

May 4, 2007

Open Letter to Governor Palin, Alaska's Major Producers, and all Alaskans:

The Anchorage Chamber of Commerce has been representing the interests of business and improving quality of life in Anchorage since 1915. We boast more than 1,200 members who employ in excess of 70,000 people. Our members range from small "mom and pop" shops to multi-national corporations.

We are not experts in building a gas pipeline, nor are we in a position to proffer advice about the specifics of what should or should not be included in a pipeline process. We do take our responsibilities as citizens seriously and we have made every effort to become informed about the critical issues involved in such a mega-mega project.

As business people and as Alaskans, we assume responsibility to underscore the importance of getting a natural gas pipeline built and to encourage action that results in such an outcome. It is not hyperbole to suggest the economic future of our state hinges on this project. We, therefore, write this letter to express our concern, not about any specifics in Alaska Gasline Inducement Act ("AGIA") but rather a concern about the positioning, the tone and the stated philosophies that we feel are combining to hinder the prospect of realizing a viable project. This "zero sum" game that has been established - pitting the interests of the major producers against the interest of the State - is an inherently false and ultimately harmful dichotomy. The truth is the major producers and State have worked together as partners for more than 40 years, growing and developing our state

Do not be mistaken: When it comes to building a natural gas pipeline, the Anchorage Chamber is not advocating for a specific proposal or for a specific group. We are instead asking, in fact, pleading with all parties to make a concerted and sustained effort to place the common good at the forefront of the debate.

We ask Governor Palin's Administration to reach out to the major producers to get them involved and invested in the process. As exclusive owners of the leases of the gas, it is unrealistic to suggest they are not critical to the success of the project. As representatives of the business community, we are further concerned any project premised on a notion that gas can be acquired via litigation not only rests upon grave uncertainty but also creates a chilling environment for all Alaskan businesses.

We ask the major producers, BP, ConocoPhillips and ExxonMobil, to take advantage of this precious and precarious moment in our state's history to firmly and finally establish your place as partners with the people of Alaska in both word and in deed. Recognizing that you have interests throughout the world and have the ability to walk away from this project, we ask that you do not. We ask that you demonstrate your commitment to Alaska and Alaskans, not by agreeing to a deal which is economically unsound but instead by continuing to look for points of agreement until such time as the goal of a viable pipeline is achieved.

At the Anchorage Chamber, we are fortunate. We have worked arm in arm with the major producers on many occasions. They are not a faceless global corporation but instead are Phil, Alice, Brian, Tom, Carla, Dave and many more. Despite many ups and downs during the past 40 years you and your predecessors have partnered with the State of Alaska to build a prosperous and vibrant state. Knowing

this, and knowing you, we ask that in this critical hour that will define our future, you make an extraordinary outreach effort.

In Alaska we are fortunate to live in a state with a population so small that our legislators and public officials are truly also neighbors and friends. Thus, we know the Administration and the Legislature are comprised of people with integrity, doing the best they can to achieve the brightest financial future for all Alaskans. We applaud your efforts to bring competition and market forces to bear on this vital project. We ask, however, that you avoid the tendency to have too much pride in your creation, and allow instead for modifications which permit greater flexibility and thereby increase cooperation and the likelihood that AGIA will result in a viable and profitable pipeline project.

We will continue to monitor your progress on this matter. We will be particularly watchful for signs that you are listening to the voice of Alaskans who urge you to put aside distrust and entrenched positions, and to reach out and work cooperatively with all interested parties in a manner which is productive and geared toward the common good. We thank you for your efforts thus far and we remain hopeful that you will do your collective best to get a gas pipeline built as we lay the economic future of our state in your hands.

Sincerely,

William J. Evans  
Board Chairman, 2006-07

Stacy Schubert, IOM  
President