



15-5-6

Brian Klenk

June 25, 2015

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

Re: Sealaska Corporation comments regarding changes to the Compliance Offset Protocol for US Forest Projects

Dear Chairman Nichols and Members of the Board:

Sealaska would like to thank the California Air Resources Board (ARB) for considering including the State of Alaska as being eligible for developing forest offset projects using the Compliance Offset Protocol for U.S. Forest Projects. Sealaska is an Alaska Native Corporation in Southeast Alaska and the largest private land owner in the Tongass temperate rainforest region. We also own the largest tracts of privately held old growth forest in the Tongass. Our sister Native Corporation, Chugach, submitted comments detailing the importance of including Alaska in the protocol so that Alaska Native Corporations and their shareholders could participate in the carbon market.

We look forward to using this protocol but have concerns whether we will be able to apply it as currently written. We own and manage approximately 360,000 acres of forestland and our ownership includes both old growth and young growth forest lands currently under active management that we feel are well suited to the carbon market. Our trees can live for hundreds of years and the temperate rainforest climate means there is little risk of fire. Carbon can be sequestered for long periods of time in this ecosystem.

Until early June we understood only that Alaska would be included as being eligible, but had not tracked the changes that were being proposed to this protocol, so have just recently conducted an evaluation of the proposed changes. This letter outlines the results of our evaluation and makes three requests for the ARB's consideration.

1. We found the definition of Land Management Unit (LMU), and how the definition of Weighted Carbon Stocks (WCS) is used to calculate the Minimum Baseline for an LMU in need of clarification. The Alaska Supersection includes three spatially defined Assessment Areas which is unique for all Supersections used in this protocol. Assessment Areas in other Supersections are defined by associated species. Sealaska forestlands are located in Southeast Alaska and the Alexander Archipelago-Kodiak Assessment Area, a large and biologically diverse region of Alaska. It appears that the definition of an LMU could be interpreted to include all lands owned within the Assessment Area, therefore requiring the WCS to be calculated for all of our forestlands in

Southeast Alaska. We also noticed in the proposed changes that there is no definition for WCS included in section 1.2 of the protocol, but there are two different definitions for WCS included in equations 5.5 and 5.6. Therefore it was difficult for us to determine the boundaries of an eligible project area.

We request that the ARB review these definitions to offer flexibility and allow eligible LMU's to be clearly defined in compliance with these definitions.

2. In evaluating an eligible LMU on our forestlands we found the use of the currently approved biomass equations for Alaska to be bias and overestimating carbon stocks in Southeast Alaska by as much as 25 percent¹. These biomass equations were developed in Oregon and Washington, a very different climatic and soil region than Southeast Alaska approximately 800 miles south of our forestlands. By using these biomass equations we believe the Common Practice statistic is also bias and overestimates average above ground live tree carbon stocks by as much as 25 percent. Simply choosing another equation from the approved list or allowing for alternate CO2e calculation methods would solve this problem.

We request that the ARB review the approved biomass equations and consider approving biomass estimates and common practice numbers that more closely reflect the growing conditions in Southeast Alaska. We would be happy to show you and the staff at the USFS Forest Inventory Analysis office in Portland our methods and forest inventory database.

3. As mentioned earlier, Sealaska has not tracked the process or the proposed changes to the protocol. We believe that ensuring the use of the forest offset protocol should proactively engage the stakeholders in the affected regions. We therefore request the ARB to actively seek input from local stakeholders in Southeast Alaska and stakeholders located within the Alaska Supersection. I think we have much to offer to ensure that a robust and credible protocol is developed.

Thank you for considering these requests. We are aware that these and other concerns will create discussion and need for further clarification. While we encourage the refinement of the protocol to work for Alaska, we urge the ARB not to 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.

Sincerely,



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¹ See Alaska Biomass Equations (Equations Ver.: 11/5/02)