

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

cc: policy@climateactionreserve.org

Dear Gary:

Below is a sample letter of support supplied by New Forests that Hanes Ranch Inc. agrees with. I have also added some comments at the end.

I am writing to express my support for the Proposed Guidelines for Aggregation released by the Climate Action Reserve on April 23, 2010. Thank you for proposing and considering changes to the Forest Project Protocol that would level the playing field for smaller forest landowners.

Individuals and families manage the vast majority of private forest land in our country, most with ownerships of less than 5,000 acres. The inventory, monitoring and verification costs associated with CAR forest carbon projects can be prohibitive for these family forest owners who lack economies of scale. I think this Aggregation Proposal would be a concrete, important step towards ensuring that the carbon markets work for the average landowner and not solely for industrial forest owners.

However, I want to voice one concern with the requirements regarding joining and leaving an aggregate. Paragraph five on page five of the Proposed Guidelines would require a new landowner to join an aggregate before a current landowner could leave an aggregate. This system would almost certainly prove unworkable and a strong disincentive for smaller landowners to participate. If a landowner needs to exit for one of many common reasons (needing to sell land to make a tuition payment, for example, or other changed financial circumstances), a small aggregated landowner would face a significant barrier to exit on top of the "buy-out" requirements in the Protocol. I would strongly recommend that the Reserve consider an alternative mechanism to manage entry and exit of landowners in aggregates.

For that reason, I support the adoption of the Proposed Guidelines for Aggregation by the Climate Action Reserve, with a different system for managing landowner entry and exit, as soon as possible.

In addition to above comments I'd like to express support for the overall success of aggregation rules for small landowners. In our case a carbon project may become the difference between the ranch needing to subdivide in order to pay inheritance taxes or being able to continue under one ownership. The money generated by a project will also facilitate a far more extensive land preservation and fire protection program on the property.

Sincerely,

Ward Hanes
Operations Manager
Hanes Ranch Inc.