

ISSUE BRIEF

# International Forest Carbon in Congress: A Survey of Key Congressional Staff

*Forest Carbon: An Initiative of the Climate Policy Program at RFF*

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## Resources for the Future

The Climate Policy Program at Resources for the Future (RFF) provides a framework for policymakers and stakeholders to better understand and address one of the most complex environmental issues of our time: climate change. The program has two core objectives: to develop domestic policies that are politically and economically viable and to articulate a new architecture for a global climate policy regime. Program scholars work to both support current policy efforts as well as fostering the evolution of these policies over time.

**Forest Carbon** is one of four initiatives of the Climate Program. Its objective is to speed the development of large-scale global markets for forest carbon by conducting world-class, interdisciplinary research that helps create strong policy frameworks and accelerates private action, primarily through direct outreach to U.S. and international decisionmakers.

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Lou Leonard, Raymond Kopp, and Nigel Purvis<sup>1</sup>

## Executive Summary

Tropical deforestation constitutes the second-largest source of greenhouse gas emissions in the world—producing nearly 20 percent of the global total and more than that produced by all of the planet’s automobiles, planes, trains, and ships combined. In the developing world, deforestation is the single largest emissions source in a majority of countries, accounting for roughly 80 percent of emissions by two of the world’s top emitters, Brazil and Indonesia.

Momentum is building in the United States and abroad for reducing emissions from deforestation and degradation (REDD). Whereas the Kyoto Protocol excluded deforestation, a broad consensus now exists for including all forest emissions in the next global climate agreement, which nations intend to conclude by December 2009. Tropical forest conservation provisions, moreover, were included in many leading climate bills considered by Congress over the past few years, including the Boxer–Lieberman–Warner bill debated in the Senate in June 2008. Nevertheless, tropical forest conservation provisions have not been prominent in the discourse on U.S. climate change policy, which has focused largely on domestic emissions.

Recognizing that additional research on international forest carbon might be useful to U.S. policymakers, Resources for the Future (RFF) undertook this study to gauge the general understanding of this issue among congressional lawmakers and staff. Over the course of two months, Lou Leonard interviewed more than 30 congressional staffers—Republicans and Democrats, from committee and personal offices, and in both the House and the Senate—to determine their views on the role of international forest carbon and their

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recommendations for areas of future research. This paper summarizes the findings from those interviews and provides recommendations for research and outreach. In short, the findings are as follows.

- **No deep understanding, but widespread beliefs.** The interviews demonstrated a lack of deep understanding of international forest carbon issues on Capitol Hill, but also a widespread “conventional wisdom” that policy tools may not yet be mature enough to produce real, verifiable reductions, and that developing countries lack the capacity to implement such programs.
- **Effects on carbon price and environmental integrity of a cap-and-trade program.** Although it could be designed either to offset domestic emissions caps or to produce reductions “supplemental” to domestic limits, in Congress international forest carbon is largely viewed as an offset. This perception makes international forest carbon programs attractive to those looking for cost containment but unattractive to those concerned with keeping carbon prices high to promote domestic reductions and to those concerned that international forest carbon credits will not produce “real” reductions, thus undermining the environmental integrity of the caps.
- **International concerns.** International forest carbon policy suffers from negative feelings about international aid in general as well as specific concerns about developing world offset mechanisms created under the Kyoto Protocol (even though international forest carbon is excluded from these programs). Many also feel that domestic legislation may not be the proper vehicle for this international issue, either because international forest carbon policy should be decided initially at the global level or because Congress should defer at this stage to the executive branch on how best to engage developing nations regarding deforestation rates.

Although disagreements remain within the climate policy community about how international forest carbon programs should be designed, emerging global climate goals—such as the goal to reduce emissions 50 percent globally by 2050—would be exceptionally difficult to meet without cutting forest sector emissions dramatically. For those concerned with how U.S. climate policy will affect global climate negotiations or international forest conservation, as well as those concerned about the potential cost of domestic climate legislation, these interviews show an urgent need for research and education regarding international forest sector emissions mitigation strategies, forestry methodologies, and forest carbon market experiences.

## Study Methodology

The overall goal for this study was to interview a representative cross-section of the congressional staff most closely involved in shaping domestic climate legislation to determine their general understanding of international forest carbon, their perceptions of the political dimensions of the issue, and their recommendations for useful international forest carbon-related research. To support this goal, we considered the following issues.



## Who Was Interviewed?

We sought to reach as many of the key climate and energy staffers as possible. The initial list of potential interviewees included legislative assistants from each member of the House and Senate who had sponsored comprehensive climate change legislation, irrespective of whether the legislation included international forest carbon provisions. The preliminary list also included committee staff from the key energy and environment committees in both houses. In the Senate, we expanded the list to include staff from members who had introduced substantive amendments during Senate floor consideration of Boxer–Lieberman–Warner. Not every office on this preliminary list made itself available for an interview. Finally, at the end of each interview, we asked each staffer to identify other staffers who should be interviewed.

We then tried to balance the list as much as possible according to party affiliation and between the House and the Senate. Although some of the major climate bills in the Senate had bipartisan sponsorship, on the whole, the energy staffers of Democratic members were more engaged with climate change matters, so the final interview results include more Democratic staffers. We attempted to expand the list to include additional Republicans, but full parity could not be reached because of a higher nonresponse rate from Republican staffers. As a result of the Senate floor consideration of Boxer–Lieberman–Warner, more Senate offices than House offices were engaged on climate change policy. This greater focus on climate change as a whole is reflected in the House–Senate balance within the final results.

Given the low domestic visibility of international forest carbon, even within the climate change policy community, this study focused on staff with the greatest overall climate literacy to produce the most robust discussion about perceptions of international forest carbon and areas where additional research is needed. Of course, as a result, this sample is heavily weighted toward individuals most likely to know something about international forest carbon and so is likely not representative of international forest carbon literacy in Congress as a whole.

### Interview Participants

Total	Party (Democrat /Republican/ Independent)	Committee/Personal Office	Senate/ House	Well Informed/ Somewhat Informed/ Uninformed
31	19/10/2	8/23	22/9	12/13/6

## What Questions Were Asked?

The interviews began with an open-ended inquiry on international forest carbon, followed by three additional questions, as follows.

- What are your views on the role of tropical deforestation and international forest carbon in U.S. climate policy?



- What are your top three concerns about including international forest carbon in climate legislation?
- What are the political dimensions, either positive or negative, surrounding international forest carbon?
- On what topics do you believe members of Congress or their staff would benefit from additional research to be better informed on international forest carbon?

The questions were designed to come at the same issue from different perspectives and thus offer the staffer multiple opportunities to respond. Not surprisingly, at times there was significant overlap among a particular staffer's answers to these questions. The term *concerns* was used in the second question. Although framing the question this way might have led some who were neutral or positive toward international forest carbon to view the issue more negatively, this was not the intention of the survey, nor was the tone or nature of the discussion manipulated in a way to encourage negative perceptions of the issue. The first question was intentionally worded broadly and openly, and the views of international forest carbon solicited by that question did not differ markedly from answers to the second question. Nonetheless, the potential effect of the second question on interviewee perceptions could be considered when evaluating the results of this survey.

Summaries of responses to the three specific questions are provided below.

### How Were Questions Asked?

Congressional staff members are continually beset by requests to meet with representatives of groups with a lobbying agenda. We described the purpose of our interviews as an effort to identify gaps in information and understanding about international forest carbon, not to influence the congressional staff member's opinion. This explanation appeared to be accepted at face value by most staffers, based on a familiarity with RFF as a non-lobbying policy research institution. We also clarified that all statements were "not for attribution," which appeared to promote an open discussion. Questions and follow-up discussion were kept open-ended—the interviewer provided little guidance or context—to obtain an accurate sense of a staffer's engagement on the issue. To generate useful, comparable data, we used the same standard questions (outlined above) in the same form, in the same sequence, in every interview.

### Findings

This summary of the study's findings begins with two sections describing broad perceptions of international forest carbon among the interviewed staff, including observations about the current political support for the issue. The next three sections briefly summarize the data gathered from the three core interview questions (listed above). The last two sections examine the data in more detail, first by grouping the staff into different categories, second by looking more deeply at the three most common reactions to international forest carbon.



## Limited International Forest Carbon Literacy

Because we targeted Senate and House offices that have been most engaged on climate change issues, our sample is heavily weighted toward individuals most likely to know something about international forest carbon. Even so, the majority of these energy and climate staffers were not reasonably well-informed on international forest carbon issues. Fewer than 39 percent of the staffers interviewed were deemed well-informed about international forest carbon science and policy, in the sense that they exhibited an understanding of the following basics:<sup>2</sup>

- the role of tropical forests in anthropogenic climate change,
- the status of international forest carbon in international negotiations, and
- the treatment of international forest carbon in draft climate change bills in Congress.

A smaller but significant proportion (approximately 20 percent) of those interviewed was not informed at all, expressing little understanding of any of these issues. The remaining interview participants (approximately 41 percent) exhibited an understanding of some but not all of the basic points above.

## No Political Constituency

In the absence of strong voices supporting a policy, even good ideas have little lasting power in the complex congressional process that produces major legislation. When trying to explain the relative lack of attention to international forest carbon issues in Congress, even by those who are focused on climate change, many staff offered the same explanation: “International forest carbon has no domestic political constituency.” Moreover, the interviews showed that international forest carbon not only lacks a clear domestic constituency but also suffers from certain political forces aligned against it.

The interviews made clear that international forest carbon policy may overlap with the political and policy concerns of members interested in climate policy, including those concerned with engaging the international community on a global climate agreement, those concerned with cost containment, those interested in reducing developing countries’ emissions, and so forth. But these possible synergies have not resulted in a strong call for including international forest carbon in climate legislation because few stakeholders considered that a major priority. (Most staffers perceived that the international forest carbon provisions included in Boxer–Lieberman–Warner, as well as other prominent climate bills, were drafted by a small group of lobbyists and staff without sufficient vetting or discussion.)

Several staff warned that the Boxer–Lieberman–Warner approach to a cap-and-trade bill was considered by a key group of lawmakers to be weighed down with complex programs and unnecessary “pork.” So they will seek to make future climate bills less complex, stripping out unpopular or unnecessary programs. Without strong voices supporting it, international forest carbon may end up on the chopping block. “There needs to

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<sup>2</sup> To qualify as *well-informed*, a staffer had to satisfy all three basic standards.



be a senator who says, ‘this must be included in any climate bill.’ Currently, international forest carbon doesn’t have that.”

Several staffers explained this lack of political support as partially resulting from a division within the environmental community, with some conservation groups supporting aggressive international forest carbon provisions, including market mechanisms, and others opposing such measures, assuming that a program would be designed as an offset and so reduce regulatory pressure on domestic reductions. As importantly, many staff said that because international forest carbon is an “international” issue, it would not attract attention within a Congress that generally focuses very little energy on nonmilitary foreign policy. As discussed more below, this international issue also sets up a potential conflict between international forest carbon and domestic offset programs, if a cap is placed on the total amount of offsets.

## Summary of Top Concerns about International Forest Carbon

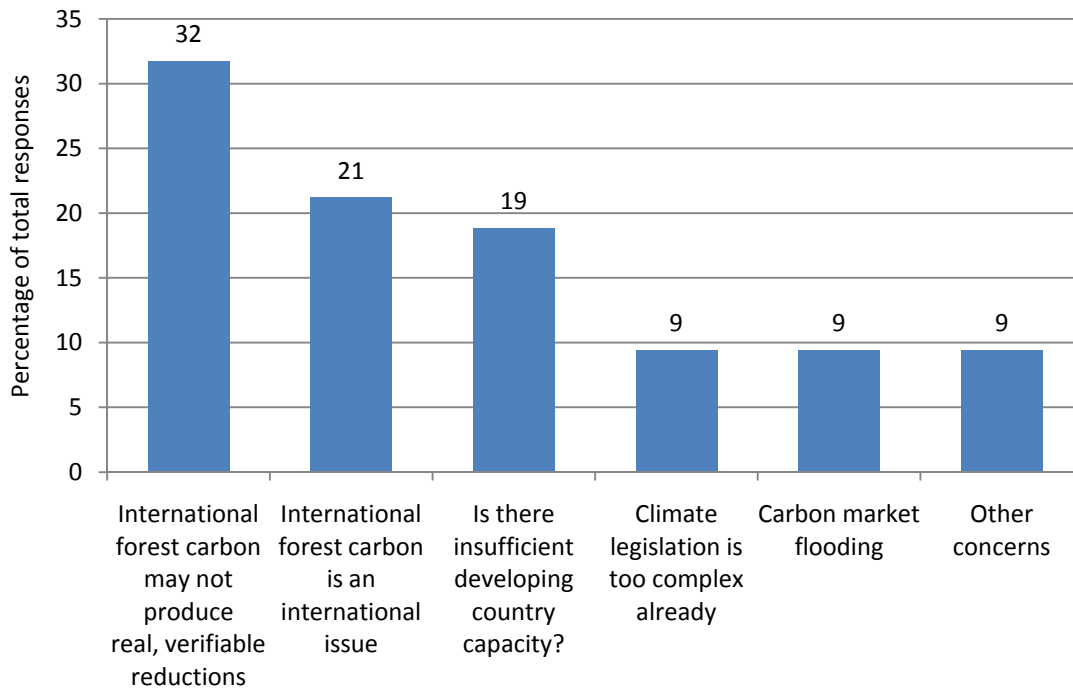
The second question in each interview was, “What are your top three concerns about including this issue in climate legislation?” Although few responses were identical, clear areas of concern emerged, five of which were statistically significant. Over 90 percent of the concerns raised by staff fell into these top five categories. A clear numerical break exists between the top three areas and the two concerns tied for fourth. Moreover, a single dominating concern emerged with half again as many responses as the number-two issue. These top five areas are described below in rank order and depicted in Figure 1.

1. **International forest carbon may not produce real, verifiable reductions.** This category includes both generalized concerns about whether an international forest carbon program would result in meaningful emissions reductions, as well as more specific concerns about particular methodological issues, such as permanence, additionality, leakage, and baseline calculation. Approximately 90 percent of staffers raised this issue in some form.
2. **This is an international issue.** This category includes general concerns about how best to address such an international issue within domestic climate legislation, as well as more particular concerns related to the status of international negotiations or the proper role of Congress vis-à-vis the executive branch in international negotiations.
3. **Developing countries have capacity limits.** Although related to the concern above about whether an international forest carbon program would produce real reductions, this concern focused specifically on the capability of developing countries to implement a forest carbon program, including whether target countries possess sufficient institutional, data-gathering, and political capacity to support a program.
4. **Climate change legislation is too complex.** For several staff, one of the lessons of the Boxer–Lieberman–Warner process was that the bill included too many programs. The perceived difficulty of creating a market for international forest carbon offset credits would be further complicated by growing concerns, arising from crises in the housing and financial sectors, about relying on complex market mechanisms in general.



- International forest carbon would distract from domestic reductions.** This category includes concerns that an international forest carbon program might release the pressure on making emissions reductions in the United States. These concerns were described, variously, in terms of creating “market flooding” or avoiding improvements in domestic energy infrastructure and energy efficiency.

**Figure 1. Top Concerns about International Forest Carbon**



### Summary of Political Perceptions Surrounding International Forest Carbon

The next question shifted from substantive policy concerns to the political dimensions of international forest carbon. The interviewer asked, “What are the political issues, either positive or negative, surrounding international forest carbon?” Within Congress, few sharp distinctions can be found between political and substantive issues, but most staff immediately understood the angle of the question. Their responses described how international forest carbon, especially because it is not well understood by most members and staff, easily fell into political “frames” that affected the way it was perceived by policymakers. Importantly, these responses do not necessarily reflect the staffers’ own opinions about the issue, but rather the ways that they believe international forest carbon is or may be perceived or may be “manipulated by those looking to sabotage a climate bill.”

The results for the political frames for international forest carbon do not fall as neatly into a small number of categories as do the top three concerns. Nonetheless, certain categories are very clearly dominant—specifically, perceptions that a robust international forest carbon program will be politically unpopular



because of its necessarily international focus. This issue was so frequently mentioned in different forms that it warranted being divided into two separate categories: general opposition to international aid, or “sending money overseas,” and more specific opposition to “international offsets.” Each of these two subcategories was mentioned by more than 80 percent of respondents.

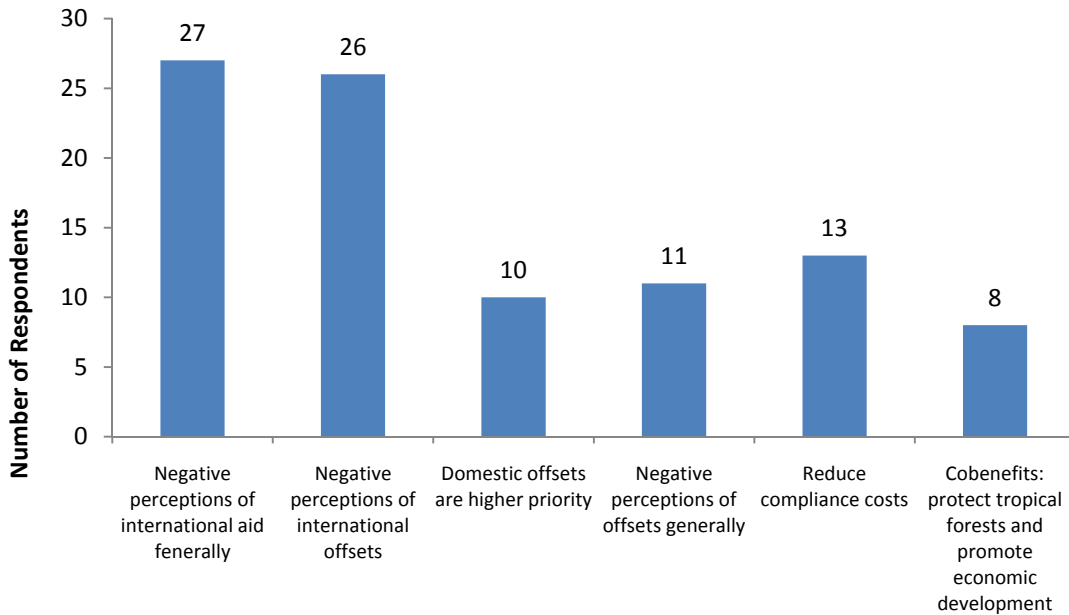
Although the phrase “positive or negative” was used in the question to promote balanced responses, more than 75 percent of the political issues raised were negative. Of course, the overall number of political issues raised does not necessarily reflect the weight accorded to each issue. Nonetheless, on the whole, the discussion of political issues made clear that additional research and education are necessary before international forest carbon will be broadly accepted or effectively defended.

The primary political data categories are listed below in rank order; a more complete list of the data is depicted in Figure 2.

1. **Negative perceptions of international aid.** This category includes general opposition to foreign aid, as well as more specific perceptions that such aid is squandered by “corrupt dictators” in the developing world. Nearly 90 percent of staff raised this issue.
2. **General opposition to international offsets.** This category includes negative perceptions about the Clean Development Mechanism (CDM) in particular, as well as more general perceptions that international offsets are not managed well, do not produce “real” reductions, and are inappropriate because developing countries need to “do their own part on climate change.”
3. **Positive perceptions of cost containment benefits.** Many staff said that, when viewed as an offset, international forest carbon could have positive political implications as a low-cost, easy, and potentially quick way to create reductions.
4. **Negative perceptions of all offsets.** Most respondents said that international forest carbon was frequently perceived only or primarily as a form of offset. A significant coalition of members opposes offsets of any kind as reducing the impetus for domestic emissions reductions.
5. **Domestic offsets as the appropriate higher priority.** Most staffers predicted that offsets would be included in some form in any cap-and-trade bill. Many cautioned, however, that this could play against international forest carbon, because domestic offsets have strong political constituencies and will be much more politically attractive, whereas international forest carbon would not.
6. **Positive perceptions of other cobenefits.** Some staff suggested that, whether seen as an offset or a form of direct funding, international forest carbon could be positively viewed as a “two-for,” providing climate benefits while “saving the rainforest” and contributing to economic development for many of the world’s poorest people.



Figure 2. Political Perceptions of International Forest Carbon



### Summary of Research Recommendations for International Forest Carbon

The final substantive question targeted perceptions of gaps in the understanding of international forest carbon among congressional staff. The interviewer asked, “On what topics do you believe members of Congress or their staff would benefit from additional research to be better informed on this issue?” The interviewer always made clear that these gaps could be in the staffer’s own understanding or the broader audience of less engaged staffers and members.

Many staffers prefaced their responses to this question by saying, “There is probably research out there on this issue, but I don’t have time to sift through 100-page reports,” or “I would really like a simple two- or three-page summary on [a particular topic] that we could hold up on the floor or distribute to other offices.” Thus, the responses indicate not only a need for new, original research, but also a need to bring existing work to policymakers.

The recommendations for further research tracked the responses to the other two questions and fell into six categories, presented here in rank order and depicted in Figure 3.

1. **Background science and economics on international forest carbon.** Many staffers called for an “International Forest Carbon 101” paper that clearly summarized the existing science and economics underlying the issue. Topics mentioned include the role of different types of forests in

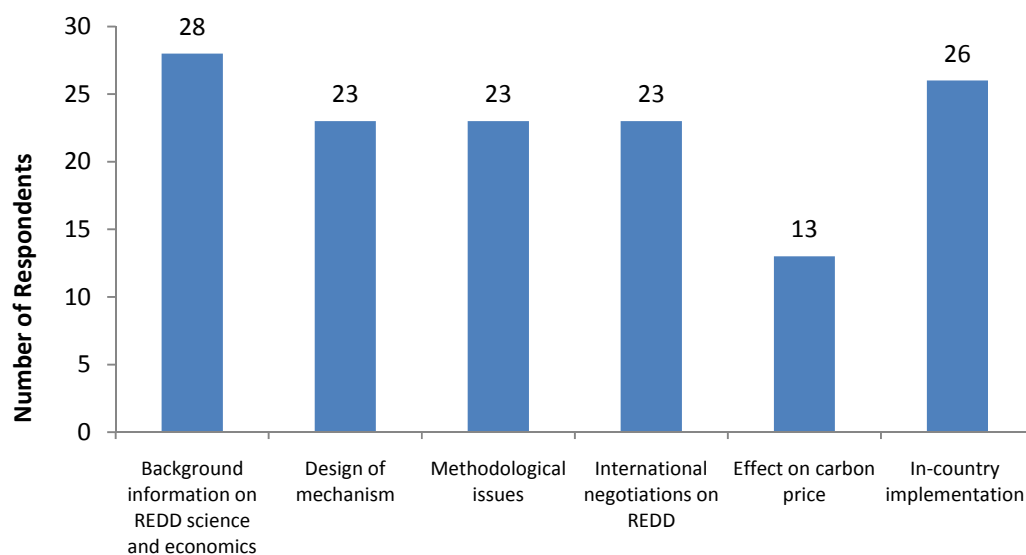


carbon storage and release, local and international drivers of deforestation (particularly biofuels), how much funding is necessary to meaningfully tackle tropical deforestation, whether methods exist to adequately measure degradation, and the amount of forest carbon likely to be available for offset crediting.

2. **Host country implementation issues.** Many staff admitted that they had little sense of how an international forest carbon program might look “on the ground” in developing countries. What are we buying with an international forest carbon program? How will it be implemented within these countries? How will issues of land tenure, enforcement, data gathering, ecosystem health, and local livelihoods be addressed? How long will it take to get a program running? Many said that it would be important to show specific success stories to dispel the notion that these projects will not work.
3. **How to design an international forest carbon mechanism.** This category of requests centered on analyzing the pros and cons of different policy tools, including offsets versus funding set-asides; the appropriate amount and justification for any cap on international forest carbon offsets; how best to mix domestic and international offsets; how to design a U.S.-based or international program to promote and manage international forest carbon; and a description of experiences with the CDM, including proposals for reform.
4. **Deeper discussion on key methodological issues.** The better-informed staffers asked for the latest thinking on methodological issues that have been raised as possible barriers to implementing REDD, including concerns about permanence, additionality, leakage, and baselines.
5. **International negotiations.** Many staffers asked for better information on the history of international forest carbon in international negotiations, the current status of those negotiations, insights on how an international forest carbon program developed through domestic legislation could be integrated with a future international program, whether international forest carbon would promote developing country engagement, and the positions of other governments (developed and developing) on international forest carbon.
6. **Effect on carbon price.** Some staffers were concerned that international forest carbon might flood the carbon market, and some wanted a better idea of how international forest carbon compares with other cost containment options (on a price-per-ton basis).



**Figure 3. Research Recommendations for International Forest Carbon**



### Deeper Discussion of Key Issues

Although they came at this issue in different ways, the questions posed to staffers were intended to identify issues within the topic of international forest carbon that require additional research or educational efforts. Three general perceptions of the respondents about international forest carbon point to areas for future research.

- To varying degrees, international forest carbon is seen as not ready to produce real, reliable reductions.
- The international nature of the issue raises significant political obstacles.
- When viewed as an offset, the potential impact of international forest carbon on carbon price elicits mixed reactions.

#### “PAPER TONS” OR REAL REDUCTIONS?

The most common concern about international forest carbon was whether real, verifiable reductions would be produced: nearly 90 percent of all staffers raised this in some form. This concern also arose in discussions about the political aspects of the issue: nearly 85 percent of staffers raised some form of concern about international forest carbon as “just another unreliable international offset.” These concerns are further reflected in three of the research categories: questions about methodological issues and questions about implementation, design, or enforcement of an effective program were raised more than 70 times in just 31 interviews.



Concerns about whether reductions are “real” were expressed by some in very general terms and by others through raising specific methodological or implementation issues. Given the overall lack of sophisticated understanding of the issues among the staffers interviewed, a surprising number mentioned at least one methodological term of art (permanence, leakage, baselines, or additionality). For example, approximately 75 percent of staff mentioned at least one of these four concepts in their response to the research recommendations question.

Doubt that international forest carbon programs will produce real, verifiable reductions appears to be tied to perceptions of the ineffectiveness of the CDM under the European Trading System established pursuant to the Kyoto Protocol, as well as the voluntary emissions reduction market. Many mentioned the CDM by name as an example of why staff and members had concerns about international forest carbon. These perceptions were shaped to some degree by a recent trip to Europe by members of Congress to investigate the European experience with climate change regulation. Several staff mentioned this trip as raising concerns about “forestry credits” in the minds of several members, although some indicated that these “horror stories” may have been about afforestation and reforestation programs rather than avoided tropical deforestation.

For some liberal members of the Senate and House, opposition to international forestry credits by certain environmental groups has had a clear effect. Although international forest carbon could be advanced through either offset credits or direct funding to produce supplemental reductions, international forest carbon appears to be seen largely as a potential offset. In this form, it has created divisions within the environmental community, with some groups supporting international forest carbon credits and others strongly opposing them. Perhaps this disagreement on international forest carbon offsets within the environmental community helps explain the relatively low proportion of staff (approximately 20 percent) who mentioned environmental co-benefits as a positive political aspect. With the environmental community divided, the environmental benefits of international forest carbon do not appear to be an important factor.

#### **DOMESTIC OPPOSITION TO AN INTERNATIONAL PROBLEM**

Perhaps because of the political and constitutional tradition of largely deferring to the president on most international affairs, or perhaps because the electorate generally ignores international issues or is openly hostile to them, most members of Congress do not prioritize international matters of a nonmilitary nature. As a result, even when an issue is vitally important to U.S. interests, as is international forest carbon in combating global climate change, reactive political forces present a significant obstacle.

“Any part of a climate bill that is seen or can be spun as ‘sending money overseas’ while people in Ohio pay higher energy bills is doomed.” This simple phrase—“sending money overseas”—was often the first answer to the “political issues” question. Following up on this answer, the interviewer frequently asked whether this “international aid” perception problem applied to offset credits or to direct funding set-asides. Almost uniformly, staff responded that it applied to both. So even though credits might reduce the cost of



compliance by American industry, this approach could still face strong opposition as an “international giveaway.”

For some, negative attitudes toward foreign aid were exacerbated by the idea that the United States would be funding or helping to establish an international program to address international forest carbon: “That will never go over with the anti-U.N. crowd, which is larger than you think. But you can’t just give it to Indonesia to manage—that won’t be popular either.” For others, the idea that developing country governments would be able to implement a complex program posed a difficulty. In the data, these doubts are supported both by concerns about outright corruption and fraud and by perceptions that developing countries do not have the institutional or data-gathering capacity to implement such a program. Nearly 85 percent of staff asked for additional research on developing country implementation issues.

In addition to a knee-jerk opposition to anything that appears to be foreign aid, for many, the international nature of the issue led them to believe that it might not be appropriate for inclusion in a domestic climate bill. This belief involved three viewpoints: (a) international forest carbon is not sufficiently related to a domestic cap-and-trade regime, (b) it will be difficult to harmonize a domestic legislative program with ongoing international negotiations, and (c) it is not proper for Congress to interfere with the president’s prerogative to negotiate international agreements. Although for some these positions likely help justify a deeper opposition to the issue, for others these concerns seemed genuine.

#### **CONFLICTING VIEWS ON CARBON PRICE**

As indicated above, for many congressional staff, international forest carbon is seen exclusively as a type of offset. To some degree, then, their views on international forest carbon fall into traditional categories: opposition from those looking to maintain the environmental integrity of an emissions cap, and support from those looking to reduce compliance costs. The political dynamics of the issue as they relate to costs, however, appear much more complicated. In short, international forest carbon is opposed by anti-offset advocates but has not been strongly supported by those seeking cost containment.

The political forces advocating for cost containment through offset credits do not appear to be focused on international forest carbon. Although many staff said that international forestry credits have been included on the menu of options proposed by industry lobbyists seeking robust offsets, none remembered whether international forest carbon was promoted specifically. This finding is consistent with the statements that international forest carbon has no active political constituency before Congress.

Another explanation for the traditional dichotomy is the perceived competition between international and domestic offsets. Authorized offset programs would serve as an outlet for the regulatory pressure created by a cap-and-trade program, resulting in a transfer of funds from certain carbon-intensive industries to other sectors to reduce overall emissions. Congress is already beset not only by industries hoping for cheaper ways to reduce emissions, but also by lobbyists for sectors that may be designated as proper sources of offsets. This competition makes it clear why international offsets may be seen by some as wastefully “sending money overseas” rather than ensuring that any funds channeled through offset programs benefit domestic sectors in the home states of members of Congress.



The competition over offsets exists both in general and within the forestry sector specifically. Generally, congressional staff has an expectation that offsets as a whole will be capped in some way: “We are going to have some amount of offsets, and domestic sectors will definitely be the priority. The domestic agricultural lobby is so powerful; they will get their share.” In the forestry sector, staffers from states with substantial forest resources expressed concern that international forestry was getting preferential consideration: “We have rainforests in this country. Why shouldn’t we support property owners who preserve them?”

Perhaps one of the more surprising results of this study was the relatively limited number of staffers who focused on the impact that international forest carbon could have on carbon price or compliance costs in their answers to questions. Only about 25 percent of staffers listed issues of price or cost as one of their top three concerns about international forest carbon. More than three times as many raised concerns about whether international forest carbon would produce real, verifiable reductions, and more than twice as many raised concerns about both developing country capacity and the international aspects of the issue.

Cost containment was the most prominent positive political dimension to REDD, but even here, it ranked third overall, mentioned by only half as many staff compared with both general objections to foreign aid and specific concerns about international offsets. Even in the area of additional research, cost came in a distant sixth among research categories. Combined interest in both research on the positive aspects of international forest carbon for cost containment and negative impacts of international forest carbon on carbon price (market flooding) was expressed by only 13 staffers, well below the 23 and 27 who requested research in the other categories, respectively.

Finally, staffers appear not to have a good sense of how much cost savings could be achieved through an international forest carbon offset credit approach. Several staff expressed doubt that international forest carbon would produce much cost savings. For some conservative members, it was not a high-priority cost-saving tool: “There are other mechanisms for reducing costs that we consider a higher priority than international offsets, including a safety valve and reduced targets and timetables.” Some staffers (though again, fewer than might be expected) asked for additional research on how much cost savings might be expected with international forest carbon, as well as a comparison with other cost-saving measures.

## Recommendations

### Research, Education, and Advocacy

This study paints an overall picture of international forest carbon as a concept that has a slight but unstable foothold in the evolving dialogue over domestic climate policy on Capitol Hill. International forest carbon provisions have been included in most of the key climate bills introduced thus far but appear to have shallow overall support, characterized by questions about whether they would produce real reductions and attract sufficient political support to survive the legislative process. The challenges facing international forest carbon range from blunt political biases unrelated to the soundness of policy to specific concerns rooted in technical questions about how international forest carbon would function in practice.



Because international forest carbon is central to reducing planetary emissions and establishing a global climate partnership with the developing world, the American climate community has a strong interest in seeing a meaningful policy succeed. Given current attitudes, however, it will take a concerted effort by that community to ensure international forest carbon's success. A common set of principles on international forest carbon agreed to by the climate community would go a long way toward building the necessary coalition. Within the environmental community in particular, pronounced disagreements over how and whether to include international forest carbon have nearly neutralized the potential to promote the conservation benefits of reducing tropical deforestation.

The diverse set of challenges facing international forest carbon calls for a full menu of responses. Clearly written and accessible research is needed to show the existing ability of different developing countries to take on these programs, as well as concrete examples of how international forest carbon has worked "on the ground." Core methodological concepts have made their way into the minds of policymakers. Accessible summaries of the latest thinking on issues like permanence, additionality, baselines, and leakage will be necessary to respond to these widespread yet dimly understood concerns. It cannot be stressed strongly enough that materials addressing these issues must be short, clear, and targeted to those charged with designing legislation. Long, academic treatments will not address their gaps in understanding.

To complement such primary and secondary research, aggressive steps should be taken to increase awareness of international forest carbon among policymakers. But before this can be done, greater awareness must be promoted within the climate community and, to the extent possible, among the broader public, stressing the urgency of slowing tropical deforestation to address climate change. Based on the apparent lack of attention to this issue in Congress, that awareness does not yet exist. Without it, a potent coalition supporting international forest carbon cannot be assembled. At best, such a coalition would produce consensus-based legislative options to address the issue. Without such a coalition, it will be difficult to ensure that a meaningful international forest carbon program survives the legislative process.

The climate community is currently either divided or ambivalent and inactive on international forest carbon. For the sake of meeting necessary planetary emissions targets and building a bridge to a meaningful global climate partnership with the developing world, that has to change.

## Next Steps by RFF

RFF is committed to becoming a leading source of independent research and analysis concerning forest carbon policy and markets. Toward this end, RFF recently announced the creation of a new forest carbon initiative. Under this initiative, RFF will prepare at least eight short papers for policymakers on the most important concerns and questions identified in this paper. These policy briefs will be written for and disseminated to senior-level decisionmakers in the United States and globally.

RFF will also conduct extensive basic foundational research to expand the overall base of knowledge for forest carbon experts. RFF will convene, for example, a regular forum for cooperation among forest carbon economic modelers and scientists. The forest carbon modeler's forum will aim to synthesize modeling insights for policymakers and other stakeholders. In addition, RFF will prepare and disseminate special



market reports for forest carbon investors and financial institutions. These reports will not only illuminate facts and trends in today's voluntary market but also anticipate future developments in tomorrow's compliance markets for forest carbon assets. RFF has already started work on its first forest market report, the Forest Carbon Index. The index will help climate policy specialists, carbon investors, and forested nations understand the potential of every country and forest in the world to originate forest carbon assets under various policy and market constraints. The Forest Carbon Index will illuminate the geography of the potential forest carbon asset supply by compiling and mapping quantitative data relating to biological, economic, investment, and market readiness conditions.

Although RFF's forest carbon initiative will begin to address the issues identified in this paper, other interested organizations must also play a role in helping policymakers grapple with the issues and concerns highlighted here. Absent full engagement by forest carbon and climate policy stakeholders, U.S. climate legislation may fail to deal with forest carbon in the most effective manner.

