Dear CAR Staff and Board Members,

I urge you to withdraw the Preliminary Draft Guidance on California MSP as it is being improperly applied to a voluntary levels reported in a sustained yield document. This guidance discriminates against California forestland owners and timber owners.

The Preliminary Draft Guidance states that an Option "a" document is a legal commitment recognized at the time a project is submitted, and thus is a legal requirement. The Forest Practice Rules do require an Option "a" document be filed by landowners with 50,000 acres or more, but 14 CCR 913.11 (a) (1) states the MSP yield be specified by the landowner, and (2) the timber owner or timberland owner balance growth and harvest over time and these levels are agreed to by the Director. Although the Option "a" is required to be filed, the landowner specifies the yields not the Director. The Director validates the modeling only, and a landowner can adjust the yield levels based on changing their goals for meeting MSP at any time. Thus the sustained yield levels are voluntary as long as a balance of growth and yield is shown, therefore they are not a set legal requirement.

The problem with the Draft Guidance is CAR is now encouraging a landowner to keep two sets of modeling books, one for Option "a" and Calfire review, and one for CAR project verification to show additionality above their Option "a" levels. This guidance would cause the landowner to purposely misrepresent to Calfire what their real intent is, and this misrepresentation would become evident when the Option "a" is updated on a periodic basis. CAR effectively is encouraging the landowner to "game" the Calfire MSP process so they can prove additionality. The landowner and Calfire are put in a very tenuous position by this Draft Interpretation, and I am not an attorney but this appears to encourage a fraudulent representation to a State Agency to prove additionality for the Reserve. This Draft Guidance will certainly cause large landowners in California to shy away from CAR projects, as they are dependent on timber harvesting to pay their bills and would not risk having their timber harvest plans rejected by a misrepresented Option "a" document that could be challenged by Calfire's foresters reviewing the agreement.

The Draft Guidance is contrary to accepted business practices, and could actually subject a Registered Professional Forester preparing the two contrary models and documents (Option "a" and CAR modeled standing stocks) to a potential licensing action for knowledgeable misrepresentation to a State Agency of harvesting limits in order to gain profit. Also it unfairly discriminates against California timber owners that must submit an Option "a" in relation to other large landowners that are out of State, and need only to prove additionality compared to business as usual. With this interpretation, CAR is disincentivizing and discouraging additional carbon sequestration in California, as why would a large landowner take a chance on jeopardizing their Option "a" and purposely breaking a good faith agreement with Calfire by purposely underestimating their sustained yield so they can sell carbon credits?

This guidance is contrarian and self-defeating. The validity and acceptance of the CAR forestry protocols is at stake, as landowners that are currently sequestering more carbon than business as usual would not get credit for these actions that reduce climate change and carbon emissions, and would have no incentive to lock in those beneficial management practices with a long term CAR agreement.

If this same guidance is applied to Non-Industrial Timber Management Plans (NTMP), then the same results will occur, that is a landowner that is voluntarily sequestering more carbon than business as

usual will not get credit for it, and has no incentive to register a CAR project. A NTMP can be cancelled at any time. The benefit of a CAR project is it would lock in that NTMP additionality and prevent a NTMP timber ownership from being liquidated. Instead this guidance prevents these positive actions, and would not reward those that are voluntarily storing more carbon above business as usual levels by incorrectly calling a voluntary agreement a legal requirement.

I strongly urge you to withdraw this Draft Guidance document which is a flawed interpretation of legal requirements.

Sincerely,
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