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Misfire at Palin

Associated Press story offers skewed picture of gas line work

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"AP INVESTIGATION: PALIN PIPELINE TERMS CURBED BIDS."

ANCHORAGE, Alaska -- Gov. Sarah Palin's signature accomplishment -- a contract to build (sic) a 1,715 mile pipeline to bring natural gas from Alaska to the Lower 48 -- emerged from a flawed bidding process that narrowed the field to a company with ties to her administration."

This report from The Associated Press is a remarkably skewed account with little new information to support the charge it implies. Presumably, readers are supposed to conclude that Palin tilted the gas line bidding toward a favored company, one that had previously employed one of her key staffers.

Here's the truth: The pipeline terms were not "Palin's." They were the terms requested by the sovereign state of Alaska, as provided in the Alaska Constitution.

While Palin did indeed start by proposing very similar bid terms, all of Alaska's key decisions about those terms and the contract award itself were made through an unusually open public process that culminated in formal and enthusiastic approval from the Alaska Legislature.

COMPLAINTS CONSIDERED, REJECTED

The basic complaints raised in the AP story were fully aired during the 59-day special session the Legislature held before voting to approve the final TransCanada deal. AP's investigative crew, imported from outside the state, drew heavily on Palin's Republican critics who lost this particular battle in the Legislature. Alaska's major oil companies spent huge sums on advertising and lobbying legislators to derail the TransCanada proposal.

SUPPORTERS' VOICES IGNORED

AP's version didn't include the voices of legislative Democrats, who overwhelmingly supported the Republican governor's recommendation to award a state license and state matching funds to the independent pipeline company.

Reacting to the AP story, House Democratic minority leader Beth Kerttula told the Juneau Empire, "I don't think this story was fair and accurate."

NOT MUCH NEW

Little in the AP's account was new. It's true, as the Daily News has pointed out in an editorial, Palin was hyping her resume when she told the nation that Alaska "is building" the gas line. Construction has not started, and the TransCanada deal does not

guarantee the line will in fact be constructed.

The AP report said that Palin had contacts with potential bidders even though she said she would avoid those one-on-one communications. Among the potential bidders, Alaska's major oil companies have many types of business with the state they might want to discuss with the governor. Palin had two contacts with independent pipeline companies, but the AP offered no proof that Palin's contacts were anything other than legitimate queries for information about the bid process.

ALASKA'S LONG WAIT

The AP story gave no sense of the frustration Alaska has experienced waiting 30 years for multinational oil companies to begin shipping North Slope gas to market. AP's account gave only a passing mention to why Alaska might want an independently owned gas line instead of one controlled by the oil majors.

AP's readers did not learn that the state's decision to seek an independent pipeline contractor prompted BP and Conoco to launch a competing gas line construction initiative, with less favorable financial terms than the state would like.

NO GROUNDS TO JUDGE

The story did not discuss the arguments for and against the terms the state sought. Readers had no grounds for judging whether there were sound public policy reasons for those terms or if they reflected the nefarious agenda implied in the story.

In fact, when legislators passed the 2007 law setting the bid terms the state wanted, they actually weakened Palin's initial proposal in a way that discouraged at least one major oil company, Conoco, from bidding.

Gov. Palin had proposed to lock in the state's gas tax terms by contract with the company that got the state gas line license. Legislators had legal advice that using a contract to lock in future state taxes was unconstitutional. They turned down Palin's version. Instead, they provided a tax guarantee that future legislatures are free to change.

AN INDEPENDENT APPROACH

Sarah Palin's handling of the gas line license was a good example of how she was an independent-minded governor who worked with Democrats to overcome the old guard in her own party.

The Daily News is not a mindless hometown cheerleader for our governor. We have endorsed the opposing ticket in the presidential race.

But voters should make their judgment based on sound information. The AP report has offered a distorted picture of Sarah Palin's admirable performance in Alaska's long-running quest for a North Slope gas line.

BOTTOM LINE: Contrary to an Associated Press report, Alaska's bidding process for a gas line license was not flawed.