

**ALASKA STATE LEGISLATURE  
HOUSE RESOURCES STANDING COMMITTEE**

March 15, 2023

1:03 p.m.

**MEMBERS PRESENT**

Representative Tom McKay, Chair  
Representative George Rauscher, Vice Chair  
Representative Kevin McCabe  
Representative Dan Saddler  
Representative Stanley Wright  
Representative Donna Mears  
Representative Maxine Dibert

**MEMBERS ABSENT**

Representative Josiah Patkotak  
Representative Jennie Armstrong

**COMMITTEE CALENDAR**

HOUSE BILL NO. 83

"An Act reestablishing the Citizens' Advisory Commission on Federal Management Areas in Alaska; and providing for an effective date."

- HEARD & HELD

HOUSE BILL NO. 49

"An Act authorizing the Department of Natural Resources to lease land for carbon management purposes; establishing a carbon offset program for state land; authorizing the sale of carbon offset credits; and providing for an effective date."

- HEARD & HELD

**PREVIOUS COMMITTEE ACTION**

BILL: HB 83

SHORT TITLE: CITIZEN ADVISORY COMM ON FEDERAL AREAS

SPONSOR(S): REPRESENTATIVE(S) RAUSCHER

02/27/23	(H)	READ THE FIRST TIME - REFERRALS
02/27/23	(H)	RES, FIN
02/27/23	(H)	RES AT 1:00 PM BARNES 124
02/27/23	(H)	Scheduled but Not Heard

03/15/23 (H) RES AT 1:00 PM BARNES 124

BILL: HB 49

SHORT TITLE: CARBON OFFSET PROGRAM ON STATE LAND

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/27/23 (H) READ THE FIRST TIME - REFERRALS  
01/27/23 (H) RES, FIN  
02/20/23 (H) RES AT 1:00 PM BARNES 124  
02/20/23 (H) <Bill Hearing Canceled>  
02/22/23 (H) RES AT 1:00 PM BARNES 124  
02/22/23 (H) <Bill Hearing Canceled>  
02/24/23 (H) RES AT 1:00 PM BARNES 124  
02/24/23 (H) <Bill Hearing Canceled>  
02/27/23 (H) RES AT 1:00 PM BARNES 124  
02/27/23 (H) Scheduled but Not Heard  
03/01/23 (H) RES AT 1:00 PM BARNES 124  
03/01/23 (H) Heard & Held  
03/01/23 (H) MINUTE(RES)  
03/08/23 (H) RES AT 1:00 PM BARNES 124  
03/08/23 (H) Heard & Held  
03/08/23 (H) MINUTE(RES)  
03/10/23 (H) RES AT 1:00 PM BARNES 124  
03/10/23 (H) Heard & Held  
03/10/23 (H) MINUTE(RES)  
03/13/23 (H) RES AT 1:00 PM BARNES 124  
03/13/23 (H) Heard & Held  
03/13/23 (H) MINUTE(RES)  
03/15/23 (H) RES AT 1:00 PM BARNES 124

**WITNESS REGISTER**

RYAN MCKEE, Staff  
Representative George Rauscher  
Alaska State Legislature  
Juneau, Alaska

**POSITION STATEMENT:** Gave the sectional analysis for HB 83 on behalf of Representative Rauscher, prime sponsor.

ROD ARNO, Policy Director  
Alaska Outdoor Council  
Palmer, Alaska

**POSITION STATEMENT:** Provided invited testimony during the hearing on HB 83.

TINA CUNNING, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Provided invited testimony during the hearing on HB 83.

TED SPRAKER, President  
Alaska's Kenai Peninsula Chapter of Safari Club International  
Soldotna, Alaska

**POSITION STATEMENT:** Provided invited testimony during the hearing of HB 83.

KEN HUCKEBA, representing self  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 49.

KASSIE ANDREWS, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 49.

MATT JACKSON  
Southeast Alaska Conservation Council  
Sitka, Alaska

**POSITION STATEMENT:** Testified during the hearing on HB 49.

LYDIA SHUMAKER, representing self  
Wasilla, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 49.

TODD LINDLEY, representing self  
Anchorage, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 49.

BERT HOUGHTALING, representing self  
Big Lake, Alaska

**POSITION STATEMENT:** Testified in opposition to HB 49.

KARA MORIARTY, Lobbyist  
Alaska Oil and Gas Association  
Anchorage, Alaska

**POSITION STATEMENT:** Provided testimony during the hearing on HB 49.

#### **ACTION NARRATIVE**

[1:03:00 PM](#)

**CHAIR TOM MCKAY** called the House Resources Standing Committee meeting to order at 1:03 p.m. Representatives Saddler, Wright,

Rauscher, Mears, Dibert, McCabe, and McKay, were present at the call to order.

**HB 83-CITIZEN ADVISORY COMM ON FEDERAL AREAS**

[1:04:20 PM](#)

CHAIR MCKAY announced that the first order of business would be HOUSE BILL NO. 83, "An Act reestablishing the Citizens' Advisory Commission on Federal Management Areas in Alaska; and providing for an effective date."

[1:04:53 PM](#)

REPRESENTATIVE RAUSCHER, as prime sponsor of HB 83, paraphrased the sponsor statement [included in the committee packet], which read as follows [original punctuation provided]:

House Bill 83 reestablishes the Citizens' Advisory Commission on Federal Management Areas in Alaska (CACFA), which sunset in 2021, and sets a new sunset date of June 30, 2031. The Commission is made up of 10 public members, one Senator, and one Representative who represent "the diversity of users and uses of federal land in the state" and are appointed by the Governor and Legislature. CACFA was first established in 1981, shortly after Congress passed the Alaska National Interest Lands Conservation Act (ANILCA)—comprehensive legislation governing all federal public lands in the state. Under the balanced compromise Congress crafted in ANILCA, 104+ million acres (on top of the ~100 million acres already set aside) were set-aside in permanent federal ownership as conservation system units (e.g., parks, preserves, wildlife refuges, wilderness areas) while at the same time enabling Alaskan's to maintain their traditions, accommodate the social and economic needs of the state, provide a range of land-use and land access rights, safeguard opportunities for responsible resource development, and facilitate continued improvements in transportation and utility infrastructure. The provisions of ANILCA plus those of the Alaska Statehood Act and the Alaska Native Claims Settlement Act mean that most Alaskans are regulated under a unique and extremely complex regulatory web. For the decades that CACFA operated, it was an independent and impartial source of information and

center for advocacy on Statehood, ANCSA, and ANILCA issues that impact all Alaskans. CACFA helps Alaskans navigate complex regulations and to works with federal agencies to ensure Congressional intent is implemented with respect to Alaska's interests. Among many things, the Commission holds hearings to collect public comment on decisions that affect them; disseminates information about historical and new regulation to the public, the Executive branch, and the Legislature; monitors the Federal Register and regularly submits written comment in response to actions that affect Alaska; and helps Alaskans navigate federal permitting processes. While the State's ANILCA program and CACFA both monitor federal actions, CACFA is the only entity that represents the views of Alaskan citizens concerning federal land management plans within the state. The last state audit conducted in 2020 concluded that "there is a continuing public need for the commission." As time passes, institutional memory and ANILCA expertise is lost at both the federal and state level. An active CACFA is critical to ensure that this critical knowledge is preserved, remains accessible to Alaskans, and can be used to defend Alaska. Furthermore, without CACFA, there is no organized center for through which individuals can channel their concerns to the higher levels of government making important land use decisions that impact them. CACFA is an essential tool to ensure that Alaskans have a strong and powerful voice in what happens in our state.

[1:09:52 PM](#)

RYAN MCKEE, Staff, Representative George Rauscher, Alaska State Legislature, on behalf of Representative Rauscher, prime sponsor, gave the sectional analysis for HB 83 [included in the committee packet], which read as follows [original punctuation provided]:

**Sec 1.** - Amends AS 44.66.010(a) creating new subsection (15) reestablishing the Citizens Advisory Commission on Federal Management Areas in Alaska, setting a new sunset date of June 30, 2031.

**Sec 2.** - Amends AS 44.66.010(a), technical change: Removes subsection (10) where CACFA's previous sunset date (June 30, 2021) was listed.

**Sec 3.** - Incorporates transition language to the uncodified law of Alaska establishing the initial term lengths of new appointments to the commission. Thereafter, the term limits outlined in the Commission's statute will take effect.

**Sec 4.** - Sets an effective date of July 1, 2023.

[1:11:05 PM](#)

CHAIR MCKAY announced the committee would hear invited testimony.

[1:11:26 PM](#)

ROD ARNO, Policy Director, Alaska Outdoor Council (AOC), provided invited testimony on HB 83. He stated that from 2007 to 2016 he had been appointed as a commissioner to the Citizens' Advisory Commission on Federal Management Areas in Alaska (CACFA). Before this, beginning in the early 1990s, he had been AOC's executive director. In these roles, he said, he had supported the ability of Alaskans to comment on federal land management programs, which includes the U.S. Department of the Interior, Bureau of Land Management, the U.S. Department of the Interior, National Park Service (NPS), and the U.S. Fish and Wildlife Service. He expressed the importance of the public having a contact point with federal land managers, as federal lands comprise over 60 percent of the state, and resource management plans are carried out yearly. He stated that CACFA had provided forums for the public and lodge owners to speak with commissioners while having the federal land managers in the room. He added that CACFA helped work out conflicts, preventing litigation, and made sure that access provisions in the Alaska National Interest Lands Conservation Act (ANILCA) were being followed by the federal land managers. He stated that there are numerous inholdings within areas of federal lands, with the majority being part of the Alaska Native Claims Settlement Act (ANCSA). He stated that during CACFA's tenure its commissioners would be available in public meetings in rural and urban areas.

[1:14:57 PM](#)

MR. ARNO continued that CACFA had worked on several projects, pointing out it had recommended the petition by the state to the federal government concerning the transfer of management authority of federal lands. He commented that there had been

only two executive directors for CACFA since the 1980s, and "both of them did an excellent job" with little compensation. He continued that both directors had contacts with federal managers, helping resolve conflicts, which was good for residents of the state.

[1:16:11 PM](#)

REPRESENTATIVE SADDLER requested an explanation of the benefit to the public by having CACFA. He asked for an example of a situation where the public may have been unaware of CACFA's influence.

MR. ARNO responded that, with the help of Alaska's congressional delegation, CACFA was able to promote local hires for federal land agency jobs. He stated that individuals who lived on the federal lands were given the opportunity to be the first hires in these agencies. In response to a follow-up question from Representative Saddler, he stated that it is documented in several federal court cases where CACFA was not able to work with federal agencies. He suggested that through the federal government's rulemaking, it is taking over the state's ability to manage. Pointing out the latest instance of this, he stated that NPS might ban bearbaiting in preserved federal lands. He explained that the bearbaiting issue is just one piece, as NPS would give priority to subsistence hunting and fishing, but it would not do any predator/prey management. In other words, NPS would not allow management to increase harvestable surplus on federal lands. He said, "That's kind of like an empty promise of subsistence," as this would allow populations to fall back to the low-level equilibriums seen without management. Per this latest rulemaking, he expressed the opinion that it is "perfectly clear who the park service has listened to." He provided another example from 2015 on the issue of management in [the Kenai National Wildlife Refuge]. On the issue of banning bearbaiting, he said NPS had related that 70,000 comments were submitted in favor of banning bearbaiting and management. He expressed the understanding that 99.9 percent of the comments were from individuals who were not residents of Alaska. He stated that after the rule had been reversed in 2020, another 35,000 comments were submitted opposed to the reversal. He stated that NPS related it was following the mandate of the nation. In reaction to this comment, he said, "I find that pretty hard to believe, with 70,000 comments one time, 35,000 the next time that they perceive ... the nation does not agree with hunting for a food source."

1:20:05 PM

MR. ARNO, in response to a follow-up question, said if CACFA is reinstated, access would be the biggest issue. He referenced the 20,000 miles of land under the [federal] Revised Statute (R.S.) 2477, which had included the old mining trails in the state. He remarked that the state needs more access and pointed out the expense of sending supplies to small villages and the expense of medical access there. He argued that the access would not have to be a paved highway or in the R.S. 2477 lands, as it could be on an ice road. He stated that during the later part of his time on CACFA, before the sunset came into effect, the issue of obtaining more access, even for snowmachines and signage, was an important one. Through work with AOC, he said he has continued to pursue this and ensure adherence to the guarantees given in ANILCA.

1:21:38 PM

REPRESENTATIVE MCCABE expressed appreciation for the testimony. He noted the large fiscal note. He questioned whether spending the money on the front end with mediations and negotiations would be better than spending it later on lawyers, court cases, and travel to Washington D.C.

MR. ARNO responded that when the expense of litigation is considered, including AOC's expenses, the requested funding to reinstate CACFA is very little. During his time with CACFA, he said the executive directors were able to resolve a number of issues between individual Alaskans and federal agencies without litigation. He suggested if a new executive director could be found who is as competent as the last two, for the same money, the money would be well spent. In response to a follow-up question, he stated that "without a doubt" the federal overreach in Alaska has increased without CACFA. He stated that since the recent administration took office in Washington D.C., and without CACFA to make comments on these plans, there has been an "assault" on the land management plans in Alaska. He stated that he has been able to address some issues without CACFA, but he does not have access to the state's federal agency connections. He expressed the opinion that the overreach by the federal government has gotten worse, and without CACFA, the state is unable to address this.

1:25:53 PM

TINA CUNNING, representing self, paraphrased from her written testimony [included in the committee packet], which read as follows [original punctuation provided]:

I worked in the State's ANILCA program from its beginning in 1981 for nearly 30 years in implementation of ANILCA. Since retiring in 2010, I am part of a team that conducts ANILCA training. Recall the Alaska Native Claims Settlement Act of 1971 called for study of federal lands to set aside 80 million acres in special conservation status. For 9 years, there was considerable angst all across Alaska about what would be in the final "D-2" bill as it was called, e.g., how would the millions of acres in conservation units affect remote villages; access for hunting, fishing, and subsistence; development of private and state inholdings; need for utilities, etc. When it became evident that Congress was going to pass a bill setting aside many more millions of acres in special conservation designations than originally envisioned in ANCSA, the Alaska Legislature and Governor worked with a broad representation of rural residents, businesses, communities, AFN, and industry to adopt a bottom line, a list of seven consensus points for Alaska. Negotiations in Congress led to bipartisan adoption of ANILCA in 1980 that included unique protections for the traditional way of life and uses of federal lands in that consensus list. In 1981, the Alaska legislature established CACFA so that Alaskans could be kept informed as ANILCA was being implemented and to protect public uses of federal lands as Congress directed in ANILCA. CACFA was invaluable in helping individual Alaskans work through federal requirements -such as commercial permits for air taxis, sled dog tours, and hunting guides; access to inholdings; and for cabins needed for subsistence and trapping. In the 40+ years since passage of ANILCA, most Alaskans and government employees have forgotten the special provisions for public uses that the Governor, legislature, ANCSA corporations, rural residents, and Senator Stevens and Congressman Young fought so hard for. Most Alaskans do not read the Federal Register every morning with their coffee, but that is exactly what the CACFA Executive Director did in order to watch for actions that impacted ANILCA's implementation. Without CACFA there is no one to help Alaskan's navigate red tape or appeal decisions if a

federal manager simply says no. In contrast, the State's ANILCA program cannot help individual Alaskans. It coordinates with federal agencies on behalf of ANILCA provisions of concern for the state agencies in federal management plans, regulations, and other actions. As an independent Commission, administration politics do not interfere with CACFA's defense of individual Alaskans' rights or other provisions adopted by Congress in ANILCA. The Alaska legislature was wise in establishing this citizen forum to help Alaskans meet their social and economic needs promised in the final deal Congress adopted. Every passing year without CACFA results in lost opportunities for Alaskans, and conflicts over uses go unresolved. I strongly support reauthorization of this independent Commission for the benefit of all Alaskans in implementing ANILCA as Congress intended.

[1:30:04 PM](#)

REPRESENTATIVE SADDLER requested an example of a beneficial situation where the public may have been unaware of CACFA's influence. In an additional question, he asked about the future issues CACFA should be addressing, if reauthorized.

MS. CUNNING responded that CACFA has helped hundreds of guides, operators, and trappers get their permits. She pointed out that the [Legislative Budget and Audit Committee's 2020 audit report] in the committee packet documents CACFA's activities in the last few years of its existence; however, she stated that many activities were not documented. For example, she pointed out that when trappers were told they could not have cabins in rural Alaska, they did not know the regulations or the agency to contact, so they would just accept "no" as the answer. She stated that it is hard to count the protections for individuals in these situations. She referenced the achievement in the local hire project, as ANILCA was able to bypass the federal hiring system to recognize the qualifications in local Alaskans. She stated that federal agencies were able to hire hundreds of seasonal employees through this process. She stated that when the federal government attempted to cancel this program, the detrimental effects for rural Alaskans and federal agencies were realized. She stated that CACFA had made a concerted effort, which resulted in Congress allowing the program to stay in effect.

MS. CUNNING, addressing future issues CACFA should focus on, stated that ANILCA is being reinterpreted, as it is not the public process originally envisioned. She stated that federal agencies are now using online systems for public comment periods; however, most people in the rural areas are dependent upon local meetings, posted notices, and information provided through village councils and other local administrators. She noted that local discussions with federal administrators are declining, as CACFA had been very effective in ensuring there were local discussion groups. She commented that this is not an anti-federal government sentiment, but a comment on the positive effect of proactive communications between federal agencies and Alaskans. She stated that ANILCA is bipartisan, with many requirements for consultation and coordination between various entities, and this part is being diminished. She said that most Alaskans are unaware of this and do not know how to defend their rights.

[1:35:10 PM](#)

REPRESENTATIVE SADDLER commented that the Alaska Public Lands Information Centers were another accommodation for Alaska, and these have joint funding through the federal government and the state. He questioned whether the state and federal governments should share the cost of CACFA.

MS. CUNNING responded that there would be no reason for the cost to be shared. She explained that, by regulation, the federal government has processes for taking public comments and appeals; therefore, there would not be a reason for the federal government to help fund CACFA.

[1:36:33 PM](#)

TED SPRAKER, President, Kenai Peninsula Chapter of Safari Club International, gave invited testimony on HB 83. He pointed out the expertise of the previous two testifiers. He shared that the Kenai Chapter has around 150 members, with its annual fundraiser expecting around 500 attendees, while the Safari Club International Alaska Chapter expects around 900 attendees for its fundraiser. Referencing difficulty working with the federal system, he stated that when he was on the Board of Game many people came with questions about access, in particular trappers who had problems building line cabins on federal lands. He stated that he had related that the Board of Game was not the right avenue for these questions, and the individuals would often "give it up." He stated that when the individuals were

directed to CACFA, the advisory group was able to help them. He voiced the opinion that the most important up-coming point concerns the NPS's proposed rule for [banning bearbaiting]. He stated that there would be many questions if this goes forward. He gave the example of a guide in Alaska with a concession for three game-guide areas, with two of the areas on federal land. The new rule would leave this guide with only one area for hunting bears, and he suggested because of this the guide's business would fail. He expressed the concern that without CACFA, institutional knowledge will be lost. Because ANILCA is extremely complex, he suggested that over time, federal managers would do "what they want," and tax dollars would be spent fighting this in court. He stressed that CACFA needs to be reinstated as a go-between organization.

[1:41:12 PM](#)

CHAIR MCKAY questioned whether CACFA would replace outside consultants, hired either by the legislature or by individuals. If so, he questioned whether there would be more power to fight this activity.

MR. SPRAKER, in response, stated the federal issue has escalated, and reinstating CACFA would save the state lawyer fees over time.

[1:41:55 PM](#)

CHAIR MCKAY questioned the time it would take for CACFA to be functioning.

REPRESENTATIVE RAUSCHER answered that the proposed legislation could be enacted on July 1, 2023, and the commission could start business after appointments are made.

[1:43:08 PM](#)

REPRESENTATIVE RAUSCHER, in response to Representative Mears, stated that the funding is set up for staffing, similar to the past.

[1:43:52 PM](#)

REPRESENTATIVE SADDLER pointed out the fiscal note shows a range 23 Large Project Coordinator position. He questioned the past executive director's location and pay range.

MS. CUNNING responded that the answer to the question is covered in the audit report and expressed the belief this position's range is 21 or 23. She said when the commission was originally established it had more staff, but after reinstatement in 2007, only one full-time executive director position existed with the ability to hire one full-time assistant. She stated that CACFA was attached to the Department of Natural Resources (DNR) for administrative purposes only, as DNR did not have oversight. She stated that in the past, once the commissioners were appointed, an executive director would be hired. She remarked that the fiscal note specifies a Large Project Coordinator position. She suggested that there should be some discussion about this.

[1:47:12 PM](#)

MR. ARNO added that CACFA was first housed in the DNR office in Fairbanks. The offices were then moved to the airport in Palmer. He said the onus was on the commissioner of DNR to find a space without additional expense. He offered his understanding that the job was a range 23.

[1:48:20 PM](#)

REPRESENTATIVE DIBERT questioned why CACFA was allowed to sunset.

REPRESENTATIVE RAUSCHER responded that last session the reinstatement of CACFA had passed through the House, but it did not make it through the Senate Rules Standing Committee, so there was a gap year.

[HB 83 was held over.]

[1:49:52 PM](#)

The committee took an at-ease from 1:49 p.m. to 1:54 p.m.

#### **HB 49-CARBON OFFSET PROGRAM ON STATE LAND**

[1:54:23 PM](#)

CHAIR MCKAY announced that the final order of business would be HB 49, "An Act authorizing the Department of Natural Resources to lease land for carbon management purposes; establishing a carbon offset program for state land; authorizing the sale of carbon offset credits; and providing for an effective date." [Before the committee, adopted as a working document on 3/8/23,

was the proposed committee substitute (CS) for HB 49, Version 33-GH1372\S, Dunmire, 3/3/23, ("Version S").]

[1:54:25 PM](#)

CHAIR MCKAY opened public testimony on HB 49.

[1:55:28 PM](#)

KEN HUCKEBA, representing self, testified in opposition to HB 49. He argued that no legislator authored or sponsored the bill, and it is being rushed for emergency passage. He expressed disbelief that the establishment of carbon credits by the state would not be connected to the World Economic Forum (WEF), or the environmental, social, and governance (ESG) [directive]. He expressed the understanding that the WEF's goal is the "complete cessation of fossil fuels." He stated that Anew [Climate] and Verra are both nongovernmental organizations which would profit from the carbon credit currency and are partners of WEF. He pointed out a series of articles titled, "ESG in Alaska DNA," in the Petroleum News, which was authored by a previous commissioner of the Department of Natural Resources. He said, "It would be hard to believe that these sentiments are not shared with or known by the administration."

MR. HUCKEBA continued by voicing the idea that "ESG is simply a new method for socialism and Marxism," which is contributing to the "obliteration and cessation of fossil fuels." He noted that the [proposed legislation] does not mention further review, control, audit, or inspections; therefore, the commissioner and director would have all control, and the WEF partners would do the credit evaluations. He expressed the opinion that engaging in carbon trade is a "grift" because it would create a tax, which would be on individuals and companies producing goods and services, with no benefit. He opined that the Willow Project is an example of these policies, as "extremist" WEF lawyers were able to delay and degrade the project with "their unprecedented and mysteriously never-argued inclusions in an already-approved environmental impact statement."

[1:58:16 PM](#)

KASSIE ANDREWS, representing self, testified in opposition to HB 49. She began by questioning the inherent net value of carbon dioxide. She concluded that carbon dioxide has no value as a commodity because it cannot be consumed or used to heat homes. She questioned why [the proposed legislation] is being

acknowledged because carbon dioxide is not a part of the economic system of supply and demand. She suggested that if a net gross domestic product were not being created, there would be a subsidy paid by taxpayers. She pointed out that wind and solar projects do not function without subsidies.

1:59:30 PM

[Due to technical difficulties, the audio was indiscernible, and Ms. Andrews' testimony resumed at 2:14 p.m.]

2:00:09 PM

MATT JACKSON, Southeast Alaska Conservation Council (SEACC), stated that SEACC has worked in depth on forest management issues on federal and state lands in Southeast Alaska for more than 50 years, and through this work, the council has acquired a good amount of institutional knowledge. He expressed agreement with some of the testifiers and the governor that HB 49 and carbon offset programs would have nothing to do with climate change; however, he continued that SEACC believes carbon credits could be a useful tool for land managers and a revenue source for the state. He stated, if the proposed legislation goes forward, SEACC advises that to enter into the carbon registry there would need to be more requirements, as obtaining forest inventories and sustainable forest certifications. He added that having forest management data sets should also be a requirement. He expressed the hope that the legislature takes a realistic look at the cost.

MR. JACKSON continued that SEACC is making two suggestions to improve the proposed legislation's ability to maximize the revenue the state would receive from the sale of carbon credits. He suggested that the lease be increased from a 55-year program to a 99-year program. He stated there is a premium in permanence in longer-term projects, as they would bring in more revenue. In a second point, he suggested that the proposed legislation include the concept of "leakage." He said this is an industry term for carbon, which was stored in one place but leaked because of emission activities elsewhere. He gave the example of the state selling carbon storage in the Haines State Forest, while reducing timber harvest there. However, if the timber harvest on Prince of Wales Island increased, this would be leakage. He described leakage as an essential concept in carbon markets, and preventing this is an essential part of valuable carbon offsets. He continued that addressing leakage in the proposed legislation would increase the revenue of

potential carbon credit programs. He thanked the committee and offered to provide resources and answer any questions.

[2:03:12 PM](#)

LYDIA SHUMAKER, representing self, testified in opposition to HB 49. She paraphrased from a written statement [included in the committee packet], which read as follows [original punctuation provided]:

Firstly I will be addressing SEC 38.95.430 for the offset revenue fund on page 6:

As explained in the hearing on Monday the 13th, the revenues would not be going into the permanent fund but would go into a separate fund to pay for the expenses of this boondoggle. Although the chair chooses to hold this public testimony before receiving the up-dated fiscal notes, we can see that there is an expected expense to the people of Alaska of One Million, Eight Hundred Sixty-Seven Thousand, Eight hundred dollars (\$1,867.80) across the three fiscal notes. Now, if HB 50 was any example, the fiscal notes will be walked back in order to encourage this bill to be forced through the legislation. However, if the work was put in before this bill was presented, it should be safe to assume this is an accurate cost, singularly for the one-year period of 2024. Also note, there is no expected revenue presented still because this entire scheme is too unknown to have accurate numbers. Secondly, I will be addressing Page 6 under definitions; item number 4 "Carbon offset project"; Last Friday, we heard in testimony (given by a conflict of interest), that if Alaska makes it a law to manage the forests in a manner different than what we currently are, that could disqualify us from the carbon capture market. By Definition, this bill must install a "framework legislation" that DOES change the law as it clearly states "... similar land and resource management measures that mitigate greenhouse gases by increasing the carbon stock on state land". This is placing the carbon fiat market into the law, by definition, as a priority which will inherently alter the way Alaska manages the forests, voiding the goal of the legislation.

Lastly, I will be addressing points made by your own invited public testimony, which are companies that work with the World Economic Forum:

1) Although this framework states 55 years, it has been expressed that the market preferred time span is 100 years. Alaska has only been a state for 64 years, and should not get married to a fiat currency and WEF market for almost the same length of time. We have come a long way in 64 years, and if our legislators were really pro-Alaska, we would be seeing an increased amount of growth in the next 55 years.

2) We cannot use forests that are inaccessible due to terrain grade. Also, companies would prefer to clear-cut instead of clearing a percentage due to cost. There is simply not enough PRACTICALITY in this bill to even consider joining this "new green deal" replacement.

3) Everyone tries to reference the native CORPORATIONS as a shining light for this bill. I would remind you that the GOVERNMENT is NOT a CORPORATION.

4) Lastly, joining any carbon fiat currency is ESG and the people of Alaska view this just like porn. If you don't want to support human trafficking, don't watch porn or partake in that market. If you don't want to support the ESG poverty that we KNOW happens, don't partake in this market.

[2:05:52 PM](#)

TODD LINDLEY, representing self, testified in opposition to HB 49. He stated that the proposed legislation has been referred to as the "tree bill;" however, he expressed the opinion that it should be called the "density bill," because trees per acre would be used as the metric for measuring the amount of carbon offset; thus, the higher the tree density, the more carbon offset. He stated that this would set up a framework for companies to offset their carbon emissions by leasing the state's forest. He referenced Anew Climate's whitepaper study on Alaska's forest, identifying 300,000 acres for a pilot project. He estimated that the average density of the state forest is 113 trees per acre. Converting this to barrels of oil, he related that 300,000 acres of forest in Alaska would be

worth 14,000 barrels of oil. In other words, he explained that Alaska's forest would become an asset [for companies outside of the country]. He continued that for the forests to be on the exchange, they would have to remain in protected status. He voiced the opinion that Verra, a company that manages carbon offsets, is a WEF partner. He continued that Verra also confirmed it is a nonprofit; however, it is incorporated in Columbia. He questioned why a foreign entity would be giving invited testimony to the committee and petitioning support for legislation in the state. He argued that the legislature was negligent by not performing due diligence on Verra. Based on the proposed land usage and taxation, he argued that HB 49 needs to be removed from the ledger completely.

CHAIR MCKAY requested that Mr. Lindley forward information on the whitepaper study he referenced to the committee.

[2:08:29 PM](#)

BERT HOUGHTALING, representing self, testified in opposition to HB 49. He expressed disgust that the legislature has "bought into this ESG scam." He questioned whether the legislators are being paid by WEF to push "this Green New Deal scam."

CHAIR MCCAY interjected that no one in the committee is receiving "any kind of compensation," and he challenged the statement.

MR. HOUGHTALING recommended that the legislators "take their horse blinders off and quit looking at the carrot the federal government keeps pushing at the end of the stick." He suggested that invited testifiers had been indoctrinated by WEF. He expressed suspicion that the rules would be changed because carbon credits would be under the control of WEF, not Alaskans. He said, "I wish we could be more like Saudi Arabia, who was able to accomplish \$161 billion in sales of oil in this last past year." He compared this with \$14 billion in oil sales in Alaska. He stated that Saudi Arabia's cost for production of oil is \$6 per barrel, while it is \$68 per barrel in Alaska. Calling the legislation "a scam," he voiced the idea that it would increase everyday costs, and the discussion needs to be tabled or disregarded completely.

[2:11:35 PM](#)

KARA MORIARTY, Lobbyist, Alaska Oil and Gas Association (AOGA), provided testimony on HB 49. She stated that AOGA represents

the majority of the companies that are exploring, developing, producing, transporting, marketing, and refining oil and gas in Alaska. She stated that AOGA's mission is to advocate for the long-term viability of the oil and gas industry in the state and it "applauds" the governor's efforts to continue Alaska's tradition of responsible and innovative resource development. She continued that AOGA supports an approach that incorporates carbon-offset programs into voluntary carbon-reduction targets. She recommended that the final framework of a carbon-offset program should be consistent with Alaska's constitutional principles of preserving multiple-use land access for all Alaskans, and this should be maintained through future administrations. She stated that Alaska is uniquely positioned to be a leader in the emerging carbon-offset industry, and AOGA looks forward to learning about the process and the proposed legislation.

[2:14:20 PM](#)

MS. ANDREWS repeated a portion of her earlier testimony that had begun at 1:58 p.m. and was interrupted because of technical difficulty. Continuing, she stated that even if wind and solar energy are not economically viable, they are defensible because of the electrical output provided. She expressed the understanding that legislators have made comments concerning that tax credits "may be the single biggest incentive for companies to participate" [in the carbon market]. She concluded that tax credits are the only reason the proposed legislation exists, so this would be "another government subsidy with a fraud rating of 90 percent." She questioned the need for the [proposed] legislation, as it would allow companies to come to the state and "partake in this fraud." She voiced the opinion that the state is being lied to on this topic, comparing it to the process that helped [the federal government enact the Affordable Care Act]. She reasoned that when debate begins in defense of what something is not, the concept is fundamentally flawed. She likened this to the claims that the proposed legislation is not ESG or connected with WEF. She said, "People are not stupid and honestly that is what the supporters of this bill are depending on."

[2:16:44 PM](#)

CHAIR MCKAY, after ascertaining that there was no one else who wished to testify, closed public testimony on HB 49.

[2:16:53 PM](#)

The committee took an at-ease from 2:16 p.m. to 2:17 p.m.

[2:17:20 PM](#)

CHAIR MCKAY announced that HB 49, Version S, was held over.

[2:18:05 PM](#)

**ADJOURNMENT**

There being no further business before the committee, the House Resources Standing Committee meeting was adjourned at 2:18 p.m.