

**ALASKA STATE LEGISLATURE**  
**SENATE TRANSPORTATION STANDING COMMITTEE**

March 25, 2008

2:06 p.m.

**MEMBERS PRESENT**

Senator Albert Kookesh, Chair  
Senator John Cowdery, Vice Chair  
Senator Donald Olson  
Senator Bill Wielechowski  
Senator Gary Wilken

**MEMBERS ABSENT**

All members present

**COMMITTEE CALENDAR**

SENATE BILL NO. 268

"An Act amending the ability of the Knik Arm Bridge and Toll Authority to make and execute certain agreements, contracts, and other instruments; and relating to the facility toll charges that the authority may collect from its operation of the Knik Arm bridge and appurtenant facilities and to the necessity of securing the approval of the commissioner of transportation and public facilities as to the amounts to be collected as toll charges."

HEARD AND HELD

**PREVIOUS COMMITTEE ACTION**

BILL: SB 268

SHORT TITLE: KNIK ARM BRIDGE & TOLL AUTHORITY

SPONSOR(s): SENATOR(s) ELLIS

02/13/08	(S)	READ THE FIRST TIME - REFERRALS
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**WITNESS REGISTER**

MAX HENSLEY  
Staff to Senator Ellis  
Alaska State Capitol  
Juneau AK

**POSITION STATEMENT:** Commented on SB 268 for the sponsor.

GEORGE WUERCH, Chairman  
Board of Directors  
Knik Arm Bridge and Toll Authority (KABATA)  
Anchorage AK

**POSITION STATEMENT:** Opposed SB 268.

ANDREW NIEMIEC, Executive Director  
Knik Arm Bridge and Toll Authority  
Anchorage AK

**POSITION STATEMENT:** Opposed SB 268.

BOB FRENCH, Co-Vice President  
Government Hill Community Council  
Anchorage AK

**POSITION STATEMENT:** Supported SB 268.

LOIS EPSTEIN, Director  
Alaska Transportation Priorities Project  
Anchorage AK

**POSITION STATEMENT:** Supported SB 268.

STEVE CLEARY, Executive Director  
Alaska Public Interest Research Group (AKPIRG)  
Anchorage AK

**POSITION STATEMENT:** Supported SB 268.

SUZANNE DIPIETRO  
Anchorage Citizen's Coalition  
Anchorage AK

**POSITION STATEMENT:** Supported SB 268.

DARCIE SOLMON, Vice President  
KABATA  
Anchorage AK

**POSITION STATEMENT:** Opposed SB 268.

MARTY METIVA, representing himself  
Wasilla AK

**POSITION STATEMENT:** Opposed SB 268.

CHERYL METIVA, Executive Director  
Greater Wasilla Chamber of Commerce  
Wasilla AK

**POSITION STATEMENT:** Opposed SB 268.

#### **ACTION NARRATIVE**

**CHAIR ALBERT KOOKESH** called the Senate Transportation Standing Committee meeting to order at [2:06:07 PM](#). Present at the call to order were Senators Cowdery, Wilken, and Kookesh.

**SB 268-KNIK ARM BRIDGE & TOLL AUTHORITY**

CHAIR AL KOOKESH announced consideration of SB 268.

MAX HENSLEY, staff to Senator Ellis, sponsor of SB 268, said the purpose of this bill is to continue the trend of open and transparent government. Any potential Knik Arm Bridge, even given the most optimistic price estimates, would be one of the most expensive public works projects the state has seen. He said the amount of money at stake, the long term fiscal commitments and the effects on the neighborhoods it would impact would require some kind of governmental oversight and the legislative body is the appropriate place for that to occur.

This bill establishes a 60-day public comment period for any contract that the Knik Arm Bridge and Toll Authority (KABATA) could sign to build a bridge followed by a 60-day period for legislature approval. It also contains a consumer protection provision which would limit price increases for tolls to help commuters in Anchorage and MatSu who would come to depend on the bridge.

MR. HENSLEY said SB 268 is supported by the Government Hill Community Council where the bridge would hit land on the Anchorage side, the Municipality of Anchorage and the Anchorage Daily News.

SENATOR COWDERY asked what the financing community would think about all the legislative oversight. He asked if it was intended to chill the bill.

MR. HENSLEY replied no; any investor would need to be assured this project was supported by state government and legislative approval and public comments would allow them that security.

SENATOR COWDERY said this is a much needed project for public safety purposes. He asked how many people drive in from Wasilla every day.

MR. HENSLEY replied a lot, but he didn't have an exact number.

SENATOR COWDERY noted there were lots of accidents. He said this bridge is needed and that it's almost impossible for a first time home buyer to buy a home in Anchorage because of the lack of land.

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SENATOR OLSON joined the committee.

SENATOR COWDERY said the financing community would decide if the project was feasible or not and he thought all the hurdles in the bill would kill the project. He asked how much public money was invested in this project so far.

MR. HENSLEY replied the legislature has appropriated \$105 million towards KABATA and approximately \$34 million of that has been spent so far.

SENATOR COWDERY asked if the Environmental Impact Statement (EIS) was done.

MR. HENSLEY replied he thought it was in progress.

CHAIR KOOKESH had to testify in another committee and asked Senator Cowdery to chair the meeting in his absence.

2:13:03 PM

GEORGE WUERCH, Chairman, Board of Directors, Knik Arm Bridge and Toll Authority (KABATA) said he was accompanied by the executive director, Andrew Niemiec. He said he would give them an overview of KABATA's origins and activities to date.

He said it's almost five years to the day when the 2003 legislature pulled up and looked at a 20-year old bill that created the toll authority for crossing the Knik Arm River. Unfortunately, the oil economy went to pieces in the mid-80s and that project never got off the ground. All it had was a draft environmental impact statement.

MR. WUERCH said that toll concept was updated and passed by both Houses in 2003. He explained that the initial efforts were geared to gather the field data, both technical and environmental, and start the Environmental Impact Statement (EIS) process using the federal Highway Administration as the lead agency.

In the initial months they looked for a financing plan that they referred to as the "three-legged stool." They anticipated one-

third of the cost of construction would come from a federal appropriation, one-third from the state and one-third from revenue bonds. Unfortunately, the "bridge to nowhere" label hit Alaska then and the federal funding dropped from over \$200 million to a little over \$90 million. State funding was dropped from the governor's budget in its entirety and the bond market was telling them it was very unlikely that it could sell revenue bonds for the total amount needed at that time.

Their new approach was sponsored by Congressman Young who for the first time arranged for public private partnerships for toll roads and toll bridges. So, in 2006, KABATA asked the legislature to amend statute to give it the opportunity to enter into these new public/private partnership deals; that was authorized. He explained that the 2006 budget included a little over \$100 million for DOTPF, which was the federal/state match money the previous speaker talked about. That funding stream is what has been paying for the EIS, most of the regulatory permits, and is anticipated to be sufficient to get through the procurement phases of this project.

Ultimately, Mr. Wuerch said, he hoped that the remainder of those public dollars would be the equivalent to about 10-15 percent of the constructions cost and would, in effect, be the state's equity in this project with the balance coming from a private investor.

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MR. WUERCH said in those last five years KABATA has been successful in qualifying for participation in certain federal loan programs for transportation projects; one is authorized and one is pending. He said the final EIS has been published in the federal register and the final step will be the issuance of a record of decision by the federal Highway Administration, now pending. KABATA has qualified through a two-step procurement policy, following federal Highway and Alaska DOTPF procurement regulations, two international consortia as potential partners to the state. The next step is to finalize the conditions of the request for proposal (RFP) and then get the hard dollar proposals back from the two qualified consortia.

Next, Mr. Wuerch said he wanted to clarify some misconceptions about KABATA. He said the Knik Arm crossing is not just a public works project; it's a public private partnership. KABATA is selling a revenue stream of tolls that would come in over a period of 55 years in exchange for the investor financing, designing, constructing and operating and maintaining the Knik

Arm crossing for that period of time. At the end of that time the state would own it.

MR. WUERCH said that most importantly, this is a "franchise" where the investor will be expected to share the revenue stream with the state (in the form of KABATA) so reserves can be built up for expanding the system or conducting any other changes that are wanted as the years go by. He said the RFP will contain the terms of the "franchise" and the technical provisions for design and construction of the bridge. That document will be made public as soon as possible.

He pointed out that the current statute lets the toll authority board of seven people review and approve toll changes. They believe a board of seven consisting of public members, the administration and elected members of the House and Senate bring a far broader perspective of the best interests of Alaska than a one-person toll-setting authority.

SENATOR COWDERY asked how many public meetings he had on this issue.

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SENATOR WIELECHOWSKI arrived.

MR. WUERCH replied well over 50, but the list was on page 14 of this handout. He said KABATA staff also responded to over 100 requests from business groups and service clubs for presentations over the past five years.

SENATOR COWDERY asked if the MatSu Valley support this concept.

MR. WUERCH replied yes; public opinion polls have indicated 70 percent support and they found an acceptable toll would be around \$5 adjusted for inflation.

SENATOR COWDERY asked if Associated General Contractors (AGC) or the administration supported this.

MR. WUERCH replied that he hadn't received a resolution from the AGC and hadn't heard from the administration.

SENATOR COWDERY asked if the Chambers of Commerce for both the Valley and Anchorage support it.

MR. WUERCH replied yes they have a good list of resolutions from them in support of the project. In parallel to those are actions

by the various regulatory bodies like the Anchorage Assembly, the MatSu Assembly and the Wasilla City Council all in support.

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ANDREW NIEMIEC, Executive Director, Knik Arm Bridge and Toll Authority, said he wanted to summarize some of the information in the handout. People at KABATA recognize that the Knik Arm crossing is one of the largest projects in Alaska and the public is interested in it. One of its primary goals is to maximize value and benefits to the state and extensive analysis has confirmed the legislature's directive that a completed toll bridge across the Knik Arm will develop, stimulate and advance the economic welfare of the state and further the development of the state's transportation system. They also endorse the governor's policy of open process.

He said that SB 268 proposes to severely limit KABATA's ability to enter into a public private partnership and as well as other contracts. But, their proposed partnership allows KABATA to leverage limited public funds to deliver a significant infrastructure project for Alaska.

MR. NIEMIEC said they have prequalified the two consortia that Mr. Wuerch identified and the second portion of the procurement is the RFP from qualified developers. These proposals would include firm financial and technical commitments.

He said generally the public and the administration are concerned about risk allocation and the financial obligations that would fall to the state and potential impacts to the federal highway program and other projects. Developers require a viable investment opportunity and they need to know the state is behind the project. KABATA shares all these concerns and needs to resolve them prior to completing its procurement.

When the RFP is finalized, it will be made available to the public for review. Moving forward with the project development, he said KABATA's primary focus is on completing the NEVA process which involves supporting the Federal Highway Administration as they address comments on the final EIS and develop the record of decision. They also must apply for the necessary environmental permits.

MR. NIEMIEC said they would continue the public involvement process and develop a recommendation that addresses the concerns raised. However, he said that SB 268 is not compatible with their procurement process and ultimately does not insure the

best value to the state. He respectfully urged the legislature to take no action on SB 268 or on HB 365.

SENATOR COWDERY asked if other transportation entities like trucking support this.

MR. NIEMIEC replied that the trucking association's support of the project is geared towards getting a lot of truck traffic out of the Anchorage area so it would go directly north and not through Anchorage and up through Wasilla.

SENATOR OLSON said he didn't see how traffic could stay away from downtown Anchorage if the project was going to start at Government Hill.

MR. NIEMIEC responded that some of the traffic going north out of the Kenai and Seward would probably continue up the Glenn Highway instead of going through town.

SENATOR OLSON said one of the concerns is the \$105 million, \$34 million of which has already been spent. He asked what the \$34 million had been spent on.

MR. WUERCH explained that the board is not salaried and the original statute authorized a stipend of \$300/day plus expenses for board time. The \$34 million paid for the final EIS, which is a substantial body of work, the cost of all those studies, the technical data gathering and the development of conceptual designs. It also paid for all the bidding documents, the draft RFP, the draft contract and the technical provisions. He stated:

This is not like just going out and buying a bridge; we're selling a revenue stream. This is a trade-off. We say you can have a portion of this revenue stream if you do these things and pay the State of Alaska for the privilege of having that transaction.

SENATOR OLSON asked what the EIS has cost so far.

MR. NIEMIEC replied \$25 million plus.

SENATOR OLSON said a project like this that at one point was budgeted at \$600 million is probably going to be significantly more than that. He asked if an EIS of \$30 million was comparable to other projects of a billion dollar magnitude.

MR. NIEMIEC replied yes and added that it is also telling of the actual work that has gone into addressing the concerns that are associated with this project.

SENATOR OLSON asked how much federal money had been spent on it.

MR. NIEMIEC replied that the bulk of that \$104 million is federal funds matched by state funds.

MR. WUERCH said roughly 10 percent is state money and no private money had been spent on it yet.

SENATOR WILKEN asked the current estimate of a complete project.

MR. WUERCH said the final decision of whether to finance the project is up to the investors and why would people be willing to do that? He said that other countries like Australia and Spain put their retirement funds in the hands of private banks not the government like the United State does and they are very anxious to find long term investments. The United States is kind of slow to come to the party, but it is starting and Alaska is in the vanguard of this concept. He emphasized that if KABATA attracts investors, those investors are the ones that will share the risk.

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SENATOR WILKEN said he saw it a little differently because there is an option to this bridge - the distance between that bridge and Wasilla is a matter of a half mile if the tolls get too high. He asked if he had a range of tolls that would be required to support this project.

MR. NIEMIEC replied the current modeling centers around a \$5 toll in each direction.

SENATOR WILKEN mused a \$10/day round trip to pay off \$105 million in state money and \$260 million in federal transportation loans and the expectation that the private company would float tax exempt bonds of around \$600 million. That says there is about \$965 million in debt of which \$105 million is grants.

MR. WUERCH replied those numbers don't have to be added together because KABATA has asked the federal programs for a line of credit that investors can have access to if they want it - that's the \$261 million and the \$600 public activity bonds. And there is no guarantee that the investor will want it. He

explained they applied under Special Experimental Program 15 (SEP) and asked for pre-qualification so potential investors could take advantage of it up to a certain dollar amount.

MR. WUERCH said, however, that Senator Wilken hit a critical point in that it's going to cost more than just the construction cost. You prepay debt by borrowing upfront, a delicate balance that is not uncommon in many projects.

SENATOR WILKEN asked if the project costs \$850 million and the toll is \$10/day, how many people have to use it each day for the first five years to make it work financially.

MR. NIEMIEC replied he didn't have those numbers; it obviously has a ramp up period that changes fairly quickly. He offered to get that information for him.

SENATOR WILKEN said a couple of years ago the estimate of tolls was a low of \$6 and high of \$9 and now it's down to \$5, but the cost of the bridge has gotten to be more. And this is the key question. It can be built for \$1 billion if it is financed, but the financing community has to decide what the people who use it are going to pay. He is a little nervous because not every car that drives the Glenn Highway tomorrow is going to drive that bridge. He is a little nervous that they are just going to let the finance community decide. He didn't know if everyone had the right information; questions from three years ago haven't been answered.

MR. WUERCH said he would provide him the latest information on how the estimate was compiled.

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SENATOR COWDERY said other meetings have indicated that the Alaska Railroad would have a crossing there and the integrity of the bridge would have to be stronger because of it; and if the Railroad was going to cross the bridge, shouldn't it pay for its share.

MR. WUERCH replied that it's pretty clear as they struggle with just building a highway bridge that KABATA will be reluctant to take on the cost of adding a railroad bridge or adding a railroad to a bridge because the loading characteristics of railroads are far higher than 18-wheelers and personal vehicles. KABATA is, however, following an alignment that would be "railroad compatible." For instance the grade changes and

radiuses of curvature would be such that a railroad could be laid in along side of the highway.

SENATOR COWDERY asked if the Alaska Railroad wanted to have a crossing there, shouldn't it participate in paying for the cost of putting it in.

MR. WUERCH replied yes.

SENATOR COWDERY asked what the shelf life of KABATA's plans is.

MR. WUERCH replied the biggest concern is the shelf life of the financing. The financial community is under great stress right now and federal programs have an expiration date. Generally speaking they have about a year to put a deal together. The final EIS will last for three years; the technical provisions are long-lasting. The terms of the public private partnership contract would be long lasting although the numbers would change with the costs. This is a 55-year contract; it's huge and exhausting.

[2:49:24 PM](#)

BOB FRENCH, Co-Vice President, Government Hill Community Council, said he wanted to pass on some of the little-known facts about this project. He said when the public private partnership was first projected for the Knik Arm Bridge, relatively little was known about the potential pitfalls and problems. They have benefited from others mistakes and SB 268 provides an opportunity to make changes to the authorizing statute for KABATA, which generally follows the transparency Governor Palin seeks with AGIA.

It would seem that the two foreign consortia are concerned about the light that would shine in on this process, so to speak. Contrary to what Mr. Niemiec said, SB 268 is not a road block, but it allows the legislature to perform the necessary checks and balances that is so important for a project of this magnitude.

MR. FRENCH said a vote for SB 268 is not an anti-growth vote, but one for transparency and accountability to insure that KABATA's proposed contract with a foreign investor is a good deal for all of Alaska. KABATA has shown it would like to conduct its business in secret. This was seen in its last two board meetings in Juneau on February 13 and in Anchorage on February 28 when they went into executive sessions not long after coming to order. Its decision to vote 30 percent pay

raises for their top staff in 2006 is a better known example of their closed door executive sessions.

He said the public had not had a chance to review the most recent RFP and the fact that the two bidders can not only review, but change the terms to meet their needs, is why he is concerned about the legislature needing to review the contract.

MR. FRENCH said KABATA says the two consortia's interest proves the project is financially feasible, but they are still involved in the process because they know they will be paid for their efforts. On August 17, 2007, KABATA passed Resolution 2107 to facilitate payments of stipends to the consortium. They authorized themselves to pay the foreign investors up to \$2 million for their trouble if bridge doesn't go forward. The Daily News reported on Sunday that the cost for the expansion of the Port of Anchorage went from \$227 million in 2003 to \$700 million in 2008, an increase of over 300 percent. KABATA's estimate of the costs were around \$600 million in 2003 and is still around \$600 million for the cost of the bridge alone, not including all of the financing costs.

He said the bridge was originally envisioned was a four-lane bridge with four lane approach roads; now it's a two-lane bridge with two lane approach roads with a future expansion taking place, as KABATA says, when necessary to meet the demands. He said just imagine how long it would take to clear out an accident in the middle of a two-mile long two-lane bridge. This is not a real viable asset for the state's transportation system; he said the approach road on the MatSu side is not even being built with proper underlayment or foundation. They are just applying pavement over the existing gravel road where feasible and he predicted it would need to be repaired or replaced by the time the bridge is finished.

MR. FRENCH said KABATA's contract with the investors has too many impacts and implications for Alaskans for the terms to remain secret until it is signed and he believed the legislature needed to review it.

SENATOR COWDERY asked what his profession was.

MR. FRENCH replied that he is a mechanical engineer.

SENATOR COWDERY asked him what he thought the purpose of an executive session was in our system.

MR. FRENCH answered the express purpose is to discuss things which would be harmful to the body if they were discussed in public.

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SENATOR COWDERY responded that the executive sessions he has been in have to do with an individual or something they don't want to expose to the public. He asked Mr. French if he would be in favor of the bridge if it started somewhere other than Government Hill.

MR. FRENCH replied that Government Hill has never been opposed to the bridge; it has opposed the choice of routes. The 1983 draft EIS actually chose a Boniface route. The current route would have tremendous impacts on downtown Anchorage.

SENATOR COWDERY said the port supplies the whole state basically and trucks already come through downtown to pick up the freight and he asked if he thought it would be worse with the bridge than it is now.

MR. FRENCH replied that is a possibility. The Alaska Railroad presently provides most of the gravel that is used throughout Anchorage to build. The railroad could possibly have 850 gravel trucks per day going through downtown because there is good gravel available at Pt. MacKenzie and that would come down C Street to O'Malley at south Anchorage where most of the major gravel pits are. Now the gravel being shipped by railroad doesn't affect Anchorage traffic.

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LOIS EPSTEIN, Director, Alaska Transportation Priorities Project, said this is a statewide transportation watchdog organization composed of conservation groups, transit advocates, community officials, engineers, cargo shippers and others who are interested in promoting sensible transportation systems and policies in Alaska. She also wanted to enter the letter from Mayor Begich to the bill sponsor as of yesterday.

CHAIR KOOKESH noted that it was already in their packet.

MS. EPSTEIN said she often refers to SB 268 as the Knik Bridge Openness and Accountability Act. It provides needed changes and updates to KABATA's authorizing statute which includes language allowing it to enter into a public private partnership (P3) contract concessions or agreements. The first change in the bill and the one she wants to focus on today requires public review

and comment on private investor submittals to build and operate the Knik Arm Bridge as well as documentation by the state that a proposed contract would sufficiently maximize benefits to the people of the state. It includes a legislative vote before the contract is signed.

The second change the bill requires is that toll increases be predictable and be based on inflation. Without such a change, private investors could raise tolls without regard to traffic impacts on alternative roads or on lower income users of the toll road.

MS. EPSTEIN said with respect to public transparency on investor submittals and a legislative vote serving as a check on KABATA's decision-making, these provisions mirror similar provisions and language in AGIA that allow for public comment and requires the state to document that an applicant's proposed project will sufficiently maximize benefits to the state and requires the legislature to vote on a pipeline license and its conditions.

She said the need for a transparent process has been recognized by other states like Indiana, Virginia, New Jersey, and Texas. The federal model on P3 on the federal Highway Administration website supports public transparency as well as national publications. She said that KABATA has not shown itself to be transparent and accountable under the current statute, nor has it fully acknowledged the full range of public concerns based on its testimony today.

MS. EPSTEIN said both the MatSu and Anchorage were not involved in the most recent and most sophisticated cost estimate review performed in June 2006. KABATA's most recent meetings consisted of a few minutes of public discussion followed by the board going into executive session. It has also refused to release its draft RFPs while simultaneously releasing the document to private sector P3 applicants. She said:

In summary, KABATA expects to sign a P3 contract this year that could have enormous financial, social and transportation system implications for Alaska. We are greatly about leaving all decisions to KABATA's very small and I would argue non-representative board.

She said the language in SB 268 might need some slight modification to address KABATA's consultants' concerns regarding tolling.

SENATOR COWDERY asked her background.

MS. EPSTEIN answered that she is a license professional civil engineer in Alaska and Maryland.

[3:09:45 PM](#)

STEVE CLEARY, Executive Director, Alaska Public Interest Research Group (AKPIRG), said AKPIRG has been focusing on consumer protection and transparency since 1974 and that is why they support SB 268. They believe a project of this importance should be reviewed by the public and the legislature. The fluctuating cost estimates greatly influence the tolls consumers would be paying each way and they are happy to see the consumer protections in this bill to make sure those are based on inflation and not the fact the private investors need to recoup their investment.

He also said the state needs to show that it is behind the project and SB 268 represents a way for the state to show that. They view SB 268 not as sidelining the project, but adding transparency to it.

SUZANNE DIPIETRO, Anchorage Citizen's Coalition, supported SB 268. She said the public's involvement so far has not been focused on the financing, but more on the routes the alternative and the impacts on environment and social resources. The reason this is an important bill is that KABATA's main mission is to build a bridge if it is financially feasible and she thought the legislature was in a better position to make that decision for a project like this in Alaska, because it sees the overall budget priorities much better than a small board.

[3:15:17 PM](#)

DARCIE SOLMON, Vice President, KABATA, said he is also the previous mayor of the Matsu borough. He explained when they discussed the construction of the Matsu port with Senator Stevens who got them the money to do that, the comment was always made if we can get some activity on that Matsu side, then we can build the bridge. The rail spur was intended to go there and the prison is being built there. The intent has always been a 360-degree intermodal transportation corridor linking South-central's economy and creating prosperity, progress and opportunity for our children and our children's children and beyond.

He said it is disingenuous today that every speaker in support of this bill has been ardently and vocally opposed to the KABATA

and this project since it first came under legislative purview. He said KABATA is just trying to build a bridge, not prevent building a bridge. When the earmarks were changed, it created a situation in which they had to move forward on a different path. The P3 is an opportunity for them to get a major project with limited liability for the State of Alaska and it is disingenuous to assume that the DOTPF, DOR, the House of Representatives and Senate, the past mayor of Anchorage, the past mayor of the Matsu Borough and the past director of DOTPF and their incredible staff that they are not capable of negotiating this contract with these two private concessionaires. It is also quite insulting to say that they have gone into an executive session as though there is something going on. The attorney general's office is also represented in the executive sessions and every step they take. They are there to offer the transparency and if the board were to violate or sidestep any issues, they would put their foot firmly on their necks and stop them.

MR. SOLMON said Alaska is currently poised to be a major player in a global economy and this bridge is the lynchpin. Anchorage is out of land and the Pt. MacKenzie side has it. He said SB 268 is a delaying tactic.

MARTY METIVA, representing himself from Matsu, said this bridge can provide economic development for the Matsu Borough and provides connectivity to the largest city in Alaska. This is where the future is and SB 268 delays it. It begins by delaying it for four months, but that can grow to six months and so on; it could result in actually killing this project.

CHERYL METIVA, Executive Director, Greater Wasilla Chamber Of Commerce, opposed SB 268. She said this project has been in the planning stage for five years. For each month it is delayed, the price of construction and materials goes up. They need to continue moving forward in a positive way. She refuted the statement that KABATA has not been open and transparent, because this board has been very forthcoming. Its staff has approached the Greater Wasilla Chamber and chambers throughout the state on a regular and continuous basis offering to do keynote presentations and keep people in the loop. "We have had nothing but 100 percent transparency." From the business standpoint, Ms. Metiva said this [P3] was a beautiful partnership between public and private and Alaska needs a lot more of them.

CHAIR KOOKESH found that no one else wanted to testify and closed the public testimony. He held SB 268 for a further

hearing. There being no further business to come before the committee, he adjourned the meeting at [3:25:14 PM](#).