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Governor Sean Parnell
STATE OF ALASKA

February 27, 2012

The Honorable Mike Chenault
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Chenault,

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to the Alaska Land Act, including certain lease, sale, and other disposal of State land and materials; relating to production royalties from miners; and relating to rights to use State water. This bill will reduce the permitting burden and costs of applicants by creating efficiencies, streamlining, and eliminating redundancies in the permit application process.

This bill would accomplish the following:

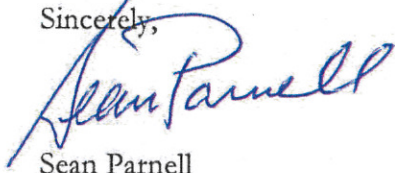
- (1) Allow the Department of Natural Resources to use sealed bid procedures, rather than public auction, if appropriate, for certain leasing and disposal of State land;
- (2) Raise the monetary cap for negotiating leases of State land from \$5,000 to \$10,000;
- (3) Give the Department of Natural Resources more flexibility regarding when to issue negotiated leases of land, as opposed to using a competitive bid process;
- (4) Allow the Department of Natural Resources to renew mineral and land leases under certain conditions without conducting the same process for initiating a new lease;
- (5) Separate out the respective rules and procedures for timber sales and material sales, such as for rock and gravel;
- (6) Allow the Department of Natural Resources to convey materials as needed for flood control purposes;
- (7) Allow the Department of Natural Resources to exempt small mining operations from having to pay production royalties; and

The Honorable Mike Chenault
February 27, 2012
Page 2

- (8) Provide more flexibility to the Department of Natural Resources in how they notify the public of proposed decisions.

Collectively, these various changes represent an effort by the Department of Natural Resources to make its administration of these programs more efficient. If enacted, these changes will help the Department improve its ability to responsibly manage the State's land and resources in accordance with constitutional principles and statutory directives.

Sincerely,

A handwritten signature in blue ink, reading "Sean Parnell". The signature is stylized with a large, looping "S" and a cursive "Parnell".

Sean Parnell
Governor

Enclosure