



**CENTER ON RACE, POVERTY & THE ENVIRONMENT**

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June 7, 2010

*Via Electronic Mail*

Mr. Kevin Kennedy  
Assistant Executive Officer  
[kmkenned@arb.ca.gov](mailto:kmkenned@arb.ca.gov)

**Re: Comments on Greenhouse Gas Cap-and-Trade Regulation**

Dear Mr. Kennedy:

These comments on the Greenhouse Gas Cap-and-Trade Regulations are submitted on behalf of the Center on Race, Poverty, & the Environment (CRPE) and the California Environmental Justice Alliance (CEJA). CRPE is a national non-profit environmental justice organization that provides legal and technical assistance to grassroots groups in low-income communities and communities of color fighting environmental hazards. CEJA is a statewide coalition of six grassroots base-building member organizations<sup>1</sup> whose mission is to strengthen the progressive environmental justice movement in California to achieve state policy change. We believe that it is premature for the Air Resources Board to continue developing a Cap-and-Trade Regulation. ARB should halt further development on the regulation until a proper health analysis can be completed.

AB 32 requires ARB to “design emission reduction measures ... in a manner that ... maximizes additional environmental and economic co-benefits for California.”<sup>2</sup> Specifically, before including market based compliance mechanisms ARB must: (1) “consider the potential for direct, indirect and cumulative emission impacts from these mechanisms, including localized impacts in communities that are already adversely affected by air pollution; (2) design any market-based compliance mechanism to prevent any increase in the emissions of toxic air contaminants or criteria air pollutants; and (3) maximize additional environmental and economic benefits for California, as appropriate.”<sup>3</sup> ARB has not addressed any of these requirements and should not continue to develop a Cap-and-Trade Regulation until and unless it can show that

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<sup>1</sup> Asian Pacific Environmental Network, Communities for a Better Environment, Center for Community Action and Environmental Justice, Center on Race, Poverty & the Environment, Environmental Health Coalition, and People Organizing to Demand Environmental & Economic Rights

<sup>2</sup> H&S Code §§ 38561(c) and 38501(h).

<sup>3</sup> H&S Code § 38570(b).

such a program will meet the directives of AB 32.

Lastly, while it is heartening that staff supports the idea of a Community Benefits Fund, a concept that we believe is necessary to protect and support our disadvantaged communities as AB 32 is implemented, we wish to make it clear that a Community Benefits Fund is not a “get out of jail free” card. Including it in the Cap-and-Trade regulation does not absolve ARB from its duties under AB 32 to ensure that the emission reduction measures it designs do not adversely affect already impacted communities. Nor should a Community Benefits Fund act simply as a mitigation measure for harms yet unknown.

CRPE and CEJA strongly urge you to put a hold on the development of the Cap-and-Trade Regulation until a proper analysis has been done to ensure that it will meet the requirements of AB 32.

Sincerely,



Caroline Farrell  
Acting Executive Director  
Center on Race, Poverty & the Environment



Strela Cervas  
Co-Coordinator  
California Environmental Justice Alliance

Cc Mary Nichols