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July 17, 2023

Ms. Ashlee Adoko  
Alaska Department of Natural Resources  
550 W 7<sup>th</sup> Avenue Suite 1430  
Anchorage, AK 99501  
*Submitted via email*

Re: Notice of Public Scoping Under Administrative Order 266 for Possible DNR Regulations Revisions, DNR Carbon Offset Program

Dear Ms. Adoko:

The Alaska Miners Association (AMA) writes to provide comments on the Notice of Public Scoping Under Administrative Order 266 for Possible DNR Regulations Revisions, DNR Carbon Offset Program, following the enactment of SB48, legislation pertaining to a state carbon offset program.

AMA is a professional membership trade organization established in 1939 to represent the mining industry in Alaska. We are composed of more than 1,400 members that come from eight statewide branches: Anchorage, Denali, Fairbanks, Haines, Juneau, Kenai, Ketchikan/Prince of Wales, and Nome. Our members include individual prospectors, geologists, engineers, suction dredge miners, small family mines, junior mining companies, and major mining companies, Alaska Native Corporations, and the contracting sector that supports Alaska's mining industry.

Upon evaluation of SB48, AMA offers the following comments for consideration when drafting regulations:

### **Access and Mineral Entry**

AMA, representing miners of all sizes, is continuously concerned with access, now and in the future, to lands with mineral potential. "Access" can include ability to access lands and cross lands, and also, the ability to secure mineral tenure on mineralized lands with development potential, often referred to as "mineral entry." Managing lands as a "carbon offset" imposes limitations on exploration and development of minerals, and even with the best of intentions, we cannot know what future mineral opportunities may coexist there.

AMA's longstanding position concerning management of State lands is to:

- *Require a thorough evaluation of mineral potential and access prior to any State land allocation which would prohibit mineral staking and leasing such as parks, preserves, or land disposals.*

In the newly adopted AS 38.95.410, the Commissioner is required to adopt criteria for evaluation of a proposed carbon offset project on state land. Subsection (a)(4) requires that the criteria include an

assessment and consideration of the known mineral potential, including current claim status, within the project area. The regulations should clarify that simply stating whether current (or former) mining locations are present on the lands is not sufficient but that additional data must be evaluated, including obtaining relevant data if not already available.

Subsection (f), requires that State land used for a carbon offset project must, to the extent practicable, (1) remain open for access, hunting, fishing, and other generally allowed uses as determined by the department, and (2) other resource development including mining. We urge that the regulations specifically provide for mineral entry, mineral exploration and extraction, and access to mineralized lands, including haul roads, on all lands to be used for a carbon offset project.

### **Benefits vs. Costs and Economic Analysis**

Land used in a State carbon offset program should have extensive cost benefit and economic analysis. State parks and federal conservation units are tremendous acreages of carbon offsets, but they cannot be used because they are already off-limits to development. Setting additional State land aside using global and national carbon banks (“registries”) all require that carbon credits can only be obtained by doing something above and beyond what is already prescribed and required by law. For example, carbon credits can only be obtained on land where timber harvest is taking place or where timber harvesting is allowed, versus the vast acreages of forested lands Alaska has that are closed to timber harvest – yet these lands are still tremendous carbon “sinks.” Similarly, mining activity permits already provide for full protection of the environment and restoration of lands, and reclamation frequently includes enhancement measures that leave the lands in better condition than prior to mining. The premise that land is better untouched than developed for economic benefit and then fully reclaimed and enhanced is not consistent with Alaska’s history and does not embody Article 8 of Alaska’s Constitution.

We suggest that the regulations require that the best interest finding for a proposed carbon offset project be required to assess and consider all indications of mineral potential within the project area, including weighing the potential value of the minerals against the potential revenues to be gained from the carbon offset project.

We also urge inclusion of carefully crafted economic and cost benefit analysis language throughout the regulations, including an analysis of possible job losses, salaries and technical skill levels, procurement to local businesses, taxation revenue, and other direct and indirect economic benefits of resource development that will be lost if the carbon offset project proceeds.

Thank you for the opportunity to comment on carbon offset regulations, and we look forward to working with you on this issue moving forward.

Sincerely,



Deantha Skibinski  
Executive Director