



October 29, 2018

Chair Mary Nichols
California Air Resources Board
1001 I Street
Sacramento, California
Electronic submittal: <http://www.arb.ca.gov/lispub/comm/bclist.php>

Re: Draft California Tropical Forest Standard

Dear California Air Resource Board:

Greenpeace USA would like to formally express our opposition to the Draft California Tropical Forest Standard (Draft Standard) and the specific criteria California Air Resources Board (CARB) has set forth for linking a jurisdictional sector-based crediting program to reduce emissions from tropical deforestation with an emissions trading scheme. Greenpeace USA employs scientists and issue experts in our quest to protect forests, oceans, our climate and our democracy. Millions of people around the world have taken action with Greenpeace offices in a shared quest for a green and peaceful world. Greenpeace's evaluation of the proposal is grounded in both impacts we are observing in state as well as what Greenpeace offices have documented *in situ* in tropical forest regions where tropical forest carbon offset projects have been attempted.

We urge CARB to abandon the Draft Standard and finally halt development of any elements of a future international, sector-based forestry offset program, especially for linkage with California's cap and trade program. Instead attention should be devoted to urgently and dramatically reduce emissions at the source and transition California to a clean energy economy. This letter outlines the numerous reasons why the Draft Standard must not be allowed to move forward.

Offsets of any kind are counterproductive to the urgent action needed on climate change

The IPCC Special Report on Global Warming of 1.5°C, released on October 8, 2018, establishes that urgent, dramatic and unprecedented changes to all aspects of our society is needed now, if the planet has any hope of avoiding the catastrophic impacts of climate change.¹ This level of urgency is fundamentally noncompliant with the concept of carbon emission offsets of any kind, but especially to jurisdictional international forest offsets. The best scientists in the world are telling us in no uncertain terms that we need to dramatically curb greenhouse gas emissions AND immediately bring down deforestation rates around the world. We do not have the luxury to choose between the two. We cannot simply allow polluters to keep on polluting and hope that forests in a far away place will make that ok. The numbers just do not add up. They don't add up for California and they don't add up globally.

¹ Intergovernmental Panel on Climate Change. (2018). Climate Change of 1.5 Degree Celsius. <http://www.ipcc.ch/report/sr15/>

Jurisdictional forestry offset projects are unlikely to ever actually secure lasting climate benefits

While offsets as a whole are inherently problematic to the goal of avoiding catastrophic climate change, jurisdictional forestry offset projects have a number of unique, significant and yet unsolved issues. CARB staff has been working on developing this standard for nearly a decade, but there is a reason it has taken so long and why no one else in the world has done it yet. It is complex, including elements related to sector-based crediting program scope, reference levels, crediting baselines, reporting requirements, reversals, leakage risk, credit tracking, verification, and social and environmental safeguards. Many of these issues are tackled in the Draft Standard, but not adequately addressed. Many of the the alleged ‘solutions’ to these issues, as proposed in the Draft Standard, have been tried and to date have done very little to actually resolve the fundamental and inherent problems with forestry offset projects. And even if real solutions were found to these complexities, forestry offset projects do nothing to address the real drivers of deforestation and do nothing to combat natural forest disturbances, such as fires, droughts and pests, that can overwhelm and invalidate any human-induced emission reduction actions.

There has yet to be one forestry offset project proven to reduce greenhouse gas emissions with permanence, additionality and no leakage, while CARB seems to ignore the countless examples of the inadequacies of forest offset projects to date. Even the project previously heralded as exemplary by CARB in your 2015 white paper,² the Uddar Meanchey project in Cambodia, has since been extensively documented to have failed to meet objectives, to the point that private company partners no longer will buy its credits.³

Ultimately, end-of-pipe greenhouse gas emissions are certainties with permanent harm, while forest carbon credits are uncertain, often temporary, and rife with other intractable problems. No jurisdiction in the world accepts forestry credits into its compliance market, and there is a very real reason for this. In the end, the aggregation of projects that have failed to deliver real climate benefits deems further development of these projects to simply be unsound public policy.

International offsets exacerbate environmental harms on the most disadvantaged communities in California.

Even if CARB will not immediately be able to link its jurisdiction-scale forestry programs to California’s cap and trade, that is clearly the ultimate intent. The first sentence of the Draft

²California Air Resources Board. (2015). Staff White Paper: Scoping next steps for evaluating the potential role of sector-based offset credits under the California Cap-and-trade Program, including from jurisdictional ‘reducing emissions from deforestation and degradation’ programs.

<https://www.arb.ca.gov/cc/capandtrade/sectorbasedoffsets/ARB%20Staff%20White%20Paper%20Sector-Based%20Offset%20Credits.pdf>

³ Fern. (2017). Unearned Credit: why aviation industry forest offsets are doomed to fail.

https://fern.org/sites/default/files/news-pdf/Unearned%20Credit_0.pdf

Standard admits the goal is to link sector based projects with “an emissions trading system (ETS), such as California’s Cap-and-Trade Program.”⁴

Allowing an international offset program will by definition increase emissions in California by allowing big polluters to release more greenhouse gases and other pollutants. A July 2018 peer reviewed, scientific journal article evaluated the impacts of California’s Cap and Trade Program and it found that after it was implemented, most regulated local facilities, not only increased their greenhouse gas emissions, but a majority also increased their particulate matter, volatile organic compounds and air toxic emissions during this time period.⁵

In regular evaluations of air quality in the US, cities in California overwhelmingly are found at the tops of the lists for different pollutants.⁶ International offsets linked to California’s Cap and Trade Program will only make many of these communities’ bad air quality even worse. Local residents will pay the highest price as human health impacts from air quality are well documented.⁷

These impacts however are not shared equally. The same peer reviewed scientific article evaluating California’s Cap and Trade, also found that the neighborhoods closest to the facilities that increased their greenhouse gas and co-pollutant emissions after Cap and Trade was implemented, had higher proportions of people of color, and higher proportions of poorer, less educated, and linguistically isolated residents, as compared to neighborhoods further away from these facilities.⁸

The result is clear. The Draft Standard when linked to any emissions trading system, including California’s Cap and Trade Program, will disproportionately impact disadvantaged communities. In Richmond for example, an incredible majority of the people living within a kilometre of Chevron’s refinery are people of color. Thus the vast majority of the people that Chevron’s increased pollution will impact, will be people of color. And that’s exactly what environmental racism looks like.

It is time for California to become a real leader on climate and public health issues rather than one seeking to provide its most polluting industries with yet another loophole to continue to perpetuate very real harm on local disadvantaged communities and to our global climate.

⁴ California Air Resources Board. (2018) California Tropical Forest Standard. Page 3.
https://www.arb.ca.gov/cc/ghgsectors/tropicalforests/draft_ca_tropical_forest_standard.pdf

⁵ L. Cushing, et. al. (2018). *Carbon Trading, Co-Pollutants, and Environmental Equity: Evidence from California’s Cap-and-Trade Program (2011-2015)*. PLoS Med 15(7).

<http://journals.plos.org/plosmedicine/article?id=10.1371/journal.pmed.1002604#sec016>

⁶ American Lung Association. (2018). State of the Air 2018. http://www.lung.org/local-content/california/documents/state-of-the-air/2018/sota-2018_ca_most-polluted.pdf

⁷ Environmental Protection Agency. (n.d.). Managing Air Quality - Human Health, Environmental and Economic Assessments.

<https://www.epa.gov/air-quality-management-process/managing-air-quality-human-health-environmental-and-economic>

⁸ L. Cushing, et. al. (2018). *Carbon Trading, Co-Pollutants, and Environmental Equity: Evidence from California’s Cap-and-Trade Program (2011-2015)*. PLoS Med 15(7).

<http://journals.plos.org/plosmedicine/article?id=10.1371/journal.pmed.1002604#sec016>

The Draft Standard means local communities and Indigenous People will face enormous impacts at best and human rights violations at worst.

Real world implementation of projects aimed at reducing emissions from deforestation and degradation has been taking place around the world for almost a decade. The risks to local communities and Indigenous Peoples in the locations of these projects is not theoretical, it is proven. These projects have brought coercion, violence, lost livelihoods, reduced food security, restrictions from traditionally and culturally important lands and forced evictions.⁹ The displacement these projects can bring to local and indigenous communities carries enormous human consequences.¹⁰

Now, CARB has attempted to include some social and environmental safeguards into the Draft Standard to mitigate these well documented impacts, however they are far too vague, weak and hard to enforce, rendering them unable to mitigate the very real risk of human rights abuses.

The vague requirement for consultation in the Draft Standard is nowhere near the fundamental and internationally recognized right that Indigenous People and local communities have to Free Prior and Informed Consent (FPIC). Briefing local people about the project, setting up a website and getting input on design is not the same thing as formally requiring that local people are not only informed, but are done so free of coercion and that they can give or withhold their consent to changes on their land. All of the criteria outlined in the Draft Standard are well intentioned, but are fundamentally flawed without the paramount status of consent.

However it is important to point out that even if CARB were to amend the social and environmental safeguards to include FPIC and other more clear and stringent requirements, there would still be unacceptable levels of risk of corruption, conflicts of interest and human rights abuses that California certainly cannot police. How will social safeguards of any strength be enforced and monitored by each jurisdiction? The remote forest locations for these projects at a very minimum will make monitoring, enforcement and verification nearly impossible. Not to mention that true local participation and empowerment could only come from ideal local governance processes and a history of fundamentally open and participatory land-use planning processes at the national level; not once have such conditions been in place during the implementation of a forest offset project and it is impossible to believe they will in the future.

At the heart of it, the Draft Standard is really about altering human activity, which then must be monitored and enforced for decades – even generations – if the promised carbon storage is to be delivered. Even with the best safeguards, local, Indigenous and forest dwelling people will face

⁹ World Rainforest Movement. (2015). REDD: A Collection of Conflicts, Contradictions and Lies. https://wrm.org.uy/wp-content/uploads/2014/12/REDD-A-Collection-of-Conflict_Contradictions_Lies_expanded.pdf

¹⁰ Friends of the Earth. (2017). REDD+, The Carbon Market and California-Acre-Chiapas Cooperation: Legalizing Mechanisms of Dispossession. https://www.foei.org/wp-content/uploads/2018/01/REDD_The-carbon-market-and-the-California-Acre-Chiapas-cooperation.pdf;

disruption to their ways of life, cultural practices, and traditional livelihoods, all so that companies can keep polluting.

CARB and the State of California have not done enough to ensure that the Draft Standard will facilitate real and meaningful social and environmental safeguards. Instead, the Draft Standard tries to pass off vague language as substantive protections that are doomed to fail. CARB and the State of California has ignored inconvenient facts to continue to pursue international offsets. If ever human rights abuses are a reasonable risk stemming from a California policy, then we are doing something very wrong.

Conclusion

For all of these reasons, we urge CARB to abandon the Draft Standard and once and for all halt development of any elements of a future international, sector-based forestry offset program, especially for linkage with California's cap and trade program or any other emissions trading system. CARB should immediately shift attention to urgently and dramatically reduce carbon emissions at the source and transition California to a clean energy economy. And to be clear, Greenpeace fully supports other global efforts to reduce deforestation and forest degradation, as well as calls for reforestation. If protection of the forest is a goal, there are real tested concepts that are working today.

Sincerely,



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