

THE GALLON ENVIRONMENT LETTER

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IT IS TIME TO PLACE ENVIRONMENT ON THE FTAA AGENDA

NAFTA did it. The European Union did it. Place environmental protection into the equation of free trade. Yet the governments negotiating the new Free Trade Agreement of the Americas (FTAA) are trying to dump environmental protection. Led by George Bush, President of the United States, the FTAA nations have yet to place into effect environmental protection measures similar to NAFTA's environmental side agreement. And many of the environmental organizations that are opposing FTAA altogether, are missing the boat. They are not fighting for inclusion of the environment into FTAA. Now, in a new Carnegie Endowment for International Peace working paper entitled, "Politics and Parallel Negotiations: Environment and Trade in the Western Hemisphere," John Audley, senior associate, and Edward Sherwin, junior fellow, make the case for parallel negotiations during the Free Trade of the Americas Agreement negotiations "that harnesses improved environmental protection to the engines of economic expansion." In order to refocus what has been a troubled process, Audley and Sherwin argue for an innovative, pro-active environmental approach that meets the environmental concerns of developed and developing nations without sacrificing the growth needs of developing economies. The steps they recommend in the report include: national environmental assessments, much like what the NAFTA Commission for Environmental Cooperation (CEC) is doing; develop a "hemispheric environmental information access system"; develop coordinated technical assistance and capacity building for the environment within member countries; and, create an effective role for civil society. Audley and Sherwin conclude that these advances must be linked to the outcome of trade negotiations to compel governments to address them and ensure that growing national economies and expanded environmental and human health capacity go hand in glove. For more information contact Scott Nathanson, Communications Manager, Carnegie Endowment for International Peace, 1779 Massachusetts Ave., NW, Washington, DC 20036, ph. (202) 939-2211, fax: 202-939-2377. The publication is available online at <http://www.ceip.org/files/Publications/wp25.asp> or can be ordered by contacting pubs@ceip.org.

Visit their website at <http://www.ceip.org>

ENVIRONMENTAL CONCERNS OF THE FTAA

In 1994, heads of state from 34 countries in the Western Hemisphere convened in the first Summit of the Americas. They laid the foundations for a process of economic integration within the Western Hemisphere that would lead to the creation of a Free Trade Area of the Americas (FTAA). In April 2001, after more than six years of preparatory work, heads of state met again in Quebec City, Canada for the 3rd Summit of the Americas. While there, the political leaders launched the final push in the FTAA talks with the aim of concluding negotiations in 2005. Friends of the Earth based in Washington, D.C., states that FTAA will be a common market removing most limits on the movement of capital, goods, and services. As a regional trade and investment agreement, the FTAA will set common policies and regulations on issues such as market access, intellectual property rights, government procurement, services, customs procedures and dispute settlement. The FTAA will also provide broad new rights to multinational corporations investing and operating throughout the hemisphere. This vast FTAA project of liberalization will affect almost every sector of the economy and will have significant environmental and social impacts. Yet - unless there is a dramatic change in negotiating stances - the FTAA will not include any clear and strong provisions for environmental protection. Nor it will include any corresponding responsibilities for multinational investors. Meanwhile, if the agreement includes NAFTA-like and WTO-like trade rules, it will directly undermine and challenge national and international laws and regulations protecting the environment. See more of the Friends of the Earth's concerns at the website <http://www.foe.org/international/ftaabrief.html>. Also you can find the full wording of the draft FTAA agreement at <http://www.ustr.gov/regions/whemisphere/ftaa.shtml>

NRDC OFFERS EXPERTS TO THE PUBLIC AND POLITICIANS

The Natural Resources Defense Council (NRDC) based in Washington, D.C. has effectively launched requests for government information on the development of George Bush's National Energy Plan. Now the NRDC is offering its experts to the public and politicians. They have a "Expert Finder" which is a guide to the NRDC's environmental experts and the issues that they cover in their work. To arrange for interviews with or comments from any of NRDC's lawyers, scientists and analysts, contact email nrdcinfo@nrdc.org.

JANINE FERRETTI DEPARTS AS EXECUTIVE DIRECTOR OF THE NAFTA ENVIRONMENT COMMISSION

Janine Ferretti, Executive Director of the North American Commission for

Environmental Cooperation (CEC), will complete her term as Executive Director June 22, 2002. In the rotation plan, the next Executive Director will be from the United States, Ferretti having represented Canada. The first Executive Director was Victor Lichtinger from Mexico. Ferretti was with the Commission for eight years since 1994 and was one of the highest placed Canadian women in the international community. Currently, The Council of the Commission for Environmental Cooperation (CEC) of North America—composed of Canadian Environment Minister David Anderson, Mexican Secretary for Environment and Natural Resources Victor Lichtinger, and Governor Christine Todd Whitman, Administrator of the United States Environmental Protection Agency have initiate a search for a new executive director for the CEC. Ms. Ferretti will conclude more than four and a half years of dedicated service as executive director of the Commission for Environmental Cooperation. The CEC Council, the organization's governing body, expressed gratitude for Ms. Ferretti's many significant contributions during this time. Under Ms. Ferretti's leadership, the CEC has developed and implemented key initiatives supporting the Commission's mandate to address regional environmental concerns and to promote effective enforcement of environmental law. For more information, please contact: Michel Cl  roux, Chief, Media Relations, Environment Canada, ph. (819) 953-4016, or Maria Pia Tamburri, Special Assistant, Office of Communications, US EPA, ph. (202) 564-4355, Jaime Alejo Castillo, Director de Informaci  n, Mexico's Semarnat, ph. (5255) 56 28 07 90. Visit the CEC website at <http://www.cec.org/home/index.cfm?varlan=english>.

NEW MEASURES TO HELP DEVELOPING COUNTRIES FINANCE APPROPRIATE DEVELOPMENT - UNDP

Often old styles of financing have not helped promote country self-sufficiency and sustainable development in developing countries. And the world is running out of easy loan money. A country just can't run to the World Bank every time. New ways of financing for developing countries need to be found - if we are to see large scale infrastructure programs for water, sewage treatment, and safe energy sources continue in the developing countries. The United Nations Development Program (UNDP) has just published a new report entitled, "Capacity for Development: New Solutions to Old Problems," announced Earthscan, an environmental publishing house based in London, U.K. The report was edited by UNDP's Sakiko Fukuda-Parr, Carlos Lopes and Khalid Malik. The UNDP launched the publication at The International Conference on Financing for Development held in Monterrey, Mexico in March 2002. The conference reviewed a range of financing options for providing international support to help developing countries meet the Millennium Development Goals. President George Bush announced that the United States will lead by example and proposed a 50-percent increase in the US core development assistance over the next three budget years. The new US funds will go into a new Millennium Challenge Account, devoted to projects in nations that govern justly, and that invest in their people and encourage economic freedom.

Capacity for Development brings together innovative and well-supported studies of technical cooperation and its potential to build sustainable capacities in developing countries by enhancing the knowledge, skills and productive aptitudes of their populations. For more information and to read a sample chapter see the website <http://www.earthscan.co.uk/asp/bookdetails.asp?key=3658>. To browse the complete Earthscan catalogue of environmental publications go to their website at <http://www.earthscan.co.uk>

HEAVILY CENSORED US DEPT OF ENERGY (DOE) PAPERS SHOW THAT INDUSTRY WAS THE REAL AUTHOR OF BUSH/CHENEY'S ENERGY TASK FORCE REPORT

Bush and Cheney dumped democracy in favour of expediency. Their national government cut out the public and their public interest groups when developing a new national energy policy. Instead Bush and Cheney went straight to the corporate special interests in secret meetings, a travesty of democracy and free trade. How can this happen in America. Aren't we fighting for a democratic society? Now we are losing it because of executive malfescance. Despite being heavily censored, the thousands of Department of Energy documents released under court order following legal action taken by the Natural Resources Defense Council (NRDC) confirm the intimate, secretive relationship between huge, politically connected corporations and the White House energy task force. That's the finding of legal experts at NRDC (Natural Resources Defense Council), which is reviewing more than 11,000 pages released night under an order from a U.S. District Court judge here. Here are some of the findings. A March 20, 2001 email from the American Petroleum Institute to an Energy Department official provided a draft Executive Order on energy. Two months later, President Bush issued Executive Order 13211, which is nearly identical in structure and impact to the API draft, and nearly verbatim in a key section. "Big energy companies all but held the pencil for the White House task force as government officials wrote a plan calling for billions of dollars in corporate subsidies, and the wholesale elimination of key health and environmental safeguards," said John H. Adams, NRDC president.

In March 2001, a Southern Company lobbyist emailed a DOE official suggesting "another issue" for inclusion in the energy plan: so-called reform of the Clean Air Act and related enforcement actions. The suggestion was incorporated into the energy plan, launching the Administration's controversial effort to weaken the Clean Air Act and retreat from high-profile enforcement actions against the nation's largest polluters, including the Southern Company. NRDC requested the documents 11 months ago under the Freedom of Information Act, and filed a lawsuit to get the documents after all administrative efforts were rebuffed by the administration. NRDC is represented in its lawsuit by the Washington, D.C. law firm of Meyer and Glitzenstein.

"These documents show how the White House task force turned coal and oil

company wish lists directly into national policy while ignoring proven technologies that can help us meet our energy needs cleanly and reliably," explained Sharon Buccino, an NRDC senior attorney. For more information contact NRDC at email nrdcinfo@nrdc.org. Visit their website at <http://www.nrdc.org>

SMART GROWTH URBAN PLANNING IN U.S. THREATENED BY FEDERAL BUDGET CUTS

More than a dozen states have made or are considering massive cuts to smart growth programs to address budget shortfalls, according to a report released today by NRDC (Natural Resources Defense Council), Sprawl Watch Clearinghouse and Smart Growth America. The report warned that cutting these vital programs eventually will threaten local economies, the environment and public health, and called on state legislators to defend them. "We understand that states have to tighten their belts, but this is not the time to return to the failed policies of the past," said Deron Lovaas, NRDC's deputy director for smart growth policy. "We have hundreds of examples around the country of programs building vibrant communities, revitalizing older neighborhoods, and protecting our cherished green spaces. States have to take the long view." The economic downturn has dramatically reduced state revenues. One estimate places the aggregate budget shortfall for states for fiscal year 2002 at a crushing \$40 billion. And although it looks like the economy is on its way to recovery, that is cold comfort to state budget officials struggling to make ends meet in this fiscal year and the next. The report surveyed the status of smart growth programs in 15 states and the District of Columbia. These programs face the budget axe in Florida, Maryland, Minnesota, New York, North Carolina, Pennsylvania, Tennessee, Wisconsin and Utah. Colorado and Ohio are considering smaller, but still harmful, cuts. Recently, California voters passed a \$2.6 billion ballot measure protecting open space. Meanwhile, Washington state lawmakers this year passed five smart growth statutes, and Massachusetts legislators are considering two measures that would provide more money to preserve green space, clean up brownfields, and encourage communities to incorporate smart growth principles in local planning. For more information contact NRDC at email nrdcinfo@nrdc.org.

UNEP HOSTED GLOBAL ROUNDTABLE ON FINANCE

The United Nations Environment Programme (UNEP) held a roundtable on Finance and Sustainability March 14 - 15, 2002 in Rio de Janeiro, Brazil. The roundtable focussed on Microfinance, Venture Capital, and Environment and Security. The roundtable was hosted by Banco Nacional de Desenvolvimento Economico e Social (BNDES). With assistance from: Corporacion Andina de Fomento (CAF) and Business Action for Sustainable Development (BASD). Visit the website at <http://unepfi.net/rio>.

20 POWER COMPANIES IN THE U.S. GENERATE 50% OF THE AIR POLLUTION

The Natural Resources Defense Council (NRDC) and CERES, a national coalition of environmental and investor groups, and Public Service Enterprise Group Incorporated (PSEG), one of the electric power generation companies included in the report prepared the report entitled, "Benchmarking Air Emissions of the 100 Largest Electric Generation Owners in the U.S. - 2000." The report concludes that fewer than 20 power generation companies in the United States account for 50 percent of carbon dioxide (CO2), mercury (Hg), oxides of nitrogen (NOx), and sulfur dioxide (SO2) emitted into the air by the 100 largest public and private electric power companies in the United States. Between 4 and 6 companies accounted for 25 percent of emissions of each pollutant. The Benchmarking report compares the top 100 electric generating companies, whose 1,900 plants make 90 percent of U.S. electricity (and produce 90 percent of total emissions). They are ranked by total emission levels, and benchmarked according to emission rates relative to electricity produced. Four companies had more than twice the average rate of NOx emissions, and eight companies had more than twice the average SO2 emissions rate; 19 companies had CO2 emission rates that are less than half the average. Looking just at coal-fired plants, some companies had NOx emission rates twice as high as others, while SO2 emissions varied by a factor of four. The worst CO2 emissions rate was 34 percent higher than the best. Coal plants produce half of America's electricity, but 90 percent of the electric industry's total pollution. U.S. power plants produce fully 10 percent of the world's total manmade carbon dioxide emissions. CO2 emissions from the electric industry rose 26.5 percent from 1990 to 2000 -- 70 percent faster than the overall U.S. CO2 growth rate. Seventy percent of U.S. electricity comes from fossil-fuel plants (coal, natural gas, oil), but pollution emissions from fossil fuel plants vary greatly. For example: Keyspan Electric's fossil fuel NOx emissions are 2.2 pounds per megawatt hour; Tampa Electric's emissions are 7.08 pounds -- a three-fold difference; Calpine's fossil CO2 emissions rate is half that of American Electric Power (AEP); Entergy emits 3.3 pounds of SO2 per megawatt hour generated in its fossil fuel plants; Cinergy produces a whopping 18 pounds -- a five-fold difference; and, the three largest electric generating companies -- AEP, Southern Company and Tennessee Valley Authority -- together accounted for between 17 and 24 percent of the pollution in each category. The report analyzes data submitted by the companies to the U.S. Environmental Protection Agency (EPA) through the Toxic Release Inventory (TRI). See the full report at the website <http://www.epa.gov/tri>

STATES IN THE U.S. HEAVILY INVOLVED IN ENVIRONMENTAL ENFORCEMENT

State environmental agencies accounted for 70% of all formal administrative

enforcement actions brought between 1995 and 1999 in the United States, according to a study conducted by the Environmental Council of States ("ECOS"). If informal notices of violations and warning letters are included, ECOS said state agencies accounted for 90% of all administrative actions. For example, states brought 8,188 formal administrative actions in 1999 compared to 3,532 EPA administrative proceedings. If informal administrative actions are included, the EPA commenced 8,743 of the 84,185 enforcement actions brought in 1999. ECOS reported that states now administer nearly 80% of the federal environmental programs that may be delegated compared to 40% in 1993. In fiscal year 2000, ECOS said states budgeted \$13.5 billion for environmental programs. In contrast, EPA's fiscal year 2000 budget was \$7.4 billion. Source, The Schnapf Environmental Report, a bi-monthly newsletter published by Law Professor Lawrence P. Schnapf, 55 E.87th Street, #8B, New York, New York 10128. Telephone: (212) 996-5395. Fax: (503) 213-9314, email LSchnapf@environmental-law.net. Subscription rate for the Schnapf Environmental Report is \$95 for one year (six issues) or \$25 per issue. Visit the ECOS website at <http://www.sso.org/ecos>

US EPA CREATES ONLINE EMISSIONS TRADING SYSTEM FOR SO2 & NOX

Participants involved in SO2 and NOx cap and trade programs may now trade allowances for those pollutants on the Internet instead of submitting paper forms to U.S. Environmental Protection Agency under the agency's Online Allowance Transfer System ("OATS"). EPA hopes OATS will streamline and accelerate emission trading. EPA estimates that the total value of allowances in its SO2 and NOx cap and trade programs is approximately \$20 billion. An allowance is the right to emit one ton of a particular pollutant. The first cap and trade was the acid rain program adopted by EPA to reduce SO2. Northeastern states have also adopted a cap and trading program for NOx while California has developed a cap and trading program for SO2 and NOx. A similar program based in Chicago has been established for VOCs. EPA statistics indicate that SO2 emissions have dropped by six thousand since 1980 and that the cost of the allowances have been 75% below original estimates. The Northeast NOx program has reduced NOx emissions by more than 50% below 1990 levels. A NOx trading program will extend to 19 eastern states in 2004. Source, The Schnapf Environmental Report, a bi-monthly newsletter published by Law Professor Lawrence P. Schnapf, 55 E.87th Street, #8B, New York, New York 10128. Telephone: (212) 996-5395. Fax: (503) 213-9314, email LSchnapf@environmental-law.net.

U.S. INCREASE FUNDING FOR RENEWABLE ENERGY

United States Secretary of Energy Spencer Abraham released the Department of Energy's (DOE) Fiscal Year 2003 Budget request to Congress which earmarks over US\$1.3 billion for renewable energy and energy efficiency. The total budget

request of US\$21.9 billion is the largest amount ever requested by the DOE and includes US\$150 million for FreedomCAR, a program developed to refocus transportation research and development toward cost-effective, fuel cell powered vehicles and developing a hydrogen infrastructure. "We are making a significant investment in energy efficiency and renewables to develop diverse sources of energy that are at the same time abundant, affordable, and clean," Abraham said adding that new initiatives in transportation and wind were also part of the funding request. Much of the proposed budget-nearly half-focuses on nuclear power and weaponry but Spencer said the Bush administration's commitment to renewable energy is shown in the budget request. If adopted, the DOE plan will: Extend and modify the tax credit for producing electricity from renewable sources; provide a tax credit for residential solar energy systems; provide a new tax credit for the purchase of certain hybrid and fuel cell vehicles and provide a tax credit for energy produced from landfill gas. The budget also includes US\$277 million to help working families weatherize their homes and increases funding of the Energy Star program, which promotes efficient appliances and machines, according to Abraham.

See the full story at <http://www.solaraccess.com/news/story.jsp?storyid=1453>.

Source, <http://www.solaraccess.com>.

NEW SOLAR PHOTOVOLTAICS WAFER MANUFACTURING SYSTEM BEING BUILT IN CHINA

GT Solar Technologies, a manufacturer of photovoltaic (PV) solar wafer cell and module manufacturing equipment, based in Nashua, New Hampshire, will install a turnkey GT-WAFFAB photovoltaic wafer fabrication line for Baoding Yingli New Energy Resources Co., Ltd. in Baoding, China. "We conducted a thorough search to identify a wafer line supplier," said Xingxue Tong, Vice General Manager at Baoding Yingli. "We found GT Solar is one of world's leading companies with extensive experience in crystal growth and slicing technology. The turnkey line supplied by GT Solar will help jumpstart our business and keep us ahead of the competition." Keith Matthei, Vice President of GT Solar, reported a 31 percent annual growth within his company of solar-related industries. The key component for the wafer fabrication line is the crystal growth HEM furnace, which is manufactured solely by GT Solar. GT Solar will deliver multiple HEM furnace units to Baoding Yingli. The GT-WAFFAB wafer line is part of Baoding's PV project that also will include a cell and module line. All training and service is GT Solar's responsibility. GT Solar Technologies is a division of GT Technologies, Inc. based in Nashua, New Hampshire and employs 75 people. The company was named the New Hampshire Small Business Exporter of Year for 2002 by the US Small Business Administration. Baoding Yingli, was founded 1998 as a subsidiary of the Baoding Yingli Group, located in Baoding, China, within the Golden Triangle Area formed by Beijing, Tianjin, and Shijiazhuang. Today, Baoding Yingli is the largest integrated solar cell manufacturer in China, employing more than 200 people. For

more information contact Dr. Heiko Moritz, GT Solar Technologies, 472 Amherst Street, Nashua, New Hampshire 03603, Tel: +1 603-883-5200, E-mail: moritz@gtsolar.com. Website at <http://www.gtsolar.com>. For more information about Baoding Yingli go to their website at <http://www.yingligroup.com/xinnengyuan/xnyemain/it.htm>. Source, SolarAccess.com, a Renewable Energy PR Service. Contact: Peter Carvelli at email peter.carvelli@solaraccess.com. Website <http://www.SolarAccess.com/education>

AUSTRALIAN PRIME MINISTER EMPHASIZED IMPORTANCE OF ENVIRONMENT INDUSTRY

The Australian Environment Industry - providing solutions while others point at the problem Australian Prime Minister, the Honourable John Howard, emphasised the importance of Australia's vibrant and dynamic environment industry during his National Press Club address August 2001. With the environment now clearly identified as one of the central planks of the Commonwealth Government, the environment industry is becoming a core focus because of its ability to provide solutions to environmental problems. John Howard said that, "Australia has a dynamic and vibrant environmental industry sector, ready to provide solutions, not simply identify challenges. The success of this sector, over coming years, will have enormous implications for Australia, both in its local application and because of its export potential." Said Mr Howard. The sector's world leading technologies and processes help protect air, land and water; reduce waste; and improve energy efficiency. The Environment Industry Action Agenda is to be discussed by Cabinet in the very near future. Fiona Wain, CEO of Environment Business Australia said "We confidently predict that this industry can grow to be a \$50 billion per annum industry by the end of the decade. This is the sector that will help to secure the future we want - while avoiding the many possible futures which we definitely do not want. Protecting our environment will benefit all Australians now and in the future by helping to make Australia a healthier and more competitive country." In addition to direct commercial activity the environment industry is also an 'enabling' industry assisting other sectors of business to become more efficient and competitive in an increasingly competitive global marketplace. In recent years there have been many steps by Australian business to embrace sustainability. The environment industry in particular plays a critical role in the Australian economy - it reduces human impact on the environment and improves public health. At the same time it reduces the cost of 'externalities' - the side effects of production and consumption activities which are unpriced in the market place. And, most importantly, the environment industry can prevent environmental harm and help to reverse the damaging effects we have seen on our soils, waterways, and atmosphere. For further details please contact Fiona Wain, Chief Executive Officer, Environment Business Australia, Tel: 6270 1333 or 0409 455 992, Email: eba@environmentbusiness.com.au. Visit their website at <http://www.environmentbusiness.com.au>.

DEPLETED URANIUM FROM AMERICAN SHELLS POLLUTE SERBIA AND KOSOVO - UNEP

The United Nations Environment Programme (UNEP) completed a new study of six sites in Serbia and Montenegro that were struck by depleted uranium (DU) munitions during the 1999 Kosovo conflict. The study confirms the presence at five sites of widespread, but low-level, DU contamination. However, the UNEP study found that the DU sites studied do not present immediate radioactive or toxic risks for the environment or human health-significant. These findings are consistent with those of UNEP's 2001 DU study in Kosovo. Together, the two studies cover the entire geographical area affected by DU munitions during the Kosovo conflict. However, UNEP recommends that the authorities take precautionary measures. The most important concern is the potential for future groundwater contamination by corroding penetrators (ammunition tips made out of DU). The penetrators recovered by the UNEP team had decreased in mass by 10-15% due to corrosion. This rapid corrosion speed underlines the importance of monitoring the water quality at the DU sites on an annual basis. A new finding of particular interest was the detection through modern air sampling techniques of airborne DU particles at two of the sites. While the detected levels were still below international safety limits, these results have implications for site decontamination and construction work, activities that could potentially stir up DU dust from the ground surface. In addition, the results indicate that DU dust was widely dispersed into the environment following the explosion of DU rounds.

The study was conducted in cooperation with the International Atomic Energy Agency (IAEA) with additional support from the World Health Organization (WHO). In addition, the IAEA experts on the team evaluated the storage of DU at the Vinèa Institute of Nuclear Sciences in Belgrade, and the report raises a number of concerns about conditions there. The assessment team collected 161 samples, including 69 vegetation, 54 soil, 17 air, 11 water and 4 smear samples. Three penetrators and three penetrator fragments were also collected. The samples were analysed by Switzerland's Spiez laboratory and Italy's ANPA laboratory. In addition to the key findings described above, the study report also noted that the DU sites had already been signposted and fenced off by the authorities, reflecting the recommendations made in UNEP's 2001 study that the coordinates of one DU site identified by the Yugoslav authorities had not been provided to UNEP by NATO. For more information contact UNEP Depleted Uranium Assessment Team Chairman Mr. Pekka Haavisto at ph. +41-79-477-0877 or pekka.haavisto@unep.ch; UNEP Spokesperson Mr. Tore Brevik, in Nairobi, at +254-2-623292 or tore.brevik@unep.org; Post-Conflict Unit Head Mr. Henrik Slotte at +41-22-917-8598; Senior Policy Advisor Mr. Pasi Rinne at +41-22-917-8617; or UNEP Press Officer Michael Williams, in Geneva, at +41-22-917-8242, +41-79-409-1528 (cell), or email michael.williams@unep.ch. The report is available at <http://postconflict.unep.ch>.

MURPHY OIL REFINERY FINED \$5.5 MILLION; PSEG FOSSIL LLC AGREES TO PAY US EPA \$1.4 MILLION FINE FOR AIR POLLUTION

Murphy Oil USA, Inc. agreed to pay a \$5.5 million civil penalty, and spend \$7.5 million to reduce emissions of SO2 and Volatile Organic Compounds ("VOCs") at its Superior, Wisconsin refinery. Last year, a federal district court found that the company had knowingly withheld information when it applied for an exemption from the Prevention of Significant Deterioration ("PSD") permit program which is part of the EPA NSR program. Under the consent decree, Murphy Oil will install new control technology that will substantially reduce SO2 and VOC emissions. The settlement does not preclude EPA or Wisconsin from investigating and bringing enforcement actions for other NSR violations.

The United States Environmental Protection Agency (US EPA) announced its second-judicially approved settlement under its New Source Review (NSR) initiative. PSEG Fossil LLC in New Jersey agreed to pay \$1.4 million and to install \$337 million in air pollution control equipment to resolve allegations that the two of the company's coal-fired power plants had engaged in modifications without undergoing New Source Review. The company will also spend at least \$6 million on three additional projects to partially offset the impact of past emissions. The emission controls will reduce total sulfur dioxide (SO2) emissions from both plants by 90% and nitrogen oxide ("NOx") emissions by more than 80%. In addition, the company agreed to upgrade existing emissions controls for particulate matter (PM) and will install an additional controls to further reduce PM emissions by 1,000 tons per year. The company will retire pollution emission allowances. The agreement required the company to phase in the installation of pollution controls and to complete all of the work by 2012. The other projects will reduce the company's carbon dioxide ("CO2") emissions by 15%, contribute to New Jersey's effort to recover and use methane gas from landfills, and develop technology to reduce and monitor mercury emissions from its plants.

Conoco Inc., Navajo Refining Company and Montana Refining Company have agreed to reduce emissions of SO2, NOx, PM and VOCs at plants located in Colorado, Louisiana, Montana, New Mexico and Oklahoma. Conoco will pay a \$1.5 million civil penalty, install emission controls estimated to cost \$95-\$110 million and spend about \$5 million in SEPs. Navajo and Montana Refining will pay a \$750,000 civil penalty, spend an estimated \$16-\$21 million on pollution control technology and undertake SEPs valued at approximately \$1.5 million. Source, The Schnapf Environmental Report, by Law Professor Lawrence P. Schnapf, 55 E.87th Street, #8B, New York, New York 10128. Telephone: (212) 996-5395. Fax: (503) 213-9314, email Lschnapf@environmental-law.net.

EARTH 911, U.S. RECYCLING WEBSITE TELLS YOU WHAT'S AVAILABLE

An Arizona-based company calling itself "Earth's 911" has opened a website and provides a telephone hotline (1-800-CLEANUP) to let you know where you can recycle. Thousands of sources nationwide contribute local information to Earth's 911 to provide a single source for everything environmental in your neighborhood. It is the mission of Earth's 911 to empower the public with community-specific resources to improve their quality of life. Through a single toll-free phone call to 1-800-CLEANUP or the use of this Web site, you can access several sections of community-specific environmental information at no cost to the user or taxpayer. For community-specific information, simply enter your ZIP code, and the Web or voice recognition system will guide you easily to Recycling Information; Buying Recycled Products; and, Household Hazardous Waste, Energy Conservation; and, Composting. Earth's 911 is poised for international expansion into Canada, New Zealand and other countries around the globe. Visit their website at <http://www.1800cleanup.org/zip.asp>

LARGE FARMS IN U.S. GETS LARGER SHARE OF SUBSIDIES

In the United States, large farms are getting a bigger share of government subsidies, and the payments are making it difficult for young people to go into farming because land values have been driven up, according to a congressional report. Farms with sales of more than \$500,000 a year received 22 percent of government payments in 1999, up from 13 percent in 1993, the General Accounting Office said in a report released by the US Senate Agriculture Committee. Farms with sales of between \$250,000 and \$500,000 received 21 percent of payments in 1999, compared to 18 percent in 1993. Because the subsidies are tied to both historic and current production levels, the largest payments tend to go to established corn and wheat farms in the Midwest, the report said. "The bottom line is we must have a fairer system for providing support to farmers in the next farm bill," said the Senate committee's chairman, Iowa Democrat Tom Harkin. Harkin wants to shift some federal farm spending into a proposed new conservation program that would subsidize farmers for good environmental practices, such as those that help control runoff of manure and farm chemicals. The payments would help many producers, including fruit and vegetable growers, that don't get federal subsidies now, Harkin says. Defenders of the federal programs say that since large farms produce most of the food it's only natural that most federal assistance would go to them. Farmers say they have been forced to expand their operations in order to cover their expenses. Farms with more than \$500,000 in sales account for 3 percent of the farms nationwide. They received an average \$85,208 in government payments in 1999. Farms with between \$250,000 and \$500,000 in sales accounted for 4 percent of farms and received an average of \$50,790. Farms with \$100,000 to \$250,000 in sales accounted for 8 percent of all farms in 1999, and received a quarter of all payments. Their average subsidy in 1999 was \$27,022. Iowa received 9.8 percent of federal farm payments in 1999, followed by Illinois (9 percent), Texas (7.7 percent), Kansas (7.5 percent), Nebraska (7.2 percent), and Minnesota (6.6

percent). No other state received more than 5 percent. Source, "Large Farms Get Biggest Subsidies," by Philip Brasher, Washington, D.C., Associated Press (AP). Go to the website [http://www.senate.gov/\(tilde\)agriculture](http://www.senate.gov/(tilde)agriculture).

RUSSIA ADOPTS NEW FEDERAL ENVIRONMENT LAW

Russia is notorious for not protecting its environment. Hopefully that may change with the introduction of new Russian legislation that was signed by the President of Russian Federation. So as many articles of the previous law worked only because of labour of former environment protection services officials, now it seems the new legislation remains a good intention only. Besides that, more environment control powers will be driven to the regional level, because the new law allows to restore regional environment services and give the local administrations right to carry out a state environmental examination (it requires changes in the law on the state environmental examination which are in preparation according to our sources), and the green organizations concern that such services will be under pressure of regional authorities. State inspectors now can only suspend environmentally harmful activity but have no power to cease it without executive body or court decision. Despite mentioning the public environment control, there are no procedures of such a control in the new law and way of realization of this right is unclear. A detailed description of these procedures require an active work of the grassroots organizations. The new law on environment protection (in Russian) can be found at the website :

<http://www.forest.ru/rus/legislation/laws/nature2002.html>

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