers, but also sets some new policies.

Some changes are strictly symbolic. Food stamps, for instance, will be renamed "secure supplemental nutrition assistance." Lawmakers say this will reduce the stigma felt by some food stamp recipients.

Other changes are more substantial, like the new money for specialty crops.

"We think it's a great effort," said Barry Bedwell, president of the Fresno-based California Grape and Tree Fruit League. "There's been a lot of hard work behind the scenes."

As chairman of the House horticulture and organic agriculture subcommittee, Cardoza had in recent days been raising public doubts about whether the new farm bill was ignoring specialty crops. But in negotiations that lasted until around midnight Monday, lawmakers agreed to add fruit and vegetable funding to the farm bill that the committee will start voting on today.

Among other provisions, the new money includes:

\$215 million in guaranteed funding over the next five years for a specialty crop research initiative. The money will help scientists at land grant state universities and other schools. For instance, it could pay for research into grapevine pests.

Funds to increase purchases of fresh fruits and vegetables for school lunches, and a \$25 million program for organic agriculture research.

Funds to boost a specialty crop bloc grant program to \$365 million over five years, compared with the draft farm bill's original offer of \$265 million. The money is distributed to states, with California getting the largest share.

\$150 million for a program to help farmers in the San Joaquin Valley and other regions cope with air quality problems. For example, farmers could get grants to upgrade tractors.

By some counts, the new funding increases the farm bill's specialty crop total to about \$1.6 billion, roughly double what it had been before this week's negotiations. It is several billion dollars less than what the 100-plus member organizations of the Specialty Crop Farm Bill Alliance originally had sought.

The new funding must survive negotiations with the Senate and the White House.

Challenge to Farm Emissions Rejected

By Henry C. Jackson, Associated Press Writer

In the S.F. Chronicle, N.Y. Times and other papers, Wednesday, July 18, 2007

Des Moines, Iowa (AP) -- Farms can't be sued over the pollution or odors they emit as long as they have entered into an agreement with the Environmental Protection Agency, a federal appeals court ruled.

The ruling, issued Tuesday, was a rebuke to environmental groups, including the Sierra Club, which sued to change an EPA policy they say allows animal feeding operations to skirt environmental laws and only pay nominal fines.

The petitioners maintained that animal feeding operations pollute the air, emit terrible odors and attract hordes of flies that leave droppings on everything from cars to furniture.

They argued that the EPA did not follow proper rule-making procedures in crafting an agreements to allow farms to avoid legal punishment and lawsuits for violating air emissions requirements.

The agreements requires the farms to pay a civil penalty and give the government permission to monitor the facility for an EPA study of emissions.

Nearly 2,600 animal feeding operations, the majority of them hog farms, have entered into agreement with the EPA.

"The EPA decided to give them blanket amnesty in the form of, 'You send us a check ... and we'll guarantee that no one will sue you,'" said David Bookbinder, senior attorney for the Sierra Club.

The U.S. Court of Appeals for the District of Columbia, however, found in its 2-1 ruling that the EPA was exercising a valid use of the agency's enforcement discretion by entering into agreements with the farms.

A call to the groups' attorney, Brent J. Newell, was not immediately returned.

Luke W. Cole, the executive director of the Center on Race, Poverty and the Environment, said it was reviewing the decision to determine its next course of action.

The EPA maintains its policy is the most effective option while methods of tracking farm emissions are studied.

Researchers from eight universities this summer began a 30-month study of the emissions of animal feeding operations at 24 sites in nine states. When the study is complete, the EPA is expected to draft air emissions standards for such operations.

"The (animal feeding operations) agreements bring us closer to ensuring clean air compliance nationwide ..." EPA spokesman Dave Ryan said in a statement. "Additionally, the first-ever national study of emissions from poultry, dairy and swine operations can continue without delay."

Organizations with ties to the livestock industry have supported the EPA's policy on agreements, and on Tuesday applauded the court's ruling.

Randy Spronk, the chairman of the National Pork Producers Council's environmental policy committee, said the agreements between the EPA and animal feeding operations were a necessary bridge while an emissions study is completed.

"By working cooperatively with the EPA to conduct emissions monitoring, we are developing the body of scientific knowledge on air emissions from animal agriculture that is necessary to design and implement effective mitigation measures," Spronk said in a statement.

California growers closer to reaping farm bill bounty

Deal for millions to help state agriculture

Carolyn Lochhead, Chronicle Washington Bureau
S.F. Chronicle, Wednesday, July 18, 2007

California's fruit, nut and vegetable industry -- aided by Bay Area food and environmental activists -- got its first big bite out of Depression-era federal farm programs, long the multibillion-dollar bastion of commodity barons from the South and Midwest, in a deal reached Tuesday.

After meeting with activists in San Francisco earlier this month, House Speaker Nancy Pelosi cracked heads in the House Agriculture Committee, yielding concessions from Chairman Collin Peterson, D-Minn., to get more than \$1.5 billion over five years for the state's specialty crops, including research for organic growers, more access to fresh fruits and vegetables in school lunch programs, promotion of farmers' markets and support for farm conservation and environmental improvement.

Rep. Dennis Cardoza, D-Atwater (Merced County), who negotiated the deal, called the agreement a landmark "that will, for the first time in history, bring a market-oriented approach to the promotion of speciality crops and give California equity in the farm bill," as well as farmers elsewhere who grow things other than corn, cotton and other crops subsidized since the 1930s.

Some environmental and food activists were skeptical that the deal would do much to change the thrust of the farm programs, which they and many economists contend have speeded the

industrialization of agriculture, polluted the air and water, harmed rural communities and produced the cheap carbohydrates and fats fueling the nation's obesity epidemic.

The activists argue that the huge farm bill has a profound effect on the type of food that reaches the nation's consumers and have urged lawmakers to use the legislation to promote healthier eating habits among Americans.

"Considering the fact that fruits and vegetables are what we need much more of in this country, it's really still out of balance with what our country as a whole needs from our food and farm policy," said Kari Hamerschlag, policy director for the California Coalition for Food and Farming in Watsonville. "I don't know if that's going to be enough to appease the representatives out there who want to see more reform."

California is the largest agricultural producer in the nation, mostly thanks to its \$17 billion-a-year specialty crop industry. Fruits, nuts and vegetables now make up more than half of the value of all crops grown in the United States, and organic produce and meats are the fastest-growing segment of farming. Yet they have never received the direct subsidies that go to corn, wheat, soybeans, cotton and rice or the special programs for a handful of other commodities such as dairy, sugar and peanuts, negotiated every five years in the farm bill that now is up for renewal.

"This is an historic achievement for the specialty crop industry," said Tom Nassif, chief executive of the Western Growers Association, which represents most fruit and vegetable growers in California and Arizona. "It certainly goes a long way toward meeting our initial needs and demands."

The money will not start direct subsidies for fruit and vegetable growers but will aid research, market promotion and conservation.

Still, \$1.5 billion over five years is a pittance compared with the \$12 billion to \$25 billion a year, depending on market prices, that historically has gone to growers of subsidized crops.

Cardoza had been threatening to bolt from the status-quo farm bill proposed by the Agriculture Committee unless the specialty crops received some consideration -- and take California Democrats with him, leaving the commodity programs vulnerable to a brawl when the bill reaches the House floor later this month.

Pelosi, while striving to back the reformers, is under pressure to help 42 newly elected Democrats who secured their party its House majority by winning seats in Republican-dominated districts, many of them in traditional farm country. Nine are members of the Agriculture Committee, and they have said they will support their farmers, not their party, when it comes to subsidies.

"She's concerned that a lot of them are in rural districts," said Pelosi spokesman Brendan Daly of the freshmen lawmakers, adding that Pelosi is trying to strike a balance between payments to farmers and conservation and nutrition programs.

Peterson, the committee chairman, found extra money for specialty crops by agreeing to a per-farmer subsidy limit of \$1 million, and what Cardoza said were overdue reforms in the giant crop insurance program.

Cardoza said he got an extra \$25 million over five years for organic farming research, on top of the \$30 million already promised, and \$110 million for farmers' markets. He said he secured \$150 million for an initiative to improve the air quality in the Central Valley, where farmers are struggling to meet pollution standards.

The committee has been laboring under budget limits requiring that any new spending be offset by cuts somewhere else in the budget, a process known as "pay-as-you-go."

Cardoza praised Pelosi for forcing the committee to stay within its budget and helping reach the deal for California. "For a lady from San Francisco, she knows an awful lot about agriculture today," Cardoza said.

Farm programs have been attacked for decades by budget hawks to little avail. The farm lobby is among the most powerful in Washington, and the Senate and House agriculture committees are

dominated by subsidized commodity interests. Environmental groups have become more active in questioning the programs, but it was not until this year, with the five-year farm bill up for renewal, that a more powerful coalition developed, uniting food activists with environmentalists, free-market types and the growing fruit and vegetable industry.

The Western Growers' Nassif said after fruit and vegetable growers had been excluded, as usual, from the last five-year farm bill, they broadened their coalition to growers outside California.

"We are 50 percent of all crops in the country by value, yet we were getting virtually nothing, and the other crops were getting it all," Nassif said.

Hamerschlag said Pelosi has met the past two months with major California environmental, farming and food groups, from the Natural Resources Defense Council and California Farm Bureau to Alemany Farm, a 3.5-acre community plot in San Francisco near Hunters Point.

"I think we're having an impact, making the connection between the farm bill and the food people eat, the food kids eat," Hamerschlag said. "We're making some progress on arguments for funding conservation. But we have a long way to go."

Ken Cook, founder and president of the Environmental Working Group, which has been battling farm subsidies for years, said pressure from specialty crop growers appears to have finally had an effect in Washington.

"They have finally moved the Agriculture Committee out of the realm of all subsidy crops, all the time, so it's an important step," Cook said. "They know they cannot pass a farm bill this time if fruit and vegetable growers are not satisfied."

But crucial parts of the farm bill, including expensive conservation and nutrition programs, are still being written in the House committee. And it is still a long way to the House floor later this month, then through the Senate and onto the president's desk.

Thank you for riding the rails

LA Daily News, Wednesday, July 18, 2007

A group of volunteers will be thanking rail-riding commuters who pass through Union Station in downtown Los Angeles today for their contribution to cleaning the air.

From 4 to 5 p.m., train passengers will be greeted by members of the Breathe LA street team, which encourages the use of public transportation as a mechanism for improving air quality in the Los Angeles basin.

The group has been promoting clean air and healthy lungs through research, education and technology since 1903, organizers said. The meet-and-greet at Union Station is part of a new campaign called "Breathe a Moment."

According to the organization's Web site, more than 6,000 people die annually from air pollution in Los Angeles.

In addition to using public transportation, Breathe LA officials also encourage residents to carpool, saying it saves an average of 36 minutes per day, thanks to freeway carpool lanes.

Driving costs can be reduced by 50 percent or more, depending on the number of carpoolers, officials said.

The organization also urges employees should talk to their employers about setting up vanpools or even providing free transit passes.