



6/4/2015

Honorable Mary Nichols, Chairman and
Members of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Dear Chairman Nichols and Members of the Board:

Re: U.S. Forest Compliance Offset Protocol Updates – Support Alaska Inclusion

On behalf of the Chugach Alaska Corporation (Chugach), this is to express our strong support for ARB to adopt the updates to the *U.S. Forest Compliance Offset Protocol* to include project eligibility in parts of Alaska. Scheduled for hearing on June 26, this important action will allow Alaska Native Corporations, their shareholders and other eligible landowners to participate in the carbon market by developing compliance forest offset projects.

We greatly appreciate the Board's attention to this matter and the great investment of time and resources of the ARB staff to make this important effort a reality. Including project eligibility in Alaska will give Chugach and other landowners an alternative to timber harvest and will reward sustainable forest management and protect important old growth forests. Allowing Alaska forest projects into California's carbon market will contribute to the success of the offset program. Alaska forest carbon offset projects could generate millions of compliance offsets, while achieving social, environmental, and economic benefit to Alaska native and resident populations.

The two largest forests in the National Forest system are located in Alaska. The Tongass National Forest in Southeast Alaska encompasses nearly 17 million acres and the Chugach National Forest in Southcentral Alaska more than 5 million acres. Adjacent to, or within the boundaries of these two large national forests, there exists nearly 1.5 million acres of private lands, predominately owned by Alaska Native Corporations. According to the USDA's Forestry Sciences Lab, the baseline inventory for these southern Alaska forests average between 22 to 30 tons of carbon captured per acre.

When the ARB originally adopted the forest protocol, forest projects in Alaska were made ineligible "due to lack of region-specific data". Region-specific data for the

Southcentral and Southeast portions of Alaska is now available, and the proposed update will allow project eligibility in those regions of Alaska.

Chugach is aware of concerns raised regarding even-age management and related provisions. While we share those concerns and encourage further discussion and clarification, we urge that the ARB not delay action on the inclusion of Alaska into the U.S. Forest Protocol. Removing Alaska's exclusion is long-awaited and should not be delayed.

Thank you for taking action to include project eligibility in parts of Alaska and allow Alaska landowners to participate in California's carbon market.

Sincerely,



David Phillips

Land and Resources Manager