

“BUYING & SELLING THE RIGHT TO POLLUTE”
Oceans, Forests & Taxpayers - Victims of “Offsets” & Money Market Shell Games
By Rosalind Peterson
<http://newswithviews.com/Peterson/rosalind113.htm>
August 2009

Forest lands and our oceans are becoming the newest victims of high-stakes money market shell games. Forest offsets are already being sold in California or used as a lure for venture capital investments. Venture capitalists are awaiting the pending passage of the Climate Security Act of 2007 (U.S. Senate Bills 2191 and 3036 supported by Senators Lieberman and Boxer), and other related bills, to begin reaping huge financial market benefits supported by United States taxpayers.

According to an extensive article in the San Francisco Chronicle dated September 7, 2008, “...Early buyers of California forest offsets have included high-profile politicians and businesses, such as Governor Arnold Schwarzenegger, U.S. House Speaker Nancy Pelosi, and the Pacific Gas & Electric Company...” Why did they purchase these offsets? “...Governor Schwarzenegger and Speaker Pelosi bought relatively small amounts in 2007, to offset emissions from some of their air travel. Other buyers have included carbon trading firms such as Natsource and CantorCO2e, a division of the financial services firm Cantor Fitzgerald...”

Shouldn't Speaker Pelosi and Governor Schwarzenegger be introducing legislation to make jet fuel emissions less polluting and to stop jets from flying at altitudes where their persistent jet contrails turn into man-made clouds that, according to NASA studies, exacerbate global warming and climate change? (NASA stated in an October 2005, newsletter based on their research studies, that increasingly persistent jet contrails turn into man-made clouds that are “...trapping warmth in the atmosphere and exacerbating global warming...” NASA goes on to state that “...any change in global cloud cover may contribute to long-term changes in Earth's climate. Contrails, especially persistent contrails, represent a human-caused increase in the Earth's cloudiness, and are likely to be affecting climate and ultimately our natural resources...”)

Where is the legislation from California Governor Schwarzenegger, a true “Cap & Trade” promoter, and Speaker Pelosi designed to protect our oceans and marine life from artificial iron fertilization proposed by California companies, Planktos Science and CLIMOS, that produces harmful algae blooms? Why aren't they enacting legislation that would fine polluters and reduce air pollution? It appears that they are only interested in “buying their own personal right to pollute”.

The San Francisco Chronicle stated that Pacific Gas & Electric Company (PG&E) is: “...The biggest buyer so far (of offsets)...PG&E made its purchase as part of its ClimateSmart program, in which homeowners and businesses can choose to add a small fee to their monthly utility bill to counterbalance emissions from their gas and electricity usage...Both the price and the demand for forest offsets could grow as the United States takes steps to combat climate change. California is currently developing a “cap and trade” system...” that allows polluters to pollute more through the purchase of emission carbon credits or offsets.

California corporate competitors, PLANKTOS Science and CLIMOS, both plan to fertilize the oceans, creating artificial “for profit” algae blooms harmful to our oceans and marine life. This allows them to sell offsets or carbon credits to individuals and corporations that want to exceed pollution limits. Venture capitalist funding is flooding into offset development corporations as these capitalists seek a way to make a fortune selling ocean fertilization offsets, forest offsets, and other offset project credits to polluters through money market schemes. Our elected officials are so in love with the sing-song words “cap and trade” that they are echoing this catchy phrase across the country. “We will cap emissions” they say, at some high level and then allow anyone who wants to pollute above that level to purchase or be given free pollution credits. And our elected officials will pass legislation that will cost the taxpayer money by charging more for goods and services to fund allowing polluters to pollute more.

A quick read of American Clean Energy and Security Act of 2009, details in depth how the banks will be enriched, along with the taxpayer fleecing), to pay to fund a private corporation called the Climate Change Credit Corporation which will establish emission allowances and sell emission credits to polluters. According to this Act “...the Corporation shall not be considered to be an agency or establishment of the Federal

Government...” It is run by an easily corrupted Carbon Market Efficiency Board which will not have public or congressional oversight. This “bait and switch” game is not a complicated scheme...however, its environmental consequences are enormous.

This Corporate Board will determine emissions allowances by polluting corporations or other entities and then require them to purchase offsets if they exceed these pollution levels. These offsets can be purchased from either U.S. or foreign greenhouse gas emissions trading markets. The perfect “bait and switch” scheme.

The “purpose” of this subtitle (2601), is to “...establish a Carbon Market Efficiency Board to ensure the implementation and maintenance of a stable, functioning, and efficient market in emission allowances...” The real goal of this bill is to establish an efficient money market scheme to make sure that polluters have all of the emission allowances and credits they need in order to keep polluting at current or higher levels.

The “bait”, in this “Bait & Switch” scheme, is that air pollution that is causing climate change and global warming is being reduced and that the profits from selling offsets may or may not be given to solar and other clean energy development. The “switch” is that emission offsets and allowances will be sold to polluters allowing them to pollute more while enriching venture capitalists and corporations selling offsets. The “patsy” in the scheme is the American taxpayer and the taxes they will pay at every level.

The “end result” is that corporations will pollute more...our oceans will be iron fertilized everywhere producing harmful algae blooms for private profit to sell pollution allowances to polluters. It makes perfect sense only to those who would benefit from these money market schemes. U.S. and State legislation is in the wings waiting to be passed. Your voice is needed because their lobbyists have descended on Washington, D.C.

This legislation will lower the EPA Clean Water and Clean Air Act Standards as well. And if that is not enough it has a whole section on rebates creating state and federal agencies who will invade our privacy in order to rebate carbon taxes. This bill needs to be defeated in the U.S. Senate when it comes to a vote. The time to Lobby our U.S. Senators is now.

An independent Shasta County, California resident was recently approached to place his Douglas Fir trees in an offset program. He said: “No, why would I want to sell emissions offsets to polluters whose increasing pollution will eventually kill my trees?” The solution is not “buying and selling the right to pollute”, it is reducing air pollution at its source. End

Rosalind Peterson E-Mail: info@californiaskywatch.com
<http://newswithviews.com/Peterson/rosalind3.htm> (for more information)

**American Clean Energy and Security Act of 2009
Call you U.S. Senators and Oppose This Legislation Today**

YouTube Features Senator Byron Dorgan Opposing Cap & Trade Legislation on the U.S. Senate Floor on July 16, 2009.

http://www.youtube.com/watch?v=1CNEcVOtseM&feature=channel_page Part I
<http://www.youtube.com/watch?v=uMO7EHCPgs&feature=channel> Part II

Join Senator Byron Dorgan opposing this Cap & Trade Market Scheme and all of the four versions of the Energy Bill H.R. 2454 which passed the U.S. House on June 26, 2009.

Text and Information:

[http://www.thomas.gov/cgi-bin/query/z?c111:H.R.2454:](http://www.thomas.gov/cgi-bin/query/z?c111:H.R.2454)

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<http://www.thomas.gov/cgi-bin/query/D?c111:4:./temp/~c1118t15P5::>

There are four versions of this bill. One was passed by the U.S. House on June 26, 2009 and now these four versions are being considered for passage by the U.S. Senate. This bill could be brought before the U.S. Senate for a vote at any time in 2009.

WARNING...The FDA is not protecting the public and it is time that we protect ourselves from these toxic chemical experiments on our children from toxic baby bottles.

1) **New York Times September 6, 2008 Canned Goods, Water Bottles & Baby Bottle Chemical Warning**

http://www.nytimes.com/2008/09/06/opinion/06sat4.html?_r=1&th=&oref=slogin&emc=th&page_wanted=print

That Plastic Baby Bottle & Liners for Canned Goods “What do you do when one arm of the government says everything is O.K. and another tells you to watch out? That is what is happening with **bisphenol-A** — a chemical used in many plastics and epoxy resins now found in baby bottles and liners for canned goods. The answer is a truism in every family rulebook — when in doubt, especially when it comes to children, err on the side of caution. That means it is a good idea to keep the young away from bisphenol-A, or BPA...Then this week, the **National Toxicology Program, the federal agency for toxicological research, reported that their research shows “some concern” about the effects of BPA on the brain development and behavior of fetuses and young children. A new study by the Yale School of Medicine is cause for even more concern. In tests on primates, researchers found that BPA “causes the loss of connections between brain cells” that could cause memory or learning problems and depression...**”

2) <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2008/09/07/MNQN11LLL6.DTL&type=printable>

San Francisco Chronicle September 7, 2008 – California “State’s Private Forests Sell Carbon Offsets...” Page 1 (Continued on Page 12 – No Link provided by the Chronicle.)

3) <http://www.sfgate.com/cgi-bin/object/article?o=2&f=/c/a/2008/09/07/MNQN11LLL6.DTL>

San Francisco Chronicle September 7, 2008 – California Forest Trees – Carbon Offset Tree Graph.

- 4) <http://www.sfgate.com/cgi-bin/object/article?o=1&f=/c/a/2008/09/07/MNQN11LLL6.DTL>
San Francisco Chronicle September 7, 2008 – California “In the Garcia River forest, Evan Smith, works for the Conservation Fund” (Brant Ward / The Chronicle)”
- 5) <http://www.sfgate.com/cgi-bin/object/article?o=0&f=/c/a/2008/09/07/MNQN11LLL6.DTL>
San Francisco Chronicle September 7, 2008 – California “The Garcia River forest in Mendocino County is one of two private California forests that have been certified as sources of offsets. (Brant Ward / The Chronicle)”
- 6) <http://www1.pressdemocrat.com/article/20080904/NEWS/809040364>
The Press Democrat – Mendocino County, California Logging to Resume in Jackson State Demonstration Forest - September 4, 2008 - California’s largest state forest.
- 9) <http://www.climos.com/about.html> CLIMOS 2008
Iron Fertilization of our Oceans – Will produce artificial algae blooms.
- 10) <http://earth2tech.com/2008/08/21/planktos-corp-closes-shop-planktos-science-funded/>
- 11) <http://earth2tech.com/2008/07/07/planktos-is-back-and-this-time-its-got-science/>
Los Angeles Times April 1, 2007 “Carbon Trading Won’t Work”
- 12) <http://www.latimes.com/news/opinion/sunday/commentary/la-opedorsey1apr01.0.7611817.story?coll=la-sunday-commentary>
The Vancouver Sun Article: June 19, 2007 Planktos’ “Plans to Alter Ocean Chemistry Hits Rough Seas”
- 13) <http://www.canada.com/vancouvernews/story.html?id=9712fc39-561f-4dd8-b4e1-ad6c6e0487d1&p=1> Page 1
- 14) <http://www.canada.com/vancouvernews/story.html?id=9712fc39-561f-4dd8-b4e1-ad6c6e0487d1&p=2> Page 2
- 15) September 5, 2008 AP New Writer Burke California Sequoia Trees – Climate Change
http://hosted.ap.org/dynamic/stories/C/CLIMATE_CHANGE_SEQUOIAS?SITE=CAGRA&SECTION=HOME&TEMPLATE=DEFAULT
- 16) New York Times August 8, 2008
http://www.nytimes.com/2008/09/08/business/08fannie.html?_r=1&th=&oref=slogin&emc=th&pagewanted=print
(U.S. Takes Over Fannie Mae & Freddie Mac American Taxpayers to Pay \$\$\$ in Takeover)
- 17) New York Times August 8, 2008
http://www.nytimes.com/2008/09/08/business/08fannie.html?_r=1&th=&oref=slogin&emc=th&pagewanted=print
“WASHINGTON — The Bush administration seized control of the nation’s two largest mortgage finance companies on Sunday...It could become one of the most expensive financial bailouts in American history...The Treasury secretary, Henry Paulsen...would not say how much capital the government might eventually have to provide, or what the ultimate cost to taxpayers might be...the Congressional Budget Office gave a rough estimate of \$25 billion. One senior government official, speaking on the condition of anonymity, signaled on Sunday that even that figure was optimistic...”
- 18) <http://www.guardian.co.uk/environment/2008/sep/12/carbonemissions.carbonoffsetprojects>
“Permit to Pollute” September 12, 2008 Guardian.co.uk (Emission Credits – Cap & Trade Schemes)

- 19) <http://www.guardian.co.uk/environment> September 12, 2008 Guardian.co.uk by David Adam

“...A flagship European scheme designed to fight global warming is set to hand hundreds of millions of pounds to some of Britain's most polluting companies, with little or no benefit to the environment, an investigation by the Guardian has revealed. Dozens of multinational firms stand to benefit from the windfall, which comes from the over-allocation of carbon permits under the European emissions trading scheme...”

- 20) “A Permit to Print Money” by Oliver Tickell September 12, 2008: “...Far from incentivising emissions cuts, the EU's carbon trading scheme provides a grotesque subsidy for the biggest polluters...”
<http://www.guardian.co.uk/commentisfree/2008/sep/12/carbonemissions.climatechange>
<http://www.guardian.co.uk/commentisfree/2008/sep/12/carbonemissions.climatechange>

“...There is a "magical logic" in the way hundreds of billions of pounds' worth of carbon allowances are given away to polluting companies...That company...was given twice as many allowances – tradable pollution permits created by the EU's Emission Trading System ([EUETS](#)) – as it actually needs to cover its own emissions. The remainder it will sell in the UK's dynamic carbon market, receiving a multimillion-pound windfall profit...”

“...But in the looking-glass world of the EUETS, the "polluters pays" principle is replaced by its mirror image – the "polluters get paid" principle...But the biggest winners of all are the biggest polluters, the power companies, which benefit to the tune of €30bn per year. According to energy regulator Ofgem, the UK's power companies will receive a £9bn windfall profit from their free allowances between 2008 and 2012. And now a broader range of industrial companies are cashing in on the carbon bonanza...Moreover, the system effectively bars new players in any industry that would have to buy all their allowances – creating unshakeable established monopolies...More fundamentally, we must recognise that the EUETS allowances are a form of money – tradable instruments like, for example, government bonds issued by the Treasury...”

- 21) <http://www.guardian.co.uk/environment/2008/sep/12/emissionstrading.carboncapturestorage>

“...Q&A: The European emissions trading scheme - What the ETS is and why it doesn't work, yet...” by David Adam September 12, 2008 “...What is the European emissions trading scheme (ETS)? **The world's first large-scale carbon trading market, set up in 2005 under the Kyoto protocol as a way to use the market to reduce industry pollution....**”

- 22) <http://www.guardian.co.uk/environment/2008/aug/10/emissionstrading.utilities> August 10, 2008

Guardian.uk.co “Fuel firms set for £11bn windfall in CO2 trading” by Time Webb

“...Energy companies are set to scoop even bigger windfall profits from emissions trading than originally predicted...Hard-pressed consumers could end up bankrolling most of this windfall through higher fuel bills...The European trading scheme was introduced to reduce industry's carbon emissions. Companies are given free permits giving them the right to emit a fixed amount of carbon. They have to buy additional permits on the carbon markets to pollute more, or pay a penalty...” or they can sell their credits for a profit.

The United States Senate is set to pass Senators Lieberman and Boxer Climate Security Act (2191 or 3036), that would take the United States down this same path giving taxpayers one more financial market headache.

- 23) **New York Times September 15, 2008 Another Cap & Trade Market Scheme Benefits Polluters.**

http://www.nytimes.com/2008/09/16/us/16carbon.html?_r=1&th=&adxnnl=1&oref=slogin&emc=th&adxnlx=1221566613-6uFEmTi5wTntl6N23Bf11A

"...The program is due to get off the ground in nine days, but already there are worries that it may fail to reduce pollution substantially in the Northeast, undermining a concept that is being watched carefully by the rest of the country, by Congress and by European regulators...The states will set their own limits, with each issuing tradable permits, or allowances, for carbon pollution. On Sept. 25, utilities will start bidding at auction for allowances, which they can later sell...He also noted that the market was also "not going to produce a lot of emission reductions" as long as the supply of allowances outstrips utilities' need...A dirtier plant can buy additional allowances in the secondary market, but it may be expensive — or it can just find a way to cut its pollution. Conversely, a cleaner utility can sell its unneeded allowances...The carbon market follows a three-year-old European experiment, the first of its kind, that provoked widespread criticism, both because it provided windfall profits for industry and because it did little to control heat-trapping emissions..."

- 24) The Hill Newspaper reported on Wednesday, October 8, 2008, that a new 461 page "Cap & Trade" bill had been unveiled by two House Democrats: House Energy & Commerce Committee Chairman John Dingell and Energy & Air Quality Subcommittee Chairman Rick Boucher. According to the article by Jim Snyder: "...Part of the impetus for the release of the bills seems to be to head off a separate effort at the Environmental Protection Agency (EPA) to cut emissions through federal regulation, an option made available last year when the Supreme Court ruled that the EPA had the authority, under the Clean Water Act, to address global warming..." **All of us should work to defeat this bill.**
- 25) <http://www.nytimes.com/2008/10/24/nyregion/24offset.html?ref=science&pagewanted=print>

New York Times Port Authority to Let Commuters Buy Emissions Credits – October 24, 2008
By [KEN BELSON](#) Drivers who commute by car between New York and New Jersey can assuage their guilt by buying credits from the [Port Authority of New York and New Jersey](#) to offset their vehicles' carbon emissions. At a board meeting on Thursday, the Port Authority announced that it had approved a measure to pay five companies a total of \$2.5 million to set up a carbon offset program for the agency. A Web site where drivers and airline passengers can buy credits to offset carbon emissions they create [will be activated in early 2009](#). Money from the carbon-offset credits is typically used to plant trees, build windmills, install solar panels and take other measures that may help reduce greenhouse gas emissions. The announcement came [six months after the agency said](#) it would establish an offset program, the first of its kind in the United States by a toll-collecting agency.

The program is part of the Port Authority's plan to become carbon neutral by 2010. The agency also wants to reduce the greenhouse gas emissions it generates by 80 percent by 2050. "We're deeply committed to being in the national forefront in developing environmentally sustainable practices at our airports, seaports, tunnels and bridges," Anthony R. Coscia, the chairman of the Port Authority, said in a statement. To meet its carbon emission targets, the Port Authority will make [Stewart International Airport](#) in Orange County, N.Y., a "carbon-negative" airport, install energy-efficient L.E.D. lighting at the Holland Tunnel and the George Washington Bridge, build a geothermal-powered building at [Kennedy International Airport](#) and spend \$60 million to buy and preserve environmentally sensitive land for public use." End

26) <http://www.nytimes.com/2008/09/26/business/26pollute.html?fta=y&pagewanted=print>

The New York Times
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September 26, 2008
First Auction of Pollution Rights
By THE NEW YORK TIMES

“The Regional Greenhouse Gas Initiative, an effort by 10 Northeastern states to combat [climate change](#), held its first auction of pollution rights on Thursday. The program caps the amount of carbon dioxide that power plants can emit, forcing utilities to buy allowances to pollute. Not all utilities participated in the auction. The prices and number of allowances sold will not be known until Monday. Critics have charged the program will have little benefit in the near term, because the emissions cap is too generous. New York, New Jersey, Delaware and New Hampshire did not issue allowances in this first quarterly auction but will participate in the future. Seven Western states and four Canadian provinces have outlined a global warming plan. Participants on both coasts hope to prod Congress into passing a national trading system.” End

[Boxer Comes Out Swinging](#) *By David Roberts, Grist, November 20, 2008.* "Sen. [Barbara Boxer](#) (D-Calif.), chair of the Senate Environment and Public Works Committee, announced [on Thursday] that she will introduce a bill that would direct the U.S. EPA to develop a carbon cap-and-trade system by **weakening the Clean Air Act. Boxer offered few details about the program beyond saying that it would be 'streamlined' and simple -- perhaps an implicit reference to the bloated, complex Boxer (U.S. Senate Bill 3036) and Lieberman-Warner (U.S. Senate Bill 2191), Boxer's announcement is only the latest signal that the federal government will try to act aggressively on climate change and weather mitigation programs early in Obama's first term.**

[Pelosi Will Renew Climate-Change Panel.](#) *By Patrick O'Connor, Politico, November 21, 2008.* "Speaker Nancy Pelosi (D-Calif.) plans to renew her select committee to address global warming next year, ending speculation that she would terminate the panel to clear the way for the next chairman of the Energy and Commerce Committee. 'It is my intention to put forth a renewal of that committee in the new Congress,' the speaker told reporters on Friday. Pelosi established the committee to **move forward on climate change legislation during her first year as speaker. Most observers saw the move as a way to strong arm outgoing chairman of the Energy and Commerce panel, Michigan Rep. John Dingell, who fought previous efforts to limit carbon emissions. But California Rep. Henry A. Waxman ousted Dingell on**

Thursday, fueling speculation that Pelosi might terminate the [Select Committee on Energy Independence and Global Warming](#).

Waxman, who sought to limit the legislative authority of that select committee at its inception, has signaled his intent to move a comprehensive climate change bill next year. [However] he sent the speaker a letter in October, before even announcing his intent to oust Dingell... [stating that the select committee should continue. It] 'serves a tremendous intellectual resource for me', Waxman wrote... Pelosi told reporters on Friday that she would let the incoming Obama administration take the lead on a comprehensive energy overhaul that should include climate change components. The speaker also wants Massachusetts Rep. Edward J. Markey to remain chairman of the select committee."

More Greenhouse Gas Evidence, Actions, Options

[The Greenhouse Gas That Nobody Knew](#). By Richard Conniff, *YaleEnviro360*, November 13, 2008.

"Hypothetical question: You're heartsick about global warming, so you've just paid \$25,000 to put a solar system on the roof of your home. How do you respond to news that it was manufactured with a chemical that is 17,000 times stronger than carbon dioxide as a cause of global warming? It may sound like somebody's idea of a bad joke. But last month, a study from the Scripps Institution of Oceanography reported that nitrogen trifluoride (NF3), with a global warming potential of 17,000, is now present in the atmosphere at four times the expected level and rapidly rising. Use of NF3 is currently booming, for products from computer chips and flats-screen LCDs to thin-film solar photovoltaics, an economical and increasingly popular solar power format. Moreover, the Kyoto Protocol, which limits a half-dozen greenhouse gases, does not cover NF3. The United Nations Framework Convention on Climate Change now lists it among five major new greenhouse gases likely to be included in the next phase of global warming regulation, after 2012. And while that may be reassuring, it also suggests the complicated character of the global warming problem."

[Citizen Action Against Coal Ramp Up](#). By Ben Block, *WorldWatch*, November 19, 2008.

"Climate activists worldwide are raising the stakes, with many turning to civil disobedience to make their voices heard. Actions in recent months have ranged from [chaining themselves to coal conveyor belts in Sydney](#), to [forming port blockades in the Netherlands](#), to [scaling smokestacks in the United Kingdom](#). The rise in activism reflects growing frustration against the continued, and expanding, use of coal as a source of energy... In Europe, where some 50 new coal plants are being planned, [Greenpeace is leading a continent-wide campaign](#) [PDF] to halt eight upcoming projects in Germany, Belgium, and the Netherlands. In the United Kingdom, plans are under way to build the country's

first coal plant in 34 years. Activists have escalated their opposition to the proposed construction this year. In the United States, [a nationwide fight against 150 proposed new coal-fired power plants](#) that began four years ago has put a serious dent in the coal industry's plans. Through the courts, government lobbying, and acts of

civil disobedience, activists have helped cut in half the number of new coal power stations. The movement achieved a major victory last week. In response to a [Sierra Club](#) lawsuit, the U.S. Environmental Protection

Agency ruled that a proposed coal plant in Utah would [need a plan for controlling its carbon dioxide \(CO₂\) emissions](#) before being granted a federal operating permit. The ruling essentially delays all such permits for the time being. 'In the immediate future, no new coal plant will be moving forward,' said Virginia Crame, a Sierra Club associate press secretary.

http://seattletimes.nwsourc.com/html/nationworld/2009220617_apusgoreclimatebill.html

Associated Press May 2009 Gore Volunteers Fighting for Cap & Trade Congressional Hometowns.