Since 1907

April 7, 2010

Derik Broekhoff
Vice President, Policy
Climate Action Reserve
523 W. Sixth Street, Suite 428
Los Angeles, CA 90014

Re: Preliminary Guidance on Forest Project Protocol, Section 6.2.1.1

Dear Mr. Broekhoff:

I would like to take this opportunity to bring to your attention the great injustice that this Guidance document imposes on California forestland owners. It incorrectly interprets the Sustainable Production Analysis (Option A or B) that is required in order for large land owners to commercially harvest timber in this state as the definition of "business-as-usual". As a result of this interpretation California forestland owners are in effect disqualified from the AB 32 compliance market. Simply because this type of analysis is not required in other states creates an unfair market condition as the Guidance places forestland owners from anywhere other than California at a great advantage.

It should be noted that for large forestland owners past management and objectives do not equate to "business-as-usual". Business objectives readily change based on current and projected market conditions. Thus while this is the second part of the AB 32 definition of additionality it is impossible to clearly and consistently define. The fact that the Guidance places more emphasis on this part of the definition is especially troubling.

An ironic consequence of this Guidance is that large forestland owners that are building inventory are immediately penalized for such planning by being unfairly treated in the marketplace. While it may be interpreted as "business-as-usual" by some this type of planning none the less sequesters carbon on a large scale and should be available for offset credits. The resulting incentive is for large landowners to revisit their business objectives and more than likely place less value on increasing inventories, thus reducing carbon sequestration in this state.

By interpreting the Option A or B as the legal baseline for additionality assumes that the harvest levels derived in such an analysis are legally binding. If this were the case, it would be illegal to

not follow the Option A or B harvest schedule, thus making additionality illegal. It must be noted that while the analysis itself is mandated the resulting harvest levels are not binding. State authorities do not enforce the harvest levels on the ground. They review the analysis to be sure that harvest levels proposed in any given THP are sustainable in a larger context both in time and space. For compliance a given THP must adhere to modeled silviculture in general. Because of variable conditions and natural disturbances harvest levels for a site specific THP may vary from that modeled.

Given the fact that the Guidance disenfranchises large forestland owners in California from marketing sequestered carbon, creates an unfair market condition, and wrongly interprets sustainable yield analyses as "business-as-usual" I strongly urge the Reserve to withdraw this Guidance and place the emphasis on the legal standards of the AB 32 definition of additionality, and to accept the stocking standards of the California Forest Practice Rules as the default definition of "business-as-usual". Standing inventories retained above this standard are voluntary and not required by law, and should not be considered "business-as-usual".

Sincerely,

Kelly E. Conner, RPF 2254
Fruit Growers Supply Company
Hilt, CA