

STATE OF ALASKA

KNIK ARM BRIDGE AND TOLL AUTHORITY

SARAH PALIN, GOVERNOR

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June 4, 2008

Senator Johnny Ellis
Alaska State Legislature
716 W. 4th Ave., Suite 200
Anchorage, AK 99510

Representative Les Gara
Alaska State Legislature
716 W. 4th Ave., Suite 200
Anchorage, AK 99510

Senator Ellis and Representative Gara:

We appreciate the concerns expressed in your May 20, 2008 letter to Governor Palin related to the Knik Arm Crossing (KAC) Project. I am pleased to inform you of the Project's status and some of the proactive efforts being undertaken that should alleviate many of your concerns.

KABATA's Executive Director Andrew J. Niemiec has initiated consultations with Anchorage's Municipal Manager and the Director of Economic and Community Development along with the Alaska Department of Transportation for the purpose of accelerating the delivery of the KAC Ingra/Gambell Connection. We recognize, as noted in the AMATS Long-Range Transportation Plan, that the Knik Arm Crossing project (including Ingra/Gambell) is linked to the Seward Highway to Glenn Highway Connection. They are two critical and complementary projects.

Accelerating the delivery of the Ingra/Gambell Connection will necessitate further traffic and revenue studies and financial modeling. Our commitment to work with the Municipality of Anchorage and the Department of Transportation will establish the appropriate schedule and resources necessary to deliver this integral part of the Project with the certainty that is being sought.

Over the past few months, KABATA has clearly acknowledged the need to address public questions (some of which you raise in your letter) and we have adjusted project development activities accordingly. Our resources are directed at completing the environmental review process and obtaining the Record of Decision, acquiring necessary permits and addressing the concerns of the State and local government. The draft P3 RFP that you refer to has not been further developed and it does not reflect KABATA's final recommendation for project delivery.

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We clearly recognize that further outreach to the public and Legislature is required and beneficial. A clear understanding with respect to tolls, use of revenue, state support and project risks is essential to the ultimate success of the Project.

A detailed independent analysis clearly indicates the project is economical. Not only is there an opportunity to leverage limited public funds to provide essential transportation infrastructure for Alaska, the Project is complementary to the transportation needs of the Municipality of Anchorage and the Mat-Su Borough.

KABATA looks forward to working with the State and local government and the Legislature to accelerate delivery of the Ingra/Gambell Connection and to resolve the questions you have raised.

Sincerely,

A handwritten signature in cursive script, appearing to read "Darcie K. Salmon".

Darcie K. Salmon
Acting Chairman

cc:

Randall Ruaro, Special Assistant, Office of Governor Palin
Frank T. Richards, Deputy Commissioner, Dept. of Transportation & Public Facilities
Patrick S. Galvin, Commissioner, Dept. of Revenue
Tim Leonard, Executive Director, AIDEA
Andrew J. Niemiec, Executive Director, KABATA