

From: Richards, Frank T (DOT)
Sent: Thursday, February 12, 2009 3:20 AM
To: Katz, John W (GOV)
Cc: Kelly, Russell T (GOV); Von Scheben, Leo (DOT); Ottesen, Jeffery C (DOT)
Subject: Meeting with Obama Administration-- Feb. 11

Yesterday I met with US DOT's Secretary LaHood along with 40 other state DOT Commissioners/Secretaries to discuss the impact of the Economic Stimulus package on our infrastructure and state economies. The meeting was scheduled at the request of COS Emmanuel who was unable to attend. The purpose of the meeting was for the administration to hear from the states the benefits and the challenges that we will experience from the Stimulus funding.

Secretary LaHood stressed the following points on the stimulus funding:

- # 1 goal of this bill is to put people to work
- President recognizes that infrastructure reconstruction will provide good paying jobs
- Bill will provide funds that will be distributed by existing modal formulas
- US DOT and state DOT's must follow law – "By the Book, No shortcuts and No Earmarks"
- UD DOT has formed TIGER team to get the funding to the states quickly, cut through the red tape
- White House has set up website to monitor job creation – Recovery.com
- President's message is to "get it done" by working together (fed's and state) quickly and provide for accountability and transparency

Secretary LaHood priorities for US DOT:

- Work with Congress to get Aviation re-authorization bill done this year
- Work with Congress on the Amtrack bill
- Start discussions immediately on the Highway re-authorization bill
- Building a Hi-speed rail system
- Find people to head the modal administrations
- Special emphasis in "Livable Communities"

Alaska was one of three states asked to highlight projects that would be funded using economic stimulus funds. I presented the benefits of the Dalton Highway projects and their direct impacts on the Natural Gas Pipe Line project. (My remarks are attached.)

States stressed to Secretary LaHood the urgent need to start work on the highway re-authorization bill. The projects funded by the stimulus will put Americans to work now but the future needs more certainty for companies to go out and buy new equipment and invest in their companies. Without a defined 6 year program people will be more conservative and not spend the funds that will help re-stabilize the country.

Many states said that they will award contracts within 90 days and expend all of the stimulus funds in 2009.

Session ended with commitment by LaHood that the US DOT will be a partner to assist with rapid expenditure of the funds

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Oral comments presented by Frank Richards to US DOT Secretary LaHood, follow on next page:

Thank you COS Emmanuel and Secretary LaHood,

I am honored to represent the Alaska Department of Transportation and Public Facilities. Governor Sarah Palin sent me to tell you Alaska is ready to use the recovery and reinvestment funds for projects to put Alaskans to work and to help achieve the nation's energy independence priorities. Alaska used simple and straight forward criteria to select projects. We choose projects that are shovel ready, of national significance, provide work in economically distressed areas of the state and increase the safety of the roads Alaskan's drive on.

Alaska's highest priority projects support the Alaska Natural Gas Pipeline, the nation's largest civil works project that will deliver 4.5 billion cu. Ft. of natural gas to the nation's heartland. Alaska has almost 200 Trillion Cu. Ft of natural gas representing about 100 years of domestic energy demand.

Our goal is to ensure our highways and bridges are capable of handling the massive amount of heavy freight and pipe that will be hauled during gas line construction. We have 6 projects that meet this goal and can be obligated within Congress's aggressive 90-day timeline.

Our highest priority is a Dalton Highway Project to reconstruct 22 miles of this immensely important transportation corridor. Few Americans, and frankly not many Alaskans, have driven this road. The Dalton Highway is the only surface transportation link between interior Alaska and the oil and gas fields of Prudhoe Bay. The Dalton Highway's 414 miles traverse challenging terrain, underlain by ice rich permafrost in one of the least populated regions of the United States. This two-lane gravel road crosses the Arctic Circle and the Brooks Range before descending to the Prudhoe Bay oil and gas fields on the coastal plane. This road link is critical to the existing oil and gas developments that provide 18% of America's domestically produced crude oil. This project will raise the grade, widen the embankment, add shoulders, repair 5 bridges, install new culverts to protect fish habitat and provide a suitable driving surface.

Additional projects will provide jobs from Ketchikan in southeast Alaska to the small native villages of Kipnuk and Emmonak out on our west coast. We will be reconstructing 10 bridges, purchasing new transit buses and vans, upgrading pathways and waysides, and constructing 2 new ferries. Nearly 70% of Alaska's projects are in Economically Distressed areas, some with unemployment over 20%.

Thank you Mr. Secretary for allowing me to share our plans for use of the Economic Stimulus funding and how it benefits not only Alaskans but all of America.