



June 3, 2015

Chairman Mary Nichols  
Members of the Board  
California Air Resources Board  
1001 "I" Street  
P.O. Box 2815  
Sacramento, CA 95812

**Re: Oppose Adoption of Certain Sections of the Regulatory Review Update of the Compliance Offset Protocol for U.S. Forest Projects**

Dear Chairman Nichols and Members of the Board:

The undersigned 15 organizations and companies are grateful for the opportunity to comment on the California Air Resource Board’s proposed 15-day draft of the Regulatory Review Update of the Compliance Offset Protocol for U.S. Forest Projects (“Forest Protocol”). We respect and appreciate the great investment of time and resources by ARB Board and staff to the effective functioning of the Cap and Trade Program in general and offset program in particular.

We are a group of concerned stakeholders with a deep commitment to AB 32’s success and the important contributions of compliance offsets developed under the Forest Protocol. We include members of the original work group whose deliberations underpin the Forest Protocol, leading forest offset project developers and owners, compliance offset holders, and environmental organizations dedicated to helping solve our climate crisis. We share your goals for maintaining an effective, rigorous and reliable program that delivers real, additional, quantifiable and durable offset credits.

**We urge ARB to remove from consideration three portions of the proposed update, and associated definitions, to allow further refinement of the language to better address the complex technical issues involved.**

1. Modified Even-aged Management requirements – Chapter 3.1(a)(4)(A-E)
2. Modified Minimum Baseline Level determination process for IFM projects with initial stocking above common practice – Chapter 5.2.1
3. Modified Common Practice figures and the associated shift in “high” vs “low” site class delineation - Assessment Area Data File associated with the Regulatory Review Update of the Forest Protocol and Appendix F(d)

There are numerous unresolved and highly technical issues with the proposed changes both in terms of clarity and substance. If adopted, these changes will detrimentally affect the viability of the Forest Protocol as an effective tool, leading to inaccurate quantification, disincentives for conservation of carbon rich forests, increased uncertainty, and decreased participation by forest landowners across the U.S. Further, varying and conflicting interpretations of the proposed language will add a significant burden to ARB staff time, project developers and verifiers for resolving project-specific issues in the course of verification.

It is critical that any changes to such a multi-faceted and technical set of regulations as the Forest Protocol be undertaken with great care and consideration, drawing on the necessary expertise as done with the original protocol. Further, at this still early stage of the offset program, it is also very important to provide certainty and consistency for participants, who are making considerable investments over many years to develop projects and provide offsets to the Cap and Trade Program.

**Rather than adopting the problematic changes highlighted above, we urge the Board to direct staff to organize a technical work group process to allow for a more robust discussion of proposed amendments to the Forest Protocol and produce language that more accurately and efficiently addresses the perceived matters of concern.** This is consistent with the use by ARB of technical work groups to draft the Rice Cultivation Protocol and the Climate Action Reserve’s Forest Project Protocol 3.2, which served as the basis for the Forest Protocol.

In the intervening period between today and the completion of the technical work group process, the language in the current Forest Protocol regarding each of the three key issues of concern should be maintained.

We do, however, strongly support the proposed 15-day modifications to Sub-Chapter 10, Article 5, sections 95802, 95973, 95975, 95976, 95981, and 95985, including but not limited to inclusion of Alaska into the Forest Protocol, clarification of the treatment of Early Action reforestation projects, and acceptance of the Compliance Offset Protocol for Rice Cultivation. We see no reason to delay these changes.

Thank you for considering our comments and recommendations. We stand ready to work with ARB staff to refine the proposed amendments so that the Forest Protocol can remain a model for the nation and the world.

Very truly yours,

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President  
Blue Source

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Manager, Forest Policy and Communications  
Green Diamond Resources

Steve Ruddel, CF  
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