

December 15, 2014

Clerk of the Board
Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Proposed changes to U.S. Forest Projects Compliance Offset Protocol

Dear Air Resources Board Representative,

The proposed changes to the U.S. Forest Projects Compliance Offset Protocol represent a substantial deviation from current forest practice regulation within the state of California and would pose a serious threat to timberland owners that wish to participate in the carbon offset market. Particularly distressing is the language found under Subchapter 3.1 (a)(4) which lacks clarity and seems to indicate buffers and timeframes far beyond those outlined in the California Forest Practice Rules (FPRs).

Subchapter 3.1(a)(4)(A) states "Harvest units that have less than 50 square feet of basal area retention must not exceed 40 acres in total area;..." It would seem initially that the 40-acre maximum is in keeping with the FPRs since even-aged regeneration harvests are limited to 40 acres. However, there are several harvest prescriptions that may and often exceed this limitation. Variable retention units can be up to 200 acres in size and frequently will not maintain a minimum of 50 square feet per acre and rehabilitation harvest units do not have an acreage limitation. The FPRs do not limit acreage on rehabilitation harvest units as generally rehabilitating these areas is costly to the landowner and it is within the public's interest to convert these acreages back into productive timberlands. Finally, an Emergency Notification which is used to allow for quickly harvesting forests that are subject to a catastrophic event such as wildfire, windstorm, insects and diseases, etc. are also not subject to acreage limitations under the FPR. This protocol requirement could preclude the use of these publicly beneficial silvicultural prescriptions by making them cost prohibitive.

Subchapter 3.1 (a)(4)(B) describes required buffer widths and results in substantial time constraints for harvesting in buffer areas. The buffer width is determined presumably by multiplying the number of acres of the unit by 40 and that number in feet is the buffer width. For instance a 20 acre unit would require an 800 foot wide buffer. Such a buffer width far exceeds the present FPRs which requires a minimum of 300 feet. In effect this buffer also creates a time constraint for harvesting the area within the buffer. The buffer area cannot be harvested to a level below 50 square feet of basal area per acre until the original area harvested reaches 50 square feet per acre, which would likely take 15 to 20 years. Present FPRs require no more than 5 years for this time constraint. Another issue with this protocol is that the language makes no mention of either ownership or project area boundaries and therefore would seem to indicate that buffers apply across property lines and possibly within the same ownership but outside the project area. If this is so, then constraints could apply to neighboring properties and benefits would go to the neighbor that gets there first. Additionally it is presumed that harvesting could be precluded if a neighbor completes a 3 acre conversion within a buffer area permanently reducing basal area below the minimum or if a portion of the buffer area is a naturally occurring meadow, lake, rock outcrop or other area incapable of ever growing 50 square feet per acre. The protocol seems to make no exemption for naturally occurring areas of non-forest cover within the

buffer area. The buffer requirement, assuming it holds for rehabilitation cuts and Emergency Notifications would be completely unreasonable; hence, unworkable.

It should be noted that the formula described in Subchapter 3.1 (a)(4)(B) does not expressly state that the unit of measurement has to be acres times 40 feet to obtain the required buffer width. The proposed protocol does imply that the unit used would be acres because it states "...rounded up to the nearest acre..." Although the industry standard is acres and most frequently harvest area are measured in acres it is not the only unit of measurement for area. Obviously, if the square footage or the number of hectares of the harvest unit were used these would result in dramatically different buffer widths. In order to clarify this potential confusion the protocol should be modified to clearly state that the area of the harvest unit in acres, rounded to the nearest acre, should be multiplied by 40 to obtain the buffer width in feet.

Subchapter 3.1(a)(4)(C) is also unclear and appears to be irrelevant. The wording indicates that a harvest unit cut prior to project commencement is exempt from subchapters (A) and (B) provided that the requirements of subchapters (A) and (B) are met. It is unclear how the harvest is exempt from requirements if it still has to meet the requirements.

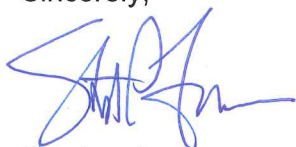
The implementation of the protocol outlined under Subchapter 3.1(a)(4) would have a substantial negative impact on the financial viability of timberlands where the owner wished to take part in the carbon offset market and wishes to use harvest methods which reduce stocking below 50 square feet per acre in order to improve conifer stocking and increase growth over time rather than maintain lower stocking levels. These protocol requirements represent a major divergence from the current FPRs and would function as a disincentive for landowners to properly manage their forests as productive timberlands and for carbon sequestration.

It is unclear why the Air Resources Board believes it is necessary to dramatically increase the buffer widths and timing constraints between harvest units well above the existing FPRs. There is no clear justification for the formula of unit acres times 40 feet for a buffer width. What was this basis for developing this formula? It is unclear how these protocol changes will increase carbon sequestration and will likely do exactly the opposite by encouraging landowners to maintain or develop stands that are under utilizing the capacity of the land to store carbon.

Campbell Global is concerned that the implementation of these changes to the protocol will be detrimental to the viability of timberlands in a carbon offset market and will in fact lead to reduced carbon sequestration through excessive limitations on forest management.

Thank you for this opportunity to comment.

Sincerely,



Stephen Levesque
Director Forest Operations
Campbell Global