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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

June 16, 2009

The Honorable Ken Salazar
Secretary
United States Department of the Interior
1849 C Street, NW
Washington, DC 20240

Dear Mr. Secretary:

Pursuant to provisions of the Izembek National Wildlife Refuge Land Exchange Act (Act), recently enacted as part of the Omnibus Public Lands Act, P.L 111-11, this letter is notification that the state of Alaska intends to exchange state-owned land for federal land within the Izembek and Alaska Maritime National Wildlife Refuges. This request specifically complies with the requirements of Sections 6402(a) of the Act. Under Section 6402(b) of the Act, this request, along with a similar request to you submitted in a letter dated May 1 from the King Cove Corporation, will result in the Department of the Interior (Department) initiating preparation of an Environmental Impact Statement (EIS) for this land exchange to meet the requirements of the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) (NEPA). (See Sections 6402 (a) and (b). of P.L. 111-11).

It is essential that the Department begin the NEPA process in order to complete the EIS in sufficient time to allow the land exchange to be completed within the period outlined in Section 6406(a) of the Act. I understand and appreciate that funding for the EIS still needs to be worked out, adding to my concern that the process be initiated as soon as possible.

The state of Alaska fully supports this exchange and is prepared to exchange the state lands identified under the Act's provisions. The Alaska Department of Natural Resources has the authority to negotiate land exchanges on behalf of the state under Alaska Statute 38.50 (enclosed). The state statutes require that when an exchange of state land involves unequal or uncertain appraised land values, the Alaska State Legislature must grant final approval of the exchange. To that effect, shortly after President Obama signed the Omnibus Public Lands Act into law, state legislation (House Bill 210) was introduced in the Alaska State Legislature to ratify the exchange. This bill was passed in the Alaska State House within a few days of introduction by a

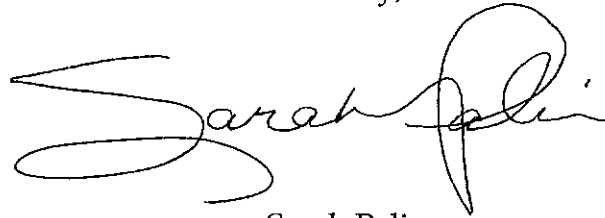
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vote of 38-0. The state expects passage of the bill in the State Senate will occur as soon as practicable when the Alaska State Legislature resumes its current session. Passage in the State Senate during the first half of the current state legislative session was delayed only by the interim adjournment of the Alaska State Legislature under its term limit for adjournment. I am fully prepared to sign the legislation into law as soon as it is passed.

Please initiate proceedings to start on this Environmental Impact statement for this land exchange as provided in Izembek National Wildlife Refuge Land Exchange Act.

Thank you for your attention to this important issue.

Sincerely,

A handwritten signature in black ink that reads "Sarah Palin". The signature is fluid and cursive, with a large loop at the end of the name.

Sarah Palin
Governor

Enclosure

cc: The Honorable Lisa Murkowski, United States Senate
The Honorable Mark Begich, United States Senate
The Honorable Don Young, United State Congress
The Honorable Lyman Hoffman, Alaska State Senate
The Honorable Bryce Edgmon, Alaska House of Representatives
The Honorable Ernest Weiss, Mayor, City of King Cove
The Honorable Stanley Mack, Mayor, Aleutians East Borough
Kim Elton, Director of Alaska Affairs, United States Department of the Interior
Rowan Gould, Acting Director, United States Fish and Wildlife Service
Geoffrey Haskett, Director, Alaska Region, United States Fish and Wildlife Service
John Katz, Director of State/Federal Relations and Special Counsel,
Office of the Governor
Tom Irwin, Commissioner, Alaska Department of Natural Resources
Dean Gould, President, King Cove Native Corporation

**Alaska Statute
Chapter ~~38.50~~
EXCHANGE OF STATE LAND**

Sec. 38.50.010. Authorization.

Subject to the requirements of this chapter, the director, with the concurrence of the commissioner, is authorized to dispose of state land or interest in land by exchanging it for land, interest in land, or other consideration. Exchanges shall be for the purpose of consolidating state land holdings, creating land ownership and use patterns which will permit more effective administration of the state public domain, facilitating the objectives of state programs, or other public purposes.

Sec. 38.50.020. Value of properties exchanged.

(a) The land, interest in land, and other consideration which the state receives in an exchange made under this chapter shall be equal to or exceed the appraised fair market value of the land, interest in land or property exchanged by the state; however, the director may accept cash from, or pay cash to, any other party to an exchange in order to equalize the value of the property or other consideration conveyed and received by the state. If the director determines that the property to be exchanged is not equal in appraised fair market value or if the value cannot be ascertained with reasonable certainty, the director may enter into an exchange on a finding that the appraised fair market value of the property to be received, together with the value of other public benefits, equals or exceeds the value of the property which the state will relinquish. An exchange or a final agreement to exchange is subject to legislative review under AS 38.50.140 if the exchange or a final agreement to exchange involves state land having an appraised or estimated fair market value of more than \$5,000,000, or is for other than equal appraised fair market value.

(b) An appraisal required by this section is presumed accurate and valid for a period of one year from the time the appraisal is completed. After that time, or if the director has reason to believe that the value of the appraised property has changed significantly during the original one year period, a reappraisal of the property is required.

Sec. 38.50.030. Parties.

(a) The director may exchange land and interests in land with a government agency, organization, corporation, individual, or other person. At the beginning of discussions concerning a proposed exchange, the director shall require proof that each party to the negotiations is the owner of, or is legally entitled to, the property which the party desires to exchange and proof that a person acting as an agent for a principal has the authority to negotiate an exchange in behalf of the principal.

(b) The director may negotiate an exchange involving more than one party; however, in order to ascertain whether the equal value requirements of this chapter have been met, the

director shall consider only the land and other consideration which the state would convey and receive if the exchange were executed.

Sec. 38.50.040. Land subject to exchange.

Except as otherwise provided in this chapter, the director is authorized to convey for purposes of exchange any state land or interest in land regardless of the authority under which the land or interest was obtained by the state.

Sec. 38.50.050. Conveyance of mineral rights.

Subject to the requirements of this chapter, the director is authorized to exchange mineral rights in state land to the extent that the conveyance is authorized by the state constitution and applicable federal law. The director may not exchange or receive the surface estate of land or the mineral rights in it, one without the other, unless the separation of estate is necessitated by a prior separation of ownership or by restrictions in applicable law, or the director otherwise finds that the conveyance or receipt of the surface or mineral estates, one without the other, is necessary to achieve a significant public purpose.

Sec. 38.50.060. Reservations and covenants.

The director may include in any patent or other instrument issued under this chapter any reservations and covenants relating to the land which the director considers necessary to protect or promote the public interest. Reservations and covenants may include, but are not limited to, those relating to access, environmental protection, and use or development rights. The director may receive land which is subject to reservations and covenants if the director finds that the reservations and covenants are consistent with the public interest.

Sec. 38.50.070. Valid existing rights.

Conveyances made by the state under this chapter are subject to valid existing rights, including, but not limited to, contracts, permits, leases, rights-of-way, and easements. Unless jurisdiction is waived, the appropriate state agency shall continue to administer valid existing rights as long as any revenues derived from the rights are distributed as provided in the exchange agreement.

Sec. 38.50.080. Prohibition against future considerations and alienation of selection rights.

(a) The director may not negotiate or enter into a land exchange agreement which requires the identification of land, interest in land, or other consideration, except for the performance of necessary survey work, at any time after the agreement is initially executed.

(b) The director, in implementing the provisions of this chapter, may not alienate or agree not to exercise selection rights granted to the state in the Alaska Statehood Act or other applicable law authorizing the state to select land or interest in land.

Sec. 38.50.090. Coordination with other state agencies.

(a) During the negotiation of a land exchange, the director shall consult with other departments and other divisions of the Department of Natural Resources relative to matters which are within their jurisdiction. If land under the jurisdiction of a state agency other than the Department of Natural Resources may be involved in a proposed exchange, the director shall afford the head of that agency an opportunity to participate in the discussions respecting the land.

(b) The director shall be afforded an opportunity to review and comment on any land exchange proposed by a state agency other than the Department of Natural Resources and the University of Alaska.

Sec. 38.50.100. Finding requirement as to alternatives.

Before circulating notice under AS 38.50.110, the director shall consider other alternatives to achieve the objectives of the proposed exchange in an effort to determine whether the proposed exchange will best serve the public interest. In making this determination, the director shall consider, among other things, the advantages and disadvantages of acquiring the land or interest in land for the state by means of purchase, lease, or selection under the Alaska Statehood Act, or condemnation. In addition, the director shall consider alternatives to the disposal through exchange of the state land or interest in land, including, but not limited to, lease or sale.

Sec. 38.50.110. Notice of proposed exchange.

(a) Not more than 60 days nor less than 30 days before a public hearing is scheduled under AS 38.50.120 the director shall circulate a notice containing the information specified in (b) of this section except as provided in (c) of this section. The director shall

(1) publish or post the notice as provided in AS 38.05.945, except as otherwise specified in this section; the director shall publish the notice in a newspaper of general circulation in the vicinity of the land which the state will receive and in the three most populated cities of the state;

(2) mail the notice to any person who has filed a request for notice of proposed exchanges;

(3) mail the notice to each member of the legislature;

(4) mail the notice to each municipality the boundaries of which encompass or are located within six linear miles of land involved in the proposed exchange;

(5) circulate the notice to the Office of the Governor and to all state departments;

(6) mail the notice to any corporation organized under the Alaska Native Claims Settlement Act, which corporation owns or has selected land located within a radius of 15 linear miles from land or property involved in the proposed exchange; and

(7) mail the notice to any other party, including an organization of land users, that the director considers appropriate.

(b) The notice of proposed exchange shall include the following information:

(1) a statement of the proposed action and a legal or other appropriate description of the tracts and potential uses of land involved in the proposed exchange;

(2) a map of sufficient scale to allow identification of each tract in relationship to reference points which are easily identified by laymen;

(3) the name and post office address of each party to the proposed exchange;

(4) a statement that any person asserting a claim to the property involved or desiring to comment or to obtain further information concerning the exchange should contact the office designated in the notice;

(5) the date, time, and place of a public hearing which has been scheduled in connection with the proposed exchange.

(c) The director shall provide the information required under (b) of this section in the notice required under AS 38.05.945 (b) for exchanges of

(1) less than 500 acres of state land; or

(2) state land having an appraised or estimated fair market value of less than \$100,000.

Sec. 38.50.120. Public hearings.

(a) The commissioner may hold as many public hearings as is considered appropriate. For an exchange of state land having an appraised or estimated fair market value of more than \$5,000,000, there shall be at least three public hearings in one or more municipalities close to the state land proposed for exchange before it is submitted to the legislature for approval.

(b) A person who desires to testify at a hearing shall be provided an opportunity to do so, subject to reasonable time limits. In addition, the director shall hold the hearing record open for at least two weeks following the conclusion of a hearing in order to receive supplemental or additional statements.

Sec. 38.50.130. Report on proposed exchange.

(a) In conjunction with the public notice required by AS 38.50.110, the director shall prepare and distribute the report required by this section to the parties listed in AS 38.50.110 (a)(2) - (7) and to any other party who requests it. The report shall contain, among other things, a copy of the notice required by AS 38.50.110 and a discussion in a concise format designed to facilitate public understanding of the issues of

(1) the physical characteristics of the land involved, including the surface and mineral resources associated with the land;

(2) the appraised fair market value of each tract involved in the exchange or, if the exchange is for other than equal appraised fair market value, the nonmonetary values which are involved;

(3) the benefits and detriments which can be expected to accrue, including possible social, economic, and environmental impacts; and

(4) alternatives to the proposed exchange.

(b) Upon termination of the period provided for agency and public comment, the report and the proposed land exchange may be revised, if appropriate, to reflect comments or other information which has come to the director's attention. A brief summary of all comments and information received shall be appended to the report.

Sec. 38.50.140. Legislative review.

Within 10 days of the convening of a regular legislative session, the governor shall transmit to the president of the senate and the speaker of the house of representatives any proposal for a land exchange required to be submitted to the legislature for approval under AS 38.50.020 (a) that is scheduled to occur before the next legislative session. If exigent circumstances seriously affecting state interests so require, the governor may submit the proposed exchange to the legislature at some other time. A finding of exigent circumstances shall be carefully documented in the letter of transmittal. The director is authorized to conclude a proposed exchange agreement upon approval by the legislature of the proposed exchange agreement. A decision by the legislature to disapprove a proposed exchange shall be accompanied by a recommendation to the governor with respect to future actions which the director should take concerning the exchange.

Sec. 38.50.150. Execution of exchange.

If a deed, contract of exchange, or other instrument of conveyance which the director receives to effectuate an exchange is properly executed, acknowledged, and authorized by the appropriate party, the director shall accept conveyance of title to the land and other property which the state is to receive as consideration, and shall issue a patent, contract of exchange, or other instrument of conveyance to the appropriate party for the property which the director is then obligated to convey. Before acceptance by the director of a deed, contract of exchange, or other instrument, no action taken by the director or by any other state official creates a right against the state with respect to state land.

Sec. 38.50.160. Regulations.

The commissioner may adopt regulations under the Administrative Procedure Act (AS 44.62) necessary to carry out the purposes of this chapter.

Sec. 38.50.170. Definitions.

In this chapter, unless otherwise specified,

(1) "commissioner" means the commissioner of natural resources;

(2) "director" means the director of the division of lands;

(3) "state land" means all land including shore, tide, and submerged land or unsevered resources belonging to or acquired by the state excluding interests in land severed or constructively severed from the land.