



April 6, 2016

Jason Gray
Manager, Market Monitoring
California Air Resources Board
California Environmental Protection Agency
1001 "I" St., Sacramento, CA 95814

RE: A rigorous scientific review of California Cap-and-Trade must be undertaken before an expansion of the program to include REDD-based offsets is considered.

Esteemed Mr. Gray:

This is a brief letter that is submitted on behalf of Friends of the Earth – US regarding the proposal to potentially develop an International Sector-based Offset program for inclusion in the California market based climate mechanism, otherwise known as Cap-and-Trade.

The proposed expansion of California Cap-and-Trade to include International Sector-based Offsets (REDD-offsets) presents acute social, economic and environmental risks to affected communities in California as well as in potential partner jurisdictions. Since California has no mandate to establish a an international REDD program, and since California has neither the authority nor the competency to administer an international policy with serious long-term human rights and development implications, it is clearly unnecessarily risky for California to pursue this expansion of the market based compliance mechanism.

If California wants to take immediate action in support of tropical forest protection as a means of contributing to global efforts to respond to the threats of climate change, the state can consider actions such as:

- Legislating CalPERS divestment from palm oil
- Banning imports of crude oil from the Amazon and other sensitive and globally important tropical forest areas.
- Supporting campaigns from forest-based communities to keep fossil fuels in the ground, to fight mega-hydroelectric development, and to resist other highly destructive mega-projects driven by the global economy.
- Establishing policies to address the states consumption of tropical hardwoods, paper, pulp, minerals, fossil fuels, and other commodities produced and extracted from tropical rainforest areas.



In terms of forest conservation and protection as a means of averting the worst impacts of climate change, California should also take immediate steps to improve stewardship of its own globally important forests by banning clear-cutting and other destructive forest management practices, and assuring the long-term sustainability and effectiveness of existing protected areas on private, state, and federal lands. This includes a frank and honest assessment of the deforestation that has occurred and continues to occur in the state of California, and what role that deforestation has had and will have on carbon stocks and carbon sequestration in California's forests. This would include an honest and land carbon science based assessment of the real climate impact of timber industry activities in California.

To correctly understand the crucial role of forests in developing effective climate change mitigation policy that will help us avert the worst impacts of human-induced climate change, it is necessary to pursue a rigorous scientific assessment of California's Cap-and-Trade Program. Climate science is a rapidly changing and advancing field, and it is irresponsible for the ARB to not pursue a rigorous review of the underlying assumptions of the Cap-and-Trade Program, whose social, economic, and environmental impacts have yet to be reviewed in a substantial manner. The climate science is clear that carbon sequestration in land-based ecosystems such as forests does not "neutralize" emissions from the burning of fossil fuels; such sequestration is only making up for emissions from past deforestation and land-use change. The erroneous assumption that underlies the California Cap-and-Trade Program must be addressed, and until this rigorous scientific review is realized it is irresponsible for the ARB to continue forward with the proposed expansion of California Cap-and-Trade to include International Sector-based Offsets.

Respectfully,

A handwritten signature in black ink that reads "Gary Graham Hughes".

Gary Graham Hughes
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