June 27, 2024

Sasha Strohm
Program Manager, Growing Climate Solutions Act
USDA, Agricultural Marketing Service
1400 Independence Avenue, SW
Washington, DC 20250

RE: USDA's Proposed Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program, Doc. No. AMS-LP-24-0012

Dear Ms. Strohm:

The U.S. forestry and wood products sector is pleased to comment on USDA's Request for Information (RFI) to support the implementation of the Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program (See 89 Federal Register 46335, et seq.) to inform landowners seeking to participate in private carbon markets. By way of background, The **American Wood Council (AWC)** represents 87 percent of the structural wood products industry and the more than 450,000 men and women working family-wage jobs in mills across the country. From dimension lumber to engineered wood products, we champion the development of data, technology, and standards to ensure the best use of wood products and recognition of their unique sustainability and carbon-reduction benefits. The **Composite Panel Association (CPA)** was founded in 1960 and is a trade association representing over 95% of the North American manufacturers composite wood products, such as particleboard and medium density fiberboard. CPA member panels are used to make furniture, cabinets, flooring, mouldings, exterior siding and trim, among other carbon storing wood products. The total impact of the industry on the U.S. economy is over of $7 billion annually. The industry employs over 22,500 individuals. The **Decorative Hardwoods Association** represents North American manufacturers of hardwood plywood, hardwood veneer and engineered wood floors. The **Hardwood Federation** is the unified voice on federal legislative and regulatory policy in Washington, DC representing 29 local, regional, and national trade associations that serve hardwood businesses and their employees located in every state in the nation.

The **National Wooden Pallet & Container Association** is the world's largest organization of wooden transport packaging professionals, with over 800 member companies in over 40 countries that manufacture, repair, and distribute pallets and wood packaging in unit-load solutions or supply products and services to the industry. In the U.S., the wooden transport packaging industry – mostly small, family-owned businesses – operates 3,000 facilities in all 50 states. In the United States, the industry purchases a third of all softwood lumber and over 40% of all hardwood lumber, which is used to build and repair over a billion pallets each year. The **Southeastern Lumber Manufacturers Association (SLMA)** membership spans from Texas to Maryland and includes sawmills, lumber treaters, and lumber remanufacturers. In total, SLMA serves 90 member companies across 130 locations and directly employs more than 13,000 people, along with the hundreds of thousands of secondary jobs from the wood products industry. Our member companies produce solid-sawn lumber from private, sustainably managed forests for a variety of residential and commercial applications. Our industry is at the forefront of good-paying jobs in rural markets, providing key economic opportunities, contributing significantly to

our nation's domestic manufacturing operations, all while creating products that have unique positive carbon attributes.

The U.S. forestry and wood products sector is proud of our environmentally friendly business model. We believe that the sustainability of American wood products should be celebrated and recognized as a mitigating mechanism to address climate change. Establishing a GHG Technical Assistance and Third-Party Verification Program that includes the vital carbon capture and storage capabilities of finished wood products will enable USDA to fulfill its goal of creating guardrails that ensure the integrity of voluntary carbon markets.

Forest Products Are a Key Component to Climate Mitigation

The United States contains eight percent of the world's forests, and there are more trees than there were 100 years ago. According to the United Nation's Food and Agriculture Organization, "Forest growth nationally has exceeded harvest since the 1940s. By 1997, forest growth exceeded harvest by 42 percent and the volume of forest growth was 380 percent greater than it had been in 1920.[1]"

Wood from American forests is a key component of the larger carbon cycle. Trees absorb carbon dioxide through the process of photosynthesis to produce the building blocks of trees. The by-product of this process is an essential source of atmospheric oxygen. Trees store carbon through their growing lives, which is then further sequestered when the trees are utilized to make the products noted above. Demand for American grown finished goods composed of wood promotes healthy forests, protects water resources, and supports wildlife diversity, while also producing safe and sustainable products that create economic and employment opportunities for our rural communities throughout America. When there is a steady demand for fiber and the resulting wood products, soft and hardwood operations ensure that forests will remain as forests in the future and are a key element in addressing climate change.

It is estimated that total forest carbon storage in the U.S. (including wood products) is 58.7 billion tons.[2] Each year, forests and harvested forest products capture between 600 and 700 million tons of greenhouse gas equivalents, offsetting roughly 12% of U.S. annual greenhouse gas emissions.[3]

It is important to recognize that the carbon benefits of the forests do not end with tree growth. Markets for products derived from trees are an important piece of the solution. Wood products make up 47% of all industrial materials in the U.S. but consume only four percent of the total energy to manufacture those materials. In addition, wood products are 50% carbon by weight, continuing to store carbon for the life of the product.[4] These outsized environmental performance metrics should compel voluntary carbon markets to adopt protocols that account for the wood products side of the carbon storage equation.

The U.S. produces over 100 million cubic meters of sawn hardwood, sawn softwood, softwood log trade, wood-based panels, paper, paperboard and fuel wood.[5] A cubic meter of wood contains about 1 ton of

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[1] *State of Forestry in the United States of America.* UN-FAO, June 2000. https://www.fao.org/3/x4995e/x4995e.htm

[2] *Integrating forests and wood products in climate change strategies.* UN-FAO Forestry Paper 177, 2016.

[3] *EPA Inventory of US Greenhouse Gas Emissions and Sinks; Chapter 6.* EPA 430-R-20-002

[4] WoodWorks. Carbon Footprint. https://www.woodworks.org/why-wood/carbon-footprint

[5] USFS Research Note FPL-RN-0348 *US Forest Products Annual Market Review and Prospects, 2013-2017,* J. Howard, et al, July 2017

carbon dioxide.[6] A typical 2,400 square foot home stores roughly 28 ½ tons of carbon dioxide.[7] As policymakers develop and implement programs, including GHG Technical Assistance and Third Party Verification programs, to address climate change, the forestry and wood products industry stands ready to work with them. To expedite these efforts, the wood products industry has developed threshold principles that should inform development of GHG mitigation programs, including USDA's proposed Technical Assistance Program.

GHG Programs Should Recognize the Carbon Benefits of Wood Products

- The capability of wood products to store carbon for long periods should be recognized and included in carbon reduction policies.
- Incentives to use more of these wood products to store carbon should be developed.
- Policies that promote the reduction of carbon should rely on scientific, consensus-based carbon accounting and life-cycle assessment standards to assess the performance of wood and wood products.
- U.S.D.A. should move forward with expansion and updating of existing U.S. Forest Products Laboratory research related to the carbon storage benefits of wood products and wood product markets, as provided by the Fiscal Year (FY) 2024 Consolidated Appropriations Act.
- Consistent with the Memorandum of Agreement (MOA) between the U.S. Forest Service (USFS) and wood products sector entered into on February 9, 2024, federal climate policies should reflect the best available data accounting for the amount of carbon stored in wood products (See detailed discussion below).
- Proposed policies and USFS educational and informational materials should recognize the positive relationship between markets for wood products and the health of public and private forestlands.

GHG Programs Support a Healthy Federal Forest System with Sustainable Management Practices

- These programs should recognize the positive relationship between markets for wood products and the health of the U.S. Forest system.
- Support the U.S. Forest Service's efforts to meet and exceed timber harvest goals on federal lands.
- Fund timber harvest programs with line-item budget practices so there is certainty within and outside the agency.
- Recognize the benefits and fully fund programs that support active forest management on federal and private forest lands including sustainable timber harvest, restoration, maintenance of forest roads and fire prevention. These programs are vital to the health and sustainability of the forests and the surrounding communities and maximize the climate mitigation impact of forests.

While the forestry and wood products sector seeks to remind policymakers of the broad environmental benefits of sustainable forest management, which a properly structured voluntary carbon market should promote, the industry is happy to share input related to the issues raised within the RFI.

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[6] *Wood construction battles climate change through carbon storage.* New Release, Metsawood,2015.

[7] *Wood Products and Carbon Sequestration.* Sustainable Building Series #6. Canadian Wood Council @ www.cwc.ca

Before addressing specific questions related to the RFI, the wood products industry cannot overemphasize the fact that research quantifying the amount of carbon stored in wood products is ongoing. Unfortunately, most protocols currently available don't even address the science underlying the role of wood products in climate mitigation. And even those that address wood products fall short in a manner that precludes their utility as a tool, as written, within a Technical Assistance Program. With that said, the forestry and wood products industry is happy to share data that will inform development of a framework for voluntary carbon markets that accounts for the role of wood products based on science.

Question 1: How should USDA define the terms ''consistency,'' ''reliability,'' ''effectiveness,'' ''efficiency,'' and ''transparency'' (see 7 U.S.C. 6712(c)(1)(A)) for use in protocol evaluation?

Within the context of the above-mentioned statute authorizing the Technical Assistance Program (TAP), USDA should clearly define the above terms. USDA should define "consistency" to include assurances that protocols included in the TAP will account for carbon stored in wood products in evaluating their effectiveness. Such action will ensure that USDA fully harnesses the potential for carbon stored in wood products as a necessary factor in achieving climate goals through voluntary carbon markets. By incorporating the extended carbon storage benefits of wood products into a protocol and its underlying science, USDA can assure the "reliability" and "effectiveness" of a voluntary carbon market adopting said protocol. USDA should define "transparency" as involving any process that allows easy public access to the tools USDA plans to gather for evaluation of private carbon markets, consistent with the Administration's Open Government policies, and including web-based tools. To that end, USDA must also establish a process whereby agency personnel may add wood products-focused protocols to the public "toolbox" moving forward. There is currently a deficit of wood-products focused protocols in the rapidly changing area of private carbon markets that undermines their effectiveness. USDA has an opportunity to remedy this deficit within the context of the Technical Assistance Program.

Question 2: What metrics or standards should USDA use to evaluate a protocol's alignment with each of the five criteria to be defined in Question 1? What should USDA consider as minimum criteria for a protocol to qualify for listing under the Program?

As stated previously, USDA should adopt metrics that accurately account for the amount of carbon stored in wood products to qualify for listing under the program. Any forest carbon project that does not account for carbon captured and stored in wood products is neither comprehensive nor based on the best available science.

Question 3: In general, after a new protocol is published, how long does it take for a project to use the protocol and be issued credits (i.e., what is the lag time between protocol publication and first credit generation)?

Forestry professionals state that it can take up to two years after a new protocol is published before it begins to issue credits.

Question 4: Which protocol(s) for generating voluntary carbon credits from agriculture and forestry projects should USDA evaluate for listing through the Greenhouse Gas Technical Assistance Provider and Third-Party Verifier Program?

USDA should adopt protocols that accurately account for the amount of carbon stored in wood products and the benefits of active forest management. USDA can use this opportunity to remedy the shortcomings of most protocols, which fail to fully acknowledge this crucial factor in the sequestered carbon equation.

That said, USDA should evaluate various Improved Forest Management (IFM) protocols as a starting point with which to analyze the efficacy of a forest carbon protocol, as long as they are validated and verified for compliance following industry standards. Unfortunately, many protocols that address wood products focus on decomposition and related leakage issues that overstate the role of wood products as a carbon source during the decomposition phase. This has created a scenario whereby methodology and quantification requirements underestimate the carbon storage value of wood products. The wood products industry, however, is optimistic that creation of a Technical Assistance Provider Program that includes input from the forestry and wood products sector (see details below) can help remedy the scientific deficit of current protocols.

Question 5: *For any protocol(s) identified under Question 4:*

The forestry and wood products sector have not identified a specific protocol within the context of the RFI but have made a general reference to IFM protocols as a starting point that may inform the work of the Technical Assistance Provider and Third-Party Verifier program (see details below).

Question 6: How should USDA evaluate technical assistance providers (TAP)? What should be the minimum qualifications, certifications, and/or expertise for a TAP to qualify for listing under the Program?

USDA should appoint Technical Assistance Providers who are experts in the growing body of science that supports carbon stored in wood products. The wood products industry believes that USDA can fulfill its mission to create effective guardrails for voluntary carbon markets by identifying Technical Assistance Providers who are experts in sustainable forest management. These professionals can advise landowners on how best to maximize credits for captured carbon on their parcels by undertaking an account of the amount of carbon stored in wood products that is based on science.

To best serve and inform the public about participation in a voluntary carbon market, Technical Assistance Providers should have extensive experience in designing and implementing timber and resource inventories, growth and yield modeling, statistical analysis, forest mensuration, knowledge of silvicultural treatments, and geospatial systems. Providers should also possess a strong background in forest product markets, supply chain dynamics, and be familiar with forest carbon registries and protocol methodologies. Academic credentials may include post-graduate degrees in forestry, environmental science and related fields.

Question 7: Should the qualifications and/or registration process be different for entities and individuals that seek to register as a TAP?

To maintain consistency, entities should possess the same competencies as those of individuals listed above.

Questions 8: What should be the minimum qualifications and expertise for a third-party verifier to qualify for registration under the Program?

To expedite consistency of project evaluation for voluntary carbon markets, Third-Party Verifiers should possess similar professional experience and credentials as Technical Assistance Providers. Furthermore, the Third-Party Verifier program should require that participants have earned a bachelor's degree or higher in a forestry program accredited by the Society of American Foresters or the ANSI National Accreditation Board (ANAB).

USDA's 2024 Memorandum of Agreement with Wood Products Sector Should Inform Development and Implementation of the GHG Technical Assistance Provider and Third-Party Verification Program.

Recent agency actions underscore the need to quickly and expeditiously account for new data that will form the building blocks of high-quality voluntary carbon markets. On February 9, 2024, the U.S. Forest Service entered a Memorandum of Agreement (MOA) with the U.S. Endowment for Forestry and Communities and various forestry and wood products groups such as the American Forest Foundation, American Wood Council, Composite Panel Association, Decorative Hardwoods Association, Hardwood Federation and National Wooden Pallet & Container Association. Additional partners are joining the MOA this summer. The purpose of the MOA is to support the creation of a USDA-sponsored digital platform with multiple user-friendly tools providing transparent, high-integrity forest and wood product carbon data throughout the value chain.

To that end, it is important to realize that the U.S. Forest Service continues to collect data to support the Forest Inventory and Analysis Program, the Timber Products Output Survey, soil carbon estimates, Forest Products Laboratory (FPL) programs and other relevant programmatic data and information sources. Within the context of the MOA, the USFS plans to provide access to the above analysis to support development of the digital platform. To support these efforts and consistent with the spirit of the MOA, please note that the FY 2024 Consolidated Appropriations Act instructs the FPL "to continue research to advance wood markets, including research on the amount of carbon stored annually in wood products."

Conclusion

Thank you for the opportunity to comment on the RFI related to USDA's GHG Technical Assistance and Third-Party Verifier Program. The undersigned trade associations also endorse comments submitted by the American Forest and Paper Association, American Wood Council and National Alliance of Forest Owners. As the agency moves forward with establishment of the program, the undersigned groups are happy to offer input into its implementation.

Sincerely,

American Wood Council

Composite Panel Association

Decorative Hardwoods Association

Hardwood Federation

National Wooden Pallet & Container Association

Southeastern Lumber Manufacturers Association