

Climate Change and Forests

The US debate- A Woodworkers
Perspective

The Legislation-Federal

- 2007 Energy bill (Conservation focus)
 - CAFE standards raised (35mpg 2020)
 - Green buildings (lights, energy)
 - Block grants for state's/cities
 - Green jobs programs, weatherization
 - Biofuels life cycle emissions 20% below existing fuels

The Debate, Federal

- Overall levels of GHG's
- Auctions (free/sold/regulated)
- Offsets (real, verifiable, new technology, closures, cutbacks, finished products, REDD, leakage, cost)
- Uses of revenues
- International interface (border mechanism)

The Legislation-Federal

- 2008 Climate Security Act (Boxer et al)
 - Cap/trade (energy, transportation, manufacturing)
 - 25% of auction of to renewables
 - Offsets
 - Green Buildings (LEEDS)
 - Green Jobs
 - And another 199 pages

National Offsets

- Eligible offset projects could include:
 - agricultural and rangeland sequestration
 - changes in carbon stocks attributed to land use change,
 - forestry activities limited to afforestation or reforestation of lands not forested as of October 18, 2007,
 - forest management for increased stand volume

National Offsets- Ag/Forests

- allocates 4.25% of total allowances, to the Secretary of Agriculture to establish a program that rewards entities in agricultural and forestry sectors for achieving real, verifiable, additional, permanent, and enforceable reductions in emissions or increases in sequestration, or for conducting pilot projects or other research.

Title XII—Federal Program to Protect Natural Resources

- Establishes a Bureau of Land Management Emergency Firefighting Fund, a Forest Service Emergency Firefighting Fund, and a National Wildlife Adaptation Fund.
- The bill's authors calculate the value of the allowances auctioned under this title to be \$288 billion through 2050.

Carbon Market Working Group

core principles which include:

- preventing the concentration of market power within the control of a limited number of individuals or entities;
 - preventing abuse of material, nonpublic information;
 - providing for transparency; and
 - preventing excessive speculation.
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- Administrator of the EPA
 - Secretary of the Treasury,
 - Chairman of the SEC,
 - Chairman of the Commodity Futures Trading Commission, the FERC Chairman,

Transition Assistance for Workers

- 1% of all allowances from 2012-2017,
 - 2% from 2018-2027,
 - 3% from 2028-2030,
 - 4% from 2031 to 2038,
 - 3% from 2039 and each year thereafter through 2050.
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- 30% of these funds will be used for energy efficiency and renewable energy worker training program,
 - 60% for the climate change worker adjustment program, and
 - 10% for workforce training and safety.
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- \$190 billion through 2050.

Missing From the Debate

- Non market based solutions
- Recognition of the importance of SFM
- Harvested Wood Products
- Social Outcomes/Consequences other than (Labor standards, social justice):
 - Carbon
 - Transitions (workers retraining, some industrials)

Regional Schemes

- RGGI (Northeast US)
 - MGGRA (Midwestern)
 - WCI (Western)
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- 23 states
 - 36% of US emissions

Regional Schemes

- Different groups have larger voices in different regional schemes.
- History of change in US is regional
 - LEEDS/Procurement
- 49 states plus California

RGGI

Eligible biomass includes sustainably harvested woody and herbaceous fuel sources that are available on a renewable or recurring basis (excluding old growth timber),

Our Political Choice

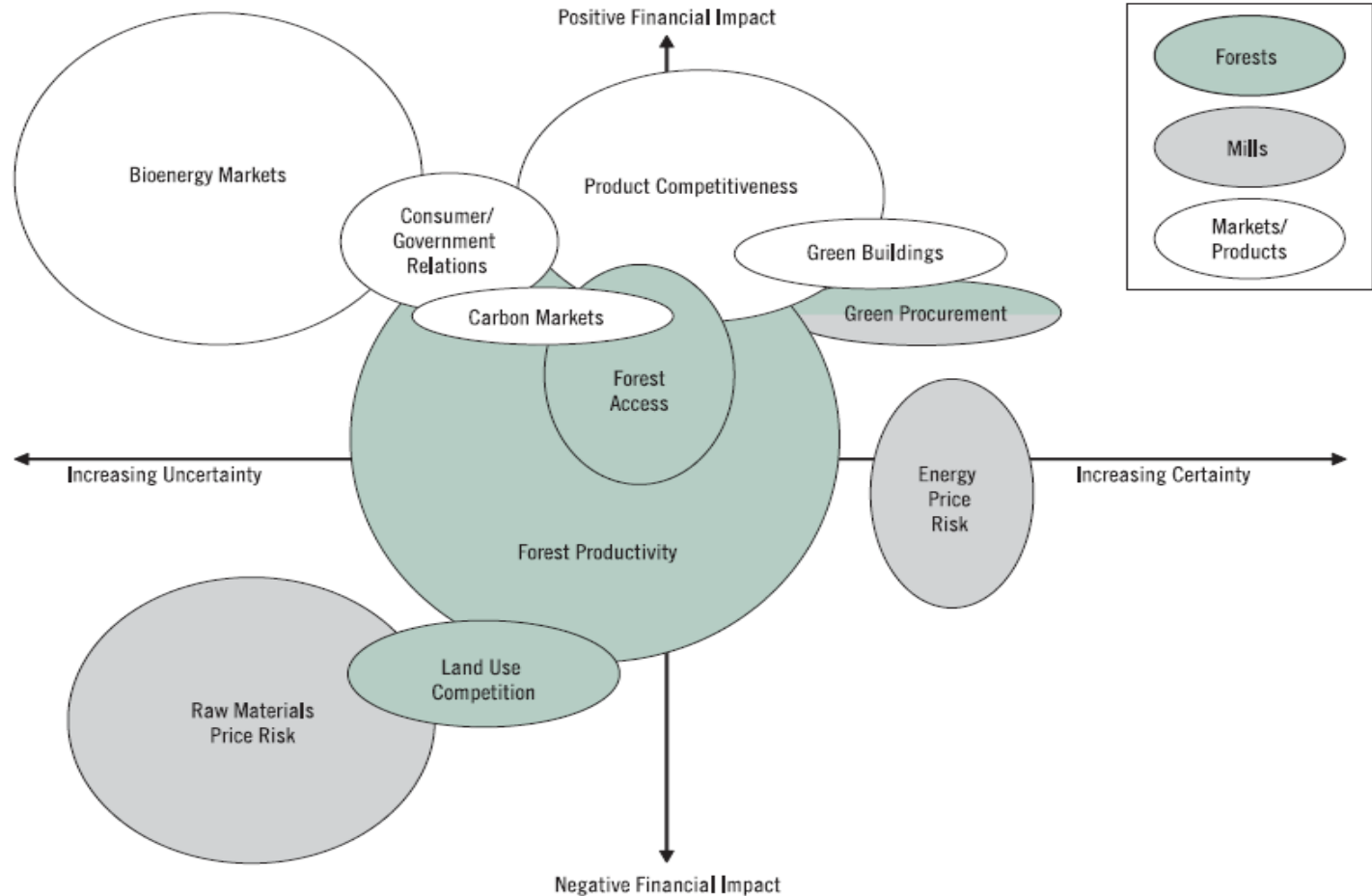
- Cap & Trade: 66 Percent Below 2005 Levels by 2050
- "Banking" And "Borrowing" of Permits/Unlimited Initial Offsets From Both Domestic And International Sources.
- Integrate U.S. Trading With Other International Markets,
- A Strategic Carbon Reserve
- Climate Change Credit Corporation, a public-private agency
- Cap & Trade: 80 percent by 2050.
- Global Energy Forum of the world's largest emitters
- Re-engage UNFCCC
- Windfall Profits Tax & crack down on excessive Energy Speculation

What is the Forest Productions Position?

- Depends on your perceived risk/reward

Risk & Rewards

FIGURE 1. MAJOR CLIMATE CHANGE RISKS AND OPPORTUNITIES — FINANCIAL IMPACT VERSUS CERTAINTY

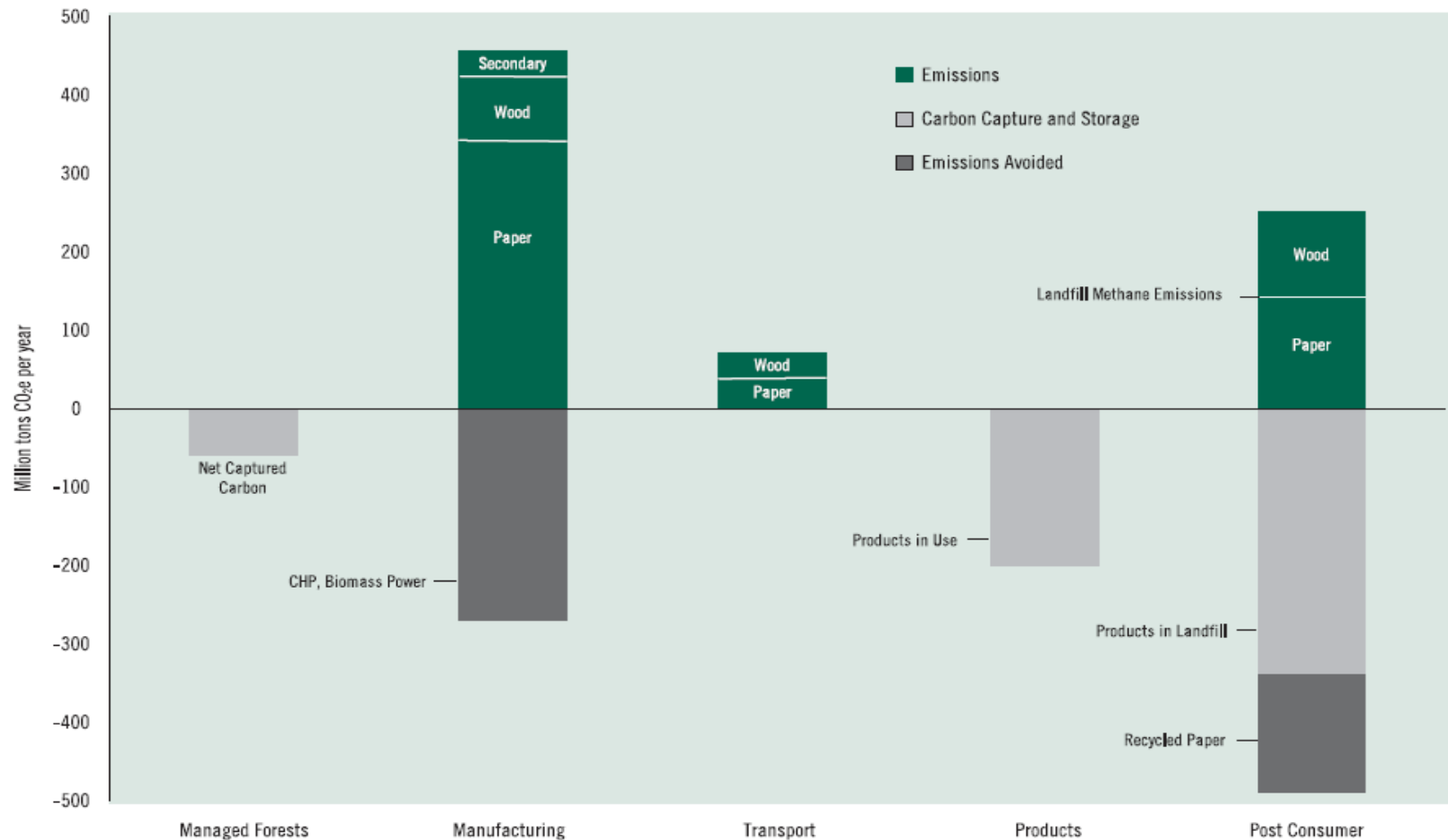


Source: World Resources Institute.

Note: The size of each bubble is a qualitative assessment by WRI of the ability of an issue to affect the forest products sector over the medium to long term. The general rationale for the potential financial impact is provided in Table 1.

Forest Products Value Chain

FIGURE 2. GREENHOUSE GAS EMISSIONS, CAPTURE, AND STORAGE BY FOREST PRODUCTS VALUE CHAIN



Source: Reid Miner, *The Greenhouse Gas and Carbon Profile of the Global Forest Products Industry*, National Council for Air and Stream Improvement (NCASI) (Research Triangle Park, NC: NCASI, 2007).

The Challenge

- Educate the public that wood products from SFM forests are good
- Get recognition of HWP as carbon storage units
- Convince industry that strong social partnerships are essential for political resolution

Social Partnership

- Equitable benefit sharing
 - Retaining larger percentage of wealth in local communities
 - Employment
 - Reducing informal and disguised employment relationships
 - Require collective bargaining
- Poverty reduction (MDG's)
 - Avoided social costs
 - Training and upskilling

Policy Goals

Based on a carbon footprint approach public policy in terms of forests needs to:

- **Protect** forests, Communities & Workforce
- **Reduce** deforestation
- **Restore** forest cover
- **Use** lower valued wood for energy
- **Replace** other materials with wood
- **Promote** social justice
- **Plan** to adapt to our changing climate

Sustainable Development

Wood is Good!



The end

Or, the end of
the beginning