

To: AMATS Policy Committee members
From: Lois Epstein, P.E., Director of the Alaska Transportation Priorities Project, *et al.* (i.e., Government Hill and conservation community colleagues)
Subject: 4/23/09 AMATS Policy Committee discussion on the Knik Arm Bridge
Date: April 22, 2009

Greetings. We are sending you this memo in an effort to ensure that the Policy Committee addresses the key policy question associated with the Knik Arm Bridge regardless of the fact that the AMATS Technical Advisory Committee (TAC) has not issued a recommendation on whether the Bridge should be removed from Anchorage's Long Range Transportation Plan (LRTP). That key policy question is: Should the bridge remain in the LRTP if it jeopardizes funding for other LRTP projects? Below are some suggested questions for the Committee to ask on 4/23 that will help it answer this question.

Whether to retain the Knik Arm Bridge in the LRTP is clearly a policy decision. Declining federal funding for transportation nationwide makes prioritization of projects imperative. The Bridge represents infrastructure that Anchorage can no longer afford.

It is our hope that the Policy Committee will decide as soon as possible whether or not the bridge should remain in the LRTP or, alternatively, that the Committee will give KABATA clear conditions with a short timeline which – if not met – would require removal of the Bridge from the LRTP. Without such a decision, KABATA will continue to spend significant amounts of money that may never result in a bridge. Note that KABATA has spent approximately \$44 million (see www.akbridgesandroadstonowhere.org) to date, its costs are projected to be \$4.9 million in FY09 (over \$13,000/day), and there is approximately \$60 million in federal money currently dedicated to the Bridge which will be spent unless the Policy Committee acts.

Potential Questions for NOAA/NMFS (NOAA/NMFS oversees beluga whale protection; a representative(s) will be at the meeting)

1. *Would the preferred alternative for the Knik Arm Bridge evaluated in the bridge's Environmental Impact Statement (EIS), be approved by NOAA/NMFS? NOAA/NMFS sent a letter to KABATA following issuance of the Final EIS which stated that "The environmental consequences of [the preferred] alternative cause us to continue to support the No Action Alternative as the best option for promoting the recovery of Cook Inlet belugas and sustaining upper Cook Inlet salmon runs."*¹
2. *If NOAA/NMFS would not approve the current bridge design, what types of design changes are needed for NOAA/NMFS to approve a bridge design?*

Potential Questions for KABATA

1. *What is the current financial plan for bridge funding, including connecting the bridge to Ingra-Gambell (i.e., Phase 2)? Will KABATA share this plan with AMATS? Does the plan include additional money from the federal government, the state² and/or Anchorage or the Mat-Su? If yes, how much? KABATA's Attorney Bill Greene recently told the TAC that KABATA's Request for Proposal from private partners is at a very early stage. The Chair of the KABATA Board, Mike Foster, recently told the TAC that KABATA is exploring alternative ways of paying for the bridge in*

¹ Letter from Rodney F. Weiher, Ph.D., NOAA NEPA Coordinator to Betty Fauber of KABATA, February 19, 2009.

² Page 9 of Chapter 12 of the current LRTP states that "No additional state funds and no additional federal transportation funds beyond those currently authorized... would be used to finance the project, including both initial construction and future expansion [i.e., connection to Ingra-Gambell] costs."

addition to funding from private partners. Additionally, KABATA stated in 2008 that the Ingra-Gambell connection would not be the responsibility of the private partners.³

2. *What is the status of the bridge's private partners and their current interest in funding this project? When did KABATA last meet with them and what was discussed? Are the private partners seeking a revenue guarantee from the state if bridge tolls do not meet projections?* The recently completed independent engineering estimate of the cost of the bridge stated that “without an equitable risk sharing agreement, the Project will not be economically feasible if proposals are received wherein all risks are passed on to the contractor,”⁴ implying that state/local financial participation is critical for the project to move forward.
3. *How does KABATA plan to address NOAA/NMFS' concerns about the current bridge design? Has KABATA estimated how much any potential design changes might cost?*

³ KABATA Answers to April 22, 2008 Letter from Alaska Department of Transportation and Public Facilities Deputy Commissioner Frank Richards, p. 15.

⁴ *Knik Arm Crossing Conceptual Cost Estimate (Final)*, prepared for the Alaska Department of Transportation and Public Facilities by The National Constructors Group, January 2009, p. 1-20 of the Executive Summary, http://www.dot.alaska.gov/comm/pressbox/arch_2009/Knik-Arm-Crossing-Report-Executive-Summary.pdf.