

L&C CARBON LLC

December 15, 2014

Chairman Mary Nichols and ARB Staff
Air Resources Board, California Environmental Protection Agency
1001 I Street
Sacramento, CA 95812

RE: Comments on Proposed Revisions to Compliance Offset Protocol for U.S. Forest Projects and Cap and Trade Regulation

Dear Chairman Nichols:

L&C Carbon LLC appreciates the opportunity to provide comments on the California Air Resources Board's proposed Regulatory Review and Update to the Compliance Offset Protocol for U.S. Forest Projects ("Protocol") and Regulation under AB32 that was proposed on October 28, 2014. We commend you and the Board for conducting a thorough and objective comment review process to ensure any changes to the Forest Protocol and Regulation are fully considerate of stakeholder views and comments.

L&C Carbon offers forest carbon consulting and project development services to a wide-range of forestland owners in the U.S. Thus, we and our clients have considerable interest in any proposed changes to the Forest Protocol and underlying regulations.

Comments

Alaska - L&C Carbon supports ARB's proposal to expand eligible project locations to include parts of Alaska. Including Alaska as an eligible project location provides significant opportunities to Alaska native corporations and village corporations to protect historic, environmentally important, and culturally significant forestlands while generating needed income from carbon offset sales to support its people and communities across south central and southeastern Alaska.

Common Practice Values Update – L&C Carbon does not support proposed changes to update Common Practice (CP) values. These new values do not accurately reflect true CP values, due in large part to the narrow window of years from which the CP values were derived (2007-2012).

We support the comments offered by Blue Source to ARB, including its proposed solution to base CP values over a long time period (at least 25 years) to minimize short-term market distortions.

Method for establishing minimum baseline level (MBL) for IFM projects with initial carbon stocking above Common Practice (Protocol section 5.2.1(d)(1)) – L&C Carbon does not support the new method proposed for establishing a minimum baseline level (MBL) for IFM projects with initial carbon stocking (ICS) above Common Practice.

This proposed change will disincentivize forestland owners from enrolling their highest stock stands into a carbon project. These stands are the most vulnerable to near-term harvest and a significant amount of stored carbon will be lost as a result.

L&C Carbon recommends ARB maintain the current Protocol method for establishing a minimum baseline level (MBL) for IFM projects with initial carbon stocking (ICS) above Common Practice.

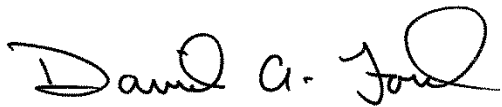
Harvest unit requirements for minimum basal area and modified buffer rules (Protocol section 3.1(4)(A-C))

L&C Carbon does not support the proposed 50 square foot minimum basal area (BA) retention limit or the new buffer requirements.

We support the comments offered by Blue Source to ARB, including its proposed solution.

Further, L&C Carbon supports Blue Source's suggested improvements to the Protocol and Regulation included in its comments submitted to ARB on December 11, 2014. These suggestions to ARB have not been addressed in the current proposed Regulatory Review Update. If these suggestions were implemented by ARB, landowner participation in the ARB program would significantly increase, in part, due to clarifying program issues and improving the program's workability.

Sincerely,

A handwritten signature in black ink that reads "David A. Ford". The signature is written in a cursive, flowing style.

David A. Ford
President & CEO