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March 25, 2004

To	<i>Griles</i>
Co/Dept.	<i>Hulkineau</i>
Phone #	
Fax #	<i>272-1670</i>

The Honorable Steve Griles
Deputy Secretary
Department of the Interior
1849 C Street, NW
Washington, DC 20240

Dear Mr. Griles:

To follow up on our recent conversation, I am writing to request positive action by the Department of the Interior (DOI) on four issues of great importance to Alaska and my administration. These issues are set forth below, together with our specific requests and the reasons therefore.

TAPS Corridor

I request the immediate conveyance to the state of all remaining federal lands within the Trans-Alaska Pipeline System Corridor (TAPS). In addition, I suggest the negotiation of a Memorandum of Understanding (MOU) between Interior and the state to ensure that certain concerns previously identified by the Bureau of Land Management (BLM) are satisfactorily addressed.

Promulgated in 1971, Public Land Order 5150, which originally reserved over five million acres of corridor lands, has outlived its purpose. That purpose was to withdraw sufficient acreage in federal ownership pending the actual identification of a route for the TAPS pipeline. The right-of-way was identified decades ago, and reservation of the remaining lands in federal ownership can no longer be justified. In recognition of this reality, DOI has previously conveyed certain lands within the corridor to the state and corporations established under the Alaska Native Claims Settlement Act (ANCSA).

I am aware that the BLM believes that the conveyance of corridor lands to the state would raise certain legal and policy concerns. These issues include the possible weakening of federal oversight, the need to enforce certain requirements of federal law contained in the right-of-way lease and the Alaska National Interest Lands Conservation Act (ANILCA) and alleged state conflicts of interest.

In our opinion, these concerns fail to differentiate between the federal government's role as a landowner and as a regulator. To the extent that the

DOI has valid regulatory responsibilities, these would not be vitiated or diluted by a land transfer to the state. In any event, a suitable MOU between the DOI and the state can clearly specify and protect the federal government's responsibilities.

Contrary to the BLM's assertion, the conveyance of corridor lands to the state would actually promote the transportation of oil and gas by streamlining the permitting process and by creating other efficiencies. It goes without saying that the state has the same interests as the DOI in facilitating the domestic production and transportation of these resources. Beyond this, unifying land ownership within the corridor would establish a unitary permitting system and would remove the necessity of dealing with two different governmental bureaucracies. As mentioned previously, the negotiation of an MOU would ensure that the federal government's responsibilities for such matters as pipeline safety and corrosion would be maintained.

These conclusions have even greater relevance in the case of an Alaska gas pipeline. The state has every reason to facilitate permitting which is cost-effective and environmentally responsible. The federal government can ensure the achievement of these objectives through the MOU process.

Corridor consolidation would accomplish other important objectives. The Alaska Starchood Act gave the state the right to select valuable acreage to support its economy and people. The act's legislative history is replete with pronouncements to this effect. Corridor lands would be among the most valuable acreage the state could select.

Finally, it makes little sense to us to prohibit most forms of multiple use in the vast acreage currently included within the corridor. Portions of the corridor are thought to have high potential for hard rock minerals and coal. Other multiple uses would appear to be reasonable and viable. Transfer of the corridor to state ownership would lead to a land use planning process designed to identify the highest and best use of each segment of these lands.

King Cove Road

My administration is committed to the construction of a 33.5-mile, all-season road through the Izembek National Wildlife Refuge and related wilderness area to connect the communities of King Cove and Cold Bay. Accordingly, I request that the secretary direct the U.S. Fish and Wildlife Service to enter into immediate negotiations with the state for the purpose of agreeing upon an equal value land exchange that we can jointly propose to Congress for legislative action.

The remote communities of King Cove and Cold Bay are located at the Far Western end of the Alaska Peninsula some 625 miles from Anchorage. Cold Bay (population 88) is the location of the third longest civilian runway in Alaska, with a crosswind runway and an instrument system allowing for 24-hour operation. Conversely, King Cove, with a permanent population of 800 and a seasonal influx of over 400 fish processing workers, has a short gravel airstrip, with limited approach distances and periodic severe crosswinds. Further, the airstrip is unlighted and lacks instrument landing equipment, thus, limiting activities to small aircraft operating during daylight hours and under visual flight rules only.

Over the years, numerous health and safety incidents, as well as preventable deaths, have occurred because severe weather hampered timely transport from King Cove to Cold Bay and on to full medical facilities in Anchorage. In 1999, the King Cove Health and Safety Act (PL 105-277) provided the Aleutians East Borough with \$20 million for planning and construction of a year round road-marine transportation system between King Cove and Cold Bay. The selected alternative in the final Environmental Impact Statement issued on December 13, 2003, provided for the construction of a 17.2 mile road from King Cove to the northeast corner of Cold Bay, the construction of docks at King Cove and Cold Bay, and the operation of a hovercraft across 14 miles of Cold Bay between the two docks. Because of severe winds and rough waters at certain times in Cold Bay, the safety and reliability of the hovercraft operation are precarious and limited.

Further, the cost of dock construction, maintenance, and operation and the cost of a hovercraft, including its operation, maintenance, and replacement, would be extremely high. In this regard, the estimated cost of purchasing a hovercraft and constructing 17.2 miles of road is \$23 million, with annual operating cost of \$870,000. By contrast, while a road from King Cove to Cold Bay would also cost approximately \$23 million to construct, annual operating costs are estimated at approximately \$90,000.

For these reasons of reliability, public safety, and cost, we strongly favor an all-road option. I believe that the most effective way to ensure this option is through a land exchange whereby the state would acquire the road corridor. This will necessitate removing certain lands from the Izembek National Wildlife Reserve and Wilderness. The precise amount could range between 1,500 acres (1,200 acres Refuge Wilderness, 300 acres Refuge) and 11,500 acres (10,000 acres Refuge Wilderness, 1,500 acres Refuge), depending on the methodology for identifying the right-of-way. In exchange, the state is willing to convey lands of equal value to the federal government. This acreage could include state lands with important habitat values located adjacent to the Izembek Refuge and Wilderness area (for inclusion by Congress in the Wilderness system) or other acreage of importance to the U.S. Fish and Wildlife Service. Refuge

We see the consummation of a suitable land exchange between the federal government and Alaska as a "win-win" situation. The federal government would benefit from the addition of high value acreage to the Wildlife Refuge and Wilderness systems. At the same time, the people of King Cove would benefit greatly from the improved public safety, better healthcare, and lower costs inherent in the all-road option as opposed to operation of an expensive and unreliable hovercraft on part of the transportation route.

Cruise Ship Entry/Glacier Bay National Park

I request that every effort be made by the National Park Service to complete the promulgation of the new regulations that are necessary to increase cruise ship entries in Glacier Bay.

I have long favored increased entries. In my opinion, this can be accomplished without significant environmental consequences. Increased entries would be good for the economy of Southeast Alaska and would enable thousands of additional Americans to see the wonders of Glacier Bay.

It is my understanding that the Park Service is now preparing a regulatory package which will be the predicate for proposed rule making. Unfortunately, this rule making cannot be completed in time for this year's summer tourist season. However, every effort should be made to ensure that the necessary regulations are in place as soon as possible, so that cruise ship companies can plan and advertise for the 2005 tourist season. Accordingly, I urge the secretary's office to closely monitor the regulatory process and do whatever is necessary to expedite its completion.

RS 2477

I request that the secretary direct appropriate officials to begin negotiating immediately with representatives of the state to consummate a MOU for processing rights-of-way claimed by Alaska under RS 2477. In the alternative, the secretary could direct the BLM to issue recordable disclaimers upon approval of applications submitted by the state.

As you know, the secretary invited states to submit memoranda to facilitate the processing of applications under RS 2477. We responded with a detailed memorandum solidly based on Alaska law and traditional patterns of use.

In our opinion, the draft memorandum would significantly facilitate the processing of RS 2477 applications, thereby enabling my administration and individual Alaskans to confirm access routes historically used by the public. In so doing, the memorandum relies on Alaska law concerning the establishment, use, width, and abandonment of RS 2477 rights-of-way. Existing case law

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makes it clear that state law is directly relevant to how such rights-of-way can be claimed and utilized.

Further, the memorandum would memorialize traditional patterns of use by snow machine, dog sled, foot traffic, and other means. This part of the MOU recognizes the realities of topography, climate, and access in Alaska, where definitions of "highway" and "construction" must be interpreted to reflect traditional patterns of use and access. Again, this is permissible under RS 2477. Under the MOU, the federal government would retain the traditional rights of the servient owner, ensuring that rights-of-way must be used reasonably in order to protect the underlying and adjoining lands.

If the negotiation of an MOU is not possible at this time, I would recommend that we work together to establish a process for considering RS 2477 applications and issuing recordable disclaimers of federal interests. As you know, DOI and the state have implemented a successful effort to process state claims to navigable waters, and DOI has issued a recordable disclaimer after a careful process, including public comment, for reviewing our claims. There is no reason why such a procedure would not work equally well in processing state assertions under RS 2477.

Access is an essential component of my administration's efforts to accelerate the social and economic development of Alaska. RS 2477 rights-of-way are integral to any transportation and access policy for my state. Notwithstanding some claims to the contrary, entering into an RS 2477 MOU would not lead to a "spaghetti map" of rights-of-way and corridors crisscrossing Alaska. Instead, such rights-of-way will facilitate access to and between communities, to lands needed for various purposes, and to groups of individuals - access that most other Americans take for granted.

As you requested, we have identified two trails for immediate consideration by DOI. These are trails from Coldfoot to Chandalar Lake and from Caro to Coldfoot. In each instance, I have attached information, which briefly explains the history and usage of these routes. Later on, we may submit one or two additional trails for your consideration.

While neither of the trails mentioned above involves paved or gravel surfaces, they are clearly delineated on the ground and have been used continuously for many decades. Neither trail crosses a federal conservation system unit, and we have taken pains to minimize any potential conflicts with Doyon Ltd and other private land owners. These trails were originally established by traditional Alaska uses, such as dog sled, snow machine, mining equipment, and foot traffic, and have been used since then for the same purposes. It is also important to note that the trails access over a million acres of state lands.

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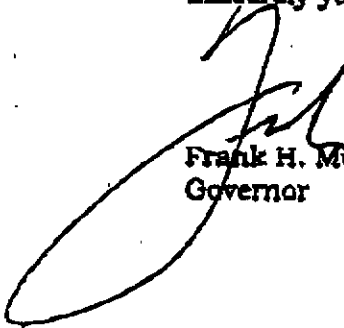
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We believe that these trails exemplify patterns of use that are clearly contemplated by RS 2477 and state law. For these reasons, we have filed six month notices with the federal government under the Quiet Title Act. However, rather than pursuing expensive and time consuming litigation, we would prefer to work with you to recognize these routes by administrative action.

I believe that the requests and recommendations made above are reasonable and are consistent with the public land and environmental philosophy of the Bush/Cheney Administration. In each case, we have requested a result that will enhance public land administration, socio-economic development, public safety, or some other important public policy objective without causing environmental or other harm. Accordingly, I respectfully request that you consider and approve these recommendations as soon as possible.

Thank you for your consideration of my views.

Sincerely yours,



Frank H. Murkowski
Governor

Enclosure

cc: The Honorable Ted Stevens, United States Senator
The Honorable Don Young, United States Congressman
The Honorable Lisa Murkowski, United States Senator
The Honorable Gale Norton, Secretary of the Interior

RST 9 - Coldfoot-Chandalar Lake Trail

This trail is located in the northcentral part of the state in the south foothills of the Brooks Range, (Chandalar and Wiseman USGS quadrangles). Part of this route is a section of the historic Venetie Trail, which runs from Coldfoot to Venetie via Caro (the majority of it overlaps RST 262 Caro-Coldfoot). This trail served as an access and supply route for the mining communities and was first used in 1906 to access the gold fields of the Chandalar Lake region from Coldfoot. It continued to be used as a summer and winter access for mining claims in Chandalar Lake vicinity. It currently provides access to an active mining area and also provides access to recreation and hunting areas, including a past state land sale area.

From Coldfoot, at Mile 254 of the Dalton Highway, the trail runs eastward along Slate Creek, then across the South Fork Flats of the Koyukuk River to the North Fork of the Chandalar River. The route continues north-northeastward along the North Fork of the Chandalar River to Chandalar Lake. The route follows the southern shore of the lake and continues to the public airstrip in the Chandalar Lakes Subdivision, for a length of approximately 65 miles.

The route crosses BLM and State owned lands plus a Trade & Manufacturing Site and several unpatented federal mining claims. A portion of the route crosses lands selected under ANCSA by Doyon Ltd. The route provides access to about 1 million acres of state land. The route does not cross any federal Conservation System Unit lands.

RST 262 - Caro to Coldfoot Trail

This trail is also located in the northcentral part of the state in the south foothills of the Brooks Range, (Chandalar and Wiseman USGS quadrangles). The route is a section of the historic Venetie Trail, which runs from Coldfoot to Venetie via Caro. This trail served as an access and supply route for the mining communities and was first used in 1906 to access the gold fields of the Chandalar Lake region from Coldfoot. It continued to be used as a summer and winter access for mining claims in Chandalar Lake vicinity. Portions of the route are used today to access mining claims and for recreation.

From Caro, the trail travels westerly, crosses the Middle Fork of the Chandalar River, continues to Big Creek and Goldbug Creek and crosses the North Fork of the Chandalar River. The trail travels across the South Fork of the Koyukuk River and down Slate Creek to Coldfoot. The trail is approximately 85 miles long.

The route crosses BLM and State owned lands plus numerous unpatented federal mining claims. A portion of the route crosses lands selected under ANCSA by Doyon Ltd. The route provides access to over 1 million acres of state owned land. The route does not cross any federal Conservation System Unit lands.

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bcc: John Karz
Drue Pearce
Cam Toohay
Tom Irwin
Kevin Duffy
Gregg Renkes
Mike Barton