

DIVISION OF MINING, LAND & WATER

-OVERVIEW-

Mission: Provides for the appropriate use and management of Alaska's state owned land and water, aiming toward maximum use consistent with the public interest.

FY15 Operating Budget: \$28.3M | **Employees:** 213 | **Director:** Brent Goodrum

- Identifies and acquires land to fulfill Alaska's 105 million-acre statehood entitlement.
- Manages the State's general land holdings (more than 160 million acres of uplands, tidelands, submerged lands and shore lands).
- Develops area plans to guide the management of state land and water
- Makes land available for private and municipal ownership.
- Protects Alaskans' ownership interests and access to state land and water
- Issues authorizations for use of state land and water, including leases, rights-of way, mining and material extraction.
- Provides regulatory oversight for dam safety, coal exploration and development and mine reclamation.
- Collects revenues from the use and disposal of state land and water.

DIVISION OF MINING, LAND & WATER

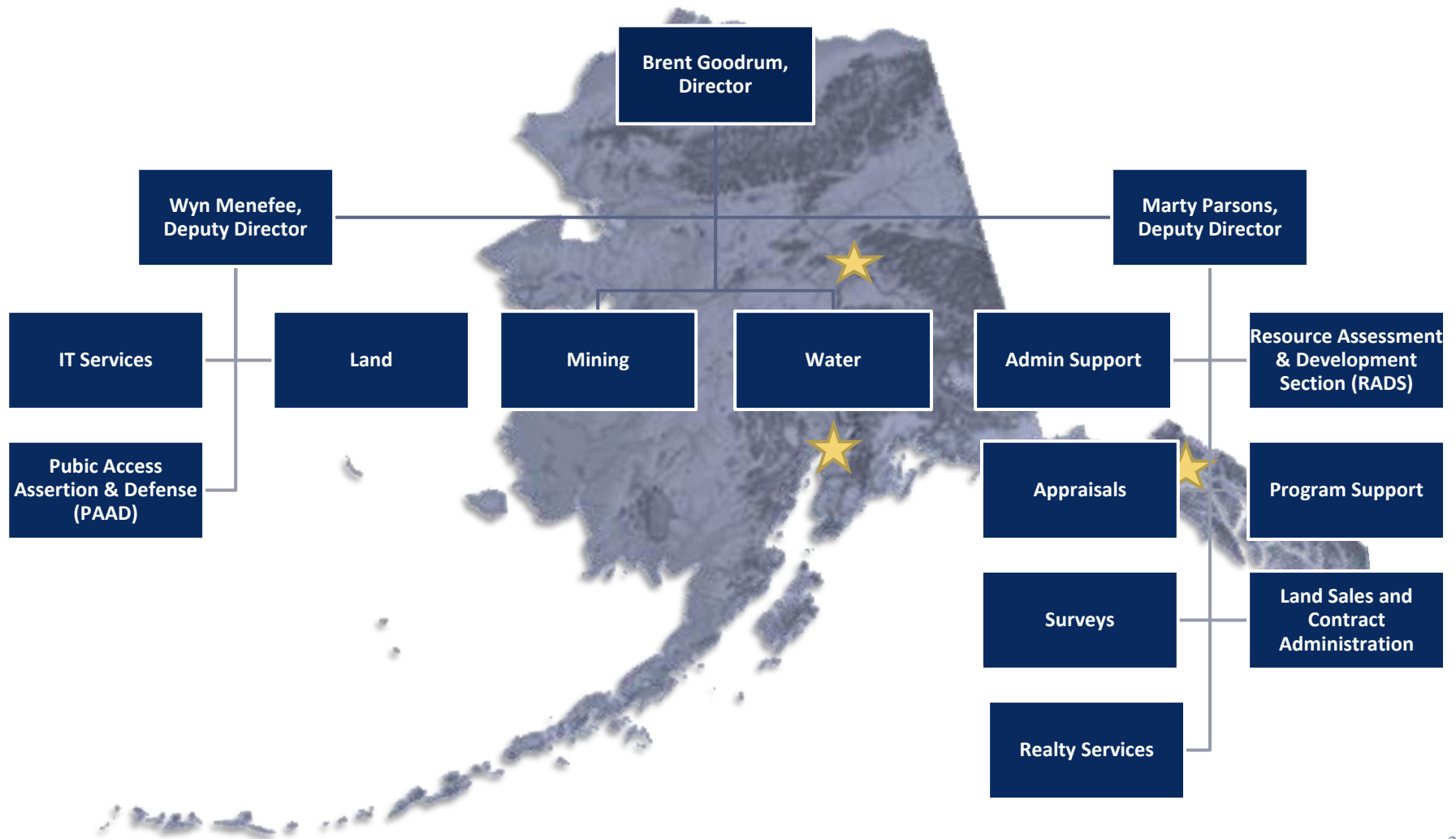
Economic Impact to the State

- Oil and gas, energy, mineral, recreation and infrastructure projects require timely issuance of division permits, leases, easements, water rights, temporary water use authorizations and material sales.
- Timely division decisions on title issues, appraisals and land acquisitions is also necessary for resource-based projects.
- Provides lands for settlement – homes and recreational cabin staking – generating ~\$5M in annual revenue. This revenue pays for running the land sales program.

2014 Highlights

- Reduced permit backlog by 1,623 authorizations (61.1%) since beginning of FY12 while issuing 900 authorizations in CY14.
- Issued 31 water reservations during CY14.
- Scanned > 1 million documents into DNR's content management system.
- Re-asserted coastal boundary adjacent to ANWR; requested priority conveyance of 20,000 acres of uplands immediately adjacent to ANWR.
- Modernized the Land Use Permit case management system as well as parts of Water Rights under the Unified Permit Project.

ORGANIZATION CHART

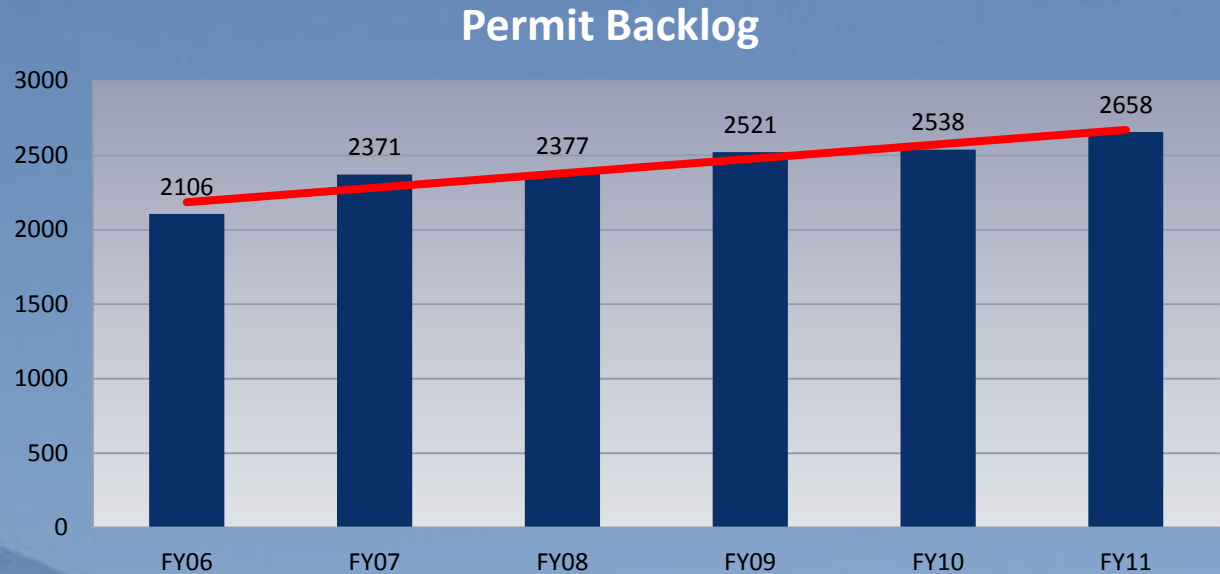


ANATOMY OF A LARGE SCALE DEVELOPMENT PROJECT

- Most have statewide or strong regional impact with regards to infrastructure, economic growth and opportunities
- Generally require long term leases or dedicated legal access such as easements in order
- Often short term land use permits are necessary for construction
- Material sales need to be timely for development
- Water authorizations are critical for development and long term operation



THE CHALLENGE: ADDRESS PERMITTING DEFICIENCIES



2011 PERMIT BACKLOG PLAN

- Submitted to the House Finance Subcommittee on 22 Feb 2011
- “It is now our highest priority to address this (permit backlog) problem.”
- Goal: “To timely process all incoming land and water use applications, and to eliminate the backlog.”
- Comprehensive, multi-faceted approach to eliminating the backlog and preventing its re-occurrence

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF MINING, LAND & WATER

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Memorandum

To: Representative Mia Costello, Co-Chair
House Finance Subcommittee on Natural Resources

From: Wyn Menefee, Acting Director
DNR Division of Mining, Land & Water

Date: 2/22/2011

Re: Permit Backlog Plan

Please accept this written response to your request on February 11, 2011.

The Problem:
There is a substantial backlog of applications and other authorization management duties in the Division of Mining, Land and Water (DMLW). This has a direct adverse impact on many businesses, communities, and individuals seeking to develop and use state land and resources. This in turn negatively affects job creation, contracts, economic stimulus in communities, and further development of Alaska. It is now our highest priority to address this problem.

At the beginning of FY11, there was a backlog of over 2,500 authorizations for the main types of authorizations necessary for development projects. This includes applications for permits (314), leases (297), easements (658), material sales (181), water rights (742), and instream flow reservation applications (346). This does not include the other types of authorizations or the administration workload for the existing authorizations. There is a spreadsheet attached that shows the full backlog per authorization type as requested. We are not yet able to show average and maximum cycle time for each authorization type, but that is being programmed into the reporting system so that we can report on in the future.

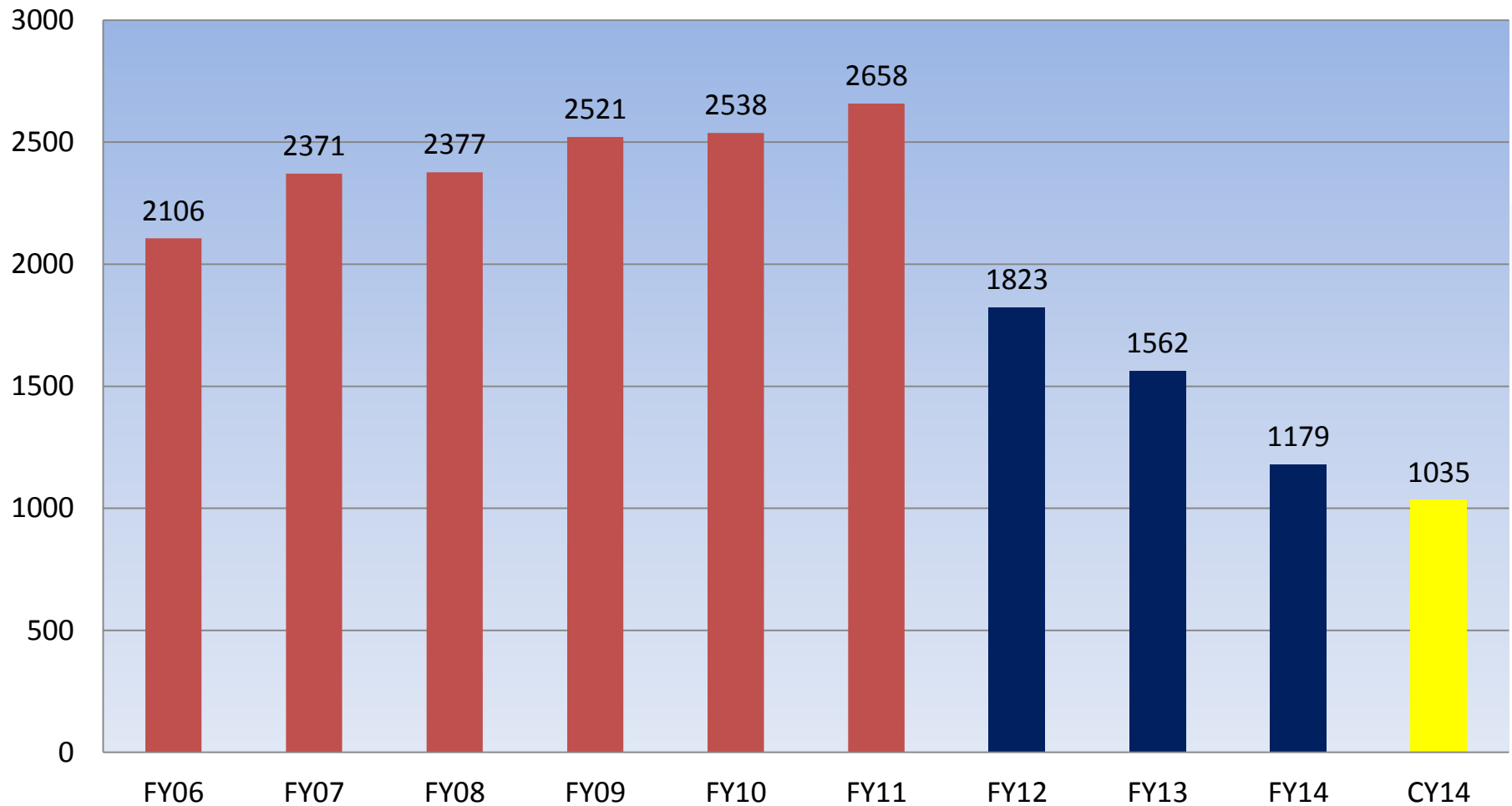
The backlog of applications range in complexity from very basic authorizations such as a commercial recreation permit that can be issued within a day, to large projects requiring multiple interrelated authorizations, multi-agency coordination, required studies and review that may take a few years to complete the authorizations. Each specific application may present an assortment of obstacles that can vary the processing times such as land ownership disputes, multiple use conflicts, business transaction delays, unresponsive applicant, encumbrance removal, project revisions, appeals and litigation.

This backlog of applications has been growing in recent years because the division has only been able to process 87% of incoming applications. This is due to a number of reasons:

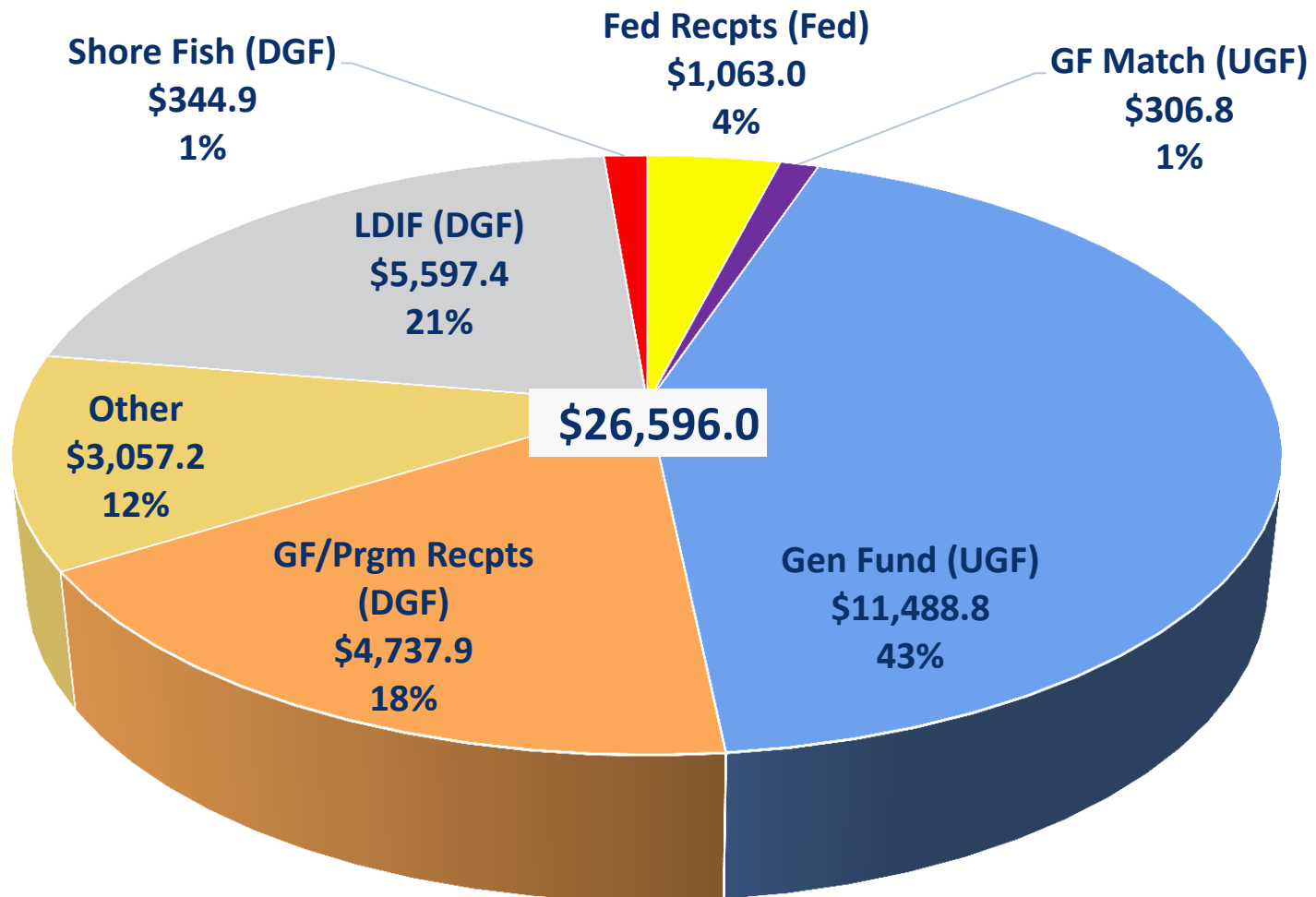
- Inefficient internal processes and cumbersome regulatory requirements.
- Land ownership patterns have become more complex, thereby increasing the conflicts that have to be resolved.
- Increasing federal and municipal regulation has increased the processing time for applications.

“Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans.”

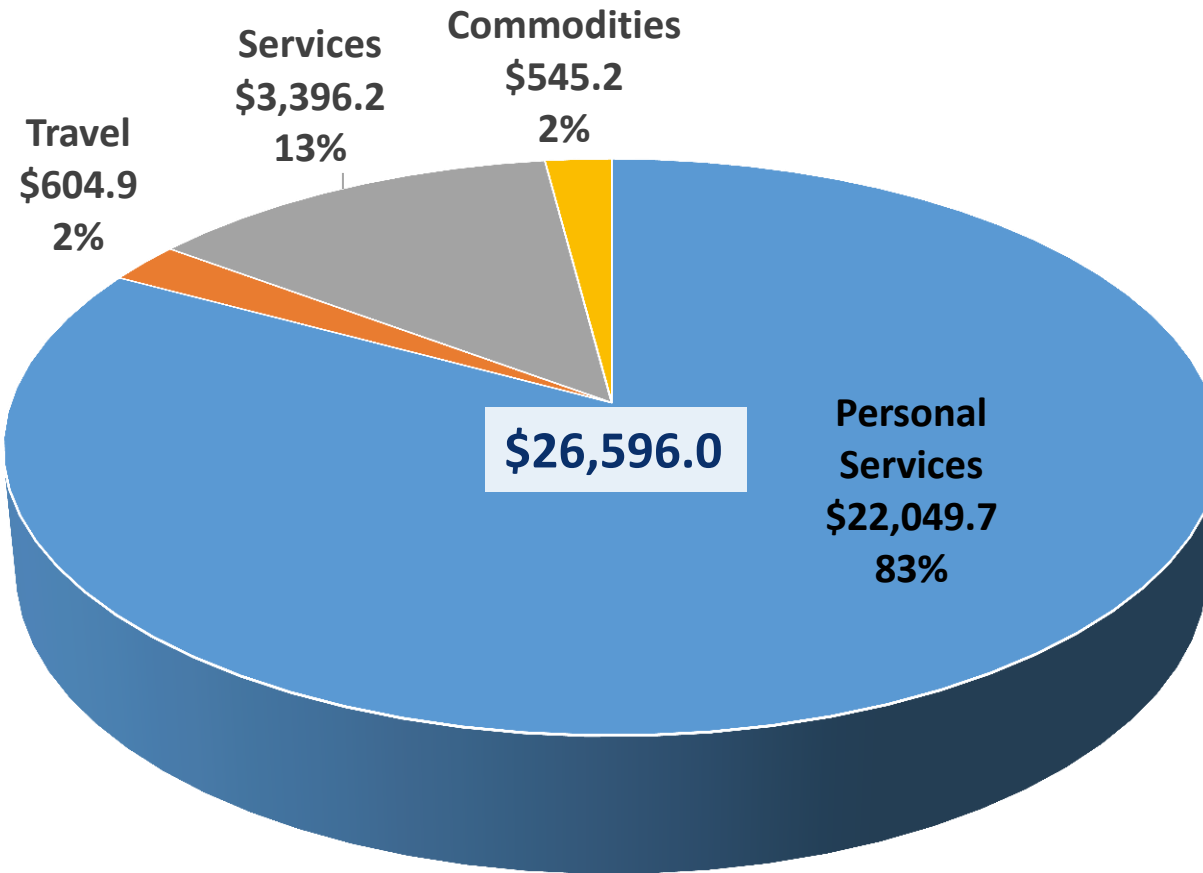
DMLW BACKLOG AUTHORIZATION TOTALS BY FISCAL YEAR



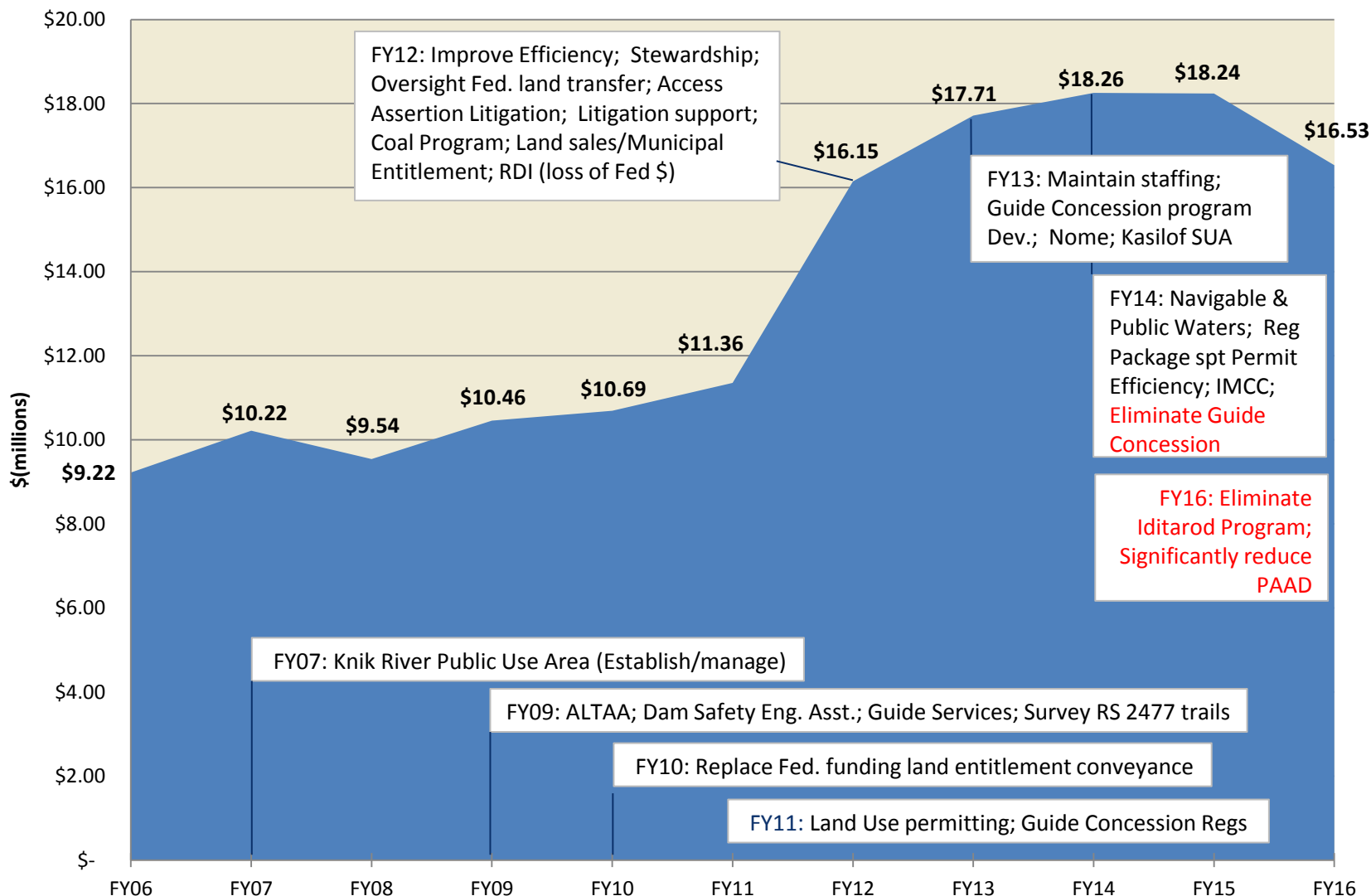
FY2016 GOVERNOR AMENDED BUDGET - DMLW



FY2016 GOVERNOR AMENDED BUDGET - DMLW



DMLW ANNUAL BUDGET GF/GFM/PR



IDITAROD PROGRAM ACCOMPLISHMENTS

- Out of 2,107 miles of trails and navigable waters identified as part of the Iditarod National Historic Trail and the Iditarod Race Route, only 210 miles of the INHT and 85 miles of the Race Route are left to obtain easements. (This includes 56 miles on state land.)
- Negotiated with private land owners to grant easements.
- Created management agreements for six safety cabins on state lands.
- Permitted work for multiple projects along the route.
- Restored two actively used state owned and managed safety cabins

IDITAROD PROGRAM ELIMINATION

- \$237.9 reduction that eliminates two positions and associated line item costs.
- Stop work to legally preserve all of the access routes used for the race and pre-race qualifying events.
- Significantly reduce efforts to correct inaccuracies on existing surveys and land records along the route
- Limit work to authorize and arrange cooperative management agreements for safety cabins
- Dispute resolutions would continue without the advanced expertise of those most knowledgeable
- Would continue with land management responsibilities on state land along route.

PAAD ACCOMPLISHMENTS

- Removed cloud of title on 2,527 miles of river and 865,422 acres of lakes through a Recordable Disclaimers of Interest program.
- Successfully appealed six ANCSA 17(b) conveyance decisions to Interior Board of Land Appeals which changed subsequent behavior at BLM.
- Prevailed on Stikine River RDI appeal with IBLA.
- Successfully asserted RST 564 in court, eliminating blockage that was preventing public and commercial access.
- Defended Public Trust, ANCSA 17(b), and RS2477 access that provided access to thousands of acres of state land that would otherwise be inaccessible.

PAAD REDUCTION EFFECTS

- \$1.5 M reduction leaving two NRSIII positions and no line item budget (deletes 6 positions, 2 outside of PAAD)
- Any cost of litigation for expert witnesses, field visits, research assistance contracts, surveys, and data acquisition and processing will have to be absorbed elsewhere in the division, impacting the effectiveness of other programs such as permitting, planning, survey and other core services.
- Removes ability to fund \$255.0 of Department of Law services, and almost \$400.0 for Office of History and Archaeology.

PAAD REDUCTION EFFECTS

- Loss of expertise, skills and abilities of staff beneficial in complex litigation matters.
- Will adversely affect other core services of division as they have to assist in workload for existing law suits.
- May adversely affect efforts to support Department of Law on existing law suits, risking obtaining bad case law precedent or not setting good case law precedent.
- State may potentially lose one time opportunities to assert access in conveyance documents.
- Lost access could cost the state and businesses \$ millions in lost opportunities to use public land and create necessity to purchase access in the future.

KNIK RIVER PUBLIC USE AREA RIFLE RANGE, PHASE II

