Meeting Notes

Carbon Markets and Forestry Meeting
Georgia Wildlife Federation, Alcovy Conservation Center
Covington, Georgia
May 15 and 16, 2007

Hosted by the Forest Guild and Southern Forests Network
Sponsored by the Sapelo Foundation

Executive Summary- A group of 19 participants met to discuss how carbon markets might promote sustainable forestry in Georgia. We began with several presentations and then opened up a discussion on the issue. We determined that a carbon market in Georgia offers challenges and opportunities. It is possible that a system could develop that might only provide incentives to perpetuate a short-term industrial style forestry. Since the industry is struggling to find markets for low quality material there will likely be great pressure to insure that carbon markets are helpful to landowners working with this short-term management approach. On the other hand carbon markets could support the kind of sustainable, ecological forestry in natural stands that we believe provide the greatest benefit to the forest and society. It will require our advocacy and success in the policy arena to achieve our goal of increasing the practice of sustainable forestry through carbon credits.

We decided to continue to work together to bring the relevant science to bear on the question of which management approaches store the most carbon and provide a greater array of ecosystems services. We will expand our focus to encompass the southeast forest region. We also formed an Ad Hoc group to consider a symposium to evaluate the science and begin the development of a policy position.

Introductions: See attached Participant list

Note: Powerpoint presentations of all speakers available through SFN website

Session 1. Status and Trends of Georgia Forests
Bob Izlar, Center for Forest Business, Warnell School of Forestry and Natural Resources, University of Georgia

Important points: Despite significant declines in the last 5-7 years Georgia is still a big player in national and global markets. Chinese furniture industry taking market away- US furniture earnings down 70%. Great disintegration of industrial timber base. Since 2000 top ten industrial ownership dropped from 37.2 million to 24.3 million acres. 22 million acres changed hands. New owners are TIMO and own from 2.6- .8 million acres.

Georgia population will double from 9-18 million by 2020. With fragmentation of industrial ownership Georgia also losing fire fighting capabilities.

NIPF 74%, Industrial 19%, Public 7% as of 2003 and numbers are different today 650,000 timberland owners, less than 40acre average. Georgia fiscal policy is anti- green and creates a tax burden for landowners.

Biofuels are on the horizon. 3 plants are going in. Pulpwood has historically been as high as $50/cd now sits at $10-12/cd.

Session 2. Ecological Considerations of Georgia's Forests
Jonathan Ambrose, PH.D., Assistant Chief, Nongame Conservation Section, Wildlife Resources Division, Georgia Dept. of Natural Resources.

Important points: Georgia ranks high in nation on wildlife values. Wildlife funding limited for all wildlife, but what is available is mostly for game species or endangered species. Georgia now has a federally mandated wildlife conservation strategy. Three problem areas are soil erosion, fire and invasives.

The Action priorities focus on wetland protection and mitigation, invasives, fire, conservation programs and facilitation of conservation activities.

Session 3. Georgia's Carbon Registry
Josh Love, Carbon Sequestration Forester, Georgia Forestry Commission

Important Points: Carbon can be part of the answer to protecting a suite of ecosystem services. The GA registry is a voluntary on line reporting tool that is intended to facilitate the growth of carbon markets and uncover markets for registry participants. It is not a market platform, emissions reporting tool, transaction administrator or aggregator. Program types include afforestation and forest management activities that increase carbon storage. It intends to measure above ground, below ground, soils (eventually) and forest products. Carbon is a low value commodity. Forest carbon vs. agricultural carbon has extra challenges of permanency and additionality.

For detailed info and updates about the registry:
http://www.gatrees.org/ForestMarketing/CarbonRegistryDocs.cfm

Session 4. The Big Picture on Carbon Markets
Kevin Raymond, Washington Policy Representative, Pacific Forest Trust

Important Points: Forests are #2 emitter and we must understand role of conversion and poor forest practices. Forests have significant potential to restore carbon reservoirs- our original forests once held 2-20 times the carbon in today's forests.

Overview of other carbon protocols PFT have been involved with. Baseline-must be above existing law, permanence- conservation easements, leakage-entity wide, not project reporting, third party verification important.

Co- benefits of carbon markets- help create healthy working forests, with native species, biodiversity, healthy riparian areas and improved water quality protections

Session 4 Group Exploration of how we can create the best system for Georgia

Continuation of Kevin Raymond's presentation

Important points: Public sentiment influences policy and that is clearly happening in Washington. We can first move sentiment to change and then bring in details. Washington has moved rapidly this year from executive orders and study to successful legislation. Active groups of stakeholders are important.

3 issues- multi sector analysis required, no cap- no trade, and forests can be part of climate change problem as well as solution

Group discussion notes: It will take a national policy to get the SE cap and trade system going. We should focus on the region and not Georgia alone. They may be some great connections between carbon and certification. The Georgia Registry is a good start but without accompanying policy and more exact definitions of what is additionality it could provide new incentives to only continue the short rotation industry model. Before a cap and trade system takes effect we need to educate and create the public sentiment to convince policy makers to set this carbon system up in a way that encourages sustainable forestry- native forests, longer rotations etc. Eventually, we need a broad stakeholder group to support this approach, but before that we have several areas to cover.

1. We need to identify our allies. Possibilities- agencies, universities, some TIMO's, GFA, Southern Company, and new leaders of forestry across the region, large private timberland owners.

2. We need to produce the science that supports our contention that natural stands, longer rotations, more ecological forestry sequester the most carbon. For example a silvicultural and economic model that shows how to raise carbon stocks by leaves residual tress while harvesting the small material for pulp or ethanol.

3. We need to find a way to use the carbon opportunities to aid in supporting the production of the suite of ecosystem services that forests provide. Carbon could be significant portion of the funding for an overall conservation approach.

One way to think about #3 is to frame the question as: do Forests lessen global warming and the effects of global warming? rather than How does forest carbon sequestration lessen global warming?. Forests lessen global warming and its effects by:
Reducing the emission of carbon from forests through conversion, poor forestry, fire, disease and pests. 2. Sequestering additional carbon through sustainable, ecological forest management by lengthening rotations, retaining older trees, improving soils, maintaining more heavily stocked stands. 3. Providing the ecosystem services that would otherwise have to be produced through the use of additional fossil fuels. Forest products like lumber are an example, but so are the cooling effects of urban forests, the water filtration properties of forestland and the many uses of biodiversity for medicines or products. These ecosystem services are produced and maximized through excellent forest management.

Moving to Action

We considered a several stage process to move us forward. Ultimately we need to win the question of how we account for carbon in the policy arena. It will be helpful to align the public policy effort with on the ground model projects that work and provide the connection to a large discussion that will create a cap and the rules for carbon exchange. Some of our group members are working on those potential models.

Our first priority is to pull to together the science that supports our belief in the connection between carbon and excellent forestry. The Dogwood Alliance will have a summer intern engaged in pulling the relevant research together. Other members of our group can add information to this process- Forest Guild, ED, - we can tap Manomet in Maine, the Washington State Working Groups, PFT work in CA and elsewhere, FS research stations, FS DC Ecological services. ED will shortly be publishing a book that will be helpful. A possible approach:

1. collect research and evaluate
2. Identify gaps
3. Draft policy with second tier of stakeholders- Symposium?
4. Reach out to tertiary stakeholders

We formed an Ad Hoc group to consider and propose the next step for our group. Our intention is to organize and hold a Symposium where we invite additional stakeholders and begin to create a policy we can advocate. The Ad Hoc group will make a proposal on how to best go about that- how to fund, who could convene, what would be the goals? The Ad Hoc group will meet by conference call in the next two or three weeks. All participants are invited to join the Ad Hoc group and will be notified of the call date and time