



Beyond Business-As-Usual

## Stop Trading Away California Clean Air for Cheap Out-of-State Offsets!

The people of California must demand the proposed cap and trade extension address the Legislature's concern with the use of out-of-state offsets. AB398 sponsored by Assm. Eduardo Garcia [D-56] promised to limit the ability of large polluters to use out-of-state offsets to avoid direct emission reductions and trade away our clean air benefits. The intent was to ensure the program is addressing local clean air and water issues. To address these concerns, one-half of all offsets were supposed to come from within the State.

The Air Resources Board proposed regulation creates an industry endorsed loophole where any offset from outside the State can be classified as providing "Direct Environmental Benefits In the State" (DEBS). If local reductions are too scarce or costly, polluters could simply increase their use of out-of-state offsets beyond limits imposed by AB398. This abandonment of Disadvantaged Communities threatened by hazardous air and water pollutants must be stopped.

We demand the proposed regulation be revised to clarify that offsets designated as providing DEBS be generated from locations within the State and establish proof of environmental co-benefits as promised in AB398. We will not stand by and allow our clean air to be shipped out of state to satisfy large polluters interests in cheap out-of-state offsets!

**Staff cites the dormant commerce clause as an excuse for this "clever workaround" to increase out-of-state offsets, but actually create a conflict with the commerce clause where none exist under AB398. Offset are treated equally without exclusion or discrimination under AB398. The staff proposal; however, creates a discretionary review process that, on its face, would exceed the States right to restrict interstate commerce. The staff is clearly exceeding its authority to adjudicate the commerce clause and instead should adhere to the direction given by our elected officials.**

Our climate emergency requires principled action with honesty, integrity, and consideration of others. If the board, staff, and corporate profit-takers don't have that courage now, then when?

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