December 15, 2010

Chairman Mary Nichols and Members of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Subject: Public Health Recommendations for the Proposed Cap and Trade Rulemaking

Dear Chairman Nichols and Members of the Board,

We are writing on behalf of the undersigned organizations to provide our recommendations regarding strengthening the public health protections in the proposed cap and trade rulemaking. We thank you for your ongoing leadership in implementing California's Global Warming Solutions Act (AB 32) and believe California's efforts to implement AB 32 are critical to protecting air quality and public health while reducing global warming pollution.

We believe that public health protection and specifically protecting vulnerable communities must be a key consideration in development of the cap and trade program. Toward that end, we appreciate the efforts of California Air Resources Board (CARB) and the Department of Public Health (DPH) to conduct emissions and public health assessments of cap and trade program scenarios and believe these assessments provide a helpful framework for continued review and analysis of community impacts as we move forward.

As you consider adopting the proposed California cap and trade rule, we offer these recommendations:

1. **We urge CARB to include provisions in the regulation to initiate a Community Benefits Fund (CBF) from the outset of the Cap and Trade Program.** Inclusion of a community investment program has been broadly supported by community-based, environmental justice, health and environmental organizations throughout the development of the cap and trade program. While the CBF is noted in the staff report as a possible use of allowance value, there is not a specific recommendation to create and operate a fund by a certain date. We urge CARB to include provisions in the regulation to set aside a minimum 4 percent of allowances from the industrial and electricity sector from the outset of the program to be made available through auction and dedicate the revenue to the Community Benefits Fund. Funds should be used for programs or projects in the most impacted and disadvantaged communities identified by CARB to:
    - Air pollution and climate change mitigation measures
      (i.e., home energy efficiency investments, pollution control measures, smart growth land use planning)
    - Community public health programs
      (i.e. mitigating health impacts of climate change, community health improvement, public health preparedness)
    - Promote green collar employment opportunities in these communities
      (i.e. investment in worker transition programs)

    CARB should also direct staff to work with community stakeholders to develop a process for modifying the methodology for identifying the most impacted communities that utilizes GIS

mapping looking at cumulative air emissions combined with multiple socioeconomic factors (including those included in AB 1405).

We recognize that the Legislature must direct the specific uses of funds collected under the cap and trade program, but we believe that CARB must establish the important precedent of setting aside funds for protection of the most vulnerable communities.

2. **We urge CARB to require an ongoing review and update of the Co-Pollutant Emissions Assessment (Assessment) included in the Initial Statement of Reasons once the Cap and Trade Program is enacted.** As mentioned earlier, we believe the community emissions assessment is important to the regulatory development and review process. We appreciate that multiple cap and trade scenarios that were analyzed for Wilmington, Oildale/Bakersfield, Richmond, and Apple Valley/Oro Grande including several different compliance choices by facilities (facility upgrades to reduce emissions, the purchase of allowances or reliance on offset purchases). This analysis provides a helpful step forward in understanding the range of potential communitywide air quality and emission impacts based on assumptions of future facility actions.

   As your analysis notes, however, it is difficult to know what facility-specific changes will actually occur under cap and trade and how this will impact emissions. Therefore, as the program is implemented, it is important to specifically require an ongoing, updated assessment of emissions in order to get a clearer picture of how the cap and trade program is actually impacting pollution emissions in communities and to capture any localized impacts not included in the initial analysis. While the Assessment indicates that staff will evaluate how the facilities are complying with the regulation at least once every compliance period, we believe more specific direction is needed in the regulation.

3. **We urge CARB to continue to work with the Department of Public Health in ongoing review and evaluation of public health aspects of the Cap and Trade program.** Similar to the emissions assessment, we believe CARB should continue to work with the Department of Public Health to conduct broader assessments of public health impacts as the program is implemented.

We appreciate the hard work of CARB staff on this regulation and look forward to continued discussions on our recommendations to enhance health protections in the cap and trade program.

Sincerely,

Bonnie Holmes-Gen
American Lung Association in California

Andy Katz
Breathe California

Justin Malan
California Conference of Directors of Environmental Health

Susan Stephenson
California Interfaith Power and Light

Ruben Cantu
California Pan-Ethnic Health Network

Elvira Ramirez
Catholic Charities, Diocese of Stockton

John Shears
Center for Energy Efficiency and Renewable Technologies

Nidia Bautista
Coalition for Clean Air

Shankar Prasad
Coalition for Clean Air

Tyson Eckerle
Energy Independence Now

James Fine, Ph.D.
Environmental Defense Fund

C.C. Song
Greenlining Institute

Jeremy Cantor, MPH
Healthy Places Coalition

Diane Bailey
Natural Resources Defense Council

Mary Pittman, DrPH
Public Health Institute

Robin Salsburg
Public Health Law and Policy

Robert Gould, M.D.
Physicians for Social Responsibility
San Francisco-Bay Area Chapter

Manal Aboelata, MPH
Prevention Institute

Bill Magavern
Sierra Club California

Shan Magnuson
Sonoma County Asthma Coalition

Erin Rogers
Union of Concerned Scientists

Sonal R. Patel, M.D., M.S.
White Memorial Pediatric Medical Group