



**FOREST STEWARDSHIP COUNCIL
UNITED STATES**

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Comments provided on Climate Action Reserve Forest Protocol White Papers

Submitted to: Climate Action Reserve

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Summary of comments:

FSC-US greatly appreciates the opportunity to comment on the submitted Forest Protocol White Pages. The subsequent comments are all pertinent to:

Examining Carbon Accounting and Sustainable Forestry Certification

Topic 4: Sustainable Forest Management Certification

December 6, 2010

Authors KPMG LLP

We understand and support the authors' statement that their purpose does not include comparing the relative merits of each certification program to each other. These comments are to address the authors' conclusions of the role of certification in the CAR forest protocol.

It is our understanding that the original purpose of including certification in the CAR forest protocol was to address internal leakage, or increased harvest by owners on lands that were not involved with a forest project. The submitted paper goes well beyond exploration of that topic and presents more of an investigation of the capacity of forest certification programs to "*limit the potential that forest owners will implement practices that have significant negative impacts on the long-term-sustainability of forest benefits...*" (see white paper, pg. 1). These comments will address what now appears to be an exploration of two functions of certification in the forest protocol: 1) safeguarding against significant negative impacts on forest values and benefits (e.g. Appendix 1); and 2) reducing the likelihood of internal leakage of harvest activities by the forest owner

In general we find that some conclusions drawn from the paper and Appendix 1 regarding the capacity of certification programs to address forest project risks are unfounded. The authors' conclusion, that each certification program will address most if not all of the risks stated is highly questionable given the content of the standards.

The following are just examples that we strongly feel should be addressed in future drafts.

- SFI and ATFS both allow conversion of natural forest to depauperate plantations (e.g. exotic species). There is nothing in either standard that addresses this. We are confused then at how KPMG can conclude that both control for such risk factors as "impact on ecological integrity" and "changes to biological diversity / and wildlife habitat." Fundamentally, that's what conversion is changing. FSC prohibits converting rich natural forests to forests that do not contain the principle components and key elements of natural forest ecosystems.

- *Programs and systems* that are designed to consider controlling for risk factors do not provide the same level of control as outcome based requirements. For example, the SFI requirement to have “*a program to promote the conservation of native biodiversity*” is simply different than being required to protect native biodiversity. Requiring “*support of or participation in programs for the conservation of old growth forests*” (SFI) is different than requiring on-site protection (e.g. see FSC-US standard 6.3.a.3). System-based programs provide little on-the-ground control to address the risk factors – this should be recognized in the report.
- ATFS relies very heavily on desired future conditions and management objectives which provides an exceptionally tenuous link to ecological conditions (it depends entirely on if the landowner wants these conditions). These are recognized as “compensating controls” in the paper, but frankly they mean little on the ground.
- Where requirements are requirements to “consider” (i.e. ATFS 4.2 “*landowners consider integrated pest management*”). We strongly suggest that requirements to “consider” options are not strong safeguards and should be dismissed for lack of credible outcomes. We are not opposed, however, to using land owner/manager judgments and considerations on the best mechanisms to achieve a particular goal. For example if the requirement were to utilize alternative sources to minimize chemical use, certainly part of the guidance would be that landowners consider IPM... but as stated, it doesn’t provide much confidence.

Regarding the function of certification programs to address internal leakage of harvest activities by the forest owner, it is our impression that due to flexibilities in certification programs that they do vary quite substantially in their capacities to address this function – this is contrary to the conclusions stated in the paper. The real issue is if certification programs require calculations of allowable cut to span across multiple units. If each unit requires independent calculation, then internal leakage is prevented. If allowable cut calculations are made across multiple units, then the certification program does little or nothing to prevent an increase in harvest on one side of the ownership to compensate for decreased harvest in the forest carbon project area (i.e. leakage).

- FSC in the US requires calculation of the sustained yield harvest level for each sustained yield planning unit (see FSC-US standard Indicator 5.6.a). Otherwise stated, leakage within the ownership is explicitly prevented where entire planning units are enrolled in forest carbon projects.
- SFI requires forest management planning and harvest at a “*level appropriate to the size and scale of the operation*” – we find no safeguard in the SFI standard regarding overharvest at any unit level (see SFI Indicator 1.1.1) indicating that there may be a window for increased harvest in one area of an ownership to compensate for decreased harvest on another area.
- ATFS has no true safeguards protecting against internal leakage (that we can find). The sole indicators that relate to the issue are in Performance Measure 1.1, which state that

forest owners must have a management plan that reflects their goals. In our opinion, we don't see how this suffices as a safeguard against internal leakage. The authors should be very clear about this. An important clarification – ATFS will certify ownerships up to 20,000 acres. The authors of the paper give a lot of latitude to the ATFS standard and its potential shortcomings with the statement on pg. 28 *“the [ATFS] standards were developed specifically for small woodland owners (i.e. land parcels varying from less than 100 acres to a few thousand acres)”*. I suspect this is inconsistent with the purpose. For example, FSC limits “small ownerships” as they pertain to access to modified indicators as those ownerships less than 2470 acres (1000 ha).

- The conclusion the authors want to show in Table 8 is sound, but the subsequent paragraphs are misleading and wrong as it pertains to FSC. For FSC-US, the indicators that address soils and productivity are addressed in Criterion 6.5 and not Criterion 6.3. Further, taking Indicator 6.3.f out of context is troublesome, because that's where much of your commentary is answered. Please use the correct example of indicators in Criterion 6.5 (as noted earlier, your point can still be made)

Detailed comments

Comments on Appendix 1

Please note that these are just some of the areas where we note missing information or conclusions that we cannot support. Please don't hesitate to contact us if further information would be beneficial.

- Alteration of landscape level tree species composition (e.g. toward higher value or faster growing timber) (pg. 48)
 - ATFS – management plans outlining desired future conditions is **not** an adequate safeguard for this! Recall that ATFS can certify up to 20,000 acres! Further, multiple ATFS certified properties within a landscape can have major cumulative effects.
 - SFI – we don't see where an assessment of forest cover types and consideration of this in planning suffices as a safeguard. Further, a program to promote the conservation of native biodiversity has no connections to on the ground activities. Further, SFI has no requirement to prohibit conversion of natural forest to monoculture and exotic plantations – it's done regularly.
 - FSC – includes on the ground requirements that safeguard. In addition to the indicator you noted, please see all the Indicators restricting the use of even-aged management and opening sizes (e.g. for California see pages 90 and 91 of the FSC-US FM standard) and see Criterion 6.10 prohibiting conversion.
- Alteration of spatial/temporal availability of specific successional habitat types (pg. 48)
 - ATFS – an exceptionally tenuous link between protection of T&E species to the risk. When successional habitat types are not mentioned, it should be taken as good evidence that it's not addressed!

- SFI – again, a program to promote conservation is very different than on-the-ground conservation that is the goal of this endeavor. Second, conducting an assessment for forest cover types, age or size classes and habitats – it’s hard to see how you conclude that this suffices.
- FSC – it’s explicitly addressed in the single indicator noted, but also in many others. See Criterion 6.4 where these under-represented areas must be protected, and 6.3.a.3 protection of old growth, and other requirements in Criterion 6.3 about the use of clearcuts, and Principle 10 – restoration requirements associated with plantation certification.
- Alteration of spatial/temporal habitat availability for sensitive species (pg. 49)
 - ATFS and SFI – both defer to agencies and regulatory processes for protection requirements. There are no requirements to adjust management to protect common species from becoming rare and from rare species from becoming threatened.
 - FSC has explicit requirements (as noted in the table). Additionally, it’s interesting that for ATF, the authors mentioned HCVF, but this was omitted for FSC...
- Use of seed source with limited genetic variability for planting (pg. 49)
 - ATFS – what is the link between the evidence 3.1.1 and the activity? There is none.... ATFS does not address this item.
 - SFI – use of sound scientific measures regarding improved planting stock, including SE clones of conifers is not a compensating control by any stretch of the imagination. SFI companies plant clonal pine species in large blocks all the time. Simply stated this does not control against changes to biological diversity (the forest risk factor).
 - FSC – the most important component is not mentioned here. FSC prohibits conversion from a natural forest to a plantation (sensu FSC – see 6.10). In other words one cannot clear a forest that contains genetic diversity representative of native biodiversity and plant clonally derived trees or exotic species in blocks... it’s prohibited.
- Introduction of Invasive/non-native species (pg. 50)
 - General – the authors addressed the concept of controlling invasive species, but not the issue of the use of exotic species... this should be rectified.
 - ATFS – no control over the planting of non-native species. Simple.
 - SFI – minimal control over the planting of non-native species.
 - FSC – as noted, there are strong controls against the mis-use of exotic species (see Criterion 6.9 which is about the use of exotic species). Also please see Criterion 10.4 which in some cases prohibits the use of exotic tree species, and as always Criterion 6.10 which addresses conversion.
- Increased chemical use (pg. 42)
 - SFI – the SFI requirement is to minimize chemical use required to achieve management objectives. It is overstated in the paper which implies that

- chemical use might really be minimized. Further, it is unclear of the real value of participation in pest prevention programs... participation is rather vague.
- FSC – the criterion 6.6 explicitly states that managers “*strive to avoid the use of chemical pesticides.*” Additionally FSC prohibits highly hazardous chemicals that have been shown to have likely negative impacts on water quality.
 - Excessive flexibility provided to exceed growth rate for > 10 years (very aggressive forest health strategy).
 - ATFS – the connection here is very confusing between the evidence the authors have for controlling harvests. This is about harvests exceeding growth rates but that seems lost on the authors. The fact that the management plan addresses forest health and that the owner consider IPM are not controls and should be removed. ATFS has no explicit requirements that address this concern.
 - SFI - has very little capacity to control harvesting for short-term economic goals at the expense of long-term values. The fact that SFI doesn’t control conversion (e.g. future growth is zero) is at the heart of this matter.
 - Reduced rotation length
 - ATFS – there is nothing in the standard that prevents this. The indicators that are mentioned have a tenuous at best relation to the activity and in practice have less.
 - FSC – in addition to those controls mentioned, please also see Criterion 6.5 which is designed to capture soil values.

Additional comments

Pg. 7 paragraph 5: “*Environmental requirements are similarly driven from a broader perspective than US forests.*” FSC-US finds this comment misleading and founded on the presumption that there are not the same significant challenging issues surrounding forest management in the US. We are confident that this does not represent the perspective of most CAR stakeholders. The FSC Criteria pertaining to environmental issues address environmental impacts, rare species, forest ecology functions, ecological reference areas, erosion and water quality, pesticide use, exotic species, and conversion – all of which are central to forest management concerns in the US. The indicator-level modifications for regional or national standards allow definition of *how* they are relevant, not *if* they are relevant.

Pg. 12 paragraph 2: “*Process based indicators require a specific process to be in place (e.g. a program to manage water quality). From an audit perspective, an assessment is required as to whether the program has been developed, implemented and effective [underline added].*” FSC-US suspects the claim that assessments are required to determine effectiveness of programs is generally not true. For example, when programs are required via certification to manage water quality are they assessed to verify that they are effective at managing water quality?

Pg. 13 paragraph 2: “*Each of the standards maintains a standard development process that is open to any interested party and a standards approval process that is designed to reflect the opinions of a broad range of stakeholders. While these processes differ substantially, the stated intent is similar.*” We encourage the authors to note that while the processes reflect the opinions of a broad range of stakeholders that they are clear that it is a very different set of

stakeholders and that while the stated intent is the same, both the processes and the outcomes differ substantially.

Pg. 23 Table 7: it seems there is a missing row here addressing excessive harvest. Unless “very aggressive forest health strategy” is a funny way of stating “very aggressive economic model” – there is no category that captures designing harvests to meet short-term economic goals at the expense of long-term values. This is a regular occurrence and should not be discounted.

Pg. 26 Table 8: Regarding FSC, this is better addressed in Criterion 6.5. For example: Indicator 6.5.c Management activities including site preparation, harvest prescriptions, techniques, timing, and equipment are selected and used to protect soil and water resources and to avoid erosion, landslides, and significant soil disturbance. Logging and other activities that significantly increase the risk of landslides are excluded in areas where risk of landslides is high. The following actions are addressed: [...] slash is concentrated only as much as necessary to achieve the goals of site preparation and the reduction of fuels to moderate or low levels of fire hazard.

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