



January 11th, 2010

Mary Nichols
Chairman
California Air Resources Board (CARB)
1001 "I" Street
P.O. Box 2815
Sacramento, CA 95812

Dear Ms. Nichols,

Our organization, Avoided Deforestation Partners, appreciates the opportunity to comment on the Preliminary Draft Regulation for a California Cap-and-Trade Program published on November 24th, 2009. We have been actively involved in both international and domestic forest-climate policy. AD Partners has been among the primary organizations in the U.S. responsible for bringing together many major for- and non-profit groups concerning the critical need for instituting effective international forest protection policies as robust climate change solution. (For more information about our activities and supporters in this area, please see our Web site: www.adpartners.org.)

Our organization commends the California Air Resources Board (CARB) for its continued leadership advancing California's landmark climate legislation. We also applaud California's pioneering efforts over the past 18 months to create the Governors' Climate and Forests Task Force and work with other states and provinces from the U.S., Brazil and Indonesia to tackle greenhouse gas emissions from tropical forest loss.

The world's forests are being destroyed at an annual rate of roughly 30 million acres—an area larger than Pennsylvania. This equates to about 15 percent of annual global greenhouse gas emissions—more than from all of the trains, planes and automobiles in the world. Emissions from deforestation comprise more than 80% of the total emissions of Indonesia and 60% of Brazil's, making them the 3rd and 4th largest global emitters of greenhouse gases after China and the U.S. We cannot win the fight against climate change without addressing emissions from global deforestation.

California can play an important role catalyzing action to stop this deforestation by including tropical forests under the international offset provisions of its cap-and-trade program.

Including this sector will not only result in meaningful emissions reductions, but will also generate unique multiple benefits for local communities and biodiversity. Conserving threatened forests prevents the extinction of plants and animals, and protects the ecosystem services that are so critical for humanity. About 80% of the world's poorest people – almost a billion in total – are dependent on tropical forests for their livelihoods, whether from the provision of food, fuel, fiber, water or other services. Furthermore, intact forests can help these vulnerable communities adapt to the inevitable impacts of climate change without the need for costly infrastructure investment.

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In addition, such provisions would empower developing countries as partners in the fight against climate change and provide them with a way to earn money for undertaking new forestry efforts rather than relying on aid.

Finally, including tropical forests under the California legislation would send a price signal about the value of standing forests. This would help protect California jobs by reducing illegal logging and illegal forest conversion overseas, which produces goods that compete in the global market with Californian loggers, farmers, and ranchers.

From a business and economic perspective, by being able to satisfy a portion of their compliance obligations with credits from international forest protection and restoration, California companies can begin reducing emissions immediately at a manageable cost while transitioning to low carbon technologies. This will provide flexibility for business and reduce the cost burdens passed on to California consumers and low-income households. For these economic benefits to be fully realized it is important that international forestry activities be creditable when the cap-and-trade program first goes into effect.

Tropical forests are ready to be included under California's cap-and-trade program now. Over the past few years tremendous progress has been made in the measurement, reporting and verification (MRV) of forest carbon activities, including Reducing Emissions from Deforestation and Forest Degradation (REDD). Using the latest remote sensing technologies and on-the-ground tools, the emissions reductions from these forestry activities can now be measured with a high degree of confidence.

Furthermore, there are two widely accepted standards for guaranteeing the quality of the projects and the carbon credits they generate. The Voluntary Carbon Standard (VCS) is the leading global standard for REDD and other carbon land management activities, and can be used to ensure that credits issued are real, additional, verifiable and permanent. In addition, the Climate, Community & Biodiversity Standards can be used to validate and verify the social and environmental benefits of forest carbon projects. These two standards are complementary and are being used together by the vast majority of REDD and other forest carbon projects around the world, including in Brazil and Indonesia.

To conclude, California has the opportunity to build on its leadership efforts regarding climate and forests by meaningfully incorporating international forestry activities in the offset provisions of its cap-and-trade program from the outset. Crediting these activities would generate unique economic, social, and environmental benefits and maintain California's reputation as an innovator and pioneer in this space.

Very best regards,

Jeffrey Horowitz

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Founding Partner