Environmental justice is rooted in the ideals of equity, transparency, inclusion and empowerment for all people and all communities. Pollution trading disregards these goals by allowing industries to pay for the right to dump toxins into our waterways and air.

The risks of pollution trading schemes
Traditional environmental policies like the Clean Water Act (CWA) and the Clean Air Act (CAA) address pollution by imposing limits on toxic emissions. These programs largely succeeded in reducing water and air discharges over the past three decades. Pollution trading schemes, including so-called cap-and-trade policies, allow companies that are unwilling to reduce their pollution to buy credits from firms that have a greater capacity or willingness to curb their own discharges.

These market-based policies set a pollution limit (a “cap”), distribute pollution credits (the right to pollute) and establish a marketplace to trade these credits. Companies can buy or sell pollution credits without any public input. A nearby company could simply purchase the right to increase its emissions. In contrast, the CAA and CWA allow the public to intervene when companies seek to increase their permitted pollution levels.

The environmental injustice implications of pollution trading
Polluters have long built their facilities in lower-income and minority communities, resulting in a disproportionate, localized pollution burden — and in the associated human health effects from this pollution, including respiratory and cardiovascular disease, cancer and reduced life expectancy.

In California, lower-income residents are more likely to live near large greenhouse gas emitters; these households are typically African American, Asian and Latino. Pollution credit schemes exacerbate existing environmental health risks by creating localized hotspots when big polluters buy
more credits. Communities near credit-buying polluters may be unaware of, or have little opportunity to prevent, the increased pollution allocation from happening.

A 2016 study of California’s cap-and-trade program found that the participating facilities that increased greenhouse gas emissions tended to be located in vulnerable communities. Sixty-one percent of the highest-emitting facilities increased their greenhouse gas emissions from 2011/2012 to 2013/2014. The neighborhoods near these higher-polluting facilities had higher proportions of people of color than neighborhoods near facilities that reduced pollution.

Pollution trading sacrifices equity in favor of industry profits and will further burden lower-income and minority communities that are already suffering from disproportionate environmental health burdens. Market-based environmental policies can exacerbate toxic hotspots that remain outside the scope of trading schemes, and they worsen pre-existing health and socioeconomic disparities.

CALL TO ACTION
Pollution trading schemes impact vulnerable communities’ populations and worsen their environmental health burdens. Real climate change solutions must reject market-based pollution trading policies in favor of effective greenhouse gas reduction. The Off Fossil Fuels for a Better Future Act (OFF Act) creates a path for the United States to achieve 100 percent renewable energy by 2035, without pollution trading schemes that disproportionately impacts disadvantaged communities. **Tell your member of Congress to support the OFF Act today:**

http://fwwat.ch/EJfactsheet

Endnotes


6. Ibid.