

October 5, 2009

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

**Subject: Forest Project Protocol revisions and the recent Sierra Pacific Industries-Equator LLC forest carbon transaction**

Dear Secretary Adams and members of the Climate Action Reserve board:

We are writing you to express our interest in participating in the upcoming process for revising the Forest Project Protocols (FPP), Version 3.0, and to request that you take action on all of the following:

- Direct CAR staff to specifically include the issue of clearcutting and use of even-age management as a forest project practice eligible for carbon credits in the so-called “Punch List” of items to be considered for revision.
- Set a timetable and deadline of no later than 4 months (January 2010) for completion and adoption of revisions to the FPP.
- If the examination and disposition of the Punch List, including clearcutting, is to be delegated by the board to the forest workgroup that developed the 3.0 Version of the Forest Project Protocols, ensure transparency of the process and expand the representation of stakeholder interests in the process and composition of this workgroup.
- Release the details of the project announced by Governor Arnold Schwarzenegger at the Governor’s Global Climate Summit on Wednesday, September 30, 2009 involving Sierra Pacific Industries (SPI) and Equator LLC. In particular, make immediately available any materials produced for this project that members or staff of CAR had seen in advance of the announcement and the adoption of the recent protocol updates, and disclose the influence that the SPI-Equator transaction had on the protocol adoption process.
- Announce at the upcoming board meeting how this body will review the SPI-Equator project, which agencies will be involved in the review, and the timing and process for announcing the “offset” value being accepted for this project, along with a declaration of what opportunities there will exist for public input and comment on the project review.

The proceedings of the past few weeks give the strong appearance that the SPI-Equator forest carbon transaction has influenced the adoption process for the new Forest Project Protocols. Both CAR and ARB expressed an urgency to adopting the protocol revisions

without amendment while failing to offer any explanation for the rush; both boards acknowledged the potential problems with the clearcutting language but refused to address them before adopting the protocols as written; and neither CAR nor ARB mentioned the pending SPI-Equator transaction, although both apparently were well aware of it.

We remain particularly concerned about the propriety of including even-age management and 40-acre clearcuts as parts of the recently adopted Forest Project Protocols, and have urged CAR and ARB to remove this provision or delay adoption so the issue could be adequately considered. Comments at the CAR meeting in response to our testimony, and others made since then, assured us that CAR would submit a letter of clarification to ARB – with forest workgroup support – explaining that the even-aged management provisions were only intended to set minimum standards outside of California versus an endorsement of any particular silviculture practices. This appears not to have occurred. Since then, public comments made by officials of Green Diamond timber company and Sierra Pacific Industries (SPI) clearly indicate that the intent of the clearcutting paragraph in the 3.0 Version is to explicitly authorize use of clearcutting as a forest management practice and designed to reverse a ban on even-age management embodied in the prior forest protocols originally adopted by the California Climate Action Registry (CCAR) in 2005.

We remain convinced that science shows that even-age management logging practices are the most likely to exacerbate, rather than mitigate, climate change. Such practices are also the most likely to diminish (if not eliminate entirely) the co-benefits to forest ecosystems, water quality, fish and wildlife habitat, and biodiversity that were embodied in the previous FPP.

In addition, we are concerned that the composition of the Forest Protocol Work Group is dominated by representatives of commercial timber interests and government agencies, with participation from only four nongovernmental organizations (NGOs), none of which are significantly involved in the issues surrounding forest clearcutting in California. We urge that the membership of the work group be expanded so that there is broader representation of public stakeholders and reverse the domination by commercial timber interests. All meetings of the workgroup should be made available to the public, including workgroup subcommittee meetings.

We would greatly appreciate an opportunity to present our concerns and recommendations when the CAR board meets in Sacramento on October 7<sup>th</sup>.

Thank you.

Brian Nowicki, Center for Biological Diversity  
Michael Endicott, Sierra Club California  
Susan Robinson, Ebbetts Pass Forest Watch

Cc: Gary Gero, Climate Action Reserve