**State of Alaska**

**Land Base**
- 586,412 square miles—more than twice the size of Texas
- Is larger than all but 18 sovereign nations
- Has more coastline than all other U.S. states combined
- Has more than 3 million lakes and half of the world’s glaciers
- Has 40% of the nation’s freshwater
- Has 63% of the nation’s wetlands
- Is the least densely populated U.S. state

**Land Ownership**
- **Federal Land:** more than 200 million acres
- **State Land:** Approx. 100 million acres of uplands, 60 million acres of tidelands, shore lands, and submerged lands, and 40,000 miles of coastline
- **Native Corporation Land:** 44 million acres
**DNR has 7 divisions, several offices and oversees several boards and commissions**

**Divisions:**
- Agriculture
- Forestry
- Geological and Geophysical Surveys
- Mining, Land and Water
- Oil and Gas
- Parks and Outdoor Recreation
- Support Services

**Offices:**
- Gas Pipeline Project Office
- Mental Health Trust Land Office
- Project Management and Permitting
- State Pipeline Coordinators Office

**Boards and Commissions:**
- Natural Resource Conservation and Development
- Board of Agriculture
- Many others
DNR Coordinates the permitting of large projects in the state in accordance with

AS27.05.010(b):

Team Approach

• State Tongass Team
• Large Mine Permitting Team
Objective: Provide a forum for state agencies to review, discuss, and consolidate comments regarding development projects proposed in the Tongass National Forest.

- Current timber sale projects
  - Tonka (PRD)
    - NEPA completed
    - 38.5 MMBF
    - 1.7 miles of new system roads
    - 7.6 miles of temporary roads
  - Big Thorne (TBRD)
    - DEIS in preparation
    - 100 MMBF anticipated
  - Saddle Lakes (KMRD)
    - DEIS in preparation
    - 33 MMBF anticipated
  - Wrangell Island (WRD)
    - DEIS in preparation
    - Up to 80 MMBF possible

Forest Plan 5-year review

- Monitoring & evaluation report
- Info needs assessment
- Internal/external concern assessment
- Conservation Strategy review
State of Alaska has undertaken comprehensive, statewide strategies to address significant challenges.

- Secure Alaska’s Future—Oil
- Commercializing North Slope Gas
- Secure Alaska’s Future—Strategic & Critical Minerals
- Statewide Permitting Reform & Modernization
**Secure Alaska’s Future—Strategic & Critical Minerals**

**Objective:**
To highlight Alaska’s potential for exploration, development, and processing of strategic and critical minerals, including Rare Earth Elements (REEs)

“Secure Alaska’s Future: Strategic Minerals” is a comprehensive strategy that will:

I. Undertake a statewide assessment of Alaska’s strategic mineral potential—millions budgeted for this project

II. Provide support for the development of known or highly prospective strategic mineral occurrences throughout Alaska through infrastructure partnerships and incentives

III. Improve the structure and efficiency of permitting processes in order to expedite mineral development, including strategic minerals

IV. Deepen partnership and cooperation with the federal government, local governments, Native corporations, and other potential new entrants to encourage domestic exploration, development, and processing of REEs and other strategic minerals

V. Attract new investment and markets for Alaska’s abundant mineral resources
The State of Alaska Ranks in the *Top Ten in the World* for Important Minerals, Including:

- **Coal**: 17% of the world’s coal; *2nd most in the world*
- **Copper**: 6% of the world’s copper; *3rd most in the world*
- **Lead**: 2% of the world’s lead; *6th most in the world*
- **Gold**: 3% of the world’s gold; *7th most in the world*
- **Zinc**: 3% of the world’s zinc; *8th most in the world*
- **Silver**: 2% of the world’s silver; *8th most in the world*

*USGS estimates*

According to the USGS, Alaska has over 70 occurrences of Rare Earth Elements (REE).
STRATEGIC & CRITICAL MINERALS
- RECENT MINING ACTIVITY -

- Producing Mines in Alaska
  - **Red Dog**: one of the world’s largest zinc mines, produced over 593k tons of zinc, 121k tons of lead, and 6.7 million ounces of silver in 2010
  - **Greens Creek**: among the world’s top 10 silver mines, produced over 7.2 million ounces of silver, 68k ounces of gold, and 75k tons of zinc in 2010
  - **Pogo**: produced 383k ounces of gold in 2010
  - **Fort Knox**: produced 350k ounces of gold in 2010
  - **Usibelli**: produced over 2 million tons of low sulfur coal in 2010; exported half of its production in 2011
  - **Nixon Fork**: gold and copper mine re-opened in 2011
  - **Kensington**: 2011 was the first year of production for this new gold mine—production expected to be nearly 90k ounces of gold in 2011

In 2011, the gross mineral production value from Alaska totaled $3.8 billion, up 16% since 2010. Mineral production had an export value of $1.3 billion in 2010, or 31% of Alaska’s total exports.
Strategic & Critical Minerals - Recent Mining Activity -

- Advanced exploration projects include:
  - **Pebble**: ~ 80.6 billion pounds of copper, 107.4 million ounces of gold, and 5.6 billion pounds of molybdenum
  - **Bokan Mountain**: enriched in yttrium, dysprosium, and critical heavy Rare Earth Elements
  - **Donlin**: ~ 42.3 million ounces of gold
  - **Money Knob**: ~ 20.6 million ounces of gold
  - **Niblack**: ~ 7.3 million tons of polymetallic (copper, gold, silver, and zinc) volcanogenic massive sulfide project

- 30 exploration projects spent over $1 million in 2011
- $2.8 billion has been spent on mineral exploration in Alaska since 1981

In 2011, mineral exploration investment in Alaska totaled $300 million - accounting for about one-third of the total spent on exploration in the U.S.
State is undergoing a statewide assessment for strategic and critical minerals - $3M designated in FY13 budget

- One of largest undertakings in the country
- Looking to work with other public and private groups
- Information will be made available to public

- Held first “Strategic & Critical Minerals Summit” in Fairbanks last fall; the second is in the planning stages
  - Huge turnout
  - Very favorable national press
Objective:
Improve the State of Alaska’s permitting processes in order to advance the public interest by ensuring projects are permitted in a timely, predictable and efficient manner while safeguarding the environment.

DNR has been working with a team from DNR, DEC, ADF&G, and LAW to develop and advance strategies that aim to:

I. Improve agencies’ internal permitting structure to create a more efficient, timely, and certain process

II. Enhance coordination within different state departments and with different entities and stakeholders throughout the state

III. Seek input from the public about the permitting process including input from municipalities, industry and non-governmental organizations

IV. Improve coordination between the state and the federal government—federal permitting issues have a strong influence on state projects

V. Anticipate and plan for permitting the next phases of resource development, e.g. the Shale Oil Task Force
Permitting Reform - Significant Progress Made -

- In FY12, the Legislature provided approximately $2.7 million in operating funds for the Division of Mining, Land & Water to create efficiency, timeliness and certainty in the permitting process.
- We are utilizing capital funding from FY12 ($2.5M for the Unified Permit Project and Document Management) to focus on business management software and services.
- In FY13, the Legislature approved the continuation of FY12 operating funds as part of the ongoing base for permitting and an additional $950.0 to cover increased personnel costs and fill vacant positions focused on permitting.
  - FY13 capital budget included $3.3M to continue work on the Unified Permit Project, including the continuation of IT strategies and Business Process Management.
- We have filled 31 of 36 new/vacant positions.
- We reclassified and updated over 50 position descriptions.
- During FY12, the backlog was reduced by 31.4% or 835 cases.
- We have conducted public meetings statewide for input on state permitting processes.
- We are evaluating internal processes to identify and fix inefficiencies.
Statutory Changes – HB361

• The Division of Mining, Land and Water has identified over 30 statutory changes that would help reduce applicant costs, create efficiencies, reduce redundancies, and reduce opportunities for legal challenges.

• During the 2012 Legislative session, the Governor introduced HB 361, which included the highest priority changes related to leasing and disposal programs that would help reduce the permitting burden on the applicant and free more time for staff to work on processing applications.

• The Legislature passed HB 361 and it has been signed by the Governor.
PERMITTING REFORM
- OTHER EFFORTS TO CREATE EFFICIENCIES -

• Contributing to the Department/State’s Permit Efficiency Task Force

• Evaluating how to improve coordination with other state and federal agencies

• Continuing to evaluate organizational changes in the division (function of process improvement)

• Hired a business analyst to help lead our staff through process evaluations and changes

• Broader statewide focus underway

• DNR, including the DMLW and DOG, continues to evaluate our statues and regulations to look for additional modifications to improve permitting efficiency, certainty and timeliness
Southeast Conference
September 25-27, 2012
Craig, Prince of Wales Island

Kyle Moselle, Large Project Coordinator
Office of Project Management and Permitting,
Alaska Department of Natural Resources
www.dnr.alaska.gov