

TO-Chairperson and Board Members: California Climate Registry, California Air Resource Board

FROM: The Collins Pine Co., W.M. Beaty and Associates, Inc., Mendocino Redwood Co., Humboldt Redwood Co.

Jan. 15th, 2009

We are pleased to have the opportunity to comment on the ongoing process by which the State of California will arrive at its methodology for tracking the sequestration and sale of forest related carbon. Collectively we represent approximately 850,000 acres of forest land in the State. Our management of these lands has been recognized as exemplary by the Forest Stewardship Council (FSC), a third party forest certification program that operates world wide. We believe that our management policies and underlying philosophies provide great opportunities to build carbon stocks on these lands which are secured by our respective long term commitments to the future of the forest.

Our companies have been involved in creation of the voluntary carbon protocols from the very beginning. More recently, either through direct participation, discussions with environmental/conservation groups that we have collaborated with on FSC issues in the past or in providing comments as the work on the new draft has progressed, we feel as though significant progress has been made on the new Forest Project Protocol of the Working Group. We fully support the work that has been done to date, and encourage CCAR to continue the process as it deals with the wood products component of carbon storage. We request that the Air Resources Board FULLY support the work product in its development of methods and regulations that the state will use to meet the mandates of AB 32.

We do however have a concern about recent comments that have emanated from some within the working group participants in the form of a "minority report". Specifically we would like to point out a few major issues of concern with this report:

PERMANENCE: Right from the inception of the concept of securing permanence of carbon stocks, we rejected the idea that permanence could only be achieved using the conservation easement vehicle. Those of us in the private sector supported the use of binding contracts then, and we still do today. The addition of a third party entity required for a conservation easement, only adds unnecessary complexity, and serves to dissuade landowner participation. The new draft protocols have successfully secured permanence.

INVENTORY- BELOW GROUND LIVE BIOMASS: The draft protocols are reasonable. To require below ground inventorying subjects the inventory to uncertainty and gross speculation.

INVENTORY - WOOD PRODUCTS: It was premature to have a publically posted report with conclusionary statements regarding wood products, prior to that subject being fully evaluated and discussed by the working group in late December and January. This is especially troubling when statements are made that can mislead the public regarding the intentions and objectives of the Workgroup. None of the

Workgroup participant's ever stated that their intentions were to develop "...an accounting system that in effect encourages wood to be harvested and ultimately buried in landfills, at the expense of forest ecosystems". Rather all of the Workgroup participants seemed very clear that their objectives in meeting in December and January were to come to consensus on a methodology for wood products that as accurately and conservatively as possible accounts for wood products. Inferring that conclusions had been reached prior to the Workgroup meeting with various experts and fully discussing the issues amongst themselves can lead to confusion of the public rather than clarity of the Workgroup's process and final consensus recommendations. It seems appropriate for the Board to urge participants to continue to forge ahead collectively in this process and we are hopeful that you will encourage all to do so.

PUBLIC LANDS- Considering that a significant portion of forest lands in the state are federally owned, these lands should be included. Any management that occurs that results in a net sequestration of carbon on federal lands is beneficial.

In closing we collectively request that this valuable process be continued and support broad participation where the Working Group brings issues to the table in a clear and transparent manner and allows for the CCAR process to succeed. The recent draft of the protocols should provide the necessary vehicles which will enable broader participation which in turn will lead to a better capture of the true carbon sequestration that the forested landscapes in California are capable of producing.