



## Climate Change Advocacy Position

NAFO recognizes the importance of addressing climate change as a national priority. Climate change policy should fully recognize the potential contributions of the forestry sector and optimize the full suite of benefits provided by working forests and harvested wood products. Climate policy appropriately incorporating such benefits should:

**Promote Working Forests.** Private working forests are a fundamental part of the solution to global climate change. According to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change released in 2007:

*"In the long term, a sustainable forest management strategy aimed at maintaining or increasing forest carbon stocks, while producing an annual sustained yield of timber, fiber, or energy from the forest, will generate the largest sustained mitigation benefit."*

**Explicitly Include the Positive Contributions of Forests as Part of Any National Climate Change Policy.** A variety of legislative responses to global climate change are possible (e.g., cap-and-trade, carbon tax). NAFO prefers efficient legislation focused on GHG emission reductions, inclusion of a robust offsets program, and assurance that a robust manufacturing base is maintained in the US. Based on our experience in forest management and the forest products sector, we believe that any national climate change policy should include the following:

- Coverage of all six recognized GHGs; however, the primary GHGs of concern to the forest sector are CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O.
- Exclusion of forestry from regulated sectors.
- Carbon dioxide (CO<sub>2</sub>) emissions from combustion of biomass and biofuels are deemed carbon neutral.
- Carbon offsets are included that recognize forest-based projects (see below) and renewable energy credits (substitution of wood for non-renewables and use of wood for power production, biofuels, and thermal energy) and are not limited.
- Allowances should be provided to regulated entities to invest in carbon efficient technologies.
- An economic analysis to determine whether the benefits of proposed legislation and standards are technologically feasible and economically justified.
- The United States Department of Agriculture should be the administering agency with respect to forestry offset project rules.

**Recognize Offset Credits for Forest Management and Harvested Wood Products.** Any climate change framework should allow offset credits from forest management and harvested wood products to be generated and traded as a flexible, cost effective way for regulators and other industries to achieve net greenhouse gas reductions. Any offset regime should be scientifically sound and include the following features:

- Recognition of all project types including afforestation, reforestation, forest management (including harvested wood products), and avoided deforestation.
- Equivalence between units of carbon accounted for in forestry projects and the units of CO<sub>2</sub>e emissions they offset.

- Flexibility for forest owners and project developers to establish forest carbon contracts of varying duration in response to market demand.
- An empirical and chronological approach to determine baseline and additionality that includes a base year and a standardized methodology for measuring net changes in carbon over time.
- Verifiable and transparent reporting requirements using commonly accepted methods for achieving accurate and precise carbon measurements over time.
- Methods for determining internal and external leakage that can be monitored and accurately measured.
- Provisions for calculating the percentage probability of reversals and methodologies for mitigating and reporting potential reversals.

***Encourage the Use of Forest Biomass as a Low Carbon Substitute for Fossil Fuels in the Production of Renewable Energy.*** Climate change policies should support the contribution of forest biomass (wood, other plant material, residuals, and byproducts) from private working forests to reducing atmospheric carbon by providing a cellulose-based feedstock for renewable energy (transportation fuels, electricity generation and heat) with significantly lower lifecycle CO<sub>2</sub> emissions than fossil fuels.

- Recognize the Carbon Neutrality of Emissions from Wood Biomass Fuels. Climate change policies should continue to recognize the treatment of wood biomass as a carbon neutral source of electricity, steam and heat generation under protocols established by the Energy Information Administration, IPCC, EPA, WRI and other recognized conventions.
- Accurately Apply Life Cycle Analysis. Using analytical methods that are verifiable and meet common standards for accuracy and precision, life cycle analysis is an appropriate means of measuring net carbon impacts of renewable energy feedstocks.
- Appropriately Consider Land Use Effects. Appropriate analysis of land use effects should address impacts consistently across feedstock types and include factors that are under the direct control of the landowner and that can be monitored and accurately measured. Analysis of indirect land use effects should also apply consistent and reliable methods for measuring impacts and be transparent with respect to accuracy and precision.

***Encourage the Use of Wood as a Substitute for More Energy-Intensive Building Products.*** Climate policies should promote the use of wood as a “green” building product with significantly lower lifecycle CO<sub>2</sub> emissions than more carbon-intensive products, such as concrete and steel.

***Recognize and Support Established Methods for Demonstrating and Verifying Sustainability.*** Forest owners use a variety of credible methods to demonstrate or verify sustainability based on ownership type and local conditions. Sustainability requirements in climate change policies should recognize and support established methods for demonstrating and verifying sustainability and be applied fairly and consistently across industry sectors and among sources of carbon offsets.