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COMMITTEE ON TRANSPORTATION

Rep. Darius K. Kila, Chair

Rep. Tyson K. Miyake, Vice Chair

Thursday, February 5, 2026

9:30 a.m. in Room 430

HB 1771 Carbon Offsets

**COMMENTS**

Aloha Chair Kila, Vice Chair Miyake, and Members of the Committee

Life of the Land is Hawai`i's own energy, environmental and community action group advocating for the people and `aina for 56 years. Our mission is to preserve and protect the life of the land through sound energy and land use policies and to promote open government through research, education, advocacy and, when necessary, litigation.

Life of the Land won the two Hawaii Supreme Court cases requiring the Public Utilities Commission to analyze life cycle greenhouse gas emissions for all utility applications (HECO 2019, Gas Company 2020); an intervenor in ten PUC bioenergy dockets, a member of the Hawai`i Energy Policy Forum's Biofuel Committee, and regularly engages with many Hawaii bioenergy companies and bioenergy trade groups.

There are some carbon offsets that are legitimate. Most are not. As the following pages show, the **National Audubon Society** and **Nature Conservancy** have sold phony offsets.

**Conservation Initiative** has displaced indigenous communities. A 2023 analysis found that ninety percent of the rainforest carbon offsets certified by **Verra** were "phantom credits."

This bill proposes that DBEDT "maintain a list of public and private entities that provide verified carbon offsets for passenger air travel."

**To avoid the possibility of lawsuits, the public should be able to see the criteria used by DBEDT and to have a method to de-list entities.**

Life of the Land has been in ten biofuel dockets at the Public Utilities Commission. The Commission cited Life of the Land research in an eleventh bioenergy proceeding. Life of the Land has been in four Hawaii Supreme Court proceedings involving bioenergy. Life of the Land is a member of the Hawai'i Energy Policy Forum's Biofuel Committee

### **Conservation Groups Selling Fake Carbon Credits**

The **National Audubon Society** preserved a South Carolina swampy tidal sanctuary known as the Francis Beidler Forest. Although it was never intended for harvest, Audubon began selling carbon credits in 2013 through developer Blue Source.<sup>1</sup>

The **Massachusetts Audubon Society** has long managed its land in western Massachusetts as crucial wildlife habitat. In 2015 the organization proposed becoming a logging company and then applied to California's forest offset program. The California Air Resources Board accepted Mass Audubon's project into its program, requiring the nonprofit to preserve its forests over the next century instead of heavily logging them. The nonprofit received more than 600,000 credits in exchange for its promise. The vast majority were sold through intermediaries to oil and gas companies. Energy company Phillips 66 bought 500,000 of the credits from Mass Audubon's project, while Shell and the Southern California Gas Company acquired another 140,000.<sup>2</sup>

"The **Nature Conservancy** recruits landowners and enrolls its own well-protected properties in carbon-offset projects, which generate credits that give big companies an inexpensive way to claim large emissions reductions."<sup>3</sup>

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<sup>11</sup> Cary Institute of Ecosystems Studies, April 5, 2021. <https://www.caryinstitute.org/news-insights/media-coverage/top-us-seller-carbon-offsets-starts-investigating-its-own-projects>

<sup>22</sup> A Nonprofit Promised to Preserve Wildlife. Then It Made Millions Claiming It Could Cut Down Trees, MIT Technology Review, May 10, 2021. <https://www.propublica.org/article/a-nonprofit-promised-to-preserve-wildlife-then-it-made-millions-claiming-it-could-cut-down-trees>.

<sup>33</sup> The Nature Conservancy, the world's biggest environmental group, became a dealer of meaningless carbon offsets. By Ben Elgin, Bloomberg, December 9, 2020. <https://www.bloomberg.com/features/2020-nature-conservancy-carbon-offsets-trees/>

**Conservation Initiative** established a REDD+ project in the Alto Mayo Protected Forest in 2008 without consulting the local Awajun indigenous community. In 2012, CI signed a contract with the Peruvian government to manage the entire Alto Mayo protected area. By 2022, about half of the local population refused to sign these agreements due to limited benefits, limitations to their self-determination, and lack of trust. The protected area has armed guards and is a source of social conflict. The government and park administration are intentionally limiting local access to health and education services. Companies such as Walt Disney, Microsoft, BHP, United Airlines, Gucci, Toyota, Paul Mitchell have purchased Alto Mayo carbon credits.<sup>4</sup>

**Finance execs dominate the boards of four powerful NGOs**, especially as controversial carbon markets skyrocket. African Arguments examined the backgrounds of the 111 individuals that sit on the boards of Conservation International (CI), The Nature Conservancy (TNC), the World Wildlife Fund-US (WWF-US), and the Wildlife Conservation Society (WCS). It found that just over half are associated with finance.<sup>5</sup>

### **Verifiers Selling Phantom Credits**

**Verra**, which certifies approximately 75% of all voluntary carbon offsets, has been the subject of devastating investigations. A January 2023 investigation by The Guardian, German newspaper Die Zeit, and journalism nonprofit SourceMaterial found that over 90% of rainforest

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<sup>44</sup> Mapping False Climate Solutions in Peru. What are False Climate Solutions? by Majandra Rodriguez Acha, June 2025  
<https://aronsonarchive.libraryhost.com/files/original/3d5f33e9b1a33716b080a137b147d31c0fd78ad4.pdf>

<sup>55</sup> Revealed: Big conservation NGOs are majority governed by finance figures by James Wan, Aug 23, 2023  
<https://africanarguments.org/2023/08/revealed-big-conservation-ngos-majority-governed-finance-africa-carbon-markets/>

carbon offsets certified by Verra were likely "phantom credits" that do not represent genuine carbon reductions.<sup>6</sup>

### **Business as Usual -- Greenwashing**

The rise of net-zero pledges and the corresponding spike in demand for carbon offsets should not be celebrated. Offsetting schemes delay decarbonization, mislead the public, and cause human rights violations, including land dispossession. Carbon credits also cause human rights violations, including land grabbing by investors. Carbon credit projects follow a pre-existing playbook in which governments use conservation as a pretext for seizing valuable, resource-rich lands from Indigenous and other local communities. Despite being implicated in these rights violations, buyers of carbon credit continue to boast progress toward their net-zero targets. Moreover, land dispossession is not the only human rights impact of carbon offsetting. The rising demand for tree plantations is reducing the land available for food crops, which raises food prices and worsens food security.<sup>7</sup>

### **Greenpeace**

It's a bookkeeping trick intended to obscure climate wrecking-emissions. It's tree planting window dressing aimed at distracting from ecosystem destruction. It is the next big thing in greenwashing — and we must not be fooled. The climate crisis is real, and we all need real solutions.

Meanwhile, the fraud of carbon offsetting is built upon many of the hallmarks of a classic con: Greed drives it. It preys on fear. Climate denial and misinformation bankrolled by Big Oil

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<sup>6</sup> Revealed: more than 90% of rainforest carbon offsets by biggest certifier are worthless, analysis shows  
<https://www.theguardian.com/environment/2023/jan/18/revealed-forest-carbon-offsets-biggest-provider-worthless-verra-aoe>

<sup>7</sup> Human Rights Abuses from Carbon Credits – A Critique of “Greenwashing” Lawsuits and Additional Litigation Techniques, By Anna Dell’Amico, Environmental Law Review Syndicate, January 15, 2024. <https://nyuelj.org/2024/01/human-rights-abuses-from-carbon-credits-a-critique-of-greenwashing-lawsuits-and-additional-litigation-techniques/>

has intentionally fostered unnecessary and counterproductive confusion. Carbon offsetting is a license to keep polluting and distracts us all from the real work of cutting emissions.

There is a reason that Indigenous Environmental Network and Indigenous Climate Action held a protest against offsetting at COP26, the UN's annual climate conference: Offsetting incentivizes the commodification of nature and allows powerful corporations to take over the lands of vulnerable communities, risking human rights abuses. Offset schemes often exclude local and Indigenous Peoples from land management practices that allow them to grow food and preserve biodiversity.<sup>8</sup>

### **Friends of the Earth**

The guide, **Ten Ways to Game the Carbon Market**, outlines ten different ways in which fraudsters can game carbon trading systems. Nine methods have already been successfully carried out. Some tricks are variations of classic scams such as Ponzi schemes, phishing and tax fraud. But other cons are more particular to carbon trading.<sup>9</sup>

### **Abundant But Worthless Carbon Credits**

Carbon offsets are suddenly everywhere. Companies claim that emissions in the rich world can be canceled out by buying credits from projects that sequester carbon, often in poorer parts of the world. What links them all is the claim that, by paying (usually small) sums of money, consumers are counteracting the emissions their activities generate, chalking up a minus on the global carbon ledger. The ease and affordability with which carbon credits can now be bought can feel out of step with the urgency of climate change, and in the last couple years, concerns have been mounting that offsetting is little more than a sugar hit for the conscience. Some critics claim that the whole thing is a fraud, amounting to a “license to pollute” with no real bearing on the health of the planet.<sup>10</sup>

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<sup>888</sup> <https://www.greenpeace.org/international/story/50689/carbon-offsets-net-zero-greenwashing-scam/>

<sup>99</sup> [https://foe.org/wp-content/uploads/2017/legacy/10WaystoGametheCarbonMarkets\\_Web.pdf](https://foe.org/wp-content/uploads/2017/legacy/10WaystoGametheCarbonMarkets_Web.pdf)

<sup>10</sup> Are carbon offsets all they're cracked up to be? We tracked one from Kenya to England to find out. Carbon credits explain the hyper-financialization of climate policy. by Angus Chapman and

## **Impacting Indigenous peoples and local communities**

The past few years have seen an explosion in major economies and businesses seeking to cancel out their polluting activities by paying for emissions to be reduced elsewhere – a practice known as “carbon-offsetting”. The surging demand for carbon offsets has given rise to a largely unregulated industry where businesses and countries can pay brokers to cut emissions somewhere else in the world... Investigations into individual carbon-offset projects by journalists and non-governmental organisations have revealed that many of these schemes can come with devastating impacts for Indigenous peoples and local communities. Reporting has also found that many schemes overstate their ability to reduce emissions.<sup>11</sup>

## **False Solutions**

Unmasking false solutions is part of unmasking those who perpetuate injustice, and of unmasking the systems that are at the root of this crisis.

The climate crisis is a systemic, structural crisis; as globally dominant economic, political and social systems have led us to disrupt the balance of most of our planet's ecological boundaries. mainstream actors and institutions are increasingly relying on the possibility of technofixes, geoengineering and market-based mechanisms to address climate change while simultaneously avoiding structural change - instead relying on the very tools and paradigms of dominant systems.

These mechanisms are what climate justice movements term “false climate solutions,” as they claim to “solve” climate change while in fact perpetuating business-as-usual (Hoodwinked). These false solutions heighten inequities, harm communities and the environment, and distract

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Desné Masie Aug 3, 2023. The reporting of this story was supported by a grant from the Pulitzer Center on Crisis Reporting.

<https://www.vox.com/23817575/carbon-offsets-credits-financialization-ecologi-solutions-scam>

<sup>1111</sup> Mapped: The impacts of carbon-offset projects around the world, By Daisy Dunne and Yanine Quiroz, Sep 25, 2023.

<https://interactive.carbonbrief.org/carbon-offsets-2023/mapped.html>

from and ultimately impede substantial action to address climate impacts. As such, these so-called solutions constitute greenwashing.

By allowing business-as-usual to continue, false solutions benefit those who have historically and structurally profited from the systems that brought about the climate crisis in the first place, and who are now perversely selling their “good deeds” while perpetuating harm to people and planet. False solutions distract from and ultimately impede substantial action to address climate impacts, which disproportionately affect the most marginalized communities.<sup>12</sup>

Mahalo

Henry Curtis

Executive Director

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<sup>12</sup> Mapping False Climate Solutions in Peru. What are False Climate Solutions? by Majandra Rodriguez Acha, June 2025  
<https://aronsonarchive.libraryhost.com/files/original/3d5f33e9b1a33716b080a137b147d31c0fd78ad4.pdf>



To: The House Committee on Transportation (TRN)  
From: Sherry Pollack, 350Hawaii.org  
Date: Thursday, February 5, 2026, 9:30am

### **In strong opposition to HB1771**

Aloha Chair Kila, Vice Chair Miyake, and Committee members,

I am Co-Founder of the Hawaii chapter of 350.org, the largest international organization dedicated to fighting climate change. 350Hawaii.org **strongly opposes HB1771.**

HB1771 states the legislature finds that climate change is the most pressing issue of our time. 350Hawaii fully agrees. The planet faces an existential climate crisis and we must act now.

This bill also states the legislature recognizes that air travelers are “increasingly aware” of the climate change implications of their travel and notes that ease of purchasing offsets may have the effect of enhancing the desirability of travel to Hawaii. However, while carbon offset schemes claim to compensate for emissions with no cost to the climate – they don’t actually do that. They are simply an accounting trick.

According to the UN IPCC report, if we are serious about averting catastrophic planetary changes, we need to reduce emissions by 45 percent by 2030. Trees planted today can’t grow fast enough to achieve this goal. So even if the purchased offset is ‘verified,’ a newly planted tree can take as many as 20 years to capture the amount of CO<sub>2</sub> that a carbon offset scheme promises. And during those decades we have to hope that this tree will survive the droughts, wildfires, and tree diseases that are occurring because of the global warming humans continue to cause by our on-going greenhouse gas emissions.

Moreover, new research shows that the Earth’s overheated climate will alter forests at a global scale. The study suggests that by 2040 forests will take up only half as much CO<sub>2</sub> from the atmosphere as they do now, if global temperatures keep rising at the present pace, and that trees will start to exhale more CO<sub>2</sub> than they can take in through photosynthesis.

It is important to also note that Indigenous rights organizations have labeled carbon offsets as “a further act of colonization,” stating that carbon offsets are a false solution to climate change, and that these carbon offset schemes create many negative impacts on the rights and livelihoods of women, Indigenous peoples and local communities.

Bottomline, carbon offsets are a distraction from the real solution to climate change, which is to reduce our carbon emissions. Offsetting simply allows companies like airlines to avoid taking meaningful action on their carbon emissions and to continue with their unsustainable behavior while shifting their

responsibility for the climate onto the consumer. These carbon offsets then allow individuals to feel better about polluting without actually doing anything about those emissions.

If we're serious about tackling climate change, there is only one answer to the problem: reducing our emissions. And that will mean moving away from a tourist economy to one that is more diversified and resilient.

Polluting industries have helped to "fuel" the denial that has enabled blocking any meaningful action to confront global warming. As a result, we have lost precious time and are now in the midst of a climate crisis. We cannot afford to waste more time on PR schemes. Our only recourse now is to act swiftly and boldly to reduce our greenhouse gas emissions lest we steal our children's future. We must continue to do our part to avoid the most devastating impacts of climate change.

Mahalo for the opportunity to testify.

Sherry Pollack  
Co-Founder, 350Hawaii.org



Testimony of  
**ALASKA AIRLINES and HAWAIIAN AIRLINES**

Before the House Committee on  
**Transportation**

**Thursday, February 5, 2026**  
**9:30 A.M.**  
**Hawai'i State Capitol, Room 430**

In consideration of  
**HOUSE BILL 1771**  
**RELATING TO CARBON OFFSETS**

The Honorable Darius Kila Chair  
The Honorable Tyson Miyake, Vice Chair  
Members of the Committee on Transportation

**Re: Comments on H.B. 1771, Relating To Carbon Offsets**

Chair Kila, Vice-Chair Miyake and members of the committee,

Alaska Airlines and Hawaiian Airlines appreciate the opportunity to provide comments on House Bill 1771. We share the Legislature's commitment to addressing climate change and recognize the unique challenges of reducing aviation emissions in a geographically isolated and aviation dependent state like Hawai'i.

Our companies are firmly committed to decarbonization and are actively reducing emissions through fleet modernization, operational efficiencies, and most importantly, increased use of sustainable aviation fuel. These efforts represent the most effective and durable pathway to reducing aviation emissions at scale.

While voluntary carbon offsets may play a limited, near term role, we view them as a stop gap rather than a long term solution. Meaningful climate progress in aviation depends on direct, in sector emissions reductions, particularly through sustainable aviation fuel.

Customers traveling on Alaska Airlines and Hawaiian Airlines already have opportunities to support sustainable aviation fuel through existing sustainability and loyalty programs. One of the most popular options allows guests to contribute to sustainable aviation fuel and

earn elite qualifying status points at the end of the year, creating a strong incentive for participation. This approach directs customer contributions toward in sector emissions reductions rather than out of sector offset projects.

As drafted, we have concerns about how the bill would be implemented and how it may interact with existing airline programs. Airlines already offer voluntary sustainability options that are integrated into ticketing, loyalty, and operational systems. A separate state facilitated offset program could create confusion for travelers, duplicate existing efforts, or unintentionally divert customer contributions away from sustainable aviation fuel focused programs that deliver direct aviation emissions benefits.

Many of the U.S airlines serving Hawai'i already provide voluntary options for passengers to purchase carbon offsets and or support sustainable aviation fuel. We encourage careful consideration of how any State facilitated program can complement existing airline initiatives rather than conflict with or displace them.

As the Legislature considers policies related to voluntary carbon offsets for air travel, we respectfully encourage an approach that aligns with existing airline programs and prioritizes scaling the supply of cost competitive sustainable aviation fuel. This will help ensure customer contributions are used effectively and advance Hawai'i's climate goals through durable and sector specific emissions reductions.

Mahalo for the opportunity to provide these comments.