

**BOARD OF FORESTRY AND FIRE PROTECTION**

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Ms. Mary Nichols, Chair  
California Air Resources Board 1001 I Street  
Sacramento, CA 95812  
Attn: Kevin Kennedy  
RE: Cap and Trade Regulations: Forest Project Protocols

The Board of Forestry and Fire Protection (Board) appreciates the opportunity to comment on the Air Resources Board's proposed cap-and-trade program regulations. Our comments today focus on forestry offset provisions and treatment of biogenic emissions from forest biomass, including suggestions for further clarification or program developments that could enhance the contribution of the forest sector.

The Board supports ARB's decision to include the Urban Forest project and Forest Management project protocols for determining eligible emissions offsets under the Cap and Trade program. The Board endorsed the first set of voluntary protocols (Version 1) and also participated in the recent two year, multi-stakeholder process, led the by Climate Action Registry at the request of ARB, to improve the protocols and make them available for use by more entities. There are several provisions in the proposed regulations that may require action or support by CAL FIRE or the Board. The Board suggests clarification or incorporating into the regulation language that allows ARB to work with the Board to ensure that there are adequate and reliable forestry projects to meet the need for offsets within the cap and trade program.

The Board supports the inclusion of forest carbon offset projects that produce GHG benefits to the atmosphere. The protocols, as proposed, provide detailed methodologies for estimating carbon sequestration and avoided emission credits that are real, additional, permanent, verifiable, enforceable and quantifiable.

*The Board believes that the primary criteria for any offset project should be the demonstration of additionality, i.e. surplus carbon sequestered or CO2 removals above what would have occurred without the project.*

The Forest Management protocol provides for three types of projects: avoided conversion, reforestation and improved forest management. Improved forest management projects may employ various silvicultural systems, so long as they demonstrate sustainable harvesting practices, natural forest management and additionality. As stated above, this protocol was developed and vetted by a multi-stakeholder group over a two year process.

The offsets should be based on contributions to GHG reduction goals. Forest projects that include timber harvesting are already subject to regulation developed by the Board and administered by CAL FIRE to protect soils, watersheds and water quality, wildlife and habitats, riparian and lake zones, forest health including pests and disease, and other environmental values. The regulations also require that timber harvest permits demonstrate maximum

sustained productivity, i.e. that the volume of timber harvested does not exceed the amount grown over a 100 year period.

*The Board supports the requirement in the Forest Project Offset Protocol that each verification team include at least one Registered Professional Forester (RPF) who takes an active role in reviewing the forest carbon inventory program and conducting site visits.*

RPFs are licensed by the Board of Forestry and Fire Protection pursuant to the Professional Foresters Law of 1972 to ensure that they have the qualifications and expertise necessary to protect the State's interest in proper forest management, and to protect those who require the services of a forester. The Forest Management Protocol carbon accounting methodology and verification process requires a level of forestry expertise that justifies the retention of this requirement in ARB's Cap and Trade Program. The Board will commit to working with ARB on this issue, to insure that qualified professionals are certified.

*The Board supports the addition of public land project eligibility introduced in Version 2 of the Forest Project protocol, however we suggest adding language that clearly allows for future consideration of forest offset projects on federal lands.*

The U.S. Forest Service owns about 12 million acres, or over half, of the timberland in California. These lands already contain a backlog of acres impacted or deforested by insects and wildfires that the USFS would like to reforest. Climate research projects significant increases in acreage affected by these types of disturbances in future decades. Thus, there is enormous need and potential for reforestation on these lands. The board appreciates the policy and legal complexities of developing carbon offset projects and binding agreements with the State on federal lands. We also understand that the US Forest Service itself is evaluating their policies in this regard.

In order, however, to avoid losing future opportunities for increasing GHG sequestration through reforestation and forest management, especially in the advent of increasing climate impacts to forests, we suggest that ARB include a specific placeholder, similar to the language in Version 3.0 which says, "Forest projects on federal lands may be eligible if and when their eligibility is approved through a federal legislative or regulatory/rulemaking process."

*The Board supports further consideration of the leakage issue, to avoid the problem of simply re-locating climate impacts.*

Version 3, which is under consideration, asserts that only 20% of the reduced harvest volume in California will result in 'use of imported wood'. That is, reducing harvest in California will reduce wood demand. California is importing over 80% of its wood currently. The Board has identified this as a major issue, and is trying to actively encourage in-state wood utilization to reduce the state's carbon footprint.

Managed forests in California represent one of the few bright spots in California's greenhouse gas inventories. In addition to adding terrestrial carbon inventory since at least the 1980s, they also provide low emission building products that are important in earthquake prone regions as well as considerable amounts of carbon neutral energy from the utilization of harvest and sawmill residues.

The Board supports consideration for those landowners utilizing a Habitat Conservation Program (HCP).

Version 3 originally recognized HCPs as voluntary agreements that were not part of the baseline. When a later version was passed, HCPs were assumed to be binding agreements and therefore part of the baseline. This same position regarding HCPs is contained in the protocols that are currently before the ARB. The Board would request consideration that the previous treatment of HCPs as voluntary. ARB may be placing a deterrent to future HCPs, as well as unfairly penalizing landowners engaged in enhanced habitat management.

Sustainable forestry goals are consistent with long-term climate goals. Sustainable forestry practices also produce other benefits and ecosystem services, such as improved air, soil and water quality. However, some of these activities may appear to conflict with GHG emission reduction goals in the short term. For example, prescribed burning may increase short-term emissions, but reduce long term overall emissions and produce larger net gains in forest health. Harvesting or brush clearing may cause short term emissions but these can be offset by increased regeneration, growth and utilization of wood products. Forestry measures to increase carbon benefits may require funding, assistance and infrastructure. Carbon markets are one mechanism for providing an economic incentive for forest landowners to increase growth rates and maintain their lands as working forests.

Sincerely,

A handwritten signature in cursive script, appearing to read "George D. Gentry".

George D. Gentry  
Executive Officer