

# EPA's reformulated gasoline edicts beginning to cause widespread revolt

by Jim Olson

On Feb. 24, the U.S. Environmental Protection Agency (EPA), in the face of growing opposition to its mandated use of "reformulated" gasoline (RFG) during the winter months in the nine smoggiest urban areas of the United States, released Milwaukee and its urban area from the requirement, and is allowing the sale of non-reformulated gasoline there.

Wisconsin Gov. Tommy G. Thompson (R) wrote a letter on Feb. 10 to EPA Administrator Caroline M. Browner demanding that the program be suspended throughout the state. Thompson himself was feeling the political heat from the many thousands of phone calls and letters that have poured into the state capital of Madison since the program began on Jan. 1 this year.

More and more motorists in other regions of the country are also making their voices heard. Even before the national program officially began on Jan. 1, several regions in Pennsylvania and New York that had previously volunteered to be included in the EPA plan opted out, after officials no doubt sensed the building ire of their citizens.

Complaints about RFGs run the gamut from higher prices, reduced mileage, and noxious fumes to rough-running and/or ruined engines. Many, if not all, of the complaints are probably true. For example, although EPA officials said that the price increase of gasoline at the pump, due to reformulating, should be between 3 and 6¢ per gallon, a spokesman for Governor Thompson said in February that price increases in Wisconsin have been as high as 17¢ a gallon.

Another complaint, that the RFGs cause reduced mileage, is admitted to be true by all sides, because it is simply a matter of the chemistry involved. Supplying some of the oxygen for combustion from within the molecule, as is the case with two RFG additives, methyl tertiary butyl ether (MTBE) and ethyl tertiary butyl ether (ETBE), rather than from ambient air, necessarily reduces the latent heat content within the substance. The oxygen within the molecule replaces a combustible, such as carbon or hydrogen, resulting in reduced mileage per unit volume, or "less bang for the buck."

Many in Wisconsin have complained of nausea, dizziness, and headaches from the RFG fumes, which may be either from MTBE (methane-derived) additive or ETBE (eth-

anol-derived) additive. In any event, Administrator Browner, along with the MTBE and ETBE producers, defended these additives, and gave Governor Thompson less-than-satisfactory answers to the health concerns he raised. Meanwhile, the governor has state officials examining the health complaints, and the atmosphere around the governor's mansion is less than friendly toward the EPA.

Additionally, the traditional petroleum refiners complain, with justification, of the enormous direct and indirect subsidies which the ethanol producers have been given by the federal government (and to some degree by many state governments), going all the way back to the Carter administration.

## What are RFGs?

The latest variations of the reformulated gasoline program emanating from the Environmental Protection Agency have come in response to the requirements of the Amended Clean Air Act of 1990 to reduce pollution. Generally, the current attempts to provide a cleaner-burning gasoline consist of formulating a liquid fuel containing more oxygen-bearing molecules. The feedstocks of such molecules have been methane gas (a molecule of which contains one carbon atom and four hydrogen atoms bonded to it), which comes mainly from oil and gas wells in the Earth, and ethanol (a molecule of which contains two carbon atoms, six hydrogen atoms, and one oxygen atom), a liquid. Ethanol is the same as ethyl alcohol, the ingredient of alcoholic beverages, and corn fermentation is the primary source for fuels.

Methane is used to produce methyl tertiary butyl ether, an oxygenated additive. The petroleum refiners have proposed this additive, and over the course of the last decade they have invested many billions of dollars toward its production, costs which show up at the pump in higher prices.

## Archer Daniels Midland gets into the act

But another part of the EPA program is its longstanding and mindless promotion of so-called renewable energy, and from that springs the schemes to use ethanol and ethanol derivatives. And behind the scenes there have been several

decades of untrammled skullduggery and unabashed lies, as we shall see.

In December 1993, the EPA issued a proposed regulation which mandated that for calendar year 1995, some 15%—and rising to 30% for subsequent years—of the oxygen content of reformulated gasoline must be provided from ethanol or its derivative ethyl tertiary butyl ether. This proposal was set in stone in June 1994, when the EPA filed its final ruling.

In response, on July 13, 1994, the American Petroleum (API) and the National Petroleum Refiners Association (NPRA) issued a press release announcing the immediate filing of a lawsuit in the U.S. appeals court in the District of Columbia, asking the court to set aside that part of the EPA ruling mandating the increased use of ethanol and its derivatives in making reformulated gasoline (arguing that the Environmental Protection Agency had no statutory authority under the Amended Clean Air Act to dictate the type of oxygenated fuel to be used), and therefore seeking a stay to stop implementation of the mandate.

In the joint press release, NPRA President Urvan R. Stenfels said, "We are confident the court will see the justice of our position, and will bar hijacking the taxpayers' highway construction and transportation funds for a political payback." API President Charles J. DiBona was equally outspoken: "The clear winner from the mandate is a single corporation, Archer Daniels Midland. ADM controls two-thirds of U.S. ethanol production—and ADM would receive more than half of the money generated by this decision." He continued: "It really amounts to . . . an outrageous forced transfer of hundreds of millions of dollars each year from consumers and taxpayers to ADM, with absolutely no environmental justification."

In September 1994, the court issued the stay and set further hearings for this year.

There is a strong stench from the promotion of ethanol as the primary RFG additive, which cries out for investigation.

This author shed some light on the ADM and the ethanol hoax in an article for the weekly newspaper *New Federalist*, on Jan. 23, headlined "Andreas and the Gasohol Fraud: Million\$ Hijacked from Taxpayer":

"ADM is the personal fiefdom of former Cargill grain cartel executive Dwayne Andreas, a political heavyweight with longstanding ties to the organized crime-linked Anti-Defamation League of B'nai B'rith. In congressional testimony in the late 1980s, Andreas described himself as the devoted political protégé of former ADL National Director Ben Epstein, a member of the ADL's 'Minnesota Mafia' that sponsored money launderer Robert Vesco's entry into the world of offshore finance and was intimately tied to the Meyer Lansky National Crime Syndicate.

"Andreas was described in the late 1980s by the *Wall Street Journal* as Mikhail Gorbachov's 'closest pal in the West' after he held a meeting with Seagrams Corp. chairman and ADL moneybags Edgar Bronfman and several other East

bloc 'carpetbaggers' to plan out a scheme for sending U.S. government-subsidized grain to the Soviet Union in return for the delivery of hundreds of thousands of Soviet Jews to Israel.

"With these kinds of friends and credentials, it's no wonder that Andreas has systematically poured enormous amounts of money into both major political parties over the past decade to insure that his 'interests'—like the ethanol scheme—are protected no matter which political party winds up on top at any given moment."

Finally, on Feb. 16, 1995, the three-judge panel at the federal appeals court began hearing oral arguments on the API/NPRA lawsuit against the EPA. The judges were extremely skeptical of the arguments of the EPA's representatives in favor of expanded use of "renewable" energy sources (ethanol and ETBE). Judge David Sentelle questioned the rationale behind the requirement to raise the ethanol additive to 30% from 1996 on and was given no satisfactory answer. Judge Stephen F. Williams was quoted as saying, "It seems to me EPA is in outer space."

However, nothing was decided except to continue the stay, and a final decision is not expected for several months.

### **Malthusian twins: EPA and Dept. of Energy**

Disregarding for the moment the pernicious operations of Dwayne Andreas and his grain cartel and organized crime-linked cronies, we find the malthusian ideology deeply embedded in the two federal agencies most relevant to the RFGs scheme: the Department of Energy and the Environmental Protection Agency. The policies of these two agencies intertwine so as to ensure decreasing energy availability and in the name of "protecting the environment."

The Department of Energy came into being in the 1970s largely as a result of the contrived Middle East "oil crises" orchestrated by Henry Kissinger and his controllers. The department's ostensible purpose was to develop and increase domestic energy supplies with the ultimate aim of achieving "energy independence."

The crisis—however contrived—provided an ideal opportunity to commit the nation to a growth-oriented, nuclear-based energy policy. However, the opposite course was struck, and we now reap the whirlwind. Two simple examples serve to illustrate the point: The United States now imports more of its oil supplies (in gross tonnage and percent) than it did before the creation of the Department of Energy. At the same time, domestic oil and gas exploration and production are withering. In the northeast United States, electrical utilities which were, in the 1970s, judiciously adding nuclear power plants to meet demand, have long since abandoned that course. Instead, we see the spectacle of them buying significant amounts of electricity from Canadian sources. And of course, the nuclear-power plant-manufacturing capabilities of Westinghouse, General Electric, and General Atomics have likewise withered. Some "energy independence"!