

July 20, 2010

R.E. Proposed Changes to the Forest Project Protocol

Dear Mr. Gero,

We believe the Reserve should not alter the application of the performance standard as indicated by the changes proposed to section 6.2.1 of Forest Project Protocol v3.1. The existing performance standard benchmark uses the FIA database which does not differentiate between ownership profiles or entity objectives and is useful only to extent that it provides average carbon stocking statistics. Therefore, the FIA baseline can only be used to indicate what would happen, absent a carbon project, on any given acre of land irrespective of ownership size, length of land tenure, or ownership objectives. A CAR baseline using FIA data should not attempt to incorporate complex entity-wide ownership level effects, but rather should, as the Protocol is now written, compare the per acre stocking of enrolled project lands versus the average acre as described by the FIA database without regard to the owner's objectives on non-project lands. Furthermore, it should be recognized that forest landowners often have different objectives for various tracts of land within their ownership or management units. If they have chosen to harvest more or less aggressively than "average" on non-project lands, this should have no bearing on the atmospheric benefits that can be obtained from enrolling acres in a forest carbon project. However, the proposed change could have the effect of raising the baseline for lands with higher project level stocking, thereby reducing the volume of offsets generated and lowering the benefits received for enrolling quality lands in a project. This proposed change is not supported by the FIA database and may discourage participation in the program. We strongly encourage the Reserve to continue with the design of the original Protocol and reject the proposed changes as described in the June 24, 2010 proposed amendments. Thank you for considering these comments.

On behalf of Finite Carbon Corporation,

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