

May 6, 2013

The Honorable Sheldon Whitehouse
530 Hart Senate Office Building
2nd and C Streets, N.E.
Washington, DC 20510-3904

The Honorable Waxman
Rayburn House Office Building, Room: 2204
Independence and S. Capitol Street, S.W.
Washington, DC 20515

Dear Senator Whitehouse and Representative Waxman,

The Forest-Climate Working Group, representing a diverse spectrum of forest industry, conservation, landowner, and agency interests, appreciates the opportunity to respond to your recently released carbon pricing draft legislation. Collectively, we believe that U.S. forests, especially working forests, and harvested wood products need to be a critical piece of our national climate strategy, and any legislative approaches that are developed.

America's forests currently sequester 12 percent of U.S. carbon emissions every year—representing one of the Earth's most important net carbon sinks. What's more, the U.S. Environmental Protection Agency estimates that with strategic conservation and forest management, our country's forests could increase annual carbon storage to capture as much as 20 percent of our annual emissions. U.S. forests are also a key provider of natural resources, such as drinking water supplies, that will be even more critical in a changing climate.

Action is needed to capture the opportunities for U.S. forests and harvested wood products to help address climate challenges. A recently released U.S. Forest Service study predicts that the U.S. could lose up to 34 million forested acres, which would cost our country much needed carbon sequestration and resilience benefits. Alternatively, with the help of Congress, we could protect and enhance our forests' carbon storage capacity and resilience by providing carbon sequestration, improved forest management, and climate adaptation incentives for private landowners.

The diverse individual organizations in the Forest Climate Working Group have varying opinions on the appropriateness of a carbon pricing approach to addressing climate change-- some oppose such an approach and some support it. However, our members do agree that if such approach is pursued, it must include opportunities to provide financial incentives for carbon sequestration and storage in U.S. forests and harvested wood products. Including a role for forests, such as the potential to earn marketable offset credits or straightforward tax credits for measureable and verifiable carbon reductions, could promote economic efficiency and help leverage greater overall carbon reductions. U.S. EPA analysis of previous legislative proposals predicted that exclusion of carbon offsets would increase costs by as much as 93%.

Additionally, we believe that if such a carbon pricing approach is pursued, that a portion of revenues should be reinvested through programs that support carbon sequestration and improved forest management and climate change mitigation and adaptation investments in U.S. forests. These program-

based investments will protect and enhance the ecosystem services and carbon benefits they currently offer to every American.

The Forest-Climate Working Group appreciates your dedication to addressing climate change, and for soliciting input from coalitions such as ours. We look forward to working with you to ensure that U.S. forests are included in any future climate change legislation.

Sincerely,

American Bird Conservancy

American Carbon Registry

American Forests

American Forest Foundation

C2I

California Forestry Association

Conservation Forestry, LLC

Carbonverde, LLC

Green Diamond

GreenTrees

National Alliance of Forest Owners

National Association of Conservation Districts

National Association of State Foresters

National Association of University Forest Resources Programs

Plum Creek

Society of American Foresters

The Trust for Public Land

Weyerhaeuser Company