

SARAH PALIN  
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STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

January 15, 2008

The Honorable John Harris  
Speaker of the House  
Alaska State Legislature  
State Capitol, Room 208  
Juneau, AK 99801-1182

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of state transportation projects.

The state requires a stable transportation construction program. The capital budget addresses many critical transportation needs in Alaska. However, there is much more that needs to be done. Low interest notes provide the opportunity to keep overall spending low, while at the same time utilizing bond receipts to expand and improve our infrastructure. The use of state bond proceeds allows projects to move from design to completion much faster than the lengthy process that federal funding entails.

Safety, congestion, and gas pipeline preparation were the criteria used to identify these priority projects for inclusion in this bond proposal.

Section 1 of the bill adds a new section to the uncodified law of the state authorizing the issuance and sale of state general obligation bonds in the principal amount of not more than \$140 million if ratified by a majority of the qualified voters of the state who vote on the question. The full faith, credit, and resources of the state would be pledged to the payment of the principal of and interest and redemption premium, if any, on the bonds.

Section 2 of the bill adds a new section to the uncodified law of the state establishing the "2008 transportation project fund" if the voters ratify the issuance of the bonds, to which shall be credited the proceeds of the sale of the bonds except for the accrued interest and premiums.

Sections 3 - 5 of the bill add new sections to the uncodified law of the state appropriating from the 2008 transportation project fund the amounts of \$121.1 million to the Department of Transportation and Public Facilities to be allocated to specified

The Honorable John Harris

January 15, 2008

Page 2

to the Department of Transportation and Public Facilities to be allocated to specified road, highway, and bridge projects throughout Alaska; \$10 million to the Department of Commerce, Community, and Economic Development to be awarded as a grant to the Municipality of Anchorage for expansion of the Port of Anchorage; and \$8.9 million to the Department of Natural Resources to be allocated to the South Denali Access Road Design and Construction project.

Section 6 of the bill adds a new section to the uncodified law of the state appropriating from the general fund to the state bond committee \$700,000 or as much of that amount as is found necessary to carry out the provisions of this bill and to pay expenses incident to the sale and issuance of the bonds.

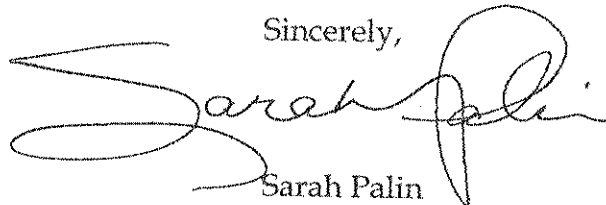
Section 7 of the bill adds a new section to the uncodified law of the state providing that the amount withdrawn from the public facility planning fund (AS 35.10.135) for the purpose of advance planning for the capital improvements financed under this bill shall be reimbursed from the proceeds of the sale of the bonds.

Section 8 of the bill amends the uncodified law of the state to add a new section providing that the unexpended and unobligated balance of the appropriations made in secs. 3 - 5 lapses and is appropriated to the state bond committee to redeem bonds sold under this bill. Further, sec. 8 provides that amounts expended from the general fund to pay the principal, interest, and redemption premium on the bonds shall be reimbursed from this appropriation to the extent that the money is not needed to redeem the bonds.

Section 9 of the bill amends the uncodified law of the state to add a new section directing the submittal to the voters for ratification at the next general election the question of whether the state shall issue its general obligation bonds in the principal amount of not more than \$140 million for the purpose of paying the cost of state transportation projects.

I urge your prompt and favorable action on this measure.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Palin". The signature is fluid and cursive, with a large loop at the end.

Sarah Palin  
Governor

Enclosure

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January 15, 2008

The Honorable Lyda Green  
President of the Senate  
Alaska State Legislature  
State Capitol, Room 111  
Juneau, AK 99801-1182

Dear President Green:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of state transportation projects.

The state requires a stable transportation construction program. The capital budget addresses many critical transportation needs in Alaska. However, there is much more that needs to be done. Low interest notes provide the opportunity to keep overall spending low, while at the same time utilizing bond receipts to expand and improve our infrastructure. The use of state bond proceeds allows projects to move from design to completion much faster than the lengthy process that federal funding entails.

Safety, congestion, and gas pipeline preparation were the criteria used to identify these priority projects for inclusion in this bond proposal.

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Sections 3 - 5 of the bill add new sections to the uncodified law of the state appropriating from the 2008 transportation project fund the amounts of \$121.1 million

The Honorable Lyda Green  
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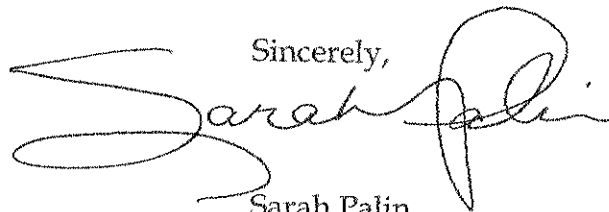
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I urge your prompt and favorable action on this measure.

Sincerely,

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Sarah Palin  
Governor

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