small refiners and consider relaxing or ending what is known as the lead phase-down program for all other refiners.

Although the refiners have been consistent in their objective, their argument for dropping the lead rule has shifted a bit over the years. Today opponents of the lead rule do not say that there is little health risk associated with leaded gasoline. Instead they argue that most of the risk was eliminated when the majority of the industry shifted to producing no-lead and low-lead gasoline. The change occurred quickly because American cars built after 1975 cannot tolerate lead. Their catalytic converters, installed to scrub other pollutants from the exhaust, can be "poisoned" if exposed to leaded gasoline.

The NPRA claims that the design of the American auto is not going to change soon; that unleaded gasoline will continue to dominate the market; and that a "natural phase-down" of lead will occur during the remainder of the decade as new cars replace old lead-tolerant models. The big companies will have to produce no-lead gas to stay in business. In short, the NPRA says, there is no reason for the government to enforce a low-lead standard on small refineries that have held out against it for so long. Economic forces will see to it that lead pollution from gasoline will stay at or below its present level. Sternfels adds that if by some fluke the auto companies should make a car that tolerates leaded fuel, the EPA will have ample time to reimpose the low-lead rule before the new models roll off the production line.

More important, perhaps, NPRA members feel threatened by what Sternfels calls a loophole in the regulation. Because of the way the law is written, small entrepreneurs, whose only business is to blend gasoline, have been allowed to call themselves small refiners and use the EPA's exemption to great advantage. An executive at one independent oil company points out that the number of gasoline blenders increased by 25 percent between 1980 and 1981, during a period when about 40 genuine refineries went out of business. According to Sternfels, these small-time blenders are finding it profitable to lease tanks, buy low-grade fuel, mix it with large quantities of lead, and peddle their wares under the EPA's privileged small refiner category. Gasoline from these sources has been found to contain as much as 3 grams of lead per gallon, Sternfels claims. Because the EPA's averaging procedure allows some flexibility, it is possible to comply with the low-lead rules by juggling inventories. Furthermore, many producers may use the same blending station, each taking advantage of its special status. Sternfels says that small refineries are finding it hard to compete in these circumstances, and some are tempted to copy the blenders or join forces with them.

These high-lead blending stations would go out of business in October if the EPA's universal lead standard were to go into effect as scheduled. However, because some NPRA members say they cannot afford to meet the 0.5 gram standard, the association has been pushing for a general relaxation rather than a reform of standards. NPRA has not asked simply for a tighter definition of "small refiner."

One of the ironies of the successful campaign to reduce lead in gasoline is that it started as a plan to protect a piece of machinery—the catalytic converter—and inadvertently protected thousands of children, says Vernon Houk, acting director of the Center for Environmental Health, which is part of the CDC. Houk ran a nationwide program that screened millions of children for lead poisoning and directed attention to those needing help. Last year, for example, the program screened 550,000 children and identified 26,000 with elevated lead levels.

The proposal to end controls on leaded

Biotech Firm Lays Off 135

Bethesda Research Laboratories (BRL), Inc., one of the few biotechnology companies to turn a profit, recently laid off 135 employees, in part because of insufficient cash flow. The layoffs come at a time when the privately held company, which projects $20 million in sales this year, was flush with new activity. Just six weeks ago, it started up a new instrumentation division that is marketing two new machines to analyze and synthesize genes. According to one dismissed scientist, company executives decided to retrench after apparently concluding that the firm was overextending itself in too many areas.

BRL, which was founded six years ago by Stephen Turner and is a principal producer of restriction enzymes, abruptly gave notice to a third of its some 400 employees on 18 February. Among those laid off were 9 or 10 Ph.D.'s from several divisions; BRL employed more than 50 scientists. Company spokeswoman Michelle Hartz said that the firm has "restructured" itself partly as a result of recommendations made last fall by its board of scientific advisers, but she declined to elaborate. Based on the board's suggestions, three departments were "reduced but kept intact"—the new instrumentation division, the molecular diagnostics division, and the products division. The products division, which sells a wide range of products for biotechnology research, is the most profitable part of the firm. In the company's fourth department, the genetics division, headed by Peter Kretchmer, "a number of projects were dropped," Hartz said. In addition, BRL has put a hold on the construction of new headquarters in Frederick, Maryland, although ground was broken just last November. The new facility would have consolidated operations currently scattered in several locations in the Washington, D.C., area.

The cause of the company's financial woes are not clear but its financial resources were apparently stretched too thin. Hartz said that securing loans for the company was "less the issue than the fact that our output of funds has been greater than our input. We're less insulated than our competitors who are publicly held." R. M. L. Buller, who is one of the scientists dismissed, said that the company "was trying to expand in too many areas with only one division making money." Buller, who was marketing manager for restriction and modifying enzymes, said BRL was ready to go public several times, but Turner decided against it, perhaps for two reasons. He speculates that Turner wanted to keep control over the company, and at the same time, the golden glow of biotechnology stocks had dimmed on Wall Street. The company is not lacking for expertise, "only dollars and cents," said Buller, who is considering returning to his former position at the National Institutes of Health. He added, however, that the layoffs may hurt BRL more than help "because people don't need that kind of security."

—MARJORIE SUN

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