



20 August 2010

Ms. Barbara Bamberger
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Ms. Bamberger,

On behalf of the Voluntary Carbon Standard Association (VCSA), I am writing to provide comments on the California Air Resource Board's (CARB) efforts to develop a workable framework that would enable crediting under California's Cap-and-Trade Program of greenhouse gas (GHG) emission reductions generated by activities that reduce emissions from deforestation and forest degradation (REDD). We applaud CARB's efforts to establish such a framework and appreciate the opportunity to provide comments.

Our main recommendations are that CARB allow project-based REDD credits starting in the first compliance period, and that CARB establish a clear pathway for accepting REDD credits from existing GHG Programs that are able to issue high quality credits to REDD projects.

1) **Allowing Early Action Credits**

There are a number of high quality REDD activities currently being developed throughout the world, many of which are taking place in jurisdictions that are participating in the Governor's Climate and Forest Task Force (GCF). Many of these initiatives have been cognizant of the challenges posed by REDD and have taken it upon themselves to develop their projects through robust approaches, including the development of rigorous carbon accounting methodologies. As such, these projects will be generating credits with environmental integrity that ought to be recognized by CARB, particularly if California wants to play a critical role in the ongoing development of the REDD sector.

The early REDD projects that are currently underway have served as pioneers, and the long-run goal of having jurisdictional-wide accounting for REDD activities will be enhanced if individual projects taking place today can contribute to that process. Many of the projects currently under development will have important lessons to share, particularly as the development of nested architectures progresses. To that end, recognition by California's Cap-and-Trade Program would enhance the incentives for the development of REDD activities that will provide new insights into the true challenges surrounding reducing deforestation and forest degradation at various levels. For example, it will be just as important to understand the drivers of deforestation as it will be to build the institutional capacity to implement REDD activities. In short, early (and continued) investment in REDD activities will yield important knowledge that will help build the infrastructure that will allow for eventual jurisdictional-wide crediting, which may likely include project-based activities.

There would of course be significant benefits to the State of California from recognizing project-based REDD credits starting in the first compliance period. Most critically, early action recognition will help the state achieve its emissions target and will minimize the cost burden to Californians. In addition, it will give California helpful insights into the effective development of jurisdiction-wide approaches to crediting REDD activities, in line with AB32 requirements.

2) Leveraging Existing GHG Programs

As CARB transitions into having its own GHG program to regulate REDD credits, it will be useful to leverage existing GHG programs that have been working to enable the development of REDD project credits that have environmental integrity and lasting value. Some GHG programs have been working diligently to establish clear rules and requirements, and much good work has resulted from this. For instance, there are currently five REDD methodologies being developed under the VCS Program, and yet it will be difficult to improve upon these methodologies until they have been tried and tested for some time, at least a few years. As such, it would be potentially duplicative to venture forth with new methodologies at a time when the building blocks are being tested.

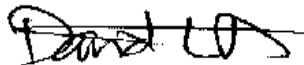
Recognizing REDD credits from existing GHG programs will allow CARB to engage the REDD sector effectively without undertaking a massive effort to establish a whole new program in the short run, which would be costly and time-consuming. In other words, by leveraging existing GHG programs, CARB would be able to benefit from the supply of REDD credits and the learning about how best to address REDD, while having little exposure to the costs (and risks) of doing so.

The key to successfully leveraging existing GHG programs will be to establish a clear pathway for REDD credits from such programs to be recognized by CARB. Such a pathway could include requirements that the GHG programs meet key criteria, including that all credits are: real, measurable, additional, permanent, audited by a third-party, and are registered in a publicly accessible registry that meets robust financial assurance requirements.

Should you have any questions about the above, please do not hesitate to contact me by telephone (202 352 2584), or via email (dantonioli@v-c-s.org).

Thank you for the opportunity to provide comments to this important initiative.

Sincerely,



David Antonioli
Chief Executive Officer