Forest Climate Working Group—2013 Policy Recommendations

The Forest-Climate Working Group (FCWG) was founded in 2007 to provide a unified voice across the U.S. forest sector—landowner, industry, conservation, wildlife, carbon finance, and forestry organizations—regarding the important role of domestic forests in responding to climate change. The FCWG commends the Obama Administration for the prominent role U.S. forests have in its Climate Action Plan. The recommendations contained in this document are offered to assist the Administration in developing more detailed policy in support of the Climate Action Plan's commitments to "Preserving the role of forests in mitigating climate change" and "Prepare America for the impacts of climate change" through adaptation actions that include myriad forest-related activities.

US Forests Offer Cost-Effective and Immediately Accessible Climate Mitigation

We share the Administration's perspective that U.S. forests play a central role in our national climate strategy, and must continue to do so. America's forests and forest products annually sequester and store 10-12 percent of all U.S. carbon emissions—an essential contribution toward mitigating climate change. To secure the continued existence and growth of forests as vehicles for carbon sequestration and storage, we need markets, policies, and programs that help to maintain and enhance carbon stores and encourage keeping our working forests as forests to help slow their conversion to non-forest uses.

The most basic means of retaining forest as forests is to ensure that markets for forest products are robust. The 2010 Forest Resource Planning Assessment indicates that stronger markets lead to more forests, thereby ensuring that our forest base can sustain its climate mitigation role. We can further enhance our forests' sequestration capacity by providing policies that a) encourage private landowners to accelerate carbon sequestration and storage as part of their management objectives and b) encourage the increased use of forest products in place of more energy intensive materials as additional means to grow the carbon sinks in long lived wood products.

Adapt US Forests to Changing Climate

We share the Administration's perspective that forests face new stresses from accelerating climate change, including increased threats from invasive species, pests, pathogens, extreme weather, wildfire and shifting forest systems. Existing planning and policy tools can be used to help private landowners and public agencies effectively address forest adaptation to a changing climate, but must be adequately funded. In particular, many of these stresses can be addressed through tools that encourage active and adaptive forest management. Addressing forest adaptation will sustain our forests' ability to sequester and store carbon. Equally important, addressing forest adaptation will maintain other forest-based ecosystem services potentially at risk from climate change, including public drinking water supplies, forest products, wildlife habitat, and recreation opportunities.

Developing a Policy Response

The participants in the Forest-Climate Working Group are engaging in a new round of facilitated consensus dialogues to develop recommendations that, if adopted, we believe would help achieve the goals in the Administration's Climate Action Plan. As a first step, the section below articulates in detail a set of "initial recommendations" drawn from the Forest-Climate Working Group's previous recommendations to the Administration through various letters and direct communications. These initial recommendations focus on potential administrative policy measures to support a range of forest carbon and adaptation activities in three broad categories:

- 1. Retaining forests as forests
- 2. *Restoring and adaptively managing* forests to make them more resilient to climatedriven forest stressors
- Reforesting and afforesting marginal lands and damaged forests to expand America's forest land base

Based on our most recent dialogues, we believe there are additional steps that the Administration could undertake to more fully capture the benefits of forests and forest products as part of the climate change solution. We are currently developing a set of additional recommendations to capture these new opportunities. We expect to finalize these additional recommendations over the summer of 2013, and will convey them to the Administration in a supplemental document as soon as possible. We expect these additional recommendations to include proposals to:

- Maintain or improve forest-related elements of the tax code and other legislative vehicles;
- Create long-term solutions to address growing wildfire issues and the challenge of wildfire funding, which threatens funding for other forest activities that also help mitigate and adapt to climate change;
- Recommend strategies for the nation's public forests that will help maintain and enhance carbon mitigation from these lands and foster climate resilience;
- Identify opportunities to advance forest-based renewable energy, such as biomass, where it can help manage and reduce greenhouse gas emissions; and
- Engage the nation's urban forests as part of the climate solution.

Initial Policy Recommendations to Support Effective Forest Carbon Mitigation and Adaptation

The following set of initial policy recommendations, drawn from our past communications with the Administration, are intended to provide broad support for a diversity of forest activities—retention, restoration and adaptive management, and reforestation and afforestation—that can help to leverage highly effective carbon mitigation and forest adaptation across the U.S. forest sector.

<u>Provide Sound Data and Science</u>: Designing, implementing and monitoring effective forestclimate activities requires information. This includes baseline forest data through the US Forest Service Forest Inventory and Analysis Program that characterizes the current forest base and helps illuminate trends. Scientific information developed through forest-climate research, such as climate-driven threats to forests as revealed by vulnerability assessments, is also essential. It is important the Administration continue to utilize agency capacities and prioritize programs that fund this analysis and research. It is also important for climate science to be integrated into decision support tools that help private landowners and public land managers understand and apply this complex information to their specific circumstances and objectives.

<u>Promote the Use of Forest Products:</u> Promoting the use of forest products from responsibly managed U.S. forests creates economic support for long-term forest ownership and sustainable management, which in turn results in carbon benefits by keeping forests as forests. In addition to the fundamental carbon sequestration benefits of maintaining our forests as forests through strong forest products markets, forest products also store carbon throughout their lifecycle and offer substitution benefits relative to other materials. A recent report from the United Nations Food and Agriculture Organization states that in the U.S. alone, wood-based housing avoided 135 million tons of CO2 emissions per year, with ample room to increase this figure. The report further states that a 2007 estimate of global substitution toward wood-based building avoids 483 million tons of CO2 emissions. To help keep forests as forests and capture the benefits of sequestering carbon in long-lived wood products, we specifically recommend:

- Establishing policies, including through Executive Order 13514, to encourage federal agencies to use wood from responsibly managed U.S. forests in building construction as one of many means to meet the agency-wide greenhouse gas emissions reductions goal of 17%.
- Promoting policies for building construction that encourage Life Cycle Assessment, including global warming potential, of building material choices.
- Promoting new and continued scientific research and Life Cycle Assessment, which will advance our understanding of wood's carbon efficiency and other benefits.
- Incorporating policies to encourage the use of wood from responsibly managed U.S. forests in federally-supported building construction like that supported by USDA Rural Development.

<u>Support Markets for Carbon and Other Ecosystem Services:</u> Carbon offsets are an important tool to help reduce greenhouse gas emissions in a cost effective manner. The Administration

could help expand carbon market opportunities by evaluating the potential for federal agencies to use carbon offsets as a tool to meet the carbon reduction requirements of Executive Order 13514. These carbon offsets should include a range of working forest carbon activities such as afforestation, reforestation, forest management that includes opportunities for long-lived harvested wood products from responsibly managed forests, and avoided deforestation. The Administration can also help to catalyze new ecosystem services markets through technical assistance and research, such as that offered by the USDA Office of the Chief Economist, and utilizing existing agency capacities to develop research and analytical support tools for proforma and carbon accounting.

<u>Enhance Resources for Private Forest Owners:</u> Managing and restoring forests in a changing climate will create new challenges and uncertainties. Federal agencies should enhance cost-share, technical assistance and other tools that help private landowners achieve their objectives while also advancing carbon mitigation and adaptation. Key technical assistance and cost-share programs include the Forest Stewardship Program, Environmental Quality Incentives Program, Wildlife Habitat Incentives Program, and the Wetlands Reserve Program.

<u>Utilize Existing Federal Grant Programs to Retain Forests</u>: Provide support for federal programs that support forest retention, and where possible, align these programs around "climate smart" projects that specifically advance carbon mitigation and adaptation objectives. Relevant forest conservation programs include the Forest Legacy Program, Land and Water Conservation Fund, Community Forest Program, and Healthy Forest Reserve Program.

<u>Develop Landscape-Scale Approaches and Collaborations:</u> Developing "all lands, all hands" collaborations across large landscapes, such as the multi-state Climate Change Response Frameworks being led by the U.S. Forest Service in partnership with state foresters and other non-federal partners, can help guide an effective climate change response. Given the broad uncertainties about climate change, working across large forested landscapes allows a comprehensive approach to address potential climate shifts while maintaining forest carbon, forest products and other ecosystem services. Landscape-scale partnerships also offer efficiencies by dovetailing planning, projects, and resources from federal, state, local, and private interests into a leveraged and integrated effort.

Looking Forward

The overarching theme of our recommendations is to continue building on successful efforts to support a healthy and sustainable U.S. forest sector. The Intergovernmental Panel on Climate Change found, *"In the long term, a sustainable forest-management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual yield of timber, fiber or energy from the forest, will generate the largest sustained mitigation benefit."* As noted in the recommendations above, some new climate-specific tools will also be needed to maintain sustainable forestry in an unstable climate. This includes the integration of climate science into decision support tools that can help private landowners and public land managers to navigate the changes ahead while keeping our forests robust and maintaining the forest outputs key to our country.

We look forward to dialogue with the Administration regarding these recommendations and the more granular policy development needed to implement them. We also look forward to conveying additional administrative and legislative recommendations by the end of summer 2013 that can build on the foundational recommendations above.

Sincerely, American Forest Foundation American Forests American Bird Conservancy C2I, LLC Green Diamond Resource Company Hardwood Federation Lyme Timber Company National Alliance of Forest Owners National Association of Conservation Districts National Association of State Foresters National Association of University Forest Resources Programs National Wildlife Federation New England Forestry Foundation Northern Forest Center Plum Creek Timber Company Rayonier Society of American Foresters The Trust for Public Land Western Pennsylvania Conservancy Weyerhaeuser Winrock International/American Carbon Registry