Campbell
TIMBERLAND MANAGEMENT LLC

June 11, 2009

Climate Action Reserve
523 W. Sixth Street, Suite 428
Los Angeles, CA 90014

**RE: STAKEHOLDER COMMENTS REGARDING THE DRAFT PROJECT IMPLEMENTATION AGREEMENT FOR FOREST PROTOCOL V3.0 AND CONSEQUENCES FOR REVERSALS AND EARLY TERMINATION.**

The Campbell Group (TCG) appreciates this opportunity to provide comment on the proposed Project Implementation Agreement (PIA), Consequences for Reversals and Early Termination. TCG is a Timberland Investment and Management Organization responsible for providing stewardship on approximately 3 million acres of timberlands in the United States. Our firm is confident that actively managed forests will play a critical role in climate change policy and look forward to contributing through the development of viable projects. TCG is encouraged the Climate Action Reserve (CAR) is considering alternatives to address permanence in V3.0 of the Forestry Protocol. After reviewing the PIA and supporting documents, TCG has identified several topics of concern.

The Work Group established by CAR to create V3.0 has developed a complex, highly technical process to establish a basis for determining the number of eligible Climate Reserve Tonnes (CRTs) associated with a forestry project. Therefore, CRTs associated with forestry projects should not be treated or valued differently than CRTs associated with any other offset type. For a market-based system to function properly, all CRTs must be considered equal.

Fewer landowners will develop forestry projects if there are not reasonable options for early termination while maintaining the atmospheric integrity of the arrangement. Specifically, compensation for early termination should occur on a one to one ratio. Penalties will only further discourage project developers. It is also essential to consider potential future advancements in carbon storage technology. Landowners should have the flexibility to meet contractual obligations through the acquisition and transfer of lower cost CRTs, thereby removing encumbrances on their property.

The language that mandates all future financing by the landowner or their successors must be subordinate to this agreement and should be removed. As written, this condition will limit the ability of landowners to obtain competitive market rates for financing and prevent many landowners from entering into this agreement.

It is unfortunate that adequate time was not allowed for this review period. As we have seen with protocol development, an iterative process that allows for the maximum amount of public involvement is required. Standard business practices would suggest two weeks is not adequate to review the specifics of an agreement with a 100-year life span. Please consider an additional review period once the documents have been revised to reflect public comments received by CAR.

Thank you for the opportunity to provide comment on this important matter.

Sincerely,

Stephen P. Levesque
Project Manager