



Federal Climate Policy Outlook for 2021

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American Forest Foundation
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FOURTEE ACRES

Founded

1994

“A Family Farm & Forest For The Future”

NCIF



About Us



American Forest Foundation

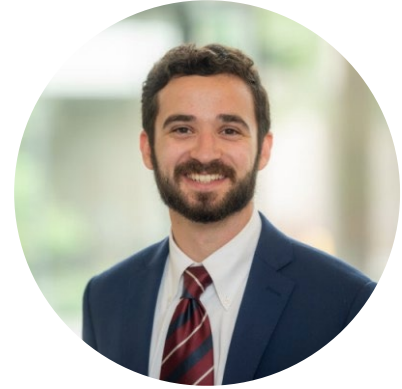
Introducing the AFF Policy Team



Rita Hite
Executive Vice President,
External Relations and Policy



Michael Reed
Vice President,
Policy and Advocacy



Robert Sherman
Policy Manager





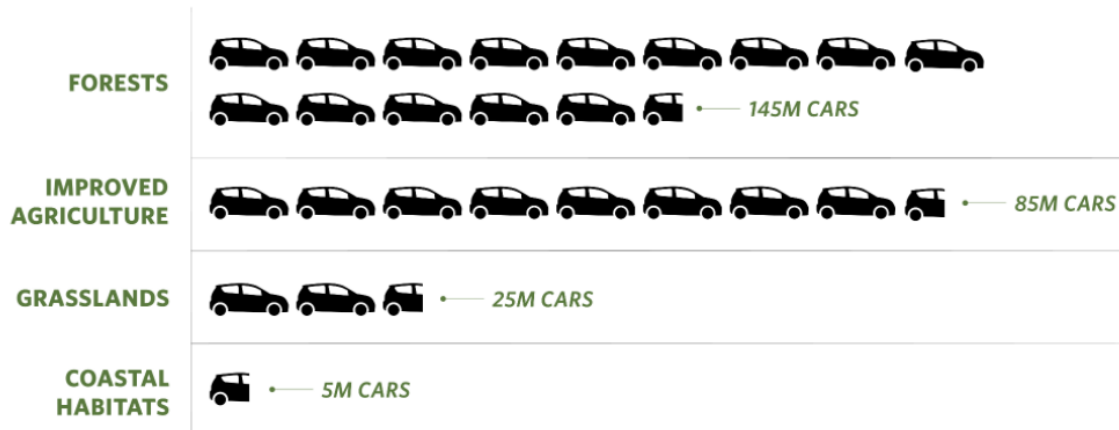
Promise and Challenges of Forests as a Climate Change Solution



Forests = Largest Natural Climate Solution

NATURAL CLIMATE SOLUTIONS

In the U.S., nature has potential to remove **21% of the nation's carbon pollution**—equivalent to removing emissions from **ALL cars and trucks on the road...and then some.**



U.S. Mitigation Potential: Approximate Number of Cars Removed Each Year in Millions

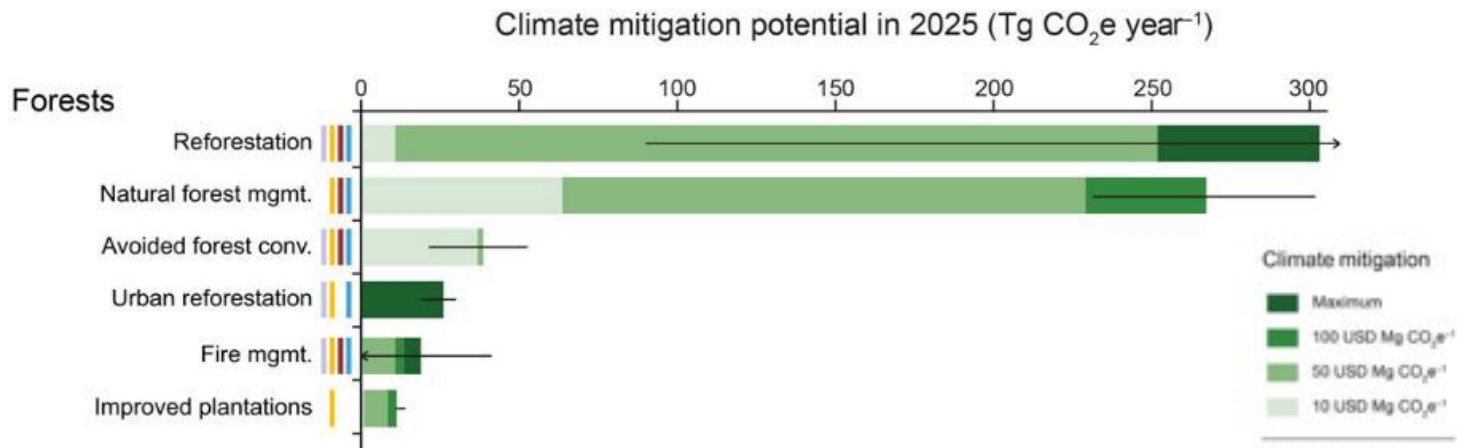
 = 10M cars

Source: The Nature Conservancy



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Forest Climate Action

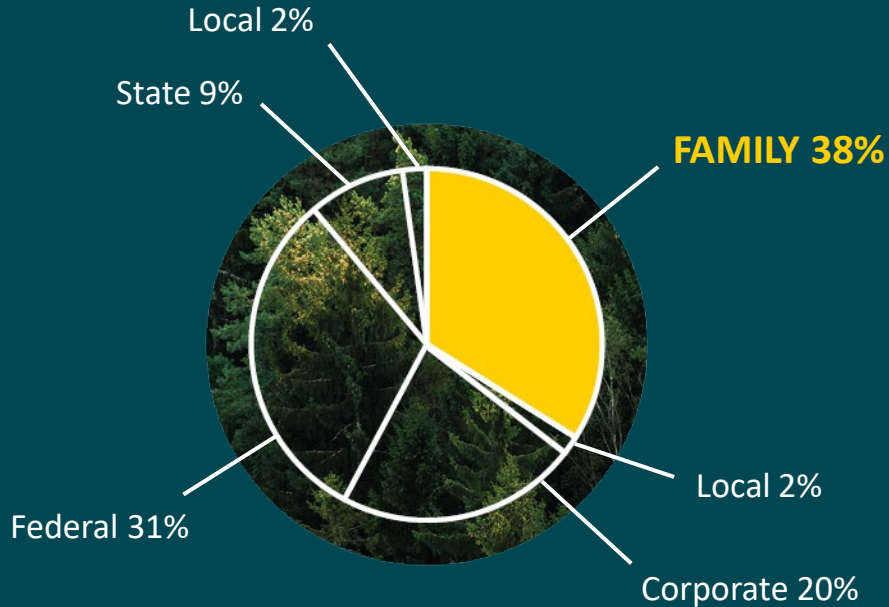


**Natural Forest
Mgmt.**

250 million tons / year
~60 million tons / year at ~\$10 / ton or less

Climate mitigation potential and co-benefits of the different NCS pathways. Reproduced with permission from © PNAS

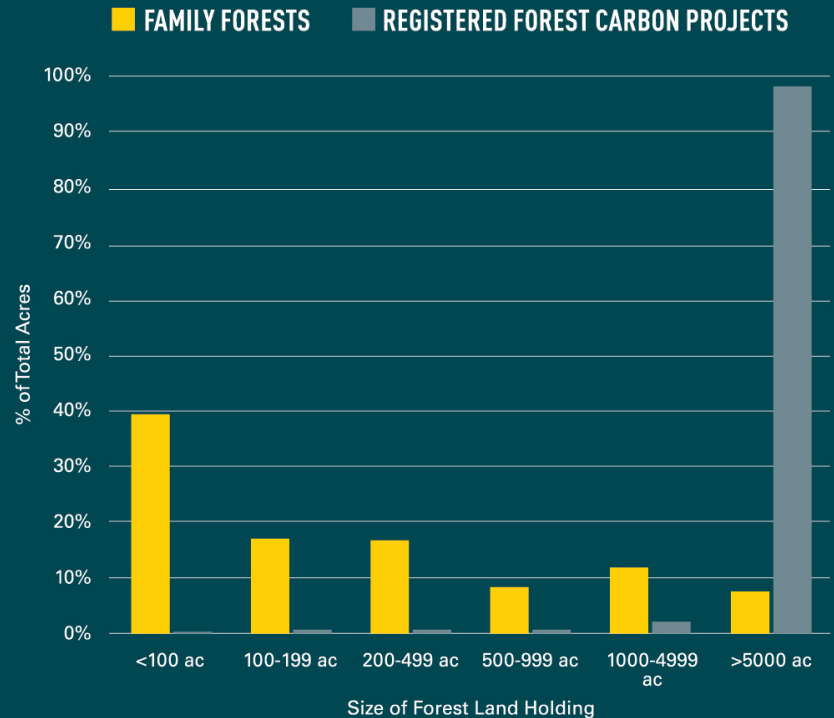
Family-owned Forests are Key



- Families and individuals own the largest portion of U.S. forests
- More than the federal government or corporations
- This ownership group is vital for achieving meaningful conservation impact at scale

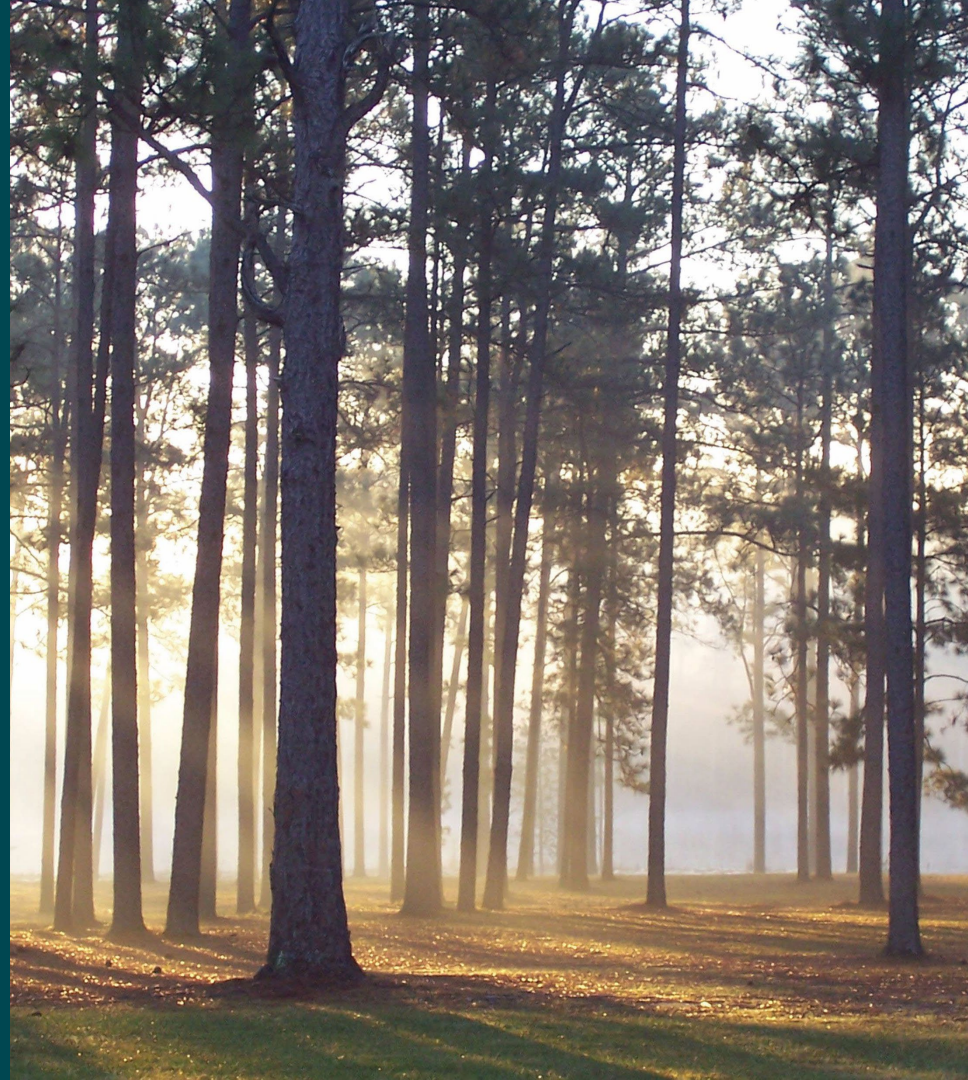
Forest Carbon Market Projects vs. Forest Ownership Size

Ownerships less than 1,000 acres account for 80% of the acres, but less than 1% of the projects.



Climate Policy: Unlock Forests Potential

- Carbon markets
- Incentives—direct or tax
- Forest products
- Science and data
- Technical Assistance



Open Carbon Markets for Family Forests

- Carbon emitter buys carbon reductions (capture/storage)
- Voluntary markets
- Could be worth \$50 billion end of this decade
- Problems with access for family forests



What policy tools can open carbon markets for Family forests?

- Financing tools: loans/guarantees
- Incentives that leverage market—like tax incentives or EQIP
- Government as buyer of last resort/buyer
- Low-cost insurance
- Science and inventory
- Technical Assistance



Provide Incentives

- Conservation Reserve Program
- Environmental Quality Incentives Program
- New forest incentives programs
- Measurable?





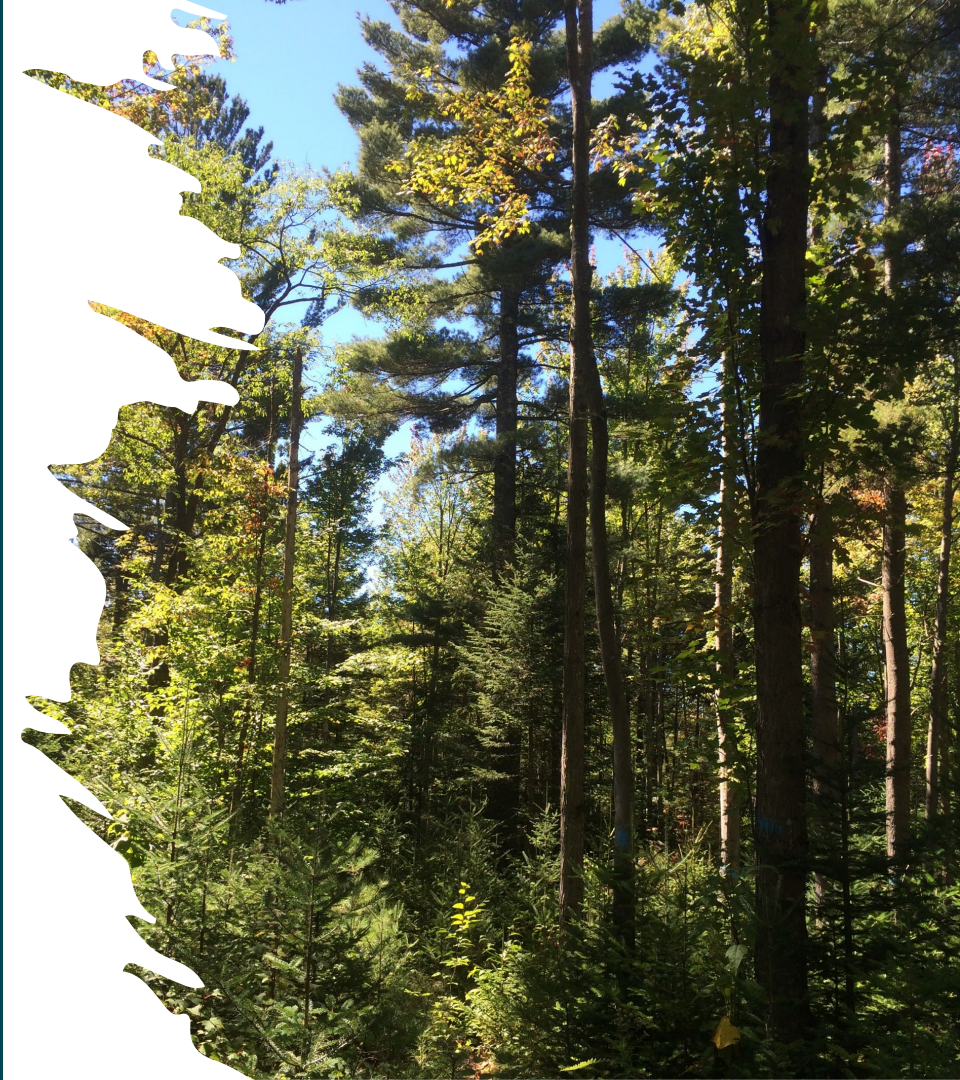
Why not just ramp up EQIP?

- \$5 billion vs. \$50 billion
- Forestry = maybe 10%
- Forestry = Majority



Forest Products for Climate

- Wood markets for landowners
- Primarily long-lived wood in buildings
- Paper/packaging/chemicals?
- Biomass energy?



A person wearing a purple quilted vest over a blue hoodie and a camouflage baseball cap stands in a forest, looking to the right. The background is filled with tree trunks and green foliage.

Federal Policy Opportunities in the Near Future



Biden Executive Actions

- 30 x 30 Land Conservation
- American Rescue Plan: underserved landowners and climate
- Existing Program Priorities in CRP, etc
- Request for Proposals on Climate Smart Agriculture and Forestry
- Federal Procurement
- Renewable Energy?

“America’s farmers, ranchers, and **forest landowners have an important role to play in combating the climate crisis** and reducing greenhouse gas emissions, by sequestering carbon in soils, grasses, trees, and other vegetation and sourcing sustainable bioproducts and fuels.”

– President Biden’s Executive Order on Climate



Congress—Tight Vote Margins

House

220 DEMOCRATS

218 for control of the House

REPUBLICANS 212

3 Vacancies

Senate

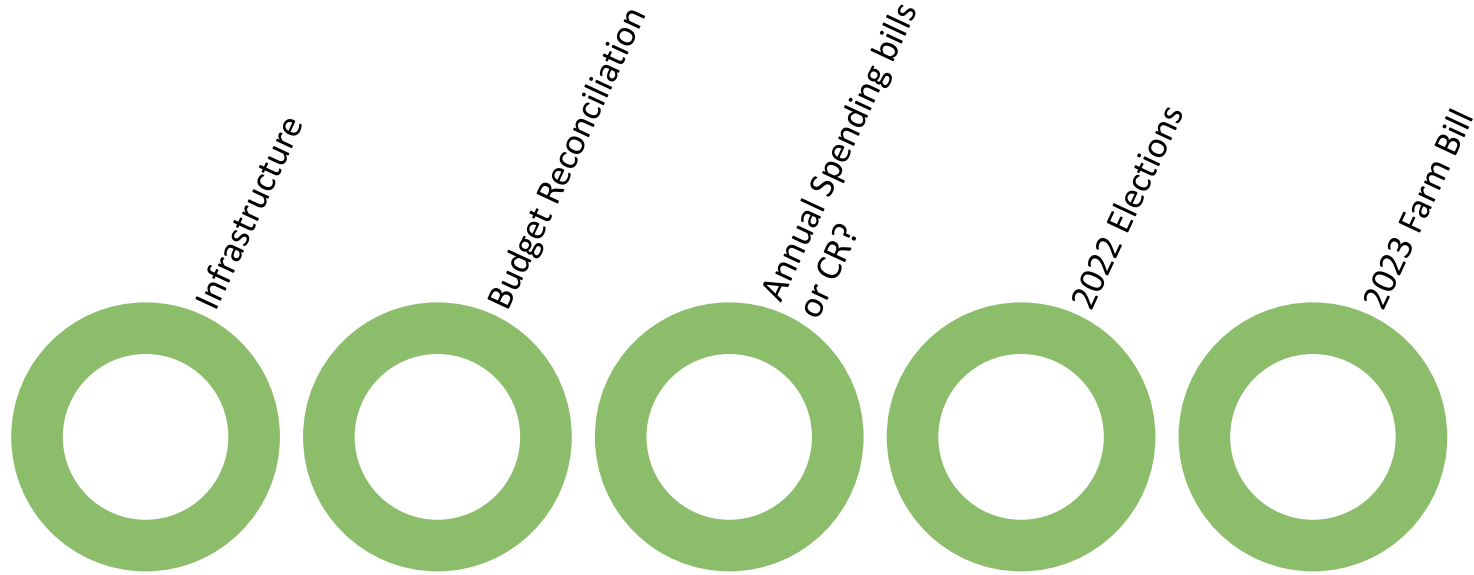
50 DEMOCRATS

50 for control of the Senate
Vice President casts tie-breaking vote

REPUBLICANS 50



Opportunities in Congress



Climate Bills We Are Tracking—Markers

- Rural Forest Markets Act
- Growing Climate Solutions Act
- Trillion Trees Act
- SOS For Seedlings Act
- Disaster Reforestation Act
- America's Revegetation and Carbon Sequestration Act of 2021
- CLEAN Future Act



What's in Infrastructure Bill for Forests and Climate?

- Total of \$5.75 billion for restoring, monitoring and researching forests
- \$3.3 billion for wildfire risk mitigation
- \$200 million for reforestation on both public and private lands
- REPLANT Act (reforestation in National Forests)



What's in the Budget Reconciliation Bill for Forests and Climate?

- \$9 billion investment in Wildfire Risk Reduction on Private Lands
- \$1.25 billion investment in Climate Action on Private Lands, with Focus on Small and Underserved Landowners
- \$200 million investment in FIA and Carbon Measuring and Monitoring
- \$50 million investment in USFS Research on carbon benefits of specific forest practices
- Additional spending for state forest action plans, Wood Innovation Grants, Civilian Climate Corps on nonfederal lands, state fire assistance, and more

Status and Plans for Regular Spending Bills

- A Continuing Resolution (C.R.), keeping federal spending at FY21 levels, was passed by Congress at the end of September
- The C.R. will maintain federal spending until December 3, 2021
- Will require either another short-term extension or passage of full slate of FY22 appropriations bills



Keys To Forest Success in Climate Policy

- Credibility of forest carbon
- Essential Constituency
- Voluntary
- Bipartisan
- Leverage the Private Sector





What Does This Mean for States

- Opportunities to leverage federal investment to support state goals
- Those states that are tackling climate, will have leg up in funding from these packages
- Innovative state action on forest carbon and carbon market access may be modeled by other states and at the federal level
- Could set policies that overrides states—biomass, carbon offsets





Questions?



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