



PRESS RELEASE

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**NEW STATE RULES FIRST IN NATION TO FIGHT GLOBAL WARMING
AND SAVE NATIVE FORESTS**

California's Climate Action Registry Approves New Standards

Sacramento, Calif. – In a precedent-setting move, California today adopted new rules that put the state's endangered forests to work curbing global climate change.

These "protocols" which were developed under the four-year-old California Climate Action Registry law, set forth a rigorous yet practical accounting of carbon emissions and reductions via forest conservation, improved management practices, and reforestation. California is the first state in the nation to develop and implement such a program, which was unanimously endorsed by the California Board of Forestry in August, 2004.

"Our state is leading the way on a host of environmental issues with this program, from fighting global warming to helping watershed protection," said Terry Tamminen, Secretary of Cal-EPA, and Chair of the Registry's Board. We're proud to be a part of this effort. The multiple benefits that will result from the Registry's action will make California a better place to live and work. We hope other states will follow."

Forests store vast amounts of carbon dioxide when healthy, but release CO₂ into the atmosphere when disturbed. Because half of the state's forests are privately owned, many are at significant risk of being developed. Annually, 60,000 acres of California forestlands are lost to development alone.

"Forests have a pivotal role to play in reducing global warming. Their loss is the second-largest source of carbon dioxide worldwide. In California, CO₂ emissions from forest loss are equivalent to adding 2.5 million cars to the road, each and every year," said Laurie Wayburn, President of

the Pacific Forest Trust, which headed the working group that developed the protocols. "These protocols mean more forests and less global warming – a win-win for California."

The California Climate Action Registry, a public-private partnership created by the Legislature in 2000, is the nation's first certified, state-backed registry with standardized accounting systems for tracking changes in emissions of carbon dioxide, the most abundant greenhouse gas.

With its adoption of SB 812 in September 2002 -- legislation spearheaded by the Pacific Forest Trust, and sponsored by State Senator Byron Sher (D- Stanford) – the state moved not only to curb global warming by protecting forests, but to provide emitters of CO₂ with incentives to help conserve and steward California's vast, endangered native forests.

"This is a sound scientific approach to a complex problem," added Norm Christensen, Professor of Ecology and Founding Dean of the Nicholas School of the Environment and Earth Sciences at Duke University. "It is one which will allow us to protect our forests while reducing carbon emissions – and will clearly benefit the global natural systems we depend on."

Unlike the complex financing and permitting negotiations required to build a new power plant -- a process that may take years -- conserving and stewarding private forests helps reduce the amount of CO₂ in the atmosphere immediately. Under the California Climate Action Registry law, the state is committed to making its best efforts to ensure that participants will receive consideration in any future greenhouse gas regulatory system -- such as the cap-and-trade system now being implemented by the European Union.

For companies that opt to offset a portion of their emissions by conserving forests, the immediate legislative focus is on forests within California. But the principles embedded in the law -- as well as the fine print of the protocols -- could apply throughout the United States.

"Development of this historic standard is a real opportunity for landowners looking for new economic benefits from owning forests and incentives to maintain their forests," added Clark Binkley, Chief Investment Officer for Hancock Natural Resource Group, the nation's largest timber investment management organization. "It will help ensure a viable, sustainable forest industry, in California and beyond, establishing a model for others to follow."

A few of the major guidelines:

Additionality: For carbon stocks or emissions to be registered, the underlying forest activities must go beyond existing legal requirements.

Permanent risk mitigation: All eligible forestlands will have to be dedicated to forest use through a deed restriction that is granted in perpetuity -- for example, a conservation easement. In contrast to the millions of acres of carbon stores that have already been lost, these forests will not be converted to shopping malls and subdivisions, and can continue to store CO₂ for centuries or longer.

Net carbon stocks: Using models to establish a baseline of carbon storage, and then more precisely tracking the storage of net gains and losses provides a practical methodology that makes economic sense for landowners, while reliably reflecting the benefits to the atmosphere of proper forest management.

Native forests: Registration of forest carbon stocks and emissions must promote and maintain native forest types.

"This is great news not just for California, but for the rest of the U.S. as well," Wayburn said. "Policymakers all over the country, and indeed globally, are searching for ways to slow global

warming. With this program, they can see that forests are an important part of the solution. California is now showing the way with a model that makes sense economically, ecologically, and politically.”

The standards go into effect immediately. Companies and interested parties can learn more by contacting Joel Levin, the Registry's Vice President of Business Development, at (213) 891-6927 or via e-mail at jlevin@climateregistry.org.

The Pacific Forest Trust is a non-profit organization dedicated to sustaining the public benefits of America's private forests and can be found online at www.pacificforest.org.

The California Climate Action Registry is a nonprofit public-private partnership that serves as a voluntary greenhouse gas (GHG) registry to protect, encourage and promote early actions to reduce GHG emissions. Over 40 major companies, cities, government agencies and NGOs measure and publicly report their GHG emissions through the Registry.

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