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October 13, 1999

Ron Montagna
Bureau of Land Management
Administrative Record, Room 401 LS
1849 C Street, N. W.
Washington, D.C. 20240

Attention: AC74

Dear Mr. Montagna:

The State of Alaska has reviewed the Bureau of Land Management (BLM) proposed rule published in the June 15, 1999 Federal Register. This rule addresses Rights-of-Way Principles and Procedures, and Rights-of-Way under the Mineral Leasing Act. The comments in this letter represent the consolidated views of the state's resource agencies.

Based on our review, we conclude that the regulations accomplish the following:

- Communications sites will be included in the 1995-rent schedule.
- The application process will be simplified and streamlined, establishing processing time for non-complex actions.
- Fees will be increased or decreased annually to comply with the cost recovery act, eliminate automatic federal agencies exemption, and restrict eligible Rural Electrification Act rental exemptions.
- Fees will be based on the complexity of an application.
- Rental rates will not be affected.
- BLM will regulate improved customer service and will be required to notify applicants when the established processing time is exceeded.
- Income to BLM will depend on whether the grant is issued under FLPMA or the Mineral Leasing Act (MLA).

Our review indicates that states will not be affected by the cost recovery aspects of these regulations since states will be exempt from fees for any of the following:

- 1) a right-of-way will benefit the general public,
- 2) the state participates in a cost-share road,
- 3) a reciprocal right-of-way agreement is in place.

BLM has 1,280 existing rights-of-way in Alaska (September 30, 1998). Fifteen rights-of-way were issued in FY 97 and 18 were issued in FY 98.

State agencies offer these comments in response to two of the general questions raised in Section I of the Preamble, quoted here in italics.

"Whether BLM should charge for processing right-of-way grant renewals, and if so, on what should the costs be based."

BLM should charge for processing right-of-way grant renewals. The regulations should provide sufficient flexibility to charge fees based on the most applicable fee structure to the project. Fees could be based on the amount of time it takes to process the renewal; or could be derived from the cost of staff time used to establish the processing fee for the original application; or billings could be submitted on an as-they-are-process method. Some projects may be more suited to a different model in which the applicant's fee includes agency overhead or other expenses.

"Whether BLM should impose fees for late payment of rent."

We suggest that BLM impose fees for late payment of rent. This is a common practice and provides an incentive for the user to pay on time.

Thank you for your consideration of these comments.

Sincerely,



Sally Gibert
State CSU Coordinator

cc: John Katz, Governor's Office, Washington, D.C.
John Sisk, Governor's Office, Juneau
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