



CENTER ON RACE, POVERTY & THE ENVIRONMENT

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To: California Air Resources Board, Department of Finance, and Office of the Governor

The Center on Race, Poverty & the Environment (CRPE) submits these comments on the Cap and Trade Auction Proceeds Investment Plan on behalf of the undersigned individuals and organizations. We believe that funds and projects under this Investment Plan should be directed to communities that fall within a 6 mile radius of facilities regulated under Cap and Trade. Communities that are located in this area are more severely impacted by co-pollutants and bear the burden of a Cap and Trade system.

To be clear, we are vehemently opposed to California's Cap and Trade system. Cap and Trade allows polluters to pay their way out of making real on-site reductions at the expense of low-income communities, communities of color, and indigenous communities. Cap and Trade ignores the reality that location *matters*. Reductions of greenhouse gases on-site reduces the co-pollutants emitted into the surrounding community – a benefit that is forgone when that facility buys allowances or offsets for planting trees somewhere else. While we are opposed to Cap and Trade and profits made at the expense of our communities' health, we feel we had to engage in this process to keep our communities from being further ignored and harmed by these policy decisions. Any proceeds from Cap and Trade should be invested back into the communities that are paying the highest price for this system – communities within 6 miles of a Cap and Trade facility.

Populations living within 6 miles of industrial facilities disproportionately bear the impacts of co-pollutant emissions, such as particulate matter and toxics.¹ Over two-thirds of California's low-income African Americans and about 60% of low-income Latinos and Asian/Pacific Islanders live within 6 miles of a Cap and Trade facility.² Under Cap and Trade, the residents of these communities will not receive the benefit of co-pollutant emission reductions, and could even see an increase in emissions, if facilities purchase allowances and offsets as Cap and Trade allows. This violates federal civil rights laws.³ When comparing health effects of co-pollutants, actual disparate impacts on people of color are even more severe than can be captured by discrepancies in exposure alone, as a

¹ Manuel Pastor, et. al, *Minding the Climate Gap: What's at Stake if California's Climate Law Isn't Done Right and Right Away*, U.S.C. Program for Environmental and Regional Equity, p. 8 (2010) available at <http://dornsife.usc.edu/perc/documents/mindingthegap.pdf>.

² *Id.* at 9, Figure 2.

³ See *Coalition for a Safe Environment, et. al. v. CARB*, EPA File No. 09R-12-R9 (June 8, 2012) (EPA dismissed the complaint without prejudice as not ripe), complaint attached without accompanying exhibits.

result of the particular vulnerabilities of this population.⁴ As the California Department of Public Health (CDPH) explained in its 2010 Health Impact Assessment of Cap and Trade,

[L]ow-income communities and communities of color in California are disproportionately impacted by environmental exposures and have a greater susceptibility to the negative health impacts of environmental risk because of existing health and socioeconomic vulnerabilities.⁵

Co-pollutant exposures from Cap and Trade facilities add to the tremendous cumulative exposures to a variety of environmental stressors borne predominantly by people of color.⁶ As people of color tend to be more susceptible to health risks and have lower access to services to mitigate negative health outcomes, exposures to co-pollutants are “exacerbated by poverty, poor quality housing, and insufficient health care access in these communities.”⁷ The resulting picture is one of stark discrepancies in both exposures and health outcomes.⁸

Because of this, we believe that all cap and trade proceeds should be directed back into those census blocks within a 6 mile radius of cap and trade facilities. Given the high rate of minority and low income communities found within 6 miles of a regulated facility, this prioritization would likely meet the mandates of AB 1532 that at least 25% of the investment benefit “disadvantaged communities” and SB 535 requiring that at least 10% of investments occur within “disadvantaged communities.”

⁴ A study reviewing the increased pollutant exposure and impact on low income and minority communities will be the subject of an ARB Research Seminar on March 13, 2013. See <http://www.arb.ca.gov/research/seminars/meng/meng.htm>

⁵ California Department of Public Health (“CDPH”), *Health Impact Assessment of a Cap-and-Trade Framework*, p. 60 (Dec. 2010) available at http://www.arb.ca.gov/cc/ab32publichealth/cdph_final_hia.pdf.

⁶ A study by researchers at UC Davis of conditions in California’s San Joaquin Valley confirmed that “environmental hazards tend to be clustered around populations with high and very high levels of social vulnerability.” The study also demonstrated that the percentage of non-white residents within the Valley study area increases with increasing levels of social vulnerability and cumulative environmental hazards. Jonathan London, *et. al.*, *Land of Risk, Land of Opportunity: Cumulative Environmental Vulnerabilities in California’s San Joaquin Valley*, UC Davis Center for Regional Change, p. 12 (Nov. 2011) available at http://regionalchange.ucdavis.edu/publications/Report_Land_of_Risk_Land_of_Opportunity.pdf.

⁷ CDPH, *Health Impact Assessment* at 61.

⁸ CDPH illustrated these disparities in both exposure and health outcome, caused by underlying susceptibilities, poor access to resources, and deleterious land use patterns, for the communities of Wilmington-Harbor City-San Pedro, the City of Richmond, and the San Joaquin Valley. See *id.* at 59-91. Areas characterized by high levels of cumulative environmental vulnerabilities tend to be “characterized by high levels of cumulative health problems.” Jonathan London, *Land of Risk, Land of Opportunity* at 18.

There is no amount of money that can remedy the disproportionate impact that the Cap and Trade system inflicts on low-income communities, communities of color, and indigenous communities. While we continue to strive toward a fair and just solution to reducing greenhouse gases in California, we sincerely hope that you do not continue to ignore our communities and that you will take this small step toward recognizing that our communities – low income communities and communities of color – are paying the true cost of Cap and Trade with our health.

Sincerely,

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