

March 20, 2009

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Deputy Secretary Tony Brunello
Resources Agency
1416 Ninth St.
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Re: Joint NGO Comments on the Inter-agency Forest Working Group 2009 Charter and Proposed Topics for Discussion

Dear Mr. Nawi and Mr. Brunello:

The undersigned organizations appreciate the opportunity to provide comments to the new Inter-agency Forest Working Group (IFWG) and commend all members for dedicating time to advise the Board of Forestry and other agencies on how the forest sector target in the Air Resources Board Scoping Plan should be met. We support a strong role for the forest sector to help achieve California's climate goals and are very pleased with the inclusion of a target for forest-based GHG reductions in the AB32 Scoping Plan. We also encourage the IFWG to identify how the forest sector in California is capable of meeting a more ambitious target, as suggested by the Scoping Plan and the Board of Forestry. With significant commitment from member agencies, the IFWG can identify policies to help California reduce carbon dioxide (CO₂) emissions and increase storage of carbon across California's forest landscape. To achieve this outcome most effectively, we offer the following suggestions to the IFWG as they develop their recommendations. Our comments are divided into three parts: 1) the use of a governing principle; 2) the IFWG charter and process; and 3) Priority Strategies and Actions.

Governing Principle:

Forests are a natural system that provides a host of inter-related and interdependent public services. These services are essential to help maintain our quality of life and include climate regulation, the protection of water and air quality, biodiversity and fish and wildlife habitat, among others. Given the significance of these services, it is important that *any policy that is developed and implemented to enhance the climate benefits of forests also maintains and fosters all of these benefits and the forest ecosystem and does not diminish them or promote one at the expense of the others.* As climate policy measures are considered by the IFWG for recommendation to the Board of Forestry and other agencies, we urge the IFWG to use this frame as a governing principle and include it in its Charter.

IFWG Charter and Process:

The IFWG should utilize the guidance provided in ARB's final adopted Scoping Plan and its Appendices¹ as the guiding document for the forest sector. This document incorporates recommendations from the Board of Forestry and provides important overall context for GHG reductions across all sectors pursuant to the Global Warming Solutions Act. It should therefore be explicitly referenced in the IFWG charter as the foundation for further policy development. Board recommendations to ARB, to the extent they were incorporated in the Scoping Plan or are consistent with it, remain important to consider.

As the IFWG begins to identify policy priorities, we also encourage early consideration of key desired outcomes for the implementation process. Certain policy recommendations will likely entail the action of more than one agency or government authority. Therefore, an important procedural goal should include the specific identification of actions to be taken by the relevant authority, such as the Board of Forestry, the California Air Resources Board (CARB), the California Department of Forestry and Fire Protection, Department of Fish and Game, State Parks, U.S. Forest Service, the Wildlife Conservation Board, the California Legislature or local governments.

In addition, given the significant potential for overlapping policy measures and GHG accounting approaches in other policy forums, the IFWG should identify a process to reconcile potential redundancies or conflicts as particular policy measures are considered and implemented for the forest sector. For instance, renewable and biomass fuels and energy policies are being considered in multiple forums, including CARB and the California Energy Commission. Biomass energy is also listed on the IFWG's preliminary draft of meeting dates and topics. Likewise, the topic of offsets, another item on the IFWG draft of discussion topics, is one that has been identified for inclusion in a GHG emissions trading program to be developed by CARB over the next two years. To the extent the IFWG considers climate policies related to wood products, there is potential overlap with landfill emission policies and efforts by the California Integrated Waste Management Board to implement the Scoping Plan. Thus, any consideration of climate policies to be developed for the forest sector should identify the overlap with other climate policy measures that may be developed by other agencies in other forums and recommend a process for how such policies should be coordinated and implemented.

Similarly, we support the IFWG Charter acknowledgment that mitigation and adaptation efforts developed by the Resources Agency and others should be harmonized or integrated. As stated previously, forest climate policy measures that seek to reduce GHG emissions should also support those that seek to maintain and foster other ecological benefits and the forest ecosystem within the context of addressing climate change. Resilient and diverse forests will be more capable of providing long-term climate benefits, as well as many other related social and environmental benefits, including clean water and air, recreation, aesthetics, sustainable local economies, fish and wildlife habitat, and biodiversity. These are all outcomes that the State will likely be seeking to protect through climate adaptation

¹ For simplicity, "Scoping Plan" refers to both the overarching report and associated appendices. The appendices were modified in December 2008, and we understand a final copy of all Scoping Plan materials that incorporate these changes will be made available soon.

policies and should therefore be factored into the development of mitigation policies for the forest sector and considered in the IFWG process.

As interested stakeholders, we also urge the IFWG to include a specific section in the charter elaborating on intended stakeholder involvement. Facilitating this involvement, a well-managed website, email listserv, public meetings accessible by phone and/or webcast, advance distribution of key materials, and clear communication of opportunities for comment and associated deadlines will greatly enhance the process for all involved. We understand many of these items are being worked on, and look forward to their completion and maintenance.

Priority Strategies/Actions:

We suggest that priority of policy recommendations and implementation be given to strategies that are most likely to produce quantifiable GHG emission reductions and that enjoy broad public support. With this in mind, we propose that the Inter-agency Forest Working Group devote attention initially to the following concrete action items, strategies, and policy measures.

Identify and develop a process for more refined GHG emissions inventory, targets and monitoring for forest sector

As a threshold issue, we recommend that the IFWG identify a process for improving the overall forest sector GHG inventory and monitoring process so that the success of individual policy measures can be most effectively monitored and assessed over time.

1) Develop subtargets to support the -5 MMTCO₂e and 2 MMTCO₂e Scoping Plan GHG goals for the forest sector

To effectively meet the 2020 forest sector target and 2 MMTCO₂e stretch goal, these statewide targets should be broken down into sub-targets and characterized as forest carbon stock sub-targets. This breakdown is critical to create more accountability for each of the policy measures that may be established to reduce emissions and increase CO₂ sequestration from the forest sector. It also helps identify the public entities that may need to be involved to implement a particular policy measure and informs how such policies should be implemented. It also provides a mechanism to track how certain policy measures affect the California landscape (distinct from landfills and imported wood products) and allows for effective incorporation and tracking of forest adaptation measures.

The sub-targets should account for annual and cumulative changes in landscape forest carbon stocks in California, wood products in use, and recycled and landfilled wood products². Forest carbon stocks should be tracked by ownership and include forest landscape sub-targets for avoided CO₂ emissions due to forest loss and increases in

² In order to ensure a level playing field, the targets should include estimates of the forest carbon impacts of imported wood products

forest carbon stocks due to changes in management and reforestation. These sub-targets should utilize definitions that are consistent across different scales to ensure that there is synergy and consistency between how progress may be tracked at the regional or statewide scale and how policy measures may be implemented at a more discreet landowner or project level. These sub-targets should also address cross-sector GHG accounting issues.

2) Develop a statewide forest carbon monitoring and assessment plan that is spatial and more regional in scope

To support the forest carbon landscape sub-target discussed in #1, a spatial mapping and monitoring program should be developed to account for changes in forest carbon stocks across the landscape over time. Efforts should be made to refine data so that changes in forest carbon stocks can be detected more accurately at a regional and ultimately county level by ownership type. Such finer scale data will help tie policy measures more closely to progress on the ground and will also help avoid double counting of any GHG emissions and reductions. It also enables the tracking of cumulative forest carbon stocks over time, which is essential to evaluate the permanence of forest sector reductions over time.

Monitoring of forest sector carbon stocks across the landscape, combined with separate tracking of emissions associated with landfilled wood and imported wood products, will enable more accurate sector-wide accounting, reduce concerns around leakage, support evaluation of policy implementation, and help identify areas for further strategic action.

3) Utilizing improved data, reevaluate the forest sector target

The overarching forest sector target could likely be significantly higher, and would benefit from further refinement to address cumulative carbon stock goals across the landscape and over time, as described in #1 and #2. The development of a more refined spatial monitoring and assessment of forest carbon stocks over time would help improve the forest sector target and allow for more ambitious goals to be established.

Recommended priorities to reduce forest-based emissions and increase forest carbon stocks across the landscape

The following are forest climate policy recommendations for priority action. The recommendations primarily focus on emissions reductions and removals for the California forest landscape. However, policies should also be considered for imported wood products and wood in landfills. Each of the recommendations identified below should have an identified GHG accounting mechanism that ties back to targets and a more refined inventory and monitoring program as described earlier.

1) Avoid and mitigate carbon loss associated with forest and other land use conversion

Develop a regulatory program to track and require full accounting for GHG impact from any activity that converts natural vegetative cover to a non-habitat land use and require full mitigation of that impact. This tracking and accounting should apply to

forests and other natural and working landscapes. CEQA requirements for assessing GHG impacts from conversion can serve as a key supportive mechanism. The IFWG should support updates to the CEQA guidelines in this regard and identify additional policies and tools for addressing conversion, including regional and county planning processes and other restrictions or incentive structures that can help prevent further loss of forestland and other land types.

2) Maintain and ultimately increase funding for forest conservation

Use of perpetual easements and other land acquisitions can help minimize the conversion of forestland and foster restoration of carbon stocks through specific management goals, providing immediate and significant climate benefits. Programs funded by the Wildlife Conservation Board, Coastal Conservancy, as well as funds through Forest Legacy, the Land and Water Conservation Fund, Prop 84, among others could be directed towards projects for maintaining and enhancing forest climate benefits, in addition to the other social and environmental benefits they provide. While the current economic situation adds a near-term challenge, funding should be dedicated, as it becomes available, to these important investments, as they will also support local jobs and help avoid the future costs of climate change.

3) Stewardship cost share funding

Increase funding for non-industrial forest landowners seeking to voluntarily increase resilience to global warming and fire and increase carbon sequestration. Funding for such an effort could come from the recently passed American Recovery and Reinvestment Act.

4) Re-assess the current forest regulatory framework

Identify opportunities to update the regulatory framework for forests to incorporate global warming considerations and support the no net loss target.

5) Provide funding and technical assistance to support reforestation/afforestation programs on appropriate lands

Reforestation and afforestation, where ecologically appropriate, can increase carbon sequestration, contributing especially to achieving the 2050 statewide climate goals.

6) Provide support for voluntary emission reduction projects

Support the California Climate Action Registry in development and promotion of its forest protocols and assist landowners in implementing emission reduction projects seeking CCAR verification.

Longer-term strategies/actions requiring additional research and quantification before specific policy recommendations should be developed

The following issues, while important, involve greater uncertainty associated with accounting of greenhouse gas benefits and liabilities. Much work is required to fully understand the impacts and to build public confidence before determining which specific actions can help the state meet its emission reduction obligations.

With respect to these issues, we recommend that the working group first focus on enhancing public understanding of the issues, stimulating additional research and synthesis, and

supporting the development of credible accounting protocols. Such activities will help build a strong scientific foundation as well as a foundation of public acceptance of proposed policy measures that later emerge. We reference three specific issues that have engendered considerable discussion:

- 1) Hazardous fuels reduction to avoid catastrophic fire: Fuels reduction and a variety of other silvicultural practices, when applied appropriately and carefully, can help increase the resilience of some forest ecosystems to severe fire events. Uncertainty exists, however, about the net GHG impacts of these practices and only a small but growing body of research and modeling is available to help analyze these impacts. In general, the IFWG should seek to resolve key scientific and management issues related to hazardous fuels reduction and should not attribute net GHG emissions reductions to these practices nor pursue specific policy measures until these issues are adequately resolved and accounting protocols have been developed and adopted.
- 2) Generating energy from forest biomass: Through the implementation of the LCFS, AB118 renewable fuel funding, and the Renewable Portfolio Standard (RPS), the state is already creating new pathways to support the development and use of forest biomass for energy. Given these ongoing efforts and the limited time and resources available, we urge the IFWG to avoid duplication of effort and instead focus on those issues that are not otherwise being addressed.
- 3) Silvicultural practices aimed at regulating or responding to forest disturbances: Salvage logging, post-disturbance restoration, and fire suppression are well-established forestry practices, but there is little understanding about their impact on net GHG emissions and sequestration over time. Additional science and analysis are needed before deciding whether and how they should be included in our climate change mitigation strategy.

Thank you very much for considering our collective input on this critical undertaking. We are optimistic that California can continue to lead the country with innovative solutions for forest and climate policy. We look forward to working with all of the members of the Inter-agency Forest Working Group to ensure broad success.

Sincerely,

Peter Miller, Natural Resources Defense Council

Eric Holst, Environmental Defense Fund

Michelle Passero, The Nature Conservancy

Rachael Katz, Pacific Forest Trust