California Air Resources Board
1001 "I" Street
Sacramento CA 95814
PH: (916) 322-7072

15 December 2014

To Whom It May Concern:

Era Ecosystem Services (Era) is grateful for the opportunity to present our comments to the proposed US Forest Protocol revisions posted on October 28, 2014. We are glad to see the California Air Resources Board's (ARB) commitment to updating the US Forest Protocol with the latest scientific and policy research to ensure a rigorous method for calculating the greenhouse gas benefits of sound forest management. We also applaud the organization's efforts to communicate these changes to landowners and project developers and to ensure that opportunities for comment are provided to the general public prior to their adoption.

The two major changes that we would like to comment on are the new requirements for defining sustainable forest management practices, and the revision of the baseline determination for projects with standing stocks above the Common Practice value for the project's ecoregional assessment area.

While Era applauds ARB efforts to ensure that sustainable forest management is a key element of the US Forest Protocol for Improved Forest Management Projects, we do have some concerns about the practicality of implementing the changes noted. The specific language we refer to is as follows:

If harvesting occurs within the project area, it must meet the following harvest unit size and buffer area requirements:

> *(A) Harvest units that have less than 50 square feet of basal area retention must not exceed 40 acres in total area;*
> *(B) Open canopy harvest units, harvest units with an area of 3 acres or greater that have less than 50 square feet of basal area retention, must have a buffer area of forest vegetation containing at least 50 square feet of basal area retention must surround the harvest unit. The width of the buffer area must be a minimum of the area of the harvest unit, rounded up to the nearest acre, multiplied by 40;*

The requirement of a specific basal area value across all regions that reflects an approved forest retention level does not reflect the wide variability seen in US forests. For many areas of the country the regional average stocking value is at or below 50 square feet of basal area. Also,

there are cases where harvests that reduce the stocking levels to lower than 50 square feet of basal area is an appropriate and ecologically sound activity.

A better approach to ensure that forests are sustainably managed is to define appropriate activities on areas of high risk such as steep slopes, riparian buffers, unstable soils, or critical wildlife habitat. The true goal of sustainable forest management is to protect the critical ecosystem services and ecological function of the forest and this cannot be measured through basal area alone. The best way to achieve this goal is to require the adoption and implementation of a sustainable forest management plan that achieves a high level of environmental protection. This is already a feature of the current adopted protocol.

The other major area of concern is the requirement to evaluate carbon stocks across a broader Logical Management Unit when determining a project's baseline scenario (specific language below):

Equation 5.5. Determining the Minimum Baseline Level Where Initial Carbon Stocks Are Above Common Practice MBL = MAX(CP, MIN(ICS, CP + ICS - WCS))
Where,

MAX	=	*The highest value in the set of values being evaluated*
MIN	=	*The lowest value in the set of values being evaluated*
MBL	=	*Minimum baseline level for above-ground standing live tree carbon stocks (MT CO2e/acre)*
CP	=	*Common Practice (MT CO2e/acre)*
ICS	=	*Initial above-ground standing live tree carbon stocks per acre within the project area (MT CO2e/acre)*
WCS	=	*The weighted average above-ground standing live tree carbon stocks per acre within the LMU containing the project area (MT CO2e/acre)*

The purpose of this language is to prevent landowners from potentially creating a net negative impact on the climate by decreasing carbon storage on one area of managed forestlands, while increasing the carbon stored on another portion of their forested lands. While this is a worthy goal, this protocol revision may not achieve it, and it may drastically limit the number of landowners and categories of landowners that will be interested in participating in the program.

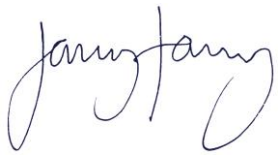
For most landowners the trigger for determining harvest timing and location is the price of timber. A general cost benefit analysis that calculates the revenue generated by a harvest after subtracting operational costs will indicate which areas make sense to harvest (outside of achieving silvicultural goals such as regeneration or release treatments). Forest carbon projects may be seen as increasing the "opportunity cost" of harvesting timber and reducing the number of financially viable harvests on a given ownership. In that sense, the goal of the

program will be achieved even if only a portion of lands are used to determine the baseline of carbon in the analysis of carbon value.

We would recommend maintaining the current language in the US Forest Protocol that would allow for the selection of a portion of the forest lands within a single Logical Management Unit without requiring an analysis of all managed lands in the determination of a baseline against which the project is compared.

Thank you very much for the opportunity to comment and we will follow the discussion and debate over the implementation of future protocol changes closely.

Sincerely,



James Tansey
CEO
Offsetters Climate Solutions and Era Ecosystem Services