



Municipality of Anchorage

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Mayor Mark Begich

Office of the Mayor

August 8, 2007

The Honorable Sarah Palin
Governor of Alaska
P O Box 110001
Juneau, AK 99811-0001

Dear Governor Palin:

I write to ask for your assistance in maintaining a healthy and transparent public process and thorough, performance-based project agreement for the Knik Arm Crossing

As you know, Anchorage has been supportive of a Knik Arm Crossing that meets the needs of Southcentral Alaska without needlessly harming a resurgent downtown Anchorage, leaving the Matanuska-Susitna Borough with dire infrastructure needs, or reducing federal and state transportation dollars for scores of other vital transportation projects in the state. Yet this project presents some serious challenges to our communities. It also presents some basic governance concerns if not handled properly.

As you have rightfully championed with the Alaska Gasline Inducement Act, government functions best when it is open and transparent. Additionally, private parties accepting public funds also need clear benchmarks to ensure their performance. Unfortunately, many of the safeguards and principals you created in AGIA are lacking in the current Knik Arm Bridge and Toll Authority's (KABATA) authorizing legislation and their track record to date. Projects of this scale require broad public trust. That trust is gained from wide-reaching, collaborative process that encourages citizen involvement. As we near even more critical stages of this project, please take the steps necessary to restore the public's trust in the management of this project.

In order to cure this deficiency, I ask that you:

- 1) Require KABATA to make private investors' completed applications available to the public;
- 2) Demand that KABATA both consider public comments as part of their deliberative process as well as issue written findings before selecting a private partner from the applicants;

I believe a reasonable process can be developed to incorporate public comment from individual citizens as well as the local governments who are directly affected.

Community, Security, Prosperity

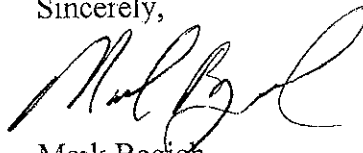
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KABATA currently contemplates that a public-private partnership will construct and maintain this project in return for the rights to the toll revenues from the bridge. While these types of partnerships are gaining popularity across the United States, they are still new and we have no experience with them in Alaska. That should signal extreme caution in drafting such an agreement. Beyond the stewardship of the mammoth public investment to date, a private company's management actions would directly affect significant transportation, quality of life, and environmental issues for citizens in both Anchorage and the Matanuska-Susitna Valley. Just as AGIA includes clear confidence-building benchmarks for those seeking to produce and ship the state's natural gas, the selected private partner needs to perform just as well when transporting our state's most precious resource, its people.

At minimum, performance standards should include: adequate maintenance of all infrastructure, substantive and measurable air quality and noise standards, pedestrian, bicycle and multi-modal transportation options, as well as concrete triggers for improving and completing the important connections on both sides of the bridge. In Anchorage, this means a definite traffic volume level that would trigger a project-funded connection to the Gambell-Ingra corridor to relieve the inevitable traffic congestion brought about by any additional traffic the bridge delivers to downtown. In the Matanuska-Susitna Borough, this means a similar volumetric requirement for a modern, straightened and improved Point McKenzie Road that would actually deliver the time savings envisioned by most citizen supporters of this project.

Thank you for your attention to these important public matters, and we stand ready to help you and the KABATA board in delivering a process and project that embodies the values we in Alaska value so highly.

Sincerely,



Mark Begich
Mayor

CC: DOI Commissioner Leo von Scheben
AMATS Members
Alaska's Congressional Delegation
Mat-Su Borough Mayor Curt Menard