



WESTERN FORESTRY LEADERSHIP COALITION

June 5, 2008

Western Climate Initiative

Sent as electronic letter to:

E-website: <http://www.westernclimateinitiative.org/>

Subject: Western Forestry Leadership Coalition Response to the Western Climate Initiative Draft Design Recommendations on Elements of a Cap-and-Trade Program (May 16, 2008;
<http://www.westernclimateinitiative.org/ewebeditpro/items/O104F17390.PDF>)

The Western Forestry Leadership Coalition (WFLC) appreciates the opportunity to comment on the Western Climate Initiative (WCI) draft recommendations on design elements of a cap-and-trade program. The WFLC membership includes the State, Territorial, and Commonwealth Foresters of the western United States and the western Regional Foresters, western Research Station Directors, and Forest Products Lab Director of the US Forest Service. The mission of the WFLC is to promote science-based forest management that serves the values of society and ensures the health and sustainability of western forests.

Currently, it is estimated that U.S. forests sequester approximately 10 percent of the nation's industrial emissions of greenhouse gases which amounts to over 200 million metric tons of CO₂ equivalents per year¹. Forests are the second largest carbon sink on the planet (second to oceans). We have an opportunity to greatly influence how forests function as carbon sinks (both positively and negatively). WFLC has provided previous comments (April 16, 2008; <http://www.westernclimateinitiative.org/ewebeditpro/items/O104F16918.pdf>) to WCI regarding the role of forests in mitigating carbon emissions, which emphasizes that forests store carbon in all parts of the system, and that the carbon sequestration services provided by forests are substantial.

WFLC recognizes the benefits of forest management as a way to not only sequester carbon, but to also build healthy forests that avoid carbon losses due to fire, slow land conversion by providing alternative income streams to private land owners, and to mitigate other sources of mortality the public deems unacceptable. WFLC supports the use of forestry, forest products, and woody biomass/biofuels to help sequester carbon emissions and mitigate climate change impacts, and to consider otherwise we believe would be a missed opportunity. Preventing conversion to non-forest uses not only helps to mitigate impacts of climate change but can also help support co-benefits needed by land owners and publics for their health and wellbeing (e.g., wildlife habitat, clean water, recreation areas, etc).

Our comments today will focus primarily on the offsets section of the Draft Design Recommendations. WFLC supports the Offsets Committee recommendations and continues to encourage the use of forest offsets as a viable mitigation option. We support giving priority to offset projects located within WCI jurisdictions and the consideration of approving offset projects in Canada, the United States and Mexico where such projects have been subject to rigorous standards as those within WCI jurisdiction. WFLC commends the WCI for recognizing the value of co-benefits of an offset system and the desire to stimulate innovation. It will not be an easy task, but to not recognize and work toward maximizing forestry co-benefits while ensuring true carbon reductions, would be a huge loss and have potentially large impacts across the forestry sector. We are pleased to see that many of these issues are being discussed amongst the coastal states in the west and support these efforts.

¹ Helm, John A. 2007. Testimony before House of Representatives Select Committee on Energy Dependence and Global Warming, April 26, 2007.

WFLC continues to support the WCI position of including forestry in the initial set of eligible offset project types. A properly structured forest carbon offset program can provide significant ecological, social and economic benefits in addition to offsetting carbon emissions. While uncertainty still exists on the best market mechanism, this signal is needed to maintain and accelerate momentum in finding the right offset framework for forest carbon. Markets created by a forestry offset program can provide valuable incentives to landowners to sustainably manage their lands, rather than converting them to more emission intensive non-forest uses.

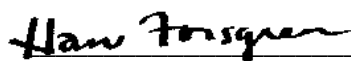
While arguments exist about the complexity of quantifying forest offsets, it is our position that the costs of not including forestry offsets in a cap & trade solution to climate change will be more detrimental than the costs associated with the learning curve of including forest carbon offset projects. We believe it would be a missed opportunity to not include a forestry offsets scheme in the development of a cap-and-trade system for the Western states that reflects on-the-ground realities and is workable. There may be some disagreeable site-specific impacts with an offset project on occasion, but we feel that the lessons learned and the innovation and entrepreneurial gains from including forestry offsets will significantly out-weigh an overly cautious approach.

There are challenges associated with almost any type of offset project or program. The forestry community is aware of and responsive to the concerns regarding the use of forest-based offsets (e.g., additionality, permanence, leakage, etc). The need for a rigorous forestry offset system with integrity is vital, but we must constantly balance that with the need for creating an open and flexible system that will work for all types of forestland ownerships, large and small. With the vast majority of private forestland in this country, nearly 500 million acres, owned by 10 million plus, small family forestland owners, we must build a system that will work for all.

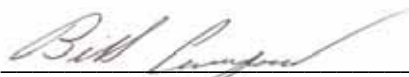
WFLC supports building an offset system from existing standards as a starting point for discussions and encourages the development of a simple and flexible system for forestry offsets. There are several types of approaches to defining baseline for forestry offset protocols. Each of these approaches has differing strengths and weaknesses. Additional work is needed to evaluate these approaches to develop a forestry offset program for WCI that promotes clear carbon accounting, is cost effective, and simple and flexible enough to encourage participation. To this point, although there are numerous market schemes at play, we note that the Chicago Climate Exchange in particular, having been up and running for multiple years, will provide some valuable lessons learned as the WCI moves to implement its cap and trade system. Further, WFLC recommends WCI consider an array of approaches for forestry offsets and affirms the involvement of the broad forestry community in the development of acceptable project types and protocols.

WFLC and its membership offer their assistance to WCI to identify eligible forestry offset projects and protocols. Please contact Jay Jensen, Executive Director, at 303-445-4366; jay.jensen@colostate.edu with questions or for follow-on discussions. Thank you.

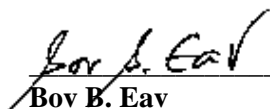
Sincerely,



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Bill Crapser
Chair, Council of Western State Foresters,
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