

*Private Members' Business*

amount of MTBE currently allowed, the use of ethanol to meet this oxygen content might be more likely.

A minimum allowable oxygen content of 3.2 per cent in gasoline, therefore, would favour the use of ethanol in an attempt to create a new industry in Canada as well as a secondary market for grains. What will be the effect of requiring this high level of oxygen content in Canadian gasoline?

Oxygenates in gasoline have been found to reduce emissions of carbon monoxide. However, at levels greater than 2 per cent, oxygenates have also been found to increase tailpipe emissions of oxides of nitrogen. These nitrogen oxides react with hydrocarbons to form ground level ozone, a cause of smog.

Depending on how the oxygenates are blended into gasoline, there is also risk of increased hydrocarbons emissions, the other component required for ozone or smog. So depending upon the environmental situation in a given region, such a high level of oxygen content might actually worsen local air quality.

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In Canada, high ozone levels and smog are a concern in the lower mainland of British Columbia and in the corridor between Windsor, Ontario and Quebec City and in some regions of Atlantic Canada, at least for part of the year. In these areas some actions have been taken to reduce hydrocarbon emissions, particularly in the summer months. Forcing such a high oxygenate content into gasoline might worsen the ozone problems, counteracting the results of their programs to date.

Given this situation, mandating that Canadian gasoline contain 3.2 per cent oxygen cannot be justified on environmental grounds.

The U.S. is going through a process of identifying gasoline formulations that give environmental benefits at reasonable costs in their circumstances. Canadians should learn from the U.S. experience and examine the options of gasoline specifications that are available to the refining industry and the provinces, through the established process of the Canadian General Standards Board. Sufficient technical information would be re-

quired before the federal government attempts to modify the existing gasoline specification process to address the unique environmental concerns of the various parts of Canada.

The over-all impact on vehicle emissions of a change in gasoline specifications is often not clear, since often the change in gasoline properties will have the effect of reducing some of the vehicle tailpipe emissions while increasing others. Arbitrary specifications which are designed to force the market penetration for ethanol should not be encouraged by supporting Bill C-226. Rather, the established process of considering changes in gasoline formulation through consultation with the vehicle and oil industries and the provincial governments, in conjunction with the Canadian General Standards Board should be followed.

What has the government already done to encourage the use of ethanol as an automotive fuel?

In the February federal budget, the excise tax of 8.5 cents per litre, normally charged on all gasoline sales, has been waived on the content of fuel ethanol produced from biomass. This incentive will offset some of the costs of blending alcohols into gasoline, making it more attractive as a gasoline blending component. Undoubtedly this has been a factor in the recent decision of United Co-operatives of Ontario to begin marketing a gasohol blend in southern Ontario.

In 1990 ethanol-gasoline blends were granted the right to use the Ecologo, under the government's Environmental Choice Program. This program helps promote the use of certain products by increasing consumer awareness of the environmental benefits.

In addition, under the green plan and other government programs, research and development continues to be carried out to reduce the costs of ethanol production so that alcohols can make an even greater contribution to meeting the energy needs of Canadians. A lot of research effort is also directed toward a better understanding of the ways in which transportation fuel formulation can impact on air quality.

We believe that Canada's agricultural industries and the producers of fuel ethanol can take advantage of these initiatives to develop a strong, viable fuel ethanol