

ALASKA STATE LEGISLATURE
SENATE RESOURCES STANDING COMMITTEE

April 21, 2023

3:34 p.m.

MEMBERS PRESENT

Senator Click Bishop, Co-Chair
Senator Cathy Giessel, Co-Chair
Senator Bill Wielechowski, Vice Chair (via teleconference)
Senator Forrest Dunbar
Senator Matt Claman

MEMBERS ABSENT

Senator Scott Kawasaki
Senator James Kaufman

COMMITTEE CALENDAR

SENATE BILL NO. 82

"An Act relating to the powers of the Alaska Commercial Fisheries Entry Commission; relating to administrative areas for regulation of certain commercial setnet entry permits; establishing a buy-back program for certain setnet entry permits; providing for the termination of state setnet tract leases under the buy-back program; closing certain water to commercial fishing; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 68

"An Act relating to public notice for a sale, appropriation, or removal of water, or for filing a declaration of a right of water; and providing for an effective date."

- HEARD & HELD

SENATE BILL NO. 48

"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: SB 82

SHORT TITLE: COOK INLET: NEW ADMIN AREA;PERMIT BUYBACK

SPONSOR(s): SENATOR(s) BJORKMAN

02/24/23 (S) READ THE FIRST TIME - REFERRALS
02/24/23 (S) RES, FIN
04/17/23 (S) RES AT 3:30 PM BUTROVICH 205
04/17/23 (S) Heard & Held
04/17/23 (S) MINUTE(RES)
04/21/23 (S) RES AT 3:30 PM BUTROVICH 205

BILL: SB 68

SHORT TITLE: PUBLIC NOTICE FOR WATER RIGHTS

SPONSOR(s): SENATOR(s) GIESSEL

02/10/23 (S) READ THE FIRST TIME - REFERRALS
02/10/23 (S) RES
03/15/23 (S) RES AT 3:30 PM BUTROVICH 205
03/15/23 (S) Heard & Held
03/15/23 (S) MINUTE(RES)
03/24/23 (S) RES AT 3:30 PM BUTROVICH 205
03/24/23 (S) <Bill Hearing Canceled>
04/19/23 (S) RES AT 3:30 PM BUTROVICH 205
04/19/23 (S) Heard & Held
04/19/23 (S) MINUTE(RES)
04/21/23 (S) RES AT 3:30 PM BUTROVICH 205

BILL: SB 48

SHORT TITLE: CARBON OFFSET PROGRAM ON STATE LAND

SPONSOR(s): RULES BY REQUEST OF THE GOVERNOR

01/27/23 (S) READ THE FIRST TIME - REFERRALS
01/27/23 (S) RES, FIN
02/24/23 (S) RES AT 3:30 PM BUTROVICH 205
02/24/23 (S) Heard & Held
02/24/23 (S) MINUTE(RES)
04/21/23 (S) RES AT 3:30 PM BUTROVICH 205

WITNESS REGISTER

KEN COLEMAN, President
Eastside Consolidation Association
Kenai, Alaska

POSITION STATEMENT: Provided invited testimony in support of SB 82.

SENATOR JESSE BJORKMAN, District D
Alaska State Legislature
Juneau, Alaska
POSITION STATEMENT: Sponsor of SB 82.

PAT ZURFLUH, representing self
Scottsdale, Arizona
POSITION STATEMENT: Testified in support of HB 82.

JOANN WITHERS, representing self
Alaska
POSITION STATEMENT: Testified in support of SB 82.

RUSSEL CLARK, representing self
Kenai, Alaska
POSITION STATEMENT: Testified in support of SB 82.

GARY HOLLIER, representing self
Kenai, Alaska
POSITION STATEMENT: Testified in support of SB 82.

GEORGE TOWNSEND, representing self
Kenai, Alaska
POSITION STATEMENT: Testified in support of SB 82.

JOHN MANLEY, representing self
Kenai, Alaska
POSITION STATEMENT: Testified in support of SB 82.

BRUCE MANLEY, representing self
Kasilof, Alaska
POSITION STATEMENT: Testified in support of SB 82.

LISA GABRIEL, representing self
Kenai, Alaska
POSITION STATEMENT: Testified in support of SB 82.

MARILYNN KEENER, representing self
Kenai, Alaska
POSITION STATEMENT: Testified in support of SB 82.

RANDY MEIER, representing self
Kasilof, Alaska
POSITION STATEMENT: Testified in support of SB 82.

JEFF BEAUDOIN, representing self

Kasigluk, Alaska

POSITION STATEMENT: Testified in opposition to SB 82 as currently written.

TODD LINDLEY, representing self

Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 48.

KEN HUCKEBA, representing self

Wasilla, Alaska

POSITION STATEMENT: Testified in opposition to SB 48.

LYDIA SHUMAKER, representing self

Wasilla, Alaska

POSITION STATEMENT: Testified in opposition to SB 48.

KASSIE ANDREWS, representing self

Anchorage, Alaska

POSITION STATEMENT: Testified in opposition to SB 48.

BERT HOUGHTALING, representing self

Big Lake, Alaska

POSITION STATEMENT: Testified in opposition to SB 48.

GEORGE PIERCE, representing self

Kasilof, Alaska

POSITION STATEMENT: Testified in opposition to SB 48.

KEN GRIFFIN, representing self

Wasilla, Alaska

POSITION STATEMENT: Testified in opposition to SB 48.

ACTION NARRATIVE

[3:34:00 PM](#)

CO-CHAIR BISHOP called the Senate Resources Standing Committee meeting to order at 3:34 p.m. Present at the call to order were Senators Dunbar, Claman, Wielechowski (via teleconference), Co-Chair Giessel, and Co-Chair Bishop.

SB 82-COOK INLET: NEW ADMIN AREA;PERMIT BUYBACK

[3:34:54 PM](#)

CO-CHAIR BISHOP announced the consideration of SENATE BILL NO. 82 "An Act relating to the powers of the Alaska Commercial Fisheries Entry Commission; relating to administrative areas for regulation of certain commercial setnet entry permits;

establishing a buy-back program for certain setnet entry permits; providing for the termination of state setnet tract leases under the buy-back program; closing certain water to commercial fishing; and providing for an effective date."

CO-CHAIR BISHOP noted that this was the second hearing and the committee would hear invited testimony from Ken Coleman.

[3:35:21 PM](#)

KEN COLEMAN, President, Eastside Consolidation Association (ECA), Kenai, Alaska, explained that ECA is a nonprofit that was formed about six years ago to effect a change in setnet permits on the east side of Cook Inlet through a voluntary gear buyback program. Cook Inlet has five setnet districts and current law does not permit an optimization program for just one district. It would apply throughout Cook Inlet, not just the east side. SB 82 presents a solution to segregate the east side.

[3:38:22 PM](#)

MR. COLEMAN began the presentation on SB 82 by discussing the following goals:

- Reduce the number of setnet permits and nets on the Eastside of Cook Inlet
- An economically viable and sustainable setnet fishery
- Sustainable escapements into our rivers
- Reasonable harvest opportunity for ALL user groups
- Work Collaboratively in Upper Cook Inlet for the FISH
- Passage of SB 82: Cook Inlet: New Admin Area: Permit Buyback and Gear Reduction Act

CO-CHAIR BISHOP asked the sponsor to introduce himself.

[3:39:24 PM](#)

SENATOR JESSE BJORKMAN, District D, Alaska State Legislature, Juneau, Alaska, sponsor of SB 82, introduced himself.

[3:39:54 PM](#)

MR. COLMAN continued to slide 3 to describe the Eastside Consolidation Association. The slide read as follows:

The Eastside Consolidation Association. Who are we?

The Eastside Consolidation Association (ECA) is a Qualified Salmon Fishery Association as identified in AS 16.40.250.

The ECA was formed as a non-profit and is licensed by the State of Alaska as required by AS 10.20, in addition is registered with the federal and the Internal Revenue Code as a Section 501(c)(5) non-profit.

ECA was formed to promote the consolidation of the Cook Inlet setnet fishery, primarily by fleet reduction through buyback of permits and locations. Further, our position is that such reduction occurs in the Upper Subdistrict of the Central District, commonly known as the "Eastside Setnet Fishery".

Our Board of Directors is comprised of limited entry permit holders as required.

MR. COLMAN continued to slide 4 that has family pictures and the following description:

WE ARE EASTSIDE SETNETTERS

We are fathers and mothers, we are grandparents, we are children, sons and daughters, we are families. We are a community filled with generations of setnetting families. We are an important part of our local history. Setnetting is not just a job to us.

Setnetting defines us, it is who we are.

[3:40:58 PM](#)

MR. COLMAN advanced to slide 5, " EASTSIDE SETNET HISTORY," and spoke to the following:

For over 150 years these salmon have been feeding people both locally and all over the world. This rich, renewable resource was first exported in the 1840s when ships from America and other nations began fishing in Alaskan waters and delivering salted salmon to ports around the world.

The first cannery in Cook Inlet was built at the mouth of the Kasilof River in 1882. Six years later the first salmon cannery was constructed on Kenai River.

By 1892, thirty-seven canneries had been built in Alaska.

Gillnets had been used to some degree in the silty waters of Cook Inlet from the beginning. Setnetters fished between traps in the early days. After fish traps were outlawed, independent fishermen continued to catch salmon with gillnets to be sold at the canneries.

[3:41:29 PM](#)

MR. COLMAN advanced to slide 6, "UPPER COOK INLET SETNET AREA." The graphic on the left identifies the eastside as Boulder Point on the northern end and down the beach about 60 miles to Ninilchik on the southern end. North of the Kenai River nets can be put out one nautical mile from the beach; south of the river nets can be put out 1.5 nautical miles. He reviewed the following data on the right side of the slide:

- 736 Setnet permits in Upper Cook Inlet
- 5 districts:
 - Northern District
 - Kalgin Island District
 - Western District
 - Southern District
 - Central District Upper (Eastside)
- The Eastside spans approximately 60 miles and is home to the two most popular rivers in the State of Alaska: The Kenai and Kasilof Rivers.
- The Cook Inlet fleet reduction opportunity will only be available to the Eastside setnet fishery.

[3:43:16 PM](#)

MR. COLMAN skipped to slide 8, "1984 "PERMIT MIGRATION TO THE EASTSIDE," and spoke to the following:

In the mid to late 1980s, after record breaking sockeye runs to the Kenai and Kasilof Rivers, there was a mass movement of Cook Inlet setnet permits to the Eastside from other Cook Inlet districts.

Setnetters at that time were looking for more lucrative fishing and processing capability. A Cook Inlet permit allows a permittee to move anywhere in Cook Inlet making the migration legal. However, in the upper subdistrict known as the Eastside Setnet site,

the permittee is required to register their intent to fish a specific statistical area.

Although the total number of permits in Cook Inlet have not changed, the migration to the Eastside doubled the number of nets fishing around the Kenai and Kasilof Rivers.

3:44:48 PM

MR. COLMAN advanced to slide 9, MECHANISM FOR REDUCING PERMITS & CLOSING WATERS." He stated that there was fish for all parties and enhancement became a thing of the past. Runs weren't as robust, there were more sport and personal use fishers and the world got a little smaller for setnetters. Everybody was competing for the same resource and it became apparent that change was warranted. The following is a potential solution to increase financial viability to the fishery:

SB 82 Cook Inlet: New Admin Area: Permit Buyback and Gear Reduction Act

"An Act relating to the powers of the Alaska Commercial Fisheries Entry Commission; relating to administrative areas for regulation of certain commercial setnet entry permits; establishing a buy-back program for certain setnet entry permits; providing for the termination of state setnet tract leases under the buy-back program; closing certain water to commercial fishing; and providing for an effective date."

3:47:01 PM

MR. COLMAN displayed slide 10, "Reducing Permits," and spoke to the following:

- 736 Cook Inlet Permits
- 440 permits registered to the Eastside (2022 Season)
- Senate Bill 82 currently proposes to remove 200 or more Eastside permits
- 440 permits = 1,320 nets on the Eastside today
- 200 permits = 600 nets on the Eastside removed
- After fleet reduction: some 240 permits or less = 720 Eastside nets or less could remain

MR. COLEMAN noted that the language in the bill says 200 or more permits may leave, but at this point the request is for 200 permits to leave the fishery voluntarily.

[3:48:40 PM](#)

MR. COLEMAN advanced to slide 11, "CLOSING WATERS-REMOVING NETS," and spoke to the following:

- Roughly 44% of fishing permits in Cook Inlet have leases assigned to them
- A lease is not mandatory to setnet in Cook Inlet
- The most crucial element of SB 82 is closing vacated tideland waters on the Eastside

If a setnetter voluntarily decides to participate in the gear reduction program that SB 82 creates, the immediate tideland area associated with their permit will be retired. It is important to note that without the closure of the associated immediate tideland area, the result could be a re-migration into vacated net locations. It is important that there be no re-migration or backfill of permits and nets into the retired net locations. Without the "closed water" feature of SB 82, it would result in a repeat of the 1980's migration and the diluting of the financial prospects and stability for setnetters who remain

[3:49:41 PM](#)

MR. COLEMAN advanced to slide 12, "VOLUNTARY REDUCTION APPROVED BY FLEET," and spoke to the following:

In 2021, former Senator Micciche conducted a survey of the registered permit holders in the Eastside Setnet fleet. 56% (229) responded to the following question:

1. Do you support the concept of voluntary fleet reduction program for the Cook Inlet setnet fishery that would cost nothing to those who do not participate and remain fishing?

An astounding 92.4% responded that they were in support

MR. COLEMAN underscored that the bill does not ask for any state funds for the buyback.

MR. COLEMAN advanced to slide 13, "ESTIMATED VALUE," and spoke to the following:

When a setnet permit and the accompanying tidal areas are retired, the result is a small business that will be retired forever.

The estimated value of \$260,000 was determined by taking the average earnings of a setnet permit each year over the prior ten years. Equivalent to an average of \$20,000 per year, per permit. Adding a number for tax implications, if volunteer participating fishermen are included in a buyback program, they would exit the fishery with a \$200,000 sale for a small business that in many cases has been in existence for generations.

The remaining permits will gain value and will have a higher price point in their gross earnings per year.

[3:52:15 PM](#)

MR. COLEMAN advanced to slide 14, "REDUCTION IN SETNET PERMITS," and conveyed the following:

For 46 years Upper Cook Inlet Setnet permits have seen a decrease from 746 to 736 permits today. 84% of those permits are owned by Alaska residents.

As a setnet permit is retired, three nets will be permanently removed from the waters on the Eastside of Cook Inlet.

As a result, a higher percentage of the available fish on a certain day may be harvested by the remaining sites, yet will provide a higher percentage of fish moving to the rivers overall. Reducing the nets by 600 will result in a Chinook and Sockeye harvest savings.

SB 82 is the mechanism moving forward to provide the Eastside setnet fleet the opportunity and the capability of harvesting sockeye while reducing the harvest of non-targeted Chinook salmon in accordance with current regulations.

[3:53:43 PM](#)

MR. COLEMAN continued to slide 15, "Fighting to remain viable - ESSN Sockeye Harvest." The chart shows the steady decline in the

commercial harvest of sockeye salmon in the East Side Setnet fishery from 1990 through 2021. He highlighted that the people who are volunteering for the buyback want to continue to fish, but in a different area.

3:54:07 PM

MR. COLEMAN advanced to slide 16, "FUTURE GENERATIONS," and spoke to the following:

The Cook Inlet Eastside Setnet fleet reduction will work to ensure a sustainable and financially stable setnet fishery that will be around for future generations.

We will continue to work with In - River user groups to ensure that the fish entering the rivers are harvested responsibly and sustainably.

Healthy limits on every user group will ensure there will be healthy sustainable fisheries for generations to come. By forming partnerships between user groups through open dialog and collaboration, we can protect our resource while enjoying its many benefits well into the future.

MR. COLEMAN continued to slide 17, "COLLABORATION BY USERS," and spoke to the following:

- Cook Inlet setnet permits have decreased in the past 46 years. An Eastside setnet fleet reduction will be a start to the solution.
- The Kenai River is home to the largest dipnet fishery in the State of Alaska. This fishery has increased in participation in the last 20 years. Eastside setnetters will continue to work with the Board of Fisheries to ensure healthy returns are achieved to maximize harvestable surplus.
- The Kenai River In-river Sport fishery has increased in the last 20 years. Eastside setnetters look forward to working with In-River user groups to ensure healthy, strong and sustainable runs.
- Eastside setnetters will step forward to work collaboratively to repair the contentious environment that surrounds Upper Cook Inlet Fisheries. We look forward to other users joining the conversation. The next generation and our

State of Alaska deserve respectful dialog in the search for collaborative solutions.

[3:55:31 PM](#)

MR. COLEMAN displayed slide 18, "Letter to Erin" from Meezie Hermansen and posited that it would pull on members' heartstrings if they took the time to read it. The letter read as follows:

I have fished every Upper Cook Inlet salmon season of my life. Forty-five years, minus however long I was in diapers. I have never lived without fishing. I have never lived without fish.

Seasons have been bountiful. Nets sunk. Fighting against wind and tide and regulations to get our gear in on time. Long hours spent bent over picking sockeye after sockeye until my hands were sore, my back was sore, my being was sore – and I smiled. It was the best kind of sore. Seasons have been bleak. Waterhauls and a narrative running from, "it's still early," to "everything is running late this year," to "well, there's always next year."

Good years or bad, it has all been satisfying. Fishing is not just something I do, it is who I am. It is my passion. And my identity. Political pressures grew along with the population. Our voice doesn't carry. What does this one little fishery matter? But to those of us who grew up in it, those whose families have fished these beaches since the Territorial days of Alaska, it seems like everything.

Most of us work other jobs in the off-season. I strove to become a veterinarian, and it is a profession I am extremely proud of. I love my work, yet here is the difference. I became a veterinarian. I was born a fisherman. People ask what it is like, being a woman commercial fisherman. I tell them I don't know. I am not trying to be cryptic; the truth is, I knew I was a fisherman before I knew I was a woman.

I am not naive. I see the handwriting on the wall. One of these days, my fishery will merely be a small anecdote in Alaskan history. My most terrifying day of fishing hasn't happened yet. But I fear it is close. The day they close our fishery, the day I have to

figure out who I am when I am not a fisherman... That will be my most terrifying day.

[3:55:56 PM](#)

CO-CHAIR BISHOP asked the sponsor if he had any comments.

SENATOR BJORKMAN reminded the committee and public that the setnet buyback proposed in SB 82 is optional for the fishermen in the Cook Inlet East Side Setnet fishery. The funding to purchase the permits will come from non-governmental organizations (NGOs) or federal grants from organizations like the National Oceanic and Atmospheric Administration (NOAA). The bill and program will not have a negative impact on the state treasury. He noted that conservation issues regarding Chinook salmon in the Kenai River and allocative decisions by the Board of Fisheries in managing populations of king and sockeye salmon on the east side of Cook Inlet have caused economic troubles for this fishery. SB 82 can relieve some of those troubles and put the fishery back on an economically viable track.

CO-CHAIR BISHOP commented that something about fish generates a lot of interest.

[3:58:18 PM](#)

CO-CHAIR BISHOP opened public testimony on SB 82.

[3:58:32 PM](#)

PAT ZURFLUH, representing self, Scottsdale, Arizona, stated that he had been a setnetter in the upper Cook Inlet south of the Kenai River for 45 years. He has a small operation and he can't make any money fishing one or two days a season. He stated support for the buyback proposed in SB 82.

[3:59:25 PM](#)

JOANN WITHERS, representing self, Alaska, stated support for SB 82. She and her family own five setnet permits in Cook Inlet and she's been fishing with family for more than 36 years. It's a good way of life that contributes to feeding the world, provides income for the family, and supports the Kenai Peninsula. The buyback program is a way for this fishery to survive. A reduction in the setnet fleet and the closing of those waters to commercial fishing will enhance the Kenai River, improve the opportunities for in-river fishing, and give commercial fishermen more fishing time.

[4:00:45 PM](#)

RUSSEL CLARK, representing self, Kenai, Alaska, stated that he and his family have fished Cook Inlet for more than 20 years and he sees SB 82 as a win-win. It will bring money into the community and help stabilize a fishery that is in dire need of help. It will provide an opportunity for some fishermen to retire, which will help the fishermen that are left. It's a benefit to both. He stated support for SB 82.

[4:02:25 PM](#)

GARY HOLLIER, representing self, Kenai, Alaska, stated that he has been setnet fishing on the east side of Cook Inlet for 52 years. He is an original limited entry permit holder and his family now has a nine-permit operation. He related that he runs a buying station and a survey of 48 permit holders found that they were all in support of this buyback; 32 permit holders indicated they would volunteer to participate. He opined that SB 82 will be good for the entire fishery - commercial, personal use, and sport. The remaining fishers may catch more fish but a vast majority will make it into the river and ameliorate some of the problems on the Kenai River. He highlighted that 82 percent of setnetters are Alaska residents and the program proposes to use no state money. He said the bill has been before the legislature for the last four years and he finds it appalling that it hasn't made it out of Senate Finance. He underscored that SB 82 is a win-win for all parties and urged its passage.

[4:04:48 PM](#)

GEORGE TOWNSEND, representing self, Kenai, Alaska, stated that he has commercial fished since age 18 and setnet fished in Kasilof since 1984. He opined that the East Side Buyback Program is the only thing that makes sense for the future. Fewer nets in the water will help make the fishery profitable again. He thanked everyone who had worked to push SB 82 forward.

[4:05:50 PM](#)

JOHN MANLEY, representing self, Kenai, Alaska, stated that he had commercial fished for a long time. Importantly, and like most setnetters, he lives in the area. He agreed with the previous testimony that SB 82 is a win-win for all parties. He too does not understand why it hasn't passed in previous years.

[4:06:19 PM](#)

BRUCE MANLEY, representing self, Kasilof, Alaska, stated that he had fished as a permit holder since 1975 and he completely supports SB 82. He thanked Senator Bjorkman for sponsoring the bill and Mr. Coleman for his time advocating for the legislation.

[4:07:09 PM](#)

LISA GABRIEL, representing self, Kenai, Alaska, stated support for SB 82. She and her husband have owned and operated a family setnet site on Kalifornsky Beach since 1987. Their children, grandchildren, and her parents are part of the operation. Each member, regardless of age, has a purpose and value on the family beach site. East Side setnet fishing has declined dramatically over the last 30 years. The increased pressure on all salmon species by all users has landed setnet fishermen on the beach for much of the fishing season. She and her husband are the stewards of the number 1 and number 2 shore fishery leases in Cook Inlet. These legacy sites have survived since Territorial Days. They hope to return them to the productive sites they were in the past but this year they face full closure. This is not because of the decline in the sockeye run but because their nets might catch a king salmon. She described the situation as dire and opined that SB 82 is the solution to return financial viability and fishing opportunities to the historic east side setnet fishery. She recapped what the bill proposes to do and thanked Senator Bjorkman for introducing it.

[4:09:51 PM](#)

MARILYNN KEENER, representing self, Kenai, Alaska, stated that she and her husband raised their children as fourth generation east side setnet fishermen, and they all support SB 82.

[4:10:15 PM](#)

RANDY MEIER, representing self, Kasilof, Alaska, stated that he and his family have a setnet site and have fished on the east side at Kasilof since 1995. On behalf of his family and himself, he stated 100 percent support for SB 82. It will be good for the commercial fishermen who remain in the fishery and for the sport fishermen in the area. He described SB 82 as good for the entire Cook Inlet fishery.

[4:11:06 PM](#)

JEFF BEAUDOIN, representing self, Kasigluk, Alaska, [testimony indiscernible.]

[4:11:43 PM](#)

At ease

[4:11:53 PM](#)

CO-CHAIR BISHOP reconvened the meeting and asked Mr. Beaudoin to try again.

[4:12:20 PM](#)

JEFF BEAUDOIN, representing self, Kasigluk, Alaska, stated opposition to SB 82 as currently written. He talked about the Kasilof River sockeye escapement goals that have been exceeded for many years. He reported that 1 million sockeye and 34 king salmon went up the river last year. He called this gross over escapement. He maintained that the bill violates the Commercial Fisheries Entry Commission (CFEC) limited-entry permits issuance in 1975, the Alaska Department of Fish and Game's (ADF&G) goal of maximum sustainable yield, and federal law. He emphasized that the reduction of gear would cause the escapement goals in regulation to be grossly exceeded without generating any economic purpose.

CO-CHAIR BISHOP asked him to send his full testimony to the Resources Committee.

[4:16:58 PM](#)

CO-CHAIR BISHOP closed public testimony on SB 82 and held the bill in committee.

SB 68-PUBLIC NOTICE FOR WATER RIGHTS

[4:17:12 PM](#)

CO-CHAIR BISHOP announced the consideration of SENATE BILL NO. 68 "An Act relating to public notice for a sale, appropriation, or removal of water, or for filing a declaration of a right of water; and providing for an effective date."

He noted who was online to answer questions.

[4:17:55 PM](#)

CO-CHAIR BISHOP opened public testimony on SB 68; finding none, he closed public testimony.

CO-CHAIR BISHOP held SB 68 in committee for future consideration.

[4:18:32 PM](#)

At ease

[4:18:44 PM](#)

CO-CHAIR BISHOP reconvened the meeting and set a 4/26/23 amendment deadline for SB 82.

[4:18:57 PM](#)

At ease

SB 48-CARBON OFFSET PROGRAM ON STATE LAND

[4:19:08 PM](#)

CO-CHAIR Giessel reconvened the meeting and announced the consideration of SENATE BILL NO. 48 "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."

[4:19:37 PM](#)

CO-CHAIR GIESSEL opened public testimony on SB 48.

[4:19:59 PM](#)

TODD LINDLEY, representing self, Anchorage, Alaska, testified in opposition to SB 48. He warned that the bill would increase forest density in order to compete in the carbon market. He took issue with a presentation and testimony he heard in a House committee because the expert testimony came from NGOs that are directly affiliated with the world economic forum. He reported that one company is incorporated in Columbia and has a 90 percent fraud rate. He questioned the reason for letting such people do business in Alaska. He continued that the company Anew was commissioned by the Dunleavy administration using taxpayer money to identify the carbon potential for offsets. He noted that during the election cycle there was no mention that carbon offset would be a strategic policy for the state. He opined that instead of debating the policy, the legislature should be investigating collusion between the administration and foreign NGOs.

[4:21:37 PM](#)

KEN HUCKEBA, representing self, Wasilla, Alaska, stated opposition to SB 48. He maintained that Alaskans were being asked to finance a risky venture with their lands and resources. He highlighted the study presented in August 2022 that was paid for with public funds to the company Blue Source, which became Anew. He said a key point in the report was that offsets are verifiable and registered on an approved offset registry, which is another partner organization. He suggested the legislature should investigate the administration for collusion with the aforementioned NGOs. He maintained that if the bill becomes law, the administration will cede power to the partner NGOs, which will exclude future legislative oversight and control.

[4:23:28 PM](#)

LYDIA SHUMAKER, representing self, Wasilla, Alaska, stated opposition to SB 48. She said it's not clear what the bill will cost but she is aware that 25 percent of the revenue will go to a third party such as Anew or Vera. Another 18 percent of the revenue is supposed to go to insurance and 60 percent will go to Alaska. However, none of the fiscal notes list any revenue. She pointed out that language on page 9, line 15 precludes Alaskans from implementing regulations for this industry. She also pointed out that decision-making by the commissioner has no legislative oversight. She continued that the main reason she opposes SB 48 is that it deprives future generations in favor of elite technocrats.

[4:25:24 PM](#)

KASSIE ANDREWS, representing self, Anchorage, Alaska, stated opposition to SB 48. She said the basis of the legislation is about creating revenue, but the revenue line in the fiscal note is blank. She opined that the concept does not need to be fast tracked before the real risks are understood. Another reason for concern is that Vera, a nonprofit incorporated in Columbia, approves three-quarters of all voluntary carbon offset projects that have been found to have fraud rates of more than 90 percent. She said the investigation by Guardian found that only a handful of Vera's rainforest projects showed evidence of reduced deforestation. Ninety-four percent of the projects were found to have no benefit to the climate and should never have been approved. She emphasized that no additional revenue should be spent on this proposal and urged removing the bill from consideration. She asserted that SB 49 had similar issues with fraud.

[4:27:08 PM](#)

BERT HOUGHTALING, representing self, Big Lake, Alaska, stated opposition to SB 48. He described carbon credits and carbon capture as a Ponzi scam that ensures that special interests get richer and everybody else gets poor. He took issue with the fact that Alaskans were not informed about this notion earlier. He said the administration describes carbon offset in rosy terms, but he wants the public to remember who will ultimately pay for it. He predicted that nobody in the room could provide any data that supports what he believes to be a money-grabbing scheme. He said the bill relies on theories and feelings and he does not support anything related to carbon credits and carbon capture.

[4:29:37 PM](#)

GEORGE PIERCE, representing self, Kasilof, Alaska, stated opposition to SB 48. He called carbon capture a joke and

expensive failure. He cited examples of carbon capture failures in Texas and New Mexico and the monetary losses.

[4:32:12 PM](#)

KEN GRIFFIN, representing self, Wasilla, Alaska, stated opposition to SB 48. He described the bill as a clear boondoggle. This idea had not been shown to be profitable anywhere. He asked how this would grow the economy, get citizens to work, or protect state sovereignty. He said it won't. He questioned the wisdom of locking up large swaths of land for 55 years in the hope that the credits would be valuable at the end of that time. He maintained that this cedes power to the UN because that's who came up with climate goals. His belief is that the sovereign power should be held at the state level. He said the bill provides for recreational activities on this leased land but what matters is the ability to develop the land. He restated opposition to SB 48.

[4:34:40 PM](#)

CO-CHAIR GIESSEL closed public testimony on SB 48 and held the bill in committee.

[4:35:04 PM](#)

CO-CHAIR GIESSEL notified the committee that she requested that SB 92 be returned to Senate Resources. Her office received suggestions for pertinent amendments from Native corporations that she would like this committee to add to the bill. The bill will be heard next Monday, April 24, 2023, at which time the committee will have the opportunity to consider a committee substitute that incorporates those suggestions.

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There being no further business to come before the committee, Co-Chair Giessel adjourned the Senate Resources Standing Committee meeting at 4:35 p.m.