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STATE OF ALASKA

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February 18, 2013

The Honorable Charlie Huggins President of the Senate Alaska State Legislature State Capitol, Room 111 Juneau, AK 99801-1182

Dear President Huggins,

Under the authority of Article III, Section 18 of the Alaska Constitution, I am transmitting a bill relating to approval for oil and gas or gas only exploration and development in a geographical area. This bill will reduce the time required to get oil into production and flowing through TAPS, while protecting Alaska's environment.

Under current procedures, the Department of Natural Resources (DNR) grants lease exploration and development approval in conjunction with individual plans of operation for a lease or project. As such, a separate public notice is required for each approval, often resulting in repetitive approvals within the same geographical area. In order to streamline the State's permitting process, this bill allows DNR to comprehensively evaluate oil and gas exploration and development in a geographical area, and define the criteria by which specific projects are evaluated and approved. Approvals made under the provisions of this bill are valid for up to ten years as specified by DNR's Director of the Division of Lands.

Creating economic opportunity in Alaska requires a clear, predictable, and timely permitting process that encourages resource development while protecting the environment. I urge your prompt and favorable action on this measure to create a streamlined permitting process in the interests of increasing oil throughput and growing Alaska's economy.

Sincerely.

Sean Parnell Governor

Parnell

Enclosure