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| March 8, 2013 |

Honorable Mary Nichols
Chair, California Air Resources Board
1001 I Street
Sacramento, California 95814

Dear Honorable Nichols,

The California Tahoe Conservancy (Conservancy) appreciates the opportunity to comment on the California Air Resources Board’s (ARB) Draft Concept Paper (February 15, 2013) used in the development of the ARB’s Cap and Trade Auction Proceeds Investment Plan. The Conservancy is a State agency within the Natural Resources Agency, created in 1984 to protect and restore natural resources while providing public recreation opportunities. Together with our local partners, the Conservancy has led a collaborative effort to restore, enhance and sustain a balance between the natural and human environment and between public and private uses at Lake Tahoe.

The Conservancy recognizes the impacts of climate change and greenhouse gas (GHG) emissions on the Basin and its communities and has adopted strategies to assert sustainability and actualize progress. Based on the importance of California meeting the GHG emission reduction goals under AB 32, Global Warming Solutions Act, we would like to encourage the Air Resources Board to include the following additions to the first three-year investment plan for cap-and-trade auction revenues. Please consider including natural resources-conservation management and using existing grant mechanisms to facilitate early actions on the ground showing quantified benefits at reaching the State GHG reduction goals.

**California Tahoe Conservancy Investment Recommendations**

Natural Resources

The conservation and management of landscapes and natural resources have a direct impact on climate change and present significant GHG reduction opportunities while providing additional co-benefits to the landscape. Forests and vegetation remove vast amounts of carbon dioxide from the atmosphere and stores it in leaves, trunks, branches and roots. Additionally, functional and restored wetlands can provide reductions in methane and carbon dioxide emissions while also sequestering additional carbon dioxide from the atmosphere. Creating bike trails and other mobility options for local communities and visitors provides a reduction in Vehicle Miles Traveled (VMT) and GHG emissions, while also creating sustainable communities throughout the Basin. AB 1532 specifies using cap-and-trade auction revenues for forestry and other natural resource management and conservation [Health and Safety Code §39712(c)(3)].

The Conservancy is unique among Conservancies in that it acquires and retains ownership of public land. The Conservancy has a 25 year history of providing funding to local jurisdictions for on the ground implementation of environmental improvement projects and is leading local citizen based groups in the development of a Lake Tahoe Climate and Sustainability Action Plan. The Conservancy investment strategy has a list of multi-benefit restoration projects that can be readily implemented, should funding become available through California’s cap and trade auction revenues. We feel that investing in these sectors is consistent with the goals of AB 32 and SB 375 because they provide extensive opportunities to significantly mitigate anthropocentric GHG emissions and promote sustainable communities throughout the State.

To date, the Tahoe Conservancy has acquired over 4,887 properties throughout the Basin comprising of 6,601 acres of forests, meadows, wetland and riparian zones and urban forested lots and has active programs in place with grant and program guidelines for wetland and watershed management, urban forestry, sustainability and GHG reductions and recreation and public access.

Forestry

Almost a third of California (31 million acres) is forested. These forests present the safest, most effective method for actually removing CO2 from the atmosphere and storing it safely in trees. California’s forest sector is specifically articulated in the AB 32 Scoping Plan as a means of achieving GHG emission reduction goals through: forest conservation (to maintain existing carbon storage and reduce conversion to more pollution-emitting uses); forest stand improvement (to improve forest health and increase the amount of carbon that can be stored in existing forests); reforestation and afforestation; urban forestry; fuels management (to make existing forests more resilient and reduce the risk of GHG-emitting wildfire).

The forest sector is also called out in AB 1532, which states that auction revenues should be used to achieve specific co-benefits, such as: fostering job creation; improving air quality; and providing opportunities for businesses, public agencies, nonprofits and other groups to participate in and benefit from the State’s GHG reduction efforts while lessening the impacts of climate change on the State’s communities, economy and environment.

Investing auction revenue to improve forest condition not only leads to direct GHG reductions, it also ensures a long-term carbon bank; improves air quality by reducing catastrophic wildfire and pile burning, provides opportunities to local forest contracts and businesses that can use the wood waste for energy or higher value products, provides an incentive for federal, state and local land managers to coordinate land management to make strategic investments in hire fire risk areas, protects water quality and reliability at the source for 23 million Californians; sustains fish and wildlife habitat; supports recreational uses on our forest lands; reduces threat of wildfire to life and property; supports rural forest economies by creating forestry-related jobs; produces local renewable energy; and supplies a sustainable source of lumber and other forest products that continue to sequester carbon throughout their useful life.

Disadvantaged Communities and Mapping

It is clear that the areas identified by the CalEnviroScreen tool are disadvantaged; but right now the determination criteria fail to recognize any communities in rural forested parts of the State, some of the areas hardest hit by the economic downturn. The criteria and formula should not exclude the broader range of communities that are disproportionately affected the ones that are suffering from environmental pollution and socio-economic ills like declining personal income, accelerated unemployment, low educational attainment levels and growing numbers of children living in poverty. There are multiple communities in the Basin that meet the federal and State of definitions of disadvantage communities.

As a California State Agency, the Conservancy has a mandate to manage the properties of the State in a manner that provides for public health and safety. Current economic conditions and the impending impacts of Climate Change are stretching agency resources across the State. As outlined above, the Conservancy has proactively taken measures to protect the resources of the state, provide benefits to the diverse communities throughout the Tahoe Basin, and address climactic stressors through innovative forest management and sustainable waste management.

The Cap and Trade system implemented under Assembly Bill No. 32 is a landmark program that has the potential to generate substantial revenues for the State. It is imperative that these revenues be strategically invested to actualize measurable benefits to the residents of California through the reduction GHG emissions and community improvements. Allocation of funds to the Conservancy will ensure the longevity of current programs, provide opportunities for additional GHG emission reductions, and provide direct benefits to the communities and businesses of the Tahoe Basin.

In summary the Conservancy recommends the following be included:

* Provide funding for existing programs such as CalFire,State conservancies, resource protection districts that protect the natural resources that function as natural carbon sinks (Forests, grasslands, soils, etc);
* Provide near-term funding for on-the-ground projects that produce verifiable reductions in GHG emissions;
* Invest and incentivize projects and organizations that contract regional small businesses, local jurisdictions and in Disadvantaged Communities;
* Invest in projects that connect transit centers and complete gaps in existing networks;
* Provide funding to expand bicycle and pedestrian networks, facilities and programs that promote additional use and safety and provide access to transit, schools, colleges, shopping and other destinations;
* Develop and adopt additional carbon offset protocols for natural resource conservation and wetlands;
* Provide funding to replace old, inefficient vehicle fleets with zero-emission vehicles and associated infrastructure; and
* Provide funding for programs designed to offset the prohibitive transportation costs and incentivize the diversion of wastes to biomass, composting, and anaerobic digestion.

Thank you for the opportunity to contribute to discussions regarding these important issues.

Sincerely,

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Patrick Wright

Executive Director

California Tahoe Conservancy