

CARBON CONFIDENTIAL

A California Crime Caper

(with apologies to James Ellroy)

1

(OAKLAND, 2:00 P.M., 8/6/13; KENYA, 6:00 A.M., 12/25/17; BRAZIL, 4 P.M., 8/20/19)

August 2013. Two hundred people are arrested protesting emissions at California's single largest greenhouse-gas polluter, the Chevron oil refinery in Oakland.

Christmas Day, 2017. Some 341 houses of Sengwer people are burned by the Kenya Forest Service in a sweep to evict them from the Embobut forest. One Sengwer man is killed, another hospitalized with gunshot wounds.

August 2019. Frontiers of fire, much of it deliberately set, sweep through swathes of Brazil's Amazon forest. Across the region, indigenous people fear for their lives.

September 2019. CARB meets to decide whether to endorse the Tropical Forest Standard.

So what's the tie-in?

2

(KYOTO, 3:00 A.M., 12/11/97)

Flashback. Kyoto, Japan's old cultural capital. It's 1997, the first big climate powwow following Rio in '92.

Scope the scene. Suits with passports from all over mill around day and night. Global warming yak percolates through meeting halls, corridors, hotel rooms, cocktail receptions.

In the end there's some kind of agreement. Full marks for foresight to the neolib and econo-geeks at Washington NGOs and think tanks. They've been biding their time in the wings since before the show started. Just when a North-South standoff looms, these tradesters have the genius to slip in the carbon market idea to keep *gringo* corporations happy while tossing a few sops to *anti-imperialista* elites.

Al Gore loves it. Reps from Brazil, the Philippines, Ghana shrug and accept it. Everybody drags their pens across the treaty in the small hours of the last day.

Result: swerve. In the next 20 years little happens. Smooth sailing for oil, coal and gas. Hell, however much the UNFCCC talks about carbon, it never even *mentions* fossil fuels. Check the documents. And any attention to their role in competitive profit-taking? Forget it.

Ditto the European carbo-trading setup that gets under way a few years after Kyoto. Ditto the other carbon markets that lurch into life from Quebec to Shanghai.

Upshot: mountains of paper pile up about how many carbon “allowances” to give which companies and what might “offset” what. Predictably, one after another carbon market scheme loses credibility. Revision and “reform” lead to delays. Delays lead to more delays. The globe heats up.

But the end result is sweet. Because biz is still happy. The black stuff is still coming out of the ground. And the zinger is that the carbon tradesters can cover themselves with green while pointing the finger at climate denialists as the real villains of the piece.

3

(SACRAMENTO, 1/1/08 – 11/8/18)

After 20 years, the elite crowd are still on board, from here to Hyderabad.

OK, maybe the *sh tick* is running a little ragged. Emissions are up. Polar melts loom. Storms crash the coasts. Farmers are looking around at empty skies and parched soils: *what the hell?*

But note: emissions trading and carbon offsets are still doing that zombie shuffle,¹ sucking the life out of climate action.

Coal, oil and gas ride high and dry. Suits dispute carbon prices, moot taxes, jiggle molecule regulation. Fracking starts to add its bit. IPCC scientificos sit it out, repeating their mantra that GHG molecules are the problem, so professional GHG molecule management must be the solution. Translation: don't push us to take a stand on fossil capital,² or this carbon trading nonsense, or the pointless land grabs or anything else. If you do, we'll quickly lose our hard-won priestly status as your abstemious emissaries from a molecular global Nature.³ Post-Cartesian rules apply, backed up by 500 years of enclosure plus added 20th-century fillips.⁴

The lesson is clear. You need to keep fossil fuels in the driver's seat in the face of public unrest? Stick to this thing called “carbon.” Don't do anything about coal, oil and gas. String C-trading and offsets along as long as possible. Cite the IPCC when you polish up your jive about how “all carbon molecules are the same” and how “reductions” in the forest sector “complement other emission reduction strategies.”⁵

It's the way to go. Keep on message: forests can take up some of the slack while we all pretend to be figuring out what to do.

And don't forget that keeping those forests ready to soak up smoke is *our* gig, not the job of some no-name indigenous peoples or peasants. You want to put forests and their residents to work subsidizing fossil industry and transport for a few more years? You need us in the role of *kapos*. We've got the goods. We've got the knowledge. We've got the saps. We dish out the discipline.⁶ And plenty of side deals for the boys and girls. Our show, our credits.

It's the race card, rebooted in 21st-century scientific/bureaucratic style. More than a few right-on white enviros and their publics are comfortable with it, to the point of not even noticing. Cue greenie applause for the Paris Agreement and other vamped-up carbo-trading moves.

Sacramento takes note. One message in particular filters through. Don't deny that carbon markets and offsets have "problems." Turn that to advantage. Treat them as the ideal invitation to California to sweep in with signature hip solutions that take advantage of the "lessons from failures elsewhere."

Sure, the CDM and REDD+ amount to less than zilch, climate-wise. They always will. But doesn't that just show how much offsets need that special California *oomph*? Your old offsets pro-fossil-fuel strategy is still a good bet for biz, in the Golden State as much as anywhere else. It just needs sprucing up.

Just ask good old Governor Moonbeam, that ultimate hipster politico, who after hobnobbing with oil men tells indigenous peoples protesting California's fracking/carbon trading combo to get lost, because "we have to have our automobiles," while still buffing himself up as a climate hero.⁷

Or rewind to 2008, when Assembly Bill 32 comes out. The lawmakers tell CARB to hunt up "the most effective strategies and methods to reduce GHGs, manage GHG control programs, and to facilitate the development of integrated and cost-effective regional, national, and international GHG reduction programs."

Dig that "cost-effective." Groove on that "international." You don't need to go to codebreaker school to get the gist. What we're looking for most of all is a cheap *substitute* for climate action that goes abroad while leaving California manufacturing, services and agribiz the hell *alone*.

So the word comes down. CARB staffers look at each other and *get it*. We ride this one to the end. This is what we do. Commendations and promotions at the finish. Climate change? Don't make me laugh.

The AB 32 Scoping Plan touts "tropical forests" as "mitigation" opps. It's bound to stir outrage. But take it slow. Organize behind the scenes, until it becomes inevitable. One trick is to break up what you're doing into fragments so that there's no key moment when anybody can grab on to any single bit of it and say *wait a minute*.

Cue the Tropical Forest Standard. Is the TFS itself an offset program? Nix. Offsets – who, me? "The TFS is not proposing, nor would it result in, any new offset credits being eligible for use in the California Cap-and-Trade Program ... CARB's endorsement of the TFS would have no connection to the Cap-and-Trade Program, and any such future connection would require a future rulemaking proceeding and a separate Board vote. Therefore, no response is necessary to comments concerning CARB's Cap-and-Trade Program."⁸

Get down and *soothe* those uncivil troublemakers. What are you getting so het up about the TFS for? This little piece of paper never offset anything.

And if it did some day wind up lubing offset scams swindling and choking your brothers and sisters in California and around the world? That rebop would be strictly minor-league anyway. "The effect of the TFS on the overall compliance instruments market would be minimal."⁹

Memo to all you concerned forest hepcats out there: *relaaaaaax*.

It's only later, CARB hopes, when the TFS component is brought out of storage and snapped together with the other parts of the offsets apparatus in final assembly – and it turns out that offsets ain't so minor after all, and are even more destructive than anyone figured – that the penny might drop. But by then it'll be too late. Heh-heh, you critics missed your chance. *Suckers*.

Dig it: this year you can tell the refusenik brigade it's too *early* to object. Next year, you can tell them it's too *late*.

It's a pro move, the kind that's been honed by the World Bank over decades to get their wacko schemes over the hump of popular resistance. Welcome to deniability, baby. Our hands are *clean*.

And don't forget to look "open" while all this is going on. This is 2018, after all. "Democratic" spin is part of the package. Especially here in California.

Sure, there are backfire risks. Count on it. Jesus, look at what happened to Gorbachev. But with a little care you can minimize the dangers.

The key is to rig the stage beforehand so that as little as possible is left to democratic chance. Choose as many of the actors as you can. Keep that agenda narrow enough to exclude any alternatives. But don't be an obvious control freak. Get that balance right. Make it look good from the outside.

4

(SACRAMENTO, 11:46 P.M., 11/9/18 – 8:00 A.M. 11/15/18)

So the comments start swarming in on TFS and its draft environmental analysis. CARB staffers roll up their sleeves and order in pizza. Once again, time to raise shields on the USS *Enterprise*.

First up are objections that point to the obvious links between endorsing the TFS and getting a full-bore offsets industry clanking away. CARB staffers trade winks. We've got this one covered. Under the law, we don't even *need* to reply to this because TFS by itself doesn't have any environmental effects at all. It's just a piece of paper sitting around that people outside California might – *might* – use someday to boost their profits from supposedly protecting forests. Anyway, TFS *says* it's about protecting the environment, so what's all this about it possibly doing harm to it instead?

Abuses of forest communities in hundreds of previous forest offset schemes? Cambodia, Brazil, Mozambique, Madagascar, PNG? Mount Elgon, Ulu Masen? Again, we're not compelled by law to say anything in response to this. Hell, this objection isn't even about "the environment". Never mind that social abuses are, and lead to, environmental abuses, when those who care for the land are harrassed or dispossessed. California law says otherwise.¹⁰ What can we lowly CARB-ites do but further its noble ends? Same post-Cartesian rules apply. Our hands are tied.

Anyway, if we get wind of abuses, all we need to do is lay down a rule saying don't do it, otherwise we won't accept your credits. (Of course, we have to be a bit flexible about this, otherwise we wouldn't be able to buy pollution rights generated by offsets at all.) And if the rules don't work, or it turns out we

ourselves are not applying them, well, we just write a new rule that says the old rules are going to be effective from now on. Problem solved.

Sure it's lame. But who cares? Lame can work if the point is just to disarm or delay critics. The point isn't whether all these rules work in Mexico, Brazil, PNG or anywhere else. All they have to do is work at the CARB crib in Sacramento to make sure that we can push something through that nobody wants except biz and their servants in the state and the geekocracies. Now, who's got the pepperoni and mushroom?

Then there's another objection. TFS is for offsets, right? Offsets are for keeping emissions up higher at home than they would have been otherwise, right? Because to do so is cheaper: that's what "cost effective" in AB 32 means. But: if emissions are kept high across the board in California, that means they are kept high in all the *usual* places where emissions happen. Nothing in the TFS says Long Beach polluters have to resite operations to Beverly Hills. Nobody's mentioned relocating LAX to Brentwood Park. So the TFS would indirectly reinforce – and maybe increase – all the old racially-skewed environmental damage that's inflicted by fossil fuel use right here in California. CARB can't have it both ways. If it needs to push a cheap alternative to reducing emissions at home, then it's going to be stomping on black, brown and red people, not only in countries like Mexico and Brazil, but also right around the corner.

CARB staffers ponder, munching their *quattro stagione*. Hmm. That one's not so easy to reply to.

Well, we can say that offsets might not necessarily make things worse, and that therefore according to the statutes we're not obligated to respond to this objection. And as for environmental racism in the state, that's just a historical pattern. It's not our fault that TFS would reinforce it.

But hold up. That doesn't sound so great, does it? Better throw a change-up. Shift the subject away from offsets and the TFS to all the *other* things we're thinking of doing that might counteract the way the TFS would double down on the oppression of the poor worldwide.

Uhhhh ... like what exactly? Well, maybe just wave our hands and say that "the coming years involve significantly more ambitious emissions reduction mandates, which are expected to produce dramatic reductions in GHG emissions and likely criteria pollutant emissions across all sectors covered by the Cap-and-Trade Program ... Other state programs focus more directly upon criteria and toxic pollutant reductions ..." ¹¹ Blah blah blah. You know the drill. Staffers go to town. Slice by slice, the pizza boxes empty out.

Problem is, all this temporizing's still not going to be enough to make those damn critics forget the question: Why let your left hand steal from your right? Why doesn't CARB just recommend banning offsets, and then carbon trading altogether, since it's already been proved to undermine both justice and climate action in country after country?

No time to think about that, though. Ddeadline on their minds, staffers keep tapping their keyboards as the dust rises. It gets thick enough, they figure, it might just keep that California public out there from seeing anything at all.

(SACRAMENTO, 10:00 A. M., 11/16/18)

Hearing time rolls around.

CARB staffers are ready. Replies to comments have been formulated and distributed. Supporters have been flown in. Cookie-cutter letters extolling coming California-themed offset capers have been solicited from local notables in Acre and Chiapas. DC neolib enviros and assorted consulting types have supplied *pro forma* endorsements.

Boffin testimony is typed up and on record, carefully shaped so that the central topic never comes up, namely, should California even be *considering* offsets? Should it even be *thinking* about a TFS? Instead, it's all: *This is a fait accompli, get me? How can we make it look less bad technically? What are some ways of making people swallow this? Give.*

Spoken or unspoken promises hang in the air. The name of the game: *quid pro quo*. Things are *organized*.

But wait. Who are all these people protesting and offering contrary testimony? We expected some trouble, but this looks like it's getting out of hand. We didn't think we'd left enough space for this. They're taking over.

The day goes on. Things don't get any better. Face it: we can't beat these guys on the evidence. We can't beat them on the science. We can't beat them on the reality of what the TFS is. These bozos are clued-in. They're indigenous peoples who've seen what happens on the ground. They're our own damned fenceline communities, who know that every bit of land taken from their brothers and sisters elsewhere means more pollution grief and global warming beefs for the people at home. They're academics who have lived and breathed forest offsets for years. They're people with experience. People who know from uncertainty, who know from land use, who know from carbon science.

Not that *we* care about any of that. Hell, you don't need to tell *us* this whole TFS game is a shuck. We're the ones who got it up. The problem is, if we keep on in the face of all this shouting, it's gonna vibe bad PR. Not the right move at this stage.

Regroup and recalibrate. Are we actually going to have to go thumbs down on the TFS? Nah, man, come on, too last-ditch. Better to put off a decision and hope for the best. Let's go on adding to our CalPERs pension nuts while we build up our strength and map out some bob-and-weave for the next encounter. What has the other side got to sustain themselves? Bupkes. Maybe they'll get tired. Maybe we can outlast them. Anyway, let's hope so.

So shall we say April for a decision on endorsing the TFS? Five or six months is enough, surely.

Or is it? Brainstorm: let's put the next comment deadline at the end of August, when people might be unavailable. Say August 29, how does that sound? It's a tweak on those old routines of only-release-bad-news-on-a-Friday-night, use-the-innocuous-bill-to-get-a-killer-rider-through, and all the rest.

Glasses clink. Hey, maybe Strom Thurmond and all those other *filibusteristas* didn't die in vain after all.

But will it work?

6

(BRAZIL AND BOULDER, COLORADO, 8/27/19)

Meanwhile, down Brazil way, the forest burns as never before, including in Acre state, CARB's home-away-from-home in the region.

Tag it partly a result of the policies of new Prez Jair Bolsonaro. Since his election, Bolsie's been bent on inciting anti-indigenous race sentiment in order to ensure that extractive industries can take what they want in the Amazon.

After all, as one professor out of Colorado writes, "If the people who manage the forests are dead or dispossessed, who is left to protect the land from development and extractivism?"¹²

Which means more people than ever are wondering how long CARB can keep up the forest offsets act, including TFS. Is CARB going to send in an army whenever a threat looms to the "carbon sequestration" figures it needs to manufacture super-cheap pollution licenses for California industry? Calculate *that* baseline, baby. Check out *that* sector-based crediting.

The prof, Lauren Gifford, nails it: CARB-type REDD fantasies were "never designed to combat widespread state-sanctioned violence":

"The Amazon fires are a brutal exposure of the fallacy of REDD to protect forests and sequester rogue carbon. Continued engagement with REDD exposes NGOs and governments as strictly motivated by the business of development – the redistribution of capital under the guise of virtue – and less concerned with climate action, and protecting forests and the communities that depend on them ... don't call something climate mitigation when it isn't ... REDD is dead."¹³

"Endorsement day" looms. Where will CARB – and its reputation – be when the dust settles?

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The Corner House
29 August 2019

- 1 Richard Lane and Benjamin Stephan, “Zombie Markets or Zombie Analyses? Revivifying the Politics of Carbon Markets”, in Benjamin Stephan and Richard Lane, *The Politics of Carbon Markets*, London, Routledge, 2015, 1-23.
- 2 Andreas Malm, *Fossil Capital: The Rise of Steam-Power and the Roots of Global Warming*. London: Verso, 2016.
- 3 George Marshall, *Don't Even Think about It: Why Our Brains Are Wired to Ignore Climate Change*. New York: Bloomsbury USA, 2014, Chapter 32: Well and Tailpipe.
- 4 Larry Lohmann, “Toward a Political Economy of Neoliberal Climate Science”, in David Tyfield, Rebecca Lave et al., *The Routledge Handbook of the Political Economy of Science*, London, Routledge, 2017, 305-316. Cathy Fogel, “The Local, the Global, and the Kyoto Protocol”, in Sheila Jasanoff and M. L. Martello, eds., *Earthly Politics: Local and Global in Environmental Governance*, Cambridge: MIT Press, 103–126.
- 5 “Responses to Comments on the Draft Environmental Analysis Prepared for the Endorsement of the California Tropical Forestry Standard”, California Air Resources Board, November 9, 2018, 2-26.
- 6 Jutta Kill, *REDD: A Collection of Conflicts, Contradictions and Lies*, Montevideo: World Rainforest Movement, 2015; Mark Shapiro, “The Carbon Hunters”, KPBS, October 10, 2010;
- 7 Mandy Mayfield, “California Gov. Jerry Brown to Protesters during Climate Speech: 'Let's Put You in the Ground'”, *Washington Examiner*, November 11, 2017.
- 8 “Response”, 2-6.
- 9 Ibid., 2-7, 2-8.
- 10 14 CCR §15126(a), 15360, 15382.
- 11 “Response”, 2-9.
- 12 Lauren Gifford, “The Amazon Fires Mark the End of REDD+” *REDD-Monitor*, August 27, 2019, <https://redd-monitor.org/2019/08/28/guest-post-the-amazon-fires-mark-the-end-of-redd/>; see also James Temple. “Whoops! California’s Carbon Offsets Program Could Extend the Life of Coal Mines”, *MIT Technology Review*, August 26, 2019.
- 13 Gifford, “Amazon Fires”.