U. S. Environmental Protection Agency
E-Clips
Prepared by the Office of Public Affairs

Monday, February 18, 2013

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(BNA articles can be viewed online http://Intranet.epa.gov/desktop/news.htm

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ADMINISTRATOR JACKSON
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Gulf seafood tested for oil but not dispersant (*Palm Beach Post*)

By LAURA GREEN Palm Beach Post
Tuesday, July 13, 2010
Before a fillet of grouper, fresh oyster or piece of shrimp from the Gulf of Mexico lands in the grocery seafood aisle, state and federal agencies have weighed in on its safety.

Inspectors from the Food and Drug Administration pull seafood right from the dock or from the distributor floor and subject it to lab tests to rule out the presence of harmful chemicals found in oil spewing from the BP spill.

However, no one is testing seafood to tell whether it has absorbed the toxic compounds found in the nearly 1.8 million gallons of dispersants BP has poured into the water to break up the oil.

Trained sniffers put their noses to the test to detect so much as a trace of oil in fish harvested from waters when there's a question of whether oil has reached the area.

About 400 samples of commonly consumed species caught mostly in open waters - and some from closed areas - have been chemically tested and given a clean bill of health, according to the National Oceanic and Atmospheric Administration.

Protecting consumers is paramount, but officials also want to safeguard the industry they police.

Letting a piece of tainted seafood reach a grocery store "would just be like cutting your own throat," said Alan Peirce, bureau chief at the Florida Department of Agriculture and Consumer Services' Division of Aquaculture.

"What we want is for the consumer to know with complete confidence (that) if they walk into a market or restaurant to sit down to eat an oyster, the product is 100 percent safe and it always will be."

State and federal officials are using boats and helicopters to look for visual signs of oil. BP also employs hundreds of spotters on the water.

The low-tech method of actually laying eyes on oil is more definitive than taking water samples to determine whether oil is present, Peirce said, because there's some truth to that cliché about water and oil not mixing.

Scientists measured samples of water taken about 10 inches below some surface oil and found no evidence of oil or the cancer-causing compounds contained in it, Peirce said.

To be certain that's true, the FDA has set testing protocols establishing exactly how many parts per million is allowed of polycyclic aromatic hydrocarbons, or PAHs, the most common carcinogenic or toxic components of crude oil.

States also have a say in how they monitor seafood.

In Louisiana, for example, officials are running lab tests on oysters and other seafood from areas where fishing remains open as well as where it's been closed. Even in areas with no signs of oil, oysters are pulled from each harvesting area roughly once a week and tested for toxins.

Concerns about how dispersants break up the oil, fueling underwater oil plumes that could evade the sight test, are one reason they continue to test areas where there is no sign of oil on the surface, said Clayton Williams, assistant secretary for the office of public health in Louisiana's Department of Health and Hospitals.

"We want to be able to answer the question: Are the oysters safe? And if we say yes, you say how do you know? And we say, in these open areas, we're doing regular testing," Williams said.

In Florida, state officials deemed lab tests on open harvesting areas "a waste of money and resources," Peirce said.

Instead, officials collected flesh samples from each shellfish harvesting area once, before oil reached Florida, to create a baseline, known as a background sample.

State officials only plan to test harvest areas again if they must close oyster beds, for example, and then move to reopen them, Peirce said.

Despite the multitiered testing protocols, there are still critics who believe the bigger concern is what's not being tested.

The Environmental Working Group, a Washington-based environmental nonprofit, said it is "irresponsible" for the petroleum industry and the government

to use dispersant, which contains heavy metals, arsenic, chromium and copper, with so little understanding of its long-term effects.

Indeed, little research has been done on that question.

Beth McGee, a toxicologist and one of the authors of a 2005 National Academy of Sciences report on dispersants, said the researchers never studied human effects.

“We hadn’t even assumed that we would have a spill that would drag on this long and be using the amount of dispersants that they’ve used,” McGee said.

Federal agencies can’t seem to agree on whether the dispersants are a threat to humans or sea life.

In May, Environmental Protection Agency Administrator Lisa Jackson warned that “BP has used dispersants in ways never seen before. That is in terms of both the amount applied —— which is approaching a world record - and in the method of application.”

The agency asked the company to cut back on its use of dispersants, but ruled that it was the lesser of two evils, with oil the greater threat.

Susan Shaw, a marine toxicologist who founded the Marine Environmental Research Institute, criticizes the use of dispersants for a number of reasons, including that they can cause heart palpitations, chronic headaches and even bleeding if they come in contact with a worker’s skin or are inhaled.

But Shaw said the current lab testing for the presence of oil may be enough to detect dispersants in seafood because dispersants are unlikely to be present without oil.

Sniffers who smell dispersant during their tests must flag the sample as an adulterated product, which is illegal to sell. But the FDA has not included compounds found in dispersants as part of its lab testing protocol.

“Available information indicates that the dispersants being used to combat the oil spill do not accumulate in seafood,” spokesman Sebastian Cianci said. “Therefore, there is no public health concern from them due to seafood consumption.”

EPA decision threatens economic growth (*McCook Daily Gazette*)

Monday, July 12, 2010
Sen. Ben Nelson
Given the oil spill disaster in the Gulf of Mexico, it's good to know you don't have to drill a mile down to reach ethanol. It's growing all around us, which is good for Nebraska, the second largest ethanol-producing state in the nation and getting bigger all the time.
I had the honor of speaking at the expansion of an ethanol plant last week as Nebraska continues doing its part to quench our growing thirst for this clean fuel that is doing so much in America's battle for energy security. It's unfortunate that delays by the federal Department of Energy and the Environmental Protection Agency are needlessly jeopardizing our made-in-America ethanol industry.

Another Delay from the EPA

The EPA recently delayed its decision on whether to allow an increase in the amount of ethanol that can be blended with gasoline from 10 percent to 15 percent. The question has been under EPA review for over a year and a decision already has been delayed a number of times before.

It's very disappointing and will also slow down development of next generation American renewable energy at a time we are striving to be more energy independent. This also puts jobs in Nebraska and the U.S. at risk, and prevents compliance with a federal Renewable Fuel Standard. It thwarts our efforts to take the next step in the development of cellulosic and future generations of biofuels needed to meet that 2022 requirement.

While the EPA sits on its hands, ethanol producers will soon hit the E10 cap or 'blend wall,' producing more ethanol than can be used under current restrictions. This is yet another delay on a decision that was supposed to have been made in December of last year.

Delay Puts Energy Security at Risk

The EPA's move needlessly continues our reliance on foreign sources of fuel, rather than replacing imported gasoline with ethanol produced from fields across Nebraska and elsewhere. It prevents us from further developing high-paying green jobs in our small communities that will reinvest in our rural economy.

And we are missing an important opportunity to improve our environment, with clean-burning ethanol that produces 59 percent fewer greenhouse gas emissions than gasoline--a statistic that will likely improve with the continued development and efficiencies of second generation biofuels.

I've made these points to federal officials and will do so again this week when I meet with Energy Secretary Steven Chu and EPA Administrator Lisa Jackson. I've also pointed out what they should already know that a 15 percent blend is not a problem. All they need to do is look to Brazil to see that. Brazil currently blends ethanol with gasoline at a rate of 20-25 percent with no damage to vehicle engines.

EPA Should Speed Things Up

The EPA has indicated in the past that it will raise the blend, but it needs to move more quickly if we are to meet a Congressional mandate that calls for more ethanol use. I made that point in a letter to the President because the mandate simply cannot be achieved unless a 15 percent blend is allowed.

The mandate requires refiners to blend 12.9 billion galls of biofuels this year, of which 12 billion comes from ethanol. The amount grows in future years to 36 billion gallons by the year 2022 with a significant amount coming from ethanol.

The ethanol industry has worked very hard to help our economy and our battle for energy independence. Now the EPA and the Energy Department need to do their part and get in gear, not just stay in neutral.

EDITORIAL / OP-ED / COMMENTARY/LETTERS
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Obama's ban on skimmers (*Washington Times*)

July 13, 2010 Tuesday
B, EDITORIALS; Pg. 2
Obama's ban on skimmers;
More government culpability for growing disaster in the Gulf
By THE WASHINGTON TIMES
While millions of gallons of oil flow into the Gulf, oil skimmers from many countries are sitting on the sidelines. This includes the world's largest, known as A Whale. The enormous Taiwanese skimmer is as long as three-and-a-half football fields and can collect 500,000 barrels of oily water a day. Such equipment could make a big difference, considering the highest estimates are that 100,000 barrels of oil are leaking into the Gulf each day.

Lt. Cmdr. Chris O'Neil, a spokesman for the Coast Guard, told The Washington Times 13 days ago that A Whale can't start operating until its effectiveness as a skimmer is tested. The vessel's operators submitted documents describing how it

works on June 4, but the Coast Guard has yet to certify it. After being tested last week, the ship remains anchored awaiting additional testing. Lt. Cmdr. O'Neil said, before hitting the high seas, A Whale must first meet the American Society for Testing and Materials' (ASTM) standards.

The problem is, the Coast Guard isn't using the ASTM standard. As Peter Lane, chairman of the panel that develops ASTM regulations, told us, government standards are based on the ratio of oil to water taken in by the skimmer. He argues the most sensible measure would instead be how much oil is taken out from the water. Current rules, developed in 1990, are in desperate need of updating to be relevant to today's crisis.

Significant delays are caused by bureaucrats making sure their rear ends are covered. They are afraid to try something that might not work, thus incurring costs without any benefits. As explained by Lt. Cmdr. O'Neil, "The point is, that's money that should be spent for something that is effective as opposed to something that's less effective." The end result, however, is that bureaucratic inaction is keeping skimmers from being used while evermore damage occurs in the Gulf.

Mr. Lane is also critical of the **Environmental Protection Agency's** "ridiculous" concerns that seawater returned to the Gulf might have traces of oil. This approach, normally applied to minimize factory discharges into rivers, limits the technology that can be used to clean up a major spill. Multiple requests for comment from the **EPA** and the Unified Command for the Deepwater Horizon Response have gone unanswered.

The environment, wildlife and those who live in the Gulf region are paying the price while the Obama administration dithers

Letters on Longview ISD bond, EPA and Texas Railroad Commission (*News-Journal*)

Posted: Monday, July 12, 2010 11:41 pm
On LISD bond debt
Regarding the decision of the Longview ISD school board to spend the leftover funds instead of paying off the debt early, "YOU LIE"
Neal Coulter, Longview

The EPA assault on Texas

I just read the article about the EPA's ruling against Texas in regards to our refineries. The story claims we could lose one-third of our refining capacity as a result of this ruling which gums up the permit process that companies have to go

through. I hope every East Texan who voted for Obama is proud of themselves. This man is dismantling our economy at a record pace. The story also mentions that former Houston Mayor Bill White (Dem) is somehow involved in this. It seems he met with EPA officials last year and provided information to help them in their assault on Texas refineries. Now don't get me wrong here, but if this man wants to be governor of Texas why would he assist the EPA in destroying this essential part of our economy. I have reminded East Texans many times that tens of thousands of our jobs here in East Texas depend on the oil and gas industry. I ask again, why is the Obama administration hell bent on destroying our economy not only here in Texas, but nationwide? Elections do have consequences; and brother, we are paying a heavy price for what americans did in 2008. I pray everyday that God will somehow stop this man before everything we have worked for all of our lives is gone.

Jim Snyder, Daingerfield

A change that makes sense

I read news reports the Texas Railroad Commission may finally change its name, but the ultimate decision hinges on the cost involved. For several years, I have personally advocated a name change to something more contemporary, such as the "Texas Energy Commission." Today, the Railroad Commission has nothing to do with railroads. It is a regulatory agency which regulates the oil and gas industry, pipeline safety, and a supervisory role with coal and uranium mining.

The Railroad Commission was established by the Texas Legislature on April 3, 1891, to regulate railroads. This was just less than three months after Gov. James S. Hogg (who once ran the Longview News newspaper) was inaugurated governor. Gov. Hogg was my kind of governor: he got things done.

Gov. "Big Jim" Hogg and the Railroad Commission were instrumental in ending securities-fraud corruption by railroads. Gov. Hogg was against so-called "watered stock" trading which was a stock scheme that listed a stock with an artificial, over-inflated value. We are seeing variants of this scheme nationwide today in other areas of life, such as the housing market.

The origin of the term, "stock watering" initially applied to a tactic of increasing the weight of cows before sale by forcing a cow to bloat itself with water before being sold. That was an unfair tipping of the scales. Our present national economy reflects how sour things can get when unrealistic appraised values do not correspond with actual "worth." Truth in advertising depends largely on accuracy of whatever claim is measured.

In today's world, the vast network of energy is complex. We again need truth in advertising. Sorting-out the maze of permits, field data, operators, and providing

for access to open records are all within the bailiwick of the Texas Railroad Commission. ... yet its name betrays its modern function. I support dropping the name "Railroad" and inserting "Energy" as its new heading. It would give the public easier recognition of this governmental entity and better reflect the agency's mission. Even if cost is a factor, I'd urge the Legislature to make the change now. The cost in this area will never go down. Use up the old stationery and begin the transition to a "Texas Energy Commission" promptly.

James A. Marples, Longview

July 13, 2010

More than just BP to blame for Gulf oil spill (*Hattiesburg American*)

Who is to blame for the BP oil catastrophe? Fact is, a lot of people who are now pointing fingers at BP were involved in and helped cause the disaster.

BP is, of course, primarily to blame. It took shortcuts and risks. By trying to appease Wall Street and thereby increasing the stock price and executive bonuses, BP management laid off hundreds of workers and cut costs to the applause of Wall Street, causing remaining workers to have high incentives to cut corners and take risks.

Then, once the accident happened, our own government made matters much, much worse by its incompetent handling of the spill.

Oil needed to be scooped up immediately and separated from the sea water before it spread to the shoreline.

But, instead of asking the assistance of every oil spill response vessel - skimmers - in the world for help on day one, the administration took several weeks to respond, then refusing the many offers from foreign countries.

Meanwhile, the oil dispersed over a wide area and chemicals may have caused more harm than good.

The few skimmers now working in the Gulf are hampered by restrictions of the Jones Act and EPA rules which could be waived by the Obama administration.

Many innocent people and businesses will suffer for years because of reckless BP management and bureaucratic bungling by our government.

Lloyd G. Tankersley
adison

AIR

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Uneasy emission traders seek help from Congress on CAIR replacement (New York Times)

Story also appeared: *Greenwire*

(07/12/2010)
Gabriel Nelson, E&E reporter
Experts say the proposed replacement for the Clean Air Interstate Rule unveiled by U.S. EPA last week would do little to relieve the uncertainty that has gripped emission markets since a federal appeals court tossed out the rule two years ago.
Congressional action, emissions traders say, is needed to bolster the program.

Constraints of the court decision have forced EPA to make choices that could hamper the new program's effectiveness for curbing emissions of sulfur dioxide (SO2) and nitrogen oxides (NOx) in the eastern United States, said Paul Tesoriero, director of emissions markets at brokerage Evolution Markets Inc.

Though environmentalists have praised tighter emission caps under the **rule**, pollution is likely to spike in the short run as utilities prepare for the final version of the proposed rule to take effect in 2012, said Nathan Richardson, a visiting scholar at environmental think tank Resources for the Future (RFF). The agency's proposal has effectively locked in lower emissions prices for now, in the hope that the program and its tougher pollution caps will survive legal challenges, traders say.

Existing allowances of SO2 traded at about $5 per ton last week, down from about $15 per ton before the release of the transport rule. They had hovered around $300 per ton before CAIR's rejection in 2008.

"There would be all these unintended consequences and strange effects, both for regulated entities and for emissions levels, and I'm not sure that there's a whole lot EPA can do about it," Richardson said. "They really got kicked in the teeth by that ruling."

Worried that history could repeat itself after EPA's replacement for CAIR takes effect, the Environmental Markets Association (EMA) said in a statement that legislation is needed "to provide EPA with sufficient flexibility in the future to avoid the problems that EPA has encountered in trying to maintain a viable emissions trading market."

The group, which represents emission traders, is focused on a bill (**S. 2995**) from Sens. Tom Carper (D-Del.) and Lamar Alexander (R-Tenn.) that would give EPA explicit authority to establish an interstate trading program for SO2, NOx and mercury.

Since the court's rejection of the CAIR program, the markets for SO2 and NOx allowances "have been in complete and utter disarray," EMA wrote in an April **letter** to Senate Environment and Public Works Chairwoman Barbara Boxer (D-Calif.).

"Without Congressional intervention, these markets may not recover," the letter says. "We believe these experiences are undermining the public's perception of cap-and-trade and are causing people, including those intimately involved in these markets, to lose confidence in them. This, in turn, could undermine efforts in Congress to address global warming and efforts by California to establish its trading program."

Carper, a longtime supporter of multi-pollutant legislation, has said he intends to seek a committee markup after EPA releases new modeling of his legislation, and Boxer has said she would schedule a markup of his bill "whenever he has it ready." Though the modeling is expected soon, EPA air chief Gina McCarthy declined last week to give a timeline for its release.

Proponents of legislation say a clear mandate from Congress would ensure that the CAIR replacement would not face the same legal fate as its predecessor. Though the court decision constrains the agency's ability to put trading programs in place, Carper feels EPA has done well with the tools at its disposal, a Senate aide familiar with Carper's bill said this week.

Still, the proposal that emerged last week is "complicated" and "open for further lawsuits," Carper said in a statement.

"My legislation even sets greater reduction targets than this tailoring rule while at the same time giving more flexibility to businesses to make those reductions. Just as important, my legislation provides certainty for businesses and public health," Carper said. "To me the path forward is clear -- Congress must pass legislation to address the serious threat posed by air pollution this year."

'Catch-22 for EPA'

The previous trading program was struck down under the "good neighbor" provision of the Clean Air Act, which requires EPA to take action if pollution from one state is preventing another state from complying with federal air standards. Smokestack emissions of SO2 and NOx are often transported by wind, contributing to air-quality problems in Eastern states.

The U.S. Circuit Court of Appeals for the District of Columbia described CAIR as "fundamentally flawed," cautioning that "no amount of tinkering with the rule or revising of the explanations will transform CAIR, as written, into an acceptable rule." Because the program allowed unlimited interstate trading of allowances, the court said in its decision, the trading program failed to "connect states' emissions reductions to any measure of their own significant contributions."

Though EPA seems to agree that interstate trading would provide the most emissions reductions at the lowest cost, experts say, the agency concluded that allowing companies to freely trade allowances across state lines would inevitably run afoul of the court ruling.

Though total emissions would remain below the nationwide cap and individual plants would be paying for the privilege of producing more emissions under an interstate trading program, certain states would end up having a harder time complying with federal air quality rules by the sheer misfortune of being downwind from the power plants using the allowances.

That pitfall is specific to the standards for the six "criteria" pollutants, including SO2 and NOx, that EPA has been directed by Congress to regulate, RFF's Richardson said. Though the agency had tried to administratively strengthen the Title IV program, created by Congress in 1990 to fight acid rain, the court ruling also suggested that EPA had no authority to incorporate the SO2 allowances from that program, he said.

"It's kind of a catch-22 for EPA," Richardson said. "They want to get more environmental benefits by tightening the cap, but if they want to do that, the one vehicle they have prevents them from doing real cap and trade."

The agency has not yet decided whether to carry over NOx allowances from the agency's annual and seasonal ozone trading programs. The agency could choose to carry them over, exclude them or carry them over at a discounted rate, according to the rule.

"If EPA's showing a willingness to bring in those allowances, and they're looking for ideas, then there's still hope," said Evolution Markets' Tesoriero.

Though the agency's proposal includes several options and is subject to change moving forward, EPA's program will not have "open-ended flexibility in terms of interstate trading," EPA's McCarthy told reporters on a conference call last week.

Under the preferred option in EPA's proposed transport rule, each state would have an emissions cap that takes downwind effects into account, she said. Addressing worries about variability in energy demand, EPA would give states a 10 percent buffer, allowing them to exceed their emissions limits under some circumstances and pay for extra allowances later.

The Ozone Transport Commission, a coalition of Eastern states that advises EPA on air pollution issues, hailed the proposed limits on interstate trading. The group said such restrictions are necessary to protect the "tailpipe" states that have the hardest time complying with ozone standards because of the air pollution carried by air currents.

"By restricting interstate trading, each state will be required to reduce its share of transported pollution, as required by the [court] decision," OTC said in a statement.

EPA expects a legal challenge to the rule, but McCarthy said she does not expect a repeat of CAIR's fate.

"This action that we are announcing today is responsive to that court directive and to the concerns the court has raised regarding the prior CAIR proposal," McCarthy said.

She added, "We have not gone with the same old system."

'These allowances are worthless'

Under the proposed transport rule, EPA would aim to reduce SO2 emissions 71 percent from 2005 levels by 2014 while cutting NOx emissions by 52 percent. Though industry groups have criticized the stricter emissions limits, they too are seeking a measure of certainty and see a market-based system as preferable to command-and-control regulation.

The ruling that struck down CAIR was a blow for many utilities, which had spent millions on emissions controls so they could bank allowances that suddenly lost most of their value.

"On the surface, EPA's preferred approach for accomplishing these emissions cuts -- by allowing limited interstate emissions trading -- is the most reasonable of the options on the table," said Dan Riedinger, a spokesman for the Edison Electric Institute, in a statement after the release of the proposed rule. "However, the fact that EPA will put in place similar regulations in 2012 to deal with an even tighter air quality standard leaves the power sector exposed to a great deal of regulatory uncertainty."

Traders were cool to the state-by-state emissions caps and limited interstate trading included in the 1,361-page rule. The jury is still out on the proposal, but the new trading system seems to be "overly complicated," Tesoriero said.

"Traders like commodity markets to be homogeneous," Tesoriero said, referring to products such as oil and wheat. "The more you say, 'This wheat is only good

for this purpose' and assign market segments, the more that really restricts the purpose of trading."

With SO2 allowances trading at about $5 per ton, and little prospect of carrying over the permits into the new program, utilities have little incentive to bank allowances or add emissions controls for the time being, traders say. Because those controls have upkeep costs beyond the original investment, some plants might even find it more cost-effective to use allowances than to turn on scrubbers that have already been installed, traders said.

"There's a balancing act. EPA wants flexibility on the one hand, and on the other hand, they have to have some limits. But in trying to pursue that balance, they've made their job of emissions traders more difficult, in part by failing to provide for the continuity between the current programs and the new trading programs," said Thaddeus Huetteman, chairman of EMA. When it comes to SO2 credits, "the market has said, 'We get the message, these allowances are worthless.'"

Barring acid rain permits from the new trading system would be the "nail in the coffin" of Congress' acid rain program, Tesoriero said. Often held up as the model for a potential cap-and-trade program for greenhouse gases, the creation of the program intended to fight acid rain was followed by a 70 percent decrease in sulfur dioxide (SO2) emissions and a 35 percent drop in emissions of nitrogen oxides.

Though some critics have described the decline of the acid rain program as a sign of the problems with cap and trade, Huetteman said they are overlooking the broader benefits of the program. While the SO2 allowances have lost almost all their value, the NOx trading programs are still kicking, he said.

"If Congress wants to use emissions trading to its ultimate benefit, which includes achieving reductions earlier and at lower cost than any other form of regulation, then it has to provide EPA with the authority to adapt over time," he said. "It can't just create a once-and-for-all trading program as it did with the SO2 acid rain program, issue allowances and say everything's going to be fine for the next 30 years."

U.S. Acid Rain, Smog Rules May Spur New Carbon Law, Traders Say (*Bloomberg*)

July 12, 2010, 12:52 PM EDT
By Simon Lomax
July 12 (Bloomberg) -- The threat of power-plant closures under the Obama administration’s planned limits on acid rain and smog pollution should revive

efforts to pass legislation this year establishing a U.S. carbon market, an emissions trading group said today.

The rules, issued last week by the U.S. Environmental Protection Agency, “will increase the pressure on Congress to act” on legislation giving the owners of coal-fired plants pollution targets that are easier to meet in exchange for new limits on carbon dioxide, said David Hunter, U.S. policy director for the International Emissions Trading Association.

The Edison Electric Institute, a Washington-based trade association representing power companies such as American Electric Power Co. and Southern Co., has said the EPA’s new acid-rain and smog regulations would require “dramatic” cuts in pollution from power plants.

The U.S. Senate is set to debate an energy bill this month, and the proposals under discussion include cap-and-trade programs for acid rain, smog and carbon dioxide in which companies buy and sell a declining number of pollution rights.

If Congress passes these cap-and-trade programs, a smaller number of the coal-fired plants that generate nearly half the electricity in the U.S. will likely have to be closed or upgraded right away, Hunter said in a telephone interview. The EPA was forced to issue tougher acid-rain and smog rules last week after a federal appeals court rejected a pollution trading plan put forward by the agency in 2005, he said.

“It shows the importance of Congress passing a clear law based on trading,” Hunter said of the EPA’s new rules. Without cap-and-trade programs for different pollutants, including carbon dioxide, “it gets to be a whole lot more expensive and you’ll force premature closures” of power plants, he said.

The emissions trading group is based in Geneva and its members include Goldman Sachs Group Inc. and General Electric Co., according to its website.

--Editors: Richard Stubbe, Charlotte Porter.

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BP SPILL

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TOP Oil Market News: Crude Trades Near Three-Day Low; BP Gains (*Washington Post*)

By Clyde Russell
Tuesday, July 13, 2010; 12:00 AM
Crude oil traded near a three-day low in New York after the dollar strengthened against the euro, curbing the appeal of commodities as an alternative investment.

BP Plc jumped the most in 20 months in London trading on speculation the company may succeed in halting the biggest oil spill in U.S. history this week as it negotiates the sale of assets in Alaska.

The length of a U.S. moratorium on deep-water oil drilling will be decided by the Interior Department, not the presidential commission investigating the BP Plc spill in the Gulf of Mexico, the panel's co-chairman said.

Hedge funds slashed bets that oil would rise last week to the lowest level in more than a year just before crude began its biggest advance since May.

U.S. inventories of crude oil probably dropped for a third consecutive week amid refinery utilization near the highest level in more than two years and declining imports.

The economic damage from the BP Plc spill in the Gulf of Mexico will be dwarfed by the Obama administration's moratorium on deep-water drilling, the chief executive officer of a New Orleans business group said.

Gasoline futures fell for the first time in four days as the dollar strengthened and on speculation a decline in demand will extend gains in inventories.

Brazil's oil regulator said it concluded its first test at the Franco offshore field, which holds the oil reserves that the government may sell state- controlled Petroleo Brasileiro SA in exchange for new stock.

The Environmental Protection Agency proposed requiring less cellulosic ethanol to be blended into gasoline next year than sought under U.S. law because production of the alternative fuel hasn't reached commercial scale.

Ethanol followed crude oil and gasoline lower as the stronger dollar decreased the allure of commodities as an investment.

Kuwait Petroleum Corp., the state- owned producer, kept its official oil exports to Asia for August unchanged from July.

Saudi Arabian Oil Co., the world's largest state-owned oil company, will supply full contractual volumes of crude to Asia for loading in August, according to refinery officials.

Valero Energy Corp. said it had a leak in a hydrogen unit that led to emissions at its Three Rivers, Texas, refinery, according to a filing with state regulators.

BP Plc will flare gases in a planned event at its oil refinery in Carson, California, from 2:45 p.m. local time tomorrow through 11:59 p.m. July 16, the company said in a filing with the South Coast Air Quality Management District.

Gulf Coast spot gasoline traded at the smallest discount to futures since February as demand increased for the motor fuel to be shipped to the Midcontinent.

Chevron Phillips Chemical Co. began the startup of an ethylene unit at its Port Arthur, Texas, chemical plant over the weekend after a loss of steam supplies in June caused an emergency shutdown of all units, according to a filing with state regulators.

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Light Louisiana Sweet crude oil weakened against benchmark West Texas Intermediate as Motiva Enterprises LLC said it would shut a boiler at its Port Arthur, Texas, refinery for work.

Delek US Holdings Inc. reported unplanned maintenance and the shutdown of an amine unit at the Tyler, Texas refinery, according to a filing with regulators.

Gulf Coast spot gasoline strengthened as demand increased for the motor fuel to be shipped to the Midcontinent market.

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Total SA, Europe's largest refiner, has filed two legal motions contesting rulings on the Dunkirk refinery in northern France that it shut in September because of falling demand for fuels such as diesel.

The cost of shipping a gallon of gasoline, jet fuel or other so-called clean petroleum products from the Middle East to Japan was unchanged at 6.45 U.S. cents yesterday, according to data compiled by Bloomberg. The cost is based on a cargo of 55,000 metric tons.

North Sea Forties crude oil may gain after BP Plc bid for a cargo without attracting sellers. Hellenic Petroleum SA, Greece's biggest refiner, is seeking a cargo of Russia's Urals crude blend for delivery in August.

The cost of delivering Middle East crude to Asia, the world's busiest route for supertankers, fell for a 17th session in London as brokers and analysts speculate charter income can't decline much further.

Middle East crude oils for sale to Asia rose on expectations of increases in demand for middle- distillate rich grades as processing profits strengthen.

Some people might think the hours you spent over the last month sitting around, drinking beer and watching the soccer World Cup being played in South Africa was a waste of valuable time.

Oil may push toward $84 a barrel based on signals from on a Japanese charting method called Ichimoku Kinko Hyo, or "one- glance cloud chart," according to Astmax Ltd.

BP Plc worked today to install a new cap intended to capture all of the oil leaking from its Macondo well in the Gulf of Mexico.

China's Suntech Power Holdings Co., the world's largest maker of polysilicon solar-power modules, fell the most in two months in New York after Citigroup Inc. recommended selling the stock and said next year's earnings may miss analysts' estimates.

BP Plc plans to stop the flow of crude from its leaking Gulf of Mexico well tomorrow so it can measure the pressure inside the well.

BP Plc is in talks to sell assets to Apache Corp. as it seeks funds to pay for the biggest U.S. oil spill in history, two people familiar with the discussions said.

China is buying unprecedented amounts of uranium, signaling that prices are poised to rebound after three years of declines.

BP Plc, seeking to stop the biggest oil spill in U.S. history, is employing at least two of the service providers whose equipment was involved in the April 20 rig explosion in the Gulf of Mexico that triggered the disaster.

Brazil's petroleum regulator said it first test at the offshore Franco oil field shows a well can produce about 50,000 barrels a day.

Stocks rose, with the Standard & Poor's 500 Index climbing for a fifth day, as analyst upgrades of technology shares boosted optimism before the start of the earnings season. The dollar strengthened and oil and copper retreated.

Just a month ago, BNP Paribas SA, Royal Bank of Scotland Group Plc and UBS AG said the euro was heading toward parity with the dollar as Europe's sovereign debt crisis threatened to tear the European Union apart.

The pound rose against the euro as European stocks advanced, boosting demand for assets correlated with economic growth, and speculation mounted about a takeover bid for BP Plc.

U.S. stocks rose, adding to gains from the biggest weekly rally in a year for the Standard & Poor's 500 Index, as analyst upgrades of technology companies boosted optimism before the start of the earnings season.

The Standard & Poor's 500 Index may fall 17 percent to the lowest level in a year after the measure formed a head-and- shoulders pattern, according to a technical analyst at SEB AB.

Alcoa Inc., the largest U.S. aluminum producer, reported second-quarter profit that topped analysts' projections as higher metal prices boosted sales. The shares rose.

Gold futures fell as the dollar's rally eroded demand for the precious metal as an alternative asset.

Japan's Prime Minister Naoto Kan lost control of parliament's upper house, undermining legislative efforts to cut the world's largest public debt and creating the possibility of a third leadership change in a year.

U.S. Interior Secretary Kenneth Salazar issued a revised ban on deep-water oil drilling that he said may allow new wells if the industry shows it has raised safety standards.

The bomb attacks in Uganda that left 74 people dead represent the spread into the rest of East Africa of a conflict that has torn Somalia apart, said analysts including Gus Selassie at IHS Global Insight.

The FIFA World Cup final, in which Spain beat the Netherlands 1-0, was the most-watched men's World Cup game ever, Walt Disney Co.'s ESPN said in an e-mail, citing data from Nielsen Co. The game was telecast on Disney's ABC network.

Grupo Televisa SA, the world's largest Spanish-language broadcaster, said second-quarter revenue jumped 14 percent as more customers signed up for satellite TV service to watch World Cup soccer.

Sealing cap placed on oil well as Interior Dept. issues ban on offshore drilling (Washington Post)

By Joel Achenbach and Mary Pat Flaherty
Washington Post Staff Writer
Tuesday, July 13, 2010; A01

The fate of the gushing Gulf of Mexico oil well, and of deep-water oil drilling in general, remained very much unresolved Monday, even as BP engineers finally installed a massive new sealing cap that could potentially enable them to shut down the well permanently.

The drama in the depths off the coast of Louisiana unfolded as, in Washington, Interior Secretary Ken Salazar issued a new moratorium on offshore drilling, trying a new tack to get around an injunction issued recently by a New Orleans federal judge. Instead of banning offshore drilling based on water depth, he barred drilling by the types of rigs and equipment used in deep water. An Interior Department spokesman said that none of the 33 rigs whose work was interrupted in May would be able to resume their activity.

"I am basing my decision on evidence that grows every day of the industry's inability in the deep water to contain a catastrophic blowout, respond to an oil spill and to operate safely," Salazar said.

BP and its oil-industry allies hope that in the days ahead they will gain the upper hand on the Macondo well, drilled by the Deepwater Horizon rig and spewing oil since the fatal blowout April 20. If all goes perfectly, the well could stop polluting the gulf before it is plugged at its base with mud and concrete.

On Saturday, BP yanked away the "top hat" containment cap that had been lopsidedly parked on the well since early last month. Over the next 48 hours, technicians used robotic submersibles and hardware lowered from the surface to reconfigure the well's outlet. Instead of the jagged hole of the sheared-off riser pipe, the well was fitted with a new, simple chimney-like opening, which Monday spurted a plume of oil made frothy by injected chemical dispersants.

The new chimney enabled BP to deploy a huge structure known as the "3 ram capping stack." It has three valves that can be used to close the flow of oil. First it had to be installed -- no slam-dunk in the cold, dark, highly pressurized deep-sea environment, where ice-like methane hydrates can quickly form and clog

openings. With the new cap in place, oil and gas still flow out a perforated pipe at the top of the stack.

Next will come the critical "integrity test." It's really a pressure test. How the well performs in the test will shape everything that follows.

Before the test begins, BP will stop collecting oil from the well. Although the top hat, which funneled oil to a surface ship, is no longer in the picture, there is still oil flowing to a surface rig called the Q4000 via a line attached to the blowout preventer. The Q4000 has been burning about 8,000 barrels (336,000 gallons) of oil a day. On Monday, a new ship, the Helix Producer, began siphoning oil through a different line connected to the blowout preventer. That ship potentially could capture up to 25,000 barrels a day if ramped to full production.

To test the well's integrity, BP will gradually shut down the flow of oil and gas until the flow stops -- nothing out the top, nothing to surface ships. BP engineers and government scientists will scrutinize the pressure building in the well.

"Higher pressures are good news. They indicate that the well bore has integrity," said Doug Suttles, BP's chief operating officer.

If the pressure doesn't rise as expected, that will suggest that the well has been damaged below the seafloor. Suttles played down the possibility that the test could damage the well and cause leaks into the surrounding rock formation.

But clearly these will be anxious moments in the gulf.

"The last thing you want to happen is have the well blow out and collapse around the wellhead," said Greg McCormack, director of the Petroleum Extension Service at the University of Texas. "When that happens, you have a heck of a time killing that well."

"You can think of it as this great big faucet that we're going to slowly crank down and turn off the flow and then check the pressure over a period of time," BP spokesman Steve Rinehart said Monday. The pressure readings will offer clues to what's happening out of sight, below the gulf floor, in the well bore, Rinehart said.

"Will it hold? Or will it leak out?" he said.

If the pressure test suggests that the well hasn't been compromised, BP will leave the well "shut in."

That won't mean the well is dead. The killing of the well is still the job of the relief well. About the end of this month, Suttles said, BP will intercept the Macondo well and attempt to kill it with heavy mud and then concrete.

The deep-sea activity and Washington political pronouncements formed a backdrop for the first public hearing by the presidential commission investigating the spill. Oystermen and sports anglers described businesses in peril. A senior Coast Guard official testified that tar balls will wash up for "weeks, if not months." Some witnesses pleaded for the commission to take a stand on the drilling moratorium. Among the most vocal were representatives of companies that service the oil industry. They contended that jobs will be lost permanently and that rigs will leave the region.

Larry Dickerson, chief executive of Diamond Offshore Drilling, said two deep-water rigs that had employed 150 people will move to Egypt and West Africa rather than wait out the ban. He speculated that the cause of the Deepwater Horizon disaster will be found to be "reckless operating mistakes," probably tied to pressure to hasten drilling.

His employees, Dickerson said, talk about the federal bailout of the auto industry: "They ask how come they get bailed out and we get driven out?"

The commission must deliver a report to President Obama six months from Monday.

Flaherty reported from New Orleans. Staff writer Steven Mufson contributed to this report.

U.S. Revises Rules for Drilling Ban (*New York Times*)

July 13, 2010 Tuesday
Late Edition - Final
Section A; Column 0; National Desk; Pg. 15
By JOHN M. BRODER
Interior Secretary Ken Salazar issued revised rules on Monday for a six-month moratorium on deepwater oil drilling in the Gulf of Mexico, replacing an earlier one that had been declared invalid by federal courts.

The revised moratorium would allow some drilling rigs to resume operating under certain conditions. To qualify, the rig's owners must prove that they have adequate plans in place to quickly shut down an out-of-control well, that the blowout preventers atop the wells it drills have passed rigorous new tests, and that sufficient cleanup resources are on hand in case of a spill. Industry officials said it would be difficult to meet those conditions quickly, which could threaten thousands of jobs.

The original moratorium, struck down late last month by a federal judge in New Orleans, halted work on 33 wells being drilled in water greater than 500 feet deep

in the gulf. Other new regulations have slowed or stopped work on dozens of other wells in shallower water.

Mr. Salazar directed federal regulators to come up with interim rules by the end of August that would clarify the steps needed to resume operations. But he made clear that most rigs would remain barred from drilling in deep water through November.

His department characterized the moratorium issued on Monday as a refinement of the previous one that was rejected by the courts, not a retreat from it.

"Like the deepwater drilling moratorium lifted by the District Court on June 22, the deepwater drilling suspensions ordered today apply to most deepwater drilling activities and could last through Nov. 30," the Interior Department said in briefing materials on the new ban.

"The suspensions ordered today, however," the materials said, "are the product of a new decision by the secretary and new evidence regarding safety concerns, blowout containment shortcomings within the industry and spill response capabilities that are strained by the BP oil spill."

The main lobby for the oil industry, the American Petroleum Institute, criticized the new order, saying it would worsen the economic hardship already being felt across the Gulf Coast.

"It is unnecessary and shortsighted to shut down a major part of the nation's energy lifeline while working to enhance offshore safety," Jack Gerard, the association's president, said in a statement. "It places the jobs of tens of thousands of workers in serious and immediate jeopardy and promises a substantial reduction in domestic energy production. No certain and expeditious path forward has been established for a resumption of drilling."

Mr. Salazar directed Michael R. Bromwich, head of the Bureau of Ocean Energy Management -- the former Minerals Management Service -- to conduct public hearings and discussions with industry officials to make recommendations for ways to improve the safety of deepwater drilling.

"I remain open to modifying the new deepwater drilling suspensions based on new information," Mr. Salazar said, "but industry must raise the bar on its practices and answer fundamental questions about deepwater safety, blowout prevention and containment and oil spill response."

In New Orleans, Bob Graham, a co-chairman of the presidential panel investigating the April disaster on the Deepwater Horizon drilling rig, which left a well gushing oil and gas a mile below the surface of the gulf, said on Monday that the group would try to determine whether BP was operating in a riskier way than

the rest of the offshore industry.

"Was the Deepwater Horizon an outlier, an oil rig operating outside the normal standards of safety, or was it representative of other rigs?" asked Mr. Graham, a former senator and Florida governor, before the seven-member commission opened its first public hearings on the disaster.

The answer, he said, will help guide the panel's deliberations and color its ultimate report to President Obama. The group has been charged with finding the root cause of the blowout and with recommending how to resume deepwater oil and gas drilling more safely. It has six months to complete its work and has only begun hiring staff and moving into offices in Washington.

Mr. Graham and the panel's other co-chairman, William K. Reilly, a former administrator of the Environmental Protection Agency, said the commission would not weigh in on whether the deepwater drilling moratorium declared by the Interior Department should continue. But the commission spent two hours Monday afternoon talking with industry representatives about the conditions under which drilling might safely resume.

Many still skeptical of oil cleanup (*Salt Lake Tribune*)

By Judy Fahys
The Salt Lake Tribune
July 12, 2010 11:35PM
The company behind the Red Butte Creek oil spill a month ago and the government agencies active in the cleanup all restated their pledge Monday to clean affected areas until they are restored.

About 150 people attended a public forum one month after the spill, many to criticize the cleanup so far and what they described as a chummy relationship between Chevron and the agencies overseeing the ongoing spill response.

Camron Carpenter offered a dramatic example of his concerns, stepping up to the table where Salt Lake City Mayor Ralph Becker and spill czar Renee Zollinger joined representatives from the company, the U.S. Environmental Protection Agency, the Utah Department of Environmental Quality and the county health department to provide an update and to take questions at Clayton Middle School.

Carpenter set down a small armful of rocks still wet from Red Butte Creek. They were darkened and smelly with oil.

“Good job on making the surface look good, but what’s next?” Carpenter asked, referring to a cleanup video that some attacked as being too much like a television commercial.

“I don’t think there’s any argument,” said Chevron’s Bryan Tucker, “that the cleanup’s not done yet.”

A leak, discovered the morning of June 12, caused around 33,000 gallons of crude oil from the Chevron pipeline to run down Red Butte Creek, through backyards of upscale Yalecrest homes and into the Liberty Park Pond, where much of it was captured before running further downstream and into the Jordan River. A preliminary investigation determined that a nearby lightning strike triggered an electrical arc that, in turn, blasted a hole smaller than a dime into the pipeline.

The pressurized pipeline pumped out 50 gallons a minute through the tiny hole until the following morning, when the breach was discovered. Within a week, the damaged pipeline section was replaced, the pipe was tested and operations resumed.

Monday evening’s meeting was the first with the full Unified Command — the multi-agency organization mounting the response, cleanup and soon the restoration — which includes Chevron, as well as federal, state and local environmental and health agencies and the city.

The Unified Command once emphasized that any fumes residents might still be smelling are not hazardous to their health but only a nuisance. But several residents joined representatives of local environmental organizations in challenging that assertion.

When critics asked about fines against Chevron, the EPA’s on-scene coordinator Gina Cristiano said that was up to agency lawyers. The Utah Department of Water Quality’s John Whitehead said there would be a time to talk about that in the future, although Chevron was already implementing the enforcement plan that will be announced later this week.

Although Unified Command members laid out their accomplishments and goals for the next few months, some spill area residents pushed for more details — about their own and their family’s future health and, in the case of one chocolate Labrador owner, his dog’s.

“When can I take my dog back to the [Miller] Park?” he asked, noting that the timelines failed to show when the creekwater will be deemed safe. “My dog is anxious about the answer, too.”

Will The EPA Crack Down On "Fracking"? (*Investopedia*)

Posted: Jul 12, 2010 11:21 AM by Stephen Simpson, CFA
With everyone's attention focused on the Gulf oil spill clean-up efforts, there is another environmental controversy brewing in the energy sector. While hydraulic fracturing and pressure pumping have been hailed for their ability to open up new reservoirs of oil and gas in the United States, there is growing concern about the environmental impact of these activities. Although I do not think these worries are ever going to shut down operations in areas like the Marcellus Shale, energy investors need to keep an eye on this issue.
IN PICTURES: 20 Tools For Building Up Your Portfolio
What the Frack?
In simple terms, hydraulic fracturing, or "fracking" (also often spelled 'fracing' in the industry), is a process by which drilling companies force fluids down a bore hole and use that pressure to crack the rock. Those cracks are then kept open with additional additives called proppants (sometimes sand, but increasingly purpose-built ceramic particles). Oil and gas that was previously trapped within the pores of that rock can then migrate out through those cracks and up the well. It is this process (along with other innovations like horizontal drilling) that has opened up many new areas of so-called shale gas to energy companies. Well-known energy-producing areas like the Haynesville Shale in Texas and Louisiana, the Barnett Shale in Texas, the Montney in Canada, and the Marcellus Shale in the East/Northeast U.S. are all examples of major resource-rich production areas that have come into play because of these advanced production techniques. (For more insight on oil recovery, see the Oil And Gas Industry Primer.)
The Fly in the Ointment
Unfortunately, there are no free lunches and fracking is no exception. First you have the obvious issues. The rapid pace of drilling has led to traffic snarls in small communities with trucks from service companies like Halliburton (NYSE:HAL) and Baker Hughes (NYSE:BHI) running all over the place, to say nothing of the noise, dust, and demands on local water supplies that drilling and fracking produce.
There are even worse concerns, though. Largely in response to community-level activism, the EPA is taking a closer look at the environmental impact of fracking. In particular, there are concerns that fracking may lead to groundwater contamination from chemicals like benzene and toluene, whether through leakage of drilling fluids into the rocks and eventually into drinking water aquifers or mobilization of harmful chemicals that already exist in the rock and are "liberated" by the fracking. (For related reading, see New EPA Rules Could Stir The Air.)
That is serious enough in itself. On top of that, though, there are concerns about companies spilling chemicals or storing them onsite in open pits. Moreover, well blowouts can likewise contaminate an area with chemicals and hydrocarbons.

Industry Takes the Heat
Unfortunately, the industry has not helped its own cause lately. The Denver Post recently reported that more than 1,000 spills over the last two and a half years in Colorado have totaled more than five million gallons of drilling fluids and oil, with the largest number of spills attributed to Anadarko (NYSE:APC) and Noble Energy (NYSE:NBL). In the Marcellus, both Cabot Oil and Gas (NYSE:COG) and EOG (NYSE:EOG) have incurred the wrath of Pennsylvania officials for contamination problems.
Big Stakes
One way or another, the energy industry has to find a resolution to this issue. About 90% of active natural gas wells in the U.S. use fracturing fluids, but legislation passed in 2005 puts those fluids outside the rules of the Safe Drinking Water Act. I would say it is fair to assume that that rule is going to be overturned, or at least significantly tweaked.
For companies like EOG, Cabot, Chesapeake (NYSE:CHK), Ultra Petroleum (NYSE:UPL) and ExxonMobil (NYSE:XOM) (in part through its acquisition of XTO Energy), the stakes are enormous. Fracking is essential to getting more gas out of the ground, and gas looks increasingly essential to our energy future. The key, then, is to figure out how to operate more safely and show more respect for the concerns of local residents who worry about their water supply and long-term health. (For related reading, see Go Green With Socially Responsible Investing.)
The Bottom Line
Concerned citizens need to accept that drilling is not going to go away, but they are not going to be ignored or pushed aside either. If these companies are smart, they will move on their own to find safer ways to operate and be more responsive to accidents. For investors, a lot hangs in the balance; they need these companies to continue boosting their production, but as a quick look at BP's share price makes it clear that the cost of a major mistake is more than most companies can bear.

Oil spill hearings welcome experts, public (Associated Press)

Story also appeared: CBC News

'We will follow the facts wherever they lead'
Last Updated: Monday, July 12, 2010 | 8:09 PM ET Comments5Recommend3
The Associated Press

A commission investigating the catastrophic BP oil spill in the Gulf of Mexico began public hearings in New Orleans on Monday with a vow to work "thoroughly, independently and impartially."

U.S. President Barack Obama, centre, with BP oil spill commission co-chairs Bob Graham, left, and William Reilly speak to reporters at the White House on June 1.U.S. President Barack Obama, centre, with BP oil spill commission co-chairs

Bob Graham, left, and William Reilly speak to reporters at the White House on June 1. (Pablo Martinez Monsivais/Associated Press)U.S. President Barack Obama established the commission after the April 20 explosion on the Deepwater Horizon oil rig off the Louisiana coast. The explosion killed 11 workers and blew out the well the rig was drilling, setting off an environmental crisis.

"I wish we had the immediate power to stop the gushing" of oil into the Gulf, commission co-chair and former Florida senator Bob Graham said in his introductory remarks.
P.O.V.:

What would you like to see raised at a public meeting?

"That is beyond our ability," said Graham, who also served eight years as Florida governor. "But we do promise to give our very best efforts to find out what is happening and the enormous consequences of the spill ... on the Gulf region."

"[We will work] thoroughly, independently and impartially," said co-chair William Reilly, a former administrator of the Environmental Protection Agency. "We will follow the facts wherever they lead."

The panel started by focusing on the response to the spill, its economic effects and the deepwater offshore drilling moratorium, which the Obama administration revised to Nov. 30 on Monday, instead of why it happened.

Larry Dickerson, president of Diamond Offshore Drilling Inc., which is the No. 2 deepwater drilling contractor, turned the focus on the first day from the effects of the spill to who's to blame.

Dickerson told the hearing what a hardship the president's drilling moratorium was. But in criticizing what the Obama administration calls a "pause" in drilling, advocates placed the blame on BP.

Dickerson, whose company is down from 10 rigs to seven because of the moratorium, said the stoppage is "a slow-motion domino fall" in his industry.

Senator Mary Landrieu, a Democrat from Louisiana, told commissioners that the moratorium is costing jobs.

"One hundred twenty thousand people could be out of work in Louisiana alone," Landrieu said. "This is a very serious issue."

At the start of the hearing, BP senior vice-president Kent Wells testified about what BP was doing to try to stop the leak. None of the seven commissioners

asked him about the causes of the rig explosion, and Wells did not discuss the question of blame.

The bipartisan national commission on the BP spill will receive input from experts and members of the public during two days of hearings in New Orleans, with a view to developing options to prevent and deal with future offshore oil spills.

Read more: http://www.cbc.ca/world/story/2010/07/12/oil-commission-hearings.html#ixzz0tYCrKoMB

Commission seeks answers as oil continues to leak (*Boston Globe*)

July 13, 2010 Tuesday
SECTION: NEWS; National; Pg. 2
By WASHINGTON POST,
WASHINGTON - The presidential commission appointed to study the causes of the BP Deepwater Horizon oil spill and recommend improvements for offshore drilling will have to navigate some tight spots as it begins its work this week.

Unlike the commissions that investigated space shuttle accidents and the Three Mile Island nuclear incident, the Deepwater panel must analyze what went wrong while things still are going wrong. The panel also must find its role amid eight other investigations and a Justice Department inquiry into the April 20 explosion, which killed 11 and sent oil spewing into the Gulf of Mexico.

The seven-member commission, created by President Obama in a May 22 executive order, began holding Monday yesterday in New Orleans, and will continue today. It must deliver a report in six months.

Members toured towns in Louisiana, Mississippi, Alabama, and Florida before starting the hearings, which its cochairman, William Reilly, said are intended ``give voice to the region.'' The closing hours of each session are being devoted to testimony from local people and officials affected by the spill.

Reilly was administrator of the **Environmental Protection Agency** under President George H.W. Bush during the 1989 Exxon Valdez oil spill. He is on the board of directors of ConocoPhillips, from which he has taken a temporary leave. His cochairman is Bob Graham, the former governor and later senator from Florida who led efforts against offshore drilling on that state's coasts.

Both Graham and Reilly said the commission hopes to improve the safety of offshore drilling by understanding what went wrong with the BP site. That focus turns on how - not whether - to drill offshore.

Reilly said he also expects the commission to look into exemptions on certain

environmental requirements given by federal regulators, and their approval of inadequate spill response plans.

BP to attach new containment cap today (*Greenwire*)

(07/12/2010)
Katie Howell, E&E reporter
BP PLC expects today to install a tighter-fitting containment cap on the leaking wellbore in the Gulf of Mexico in its latest effort to quell the gusher.

The British oil giant's chief operating officer, Doug Suttles, said the new cap, "Top Hat 10," could shut off the flow of oil if pressure conditions are right. Tests over the next two days will help the company better understand those conditions.

"We have to recognize that this is a complex operation," Suttles told reporters this morning. "Our confidence is growing."

Once the new cap is in place, BP will begin testing the integrity of the well by shutting down siphoning operations, closing off a perforated pipe at the top of the sealing cap and monitoring pressure levels.

If pressures rise to anticipated levels, it will signal that the wellbore is intact and the cap will contain the leak until a relief well intersects it at the bottom to pump in drilling mud and cement. But lower pressures could mean the wellbore is compromised, and oil is leaking out somewhere else.

BP is installing the new cap after removing a separate cap over the weekend that had successfully captured crude for more than a month. The new cap will give the company greater flexibility in a hurricane evacuation and will boost containment capacity to 2.5 million to 3.4 million gallons a day. The previous cap contained about 1 million gallons a day.

But until the new cap is in place, oil is gushing nearly unfettered into the Gulf. Only the Q4000 containment ship is currently capturing crude. Yesterday, it flared off about 168,000 gallons.

The company and federal officials had hoped to have a new drill ship in place and connected to the wellbore by the time the old containment cap was removed, which would have lessened the flow into Gulf waters. But the company hit another hiccup in starting up the Helix Producer containment system over the weekend.

The ship has been at the site for about two weeks, but startup has been delayed by bad weather and technical problems. Crews had hoped to have the ship

connected and capturing crude yesterday, but Suttles said this morning that the containment ship still was not operational. It should be within 24 hours, he said.

Exxon could be in talks to take over BP
Takeover speculation plagued BP this weekend after reports suggested the Obama administration told Exxon Mobil Corp. that it would not stand in the way of a bid for the beleaguered British company.

The London Times yesterday reported that Exxon had sought clearance for a takeover bid for BP. The newspaper cited oil industry sources who said federal officials told Exxon and another U.S. company -- thought to be Chevron Corp. -- that it would not stand in the way of a deal.

"There have been talks at a high level, and Exxon has expressed a serious interest. It is too early to talk about a bid yet, but they are clearing the way," a senior oil industry source told the Sunday Times.

Both BP and Exxon have refused to comment on the speculated merger, which would create a group with a value of $400 billion.

BP reported to the Securities and Exchange Commission today that the oil spill cleanup and containment efforts have cost $3.5 billion so far. The spill has wiped about $75 billion off BP's share value in recent months.

First rig leaves Gulf after drilling ban
Drilling contractor Diamond Offshore Drilling Inc. said late last week that its Ocean Endeavor drilling rig will leave the Gulf of Mexico and move to Egyptian waters, making it the first rig to abandon the Gulf in the wake of the BP spill and the administration's six-month ban on deepwater drilling.

Diamond had been leasing the Endeavor to Devon Energy Corp. to drill near the site of BP's failed well. But Diamond said Friday it will lease the rig to Cairo-based Burullus Gas Co., which plans to send it to Egyptian waters.

Devon has cited the six-month moratorium in efforts to ease out of contracts with Diamond, which expects to make about $100 million from the deal, including a $31 million early-termination fee from Devon.

The drilling company's CEO indicated that the Endeavor would not be the last rig to leave Gulf waters because of the drilling ban.

"As a result of the uncertainties surrounding the offshore drilling moratorium, we are actively seeking international opportunities to keep our rigs fully employed," Dickerson said in a statement. "We greatly regret the loss of U.S. jobs that will result from this rig relocation."

DOJ investigation, claims, spill commission
The Justice Department has started interviewing witnesses in its criminal and civil investigation of the oil spill, Attorney General Eric Holder said yesterday.

The department has asked BP and Transocean Ltd., the company that owned the the ill-fated Deepwater Horizon drilling rig, to save documents related to the explosion and spill.

"We are in the process of accumulating documents, talking to witnesses on both the criminal side as well as the civil side," Holder said in an interview on CBS's "Face the Nation."

Holder did not provide a timetable for action by the Justice Department.

Also yesterday, the federal administrator in charge of doling out funds from BP's $20 billion escrow account said that the oil leak needs to stop before officials will know if the account has enough money to repay those affected by the spill.

"Until the oil stops, you don't know how pervasive the oil spill will be, so you don't know if somebody who has not been harmed at all today will be harmed by additional oil next week," Kenneth Feinberg said on CNN's "State of the Union" yesterday. "Once the oil stops, I believe we'll be able very quickly to get sort of a handle on the comprehensiveness of the claims population."

The independent commission that President Obama has tasked with investigating the causes and effects of the BP disaster has hired a longtime Royal Dutch Shell PLC scientist, engineer and offshore drilling expert as a technical adviser.

Richard Sears, now a consultant in Houston and visiting scientist at the Massachusetts Institute of Technology, will join the seven-member panel to advise it on scientific and technical matters related to offshore drilling.

The panel's makeup has been widely criticized for containing too many opponents of offshore drilling and no industry experts.

Mexico preps for oily beaches
Mexico is bracing for a "worst-case scenario" and enlisting thousands of locals to help protect its coastline from oil from the BP spill.

Oil traced to the BP leak has already washed ashore in all five Gulf states, and a Mexican environmental official said it has encroached on Mexican waters, although it has not yet lapped ashore there.

"We have to be prepared," Luis Fueyo, Mexico's commissioner for protected areas, told the Financial Times. "If there is no success in controlling the oil, it is probable that the slick will enter national waters [fully] in October."

The first line of defense against the encroaching slick would be joint action between the U.S. Coast Guard and Mexican navy under an existing agreement.

But the nation is scrambling to purchase containment barriers, storage tanks and off-road vehicles to access remote beaches. It is also starting training this month for thousands of impoverished villagers along the Gulf to help defend beaches, lagoons and mangroves.

"We are talking about thousands of people that we are going to put into action along our coasts ... just as in a war we would hunker down in the most vulnerable areas," Fueyo said.

ENERGY

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Magical thinking is not an energy strategy (*Washington Post*)

July 13, 2010 Tuesday
Suburban Edition
A-SECTION; Pg. A10
Maryland
By Allan Sloan

It's much easier to look for a magic solution than it is to adapt to reality. Take energy, for instance. These days "clean energy," also known as "green energy," is being presented as the magic solution for global warming, our dependence on foreign oil, and the BP disaster in the Gulf of Mexico. Maybe even for warts and bad breath. A typical example of the hype, from one of President Obama's speeches about BP: "The tragedy unfolding on our coast is the most painful and powerful reminder yet that the time to embrace a clean-energy future is now."

Embracing a future -- whatever that means -- isn't the same as solving a problem. That's a lesson I learned almost 40 years ago, the first time I realized there was an energy problem in this country. That was during the Arab oil embargo of 1973, which is history to most people but a scary memory to those of us for whom it was a current event. We had huge lines at gas stations, a horrible sense of vulnerability, and the same combination of helplessness and outrage that so many people have today when it comes to BP. Government price controls, designed to protect people from the higher crude oil prices resulting

from the embargo, made a bad problem much worse.

The magic solution? "Energy independence." Sounded great, would fit on a bumper sticker, made for a terrific slogan. We'd finish the Trans Alaska Pipeline, drill for more oil, beef up production of natural gas, step up nuclear power generation, apply technological wizardry to use our vast coal reserves to generate clean electricity, liquefy coal to reduce our need for petroleum. We wouldn't be dependent on foreigners (except maybe Canada, then as now our biggest outside oil source). It was all going to be great.

Do those things sound familiar? They should, given that stepping up nuclear generation and cleaning up coal are integral parts of plans to reduce carbon dioxide emissions, though they haven't gotten the buzz that green energy has.

Alas, the energy independence thing hasn't exactly worked out. In fact, things have gotten seriously worse. When the Arab embargo hit, we were importing 37 percent of our oil, according to the U.S. Energy Information Administration. When the shah of Iran fell in 1979, sparking another oil crisis, we were importing 43 percent; currently it's about 52 percent.

Flash forward to the present magic plan. Green energy, which is promoted endlessly by business as well as the government and various pols, is a great idea. It sounds great, and it would be great. But it's being way oversold and will take years -- or decades -- to have any major effect.

That's because green energy is starting from such a low base. Wind power, solar power and biofuel, the three most highly touted new technologies, together accounted for less than 3 percent of U.S. electric power generation in 2009, according to the Electric Power Research Institute, a nonprofit group.

So even when we step up production sharply, we have a long way to go before those technologies make a serious impact on the overall electricity situation. "I think it's going to take 20 years for these technologies to mature, provided that the economic conditions are attractive," says Revis James, director of the institute's technology assessment center.

Even if we had windmills on every front lawn, we'd still have an energy problem, because vehicles account for so much of our oil use. And green technologies aren't without economic or environmental problems. We'll be outsourcing lots of green-product manufacturing to low-cost places such as China, which will help their economies, but not ours.

Then there's the whole lithium question, which is integral to stepping up battery-run vehicles. Imagine our becoming dependent on countries like Afghanistan -- not exactly a model of stability -- for that essential mineral.

So now, you ask, since I don't believe in a magic solution, what should we do? It's easy, though not politically palatable. You put a heavy tax on electricity, gasoline and other energy sources whose use you want to discourage. You make that tax refundable -- at least quarterly, maybe even monthly -- for people who can't afford it.

Of course, nothing like that is likely to happen. Because "Raise prices, support some energy research, but don't shove solutions such as compact fluorescent bulbs down consumers' throats" doesn't make for a good bumper sticker or sound bite. It's not magical. It's just right.

With reporting by Fortune's Marilyn Adamo. Allan Sloan is Fortune magazine's senior editor at large.

NYC skyscraper's windows revamped to save energy (*USA TODAY*)

July 13, 2010 Tuesday
FA_CHASE EDITION
SECTION: NEWS; Pg. 3A
Empire State's eyes on world given green gaze;
NYC skyscraper's windows revamped to save energy
By: Rick Hampson
NEW YORK -- You want to ask him: How many do you break? That's because Anthony Concepcion does windows -- lots of windows.

He's working at the Empire State Building. As part of an effort to become certifiably green, the office tower is removing, retrofitting and replacing each of its 6,514 double-hung, dual-pane windows. That's 26,056 panes of glass. "It's a lot of glass," says Concepcion, 39, work crew supervisor for the contractor, Serious Materials of Sunnyvale, Calif. "It's all part of going green."

The building, for four decades the world's tallest and once again the tallest in New York, is spending $13 million on windows, insulation and other upgrades to cut energy use by 38% and save about $4.4 million a year.

Never has a structure so old and so tall gone so green. "It's the most recognizable building energy retrofit in the world," says Arah Schuur, director of a conservation program at former president Bill Clinton's foundation.

If you can retrofit the Empire State Building, you can retrofit anything, says Kevin Surace, president of Serious Materials.

The building has earned a score of 90 (out of 100) from the Environmental Protection Agency's "Energy Star" program. That means a building constructed

at a size (102 stories), a time (1930) and a pace (about 14 months) not known for energy efficiency now ranks in the top tenth of commercial office buildings.

Tony Malkin heads the company that runs the tower. He says the goal, in addition to cutting costs and making the building more attractive to green-minded tenants, is to give other office building owners a model.

The Clinton Climate Initiative, created by the former president's foundation, says buildings can account for three-quarters of greenhouse gas emissions in urban areas.

The Empire State Building project has aroused interest among other high-rise owners, Schuur says, "but nothing far enough along to mention." Malkin says projects like his soon will be announced.

Ahead of Chicago tower

A year ago, the Willis (formerly Sears) Tower in Chicago announced plans to replace its 16,000 single-pane windows and put solar panels, windmills and gardens on the roof, all to help reduce electricity use by a whopping 80%. Kate Murphy, spokeswoman for the building, says finances have pushed back the project.

Malkin's Empire State Building energy retrofit is about half-finished.

The new windows, which have 2.5 to four times more insulation, are not really new. They are fashioned mostly from existing components by Concepcion's crew of 35. Working in two shifts, the crew assembles 75 to 80 windows a day in a noisy workroom on the fifth floor.

Each night, workers remove scores of windows from their frames on the building's office floors. The windows are replaced on the spot with refinished ones. Workers then wheel the old windows to the workroom, where the glass panes are detached from their sashes, pulled apart and carefully cleaned.

A sheath of transparent film is laid between the panes, which are resealed and placed for an hour in a 205-degree oven to shrink the film into place. Next, a mixture of inert gases is pumped into the spaces between the panes for insulation. Finally, the panes are put back in the original sashes and remounted in the office floor frames.

Surace, the Serious president, says he has never heard of a big building choosing to reuse, rather than replace, so much window glass -- 96%. Malkin says he's saving about $2,300 per window and avoiding the environmental impact of trucking new windows from the factory and old ones to recycling.

Changes go unnoticed

Because the windows are removed after office hours and installed before most office workers return the next morning, one of the most ambitious projects in Empire State Building history is occurring without the knowledge of most of its occupants. The morning after the 32nd-floor offices of Skanska USA, a unit of the Swedish construction giant, had its windows swapped, "people didn't have a clue anything had been changed," says Deborah Ippolito, a senior manager. "You couldn't tell by looking at them."

Skanska, which occupies the entire floor, is the kind of big, environmentally conscious tenant Malkin wants to attract with the energy retrofit and an overall $550 million renovation.

Famous as it is, the Empire State Building never has enjoyed real cachet as a business address. Tenancy was so low during its early Depression years that it was derided as the "Empty State Building" and supported largely by visitors' observatory fees. Ever since World War II, it has had relatively small tenants paying relatively small rents.

Malkin wants to rent larger blocks of space to more prestigious tenants at higher rents. A study by CoStar Group found that in the first quarter of 2009, green-certified buildings had fewer vacancies than other comparable buildings and that such buildings have commanded higher rents for several years.

Green windows -- actually, the sashes and frames are all painted the same city-landmarked shade of red -- are part of that strategy at the Empire State Building.

Which leads back to Anthony Concepcion and the issue of breakage. Normally jovial, he grimaces a bit at the question. "Some days, none. Other times, up to three," he says. "It averages out to about one a day."

Compact fluorescent lamps save energy but need to be disposed of properly (*San Jose Mercury News*)

By Dana Hull
dhull@mercurynews.com
Posted: 07/12/2010 04:05:13 PM PDT
Updated: 07/12/2010 10:04:31 PM PDT

Green Energy

* Alternative energy, cleantech and related topics.

For years, consumers have been urged to switch to CFLs, or compact fluorescent lights, which use about one-quarter of the electricity of incandescent bulbs. But unknown to many, CFLs come with a health risk if they're broken: They contain small amounts of mercury, a neurotoxin that can be particularly harmful to pregnant women and children.

With sales of CFLs now reaching about 400 million a year in the United States, according to the federal Environmental Protection Agency, concerns over the mercury has grown because many of the lights end up in landfills.

"It's a public health issue and an environmental mess if they are not disposed of properly," said Rob D'Arcy, the hazardous materials program manager for Santa Clara County.

California and several other states ban disposal of CFLs in the trash because they could contaminate landfills. But there's little enforcement.

Some local governments in California encourage consumers to recycle the bulbs on household hazardous waste collection days or through "take back" programs at local hardware stores. But no one monitors how successful those voluntary efforts have been, and many fear that the vast majority of CFLs still end up at the bottom of the kitchen trash can.

CFLs contain an average of 5 milligrams of mercury sealed within the CFL's glass tubing. That's far less than watch batteries, dental filings and older thermometers, but still enough to warrant special handling.

a fluorescent bulb breaks in your house, the EPA advises consumers to have all people and pets vacate the room, open windows for at least 15 minutes, and carefully scoop up any broken fragments into a glass jar with a metal lid. Any heating or air conditioning should be turned off before cleanup.

But no one has called for CFLs to be banned because, on balance, they offer a wealth of environmental and energy-saving benefits. Coal-fired power plants are the largest source of mercury emissions in the air, so using CFLs, which use less electricity than incandescent light bulbs and last longer, is still a better deal for the planet.

Environmental groups such as the Natural Resources Defense Council have taken a close look at the CFL safety issue and have concluded that the energy savings exceed the dangers posed by the mercury the lights contain.

"The quantity of mercury contained in the bulb, and the opportunity to be exposed to the mercury, is quite small," the NRDC said in a May 2008 policy paper.

Many consumers are either unaware the lights contain mercury or agree that the benefits outweigh the risks.

Julius Bercasio, 30-year-old owner of Mighty Thredz graphics-design studio in San Jose, was price-comparing

light bulbs for his office Monday afternoon at a San Jose Lowe's, but he did not see the fine print on the back of the CFL box indicating the product contained mercury. When it was pointed out to him, Bercasio said, "If it's really toxic, I'd probably stay away from it.

"But if it's a really small amount, and if the bulb's really energy-efficient," he added, "then I'd say the good outweighs the bad, and I'd buy it."

Jamsher Bhatthal, a Lowe's lighting expert, said most customers are like Bercasio. "Nobody ever asks me about the mercury because they don't look closely at the label warning about it," he said. "They read the front of the box, where it says you'll save $48 each year in energy costs by using this product. But they don't read the part that says the lamp contains mercury."

Heidi Sanborn, executive director of the California Product Stewardship Council, a nonprofit organization whose mission is to shift responsibility for waste management from local governments to manufacturers and producers, is among those who believe "we're still better off using fluorescents."

"But what's happened is that we're trying to keep mercury out of the air by not burning coal, and now mercury is in all of these lamps that are in people's homes," she said.

The regulations prohibiting CFLs from being disposed of in the trash went into effect in 2006, but there's no state funding attached to it. That means each county in California has had to develop its own
consumer awareness and recycling program in a time of strapped budgets, and some have done a better job than others.

"This is a problem that cries out for a big, comprehensive solution," said Bill Pollock of the Alameda County Household Hazardous Waste program. "But no one has the funds to tackle it. Right now, the recycling is totally voluntary — people have to make an effort to do it."

In Santa Clara County, several local hardware stores — including Ace Hardware, Orchard Supply Hardware and the Home Depot — offer free fluorescent bulb recycling during their regular business hours. (A complete list of drop-off locations in Santa Clara County can be found at www.hhw.org).

Sanborn says CFLs are indicative of a larger problem — the changing nature of the waste that California residents generate.

"When the waste industry first started, the waste stream was paper, glass, bones and rags — basic material," she said. "Now waste has evolved, and 70 percent of it is manufactured products, like CFLs and cell phones and consumer electronics. Local governments cannot keep up."

The ultimate solution for disposal of CFLs may come with further technological innovation. Many lighting experts see CFLs as a largely transitional product that will be replaced with LEDs — or light-emitting diodes — once volume production drives down costs. LEDs are considered more durable than either incandescent bulbs or CFLs. And, unlike CFLs, LEDs don't contain mercury or require time to warm up.

Staff writer Patrick May contributed to this report. Contact Dana Hull at 408-920-2706. Follow her at Twitter.com/danahull.

FUEL

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EPA Proposes Cellulosic Ethanol Short of U.S. Goals (*BusinessWeek*)

July 12, 2010, 5:22 PM EDT
(Updates with industry comment in third paragraph.)
By Kim Chipman and Mario Parker

July 12 (Bloomberg) -- The Environmental Protection Agency proposed requiring less cellulosic ethanol to be blended into gasoline next year than sought under U.S. law because production of the alternative fuel hasn’t reached commercial scale.

The decision is part of the EPA’s proposed standard for renewable fuels of about 14 billion gallons, or 7.95 percent of transportation fuels used in the U.S., the agency said today in a news release. The goal for cellulosic biofuels, based on an analysis of market availability, is 5 million to 17.1 million gallons, or as much as 0.015 percent, according to the agency.

“While this may be prudent for EPA based on market conditions, it does send a chilling effect through the investment community with respect to cellulosic ethanol technologies,” Matt Hartwig, a spokesman for the Renewable Fuels Association, wrote on the industry group’s website.

Cellulosic ethanol, made from switchgrass, wood chips and agricultural waste such as corn cobs, has been promoted as having a smaller carbon footprint than fuel made from corn because it provides less incentive to cut down trees or plow up prairies to create cropland.

The Obama administration said it will continue to evaluate the market as it works to make the cellulosic standard final in coming months. The EPA “remains optimistic” that the commercial availability of cellulosic biofuel will continue to rise over the next few years, the agency said.

In February, the EPA slashed the cellulosic ethanol mandate for this year by 94 percent, reducing the goal to 6.5 million gallons from the 100 million required under a 2007 energy law. The agency said corn-based ethanol produces less greenhouse-gas emissions than previously anticipated, clearing the way for more use of the fuel.

Congress passed a renewable-fuels standard in 2007 that quadrupled the requirement for blending ethanol and other biofuels into gasoline supplies, to 36 billion gallons by 2022. The law also set interim goals.

--Editors: Larry Liebert, Bill Banker

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Biodiesel Board. Applauds EPA RFS for 2011 (*Hoosier AG Today*)

07/12/2010

On Monday the Environmental Protection Agency (EPA) announced it would require the domestic use of 800 million gallons of biodiesel in 2011. This is consistent with the renewable goals established in the Energy Independence and Security Act of 2007 (EISA), which expanded the Renewable Fuels Standard (RFS2) and specifically requires a renewable component in U.S. diesel fuel. RFS2 provides specific volume requirements for Advanced Biofuels such as Cellulosic Biofuels, Biomass-based Diesel and undifferentiated Advanced Biofuels. Today, biodiesel is the only widely, accepted, commercial scale Advanced Biofuel produced in the U.S. that meets the definition of Biomass-based Diesel and undifferentiated Advanced Biofuels under the RFS2 program. According to the EPA, biodiesel produced from waste greases, animal fats and agricultural oils reduces greenhouse gas emissions (GHG) by as much as 86

percent compared to petroleum diesel. The RFS2 program, consistent with the EPA's announcement, requires a minimum of 800 million gallons of Biomass-based diesel, which included biodiesel, to be entered into the commercial marketplace in 2011.

"We applaud EPA for this announcement and for reaffirming the common-sense notion that we should displace petroleum diesel fuel with Advanced Biofuels like biodiesel. This notice demonstrates to all actors in the fuels marketplace that the volume goals for Biomass-based Diesel provided for by law in the RFS2 program will be met and that 800 million gallons of biodiesel must be used in 2011," said Manning Feraci, Vice President of Federal Affairs for the National Biodiesel Board.

Under the RFS2 program, the EPA is required to determine and publish the applicable percentage standards for each compliance year prior to November 30 of the previous year. The notice published by EPA today sets in motion the process for EPA to finalize this regulatory rule and implement the RFS2 2011 renewable volume requirements.

"The U.S. biodiesel industry stands ready to provide the Advanced Biofuel that will allow this nation to meet the attainable renewable energy goals established by RFS2, reduce our dependence on petroleum and cut harmful greenhouse gas emissions," concluded Feraci.

GENERAL

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EPA Survey Seen As Tentative Step To Addressing Workforce Criticisms (*Inside EPA*)

Posted: July 12, 2010
EPA is circulating to senior enforcement, permitting and other managers a survey of the "challenges" they face with existing agency workloads, which EPA union officials see as a tentative step toward addressing their long-running calls for the agency to conduct a major new workforce analysis to identify staffing shortfalls.

However, one union official says that the survey falls short of their request in a number of ways. For example, the survey is being sent to senior managers and not individual front-line staff, which the source says could skew the results without adequate union input. Further, the survey is limited to six core EPA functions and does not represent the type of broad agency-wide workload and workforce analysis unions believe is sorely needed, the source adds.

EPA is pursuing a "Workload Benchmarking Study" that the agency describes as a "first step" in responding to recommendations from its Inspector General (IG) and the Government Accountability Office (GAO) that the agency improve its process for tracking changes in workload and use that data to determine workforce needs.

According to an EPA primer on the study, EPA also recognizes unions' concerns related to potential workload disparities across programs or regions. As a result, EPA's study will seek a "solid set of information" as a baseline for next steps to better understand the level of work effort for six functional areas of the agency and the major workload drivers. EPA recently sent the survey to its front-line managers.

The six EPA functions that the survey is targeting include: scientific research, environmental monitoring, regulatory development, permitting, enforcement and financial management, according to the survey. EPA has contracted Booz Allen Hamilton to gather data from the survey, which the agency will use to determine how to address concerns from GAO, the IG and others on EPA's workload and workforce limitations.

But EPA in the survey cautions it is not to be seen as workload modeling, nor a full scale evaluation of full-time equivalent (FTE) employees. "The survey is designed to capture best estimates of workload level of effort as a snapshot over the past calendar year for federal EPA employees directly reporting to EPA managers," according to the survey.

"The survey is NOT designed to require in-depth analyses, an employee by employee evaluation, or match existing budget or performance data. This study is also NOT intended to capture EPA's remaining workload outside the six functional areas included in this survey," according to the agency.

EPA asks questions about the workload in each of the six targeted areas. For example, it asks how much time enforcement staff spend on major tasks including inspections and developing and managing questions. For the scientific research category, the survey asks questions such as how much time employees spend on core work, including "integrating scientific knowledge, data and tools needed to review, attain and maintain protective standards." Managers in all six groups are asked to report how many FTEs report to them.

'Preliminary Effort'

The union official says the survey is a "preliminary effort on EPA's part to see where the problems might be, but they could easily get surveys back saying there's no problem." The source says the lack of involvement by front-line employees could lead to incomplete information in the survey responses.

A second union official says EPA would gain much more benefit from a comprehensive workload and workforce analysis to track the work employees are doing and how long it takes them to do those tasks. That in turn could inform improved planning for EPA's workforce needs in the coming years to handle both a growing agency regulatory agenda and also an expected slew of retirements of EPA employees.

The American Federation of Government Employees has warned that a lack of adequate workforce planning means that EPA does not have an accurate idea of the staff and resources it needs.

A recent GAO report was also critical of the agency's workforce planning. That report said EPA -- which has about 17,000 full-time equivalent employees and 6,000 contract employees -- had not conducted a workforce analysis to determine optimal staffing levels and distribution in nearly 20 years.

But top EPA officials are downplaying prospects they will meet calls for a sweeping new workforce analysis to determine its staffing needs for ambitious climate, water and other work, saying instead that they will work to trim duplicative programs and take other steps to improve resource management.

Deputy Administrator Bob Perciasepe says the agency has made no decision on whether to conduct the study, but he told *Inside EPA* May 26 that EPA is looking at ways it could improve management of its personnel.

Perciasepe added that EPA's leadership is hesitant to pursue a burdensome major new agency-wide workforce needs and planning analysis -- which would be the first since the 1980s -- when such a study would not necessarily yield a beneficial outcome. -- *Anthony Lacey*

GRANTS

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July 13, 2010

Preble County cleans up former gas stations (*Palladium Item*)

Ohio receives $8 million grant to take care of underground tanks
By Pam Tharp
Correspondent
NEW PARIS, Ohio -- Two closed Preble County fueling stations are part of a statewide effort in Ohio to clean up aging and unused underground fuel tanks.

The former Sparks Fuel Center on U.S. 40 and the former Union 76 station on East Main Street in Eaton are among 28 fuel stations statewide scheduled for assessment and remediation by the state.

Fourteen test wells were drilled last week at the former Sparks Fuel Center. The wells will be monitored for any petroleum contamination in the groundwater, said Cara Keithley, spokeswoman for the Ohio Department of Commerce.

Ohio received $8 million from the federal American Recovery and Reinvestment Act (ARRA) to assess and remediate sites with underground storage tanks that might have had petroleum releases, Keithley said.

The effort under way in Ohio is the first mass-scale cleanup of its kind in the state, according to the Department of Commerce. The program includes underground storage tanks in all eight regions of Ohio.

Preble County Commissioner David Wesler said the county has made cleaning up the New Paris site a priority. Remediation grants for the abandoned station have been sought since 2006, Wesler said.

"It's only a half-mile away from National Trail schools. National Trail is on well water and so are the residents nearby," Wesler said. "We applied for several EPA grants in the past, but Ohio has gotten very little money and there are hundreds that need cleaning up."

One of the ARRA program's requirements is the owner be unable to clean up the property. Property owner Bill Sparks closed his gas station after a November 1992 tornado blew through the site and destroyed the building. Sparks said he'll give the 13-acre property to the county when it's cleaned up.

Nobody wants it until that's done, he said. The site was a fueling station for more than 40 years, Sparks said.

"The tornado lifted the roof off the building and moved it a foot over. It jerked the pumps off the islands and tore out the underground wiring," said Sparks, who is retired. "I was done. I couldn't afford to fix it and I can't afford to do anything with the tanks. I pumped them out as far as I could when we closed."

Three years ago, Wesler recruited contractors and citizens to volunteer to remove the former fuel center's damaged building. The Jefferson Township trustee now mows the site, Wesler said.

"It had become a place for vandalism and there were rodents," Wesler said. "We had a dozen volunteers, a trackhoe, loaders and trailers. Wysong donated gravel and Rumpke donated containers and we had it mostly cleaned up in one day."

The county has no plans for the property once the site is clear of contamination, but its location on U.S. 40 could make it attractive for new businesses, Wesler said.

"We're just trying to clean up Preble County. I've been persistent about this property and that's key because a lot of money goes to cities," Wesler said. "It's great for Preble County that (the state) is doing work here."

HAZARDOUS WASTE

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KIDK TV - Idaho Falls, Pocatello, Blackfoot - Idaho

EPA: There is hazardous waste (*KIDK TV*)

by Steven Pope
Originally printed at http://www.kidk.com/news/indepth/98271764.html

MADISON COUNTY - The Environmental Protection Agency has confirmed the presence of hazardous chemicals on a Madison County Property. The EPA is currently investigating the site on a federal warrant.

The EPA will continue their tests until the warrant expires Friday. The EPA says the work has been slow because the property is covered in weeds, has over 30 cars, and an array of containers that have chemicals in them.

The EPA has found chemicals on the ground in rusting containers and in several of the vehicles on the property. So far the EPA has discovered that 7 of the 22 containers they have tested contain hazardous waste.

"The owner claimed that these are products that he is interested in keeping, however, I find that it that isn't the proper way to store this material," said Andy Smith, with the EPA.

The EPA is currently investigating some of these items and doing some tests. You can see that they are wearing some masks, even from this distance you can smell some chemicals.

"It's not hazardous," said Max Spatig, who owns the property.

"Why do you think these guys are walking around with masks? See that guy right there? Why do you think they're taking such safety precautions?" I asked.

"Well because they have procedure that they see is hazardous. I can go over there and take some of this put it on me like I'm on a war dance, Native American, and it would have no affect on my body," said Spatig.

Last week the Madison County Sheriff's Office served a warrant to Max Spatig because of the 32 cars strewn around the property. In executing the warrant, deputies found the chemicals. They called the Department of Environmental Quality, which called the EPA. For nearly a week now, Max Spatig hasn't been allowed to stay on his property while the Sheriff's Office has labeled it a crime scene.

"Yes it is a crime scene, they're committing a crime against me," exclaimed Spatig.

"It could easily be leaking, and some of them have," said Smith.

"That is nothing but a curing compound for cement," said Spatig.

The EPA defends that it was a good thing they were called out, and say they will continue testing for hazardous waste. And they may soon to start removing some of that waste.

Max Spatig has only been living here a month, and has had similar issues with his yard in other counties. Spatig recently lost a battle with Jefferson County over his junk, and he also had similar run-ins with the City Council in Kaysville Utah all the way back to 1988.

PESTICIDES

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Monsanto fined for misbranding violation (*Delta Farm Press*)

Jul 12, 2010 3:08 PM, By Elton Robinson, Farm Press Editorial Staff

The Environmental Protection Agency has fined Monsanto $2.5 million for misbranding violations related to the sale and distribution of Bt cottonseed. The civil administrative penalty settlement, which falls under the Federal Insecticide, Fungicide and Rodenticide Act, was announced July 8.

The violation is related to the planting of Bollgard and Bollgard II cottonseed in 10 counties in the Texas Panhandle prior to 2007, when such planting was not allowed due to insect resistance management considerations. Corn was the predominant crop in the 10 counties, and corn producers there had requested a

20 percent structured refuge instead of the 50 percent structured refuge required in other parts of Texas and other cotton growing regions.

EPA agreed to the 20 percent refuge, with the condition that Monsantos grower guide would include a statement prohibiting planting Bt cotton in the 10 counties. Monsantos grower guide failed to include the required language.

Monsanto discovered the error in 2006 and self-reported the oversight to EPA. Monsanto then corrected the grower guides by including the required planting restriction for the Bollgard and Bollgard II products. Monsanto said it immediately implemented an extensive outreach program to Texas seed companies, growers, retailers, Extension agents, and cotton specialists to highlight the restriction in the 10 counties.

Monsanto said that a subsequent evaluation showed that no resistance had occurred in these counties.

EPAs investigation confirmed that between 2002 and 2007, the company distributed or sold the cotton products more than 1,700 times nationwide without the planting restrictions in its grower guides and that Bollgard and Bollgard II cotton was planted in the restricted counties.

This agreement shows that when a company violates the law by distributing misbranded pesticides, EPA will take action, said Cynthia Giles, assistant administrator for EPAs Office of Enforcement and Compliance Assurance. The regulated community should understand that we take these violations seriously, and the public will accept nothing less than compliance.

People who manufacture and distribute pesticide products must follow the federal registration requirements, said Steve Owens, assistant administrator for EPAs Office of Chemical Safety and Pollution Prevention. These requirements are critical to preventing the development and spread of insect resistance.

In September 2008, EPA lifted the planting restriction in the 10 Texas counties for Bollgard II, after Monsanto applied for a change in the registration of that product.

In May 2010, Monsanto entered into a consent agreement with EPAs enforcement office regarding the case. The $2.5 million settlement was not final until approved by the Environmental Appeals Board.

We take full responsibility for this oversight, and we are committed to compliance with the terms of our EPA registrations, said John Chambers, Monsanto lead for cotton product management.

As a result of this matter, we have implemented new internal review processes to prevent such errors in the future, said Rob Nixon, Monsanto lead for stewardship.

The 10 Texas counties were Carson, Dallam, Hansford, Hartley, Hutchison, Lipscomb, Moore, Ochiltree, Roberts and Sherman. More on the agreement go to: http://www.epa.gov/compliance/resources/cases/civil/fifra/monsanto-infosht.html.

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Grower guide error costs Monsanto (*Ecotextile News*)

Monday, 12 July 2010
ST LOUIS – Monsanto has been hit with a fine of US$2.5 million for failing to inform US cotton farmers about restrictions imposed by the Environmental Protection Agency on its genetically-modified Bt cotton.

The Reuters news agency reports that Monsanto, the world's largest seed company, violated the US Insecticide, Fungicide and Rodenticide Act when it sold and distributed some cotton seed products in a way that violated restrictions Monsanto had told the US Environmental Protection Agency it would adhere to.

The EPA limits the planting and selling of this GM cotton seed to protect the environment from the 'potential harm associated with the uncontrolled spread of the genetically engineered component of these pesticides, Bacillus thuringiensis (BT).'

It is reported that over a five year period to 2007, Monsanto distributed or sold Bollgard and Bollgard II cotton seed, which contained genetically engineered pesticides without the planting restrictions required by the EPA to protect against pest resistance, more than 1,700 times nationwide.

"People who manufacture and distribute pesticide products must follow the federal registration requirements," said Steve Owens, assistant administrator for EPA's Office of Chemical Safety and Pollution Prevention. "These requirements are critical to preventing the development and spread of insect resistance."

Monsanto said the problems stemmed from an oversight in issuing a grower guide that was supposed to contain a statement prohibiting planting the cotton in 10 specific counties in Texas where insect resistance management was a concern and Monsanto's biotech cotton was not allowed. The grower guide did not contain the required language. Monsanto said it discovered the error in 2006 and reported it to EPA.

“As a result of this matter, we have implemented new internal review processes to prevent such errors in the future,” said Rob Nixon, head of Monsanto’s stewardship program.

St. Louis-based Monsanto said subsequent evaluation determined that no resistance had occurred in the counties in question, and in 2008 the EPA lifted the restriction and authorised the planting of Bollgard II in those counties.

Elsewhere, a recent report suggests that GM cotton grown in China, designed to resist insect attack, has had an unintended consequence: reduced insecticide use has allowed outbreaks of non-target organisms to infest crops across the agricultural landscape and emerge as new pests.

7/12/2010

EPA, pesticide maker at odds over study (*Legal News Line*)

by Justin Anderson
WASHINGTON (Legal Newsline) - The federal Environmental Protection Agency says a new review of atrazine, a commonly used agricultural pesticide, is rooted in a statutory mandate and prompted by new evidence about the effects of the pesticide to humans and animals.

But one of the makers of the pesticide, Syngenta, calls the review "redundant" and say studies that conclude the pesticide is harmful are "bogus." The company says the new review is nothing more than "an unprecedented war on agriculture by anti-pesticide activists."

"EPA has stated that activist pressure and media reports prompted this unplanned evaluation of atrazine, which was re-registered in 2006 after a rigorous and transparent science review," said Sherry Ford, spokeswoman for Syngenta.

"EPA considered more than 6,000 studies over a 12-year period when it re-registered atrazine, yet the re-review has more scientific scrutiny in play: an unprecedented four Scientific Advisory Panel meetings in the space of 11 months, with the likelihood of more to follow. All this, when a previously-scheduled, and much more considered, EPA science review of atrazine will occur in 2013."

Other critics say the new review is because Democrats now control the White House, giving the EPA an activist flair with freshman administrator Lisa P. Jackson at the helm.

"We believe she is cooperating with, if not spearheading, a broad-based activist agenda to implement an official anti-chemical approach which has no basis in protecting anyone's health, nor do anything measurable or perceptible for the environment, but is designed to promote a political anti-chemical, anti-business agenda," said Dr. Gilbert Ross, medical director of the American Council on Science and Health, a group devoted to consumer education. The group has been outspoken on the attack on atrazine.

Still, the EPA contends its reasoning is scientific and influenced by an interest in public health.

In a statement to Legal Newsline, the agency said: "Given the sizeable body of new scientific information as well as the documented presence of atrazine in both drinking water sources and other bodies of water, the agency determined it appropriate to consider the new research, including inviting independent scientific peer review, to ensure that our regulatory decisions on atrazine are protective of public health and the environment."
The agency spokesman who provided the statement did not want to be identified. The agency did not detail what "new scientific information" the agency was using to validate the new study.

But even the EPA is denouncing some such studies. One study, by Dr. Paul Winchester of the Indiana University School of Medicine, has been called "questionable" by the EPA, according to Syngenta.

According to the company's literature, Winchester concluded that a variation of birth defects in children conceived in June might point to the use of atrazine on corn crops around that time of year.

"He makes the claim without any scientific link to back up his assertion, and admits that freely," the company said in a news release. "The study has absolutely no basis in science as other environmental effects in June, such as the summer sun, may be just as likely to cause birth defects, if you use Dr. Winchester's logic."

In addition to controlling weeds on corn crops, the pesticide is commonly used on sorghum and sugar cane, the company says. The pesticide has been in use for 50 years.

Syngenta, while denouncing Dr. Winchester's study, hints that the EPA's decision to review again the pesticide may have its roots in a campaign by the Natural Resources Defense Council.

The council describes itself as "the nation's most effective environmental action group, combining the grassroots power of 1.3 million members and online

activists with the courtroom clout and expertise of more than 350 lawyers, scientists and other professionals."

The council recently declared that a 2009 analysis by the council of surface and drinking water monitoring data showed "pervasive contamination of watersheds and drinking water systems across the Midwest and Southern United States."

The council further criticized the EPA's regulation and monitoring of the pesticide as "weak" and "inadequate."

"Given the pesticide's limited usefulness and the ease with which safer agricultural methods can be substituted to achieve similar results, NRDC recommends phasing out the use of atrazine, more effective atrazine monitoring, the adoption of farming techniques that can help minimize the use of atrazine and prevent it from running into waterways," the council said in a news release.

According to a 2009 New York Times article reporting on the EPA's decision to re-review the pesticide, the council had sued the agency in 2003 claiming that the agency ignored atrazine's alleged harmful affects to some animals.

Syngenta summarily calls the council's campaign "slick" and "well-funded."

In announcing the re-review, Steve Owens, assistant administrator for the agency's Office of Prevention, Pesticides and Toxic Substances said: "One of Administrator Jackson's top priorities is to improve the way EPA manages and assesses the risk of chemicals, including pesticides, and as part of that effort, we are taking a hard look at the decision made by the previous administration on atrazine."

Owens added that the review would be "based on transparency and sound science."

The agency maintains that its oversight of atrazine "has always been dynamic, not static."

The review is expected to be completed by 2011, at which time the agency will ask an independent panel established by the Federal Insecticide, Fungicide and Rodenticide Act to review the findings.

In its statement to Legal Newsline, the agency said: "If, as a result of the ongoing review, EPA finds that atrazine poses risks of concern that require additional mitigation, the agency would seek public input in developing updated benefits assessments for atrazine uses and consider this information in developing any new risk management decisions for atrazine."

In addition to the ongoing re-review of atrazine, a series of proposed class action lawsuits are pending in the Midwest against the makers of the pesticide. The lawsuits were filed on behalf of local water systems by attorneys Stephen Tillery of Korein Tillery in St. Louis and co-counsel Baron and Budd of Dallas.

Both firms tout themselves as self-described consumer advocates.

Tillery won a $10 billion case against tobacco maker Philip Morris in Madison County, Illinois in 2003, a verdict that was later overturned.

Baron and Budd claims toxic tort litigation is the cornerstone of its practice.

The EPA told Legal Newsline that the maximum contaminant level for atrazine in drinking water is 3 parts for billion. The agency said a review of drinking water data reported by the states last year showed no community water systems were in violation of that level.

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Blame Net Catches Lung Cancer Patients (*New York Times*)

Story also appeared: *Herald Tribune*

July 13, 2010 Tuesday
Late Edition - Final
Section D; Column 0; Science Desk; PERSONAL HEALTH; Pg. 7
Blame's Net Catches Lung Cancer Patients
By JANE E. BRODY

When it comes to advocacy and research funds, the leading cancer killer in the United States -- lung cancer -- clearly gets short shrift. People with the disease are commonly assumed to have brought it upon themselves by smoking. And the 10 to 15 percent of lung cancer patients who never smoked are typically tarred with the same brush. One-tenth of men and one-fifth of women with lung cancer have never been smokers, and in some parts of the country -- Northern California, for example -- as many as 35 percent of women with lung cancer never smoked or lived with smokers.

There are two things wrong here, according to clinicians who treat this killer of nearly 160,000 people a year -- more than deaths from cancers of the breast, prostate and colon combined.

One is the element of blame, as if all smokers who get lung cancer began smoking and continued to smoke knowing the possible consequences.

"Lung cancer is underfunded and a major reason is the idea that it's all related to smoking and it's the smoker's fault," said Dr. Michael Thun, an epidemiologist at the American Cancer Society. "This stigma has influenced both advocacy and research dollars."

In fact, most smokers who develop lung cancer these days were hooked on nicotine long before it was recognized as an addictive drug and before smoking was clearly linked to cancer. I recall ads for a cigarette brand "most doctors recommend," as well as the wanton distribution of free cigarettes to college students and young military recruits. I also recall the more recent industry ploy of marketing "low tar" and "light" cigarettes with a higher nicotine content that kept people hooked.

"Regardless of how patients get lung cancer, it's not deserved," Dr. Joan Schiller, an oncologist at the University of Texas Southwestern Medical Center in Dallas, told me in an interview. "Nicotine addiction is not their fault. Most became hooked at a very young age. It's a real dependence, like heroin or cocaine."

Diagnosing Difficulties

As for nonsmokers who get lung cancer -- about two-thirds of them women -- Dr. Schiller said they "are a disenfranchised group that did nothing wrong, yet women with breast cancer get all the support and empathy."

"It's a sizable number of nonsmokers who get lung cancer, more than get leukemia or AIDS," she went on. "If lung cancer unrelated to smoking was listed as a separate disease, it would be the sixth or seventh most common cause of cancer deaths."

Smoking-related lung cancer typically strikes older people (the average age at diagnosis is 71), but it often afflicts nonsmokers much earlier, in the 30s and 40s or even younger. And because doctors rarely suspect lung cancer when people who never smoked develop respiratory symptoms, the disease is typically diagnosed too late for any hope of a cure.

Many nonsmokers are treated for months for conditions like pneumonia, bronchitis or asthma before the real problem is uncovered. In fact, one type of lung cancer unrelated to smoking, bronchoalveolar carcinoma, can even look like pneumonia on a chest X-ray.

At the same time, however, recent discoveries of unusual genetic abnormalities in lung cancers that afflict nonsmokers have spawned targeted treatments that can buy patients years of quality time.

"We've made phenomenal progress in the last decade," Dr. Heather Wakelee, an oncologist at Stanford University, said in an interview. "In about half of nonsmokers who get lung cancer, we can identify mutations within the cancers themselves that are driving the disease. And for the 20 to 30 percent of cases that have a particular mutation in the epidermal growth factor receptor, we already have drugs that can target this mutation with a pretty dramatic response."

She said, "Even if we can't cure it, our goal is to make lung cancer a chronic disease, like diabetes."

Researchers have identified a number of factors that can account for the development of lung cancer in nonsmokers. Probably best known is passive smoking -- chronic exposure to smoke from other people's cigarettes. For example, the actor Christopher Reeve's widow, Dana, was a nonsmoker who died of lung cancer in 2006, at age 44. While the cause was not determined, some experts speculated that she was a victim of secondhand smoking, exposed when she worked in nightclubs.

On average, Dr. Thun said, nonsmokers married to smokers increase their risk of lung cancer by 20 percent. For that reason, smokers who live with others should not smoke at home or anywhere near a nonsmoking partner or child, even when outdoors.

Everyday Hazards

An estimated 21,000 cases of lung cancer each year result from chronic exposure to radon, a radioactive gas in dirt and rocks that can seep into the air inside homes, offices and schools. Radon is second only to smoking as a known cause of lung cancer. The Environmental Protection Agency recommends that all homeowners get a radon-detection kit -- and, if levels are elevated (as they are in 1 out of 15 homes in this country), install a radon-reduction system.

Asbestos exposure is another potential risk, one that sometimes accounts for lung cancer in men who never smoked but who worked in Navy or civilian shipyards. Nonsmoking asbestos workers face a fivefold risk of developing lung cancer compared with other nonsmokers; the risk is greatly magnified in asbestos workers who smoke.

Air pollution from vehicles, industry and power plants is a relatively minor threat, resulting in perhaps 2,000 lung cancer deaths a year in nonsmokers, primarily those who are heavily exposed to polluted air.

The naturally occurring hormone estrogen is believed to account, at least in part, for the disproportionate number of women who develop lung cancer unrelated to smoking, and for the fact that female nonsmokers tend to get the disease at a

younger age than men. As with many breast cancers, estrogen receptors can be found in some lung cancers, and Dr. Schiller says estrogen may promote their growth.

Then there is the possibility of an inherent genetic susceptibility. Dr. Ping Yang of the Mayo Clinic in Rochester, Minn., has found that significantly reduced activity of a gene called GPC5 is associated with lung cancer in people who never smoked. She reported that this gene, a member of a family of genes that regulate growth factors, is the first to be specifically linked to lung cancer in nonsmokers.

This is the first of two columns about cancer and smoking.

Compact fluorescent lamps save energy but need to be disposed of properly (*Silicon Valley.com*)

By Dana Hull
dhull@mercurynews.com
Posted: 07/12/2010 04:05:13 PM PDT
For years, consumers have been urged to switch to "CFLs," or compact fluorescent lights, which use about one-quarter of the electricity of incandescent bulbs. But unknown to many consumers, CFLs come with a health risk if broken: They contain small amounts of mercury, a neurotoxin that can be particularly harmful to pregnant women and children.

With sales of CFLs now reaching about 400 million a year in the United States, according to the federal Environmental Protection Agency, concerns over the mercury has grown because many of the lights end up in landfills.

"It's a public health issue and an environmental mess if they are not disposed of properly," said Rob D'Arcy, the hazardous materials program manager for Santa Clara County.

California and several other states ban disposal of CFLs in the trash because they could contaminate landfills. But there's little enforcement.

Some local governments in California encourage consumers to recycle the bulbs on household hazardous waste collection days or through "take back" programs at local hardware stores. But no one monitors how successful those voluntary efforts have been, and many fear that the vast majority of CFLs still end up at the bottom of the kitchen trash can.

CFLs contain an average of 5 milligrams of mercury sealed within the CFL's glass tubing. That's far less than watch batteries, dental filings and older thermometers, but still enough to warrant special handling.

If a fluorescent bulb breaks in your house, the EPA advises consumers to have all people and pets vacate the room, open windows for at least 15 minutes, and carefully scoop up any broken fragments into a glass jar with a metal lid. Any heating or air conditioning should be turned off before cleanup.

But no one has called for CFLs to be banned because, on balance, they offer a wealth of environmental and energy-saving benefits. Coal-fired power plants are the largest source of mercury emissions in the air, so using CFLs, which use less electricity than incandescent light bulbs and last longer, is still a better deal for the planet.

Environmental groups like the Natural Resources Defense Council have taken a close look at the CFL safety issue and have concluded that the energy savings exceed the dangers posed by the mercury the lights contain.

"The quantity of mercury contained in the bulb, and the opportunity to be exposed to the mercury, is quite small," the NRDC said in a May 2008 policy paper.

Many consumers are either unaware the lights contain mercury or agree that the benefits outweigh the risks.

Julius Bercasio, 30-year-old owner of Mighty Thredz graphics-design studio in San Jose, was price-comparing

(Click to enlarge)light bulbs for his office Monday afternoon at a San Jose Lowe's, but did not see the fine print on the back of the CFL box indicating the product contained mercury. When it was pointed out to him, Bercasio said, "If it's really toxic, I'd probably stay away from it.

"But if it's a really small amount, and if the bulb's really energy-efficient," he added, "then I'd say the good outweighs the bad, and I'd buy it."

Jamsher Bhatthal, a Lowe's lighting expert, said most customers are like Bercasio. "Nobody ever asks me about the mercury because they don't look closely at the label warning about it," he said. "They read the front of the box, where it says you'll save $48 each year in energy costs by using this product. But they don't read the part that says the lamp contains mercury."

Heidi Sanborn, executive director of the California Product Stewardship Council, a nonprofit organization whose mission is to shift responsibility for waste

management from local governments to manufacturers and producers, is among those who believe "we're still better off using fluorescents."

"But what's happened is that we're trying to keep mercury out of the air by not burning coal, and now mercury is in all of these lamps that are in people's homes," she said.

The regulations prohibiting CFLs from being disposed of in the trash went into effect in 2006, but there's no state funding attached to it. That means each county in California has had to develop its own consumer

awareness and recycling program in a time of strapped budgets, and some have done a better job than others.

"This is a problem that cries out for a big, comprehensive solution," said Bill Pollock of the Alameda County Household Hazardous Waste program. "But no one has the funds to tackle it. Right now the recycling is totally voluntary — people have to make an effort to do it."

In Santa Clara County, several local hardware stores — including Ace Hardware, Orchard Supply Hardware and The Home Depot — offer free fluorescent bulb recycling during their regular business hours. (A complete list of drop-off locations in Santa Clara County can be found at www.hhw.org).

Sanborn says CFLs are indicative of a larger problem — the changing nature of the waste that California residents generate.

"When the waste industry first started, the waste stream was paper, glass, bones and rags — basic material," she said. "Now waste has evolved, and 70 percent of it is manufactured products, like CFLs and cell phones and consumer electronics. Local governments cannot keep up."

The ultimate solution for disposal of CFLs may come with further technological innovation. Many lighting experts see CFLs as a largely transitional product that will be replaced with LEDs — or light-emitting diodes — once volume production drives down costs. LEDs are considered more durable than either incandescent bulbs or CFLs. And unlike CFLs, LEDs don't contain mercury or require time to warm up.

Staff writer Patrick May contributed to this report. Contact Dana Hull at 408-920-2706. Follow her at Twitter.com/danahull.

Funds available to become certified in radon mitigation (*Journal Advocate)*

Posted: 07/12/2010 01:32:51 PM MDT
Funds are still available to fund an individual who wants to become certified to do radon mitigation.

The funds are offered by Colorado State University Extension in northeast Colorado through a grant from Colorado Department of Public Health and Environment.

The funds cover the $595 cost of the mitigation course from Center for Environmental Research and Technology Institute(CERTI), certification examination fees, and the first year membership in American Association of Radon Scientists and Technologists(AARST).

Applications for funding are due by Tuesday, Aug. 10 and require a brief description of experience in construction. Funding for this training is limited to individuals who live and work in the northeast counties of Logan, Morgan, Phillips, Sedgwick, Washington, Yuma and Kit Carson.

The training course is a self-study program which includes all materials needed.

Some of the training is completed on-line. As part of the training, individuals will spend several days with a certified mitigator.

Radon is a colorless, odorless radioactive gas which is considered the second leading cause of lung cancer in the United States. During the past three years, CSU Extension has provided educational programs which include radon screening test.

These tests show 50 percent of homes screened had levels of radon higher than four picocuries per liter of air. At four or above, the Environmental Protection Agency (EPA) recommends a home be mitigated.
Copies of the application for these funds are available by contacting Gisele Jefferson at (970) 345-2287 or Luann Boyer at 970-542-3544. Applications can be emailed on request.

EPA gives contractors, painters half of a break (*Delphos Herald)*

Written by Mike Ford
Monday, July 12, 2010 12:23 PM

The United States Environmental Protection Agency introduced new regulations for lead-based paint that went into effect in April. All who work with the paint are required to take a recertification course and the deadline for that has been extended but the EPA issued a memo in June indicating it would still cite those responsible for violations.

The Delphos Area Chamber of Commerce has sponsored recertification courses conducted by Training Services International. Training Manager Doug Schafer said the EPA has received numerous complaints from companies wanting more time to get recertified. Therefore, the deadline was extended but fines can still be issued to those who have yet to take the course in which the regulations are taught.

“The deadline extension is until Oct. 1; the EPA will not take enforcement action for violating firm certification. You have company certification that has to be met and they will not nail contractors until Oct. 1 but there is also worker training for on-site workers and those in charge of the projects, which they call a certified renovator,” he said. “The EPA will not enforce against a worker if they have enrolled or applied to enroll for a recertification class no later than Sept. 30. The class has to be completed by Sept. 31.

“Now, there is a catch and that is that they still say they will cite you if you’re not following the rules. So, they’re giving you a break on having the recertification as a company and they’re giving you a break on not having the training done but if you violate the work practices that came out on April 22, they can still cite you. Ironically, the place where you learn what the requirements are is in the class.”

The federal government banned lead-based paint from housing in 1978. Some states stopped its use even earlier. Lead can be found in homes in the city, country, or suburbs; in apartments, single-family homes and both private and public housing; inside and outside of the house; and in soil around a home. Soil can pick up lead from exterior paint or other sources such as past use of leaded gas in cars. Children playing near lead-based paint inside a home can ingest or inhale lead dust. Dust can pick up lead from deteriorating lead-based paint or from soil tracked into a home.

Just knowing that a home has lead-based paint may not tell you if there is a hazard.

The EPA indicates children’s blood lead levels tend to increase rapidly from 6 to 12 months of age and tend to peak at 18 to 24 months of age.

Consult your doctor for advice on testing your children. A simple blood test can detect high levels of lead. Blood tests are important for: children at ages 1 and 2; children and other family members who have been exposed to high levels of

lead; and children who should be tested under your state or local health screening plan.

The EPA also indicates homes may be checked in one of two ways, or both: a paint inspection tells you the lead content of every different type of painted surface in your home. It won't tell you whether the paint is a hazard or how you should deal with it; or a risk assessment tells you if there are any sources of serious lead exposure (such as peeling paint and lead dust). It also tells you what actions to take to address these hazards.

Have qualified professionals do the work.

There are standards in place for certifying lead-based paint professionals to ensure the work is done safely, reliably and effectively. This is because lead is a poison that can harm anyone but children and unborn babies are especially at risk.

"Children and pregnant women are most susceptible to lead poisoning. The paint has toxins in it that will interfere with brain function; it can cause brain damage and behavioral problems similar to ADHD and it can cause learning disabilities. It is absorbed by the bones and at high levels, can cause seizures and death," said Celeste Lopez, MD of Wishing Well Pediatrics. "Children are more prone to the brain damage because it can only affect a developing brain but the toxicity can harm anyone. So, an adult who is exposed can die from it."

Lopez said contractors and others should understand the dangers so they can avoid exposure to themselves and their families.

"When you try to remove lead from a house, you increase the toxicity level by scraping the paint off the wall. So whoever is cleaning it is at risk. Then, they can bring it home because the dust gets on their clothes and this puts the children at risk. They can pick it up and whoever washes the clothes gets exposed to it and is at risk," she said.

The entire rule can be found at epa.gov/lead/pubs/renovation.

Politics still trumps science under Obama, researchers say (*Greenwire*)

(07/12/2010)
Politics interferes with science under the Obama administration at the same rate as during the George W. Bush years, say scientists involved in research projects that have significant public impacts.

"We are getting complaints from government scientists now at the same rate we were during the Bush administration," said Jeffrey Ruch, a lawyer who heads an organization representing scientific whistle-blowers, to the *Los Angeles Times*.

President Obama had asked his administration to "guarantee scientific integrity throughout the executive branch" when he took office. But complaints from scientists indicate that this has not happened.

In Florida, water-quality experts said the government is interfering with their assessments of the Everglades. In the Pacific Northwest, scientists said that they were being pressured to under-report the effect of dams on salmon populations. In the West, scientists were being asked to minimize effects of overgrazing on federal lands. In Alaska, oil and gas projects are going ahead despite evidence of likely environmental damage.

And in the Gulf of Mexico, dispersants are being used despite the scientific community urging the administration to study their effects more closely. A U.S. EPA toxicologist asked for a review of toxicity, but his efforts were rebuffed. An EPA analyst, Hugh Kaufman, said that the department "gave the green light to using dispersants without doing the necessary studies."

The White House Office of Science and Technology Policy has said that an "augmentation" of the policy calling for scientific integrity is coming soon (Hamburger/Geiger, *Los Angeles Times*, July 10). **--GV**

WATER

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EPA Issues Notice About Performance Standards For Marine Sanitation Devices Revision (*Water World*)

WASHINGTON, July 13 -- Environmental Protection Agency has issued a notice called: Clean Water Act Section 312(b): Notice Seeking Stakeholder Input on Petition and Other Request To Revise the Performance Standards for Marine Sanitation Devices.

The notice, published in the Federal Register on July 12 by Denise Keehner, Director, Office of Wetlands, Oceans, and Watersheds, states: "This action notifies the public that the Environmental Protection Agency (EPA or "the Agency") has received a petition for rulemaking from Friends of the Earth (FOE) and another separate request for rulemaking under section 312 of the Clean Water Act (CWA). In general these rulemaking-related requests ask EPA to revise its regulations establishing performance standards for vessel sewage

treatment devices under the CWA. The rulemaking petition from FOE also requests that EPA establish monitoring, recordkeeping and reporting requirements under the CWA to ensure compliance with the performance standards. EPA has not made a decision on whether to grant or deny the rulemaking requests, nor is the Agency proposing any changes to the performance standards or other provisions of its regulations at this time. Rather, the purpose of today's Notice is simply to make the public aware of the issues raised in the requests for rulemaking and to obtain the public's input, in the form of comment and relevant information, to help EPA determine appropriate action in response to each of these requests. In particular, EPA seeks input regarding: The universe of vessels operating on navigable waters that use sewage treatment devices; technical information on the performance, effectiveness and costs of vessel sewage treatment devices, including performance testing data; suggestions on what, if any, changes to the performance standards might be appropriate; and information on monitoring, record keeping and reporting approaches for vessel sewage discharges."

Online dialogue to address EPA's new drinking water contaminant strategy (*Water Technology Online*)

7/12/2010 11:32:56 AM
WASHINGTON — The U.S. Environmental Protection Agency will host an online dialogue on July 28-29 to address the agency's new strategy for regulating drinking water contaminants by group, according to the American Water Works Association.
The new strategy is meant to streamline decision-making and expand protection under existing law and promote cost-effective new technologies to meet the needs of rural, urban and other water-stressed communities.
EPA has invited everyone interested in safe drinking water to join the discussion on approaches the agency should consider when developing a framework to group contaminants.

Information from this exchange will help develop the agenda for an upcoming Drinking Water Strategy stakeholder meeting and the framework for addressing contaminants as groups.

States, Industry Ready Bid To Amend Water Act's 'Point Source' Definition (*Inside EPA*)

Posted: July 12, 2010
Several states and the agriculture industry are readying separate efforts to amend the Clean Water Act's (CWA) definition of "point sources" subject to the

law's jurisdiction in order to stem a tide of court rulings in recent years expanding the universe of sources requiring permits.

A key driver for the efforts is EPA's pending effort to finalize National Pollution Discharge Elimination System (NPDES) general permits for some chemical spraying activities and possible changes to a general permit for discharges from marine vessels. Both permits were mandated by federal courts that threw out EPA regulations exempting the source categories from CWA requirements -- and creating significant new permitting burdens for regulators and permittees.

Industry sources have raised special concern about the appellate ruling that created the mandate for spraying permits, charging that the court's reasoning in *National Cotton Council, et al. v. EPA* could broaden the definition of what is considered a "point source" subject to permit requirements.

"It is clear that but for the application of the pesticide, the pesticide residue and excess pesticide would not be added to the water; therefore, the pesticide residue and excess pesticide are from a 'point source,' the U.S. Court of Appeals for the 6th Circuit says in its 2009 ruling.

Industry sources say this reasoning could open the door to permitting activities that were previously considered to be exempted from permit requirements as non-point sources, including fertilizer applications, some releases from livestock operations and air pollution depositions from power plants and other industrial sources. If EPA is required to trace back pollutants to when they were discharged as a point source, virtually anything could eventually fall down this "slippery slope," an industry source said following the ruling.

While industry officials expressed concern about the potential effects of the ruling, a key industry source says officials are weighing a lobbying effort to address the issue. "We haven't started the process yet. We've been trying to think about where our friends are," the source says.

State sources are raising similar concerns, pointing to EPA's pending spraying permit. One state source familiar with the preliminary discussions among state officials on the issue says while EPA's draft spraying permit does not create particularly onerous burdens, it raises a larger question of whether having dual regulations under the Federal Insecticide, Fungicide & Rodenticide Act (FIFRA) and the CWA is the best way to manage pollutants.

"We're asking, if you have both FIFRA and the [CWA], is there a way to pull all the way back and focus more broadly -- is there a way to address this issue that's easier?" the source says. "We're looking at the statute, and states are hopeful that we can have that broad conversation. I think EPA . . . understands the predicament that states are in."

“What states want is to have a conversation [about the CWA’s scope] now that the court has ruled -- let’s look at the issue,” the state source says. “We can create a statutory framework that can get the same amount of environmental protection, but that’s easier” to develop rather than catching up to court-ordered deadlines.

Specific Recommendations

The source says the states have not developed their argument to the point where they have firm, specific recommendations on ways to amend the CWA, but says the issue of having courts expand the scope of the law by throwing out exemptions based on the broad language of the statute -- and the states’ resultant need to develop more permits and compliance assurance efforts at their expense -- is an urgent one.

The source notes that over the years the types of discharges required to obtain NPDES permits has steadily grown from direct point dischargers into waterways -- such as wastewater treatment facilities, power plant and industrial operations -- to stormwater runoff, concentrated animal feeding operations, marine vessels and pesticide sprayers. The latter two categories are being regulated as a result of court rulings, the state source says, which means that unless the definition of a point source is clarified there could be more rulings in the future expanding the NPDES program.

A case in point are vessel discharges, which the agency is now required to regulate after the 9th Circuit in 2008 vacated EPA’s long-standing rule exempting the sources from permit requirements. Once EPA issued a permit, both industry and environmentalists sued, but the litigation in the D.C. Circuit has remained on hold while EPA and the various parties hold settlement talks. EPA asked the court June 28 for an additional abeyance, saying that the agency, the state of Michigan, several environmental organizations and the Canadian Shipowners Association believe they are close to reaching a settlement. EPA is asking the court to keep the litigation on hold until Sept. 8.

The agriculture industry source says that while officials have not yet begun to strike up a dialogue with EPA or the states on the issue of the CWA’s definition of a point source, industry shares the states’ concern that the steadily expanding universe of point sources is a problem that has to be addressed. “If [courts] expand EPA’s authority to call things a point source then you’re also expanding their jurisdiction, and that’s subject to consequences,” the source says. “We don’t know how we’re going to get agriculture and food production done in this country.”

The industry source says it is unknown whether EPA might be amenable to limiting CWA’s jurisdiction by narrowing the definition of point sources, but notes that the Obama administration’s efforts to create more stringent agricultural

runoff controls in the Chesapeake Bay watershed may indicate EPA would likely oppose limits on the scope of the act, even if only for political reasons. -- *John Heltman*

Central Ill. company dumps manure without permit (*Associated Press*)

Story also appeared: *Chicago Tribune*

3:00 AM CDT, July 13, 2010
CHICAGO
A central Illinois livestock company has been dumping its manure and wastewater into a river without a permit.

The U.S. Environmental Protection Agency fined the Greenville Livestock Inc. $40,000 last Friday for not following the Clean Water Act when it discarded animal waste. EPA had previously asked the facility to stop unauthorized dumping and to apply for a permit.

The central Illinois animal feeding operation oversees more than 1,000 cattle by the Kaskaskia River.

The EPA says animal manure and water potentially contribute to pathogens to the environment and water pollutants like nitrogen -- which can be a threat to public health.

Greenville did not want to comment when reached by phone on Monday.

YUCCA MOUNTAIN
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Is mountain a voter molehill? (*Washington Times*)

July 13, 2010 Tuesday
A, PAGE ONE; Pg. 1
Is mountain a voter molehill?;
Reid tries to rally against Angle on Yucca plan
By Valerie Richardson THE WASHINGTON TIMES
The recent ruling reviving the long, bitter debate over the Yucca Mountain waste storage plan has added an element of surprise to a U.S. Senate race in Nevada already on the verge of going nuclear.

A Nuclear Regulatory Commission panel said June 29 that the Obama administration cannot withdraw the nuclear-waste storage application without permission from Congress. The administration, which has already zeroed out the budget for the project to store all of the nation's future nuclear waste material, appealed the ruling to the full commission last week.

Even if the commission reverses the decision, however, the timing all but guarantees that the issue will remain radioactive throughout one of the most closely watched Senate races this fall. The question: Does Yucca Mountain pack enough wallop to explode in one of the candidates' faces, or will it detonate harmlessly miles from its target?

Nevada political strategists say that a nuclear waste storage site at Yucca Mountain, 90 miles northwest of Las Vegas, has never resonated with Nevada voters as much as it has with Washington's political and media elite, especially Senate Majority Leader Harry Reid, the embattled Nevada Democrat.

Mr. Reid fiercely fought the idea and denounced congressional efforts to implement Yucca Mountain as the "Screw Nevada bill."

But polls consistently show that while most Nevadans oppose a Yucca nuclear storage site, they also don't consider it a top 10 or even top 25 issue.

"Yucca Mountain has never had an impact on races here, but you would never know it from reading stories in the national media," said Las Vegas-based political consultant Ryan Erwin. "It doesn't move voters here at all. One reason Al Gore lost Nevada in 2000 [in the presidential race] was because he did a laser focus on Yucca Mountain and it didn't move voters at all."

What the issue can do is reinforce the themes playing out in the contest between Mr. Reid - whose personal popularity has plummeted in recent months - and former state legislator Sharron Angle, his Republican rival.

Mr. Reid, who has long opposed the Yucca Mountain plan and recently declared it dead, can use the issue to remind voters of his clout in the Senate and influence with the administration. Mrs. Angle, who has proposed developing the Yucca site for processing spent nuclear fuel, although not as a "nuclear dump," can emphasize the project's potential for jobs at a time when the state suffers from one of the nation's highest jobless rates.

The unstable element here is Mrs. Angle, who becomes the first statewide candidate in recent memory to favor Yucca Mountain as a storage site. Other Republicans winning the past few statewide elections, including Sen. John Ensign, Gov. Jim Gibbons and Gov. Kenny Guinn, opposed the project.

The Angle campaign has played down the issue and removed a statement on the

project from her revamped website. On the issue, however, the campaign may just want to let Sharron be Sharron, said Eric Herzik, chairman of the University of Nevada at Reno's political science department.

"Harry Reid will play it up and say we've got to stop it," said Mr. Herzik. "Sharron Angle is the first major candidate for statewide office who's for Yucca, and Harry Reid will undoubtedly go after her for it. She'll say it will bring jobs, and if there was ever a time to bring this issue up, this is it."

Despite his high perch in Washington, Mr. Reid has registered basement-level favorability ratings for the better part of a year back home largely because of the state's high unemployment and house foreclosure rates. A Rasmussen Reports poll released June 24 showed Mrs. Angle leading him by 48 percent to 41 percent.

Mrs. Angle could use the issue to undermine Mr. Reid in two ways: first, by arguing that Yucca Mountain would bring hundreds of high-tech and engineering jobs to the economically foundering region; and second, by undermining his status as a power broker by pointing out that he hasn't been able to kill the project.

"The timing is bad for Harry Reid in that he could have claimed this as a victory - 'I stopped Yucca Mountain,' " said Mr. Herzik. "Now he's going to say, 'We've got to keep fighting it,' but at what point are people going to say, 'You've been fighting this for 20 years, how come you haven't stopped it yet?'

"It's a piece of her argument against his effectiveness," he said.

Yucca Mountain is also expected to steal headlines in September, when a federal appeals court is scheduled to hear arguments on a lawsuit filed by several states, including South Carolina and Washington, to resurrect the project.

One reason for the lack of passion among Nevada voters is that the plan has been under discussion for a generation, with little to show for it. Even under the George W. Bush administration, which approved the Yucca Mountain project, the repository for radioactive waste wasn't slated to open until 2017.

"If people actually perceived it as being imminent, maybe they would get more interested, but so far it's never even been close to happening," said Mr. Erwin. "There are so many more higher priorities for people right now, like feeding their families and holding on to their houses."

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