

PA. Distract and attack, Philadelphia Inquirer, (editorial), 07/31/11. This region has a huge stake in the battle. Pennsylvania ranks second nationally for toxic air pollution from power plants, according to a rating this summer from the Natural Resources Defense Council. Polluted air aggravates asthma, a disease that afflicts millions of Americans, including Gov. Christie, who attributed his recent hospitalization for asthma in part to the poor air quality. Clean air, clean water, and open space are bedrock American values. They enjoy wide support among the public, both in our region and nationwide. The American people recognize what the anti-environmental House Republicans do not, that it isn't OK to make people breathe foul air and drink polluted water in the name of protecting jobs and profits.

MI. Regulators: Tar sands pipelines not studied, Michigan Messenger, 07/29/11. The U.S. EPA has twice criticized environmental reviews by the State Department as insufficient and asked that a spectrum of issues — from the greenhouse gas emissions of tar sands processing, to the impact on communities along the pipeline route and around the refineries — be examined in greater depth...Goopy raw tar sands is mixed with lighter chemicals (natural gas condensate) to make it thin enough to pump through pipelines. A recent report prepared by the National Resources Defense Council, Pipeline Safety Trust and Sierra Club warned that diluted bitumen is more acidic, has more abrasive quartz sand particles, and is moved at higher temperatures, significantly increasing corrosion dangers on pipelines.

OH. Ohio tops new toxic emissions list; no surprise, Marietta Times, 07/28/11. Ohio ranked worst in the nation, with the state's power plants generating more than 44.5 million pounds of chemicals in 2009, or about 12 percent of all U.S. air pollution, according to the study, conducted by the Natural Resources Defense Council and the Physicians for Social Responsibility... The study was based on 2009 U.S. EPA Toxic Release Inventory data.

Obama Raises U.S. Fuel Efficiency Standard to 54.5 mpg, Environment News Service, 08/02/11. The standards also curb carbon pollution, requiring performance equivalent to 163 grams per mile of CO₂. The administration says the standards will cut more than six billion metric tons of greenhouse gas over the life of the program - more than the amount of carbon dioxide emitted by the United States last year. The nonprofit alliance Go60MPG, a joint effort of Environment America, the National Wildlife Federation, Natural Resources Defense Council, the Safe Climate Campaign, the Sierra Club, and the Union of Concerned Scientists, applauded the agreement, but encouraged all parties to do more.

Responsible Debt Reduction Should Start With Cuts to Wasteful Subsidies, Huffington Post, (op-ed), 08/02/11. Frances Beinecke: Some House Republicans have given us cause for worry this summer, unleashing an environmental broadside through bills that would undermine foundational protections like the Clean Water Act and the Clean Air Act, as well as dozens of harmful policy riders attached to larger spending bills. Debt reduction is too important to get sidetracked by a conservative agenda to undo a generation of environmental progress. Instead, the place to start balancing the public ledger is by ending billions of dollars a year in wasteful incentives for mature industries like fossil fuels, nuclear power and natural resource extraction. Frances Beinecke is the President, Natural Resources Defense Council.

Capitalizing on Christie's asthma, Politico/Ben Smith Blog, 08/02/11. The group Environment New Jersey released a statement offering Christie "best wishes for a speedy recovery," but posted an online petition calling on Christie to sign the League of Women Voters' Clean Air Promise. "Gov. Christie has not done enough to clean up New Jersey's air, but after being hospitalized for an asthma attack recently, we hope he'll be more sympathetic to the challenges 163,000 New Jersey kids with asthma face every day," the group's page says.

Representative Issa, please step away from the car deal, Grist, (op-ed), 08/02/11. David Doniger: Car owners will fill up half as often and save \$3,000 over the life of the car. American families will save \$80 billion a year at the pump and cut our national oil addiction by 2.2 million barrels per day. And we'll create up to 150,000 new American jobs. Rare good news for the

planet, according to *The New York Times*. Everybody wins. But not good enough for Rep. Darrell Issa (R-Calif.), chair of the House Oversight and Government Reform Committee. He's a climate skeptic and no friend of EPA or other federal health and safety agencies. And he's not happy. David is the policy director of the Natural Resources Defense Council's (NRDC) Climate Center, and our chief global warming lawyer.

The GOP's Hidden Debt-Deal Agenda: Gut the EPA, Time, 08/02/11. It was lost in the endless drama of the debt-ceiling negotiations, but last week the Republicans in charge of the House of Representatives launched an unprecedented attack on the country's environmental protections. GOP representatives added rider after rider to the 2012 spending bill for the Environmental Protection Agency and the Interior Department, tacking on amendments that would essentially prevent those agencies — charged with protecting America's air, water and wildlife — from doing their jobs...As Natural Resources Defense Council president Frances Beinecke wrote recently, this body of lawmakers stands an excellent chance of becoming "the most anti-environment House of Representatives" in U.S. history.

Energy programs prepare for debt deal pain, Politico, 08/01/11. Constituencies fighting in the trenches for every dollar insist that their programs are small relative to other big-ticket items in the annual appropriations process. But there's still plenty of concern that everything from wastewater grants to air pollution monitoring and biofuels research and development will face the scalpel as lawmakers start cutting about \$2.7 trillion in spending over the next decade. "The numbers are just too vague, but obviously we don't feel we're in a good place," said Scott Slesinger, legislative director at the Natural Resources Defense Council... "The next appropriations cycle is when they would start to feel the pain," said James Walsh, a former New York Republican congressman and chairman of the House Appropriations subcommittee that handled the EPA's budget.

Asthma and Clean Air: One Mother's Fight in Texas, Care 2, (op-ed), 08/01/11. Marcia Yerman: I've put out links where you can send a note to the EPA, and have asked parents to join the Moms Clean Air Force — an advocacy group. If you think there is no cause to worry, check out the July 27 New York Times article, "Republicans Seek Cuts in Environmental Rules." I recently listened to a call sponsored by the League of Women Voters that discussed the need for citizens to be proactive. The participant that engaged me on a visceral level was Alexandra Allred, the mother of an asthmatic child. Her comments stayed with me as an example of a mother who had decided that speaking up and acting on her beliefs was essential — not just for her son, but also for the 7.1 million other children who have asthma. Yerman heads Moms Clean Air Force.

ENVIRONMENTAL SPENDING BILL SIDELINED, National Journal/Need to Know Memo, (see below), 8/01/11. The partisan throwdown over the EPA-Interior Spending bill and its policy riders was sidelined this weekend by the debt-ceiling war, and a final vote looks increasingly likely to get pushed to September. That could dial down some of the furor over the bill, which has become a chief vehicle for tea party conservatives to attack decades-old environmental laws. "If the vote on the Interior-EPA bill is delayed until autumn, it would give the extremists more time to come to their senses," Ed Chen, communications director for the Natural Resources Defense Council, e-mailed National Journal. "But no one should hold their breath."

Distract and attack, Philadelphia Inquirer, (editorial), 07/31/11. This region has a huge stake in the battle. Pennsylvania ranks second nationally for toxic air pollution from power plants, according to a rating this summer from the Natural Resources Defense Council. Polluted air aggravates asthma, a disease that afflicts millions of Americans, including Gov. Christie, who attributed his recent hospitalization for asthma in part to the poor air quality. Clean air, clean water, and open space are bedrock American values. They enjoy wide support among the public, both in our region and nationwide. The American people recognize what the anti-environmental House Republicans do not, that it isn't OK to make people breathe foul air and drink polluted water in the name of protecting jobs and profits.

Rule's cost up in air, Indianapolis Star, 07/31/11. American Electric Power, parent of Indiana Michigan Power, said last month it would retire some boilers at coal plants in Indiana, Kentucky, Ohio and Texas and close power plants in West Virginia, Ohio and Virginia as a result of EPA's new pollution rules. It did not say which location in Indiana would be affected. Indiana coal plants emitted 26.8 million pounds of harmful chemicals into the air, accounting for 68 percent of the state's pollution, according to a report issued two weeks ago by the Natural Resources Defense Council and Physicians for Social Responsibility.

A Quiet Green Win for Obama on Auto Efficiency, Time/Ecocentric, 07/29/11. The national deal will also head off any independent effort by California—which is able to set its own fuel efficiency levels under the Clean Air Act, pending a federal waiver—to set tougher standards, which could have forced manufacturers to meet a patchwork of regulations around the country. That left some environmentalists—like the Safe Climate Campaign—complaining that the White House had given into corporate pressure. Still, even though it was a compromise, environmentalists hailed today's announcement, as Roland Hwang of the Natural Resources Defense Council put it: With this standard everybody wins—not only drivers and auto workers but every man, woman and child who will be able to breathe cleaner air.

New Clean Air Rules Force Some Coal Plants to Close, Inter Press News Service, 07/29/11. "Coal is the dirtiest source of energy we know. It's been causing problems all over the country for many, many years. Power companies like to say we've had really cheap power all this time. But we're having to pay the health care costs for all these people, lost work, lost school. We as a society pay more than what we pay on our power bill," Colleen Kiernan, executive director of Sierra Club's Georgia Chapter, told IPS. Part of the new EPA rule, called selective catalytic reduction, deals with nitrogen pollution. Nitrogen mixes with other chemicals in the atmosphere to create ozone, which, if inhaled, causes the equivalent of a "sun burn in your throat", according to Kiernan.

Environmentalists cheer Obama's fuel economy hike, USA Today/Greenhouse, 07/29/11. President Obama's plan to double fuel efficiency standards for cars and light-duty trucks by 2025 received applause from environmentalists who had pressed for such action...Cheering the news is Go60MPG, a joint effort of Environment America, the National Wildlife Federation, Natural Resources Defense Council (NRDC), the Safe Climate Campaign, the Sierra Club, and the Union of Concerned Scientists.

Will the new fuel economy rules actually work?, Washington Post/Ezra Klein Blog, (op-ed), 07/29/11. Brad Plumer: So what will the fuel-economy rules actually achieve? Judging by an earlier EPA estimate, the regulations could reduce U.S. oil consumption by nearly 2.2 million barrels per day by 2025—roughly equal to all of our current daily imports from Saudi Arabia, Venezuela, and Kuwait... Trouble is, it's not always that simple. The cars that actually drive on the road rarely achieve the mileage advertised... "We'll try to be vigilant, but a lot of the burden here is on the auto industry to set aside their regulatory battles and just focus on making more fuel efficient cars," says Roland Hwang of the Natural Resources Defense Council. Brad Plumer is an associate editor at The New Republic.

EPA's Critics Step Up Campaign Against Revised Ozone Standards, CQ Today, (see below), 07/29/11. EPA critics continued to pressure the Obama administration Thursday over an upcoming proposal to toughen federal ozone standards, which was delayed earlier this week following a torrent of criticism. Top Republicans on the House Energy and Commerce Committee released an exhaustive list of questions Thursday for EPA Administrator Lisa P. Jackson about the impending update to national ambient air quality standards (NAAQS) for ground-level ozone... Environmentalists and health groups note that the proposed range would prevent thousands of premature deaths each year. In support of the air law, the American Lung Association on Thursday released a television ad it will air in congressional districts that shows a baby carriage in various locations around Washington accompanied by the sound of a child coughing.

Legislative riders target environmental protections, Washington Post, 07/28/11.

Environmentalists point out that in recent months, federal courts have ruled that environmental regulators should do more to control harmful chemical emissions, such as greenhouse gases. With their amendments, Republicans are seeking to overturn court opinions, said David Goldston, director of governmental affairs for the Natural Resources Defense Council.

EPA FACING COURT DEADLINE ON AIR TOXIC STANDARDS, National Journal/Need to Know Memo, (see below), 07/28/11. Today's the court-ordered deadline for EPA to issue four new air toxic standards for the oil and gas industry today. Curiously, the agency's webpage doesn't include its July 28 date like it did earlier this week. It says only that it would release proposals by January 31 and final rules by November 30 (the webpage was updated on Wednesday). EPA has not responded to a request for comment about that. Meanwhile, the American Petroleum Institute is focused on EPA's ozone standards and is holding a conference call today to urge the administration to delay the rules for two years. The American Lung Association, on the other hand, is launching an aggressive campaign on Thursday to defend EPA's Clean Air Act.

House GOP Looks to Trim Environmental Rules in Budget Bill, The Atlantic/The Wire, 07/28/11. As the debt ceiling debate looms large, House Republicans have filled an appropriations bill with 39 riders that would curb environmental regulations, such as prohibiting the Bureau of Land Management from preserving new wilderness areas or loosening the enforcement and policing of mountaintop-removal mining and uranium prospecting near the Grand Canyon. There's no way the 39 riders will pass but some Democrats and environmentalists worry that some could make it through as the two parties negotiate, reports *The New York Times*. "You have a fatal political momentum," said David Goldston, director of government affairs for the Natural Resources Defense Council.

OVERNIGHT ENERGY: Obama to unveil fuel-economy compromise, The Hill/E2 Wire, 07/28/11. The American Lung Association released a new television advertisement Thursday blasting House Republicans for their efforts to block or weaken key Environmental Protection Agency clean air rules. The ad, which will run in Washington, DC, shows a red baby carriage with a baby coughing. "More air pollution means more childhood asthma attacks," the ad says. The ad comes as the House is debating an Interior and EPA spending bill that includes dozens of policy riders aimed at hobbling Obama administration energy and environmental regulations.

Obama to unveil auto fuel rule deal, Detroit News, 07/29/11. The Natural Resources Defense Council said the rules could "could encourage manufacturers to classify more vehicles as light trucks, depending on how the standard is designed." Environmentalists said air conditioning credits that automakers will be able to use will lower the fleetwide average from 54.5 mpg to about 50 mpg. The NRDC said the 50 mpg translates into 40 mpg on the vehicle sticker instead of today's average of about 22.5 mpg.

Upton summons EPA chief for smog hearing, Politico Pro, (see below), 07/28/11. Energy and Commerce Committee Chairman Fred Upton (R-Mich.) and deputies Ed Whitfield (R-Ky.) and Cliff Stearns (R-Fla.) plan to examine the consequences for areas that would be in violation of the standards if the EPA tightens the limits as planned...The American Lung Association also on Thursday announced a new television ad featuring a red baby carriage carrying a coughing child in front of the Washington Monument and the U.S. Capitol. The ad will run on network and cable stations, and the ALA said it expects to continue its outreach campaign during the August recess.

Republicans Seek Big Cuts in Environmental Rules, New York Times, 07/28/11.

Environmental groups and their Democratic allies in Congress worry that more than a few of these so-called riders could stick when both sides negotiate and leverage budget concessions in the fall. "You have a fatal political momentum," said David Goldston, director of government affairs for the Natural Resources Defense Council, an environmental advocacy group. "They are

going to load up this bill in an unprecedented fashion."... "Many of us think that the overregulation from E.P.A. is at the heart of our stalled economy," Mr. Simpson said, referring to the Environmental Protection Agency. "I hear it from Democratic members as well."

BUDGET: Debt deal set to crater energy, enviro spending for years to come, E & E News, (see below), 07/28/11. As the capital's debt-limit drama enters its final act today, the last two solutions standing -- one Democratic, one GOP -- would slash long-term energy and environmental spending to a degree comparable with the fiscally austere deal struck to avert a springtime federal shutdown..."We're fighting riders today on the Hill in the Interior funding bill for one year, but this sets up the blueprint for potentially a number of years," Sierra Club deputy national campaigns director Melinda Pierce said of the debt byplay between House GOP and Senate Democratic leaders.

Greens happy with Obama CAFE deal, sort of, Politico Pro, (see below), 07/28/11. Several environmental leaders have suggested the CAFE announcement could even serve in some ways as redemption after failing to exert more leadership on last year's unsuccessful global warming bill. "It is the president's signal environmental achievement, which he is now attempting to build on more ambitiously for a longer timeframe," former EPA Administrator William Reilly wrote in a recent essay in *Yale Environment* 360. "It's an incredible step forward, but again, we need to see the details and we need to see the oil and gas savings," said Ann Mesnikoff, the Sierra Club's green transportation deal director. "That's ultimately the measure of the strength of the program."

Obama to unveil MPG standards, Politico, 07/27/11. The industry support appears to be contingent on several flexible compliance approaches built into the agreement and limiting California's ability to set its own emission standards, a right it has under the Clean Air Act..."There's some things we find encouraging and some things we find troubling," added Roland Hwang, transportation program director at the Natural Resources Defense Council. "If there's an agreement, we think at this point it's up to the auto industry, we're calling upon the auto industry, not to exploit loopholes that could undermine the consumer and pollution benefits."

Detroit goes green? Carmakers must average 54.5 miles per gallon by 2025, Christian Science Monitor, 07/27/11. The new standards, according to the Natural Resources Defense Council, include: An overall standard of 54.5 miles per gallon (mpg) -- representing about a 40 percent reduction in fuel consumption and a 50 percent cut in carbon pollution from today's vehicles. A 5 percent annual mileage improvement for cars from 2017 to 2025.... A midterm review, by spring 2018, to assess whether the standards are on track. That joint assessment -- by EPA, NHSTA, and the California Air Resources Board -- will be used by EPA to determine if any changes are needed.

O-H-oh-no: Catching My Breath In America's Most Toxic Air?, Science 2.0/Seeing Green, 07/27/11. In reality, my first taste of Ohio air was probably not detectably different from any other state. But the back of my mind was filled with a recently released joint report from the Natural Resources Defense Council and Physicians for Social Responsibility: The Buckeye State topped their list of toxin emitters, releasing almost 70 million pounds in 2009 (the latest data that the Environmental Protection Agency has released). By contrast, runner-up Pennsylvania produced nearly 30% less. And so I found myself producing one small, involuntary cough.

SD board considering refinery's air quality permit, Associated Press/Sioux Falls, 07/26/11. A state environmental board this week is considering a Texas company's request to extend the construction start deadline for a \$10 billion oil refinery planned for southeastern South Dakota. Opponents say it would emit too much pollution and hurt the quality of life in the area. "The permit contains numerous flaws, fails to adhere to critical Clean Air Act provisions, and reflects the State's lack of expertise in administering a permit of this complexity and importance," James Heisinger, chair of the South Dakota Chapter of the Sierra Club, said in a statement.

National Journal

N2K Energy: Oil Subsidies on the Chopping Block; Virginia Serious About Becoming an Oil State

Monday, August 1, 2011 | 7:03 a.m.

1. **UP NEXT: OIL SUBSIDIES ON THE CHOPPING BLOCK.** Big Oil's \$4 billion in annual tax breaks have scraped through the debt-ceiling deal unscathed. But they are certain to be the top target on the table this fall if the deficit-slashing "super committee" carries out its mandate to recommend another \$1.8 trillion in deficit reduction by the end of the year. The industry's friends in the Senate know that full well: Six Senate Republicans and three Senate Democrats sent a letter to President Obama asking him not to single out oil companies in the debt negotiations. Look for these friends of oil to continue to fight for the industry this fall.
2. **VIRGINIA SERIOUS ABOUT BECOMING AN OIL STATE.** Most of the signatories to the above Senate oil letter – Democrat **Mary Landrieu** and Republican **David Vitter** of Louisiana, Republicans **John Cornyn** and **Kay Bailey Hutchison** of Texas – are no surprise. The most interesting name on the list is Virginia Democrat **Mark Warner** -- who doesn't come from an oil-producing state, and helped author the "Gang of Six" plan calling for tax reform, which many expected would eventually target oil tax breaks. But Warner is also pushing for Virginia to host the East Coast's first-ever offshore drilling.
3. **ENVIRONMENTAL SPENDING BILL SIDELINED.** The partisan throwdown over the EPA-Interior Spending bill and its policy riders was sidelined this weekend by the debt-ceiling war, and a final vote looks increasingly likely to get pushed to September. That could dial down some of the furor over the bill, which has become a chief vehicle for tea party conservatives to attack decades-old environmental laws. "If the vote on the Interior-EPA bill is delayed until autumn, it would give the extremists more time to come to their senses," Ed Chen, communications director for the Natural Resources Defense Council, e-mailed *National Journal*. "But no one should hold their breath."
4. **ASSESSING THE NEW FUEL ECONOMY STANDARDS.** President Obama on Friday announced a deal between the White House and the nation's automakers to ramp up fuel economy standards to 54.5 mpg by 2025. As part of the deal, the White House agreed to a 2018 review of the standards -- just one year after they kick in -- which would provide an opportunity to modify the 54.5 mpg goal if the new standards prove too onerous to industry. Some have criticized this review as a "loophole." *National Journal* experts weighed in on how realistic the standards are and whether it is truly "the single most important step we've ever taken as a nation to reduce our dependence on foreign oil," as Obama declared.
5. **BRENT FUTURES TRADE HIGH ON DEBT DEAL.** Brent crude futures hit a 6-week high on Monday, Reuters reports, as lawmakers reached a last-minute agreement to raise the U.S. debt ceiling late on Sunday night. Still, analysts indicated signs of economic slowdown, which might lead to a slowing oil demand.

CQ TODAY

EPA's Critics Step Up Campaign Against Revised Ozone Standards

A version of this article appeared in the July 29, 2011 print issue of CQ Today

By Geof Koss, CQ Staff

EPA critics continued to pressure the Obama administration Thursday over an upcoming proposal to toughen federal ozone standards, which was delayed earlier this week following a torrent of criticism.

Top Republicans on the House Energy and Commerce Committee released an exhaustive list of questions Thursday for EPA Administrator Lisa P. Jackson about the impending update to national ambient air quality standards (NAAQS) for ground-level ozone.

Echoing industry criticism, the lawmakers accused the agency of acting out of turn with the Clean Air Act (PL 101-549), which requires the EPA to review NAAQS every five years. The Bush administration last reviewed the standard in 2008, but two years later the EPA under President

Obama announced it was reconsidering the Bush standard, which fell outside of the range recommended by outside science advisers.

"Your choice to promulgate alternate costly new standards outside of the Clean Air Act's normal five-year review cycle defies common sense," wrote Energy and Commerce Chairman Fred Upton, R-Mich., Energy and Power Subcommittee Chairman Edward Whitfield, R-Ky., and Oversight and Investigations Subcommittee Chairman Cliff Stearns, R-Fla.

The letter includes four pages of questions on the EPA's decision to reconsider the Bush standards, including numerous queries over Jackson's interactions with Obama on the issue. The committee is planning a series of hearings on the ozone standards after the August recess. "Your participation will be essential to these hearings," the lawmakers wrote.

Disagreement on Standard

The EPA earlier this week delayed the expected Friday release of the standards for ground-level ozone, a key component of smog produced by the reaction of nitrogen oxides and volatile organic compounds with sunlight at ground level. Ground-level ozone causes serious respiratory problems for young children, the elderly and adults who spend a lot of time outdoors in areas with high levels of the pollutant.

The Bush administration in 2008 set the standard at 0.075 parts per million — a level that exceeded the range recommended by outside science advisers. The Obama administration announced in 2010 that it would reconsider the Bush standards, which Jackson earlier this month called legally indefensible.

The range under consideration by the EPA is between 0.060 ppm and 0.070 ppm, as recommended by the science advisers in 2008. The agency says the recommended level will be based on the best possible science.

Industry argues that the most stringent level proposed by the EPA would put large numbers of counties out of compliance, triggering a long and costly regulatory effort to reduce ozone levels. Environmentalists and health groups note that the proposed range would prevent thousands of premature deaths each year. In support of the air law, the American Lung Association on Thursday released a television ad it will air in congressional districts that shows a baby carriage in various locations around Washington accompanied by the sound of a child coughing. But a new study released Thursday by the American Petroleum Institute says the EPA "grossly misrepresents" the health benefits of a stronger ozone standard. The group said it planned to present the study at Thursday meetings on the ozone standards with officials at the White House Office of Management and Budget. The EPA earlier this week said the standards would be released at the end of the OMB review.

Other Skirmishes

The campaign against the ozone standards is the latest example of pushback by industry and Republican lawmakers against EPA clean air regulations. A bipartisan group of 25 senators urged their chamber's leaders in a letter Thursday to support legislation that would ease the impact of a new air regulation for cement manufacturers that was released last year.

"We wish to provide the U.S. cement manufacturers the opportunity to recover from the current recession and continue their work with EPA to reconsider aspects of the rule before embarking on a regulatory program that will significantly erode domestic cement capacity," wrote the group, led by Sens. John Barrasso, R-Wyo., and Joe Manchin III, D-W.Va.

The letter followed the introduction earlier Thursday of a bill (HR 2681) by a bipartisan bloc of House members that would allow the EPA at least 15 months to revise its rule on cement manufacturer emissions.

The bill, sponsored by Reps. John Sullivan, R-Okla., and Mike Ross, D-Ark., would also extend compliance deadlines in the rule from three to five years.

The EPA did get a break Thursday on another matter.

The House rejected, 114-341, an amendment by Rep. Marsha Blackburn, R-Tenn., to the fiscal 2012 Interior-Environment appropriations bill (HR 2584) that would have eliminated funds for a popular program that helps states and local government reduce diesel emissions.

National Journal

N2K Energy: Michigan Dems Close to Backing Fuel-Economy Deal; Huntsman's Speech Raises Questions

Thursday, July 28, 2011 | 6:38 a.m.

1. **MICHIGAN DEMS CLOSE TO BACKING FUEL-ECONOMY DEAL.** A White House [deal](#) with the nation's largest automakers to dramatically ramp up vehicle fuel-economy standards was cautiously embraced by two of Michigan's key Democrats, senior Sen. **Carl Levin** and Rep. **John Dingell**. "It looks better than it did a few days ago," Levin said. Levin cited lower standards for light trucks, a "stronger" chance to revisit the standards as early as 2018, and an assurance that California must ask for a waiver from EPA to move forward with its own more-ambitious standards. Dingell said in a statement to *NJ*, "We are very close to passing the finish line and I am pleased. It sounds like a win-win, a deal that protects jobs and goes a long way toward reducing our dependence on foreign oil."
2. **HUNTSMAN SPEECH RAISES QUESTIONS.** Sixth-place GOP presidential candidate Jon Huntsman is in Washington tonight addressing a sold-out dinner held by Republicans for Environmental Protection, a moderate, pro-cap-and-trade group that represents barely a sliver of the party's current interests. The appearance has many GOPers scratching their heads about how serious Huntsman is about competing in a Republican primary where winning votes from conservatives is key -- especially coming as tea party darling Rep. **Michele Bachmann** beats the drums in Iowa, and hard-line conservatives are waging a historic battle for smaller government, as gridlock on Capitol Hill over the federal budget pushes the government toward default. "There's no conceivable way you can make sense of this and an announced desire to be the Republican nominee," said Michael McKenna, a GOP strategist. "It's almost like he's intentionally pissing off some very large chunk of the party."
3. **DEMOCRATS ENJOY RARE VICTORY IN SPENDING BATTLE.** In the biggest surprise so far of the House's ongoing floor debate on the EPA/Interior FY2012 spending bill, the chamber [rejected a Republican rider](#) that would have blocked funding for new endangered species listings and critical habitat designations. An amendment offered by Rep. **Norm Dicks**, D-Wash., passed 224-202 (including more than 30 Republicans), that strikes the rider from the underlying bill. While this bill was never going away in its entirety, this rejection makes it unlikely that Republicans will succeed in getting the provision into an omnibus spending measure that Congress must pass by October. Environmentalists will continue to oppose the overall bill, and this win is minor given the bigger cuts to clean-air and public-lands programs.
4. **EPA FACING COURT DEADLINE ON AIR TOXIC STANDARDS.** Today's the court-ordered deadline for EPA to issue four new air toxic standards for the oil and gas industry today. Curiously, the agency's [webpage](#) doesn't include its July 28 date like it did earlier this week. It says only that it would release proposals by January 31 and final rules by November 30 (the webpage was updated on Wednesday). EPA has not responded to a request for comment about that. Meanwhile, the American Petroleum Institute is focused on EPA's ozone standards and is holding a conference call today to urge the administration to delay the rules for two years. The American Lung Association, on the other hand, is launching an aggressive campaign on Thursday to defend EPA's Clean Air Act.
5. **NUCLEAR REGULATORS TALK JAPAN AHEAD OF MAJOR REPORT.** The Nuclear Regulatory Commission holds three hours of public meetings today on its task force's [preliminary findings](#) to the Japanese crisis (it will be [webcast here](#)). Meanwhile, Obama's blue-ribbon commission on nuclear waste has confirmed to *NJ* it will issue its draft report to the administration Friday. It will be published on the [commission's website](#) at 10 a.m. Friday. For a wonky preview of what will be in it, [click here](#) for the commission's reports issued since it was created in January 2010.

Politico Pro

Upton summons EPA chief for smog hearing

By [ROBIN BRAVENDER](#) | 7/28/11 12:18 PM EDT

House Republicans are demanding that EPA chief Lisa Jackson testify this fall about her plans to tighten smog standards.

In a letter Thursday, senior Energy and Commerce Committee Republicans told Jackson her participation was "essential" during a series of ozone hearings planned for after the August congressional recess.

Energy and Commerce Committee Chairman Fred Upton (R-Mich.) and deputies Ed Whitfield (R-Ky.) and Cliff Stearns (R-Fla.) plan to examine the consequences for areas that would be in violation of the standards if the EPA tightens the limits as planned.

The Republicans have been prepping for the hearings after talks last week with representatives from the U.S. Chamber of Commerce, the American Petroleum Institute and other industry groups who are already warning that the EPA is on the verge of releasing the most expensive environmental rule in U.S. history.

The EPA said earlier this week that it would miss its Friday deadline to issue the final rules, but still plans to issue the standards soon.

Jackson said recently that she would have had a tough time defending a George W. Bush era smog standards in court, a reason that prompted her last year to propose even stronger limits.

The Bush administration set the ozone limits at 75 parts per billion even though EPA's science advisers recommended a standard protective of public health between 60 ppb and 70 ppb.

In their letter to Jackson, the GOP lawmakers spelled out a series of questions, including whether she personally briefed President Obama about her decision to reconsider the 2008 standards and whether the president has authorized her to proceed with the new rules.

The lawmakers also asked Jackson to hand over documents the EPA shared with Obama and his staff after it proposed the draft ozone rule, including any maps of the potential nonattainment areas and any studies of the costs and benefits associated with the different options.

Republicans and industry are ratcheting up pressure on the Obama administration to abandon the controversial standards.

The American Petroleum Institute on Thursday released a study claiming the EPA misrepresented the health benefits of the ozone standards by folding in reductions from fine particulate matter, which is regulated under separate agency action.

Depending on which limit it picks, the EPA has said its proposed ozone standard would yield between \$13 billion and \$100 billion in health benefits by reducing premature deaths, respiratory illnesses and emergency room visits. The estimated cost of the EPA's proposal ranges from \$19 billion to \$90 billion.

Greens and public health groups are also meeting with the White House this week and urging the administration to follow through with its plan to issue a stricter ozone standard.

The American Lung Association also on Thursday announced a new television ad featuring a red baby carriage carrying a coughing child in front of the Washington Monument and the U.S.

Capitol. The ad will run on network and cable stations, and the ALA said it expects to continue its outreach campaign during the August recess.

E & E News

BUDGET: Debt deal set to crater energy, enviro spending for years to come 07/28/11.

As the capital's debt-limit drama enters its final act today, the last two solutions standing -- one Democratic, one GOP -- would slash long-term energy and environmental spending to a degree comparable with the fiscally austere deal struck to avert a springtime federal shutdown. The bipartisan alignment on knifing what is likely to be billions of dollars from U.S. EPA and the Energy and Interior departments' budgets over the next 10 years is drawing little notice as the debt-limit talks hurtle toward a hectic climax marked by bitter intra-party tensions.

Even as they focus on a splashier battle against restrictive policy riders in GOP spending bills, Democrats and environmentalists alike acknowledge that the deficit endgame spells doom for their priorities.

"We're fighting riders today on the Hill in the Interior funding bill for

one year, but this sets up the blueprint for potentially a number of years," Sierra Club deputy national campaigns director Melinda Pierce said of the debt byplay between House GOP and Senate Democratic leaders.

"And it's dialing back funding to the place where it can have crippling effects on some of the natural resources programs, on programs that keep clean air."

One House Democrat leading the charge against the 38 policy riders in the 2012 Interior-EPA spending bill warned yesterday that many in his own party had not "looked past the headlines" to digest the practical impact of the spending cuts envisioned by the Senate majority.

"It's moving so fast that nobody has really focused on the details of any of these plans," Rep. Jim Moran (D-Va.) said. "It doesn't amount to a whole lot of money, but it will cause a whole lot of anguish."

In fact, the trims to domestic discretionary spending outlined in both Senate Majority Leader Harry Reid's (D-Nev.) and House Speaker John Boehner's (R-Ohio) debt packages are significant on paper.

Reid's plan would cap that domestic discretionary pot of money at \$1.045 trillion in 2012 budget authority and let it rise to \$1.228 trillion in 2021, according to independent Congressional Budget Office projections. Boehner's plan offers a similar budget authority cap that tops out at \$1.043 trillion in 2012 and \$1.234 trillion in 2021. The two plans could yet change.

Both party leaders' spending caps would represent a cut of more than \$40 billion next year relative to the CBO baseline set by the government funding deal for 2011 that averted a shutdown in April. By 2021, CBO estimated, the Reid approach would mean a \$125 billion cut below the shutdown-deal baseline, or \$6 billion more in cuts than Boehner's plan.

Those long-term cuts refer to the panoply of domestic agency spending, from EPA air-pollution monitoring to DOE efficiency grants to many other non-energy or environmental programs. But on a more granular level, the 16 percent slice taken from EPA's budget in the April shutdown deal could well be the shape of things to come for most non-defense federal programs, unless the final debt pact takes a turn toward the left.

"I'm very concerned with where we're going on this debt deal," Rep. Henry Waxman of California, the House Energy and Commerce Committee's top Democrat, said yesterday. "Republicans are pushing for not just a level of cuts, but as much cuts as possible in the first couple of years."

Asked whether he would vote against a Senate Democrat-backed debt measure that promised environmental protection cuts similar to April's deal, Waxman said only: "I'd have to look at it all."

Moran was more ready to commit. "I don't think it's a fair deal," he said of the Senate Democratic outline, "and I'm not inclined to support it."

Given the likelihood that even a short-term lifting of the debt limit could damage the nation's iconic AAA credit rating, Democrats are certain to face a vise of pressure to back the Reid plan -- particularly if Boehner's

alternative fails to clear the House in a test vote that could occur as soon as today. Yet their eagerness to drive a wedge within the GOP did not dispel the gloom among some green-minded Democrats over the draconian cuts now inescapable in the wake of the debt-limit showdown.

"We're in damage control at this point," Rep. Peter Welch (D-Vt.) said this week, calling it "a major error" to link long-term spending with the debt ceiling. "[The Reid plan] is significantly better than the Boehner deal. Is it what I want? No."

House Democratic Caucus Chairman John Larson of Connecticut quipped that "you don't see us doing somersaults in here" over the cuts put on the table by party leaders. "But we're bumping up against a deadline here."

Senators who have prioritized a strong EPA and DOE were less than sanguine over the trend of the debt talks in their waning hours. Sen. Tom Carper (D-Del.) this week called for an up-or-down vote on the spending plan offered last year by the presidential debt commission, which he said "gets us where we need to go with a sense of shared sacrifice -- mostly spending and some revenue."

Sen. Chris Coons (D-Del.) vowed to work "as hard as I can to find sources of revenue to sustain vital investments" in clean energy.

Noting that most decisions in the lengthy debt negotiations have been made at the top levels of congressional leadership, Pierce of the Sierra Club described many of the Hill's environmental stalwarts as "relatively powerless to change the tenor of the conversation and basically, at this point, braced for the worst."

After Senate Democrats handed a major victory to Republicans by releasing a debt plan that included no new revenue, effectively ending a months-long battle to put oil industry tax breaks on the chopping block, few liberal lawmakers or green advocates decried the scissoring publicly.

Riders a distraction?

If the \$14.3 trillion federal borrowing limit is raised with the anticipated gut check to EPA, DOE and Interior, green advocates can look to April's 2011 spending deal as a harbinger of what is to come. When EPA took a \$1.6 trillion hit in that pact to avert a government shutdown, Democrats declared victory after defeating GOP-backed policy riders, but environmentalists could not hide their dismay at the overall cuts to their dearly held goals (E&ENews PM, April 12).

The dynamic this week is an echo of spring, as conservation groups campaign against restrictive provisions in one House Republican 2012 spending bill while paying little public heed to the debt debate.

Battling GOP riders "has probably kept our focus off this larger debt limit negotiation that, in many respects, we should be paying significant attention to," said Alan Rowsome, director of conservation funding for the Wilderness Society.

"Because it does have long-term ramifications, at least on the funding side, that have the potential to be as damaging as policy riders or funding cuts on a year-to-year basis," he added. "If the years go by and you're stuck in

this trap [of lower funding], you're not going to be able to get out of it."

Indeed, the federal budgeting process can leave agencies mired in a lower funding echelon for years following a round of steep reductions. The pattern cuts both ways -- when the April spending deal pared EPA's budget to \$8.7 billion for 2011, it marked a swoon from 2010 spending but stayed more than \$1 billion above the agency's 2009 levels.

Future allocations for EPA-Interior and DOE spending bills, however, are likely to remain heavily influenced by previous years' apportionment. That means that the April cuts to environmental agencies, which packed a billion-dollar punch to state programs for clean drinking water and water pollution cleanups, are positioned to have a lingering effect on long-term agency spending (Greenwire, April 12).

"I see a point at which we just can't enforce our environmental laws because we don't have the money to do that" if the trend being set during the current debt talks continues, Friends of the Earth energy tax analyst Ben Schreiber said. "A point where we end up eliminating programs that are essential, like money for renewable energy development."

Devil's in the details

Despite the storm clouds looming for energy and environmental programs, some Senate Democrats declined to predict a wallop. Overall discretionary cuts would have to be apportioned among agencies and could be steered clear of maximum punishment for favored agencies, they noted.

Environment and Public Works Chairwoman Barbara Boxer (D-Calif.) noted this week that any future cuts would not necessarily come out of EPA or any other agency, steered instead through an appropriations committee process that would determine more detailed slices.

Sen. Ben Cardin (D-Md.), a senior member of Boxer's panel, said that it would be possible to, "within this [Reid] framework, preserve clean air and clean water. It's not going to be easy, but [the Reid plan] acknowledges the political realities."

Of course, Boxer and Cardin's ability to influence future spending allocations depends in large part on whether their party can eke out a political win in the debt-limit message war that might keep their hold on the Senate during the 2012 election.

There may yet be "enough wiggle room or an opportunity to use the dollars out there and use them wisely," said Rowsome, of the Wilderness Society. "You'd hope that those investments and continued support [would go to Interior and EPA] ... it does depend a great deal, though, on the makeup of Congress going forward."

Politico Pro Greens happy with Obama CAFE deal, sort of

By [DARREN SAMUELSON](#) | 7/28/11 5:44 AM EDT

President Barack Obama's moment in the sun on fuel economy Friday could be spoiled by green gripes over the automakers' outsized influence.

Several environmentalists told POLITICO on Wednesday that they're excited about a deal that would increase CAFE limits to 54.5 mpg by 2025. But they are still troubled by the auto industry's

demands for a number of flexible compliance options that they fear will diminish the environmental integrity of the whole package.

"The devils are in the details and there are a hell of a lot of details," said Dan Becker, director of the Safe Climate Campaign.

"We're trying to do the math to try to figure out what all the loopholes all add up to," he added. "By definition, when you have loopholes, they subtract from the stated goal."

Weeks of closed-door, White House-led talks have led to a CAFE plan that forces cars to annually increase their fuel economy 5 percent from 2017 to 2025, while light trucks must meet a 3.5 percent increase through 2021. After that, light trucks must meet the same 5 percent target. Environmentalists said they are alarmed by the split in emission limits, as well as the flexibility provisions that would allow companies to get extra credit for making mild hybrid and hybrid pickups and using technologies that aren't usually counted in EPA tests, including solar roof cells, front grille shutters and special exhaust systems.

Carmakers also can get credits for transitioning away from air conditioning fluids that they already were required to phase out under existing rules.

"The auto companies want to get paid for not robbing the bank," Becker said.

The Obama administration has been under pressure from all corners of the fuel economy debate, including calls by the greens to set new limits as high as 60 mpg and California officials who have the unique authority under the Clean Air Act to set their own greenhouse gas emissions limits for motor vehicles that are stronger than the federal government.

Several environmental leaders have suggested the CAFE announcement could even serve in some ways as redemption after failing to exert more leadership on last year's unsuccessful global warming bill.

"It is the president's signal environmental achievement, which he is now attempting to build on more ambitiously for a longer timeframe," former EPA Administrator William Reilly wrote in a recent essay in *Yale Environment 360*.

"It's an incredible step forward, but again, we need to see the details and we need to see the oil and gas savings," said Ann Mesnikoff, the Sierra Club's green transportation director. "That's ultimately the measure of the strength of the program."

Some greens on Wednesday were acting like there's still room to change the deal. The Sierra Club, for example, released a letter to Obama signed by Florida legislators and local officials who want the White House to negotiate a 60 mpg standard.

Jody Freeman, a former Obama White House energy lawyer, said she's not surprised the greens have refrained from doing cartwheels. "I think they are doing what they always do, which is to be careful, because they are worried about backsliding," she said.

Auto industry officials have been equally vocal with demands to keep the next round of CAFE limits at a level that doesn't cost too much or force impossible-to-reach technological changes. Last week, the Alliance of Automobile Manufacturers started running radio ads critical of the Obama proposal in several political battleground states, including Indiana, Michigan, Missouri, North Carolina, Ohio and Pennsylvania.

The industry's trade groups offered cautious praise for the agreement that includes the flexible compliance options, as well as a mid-term review in the spring of 2018 to see whether the standards are appropriate.

"With these safeguards, we are able to advance the nation's environmental and energy goals by providing manufacturers with enough lead-time to design and build the type of advanced technology vehicles needed, while continuing to meet consumer needs with a full range of vehicle choices," said Michael Stanton, president and CEO of the Association of Global Automakers, a trade group that includes among its members Honda, Nissan and Toyota.

Wednesday, White House spokesman Jay Carney said the president will roll out a new fuel economy plan that will "result in significant cost savings for consumers at the pump, dramatically reduce oil consumption, cut pollution and create jobs."

The CAFE agreement appears to have won support from General Motors, Chrysler, Ford, Honda, Hyundai and Nissan. It also drew praise from Rep. John Dingell, the Michigan Democrat who for decades led the opposition to any increases in fuel economy limits.

"They're doing a fine job of working out a difficult problem," Dingell said. "There's always a few little things, but they're doing very well."

Asked about the 54.5 mpg level, Dingell replied, "Well, if the companies can do it, and say they can, then that's enough for me."

While House Republicans aren't thrilled about the new standards, it's unclear just how much they can do to stop the Obama administration.

A rider in the Interior-environment fiscal 2012 spending bill currently up for debate on the floor would prohibit the EPA from finalizing any agreements after model year 2017. But the prospects for that language making it into law are dim given opposition among Senate Democrats and the White House.

Rep. Ed Whitfield (R-Ky.), the chairman of the House Energy and Power Subcommittee, took issue with California's outsized role in the negotiations. But he sounded resigned to a deal.

"If these automobile manufacturers want to reach agreements with EPA, that's their business," Whitfield said.

For Obama, environmental support is seen as crucial for the fuel economy agreement. Greens praised Obama for his efforts in 2009 to get industry and California onto the same page for a deal that increased CAFE limits to 35.5 mpg by 2016.

Freeman said that the agreement ultimately would win the environmentalists' support.

"It'd be very hard to take the view that this is not an overall win-win-win, just like the last deal was," she said. "It has all the components of the original, which I think benefited everybody."

So will the greens be at the Walter E. Washington Convention Center cheering on Obama when he unveils the agreement on Friday?

"If they invite us, we'll come," said the Sierra Club's Mesnikoff.

Robin Bravender and Darren Goode contributed to this report.