

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532



550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.Gov.Alaska.Gov
Governor@Alaska.Gov

Governor Sean Parnell
STATE OF ALASKA

June 7, 2010

Mr. Jason Brune
Executive Director
Resource Development Council for Alaska, Inc.
121 West Fireweed, Suite 250
Anchorage, AK 99503

Dear Mr. Brune,

Thank you for taking the time to express your concerns about the line item in the capital budget that re-appropriates \$750,000 to the Legislative Council to conduct an independent third-party scientific and multidisciplinary study of the potential large mine development in the Bristol Bay drainage. I would like to share with you the rationale for my decision.

Like you, I believe Alaska's rigorous permitting system is sound, thorough, and transparent. I have publicly advocated that position and internally we will continue working to maintain integrity of the permitting system. Evidence of my support for responsible development can be found in the actions the State of Alaska has taken since I assumed the Office of the Governor last summer. We have pushed back on federal over-reach through litigation on Endangered Species Act (ESA) listings; litigation against environmental groups in the *Earthworks* suit seeking to amend the 1872 mining laws and regulations; litigation against environmental groups on "roadless" rule issues; joined in the defense of approved permits for exploration of State and federal lands; and, I have engaged directly with the Secretaries of Agriculture and Interior, the Administrator of the Environmental Protection Agency (EPA), and the Army Corps of Engineers. We have seen successes in the opening of the Kensington Mine, Ninth Circuit approval of Outer Continental Shelf (OCS) exploration drilling, and timber sale approvals on the Tongass National Forest. My administration is also working to develop, permit, and construct roads to resources at Umiat, Foothills, Ambler, and Nome. My resolve to develop the resources of our state and create jobs and economic development has been strong and will continue.

In evaluating applications to State agencies for permits to develop our State's resources, my administration remains committed to following Alaska's permitting laws and regulations. There is no study that will change that – only deliberate action on the part of the legislative or executive branch, or both, can change the permitting system. That said, our system has changed over time and will change again. With any change proposed, my evaluation will factor in the ability of companies to successfully navigate the regulatory process and bring jobs to Alaskans.

Following the adjournment of the legislative session, serious questions were raised about the intentions and potential consequences of the \$750,000 appropriation. Despite the timing of this


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particular line item's appearance in the budget process, the fact remains that all 60 legislators had a chance to vote on this. In conversations with legislators over the past six weeks, they persuasively argued in favor of the Legislature's need to gather information that can assist them in the exercise of their powers and duties under Alaska's Constitution.

As a former legislator, I understand their desire for fact-based data. I have asked the chairman of Legislative Council, Representative John Harris, to consult with our primary agency for resource development, the Department of Natural Resources, on developing the scope of work and scoring criteria to be used in the design of their review as well as the selection of contractors. My staff and I will also continue to follow the procurement process used by the Legislature and will not hesitate to raise objections if the rules designed to result in an open, competitive, and unbiased process are not followed. Additionally, we reserve the right to participate in any reviews or comment periods related to the contract and subsequent study.

Again, thank you for expressing your concerns. Please know that I remain committed to the responsible development of Alaska's resources. I look forward to working with you to ensure we can position our economy for growth and Alaska's families for opportunity.

Best regards,



Sean Parnell
Governor

cc: The Honorable Tom Irwin, Commissioner, Alaska Department of Natural Resources
The Honorable Larry Hartig, Commissioner, Alaska Department of Environmental
Conservation