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Governor Sean Parnell
STATE OF ALASKA

June 29, 2011

The Honorable Mike Chenault
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801

Dear Speaker Chenault,

On this date, I signed, with line item vetoes, the following bill passed by the first special session of the Twenty-Seventh Alaska State Legislature and am transmitting the engrossed and enrolled copies to the Lieutenant Governor's Office for permanent filing:

HCS CSSB 46(FIN)

“An Act making and amending appropriations, including capital appropriations, savings deposits in the form of appropriations to the statutory budget reserve fund, and other appropriations; making appropriations to capitalize funds; and providing for an effective date.”

Chapter No. 5, FSSLA 2011

Our priority has been to promote economic growth and opportunity for Alaskans. Budget discipline requires a balance of saving for the future and investing in economic development now. With declining oil production, an uncertain national economy, and the State's financial obligations of saving more now makes sense. The capital budget I presented for legislative consideration provided a healthy level of investment while taking this longer term view of saving for Alaska's future.

I made reductions in spending with several key factors in mind – life and safety, infrastructure and jobs now, leveraging other funds, and balance across Alaska. I appreciated Legislators letting me know the high priority projects in their districts. Projects that were reduced or vetoed can be considered in a future budget.

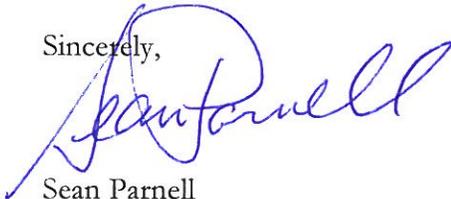
HCS CSSB 46(FIN), as passed by the Legislature, contained capital appropriations for Fiscal Year 2011 and Fiscal Year 2012, totaling \$3.2 billion, including \$2.0 billion in general funds. Through line-item vetoes, I have reduced the appropriations in the capital budget by \$400.3 million of which \$333.6 million is general fund. The enclosed spreadsheet contains a summary of the vetoed appropriations including the page and line number, fund source, and the reason for the veto.

We have focused on energy, including over \$1 billion for hydroelectric generation and transmission, renewable energy grants, weatherization, home energy rebates, and other energy projects along with power cost equalization funding in the operating budget.

The capital budget I sign into law funds the Susitna hydroelectric project at \$65.7 million and also includes \$1.24 billion for transportation, including highways and aviation projects, \$87.1 million for water and sewer projects, \$297.9 million for K-12 education and the University, and \$114.2 million for deferred maintenance projects. As enacted, the budget includes \$44 million for the Tanana River Bridge and \$30 million each for the Point MacKenzie Rail Extension and Port of Anchorage. These are significant economic development projects that will create jobs and economic growth in Alaska.

These capital dollars will create jobs and opportunity for Alaskans, meet the State's constitutional responsibilities of resource development, education, public safety, and infrastructure essential to Alaska's economic future, and address high-priority projects in districts across the state.

Sincerely,



Sean Parnell
Governor

Enclosure

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Governor Sean Parnell
STATE OF ALASKA

June 29, 2011

The Honorable Gary Stevens
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801

Dear President Stevens,

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The Honorable Gary Stevens

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Page 2

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Sean Parnell
Governor

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