

ACTIVIST SAN DIEGO - AMAZON WATCH- ASIAN PACIFIC ENVIRONMENTAL NETWORK- BATTLE CREEK ALLIANCE- BUS RIDERS UNION- CALIFORNIA ENVIRONMENTAL JUSTICE ALLIANCE- CASCADE ACTION NOW!- CAUSA JUSTA:JUST CAUSE - CENTER FOR BIOLOGICAL DIVERSITY - CENTER ON RACE, POVERTY AND THE ENVIRONMENT- COMMUNITIES FOR A BETTER ENVIRONMENT - FILIPINO/AMERICAN COALITION FOR ENVIRONMENTAL SOLIDARITY (FACES)- FORESTS FOREVER- FRIENDS OF LASSEN FOREST- FRIENDS OF THE EARTH- GLOBAL EXCHANGE- GLOBAL JUSTICE ECOLOGY PROJECT- GRASSROOTS GLOBAL JUSTICE ALLIANCE - GREENPEACE US - INDIGENOUS ENVIRONMENTAL NETWORK - INTERNATIONAL ACCOUNTABILITY PROJECT- INTERNATIONAL FORUM ON GLOBALIZATION- INTERNATIONAL INDIAN TREATY COUNCIL - INTERNATIONAL RIVERS - JUST TRANSITION ALLIANCE - JUSTICE IN NIGERIA NOW (JINN) - MOVEMENT GENERATION: JUSTICE AND ECOLOGY PROJECT - NATIONAL NETWORK FOR IMMIGRANT AND REFUGEE RIGHTS - PACHAMAMA ALLIANCE - PRIORITY AFRICA NETWORK - RAINFOREST ACTION NETWORK- SEVENTH GENERATION FUND FOR INDIAN DEVELOPMENT URBAN COMMUNITIES & ENVIRONMENT, ANTIOCH UNIVERSITY LOS ANGELES

July 10, 2012

The Honorable Jerry Brown  
Governor of California  
c/o State Capitol, Suite 1173  
Sacramento, CA 95814  
*Via fax: (916) 558-3160*

Mary Nichols  
Chairman, California Air Resources Board  
1001 "I" Street  
Sacramento, CA 95814  
*Via fax: (916) 327-5748*

**Re: Climate Change Policy – International Forest Offsets in California’s Cap and Trade Program**

Dear Governor Brown and Secretary Nichols,

As organizations based in or working in California, are writing to you in anticipation of the California Air Resources Board (ARB) decision whether to propose protocols for the inclusion of international forest offsets in California’s cap and trade program.

We strongly support California’s climate change goals set out in AB32, and also believe that the protection of tropical forests can play an important role in combating climate change.

In this context we welcome the efforts of California and its stakeholders to explore options to protect tropical forests and cut carbon emissions. However, we are strongly concerned that the proposed offsets currently being discussed in the area of Reducing Emissions from Deforestation and forest Degradation (REDD+) would not provide environmental and health benefits to Californians, protect forests, or avert carbon emissions. Furthermore, we fear that

these proposals for REDD offsets would undermine forest protection efforts and conflict with agreements entered into by the United States as part of the international climate change negotiations.

While California can play an important role in protecting tropical forests, developing a REDD+ offsets program risks wasting finite resources on a policy mechanism that will be inefficient, ineffective and possibly harm the lives and livelihoods of indigenous peoples and local communities. A comprehensive assessment of REDD+ conducted by experts in derivatives trading also found that “*using carbon markets to finance REDD... is likely to be a drain of resources, both in terms of money and time, away from the very serious problems REDD seeks to address.*”<sup>1</sup>

All carbon offset programs suffer from environmental integrity problems, such as non-additionality (where the offset project funded would have happened anyway), but sub-national REDD+ credits likely are the most problematic of all offset types. They face inherent risks of leakage (whereby deforestation merely shifts from one part of the country to another) and impermanence (where the forest is destroyed at a later point). Also, measurement of carbon stocks in tropical forests is so inexact that it renders them unsuitable for compliance offsets, which require precise carbon accounting. In short, REDD+ credits threaten to increase rather than decrease global emissions, and to delay emissions abatement in California. This can have particularly harmful effects on local communities who live around facilities that emit particulate matter, NOx and other carbon co-pollutants.

Moreover, independent investigations into the promotion of international forest offsets have raised significant concerns with regard to the human rights of the indigenous peoples and local communities. In particular, recent articles have raised human rights concerns in Mexico, Indonesia, and Brazil, three areas where California would likely obtain its credits.

For these reasons and others, *to date no regulatory carbon market in the world has allowed the use of sub-national forest offsets for compliance.* The European Commission in charge of the largest Emissions Trading System in the world has emphatically rejected the use of sub-national REDD offsets for all the reasons stated above.

We would therefore like to ask that you not propose the use of international REDD offsets for compliance in California since they will not deliver real, additional, and permanent emissions reductions; and are incompatible with state, federal, and international policies and laws.

We believe that California can play an effective and productive role in the global effort to protect forests through actions like sharing information (including on forest monitoring techniques), capacity building and technology transfer, and by addressing how California’s consumption patterns may impact tropical deforestation. However, a step towards the inclusion of sub-national REDD offsets in its cap-and-trade system would be a step in the wrong direction for forests, climate, and people.

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<sup>1</sup> The Munden Project, March 2011, REDD and Forest Carbon. <http://www.mundenproject.com/forestcarbonreport2.pdf>

We appreciate California's interest in helping to protect tropical forests and would be happy to discuss with you helpful and productive steps the State could take to achieve that end. You may contact Michelle Chan at Friends of the Earth at [mchan@foe.org](mailto:mchan@foe.org) or (510) 900 3141.

Sincerely,

Activist San Diego  
Amazon Watch  
Asian Pacific Environmental Network  
Battle Creek Alliance  
Bus Riders Union  
California Environmental Justice Alliance  
Cascade Action Now!  
Causa Justa::Just Cause  
Center for Biological Diversity  
Center on Race, Poverty and the Environment  
Communities for a Better Environment  
Filipino/American Coalition for Environmental Solidarity (FACES)  
Forests Forever  
Friends of Lassen Forest  
Friends of the Earth  
Global Exchange  
Global Justice Ecology Project  
Grassroots Global Justice Alliance  
Greenpeace US  
Indigenous Environmental Network  
International Accountability Project  
International Forum on Globalization  
International Indian Treaty Council  
International Rivers  
Just Transition Alliance  
Justice In Nigeria Now (JINN)  
Movement Generation: Justice and Ecology Project  
National Network for Immigrant and Refugee Rights  
Pachamama Alliance  
Priority Africa Network  
Rainforest Action Network  
Seventh Generation Fund for Indian Development  
Urban Communities & Environment, Antioch University Los Angeles