

## **Calif. requires ships to cut pollution off coast**

By SAMANTHA YOUNG, Associated Press Writer

In the Washington Post, SF Chronicle, Modesto Bee and other papers, Thursday, July 24, 2008

SACRAMENTO California air regulators on Thursday approved the nation's toughest rules to reduce harmful emissions from ocean-going ships using the state's ports.

The regulations require domestic and foreign cargo ships, tankers and cruise vessels sailing in and out of California ports to use cleaner fuel to power their engines and boilers.

The California fuel mandate comes amid similar international efforts, but air regulators say the 27 million Californians who breathe polluted air from the state's ports can't wait for those rules, which are being drafted to take effect in 2015.

"The health of our residents is too important to wait for some other international organization to take action," said Jerry Hill, a member of the California Air Resources Board. "The lives saved by the action we took today are significant."

International shipping companies oppose the rules, adopted unanimously by the air board. They argue the state has no jurisdiction to regulate their operations outside the state's coastal zone.

The Pacific Merchant Shipping Association said California at best can regulate only ships within state waters that extend three nautical miles from the coast under a federal law known as the Submerged Lands Act. The rule adopted Thursday would cover ships within 24 nautical miles of the coast.

"International ships running in international waters under international treaties should be handled under international laws," said T.L. Garrett, vice president of the association, which represents about 60 ocean carrier lines and cargo terminals. "We know it's the right thing to do. The question is, 'Who should be telling us to do it?'"

Shippers last year won in federal court when they blocked a 2006 California regulation requiring large ships to use cleaner fuel in their auxiliary engines. A federal judge ruled the state did not have the authority to set shipping emission standards without the approval of the U.S. Environmental Protection Agency.

The latest California regulation defines the pollution standards as a fuel requirement, a strategy state regulators say does not require them to get federal permission.

It would ban ships from using so-called bunker fuel, a dirty, heavy crude oil that has the consistency of asphalt and must be heated onboard the ships to power the engines.

Beginning July 1, 2009, ocean-going vessels will have to switch to a more expensive but cleaner-burning marine fuel to power their main engines and the auxiliary boilers that heat water on the ship when they sail within 24 nautical miles of California's coast.

The requirement would take effect later this year for auxiliary engines, which power ship lighting, navigation equipment and cargo refrigeration.

The rules apply to ships headed into and out of ports in the San Francisco Bay area, Los Angeles, Long Beach and San Diego, as well as inland ports for ocean-going vessels in Sacramento and Stockton.

Military, government and research vessels would be exempt. Ships that would need modifications so they can use cleaner fuels would be exempt until their equipment renovations were completed.

The Navy raised concerns that ship captains might abandon a long-established shipping route that hugs the coast in Southern California and instead travel straight to the open ocean. That would shorten their route and the time they would be forced to use the more expensive fuel, but could take the ships through the Navy's missile testing range.

"If a ship comes through our range, we have to shut it down. We can't do missile tests," said Randal Friedman, California government affairs officer for the Navy in the southwest region.

Air board Chairwoman Mary Nichols said the state would try to address the Navy's concerns.

In 2006, ships made nearly 11,000 port calls in California, a number that is expected to rise with the increase in international trade. Without new regulations, vessel emissions are projected to more than double by 2020, according to state air regulators.

The nitrogen oxide, diesel particulate matter and sulfur oxide emissions from some large ships headed to California ports are among the largest contributors to a toxic stew permeating port communities, according to the air board. The emissions are linked to asthma, as well as respiratory and cardiac problems.

Using cleaner fuels close to California's coast is estimated to prevent 3,600 premature deaths between 2009 and 2015, and reduce the cancer risk associated with ship emissions by more than 80 percent.

Cargo companies question whether their container ships will be able to buy the more expensive fuel in world ports before they make the trip to California.

While some cleaner fuels are available, the regulation eventually demands a fuel with an even lower sulfur content than is now available.

"If the refiners fail to provide the fuel, we're the ones who will be held in violation and have to pay the fees," Garrett said.

Ship operators also worry the engines on some vessels aren't designed to run on cleaner burning fuel and say it's not clear whether switching between two fuels to operate a ship would deteriorate engine equipment. The Air Resources Board intends to study both issues.

A single vessel making one visit a year to a California port would pay about \$30,000 more for fuel, less than 1 percent of the cost of a typical trans-Pacific voyage. That cost would increase to several million dollars for a large fleet that makes frequent visits to California.

For passenger cruise ships, increased fuel costs for a typical Los Angeles to Mexico tour would add about \$15 per passenger, or a 3 to 4 percent fare increase.

Shippers would be fined \$44,500 for a first offense, with the fee escalating to \$227,500 for repeat offenses.

## **Air board OKs toughest limits on ship exhausts**

Jane Kay, Chronicle Environment Writer  
S.F. Chronicle, Friday, July 25, 2008

State air-quality officials approved the toughest-known restriction on ship emissions in the world Thursday, cutting the diesel exhaust that exposes millions of people along the California coast to harmful air pollution.

The measure, adopted by the state Air Resources Board, requires ships traveling within 28 miles of shore to replace heavy fuel oil with lower-sulfur products. About 2,000 ships call at California ports every year.

"This regulation will save lives. At ports and all along the California coast, we will see cleaner air and better health," Mary Nichols, chairwoman of the Air Resources Board, said after a unanimous vote by 10 board members.

But the board is in for a fight from the Pacific Merchant Shipping Association, which represents 60 ocean carriers and terminal operators on the West Coast. The group, which prefers a voluntary approach, blocked in court a previous state attempt to regulate vessel emissions. It also challenges the state's authority beyond its waters, which extend 3 miles from shore.

The shipping association wants to wait for the matter to come before the International Maritime Organization, the body that regulates international shipping, said T.L. Garrett, the association's vice president.

"We're completely on board" with changing fuel and improving emissions," said Garrett. "The issue is who should be in charge of implementing that. We believe it should be the IMO and not the individual states."

The maritime organization is scheduled to take up the matter in October, Garrett said.

Calling the new regulation the "most stringent and comprehensive requirement for marine-fuel use in the world," the Air Resources Board expects the switch in fuels to eliminate 15 tons of diesel exhaust a day, an 83 percent reduction in particulate emissions, by 2012.

The switch would reduce cancer risk and prevent 3,600 premature deaths between 2009 and 2015, the board said. Diesel exhaust contains harmful gases and more than 40 other carcinogenic compounds and can cause respiratory and cardiovascular disease, ranging from severe asthma and heart attacks to early death.

Starting in July 2009, the regulations would lower the sulfur content in fuel used in ships' main and auxiliary engines and boilers. By 2012, when the final phase goes into effect, particulate matter would be reduced by 83 percent, sulfur oxides by 95 percent and nitrogen oxides by 6 percent.

The fine for not using cleaner fuel would be \$44,500 for the first violation and rise to \$225,000 for five violations.

There would be additional costs to carriers and operators as they switch from the heavy bunker fuel, which is essentially a waste product of oil refining, to a cleaner marine fuel, state air officials said. The cost of the cleaner fuel is more than twice the cost of the heavy fuel oil.

A single call at a California port could cost carriers \$30,000 more, which is about 1 percent of the cost of a transocean voyage, according to air board documents. To help offset this, passengers might pay \$15 more on cruise ships from Los Angeles to Mexico.

For the past decade, the Air Resources Board has ratcheted down diesel emissions by prohibiting the prolonged idling of trucks and buses and putting new restrictions on off-road and cargo-handling equipment, transport refrigeration units and ships at berth.

This is the second time the state has tackled the polluting effects of heavy fuel oil in oceangoing vessels. The first regulation, approved in 2006, was blocked by the Pacific Merchant Shipping Association and others with the argument that the state needed a waiver from the U.S. Environmental Protection Agency to regulate ship emissions.

The shipping association's Garrett said his organization still takes that position.

The maritime industry also challenges the state's authority to regulate ships beyond the state's 3-mile water boundary.

California argues that it has the authority.

Representatives of Friends of the Earth, Coalition for Clean Air and the International Longshore and Warehouse Union have pushed for controls on ship emissions.

Diane Bailey, senior scientist at the Natural Resources Defense Council, praised the regulation as "the most significant port cleanup rule anywhere in the world.

"This rule is going to drastically improve air quality and health in portside communities, and these are the places that really need relief from air pollution the most," she said.

The 53,000 gallons of oil that the Cosco Busan container ship dumped into San Francisco Bay in November when it hit a tower of the Bay Bridge was heavy fuel oil, which is extremely toxic to marine life and difficult to clean up.

## **California Orders Low-Sulfur Fuel for Ships**

By Mathew L. Wald

N.Y. Times, Friday, July 25, 2008

California on Thursday ordered the 2,000 big ships calling on its ports every year to switch to low-sulfur fuel whenever they were within 24 miles of the coast, in what state officials said was the world's strictest emissions standards for marine diesels.

The rule, promulgated by the California Air Resources Board, would require switching to a fuel with 97 percent less sulfur. Sulfur in diesel fuel combines with other pollutants to make tiny particles that are linked to cancer and other illnesses.

"That's the stuff that kills people when it comes out of the pipe," said David Pettit, a senior lawyer with the Natural Resources Defense Council, which favored the change. "It's good news for people who breathe, and it's within the economic ability of the shipping industry to handle it."

Mary Nichols, chairwoman of the air resources board, said in a statement, "This regulation will save lives." According to her agency, the regulations will prevent 3,600 premature deaths from 2009 to 2015.

Shipping companies argue that traffic in international waters should be governed by international law, and environmentalists expect them to try to overturn the California rule in court. The International Maritime

Organization, an organization affiliated with the United Nations that sets such laws, has been considering limits on marine fuel.

Ships typically burn fuel with a sulfur content of 3.5 percent; under the California rule, that would be cut to 0.5 percent in 2009 and 0.1 percent in 2012. In contrast, Mr. Pettit noted, trucks in California now use diesel fuel about 60 times cleaner than the 2012 requirement.

Earlier this year, the United States Court of Appeals for the Ninth Circuit overturned a California rule that sought to regulate the engines that ships use to make electricity. The court ruled that under the Clean Air Act, only the federal government could impose such a regulation.

On Thursday, the state tried again, adopting a rule on fuel that does not address the engine itself.

## **Start-stop technology to get wide use, execs predict**

By MARK PHELAN, Detroit Free Press  
In the Modesto Bee, Friday, July 25, 2008

DETROIT - A key piece of technology from gasoline-electric hybrid vehicles will become almost universal in new cars within five to 10 years, top environmental executives from Chrysler LLC, Ford Motor Co. and General Motors Corp. predicted Wednesday.

The technology, called autostop or start-stop, automatically switches the engine off but keeps accessories such as climate control and the radio running when a car is idling.

It reduces fuel consumption and emissions. All hybrids today use the system, but demands for higher fuel efficiency and lower emissions will lead to its use on virtually all vehicles, the experts said at an event to announce NextCruise, an event at which nine automakers will showcase their environmental and alternate-fuel vehicles in conjunction with the Woodward Dream Cruise next month.

"Start-stop will not just be in hybrids any more within five years," said Jay Iyengar, Chrysler senior manager of hybrid system integration. "From Chrysler's perspective, we expect to see it pretty much everywhere.

"In 10 years, you'll be looked at as low-tech if your car runs at idle," she said, adding that some cities are already considering banning vehicles whose engines run when stationary. "It will begin with heavy trucks, but it will spread."

The system will spread from Ford's hybrids into the mainstream model line, said John Viera, company director of sustainable business strategies.

"You're going to see stop-start on a lot of Ford products in the years ahead."

In addition to stop-start, Micky Bly, GM director of hybrid vehicle integration, said lightweight materials that contribute to hybrids' fuel economy will see wider use in other vehicles, particularly as rising fuel prices make customers willing to pay for the materials that cost more than the steel automakers have traditionally relied on.

## **EPA chief won't explain climate choices**

By DINA CAPPIELLO, Associated Press Writer  
In the Modesto Bee and Tri-Valley Herald, Friday, July 25, 2008

Environmental Protection Agency chief Stephen Johnson has declined to explain before Congress how a conclusion he made last year that global warming put the public in danger could lead to a decision not to regulate greenhouse gases.

In a 28-page document the White House and EPA have refused to release, the agency last December said global warming could endanger public welfare, according to excerpts released Thursday by a Senate committee. The hearing, which was going to examine the role of the White House in EPA decisions, particularly on global warming, was canceled.

The White House allowed the Senate Environment Committee's staff to examine the draft findings Wednesday night. The panel's chairwoman, Sen. Barbara Boxer, D-Calif., released brief excerpts from it Thursday.

"Given the stated vulnerabilities, risks and impacts from climate change on air quality, agriculture, forestry, water resources, ecosystems, coastal areas, the energy sector, infrastructure ..., the administrator is proposing to find that elevated levels of greenhouse gas concentrations may reasonably be anticipated to endanger public welfare," the senator's office quoted the document as saying.

A Supreme Court ruled last year that such a finding would compel the agency to begin regulating greenhouse gases from motor vehicles under the Clean Air Act. The Bush administration never officially published the document, and in December, according to accounts from a former top official, the White House Budget Office refused to open it when it was sent over in an e-mail.

Boxer said the document confirmed that Johnson had concluded that greenhouse gases posed a threat to the public and that EPA should act. "It is clear. It is chilling. It is detailed," she said in a statement.

Johnson made no determination on global warming's risks in a formal notice earlier this month. The notice laid out a range of options that could be taken under the Clean Air Act but concluded that the 1970 law was not the right way to regulate greenhouse gases. Days later, EPA released scientific evidence compiled by its staff outlining the dangers.

White House Deputy Secretary Tony Fratto said Thursday that Johnson decided that an energy bill Congress was concluding would curb greenhouse gas emissions by raising fuel economy requirements in new cars and light trucks.

"He made a determination, as he is authorized to do, that there was a better way to move forward," said Fratto.

Fratto, as well as Johnson's office, refused a request by The Associated Press for a copy of the entire document, saying it was an internal draft.

The Senate committee's staff viewed the document for about three hours Wednesday night, under the supervision of three White House aides. The conditions: they couldn't copy it or take copious notes. Boxer and Democratic Sens. Benjamin Cardin of Maryland and Amy Klobuchar of Minnesota reviewed a copy Thursday morning.

When asked why the administrator refused to appear before Congress, EPA Press Secretary Jonathan Shradar said that he was busy. He also added that the administrator had testified before this session of Congress 17 times.

Republican aides on the committee's staff also examined the document but would not comment on its contents.

Oklahoma Sen. James Inhofe, the senior Republican on the committee and a global warming skeptic, called the dispute a "non-issue" and a "political exercise."

"The president acting through the entire executive branch is fully entitled to express his policy judgments to the EPA administrator, and to expect his subordinate to carry out the judgment of what the law requires and permits," Inhofe said.

## **Boxer: Public needs to see EPA findings on threat of greenhouse gases**

By Renee Schoof, McClatchy Newspapers  
Modesto Bee, Friday, July 25, 2008

WASHINGTON - The head of the Environmental Protection Agency told the White House in December that high levels of manmade heat-trapping gases are causing global warming and endanger the American people, Sen. Barbara Boxer said Thursday after she reviewed the EPA finding, which has not been made public.

The Supreme Court ruled last year that if the EPA administrator finds greenhouse gases endanger the public, then the government must regulate them - a move the Bush administration opposes.

"This is the strongest language I have ever seen and they are trying to lock it away," said Boxer, D-Calif., who took notes on the document and shared them with reporters. "The document belongs in the hands of the American people."

Boxer said the key excerpt was: "In sum, the administrator is proposing to find that elevated levels of greenhouse gas concentrations may reasonably be anticipated to endanger public welfare."

EPA scientists examined the evidence on global warming and reported the findings after a long period of work, said Boxer, chairman of the Senate Environment and Public Works Committee, which has oversight over the agency.

In the document, EPA Administrator Stephen Johnson concluded there is "compelling and robust evidence" that observed warming of the Earth's average temperature is due to manmade greenhouse gases, Boxer said. The document tells what impacts global warming will have on regions of the United States "and what we need to do about it," she said.

Fred Fielding, the White House counsel, said in a letter to Boxer that the documents she wanted, including the "draft greenhouse gas endangerment analysis," were materials that were part of White House internal discussions before a decision was made.

Fielding also said that the White House had no objection to public discussion of the contents.

Sen. Patrick Leahy, D-Vt., chairman of the Senate Judiciary Committee, said an investigation by Boxer's committee uncovered what appeared to be an effort by President Bush and Vice President Dick Cheney to cover up the truth about global warming by interfering with scientific conclusions by the EPA.

"They act as if they're above the law," Leahy said.

White House spokesman Tony Fratto said the decision of whether to regulate greenhouse gases under the Clean Air Act was up to Johnson.

"At the time (Johnson) was trying to make a determination whether he'd go in one direction or another," Fratto said. "The direction he chose was to hold off on making a decision and to see what Congress was going to do with the energy bill, which was relevant to the very issue because the energy bill was dealing with motor vehicle emissions."

The energy bill, which became law in December, increased motor vehicle efficiency requirements.

Fratto said the administration was complying with the Supreme Court ruling by issuing a notice of rulemaking and calling for more comment. What's more, the Clean Air Act wasn't meant to cover greenhouse gases and would create problems for regulation and "an impact on the economy," he added.

## **Doubts cast on emissions effort**

### **Voluntary cuts not enough to reduce gases, EPA says**

Dina Cappiello, Associated Press

In the S.F. Chronicle, USA Today and other papers, Friday, July 25, 2008

Washington -- Voluntary pollution-reduction programs touted by the Bush administration as part of the solution to global warming have "limited potential" to reduce greenhouse gases, according to an internal government watchdog.

The Environmental Protection Agency's Inspector General's Office said industry's unwillingness to participate and unreliable data that casts doubt on claimed reductions are hindering efforts to control some of the most potent greenhouse gases from aluminum smelters, landfills, coal mines and large farms.

At best, the 11 different programs, all but one of which were launched during the Clinton administration, would achieve a 19 percent reduction in methane, sulfur hexafluoride and other noncarbon dioxide greenhouse gases projected to come from those industries in 2010, the EPA office said in a report Thursday.

The report does not cover efforts to address the most plentiful greenhouse gas - carbon dioxide - or the biggest sources of it, transportation and electric power plants.

"If EPA wishes to reduce greenhouse gas emissions beyond this point, it needs to consider additional policy options," the report said. Persuading companies to spend money on optional activities "presents a significant challenge to using voluntary programs as the current solution to reducing greenhouse gases."

The Bush administration has been relying largely on the voluntary programs to reduce carbon intensity - the ratio of greenhouse gas emissions to economic output - by 18 percent by 2012. That goal would slow the growth of greenhouse gases, but not actually reduce them.

The White House has rejected using existing law to regulate greenhouse gases from motor vehicles and smokestacks despite a Supreme Court decision last year saying it could do so.

President Bush and other world leaders at last month's G-8 summit in Toyako, Japan, made a commitment to a voluntary 50 percent reduction in greenhouse gases worldwide by 2050 but offered no specifics on how to do it.

The White House said Thursday that the nation is "well on track to meet, if not exceed" the 18 percent reduction in carbon intensity. It said mandatory measures such as higher fuel economy requirements for new cars, SUVs and light trucks will help.

Paul Gunning, who heads EPA's voluntary programs for reducing global warming gases other than carbon dioxide, said a 19 percent reduction is a testament to the programs' success.

## **Hydrogen cars could prevail by 2050, slash oil need, panel says**

By RENEE SCHOOF, McClatchy Newspapers  
Modesto Bee, Friday, July 25, 2008

WASHINGTON - As the cost of filling up our tanks skyrockets, a government-backed study released Thursday says America could nearly eliminate its need for gasoline for cars, pickup trucks and SUVs by 2050 if the government helps build a market for hydrogen fuel cells and other technologies.

The study by the National Research Council of the National Academies, the government's adviser on science, medicine and engineering, looked mainly at the future of hydrogen fuel cell vehicles. It concluded that with about \$55 billion in government support in the next 15 years, hydrogen vehicles could be competitive with gasoline-powered ones and common on the roads by 2050.

Congress asked the advisory body to look at prospects for hydrogen and alternatives that could have the largest impact by 2020. The experts group's findings are a best-case look at low-carbon fuel options at a time when President Bush and some members of Congress are pushing for expanded searches for domestic oil.

Light-duty vehicles use 44 percent of the oil used in the United States and emit more than 20 percent of the carbon dioxide, the main heat-trapping gas causing global warming. The report said hydrogen alone could eliminate more than 60 percent of this oil use and carbon by 2050. If the nation used hydrogen and other low-carbon fuels as well, by the same year, carbon dioxide emissions from cars and trucks could be cut to less than 20 percent of current levels and they'd need almost no oil.

The study did not attempt to estimate whether it would be cheaper for drivers to use hydrogen than gasoline in the future. Instead it looked at the benefits of lower oil needs and reduced carbon emissions.

"There needs to be durable, substantial and sustainable government help for this to happen, just like there is for ethanol," said Michael P. Ramage, who chaired the study panel. Ramage is a retired executive vice president of ExxonMobil Research and Engineering Co. who has a doctorate in chemical engineering.

The study estimated the government would need to invest about \$50 billion over the next 15 years to subsidize early, expensive hydrogen vehicles and hydrogen filling stations and about \$5 billion for research and development. It noted that this compares with \$160 billion for ethanol over the same 15-year period if current subsidies are extended.

Fuel cell vehicles are powered through a chemical reaction between hydrogen and oxygen. Hydrogen vehicles would emit water and heat as exhaust.

Ramage said fuel cell costs are "rapidly moving down," but obstacles remain. Advances would have to be made in the cost and durability of the fuel cell and vehicle, and in the long-term storage of hydrogen. In addition, filling stations would have to be rebuilt to offer hydrogen gas instead of liquid gasoline.

ExxonMobil has invested in efforts to develop a system that would use diesel to create hydrogen in a vehicle, eliminating the need for hydrogen fueling stations.

The company is working on hydrogen and other alternatives to oil and expects that with demand rising worldwide, "there will be a market out there for all energy products," said spokesman Alan Jeffers.

The National Petrochemical and Refiners Association supports "the broadest mix of fuels possible to meet an ever-increasing demand, but we draw the line at federal mandates that would create winners and losers in the marketplace," said spokesman Bill Holbrook.

Matt Hartwig, a spokesman for the Renewable Fuels Association, a lobby group for the ethanol industry, said exploration of fuel cell vehicles should continue, but not at the cost of abandoning research on ethanol and other biofuels.

"Our current energy situation requires that we take a hard look at all energy options available to us, including biofuels and hydrogen," he said. "While yet-to-be commercialized technologies are developed and deployed, it is important that we don't walk away from the progress being achieved by today's evolving renewable fuel technologies."

## **Carbon market takes shape**

### **California joins with six states and four Canadian provinces to cut emissions.**

By Jim Downing

Sacramento Bee, Thursday, July 24, 2008

On Wednesday, officials from California, six other Western states and four Canadian provinces released the draft of a plan to set up a vast market for greenhouse-gas emissions that aims to ease the burden of the war on global warming.

Starting in 2012, according to the plan, the members of the Western Climate Initiative would issue annual permits to firms that emit carbon dioxide and other greenhouse gases. The total supply of permits would ratchet down over time, giving companies two options: cut their own emissions or buy permits from other firms that have made deep emissions cuts and thus have permits to sell.

Economists say a carbon market minimizes the societal cost of cutting emissions by allowing entrepreneurs and executives, not bureaucrats, to find the cheapest ways to curb greenhouse gases.

California officials are counting on that market magic to shrink the state's carbon footprint by 35 million metric tons by 2020. That's a fifth of the total reductions mandated under Assembly Bill 32, the omnibus global-warming law passed in 2006. For comparison, 1 million metric tons of carbon dioxide is what's emitted by about 180,000 average vehicles in a year.

"We believe that cap and trade is the most effective ... strategy for meeting our reduction goals," said Linda Adams, secretary of the California Environmental Protection Agency.

In addition to California, the Western Climate Initiative includes Oregon, Washington, Arizona, New Mexico, Montana, Utah and the provinces of Quebec, Ontario, British Columbia and Manitoba.

In California, 78 percent of the state's emissions would fall under the trading system. The cap won't cover emissions from a few specific sources, including agriculture, forestry and waste management.

While the everyday emissions generated by burning gasoline or using electricity will be covered under the cap, consumers won't play in the market. Saving energy at home won't give you credits to sell.

Instead, carbon transactions will happen well upstream from consumers, at the level of gasoline distributors and power-plant owners.

Putting a price on carbon emissions is expected to add to the price of a gallon of gasoline or a kilowatt-hour of electricity. However, according to analyses by the California Air Resources Board, the state's global warming plan ultimately will save consumers money by improving efficiency and reducing overall demand for electricity and motor fuel.

The members of the Western Climate Initiative are expected to adopt a final version of the cap-and-trade program in November.

The general idea of a carbon market enjoys broad support among both industry and environmental groups. But they differ on key details, including whether companies should pay for each year's carbon permits, and whether firms should be allowed to purchase "carbon offsets" to meet their emissions obligations.

Environmental groups are pushing for a requirement that a large fraction of emissions allowances be auctioned to industry, with the revenue supporting investments in technology, utility rebates for low-income consumers and other programs.

Industry groups want the opposite, saying that an auction would amount to a multibillion-dollar tax that would be passed on to consumers.

Wednesday's draft plan proposes to auction some allowances but doesn't say how many.

The draft also proposes a controversial plan that polluters be allowed to meet all of the 2020 reduction targets by purchasing "carbon offsets."

By buying offsets, companies unable to cheaply reduce their own carbon footprint save money by paying others - outside the cap - that can. Wednesday's draft suggested that offsets generated anywhere in the world might be honored under the regional cap and trade system.

The global market in offsets has exploded in recent years, but its credibility is shaky.

"We've seen study after study showing that a lot of these offsets are not real ... that it's been a huge waste of money," said Erin Rogers, spokeswoman for the Union of Concerned Scientists.

## **EPA puts off Texas ethanol waiver decision**

The Associated Press

In USA TODAY, Wednesday, July 23, 2008

WASHINGTON (AP) - The Environmental Protection Agency is putting off a decision on Texas' request to waive ethanol requirements for gasoline.

A decision had been due Thursday. But EPA Administrator Stephen Johnson said Tuesday the agency needs more time to review more than 15,000 public comments it has received. Texas Gov. Rick Perry asked the EPA in April to halve the ethanol requirement this year.

An energy bill passed last year requires 9 billion gallons of ethanol to be blended into gasoline this year. Perry, a Republican, wanted the EPA to drop the requirement to 4.5 billion gallons because the demand for ethanol is raising corn prices for livestock producers.

The agency said it hopes to have a decision in early August.

## Beijing's Air Pollution Index Rises Despite City's Efforts

By Maureen Fan

Washington Post, Friday, July 25, 2008

BEIJING, July 25 -- Beijing's air pollution index rose steadily this week at the same time that the city has tried to cut traffic volume in half. Readings Thursday and Friday were over 100 and considered unhealthy for children, seniors and those with allergies or asthma.

The climb from a reading of 55 on Sunday to 110 on Friday -- despite six days of forcing Beijing motorists to drive on alternate days -- underscored the formidable challenge authorities face in trying to clear the air before athletes begin competing in the Aug. 8-24 Olympic Games.

Already, one marathon world-record holder has refused to compete in Beijing because of health and pollution concerns, and International Olympic Committee officials have said endurance events might have to be postponed due to the city's unrelenting smog.

"For the first four days since July 20th, they were good days. For the last two days they were not," said Du Shaozhong, deputy general-director of the Beijing Municipal Environmental Protection Bureau, who nevertheless argued that the capital's air quality was actually better compared with the same period last year.

"In the last few days there have not been significant rainfalls or winds," Du said. "And the weather conditions in the last few days were not conducive to the diffusion of airborne pollutants."

While uncontrollable factors such as the weather have worked against the city, many problems are entirely man-made. The largest contributing factor to Beijing's air pollution is vehicle emissions, Du has said in the past. Thanks to growing public demand and friendly government policies toward car manufacturers, Beijing adds more than 1,000 new cars to its streets every day.

Beijing does not count two of the most dangerous pollutants that can harm the respiratory system -- ozone and fine particulate matter. It measures a larger kind of particulate matter known as PM 10 but not the smaller and more harmful PM 2.5 that has been found to enter the bloodstream and cause heart attacks and strokes in sensitive individuals.

Officials say they monitor ozone, but they do not publish or share that data with the public. Ozone and sulfur dioxide attack tissue in the airways, harming the ability to process oxygen.

Beijing measures pollutants around the clock at 27 different monitoring stations across the city, but it has also come under fire for moving some of those stations from dirtier, urban neighborhoods to cleaner, suburban areas.

Last Aug. 8, a year before next month's opening ceremony, Beijing's air pollution index was 88.

This is considered a so-called "blue sky" day by Chinese standards but indicates a concentration of fine particulate matter that is more than twice the World Health Organization's standard, according to Steven Q. Andrews, an independent environmental consultant who has reviewed Beijing's environmental data.

By Beijing's own imperfect measurements, the air on Thursday and Friday was unhealthy for people who belong to sensitive groups.

In a last-minute push to help clear the skies, the government imposed a series of Olympic-related restrictions that kicked in July 20.

In addition to mandating alternate-day driving by odd and even license plate numbers, which is supposed to remove 45 percent of the city's 3.3 million cars, Beijing opened Olympic traffic lanes, stopped all but essential truck traffic, staggered work hours, added 2,000 more buses, beefed up subway service and halted all construction work involving earth, stone and concrete.

Since Sunday, the city's air pollution index readings were: 55, 65, 67, 89, 113, and 110.

But, counting from the beginning of July, the concentrations of major pollutants are reportedly 20 percent lower than they were for the same period a year earlier, Du said. "So in that sense, I think it's wrong to say the air pollution in Beijing has worsened recently."

"This shows the measures we have put into place are paying off," Du said. However, he added, "for these effects to be increasingly felt, we'll have to make continued and sustained efforts. Given the geographical location of Beijing, it's rather difficult to improve air quality and cut emissions."

## **Key issues in US-German relations**

By The Associated Press

In the Washington Post, Thursday, July 24, 2008

-- Key issues in relations between Germany and the United States as the 2008 U.S. presidential election approaches:

- **CLIMATE CHANGE.** Germany has been a leading force in European efforts to set targets for the reduction of carbon dioxide emissions. Berlin hopes the next U.S. president is more receptive to that drive.
- **AFGHANISTAN.** Germany has more than 3,000 troops in the NATO-led security force in Afghanistan -- mostly in the country's relatively peaceful north. It has repeatedly resisted pressure from its NATO partners, including the United States, to deploy to the volatile south.
- **IRAN.** Germany and the United States are two of the six world powers leading the effort to resolve the standoff over Iran's nuclear ambitions. Chancellor Angela Merkel says she aims for a diplomatic solution "and nothing else."
- **IRAQ.** An issue that sharply divided the United States and Germany at the time of the 2003 invasion, but less so now. Germany has helped train Iraqi security forces outside the country and forgiven debts to Iraq in an effort to assist in the country's reconstruction.

## **Australian energy suppliers warn target would raise bills**

The Associated Press

In USA TODAY, Friday, July 25, 2008

CANBERRA, Australia (AP) - Australian electricity producers warned Friday that the government's aim of cutting the nation's greenhouse gas emissions by 20% by the year 2020 to fight global warming could boost power bills by 28%.

The Energy Supply Association of Australia commissioned a cost analysis of the government's plan to tax air polluters for the carbon they produce from 2010.

Association Chief Executive Officer Brad Page said a quarter of the coal-fired electricity capacity on Australia's populous east coast would have to shut down to meet the government's target of a 20% emissions reduction.

"The modeling suggests that over the 10 years (from 2010) to 2020, power bills would rise in that scenario by about 28% on what they otherwise would be," Page told Australian Broadcasting Corp. radio.

The electricity industry, which is mostly fired by Australia's abundant coal reserves, will need substantial government financial assistance to help absorb the cost of switching to low-emission power, Page said.

The warning of higher power prices comes as government figures revealed this week that Australia's annual inflation rate has reached a 16-year high of 4.5%.

Prime Minister Kevin Rudd has promised financial assistance to help the power industry make the transition toward a low emission economy but has released no details.

Opposition lawmakers argue the 2010 start date would be too early unless major polluters such as the United States, China and India agree to reduction targets by then.

The Nobel prize-winning Intergovernmental Panel on Climate Change has said emissions must level off within the next 10-15 years and then start to dramatically decline to avoid a rise in average temperatures that could have catastrophic consequences.

World leaders at last month's G-8 summit in Toyako, Japan, made a commitment to a voluntary 50% reduction in greenhouse gases worldwide by 2050, but offered no specifics on how to do it.

[Washington Post, Opinion, Thursday, July 24, 2008:](#)

## **Bear Nonsense**

Why would the Post run an op-ed by [Michael Gerson](#) ["No Friends of the Ice Bears," July 18] that showed a lack of understanding of evolution and of the effect humans have on the environment, while implying that environmentalists are bigots?

Mr. Gerson said, "If the ice floes . . . were to melt entirely, the bears could probably adapt by genetically joining their relatives on land." Not in the few decades that this event is predicted to take. Fruit flies maybe, mammals, no. This is junior high school biology.

Mr. Gerson also said that "a disturbing minority of the environmental movement seems to view an excess of human beings, not an excess of carbon emissions, as the world's main problem." The emissions problem wouldn't exist without people. More people mean more pollution and more demand on resources. It's simple.

Finally, Mr. Gerson said, "But no movement will succeed with this argument: Because we in the West have emitted so much carbon, there needs to be fewer people who don't look like us." No, Mr. Gerson, environmentalists understand there is a need for fewer people who aspire to live like "us" -- including us. And that most of the world's emissions growth will be in less-developed countries. Again, it's simple cause and effect.

I found Mr. Gerson's veiled accusation of bigotry offensive and simplistic. I think he owes environmentalists an apology. And I would ask The Post to be more discerning about what appears on the op-ed page.

ERIC WEINSTEIN, McLean

[S.F. Chronicle, Commentary, Friday, July 25, 2008:](#)

## **OPEN FORUM**

### **Warming to global warming solutions**

By Carl Guardino, Lezlee Westine

When it comes to implementing California's "Global Warming Solutions Act," some in the business community are not warming up to the solutions.

All too often, those voices of opposition dominate the news. Yet in Silicon Valley, and throughout the innovation economy, companies are eager to devise ways to curb climate change, to reduce dependence on foreign oil, and to curtail our use of fuels that produce greenhouse gases.

Far from being a burden, the 2006 global warming act is an opportunity to protect our environment while strengthening our economy and creating jobs.

Solar power, biofuels, electric and plug-in hybrid cars, fuel cells, energy-efficient computing and lighting, sustainable building practices and materials - all these are ways in which the ingenuity of America's

technology companies will be applied to benefit the environment and create business opportunities worldwide.

Recently, the California Air Resources Board, under the leadership of Mary Nichols, unveiled a draft plan that aims to achieve appropriately aggressive goals of reducing greenhouse gases. Silicon Valley companies are already working energetically to make these goals reachable.

The plan calls for:

-- Electric utilities to provide a third of their power from renewable sources such as wind, solar and geothermal by 2020.

No sector in Silicon Valley is more vibrant than solar and renewable energy, with established companies and startups pouring resources into everything from the machines that make solar cells and thin film solar to the installation of solar panels on the roofs of houses and businesses.

-- New vehicles sold in the state to emit 30 percent less greenhouse gas on average by 2016 and implementation of the governor's Low Carbon Fuel Standard to reduce carbon intensity of fuels by at least 10 percent.

Plug-in hybrids, running mostly on electricity and a little bit of gasoline, clean fuels and zero-emission electric vehicles offer us the near-term opportunity to dramatically reduce our carbon emissions and chronic air pollution. Two dozen Silicon Valley CEOs and residents will own plug-in hybrids by the end of the year, through a program led by the Silicon Valley Leadership Group.

Tesla Motors, a leading maker of electric cars that just announced a production facility for the Bay Area, has already sold out its entire first year of production. And Amyris, a Bay Area leader in clean-fuel technology, recently joined with a leading Brazilian sugar producer to produce a renewable diesel that reduces emissions by 80 percent.

-- The average energy efficiency of the state's buildings to improve by 25 percent through stricter rules on new construction and through new efforts to retrofit existing structures.

Lighting is a major energy consumer. LED lights, which use one-sixth the energy of incandescent bulbs, are leading the lighting technologies that have attracted at least \$100 million in venture capital.

-- A cap-and-trade market, beginning in 2012, that would assign a price on the right to produce greenhouse gases. The right could be sold, allowing the market to find the most cost-efficient reductions in emission.

The goals of the global warming act and an executive order from Gov. Arnold Schwarzenegger are clear: By 2020, we must reduce greenhouse-gas emissions to 1990 levels. By 2050, we must reduce our greenhouse gas emissions by 80 percent below 1990 levels, a goal that will require a per capita reduction closer to 90 percent and the virtual removal of carbon emissions from sectors such as transportation.

These are ambitious goals - yet achievable with the right policies. Through technology, visionary public policy and human commitment, California can lead the way in a carbon-constrained world.

We are proud to represent the many business voices in Silicon Valley and throughout California that applaud decisive and creative action. Individually, and through membership in the Silicon Valley Leadership Group and TechNet, these businesses will be developing the products, and advocating the policies, that will "green" our economy while growing it.

*Carl Guardino is president and CEO of the Silicon Valley Leadership Group ([svlg.net](http://svlg.net)), and Lezlee Westine is president and CEO of TechNet ([www.technet.org](http://www.technet.org)).*

[S.F. Chronicle, Commentary, Friday, July 25, 2008:](#)

#### **OPEN FORUM**

### **California high-speed rail builders should learn French**

Michael Mahoney

Most developed countries have high-speed rail systems, and some have had them for many years, yet in California - which is bigger than many countries - we are still only designing such a system. One wonders why we can't do this faster. The reason is that this country was never invaded by Napoleon.

As a result, there is no central government administration that simply gets on with the job. When 19th century civic planner Baron Haussmann said there should be boulevards built through Paris, it was done. When the French government decided to build a high-speed rail system, it was done. This is not the California way.

Here, we first design the system. Then we shop it around to all the various political interest groups, until we have 51 percent approval. At that point, the project is unrecognizable. That happened with California's high-speed rail system.

The idea was simple: Build a train that will take people between Los Angeles and San Francisco in about as much time as an airliner, but in more comfort, and draw travelers from our crowded airways and highways.

In France, since the high-speed line was built, rail travel has taken 90 percent of the market share between Paris and Lyon, with air travel at 10 percent. The French high-speed train starts out from the station at normal speed. Once in the countryside, it switches onto the high-speed line and accelerates to 150, 175, or even 225 mph. It continues at high speed until it nears the destination city, then it slows back down, returns to the regular tracks, and continues to its destination.

That high-speed stretch in the middle of the trip gives the train a very favorable time start-to-stop. The high-speed train from Paris to Lyon averages 127 mph; the one from Paris to Strasbourg averages 135 mph.

The French built the high-speed line out in the countryside for three reasons. First, rural land is cheaper than urban land, so the right of way is cheaper. Second, there are fewer roads or other railroads to be bridged, and so fewer costly overpasses are needed. Third, in the countryside, there are fewer citizens to be bothered by the noise. High-speed trains make noise - lots of noise.

This reasoning is the bedrock of high-speed train construction in France, in Belgium, in Germany, in Italy, and in Spain - in short, in all the Napoleonic countries.

If we in California were to build our train the European way, it would start in San Francisco and travel at normal speed to San Jose, then over the mountains into the Central Valley, where the high-speed line would begin. The train would run on that line near Interstate 5, though not right next to it, down the west side of the valley to Los Angeles. Once near the Los Angeles area, it would slow down and return to the normal train tracks.

If that idea had been adopted, the rail system could have been built by now. Unfortunately, the Central Valley politicians asked that the system serve the communities of Merced, Fresno, and Bakersfield, so Merced residents would have a high-speed train as well. An airliner from San Francisco to Los Angeles does not stop in Merced.

However, the high-speed rail authority declined to pursue the first idea, and went forward with the second. Instead of going down the west side of the valley, the high-speed line runs down the Highway 99 corridor, next to the existing Union Pacific tracks, with stops in each city on the way. Stops, however, are death to a high-speed system. You can't get from San Francisco to Los Angeles in 2 1/2 hours if you stop on the way.

So there are to be express trains and stopping trains. Express trains will go straight down the high-speed line without stopping. The stopping trains will slow down, switch onto adjacent tracks, pull into the station, then depart, and switch back onto the high-speed line.

This design breaks all three rules laid down by the French. First, instead of building the line on cheap rural land, the designers will run it through the heart of Modesto, Merced, Fresno, and Bakersfield - the urban areas, with the most expensive land in the San Joaquin Valley.

Second, instead of building the line where few overpasses are needed, the designers will run it through the most heavily developed area in the valley, with numerous cross-streets, each one of which has to be bridged.

Then there is the noise. The environmental impact report for this project blandly states that train noise will be "low" or "moderate" in the valley communities. But a 225-mph train going through the heart of the most heavily populated areas in the valley is sure to upset and annoy thousands of persons per trip. There will be 96 trips per day.

A passenger standing on the Merced platform, waiting for a local train, will be 23 feet away from the high-speed train as it comes through at 225 mph. In this case, it will not be a question of noise, but of whether the passenger will be blown off the platform.

Not surprisingly, the plan has a huge price tag. The current planned system is projected to cost \$30 billion for the line between San Francisco and Los Angeles, plus an additional \$10 billion if we want to extend it to Sacramento on the north and San Diego on the south. The total: \$40 billion.

A very rough calculation of what it would cost to run it instead down the west side of the valley is that at least \$5 billion could be saved, and I suspect more.

If the government creates a nuisance that reduces your property value, the government must pay you the lost value. What will be the lost property value to every homeowner or business located near the train? My rough guess would be \$25,000 to \$50,000 per parcel. The High Speed Rail authority would erect sound walls (at a cost of \$1 million per mile) but these only alleviate the problem. The cost of paying off these tens of thousands of property owners would have to be added to the \$40 billion.

Has anything like this ever been done before? Yes, but not with trains. When the United States created the interstate highway system 50 years ago, the decision was made to run the superhighways into the heart of each city. The freeways smashed through the heart of urban areas, cutting neighborhoods apart, and inflicting noise and air pollution on the citizens. Finally, the citizens rebelled and the highway builders had to retreat.

They're back, now, only they're building a railroad to smash through the heart of the Central Valley's urban areas. By the time the citizens of Merced realize what harm has been done, it will be too late.

Before we invaded Iraq, the French told us that it was a bad idea and that we would be sorry. We sneered at them and called them sissies. Here, we have another bad idea, a \$40 billion white elephant. Isn't it time we listened to the French for a change?

*Michael Mahoney is a San Francisco lawyer who follows transportation issues.*

[Visalia Times-Delta and Tulare Advance-Register, Letter to the Editor, Friday, July 25, 2008:](#)

### **Motorsports complex would be bad for air**

Regarding the article by Luis Hernandez of July 17 regarding the Tulare Motor Sports Complex.

I just want to say, step outside, look around, take a deep breath. Need I say more?

Is this what we want for our future generation, bad air now, worse after the complex?

Only the money-hungry people want this.

They don't care about the future; they only want to fill their pockets with money now.

MANUEL M. VILLEGAS, Woodlake

[USA TODAY, Blog, Friday, July 25, 2008:](#)

### **California adopts tough pollution rules for ships**

The state of California Thursday adopted what the *Los Angeles Times* calls the world's toughest pollution rules for oceangoing vessels in a move that could have a far-ranging impact on the cruise industry.

The new regulations require ships within 24 nautical miles of the state to burn low-sulfur diesel fuel instead of less environmentally-friendly bunker fuel, and the *Times* says it will affect about 2,000 vessels including container ships, oil tankers and cruise ships.

The rules, which take effect in 2009, will reduce respiratory illnesses and heart disease in California coastal communities caused by ship pollutants and could save 3,600 lives within six years, according to regulators quoted by the *Times*. The paper says ship exhaust accounts for about a fifth of cancer-causing soot particles and half of the sulfur oxides in the California air.

Several dozen cruise ships stop in California ports each year, and the rules would force them to switch the type of fuel they use when approaching or leaving the state.

No word yet on whether the cruise industry or other shipping interests will appeal the ruling, which could add to ship operating costs, or what impact the rules will have on pricing for cruises that stop in California ports.

Cruise loggers, would you be willing to pay more for cruises to cover the cost of cleaner-burning fuel?

[Note: The following clip in Spanish discusses an invention of materials that turns the heat of motors into electricity which would make a car considerably more efficient. For more information on this and other Spanish clips, contact Claudia Encinas at \(559\) 230-5851.](#)

### **Inventan materiales que convierten calor de motores en electricidad**

Diario Las Americas, Thursday, July 24, 2008

WASHINGTON (EFE) Científicos estadounidenses anunciaron que han inventado un material que convierte en electricidad el calor generado por el motor de un automóvil, lo que aumentaría considerablemente la eficiencia de esos vehículos.

En un informe difundido hoy por la revista Science, los científicos de la Universidad Estatal de Ohio, dijeron que esa tecnología podría utilizarse también en generadores para aumentar su rendimiento.

Según Joseph Heremans, líder del proyecto en el Departamento de Nanotecnología de la universidad, se trata de materiales termoeléctricos cuya eficiencia se mide según la cantidad de calor que pueden convertir en electricidad a una temperatura dada.

Sobre esa base, la mayoría de los materiales usados en generadores termoeléctricos convencionales tiene un rendimiento de 0,71 puntos.

En cambio, el nuevo material tiene un nivel de rendimiento de 1,5 puntos, afirmaron.

Pero, lo que es más importante, según Heremans, es que el nuevo material es todavía más eficiente entre los 230 y los 510 grados centígrados, que es el nivel de temperatura en que operan sistemas como los motores de los automóviles.

Según los expertos, solo un 25 por ciento de la energía producido por un motor de gasolina se aplica para poner en funcionamiento el vehículo y sus accesorios. Casi el 60 por ciento se pierde en la generación de calor, la mayor parte por el escape del vehículo.

Un dispositivo termoeléctrico (TE), que se aplicaría mediante nuevas ideas de la mecánica cuántica y la nanotecnología, puede capturar ese calor para convertirlo en electricidad, señalaron.

Sería un agregado práctico para el vehículo porque no tiene partes que se muevan o se quiebren, según Heremans.

"El material hace todo el trabajo. Produce energía eléctrica como los motores convencionales en los generadores eléctricos. Pero usa los electrones como fluido en vez de agua o gases, y crea la electricidad de manera directa", manifestó.

Según el científico, los dispositivos termoeléctricos, que utilizarían un material consistente en talio, telurio y plomo, son además, muy pequeños.

"Me gustaría decir que los convertidores TE se comparan con otros motores de calor como un transistor se compara con los tubos al vacío", manifestó.

El transistor, que sustituyó a los tbo, en los aparatos de radio convencionales es considerado.

[Note: The following clip in Spanish discusses Canadian states and provinces join together to control air pollution.](#)

### **Forman estados y provincias canadienses región de control a contaminadores**

Manuel Ocaño

Noticiero Latino

Radio Bilingüe, Thursday, July 24, 2008

Un total de siete estados estadounidenses y cuatro provincias canadienses formaron una coalición regional que exigirá a partir del año 2011 a las empresas declarar sus niveles de contaminación del aire.

El plan consiste en que para el 2020 la región entera genere menos contaminación que la que producía en el 2005.

La Agencia estatal de Protección Ambiental de California considera por su parte que el plan regional congenia perfectamente con los proyectos estatales previstos para los próximos años.

Parte del plan es pedir a empresas contaminadoras usar mejor tecnología para tener una región uniforme.

[Note: The following clip in Spanish discusses California establishes new rules against pollution from ships.](#)

### **Establece California nuevas reglas contra la contaminación de los barcos**

Manuel Ocaño

Noticiero Latino

Radio Bilingüe, Friday, July 25, 2008

El estado de California aprobó nuevas reglas para los barcos que lleguen a sus puertos. A partir del primer mes de Julio, los barcos deberán cambiar de combustible a uno menos contaminante que el diesel si desean descargar en las terminales marítimas.

La medida es efectiva para los puertos de Long Beach, Los Ángeles, San Diego y Oakland, que junto con el de Seattle son los mayores en la costa estadounidense del Pacífico.

California considera que los puertos son los principales focos de contaminación del aire y contribuyen a unas 24 mil muertes prematuras anuales. La definición oficial de 'prematura' es diez años menos que la esperanza promedio de vida.