



**Oil refinery at Mobile may not fly - Issues involve race, ozone  
Time, air-pollution rules and racial issues are squeezing plans for an oil refinery south of Phoenix.**

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New ozone regulations could be a "deal breaker" for the Arizona Clean Fuels plant, and threats of an environmental-justice complaint could cause unacceptable delays for the multimillion-dollar project proposed near Mobile, said Ian Calkins, a spokesman for the refinery backers.

Still, Calkins said Clean Fuels company officials are confident they can overcome the challenges and win a state air-quality permit.

The concerns arise as state officials near a decision on whether to issue a preliminary permit for the refinery, which would be built about 20 miles south of the Valley.

Steve Owens, director of the Arizona Department of Environmental Quality, said a decision should occur within the next few weeks.

The agency has until April 5 to make a final decision on the refinery's permit, or it will lapse. State licensing rules dictate the deadline.

Coincidentally, the deadline falls 10 days before federal officials must finalize the boundaries for a new ozone area, in which tougher regulations on emissions would apply. The refinery is likely to be within the new boundary but would be exempt from the new layer of ozone regulations if construction were under way.

Calkins said it is crucial that the Clean Fuels plant permit get a final nod from the state before the new ozone boundary is set. Otherwise, the cost of paying for the needed steps to offset the air pollution from refinery emissions would be insurmountable. "It would be a deal breaker," he said.

Complicating the issue is the Mobile Community Council, which is threatening to file an environmental-justice complaint over the project's site in a historically Black area.

Mobile was founded by African-American sharecroppers from Mobile, Ala., among other places. Attorney Howard Shanker has notified Owens of his concerns that the refinery would continue a pattern of discrimination against minority communities when it comes to locating industry. The area is home to two landfills, and another large landfill is proposed.

To Shanker, the only solution is to bar the refinery.

"We don't want this refinery there," he said. "First of all, it's a residential area. It's a minority community. And these folks have just been trod upon."

Arizona Clean Fuels has made various offers to buy out residents who would be affected by the refinery. But Calkins admitted that the company doesn't have a strategy to deal with the complaints of environmental racism, noting the case could end up in court.

"If it were to be held up in legal battle after legal battle, it would give us heartburn," he said.

The complications of building a refinery close to an urban area have made some question why the company doesn't explore alternative sites.

Gov. Janet Napolitano last week said the company has looked at a site in northeastern Yuma County, and Owens said the agency has determined that about 90 percent of Clean Fuels' permit work would be transferable to a new site.

Calkins, however, said other sites are not on the table. The Mobile location is ideal because of its proximity to the urban area, to roads and the Union Pacific Railroad, and to a natural gas pipeline that would deliver natural gas needed to fire the refinery.

However, the project needs crude oil, and project leaders hope to build a pipeline from a Mexican port, perhaps Guaymas or Rosarito, to Mobile. Those talks are ongoing.

Arizona has no oil refinery, making it dependent on gasoline shipped from California and Texas. Clean Fuels has said that an Arizona-based refinery would provide a reliable fuel supply to the Valley, estimating it would sell half of its production to the Arizona market.

If approved, it would be the first refinery built in the nation in 24 years. Clean-air regulations and local concerns have blocked projects proposed since a refinery was built in Gary, Ind., in 1979.

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