



# PACIFIC FOREST TRUST

April 29, 2021

Mr. Thomas Vilsack, Secretary of Agriculture  
c/o Seth Meyer, Chief Economist  
U.S. Department of Agriculture  
1400 Independence Ave. SW  
Washington, D.C. 20250

Re: Public Comment Regarding a Climate-Smart Strategy for Agriculture and Forestry

Dear Secretary Vilsack,

The Pacific Forest Trust (PFT) is committed to conserving and sustaining America's vital, productive forest landscapes. In collaboration with forest owners and communities, we conserve private working forests for all the benefits they provide, including clean water, sustainably harvested wood, green jobs, fish and wildlife habitat, and a livable climate.

We applaud the goals set forth in President Biden's January 27<sup>th</sup>, 2021 *Executive Order on Tackling the Climate Crisis at Home and Abroad* to conserve 30 percent of our lands and waters by 2030, enhance biodiversity protection, and confront the climate crisis. Increasing engagement with landowners to expand private forest conservation is essential to achieving these targets. As an organization that has pioneered innovative policies incentivizing effective, voluntary conservation for almost 30 years, we offer the following recommendations.

## [Summary of Key Recommendations](#)

1. Ensure lasting climate benefits and net land-based carbon sequestration increases over time by pairing short-term incentives with long-term conservation, prioritizing the use of conservation easements on private lands.
2. Increase funding for partnership programs that incentivize permanent conservation and restoration, and collaborate with other Departments to enhance the programs' efficacy.
3. Improve the Forest Legacy Program Implementation Guidelines to allow accredited land trusts to hold conservation easements, as with other federal programs, upon the states' and Secretary's approval.
4. Establish preferred federal procurement guidelines for climate-smart wood and food products.
5. Ensure that the primary goal of any market mechanism the USDA implements or supports as part of its climate strategy is to permanently reduce the amount of carbon dioxide in the atmosphere, by prioritizing careful carbon accounting and long-term sequestration.

6. Establish a Strategic Carbon Reserve that would focus federal land management on increasing resilient carbon stocks.
7. Establish a “Climate Star” ranking program to highlight products from private forest and agricultural lands that are conserved and have climate smart management.

## 1. Climate-Smart Agriculture and Forestry Questions

A.1. How can USDA leverage existing policies and programs to encourage voluntary adoption of agricultural practices that sequester carbon, reduce greenhouse gas emissions, and ensure resiliency to climate change?

- **USDA should ensure it delivers lasting climate benefits and net land-based carbon sequestration increases over time by pairing short-term incentives with long-term conservation.** Even as USDA has existing programs with incentives for landowners to undertake practices that lower emissions and store carbon in the short term—from to implementing cover cropping, reforestation or restoring riparian corridor forests—it needs to ensure these gains are lasting ones by underpinning them with permanent conservation of these land uses. Unless the carbon stored through these practices is permanently secured, as opposed to being lost when a given subsidy runs out, for example, the benefit to the atmosphere will be lost. A climate-smart strategy for forests and agriculture would endeavor to make certain that climate benefits are safeguarded in perpetuity. In light of this, conservation easements—which can and do protect lands in perpetuity—are a critical tool for the USDA to elevate in its approach, and pair with other subsidy/incentive programs that restore and enhance natural carbon stocks.
- **Federal partnership programs that support restoration and conservation could enhance their efficacy through increased funding and collaboration.** The federal government, both within the USDA and across other Departments (Interior, Commerce, EPA, Defense, etc.), has multiple programs that support restoration and conservation of natural systems functions, all of which enhance carbon stocks and climate resilience. Demand for these programs has always exceeded supply, and increased funding is certainly the most straightforward way to grow the impact of existing bureaucratic infrastructure. We urge you to increase funding for the following programs:
  - Forest Legacy Program
  - Agricultural Conservation Easement Program
  - Regional Conservation Partnership Program
  - Healthy Forest Reserve Program
  - Environmental Quality Incentives Program

Additionally, we urge you to take a more integrated approach within the federal government that would promote the synergistic use of federal funds to gain those climate and ecological benefits. For example, programs funded through the Land and Water Conservation Fund, such as Endangered Species Act Section 6 Grants (Interior), Clean Water Fund (EPA) and the Forest Legacy Program (USDA), are not coordinated because they are run through different departments, but all will fund the same outcomes on private lands. Better coordination within and between agencies and departments in how these programs are implemented would provide

benefits greater than the sum of their parts, while increasing efficiency in how federal dollars are spent.

- **USDA should improve the Forest Legacy Program Implementation Guidelines to allow accredited land trusts to hold conservation easements, as with other federal programs.** Unlike its companion programs in USDA conserving farmlands or in Interior protecting habitat for endangered species, the Forest Legacy program is unnecessarily limited in its implementation. It currently excludes key landowners from participating if they do not want a governmental entity holding the conservation easements acquired through the program, and it limits state participation if those states do not already have robust state-held easement programs.

Additionally, state money for easements does not require a governmental hold. But Forest Legacy funds cannot be easily melded with these other sources of public money if the landowner does not want a governmental partner. The FLP also limits access to philanthropic funding into Legacy projects, as private parties will fund non-profits for conservation, but many won't fund governmental conservation projects.

A minor administrative improvement to the program putting it in line with other federal conservation programs will enhance the strategic targeting, landscape coverage, and impact of the program while expanding partnerships and reducing costs.

## A.2. What new strategies should USDA explore to encourage voluntary adoption of climate-smart agriculture and forestry practices?

- **Establish preferred federal procurement/sourcing guidelines for climate-smart wood products.** There should be a mandate for a minimum level of wood procured by the federal government to come from **conserved, well-managed forests**. 45 million acres of working forests in the U.S. are threatened by development or degradation. Working forest conservation easements (WFCEs) could safeguard these lands for continued, sustainable harvest while also ensuring proper management for climate, wildlife habitat, water, and other ecosystem services. WFCEs provide the assurance that emissions from harvest and processing would, in fact, be reabsorbed over time, rather than taking this as an untethered assumption, as is currently the case. A federal standard requiring minimum levels of wood to be sourced from well-conserved forests would incentivize landowners to conserve their forests and enhance climate stewardship—and encourage state support as well. Further, priority ranking criteria could be added for contract awards, prioritizing contractors that use carbon-friendly food and fiber.
- **Establish a “Climate Star” Ranking system**, similar to the Energy Star program from EPA and DoE. This would provide a labelling system to highlight the climate-friendly practices used to develop wood and food products. Rankings could be derived from existing USFS BMPs in forest management and USDA standards for organic agriculture, as well as drawing on sister agencies like the USFWS for habitat and water quality criteria. Forestry products could display a label if a certain percentage of their materials are sourced from forests properly managed to achieve climate benefits.
- **Require and help fund state-level land use plans for climate-smart agriculture and forestry**, similar to the model employed by USFWS through State Wildlife Action Plans. States

would develop comprehensive climate-smart land use plans and strategies to be approved by the USDA in order to become eligible for climate-focused funding programs. Minimum standards could include parameters like actions to restore target acreage to a more carbon-rich and climate resilient condition, increasing amounts and permanence of carbon stores, and basic programs for carbon inventory and monitoring. Another successful template model is from the EPA, in which federal funding to states for transportation is conditioned upon conformity with approved State Implementation Plans under the Clean Air Act.

- **Implement carbon-friendly federal food procurement.** The federal government could establish procurement requirements for all federally-purchased or supported food and fiber acquisitions to achieve, over time, increasing carbon-friendly purchasing from farms and ranches (e.g. starting at 10% of all procurement and increasing to 50% or more of all procurement over a specified timespan). For example, in 2008, the USDA's Child Nutrition Programs were amended to encourage the purchasing of unprocessed, locally grown agricultural products—this could be further amended to encourage carbon-friendly products. Carbon-friendly farming mitigates emissions by increasing carbon stores through practices such as organic agriculture, Holistic Range Management or their equivalents, and/or those which are conserved with permanent working lands conservation easements. Studies have shown that organic systems store 1.4 metric tons more per acre of carbon than non-organic agricultural systems. Other examples of carbon-friendly practices include restoring grasslands with native grasses (which also provide excellent forage), agroforestry, and reforestation on farm and rangeland. These practices are especially beneficial in riparian areas where they reduce erosion and increase sediment/pollutant capture.
- **Implement tax credits for permanently increased forest and agricultural carbon sequestration.** The 2018 Bipartisan Budget Act amended the 45Q carbon capture and sequestration tax credit, which effectively put a \$50-80 price tag on a metric ton of carbon. A similar land-based tax credit could be developed to promote climate-friendly land management practices that preserve carbon stocks. This would be a performance-based tax credit for a specific amount of carbon sequestered due to sustainable land management or permanent conservation. Another model performance-based tax credit is the Production Tax Credit (PTC) for renewable electricity, which provides credits on a per-kilowatt-hour basis—a land-based version could provide credits on a per-ton-of-carbon basis. Tax credits could be coupled with direct conservation. There would be a very significant response to such tax credits—this approach has been highly successful in incentivizing conservation, proving that land owners and managers will take advantage.

### C. How can USDA help support emerging markets for carbon and greenhouse gases where agriculture and forestry can supply carbon benefits?

- **The primary goal of any market mechanism that the USDA implements or supports as part of its climate strategy should be to permanently reduce the amount of carbon dioxide in the atmosphere.** Supporting climate-focused management is different than other short-term incentive programs. We cannot afford to have carbon stocks that we are counting on as reductions for the future be re-released to the atmosphere in 5-20 years. While carbon markets can add value in numerous ways, those that make a permanent—or at least 100 year—difference are the ones we need to support, as otherwise we create market confusion. As such, a clear and direct focus on effectively reducing climate change risks as the overriding priority is essential to

avoid undermining the mechanism's efficacy. With this in mind, there are two crucial requirements for an effective market system. First, payments must be underpinned by careful and accurate carbon accounting in the forest for both sequestration and emissions and for the products after harvest. And second, sequestration must be guaranteed for the long term. Our "carbon accounting books" for the forest must reflect atmospheric reality.

- **USDA can use this opportunity to back well-established and credible compliance markets.** In particular, the California Air Resources Board's Compliance Offset Program has high standards, investor protection, and provides clear and enduring atmospheric benefits. This program already includes almost 4.5 million acres of forest projects in 27 states. Supporting this program would create openings to collaborate to find efficiencies in inventory and monitoring, especially supporting improvements in the FIA. At this juncture, new voluntary programs that provide "offset" credit create confusion and diminish investor confidence, especially when the credits are not tied to an established compliance regime. When there are already examples of markets that provide real, quantifiable, and permanent benefits, USDA should embrace them.

## 2. Biofuels, Wood and Other Bioproducts, and Renewable Energy Questions

A. How should USDA utilize programs, funding and financing capacities, and other authorities to encourage greater use of biofuels for transportation, sustainable bioproducts (including wood products), and renewable energy?

- **Use this opportunity to undertake necessary research on the full life cycle of woody biomass as an energy source, from the forest to the atmosphere and back again.** Whether biomass can be used as a climate-friendly fuel source depends heavily on the assumptions underlying the carbon accounting. Determining what those assumptions ought to be is an important step for USDA to take, so that project managers can ensure that conditions on the ground accurately reflect a carbon-neutral "fuelshed."

USDA should collaborate with the Department of Energy to develop a clear system for smaller-scale energy that can be truly "closed loop" in its sequestration and release of CO<sub>2</sub>. Because woody biomass emits seven times the CO<sub>2</sub> for a unit of energy as fossil fuels, care must be taken in promoting woody biomass as a lower carbon fuel/energy source. Woody biomass from restoration waste is an appealing concept and potential use of otherwise waste materials. But the assumptions that it is lower carbon, that it can be a reliable supply, and that we know the time and area needed to reabsorb emissions must all be researched and proven. It can be done, but the research on how this can best happen is not yet available. Surely, bioenergy can provide short term benefits such as waste utilization and rural jobs, but we need to make sure that we do not lose sight of the overarching, long term objective: to meet the climate crisis through wise energy policy.

## 3. Addressing Catastrophic Wildfire Questions

A. How should USDA utilize programs, funding and financing capacities, and other authorities to decrease wildfire risk fueled by climate change?

- **Increase the pace and scale of restoration of natural fire regimes and native vegetation on federal lands; incentives this on private lands.** Decades of fire suppression has interrupted historic fire patterns, causing a buildup of fuel that is significantly responsible for the uptick in catastrophic wildfires Americans have experienced in recent years. As part of a comprehensive management plan, controlled burns can lower and maintain safer, more natural fuel levels and provide many benefits beyond just protecting against larger fires. Restoring native vegetation after a burn enhances carbon storage, water regimes, habitat, and forage values.
- **Provide federally-backed insurance coverage for licensed burns on private land.** Liability insurance for prescribed or cultural burning is prohibitively expensive. This is a real deterrent for private landowners to conducting such burns. Especially in the checkerboarded West (where public and private ownerships are interwoven), the federal government should step in to fill this gap for burns that have the proper permitting.
- **Enhance and facilitate “burn boss” training** that covers the proper methods and tools used in a controlled burn. This would improve how burns are carried out, and create more pathways for jobs in conservation.
- **Establish a Strategic Carbon Reserve.** The USDA controls the management of 193 million acres across the US through the USFS, and supports the management of hundreds of millions more. Many areas are well below their natural carbon carrying state and others are in a low state of resilience. Focusing USFS (and other) federal lands management on enhancing climate resilience and increasing resilient carbon stocks over the long-term will accelerate achievement of carbon reductions, net neutrality, and then actually reducing total atmospheric CO<sub>2</sub> levels to safer states. It will also provide a major employment opportunity, enhance water security, and promote better chances for wildlife and fish adaptation. Americans understand the role and value of strategic reserves—we deploy them in crises. The climate challenge is nothing if not such a crisis.

## Conclusion

Expanding private forest conservation and stewardship is essential to meeting the goals put forth in President Biden’s Executive Order, even as is restoring our federal forests. The existing USDA programs encouraging voluntary adoption of conservation practices are already very effective at doing this, and thus the most straightforward path is to increase the funding of these programs. Thank you for your consideration of our recommendations.

Sincerely,

Laurie A. Wayburn  
President