



United States Department of the Interior



FISH AND WILDLIFE SERVICE
Office of the Science Advisor
4401 N. Fairfax Drive, Suite 700
Arlington, VA 22203

December 14, 2010

California Air Resources Board
Byron Sher Auditorium
1001 I Street
Sacramento, California 95814

Dear Air Resources Board:

On behalf of the U.S. Fish and Wildlife Service, I would like to urge the Air Resources Board not to exclude federal lands from carbon offset programs, as currently stated on page 9, 10, and 16 of the Compliance Offset Protocol for U.S. Forest Projects (Part V of the Proposed Regulation to Implement the California Cap and Trade Program).

The U.S. Fish and Wildlife Service, in conjunction with private, not-for-profit groups like The Conservation Fund, has reforested and permanently added over 40,000 acres to the National Wildlife Refuge System in recent years, funded almost entirely by carbon offset funding from private sources. These are lands that were historically forested but had been cleared during the last century. Restoring forest cover to these lands will actually increase the rate of carbon uptake and provide a very real (commensurate with scale) benefit in our collective efforts to limit carbon dioxide build-up in the atmosphere. For example, collectively these efforts have led to the sequestration of over 30 million tons of carbon, and three of our “Go Zero” projects with TCF have been validated under the standards of the Climate, Community & Biodiversity Alliance at the gold level (the highest).

We anticipate seeing many more such projects in the future, if legitimate forest carbon offset protocols do not disadvantage federal lands. However, we are concerned that Part V of the Proposed Regulation to Implement the California Cap-and-Trade Program as written does not make federal land eligible for forest offset projects. Though the Climate Action Registry’s Forest Protocol made projects on federal lands eligible subject to legislative or regulatory approval, the current proposed regulation has excluded federal projects entirely, including Restoration Projects.

While we appreciate the added complexity of including federal lands in the Forest Protocol, we believe that removing the provision on federal land eligibility sends the wrong message and would discourage investment in these types of programs, not only in California but all across the country as well. Failing to grant eligibility for suitable federal lands would effectively prohibit projects on National Wildlife Refuges to qualify under this offset program, making it more difficult to attract new capital for forest-carbon

projects and slowing our existing work in this area. Furthermore, this protocol is likely to serve as a benchmark for future national offset protocols, and we are concerned that they may set a standard for excluding federal lands in offset programs in the future.

We are pleased that the proposed regulations recognize the large potential for emission reductions and removals on federal lands, and we appreciate your careful consideration of the legal and regulatory implications of these standards. But we believe our agency's successful record of carrying out carbon offset projects combined with the huge potential to continue to build on these beneficial programs across the more than 150 million acre National Wildlife Refuge system are strong arguments for including these lands in this emerging offset program. We further encourage the Board to consider the unique management practices and mandates of the U.S. Fish and Wildlife Service, as it may not be necessary to enact the same protocols across all federal lands. Because of the mission and management of the National Wildlife Refuge System, carbon offset lands are likely to be managed for perpetual forest cover far into the future.

In conclusion, as you consider improvements to the proposed regulations to implement the California Cap-and-Trade program, we hope you will make the appropriate changes in the Forest Protocol to allow our ongoing carbon offset programs on National Wildlife Refuges to qualify under the ARB's Forest Offset Protocol. It would be unfortunate to suspend these valuable public conservation benefits and successful partnerships prematurely. To further discuss this please contact Mark Shaffer (mark_shaffer@fws.gov) at 703-358-2603.

Sincerely,



Gabriela Chavarria Ph.D.
Science Advisor to the Director