



FOREST-CLIMATE WORKING GROUP



FCWG Policy Platform, 116th Congress

“Achieve carbon benefits in forests with strong markets, wood products and jobs”

America’s forests and forest products are a proven carbon sequestration and storage “technology” to provide the negative emissions we need to slow climate change. Today, U.S. forests and forest products annually sequester and store almost 15% of U.S. carbon emissions from burning fossil fuels. New research suggests we could nearly double this natural carbon capture with the right actions. Best of all, this climate action through forests will build on the nearly 3 million jobs in America’s forest sector and bring broad co-benefits to our communities, from clean air and water to wildlife and outdoor recreation.

The Forest-Climate Working Group (FCWG) was founded in 2007 to provide a unified voice across the U.S. forest sector that can help America capture this remarkable opportunity. Our member organizations reflect the wide diversity of actors who help to conserve and manage America’s forests every single day: private landowners, forest products companies, state foresters and other government agencies, forestry, conservation and wildlife non-profits, carbon finance, and academic researchers.

This platform outlines how policymakers can help private forest owners and public land managers grow the powerful climate solutions in America’s forests and forest products while delivering other environmental and economic benefits. Our recommendations fall in four key areas:

Goal 1: Maintain and Expand Forest Cover

More forests equate to more carbon being sequestered. That is why the foundation for forest carbon mitigation is to maintain the forest cover that we have, and to expand forests back into places where they have been lost to events like wildfire and clearing for agriculture. This includes expanding urban forests. Within this goal we provide diverse recommendations that advance conservation of private forests, including tax policies and markets supportive of private ownership. We also provide recommendations to expand forest cover on public and private land, including in cities, through diverse policy catalysts for reforestation and afforestation.

Goal 2: Improve Forest Practices for Carbon, Adaptation, and Resilience

U.S. forests offer cost-effective and expandable carbon sequestration and storage. But we can only realize this potential if we are able to keep forests healthy and resilient in the face of rapidly expanding climate change impacts like intensified threat from drought, pests, disease, and wildfire. That means that private landowners and public land managers alike need to identify and implement the right forest practices that support strong carbon sequestration, including storage in forest products, while also

addressing forest health issues that are worsening with climate change. Within this goal we identify policy mechanisms to help landowners take these needed actions, including financial incentives.

Goal 3: Advance Markets for Forest Carbon, Forest Products, and Skilled Labor

Robust markets for forest products can slow the conversion of forests to non-forest uses, providing a foundation for success in Goal 1, and help drive the needed practices described in Goal 2. Within this goal, we describe policy measures that can advance market-based approaches to: a) Encourage private landowners to accelerate carbon sequestration and storage as part of their management objectives; b) Stimulate increased use of forest products to leverage their potential to drive effective forest management, store carbon and take the place of more energy-intensive materials; and c) Foster strong economic opportunity, job growth, workforce development, and career pathways in the forest sector.

Goal 4: Enhance Climate Data and Applied Science

All of the activities and approaches described in Goals 1-3 require good scientific information delivered to the right users and decision makers. This includes baseline forest data through the US Forest Service Forest Inventory and Analysis Program that characterizes forest carbon stocks and helps illuminate fluxes and trends. Providing applied scientific information developed through forest-climate research, such as climate-driven threats to forests as revealed by vulnerability assessments, is also valuable—especially when delivered through effective and efficient structures like the USDA Climate Hubs. Within this goal we describe how policies can advance the data and applied science tools most relevant to climate efforts across America’s forest sector.

Let’s Get to Work!

It is imperative that policymakers institute proactive policies and investments that will sustain and grow carbon capture and resilient storage in America’s forests and forest products. The Forest-Climate Working Group is eager to work with interested lawmakers and staff to advance these goals. We have provided below a set of policy options that align with these goals, and the FCWG stands ready to share our experience and perspective, building on these ideas to help craft long-term policy solutions.

Endorsing Members of the Forest Climate Working Group:

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| American Forest Foundation | RenewWest |
| American Forests | Society of American Foresters |
| Binational Softwood Lumber Council | Sonen Capital |
| Environmental Defense Fund | Spatial Informatics Group – Natural Assets Lab |
| Enviva | Sustainable Forestry Initiative |
| Hancock Natural Resource Group | The Climate Trust |
| Michigan State University: Forest Carbon and Climate Program, Forestry Department | The Conservation Fund |
| National Alliance of Forest Owners | The Forest Stewards Guild |
| National Association of State Foresters | The Forestland Group |
| National Association of University Forest Resource Programs | The Lyme Timber Company |
| National Wildlife Federation | The Nature Conservancy |
| New England Forestry Foundation | The Trust for Public Land |
| Open Space Institute | Western Pennsylvania Conservancy |
| PotlatchDeltic | Weyerhaeuser |
| | WoodWorks – Wood Products Council |

GOALS AND POLICY OPTIONS

GOAL 1: Maintain and Expand Forest Cover

Private Forest Conservation:

- Retain or enhance tax policies to retain working forests including but not limited to:
 - The current federal capital gains tax treatment of timber income.
 - The permanent federal tax credit for conservation easements on working forests.
- Enhance existing funding and policies for retaining private forests, including but not limited to:
 - USFS Forest Legacy Program.
 - USFS Community Forest program.
 - Including dedicated funding levels within the Land and Water Conservation Fund for USFS and DOI acquisition and easements (e.g. national parks, refuges, relevant BLM units).
- Provide market-based incentives for the purchase of easements and other interests in land for forests of high carbon value at risk of conversion (assuming a cap and trade or carbon tax policy).

Private Forest Reforestation:

- Maintain the existing federal tax deduction for replanting after harvest.
- Maintaining Conservation Reserve Program authority and funding to support reforestation of marginal or abandoned agriculture land.
- Direct resources at areas and forest owners identified as lacking robust forest stocks

Public Forest Reforestation:

- Increase appropriations for reforestation through USFS/Vegetation and Watershed Management account.
- **NEW:** Lift or eliminate the cap on the Reforestation Trust Fund.
- **NEW:** Grant the USFS authority to implement post-fire reforestation treatments for up to three years on lands unlikely to recover naturally – similar to the Burned Area Rehabilitation program at Department of Interior.
- **NEW:** Establish a new federal matching grant program for states, local governments, tribes and NGOs to implement climate-informed reforestation.

Expand Urban Forests:

- Increase funding for the USFS Urban and Community Forestry Program.
- **NEW:** Establish a new matching grant program, prioritized for underserved cities and neighborhoods, to plant urban forests as a complement to the technical assistance provided by USFS through the Urban and Community Forestry Program.

GOAL 2: Improve Forest Practices for Carbon, Adaptation and Resilience

Private Forests:

- Increase funding for forest conservation programs that help landowners improve practices for forest carbon, adaptation and resilience, and require federal agencies to align and focus the use of funding on achieving these outcomes. Programs include but are not limited to:
 - Environmental Quality Incentives Program

- Conservation Stewardship Program
- Regional Conservation Partnership Program
- Forest Stewardship Program
- USFS Landscape Scale Restoration Program

Public Forests:

- Increase funding and expand authorities for USFS management and restoration activities on federal lands that improve forest carbon, adaptation and resilience outcomes both on federal land and across boundaries, including:
 - Collaborative Forest Landscape Restoration Program
 - Good Neighbor Authority
 - Hazardous Fuels Reduction and Vegetation Management
 - Watershed Management
- **NEW:** Establish a grant program to facilitate restoration of forest lands by federal, state, local, native and tribal and NGO actors.
- **NEW:** Incentivize climate-informed active forest management for resilience and reduced wildfire risk through:
 - Federal grants to states for updating natural hazard mitigation plans and prioritizing active management on federal forest lands identified in state plans as being at high risk for wildfire.
 - Prioritizing restoration practices with demonstrable carbon mitigation and resilience benefits, such as fire risk reduction within the USFS Hazardous Fuels Reduction and Vegetation and Watershed Management appropriations accounts.

Goal 3: Advance Markets for Forest Carbon, Forest Products and Skilled Labor

Forest Carbon Markets:

- Provide tax incentives that maintain and improve carbon beneficial forest management, including but not limited to:
 - Maintain existing forest management federal income tax deductions.
 - **NEW:** New tax incentives that provide credits or deductions for measurable forest carbon benefits.
- **NEW:** Provide policy mechanism to enable private capital, public funding, or a combination of both to finance or create tradeable credits for forest activities that measurably increase the forest carbon sink through carbon sequestration and storage. This could be connected to existing federal or state conservation programs, new federal funding or an offset program.

Forest Products:

- Invest in forest product research, innovations and demonstration projects to expand existing markets and support new market and product development; enact policy that promotes increased use of forest products, and provide financial incentives that drive increased wood utilization. For example:
 - Increase federal funding for education and technical assistance for architects and engineers to use wood in building construction through programs such as WoodWorks.
 - **NEW:** Encourage wood building materials in federal buildings and federal programs that support building construction.
 - **NEW:** Encourage states to expand wood use promotion and construction projects.

- Increase funding for the USFS Wood Innovation Grants program to stimulate new product development, product improvement, new forest product uses, and new or expanded forest products markets.

Skilled Labor:

- **NEW:** Improve and invest in workforce development and training programs, such as AmeriCorps, and pre-employment programs that link underserved urban populations with urban forestry careers.
- **NEW:** Address technical issues in Department of Labor regulations and occupational codes that hamper forest sector growth.

GOAL 4: Enhance Climate Data and Applied Science

Policy options:

- Fund the US Forest Service Forest Inventory and Analysis Program at a level that will provide robust forest carbon stocks data and provide direction for enhancing such data collection.
- Increase funding for research in:
 - Advanced wood products for building construction and other forest products with significant embodied carbon potential.
 - New products and life cycle analysis efforts that help increase understanding of the carbon benefits of wood use.
- Require land management research programs to align planning and investments in research that advances adaptation and resilience strategies for all forest ownerships, particularly to address wildfire, insects and disease.
- Increase federal investment in research, planning and monitoring critical for climate-informed restoration of public forest lands. Discretionary funding accounts include:
 - Forest and Rangeland Research/Forest Inventory and Analysis.
 - Land Management Planning, Inventory and Monitoring.