



Alaska State Legislature House and Senate Democrats

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Carbon Credit Study Gets House Approval *Putting Alaskans First, Moving Alaska Forward 2003*

JUNEAU – The Alaska House of Representatives passed a bill Saturday that paves the way for Alaska's participation in the growing global market for carbon sequestration credits.

House Bill 196, sponsored by House Democratic Leader Ethan Berkowitz (D-Anchorage), directs the Commissioner of the Department of Natural Resources to determine how a carbon credit program could work in Alaska.

"Worldwide interest in reducing carbon dioxide levels in the atmosphere has created a new commodity market – one that could provide \$450 million in revenue to Alaska," Berkowitz said.

International agreements such as the Kyoto Protocol set limits on carbon emissions – and even if the U.S. doesn't agree to the limits – U.S. companies will still have to meet the requirements if they want to participate in global markets. Carbon sequestration is one method for carbon producers to offset carbon production that exceeds established limits. In effect, producers mitigate their over-production by paying for measures that increase carbon absorption in the land or oceans. This has created a market for carbon sequestration credits.

"Carbon sequestration is a new, innovative way for the state to potentially increase revenues income by selling carbon credits generated by improved agricultural, forest and soil management practices to carbon producers," Berkowitz said. "Other states such as Nebraska and Idaho are already looking at how they can take advantage of this unique opportunity – the market is limited and we have to act now so we don't miss out."

HB 196 moves now to the Senate for consideration.

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Sen. Bettye Davis, Sen. Johnny Ellis, Sen. Kim Elton, Sen. Lyman Hoffman, Sen. Hollis French, Sen. Gretchen Guess, Sen. Georgianna Lincoln, Sen. Donny Olson, Rep. Ethan Berkowitz, Rep. Sharon Cissna, Rep. Harry Crawford, Rep. Eric Croft, Rep. Les Gara, Rep. Max Gruenberg, Rep. David Guttenberg, Rep. Reggie Joule, Rep. Mary Kapsner, Rep. Beth Kerttula, Rep. Albert Kookesh, Rep. Carl Moses