

STATE OF ALASKA

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES OFFICE OF THE COMMISSIONER

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March 30, 2007

Mr. David C. Miller
Division Administrator
Federal Highway Administration
P. O. Box 21648
Juneau, AK 99802-1648

Re: Request for SEP-15 Approval: Request for Waivers/Variances of TIFIA Program
Procedures in Connection with Receipt of Conditional Approval of TIFIA Support
in a Competitive Procurement for the Knik Arm Crossing Project

Dear Mr. Miller:

This letter constitutes an application by the Knik Arm Bridge and Toll Authority ("KABATA") for SEP-15 approval of its plan to more effectively utilize the TIFIA federal credit assistance program and thereby leverage additional private co-investment opportunities for a surface transportation project of national significance. This request relates to our competitive procurement of the Knik Arm Crossing Project (the "Project"), as further described in Exhibit A. The application is consistent with the SEP-15 application approved by FHWA for the Texas Department of Transportation with respect to the IH-635, SH 161 and SH 121 toll projects. It also contains an additional innovative feature to mitigate uncertainty of financial close and stimulate additional participation by pre-qualified Proposers.

Descriptions of the Project and the procurement process to be used for selecting a private partner (a "Concessionaire") for the Project are included in Exhibit A. The formal application for TIFIA assistance for the Project will provide more detailed information regarding the Project description and schedule. As described in Exhibit A, the Project is comprised of nine sections (each, a "Section"). Section 1 is being designed and constructed by the Matanuska-Susitna Borough; current plans are to have Alaska Department of Transportation and Public Facilities ("DOT&PF"), per an agreement, maintain this section with an option for the Concessionaire selected for Sections 2-5 to participate in operations and maintenance, if interested. KABATA currently intends to select a single Concessionaire to develop, design, construct, finance, operate and maintain Sections 2-5 and potentially Sections 6-9. Alternatively, operation and maintenance of Sections 6-9 may be performed by DOT&PF pursuant to an agreement with KABATA.

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Other than potential TIFIA financing for the Project, KABATA is currently planning to use federal funding only for Sections 6-9 of the Project. KABATA also is planning to apply for an allocation of private activity bonds for financing of the Project. Although KABATA is seeking approval under the SEP-15 program to use the identified experimental features for any application for TIFIA support regarding the entire Project, KABATA or the Concessionaire may decide to seek TIFIA support only for those Project sections that are otherwise receiving federal money and subject to federal requirements. Such a decision will be made by proposers in their proposed financial plans for the Project.

We understand that the approval to use the experimental features identified in this request may be withdrawn from the Project at any time prior to issuance of the conditional term sheet for the Project (as described below) if it is determined that the experiment for the Project has failed and does not merit further federal participation in the experiment, provided such a withdrawal will not prejudice the ability of the individual proposers to pursue TIFIA assistance on their own. Furthermore, we understand that the approval to use a particular experimental feature may be withdrawn at any time if there is a determination that such feature is not in the public interest, and therefore federal participation in such an experimental feature is not warranted.

As circumstances warrant, we reserve the right to supplement this request to seek approval of other experimental features relating to KABATA's efforts to develop the Project through a Public-Private Agreement, including features relating to the design and construction of the Project.

Background

KABATA is a public corporation and instrumentality of the State of Alaska organized under the laws of the State of Alaska. KABATA intends to develop the Project through a public-private partnership. Specifically, it intends to conduct a two-phase competitive procurement resulting in a Public-Private Agreement ("PPA") with a single Concessionaire who would have the right and obligation to develop, design, construct, finance, operate and maintain and charge users fees with respect to the Project improvements.

KABATA has initiated the competitive procurement by issuing a request for qualifications ("RFQ") on December 13, 2006, with the intent of developing a shortlist of qualified Proposers. The RFQ is available at http://www.knikarmbridge.com/documents/KABATARFQFinal12-13-06_001.pdf. Following shortlisting, KABATA intends to issue a Request For Proposals ("RFP") to the shortlisted proposers. The final proposals for the Project will include specific financial commitments. To promote maximum competition and ensure best value for the public, KABATA anticipates that the RFP will require each Proposer to have the essential and material terms of its loan and equity commitments finalized and conditional loan and equity commitments in hand as of the proposal due date. This element of the procurement is

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crucial because it allows KABATA to provide the basis for comparison of the value to KABATA and the State of Alaska of each financial proposal and confirm that the Proposer is likely to achieve financial close.

If any Proposer is interested in seeking TIFIA credit support for the Project (which appears likely), the Proposer will need to know whether such credit support is available, the amount available, and the terms and conditions of any TIFIA credit support before it delivers its financial proposal to KABATA. KABATA anticipates that the RFP will require the Proposers to have firm financial commitments and arrangements that will enable the Proposer to close the Project financing, including TIFIA credit assistance, within approximately two months after its selection.

Purpose of Experiment

Federal policies generally encourage price competition, which this concession procurement contemplates. However, we recognize that it would be unduly burdensome for the TIFIA Office to be required to work with multiple proposers during the proposal preparation period, when, ultimately, KABATA will award only one of them the contract. The primary goal of this request is effectively to utilize the TIFIA program and to streamline the TIFIA approval process in connection with procuring a final proposal for the Project by having KABATA take the lead in obtaining conditional approval of a TIFIA credit instrument at the time the final request for proposals is issued. Prospective Proposers that wish to use the TIFIA assistance will then be in a position to prepare substantially final financial plans with the reasonable assurance that they can achieve financial close if selected. By reducing the risk to the Proposers concerning the availability of TIFIA assistance, KABATA believes that Proposers will be encouraged to submit better financial proposals and thereby enhance the value of the proposals. Furthermore, TIFIA staff, consultants and officials will be relieved of the burden of having to negotiate with multiple potential borrowers. KABATA expects this approach to produce time savings and innovation in project development and financing.

Although each Proposer may refer to the same revenue and project cost information obtained from KABATA, each is likely to have a different project financial plan, with a different combination of equity and debt, different debt terms depending in part on whether they are utilizing bonds, bank loans or privately placed debt and different assumptions concerning project revenues over the term of the concession. Another goal of this request is to streamline the financial review process by TIFIA and to involve the TIFIA Joint Project Office ("JPO") in the procurement process by keeping it informed of the legal and financial structure of each of the proposers that wish to use TIFIA credit assistance, as well as their financial plans. At the same time, KABATA will work with the TIFIA JPO to ensure that information shared will be handled in a manner that, consistent with applicable law, preserves the confidential and sensitive nature of Proposer financial and legal information, particularly during the ongoing procurement process.

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This exchange of information will result in a seamless final approval of the TIFIA credit assistance and execution of the Credit Agreement upon final selection by KABATA of a Concessionaire.

**Experimental Features Relating to USDOT Issuing Conditional TIFIA Credit
Commitment to KABATA for Use By Project Proposers**

The implementing regulations for the TIFIA program appear at 49 CFR 80.1-80.21. These regulations appear to have been drafted based on the assumption that TIFIA applications involving private concessionaires would not be submitted to the USDOT until after the public entity has selected a Proposer pursuant to its competitive procurement process. The USDOT would typically then evaluate that selected Proposer's application for TIFIA credit assistance and decide whether to approve it. The USDOT, the project sponsor and the lenders would also negotiate and agree on the details of the TIFIA financing in a term sheet and a Credit Agreement.

KABATA expects the selected Proposer to complete its financing arrangements within approximately two months after award with few contingencies. To ensure maximum value to the public from the competitive proposals, KABATA would like the Proposers to be able to specifically include TIFIA financing, to the extent available and desired, in their final Proposals. For the Project procurement, KABATA therefore requests the opportunity to submit a Letter of Interest and application for TIFIA credit assistance for an amount of TIFIA loans/credit support that would be made available to all pre-qualified proposers for purposes of preparing their respective Project financial proposals, pursuant to agreed upon financial terms and conditions. TIFIA JPO, in other words, would issue a conditional commitment for an amount of credit assistance based on a pro forma plan of finance from KABATA, with the understanding that the final amount of credit assistance may vary depending on the Concessionaire's eligible project costs under its finance plan and that the entity signing the Credit Agreement will be the Proposer selected by KABATA.

To achieve a conditional commitment for TIFIA assistance, KABATA is asking for several waivers of or variations from the usual TIFIA approval process, in particular, the provisions of Sections 49 CFR 80.7 and 80.11. As the procurement process progresses, supplemental requests may be necessary.

A. Experimental Feature 1 – KABATA requests that you consider this SEP 15 application its letter of interest to use TIFIA credit assistance for the Projects, and that it replace any letters of interest previously submitted to the TIFIA JPO by KABATA. Accordingly, KABATA is requesting the following waivers/variances:

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1. Waiver of Information Relating to Final Project Sponsor. As stated above, KABATA is considered the initial applicant for TIFIA assistance. As the procurement process proceeds, KABATA will keep the TIFIA JPO informed concerning the prospective proposers, their qualifications and their legal structures.
2. Waiver of Proposed Plan of Finance. KABATA will be seeking input from prospective proposers concerning such plan of finance information as project cost and revenue estimates.

B. Experimental Feature 2 – In connection with submission of an initial application by KABATA for TIFIA credit assistance, KABATA is requesting the following waivers/variances:

1. Waiver of Information Relating to Final Project Sponsor. See A.1 above.
2. Variances/Waivers for detailed financial plan, project management plan, preliminary rating opinion and financing documents. KABATA intends to submit the application for TIFIA assistance prior to the time it receives this information and these documents from the prospective proposers in connection with their response to the request for proposals. Since the final terms of the finance plan will not be known, KABATA proposes the following variances:
 - a. KABATA will submit in the initial application for TIFIA assistance a financial model and forecast of revenues prepared by Wilbur Smith Associates. Included with the initial application will be reasonably sufficient data to support Wilbur Smith Associates' revenue forecasting methodology enabling TIFIA to conduct a formal risk assessment. The goal will be to provide the pre-qualified proposers with the forecasted revenues that have been approved by TIFIA. If the structure the proposers submit represents that at least the pre-negotiated terms are met using the approved forecasted revenues, they will not need an additional formal risk assessment from TIFIA. This feature will have the benefit of streamlining TIFIA's review of proposers' financing plans.
 - b. This process will require the pre-qualified proposers to submit to TIFIA an investment grade letter for the senior lien debt and provide a model reflecting that the pre-negotiated terms for the TIFIA application are met.
 - c. To further streamline the TIFIA review, pre-qualified proposers will have equal opportunity to negotiate with the TIFIA JPO a specific, limited list of terms in the Credit Agreement. KABATA and TIFIA would develop this list during discussion of the Term Sheet. No other terms of the Credit Agreement would be negotiable by pre-qualified proposers.

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- d. Further streamlining of the TIFIA review process would be achieved by allowing all pre-qualified proposers to meet with the TIFIA staff and KABATA representatives in one-on-one meetings for a period starting not later than sixty-days prior to the submission deadline of the RFP, and continuing until the submission deadline.
 - i. These one-on-one meetings will address only those terms that are available for negotiation. No other terms already pre-negotiated with KABATA may be discussed;
 - ii. TIFIA will agree in the Early Development Agreement (EDA) to non-discriminatory procedures so that all proposers receive equal treatment regarding TIFIA's availability to negotiate, TIFIA's sharing of non-confidential information, TIFIA's credit requirements, and similar measures to assure a fair competitive process;
 - iii. To preserve and maximize competition, both KABATA and the individual Proposers will have a strong interest in maintaining the confidentiality of their financial negotiations and in not disclosing to the other proposers the terms and conditions of their respective project financial plans. TIFIA will agree in the EDA to adhere to all federal laws and regulations regarding non-disclosure and confidentiality of information supplied by Proposers, to cause TIFIA's advisors to enter into an identical Confidentiality Agreement with the proposers, and to not disclose to any other Proposer a Proposer's ideas, positions taken in negotiations and agreements with TIFIA JPO on the negotiable terms.
3. A variance for the TIFIA JPO to provide a substantially final form of Credit Agreement (except for the negotiable terms) not later than 90-days before the due date for proposals set by KABATA. KABATA would then provide the substantially final form of Credit Agreement to the pre-qualified Proposers and inform them of the negotiable terms. Under its usual procedures, the TIFIA JPO would not begin negotiation of a final Credit Agreement until issuance of the term sheet. In connection with the experiment suggested above, KABATA believes it is critical to ensuring that the competitive procurement process results in the best value to the public that prospective proposers have the substantially final form of a Credit Agreement to review in order to prepare final financial plans. Furthermore, the preparation of a substantially final form of the Credit Agreement will facilitate financial close within the necessary time

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frame. Accordingly, KABATA requests that the TIFIA JPO provide KABATA with a form of Credit Agreement to be reviewed and commented on by KABATA's special counsel and financial consultants with the goal of including a substantially final form of Credit Agreement not later than 90-days before KABATA's proposal due date.

C. Experimental Feature 3 – In connection with completing the procurement process, KABATA is requesting the following waivers/variances:

1. Request for review of multiple project proposals. In the usual course of the approval of TIFIA assistance, the TIFIA JPO is involved in reviewing a single proposal from one project sponsor. KABATA is requesting the involvement of the TIFIA JPO in the review of all of the final proposals. This input is important to insure that the Proposer KABATA selects has a financial plan that the TIFIA JPO has determined to be reasonable and will receive a final term sheet and executed Credit Agreement with USDOT within the time frame established for financial close following contract award. Information regarding each of the Proposers will be provided as it is obtained by KABATA as part of the procurement process. The negotiation process with proposers under Experimental Feature 2 should render this TIFIA JPO review much more manageable, because the TIFIA JPO will likely have received in confidence, reviewed and discussed proposers' draft financial plans prior to submission to KABATA. The confidentiality provisions and arrangements described in item B.2.d.iii above would apply to this review. Those reviewing such information on behalf of the TIFIA JPO will be asked to keep all such information confidential as provided by federal law and according to the terms of a confidentiality agreement to be signed by FHWA's outside advisors.
2. Request for Issuance of Conditional Project Selection and Term Sheet. Following receipt of the TIFIA credit assistance application and sponsor presentations, USDOT staff prepares a final evaluation and recommendation for the TIFIA Credit Council. The TIFIA Credit Council in turn makes its recommendation to the Secretary of Transportation who then selects projects to receive credit assistance. A final term sheet is then issued setting forth the key business terms and conditions of the credit assistance. Because the final information concerning the project sponsor as well as the final finance plan will not be known at the time KABATA issues the RFP, KABATA is requesting that the Project receive a conditional project selection and term sheet which has received Credit Council approval. In submitting firm proposals, prospective proposers need to know that their project proposals will be receiving TIFIA assistance at the requested levels according to the terms described in the substantially final form of the Credit Agreement. Accordingly, KABATA will

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need to include, in the RFP materials, a commitment from USDOT to provide TIFIA assistance subject to satisfaction of certain conditions. Project evaluation and conditional selection can be made on the basis of the information submitted by KABATA in its application with the understanding that any final project selection, the issuance of a final term sheet and the execution of a final Credit Agreement will require review of the key business terms of the final proposal to ensure that it meets the requirements of the TIFIA program, including receipt of an investment grade rating of the senior debt and a rating of the TIFIA default risk.

Work Plan

Critical to the success of the experimental features and use of TIFIA financing for the Project is adherence to a work plan and schedule that is consistent with KABATA's procurement schedule. KABATA intends to receive proposals by the end of November 2007, if not sooner, in order to take advantage of the 2008 Alaska construction season. Delay could seriously affect financial plans for the Project.

KABATA proposes that the EDA include the commitment of the TIFIA JPO and KABATA to a work plan and schedule as set forth in Exhibit B to this application.

Goals

KABATA believes that the process for obtaining federal credit assistance under the TIFIA program in connection with the procurement process as described herein will serve the following goals:

- Expedite delivery of the Project, consistent with available public and private funding and maximize use of public-private partnerships and private equity in project delivery;
- Attract proposals from the highest quality, most capable and innovative domestic and international transportation and infrastructure entities and consortia;
- Encourage flexibility, innovation and alternative approaches to financing, design, construction, operation and maintenance;
- Create a process that encourages private sector competition and creates the maximum opportunity to leverage public contributions with private investment;
- Maximize project eligibility for all available forms of financing, allowing a plan of finance to be developed involving a combination of private sector funds

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(including revenue-based financing), federal, state and other public funds (including both loans and grants), and leveraging scarce public funds to the maximum extent possible;

- Make available to the Project and the private sector the benefits of the TIFIA credit program and allow for the maximum use of the most effective and efficient financing tools to finance the Project; and
- Ensure open, fair and wide competition for Project development.

Measures/Evaluation

This experiment in the process for obtaining federal credit assistance under the TIFIA Program, with its innovative features, will be evaluated on a range of factors, including:

1. Time Savings. KABATA will (1) compare the actual schedule for receiving TIFIA credit approval and execution of a Credit Agreement with the Concessionaire with the estimated schedule based on a traditional approval process, (2) evaluate the effect of the experiment on the receipt of final proposals and financial close, and (3) attempt to quantify the value of the streamlined TIFIA credit approval approach described herein.
2. Innovation in Financing. KABATA will analyze the financing structures and methods developed in connection with the projects and how those structures and methods compare to historical experience with project financing structures and methods for comparable projects. As part of this analysis and comparison, KABATA will particularly focus upon the levels of financing and project risk shifted to the private sector and strategies employed to minimize public and KABATA risk.

Reporting

KABATA anticipates filing an initial report and a post-acceptance reports as described below:

- Initial Report: The initial report will be filed within 120 days after the award of the PPA for the Project and will include a preliminary analysis of the PPA procurement. This report will:
 - Describe the process used to select the Concessionaire;
 - Identify any reaction by the industry to use of the TIFIA approval process as described herein;
 - Document major innovations contained in the proposals received; and
 - Discuss any major problems or issues that have occurred and how they were resolved.

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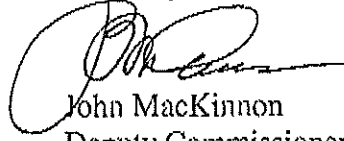
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- Post Acceptance Report: A post acceptance report will be submitted within 180 days following execution of the PPA and financial close for the Project. This report will provide an overall evaluation of the role of the TIFIA approval process in the procurement of proposals and the execution of the final PPA for the Project.

Time is of the essence in obtaining the approval of the experiment requested by this letter in order for KABATA to proceed with the Project procurement. We would greatly appreciate your earliest consideration of our application.

If you have any questions as you review this application, please contact me or KABATA's Deputy Executive Director Darryl Jordan, or KABATA's CFO; Mr. Kevin Hemenway.

Sincerely,



John MacKinnon
Deputy Commissioner

Enclosures: Exhibit A, Exhibit B

cc: Henry Springer, Executive Director, KABATA
Gordon Keith, Central Regional Director

Exhibit A

Project Description and Schedule

KABATA has requested qualifications of and intends to request project financing and development proposals from Proposers desiring to develop, design, construct, finance, operate and maintain a tolled bridge facility and associated roadway and facilities across the Knik Arm, connecting the Municipality of Anchorage with the Matanuska-Susitna Borough (the "Project"), pursuant to a Public-Private Agreement (PPA).

The Project has been in planning for quite some time, but its need and the State's and KABATA's desire to advance it has never been greater than today. The goals of the Project include:

- Improved regional transportation infrastructure to meet existing and projected population growth and locally adopted economic development, land use, and transportation plans, as directed by the Alaska State Legislature in AS § 19.75.
- Regional transportation connectivity for the movement of people and the movement of freight and goods to, from, and between the Municipality of Anchorage, the Matanuska-Susitna Borough, and Interior Alaska.
- Safety and transportation system redundancy for alternative travel routing and access between regional airports; ports; hospitals; and fire, police, and disaster relief services for emergency response and evacuation.

A Request for Qualification for the Project has been issued by KABATA on December 13, 2006. Statements of Qualification will be received March 13, 2007. KABATA expects to make a shortlisting decision in the Spring of 2007. Major milestones for the remaining procurement schedule after shortlisting, which is still under development, are set forth below. It is anticipated that the PPA will be awarded in late 2007/early 2008 and execution of the PPA and financial close will occur in the 1st or 2nd quarter of 2008.

The Project consists of approximately 20 centerline miles of roadway and bridges and is comprised of nine sections. 9.6 miles represents reconstruction of existing roadway in Section 1 and will be developed by the Matanuska-Susitna Borough. Sections 2 through 9 represent new construction and are anticipated to be developed by the Concessionaire. An overview of each of the nine Sections to be constructed follows:

Project Section 1 – Intersection with Burma Road to the western edge of the Port MacKenzie District

- Approximate Length: 9.6 miles
- Roadway type: 2-lanes (initial) designed for an ultimate build-out to 4 lanes
- Reconstruction: to be developed by Mat-Su Borough

Project Section 2 – Western edge of the Port MacKenzie District to the western edge of the Knik Arm

- Approximate Length: 3.5 miles
- Roadway type: a minimum of 2-lanes (initial minimum) designed for an ultimate buildout to 4 lanes with potential frontage roads on each side
- No federal funds anticipated, except for possible use of TIFIA or Private Activity Bonds in Project finance plan

Project Section 3 – Western edge of the Knik Arm to the western end of the Knik Arm Bridge

- Approximate Length: 0.45 miles
- Roadway type: a minimum of 2-lanes (initial minimum) with an ultimate buildout to 4 lanes
- No federal funds anticipated, except for possible use of TIFIA or Private Activity Bonds in Project finance plan

Project Section 4 – The Knik Arm Bridge

- Approximate Length: 8,200 feet to 14,000 feet
- Bridge roadway type: a minimum of 2-lanes (initial minimum) with a bridge width capable of supporting a minimum of 4 lanes and a substructure designed to support 6 lanes
- No federal funds anticipated, except for possible use of TIFIA or Private Activity Bonds in Project finance plan

Project Section 5 – Eastern end of the Knik Arm Bridge to the north end of the future Port of Anchorage expansion

- Approximate Length: 1.95 miles
- Roadway type: a minimum of 2-lanes (initial minimum) designed for an ultimate buildout to 4 lanes
- No federal funds anticipated, except for possible use of TIFIA or Private Activity Bonds in Project finance plan

Project Section 6 – North end of the future Port of Anchorage expansion to the south end of the future Port of Anchorage expansion

- Approximate Length: 0.6 miles
- Roadway type: a minimum of 2-lanes (initial minimum) designed for an ultimate buildout to 4 lanes
- Use of federal funds anticipated for initial construction

Project Section 7 (alignment overlaps with all of Project Section 8 and part of Project Section 9) – South end of the future Port of Anchorage expansion to the south end of Cherry Hill

- Approximate Length of Retaining Wall: 0.9 miles
- Roadway type: Fill behind retaining wall
- Use of federal funds anticipated for initial construction

Project Section 8 (alignment overlaps with part of Project Section 7) – South end of the future Port of Anchorage expansion to the south end of Cherry Hill

- Approximate Length: 0.65 miles
- Roadway type: a minimum of 2-lanes (initial minimum) designed for an ultimate buildout to 4 lanes
- Use of federal funds anticipated for initial construction

Project Section 9 (alignment overlaps with part of Project Section 7) – South end of Cherry Hill to the A/C Couplet on the south side of Government Hill

- Approximate Length: 1 mile
- Roadway type: a minimum of 2-lanes (initial minimum) designed for an ultimate buildout to 4 lanes.
- Two alternative alignments are currently under analysis in connection with the DEIS for Project Section 9:
 1. Erickson Alternative: One 2-lane (initial minimum) tunnel connecting to A/C Couplet, designed for a 6-lane tunnel in the ultimate buildout to connect to a 4-lane viaduct to the Ingra-Gambell Couplet
 2. Degan Alternative: One 4-lane tunnel (initial minimum) connecting to the A/C Couplet, designed in the ultimate buildout to connect to a 4-lane

viaduct to the Ingra/Gambell Couplet plus one highway grade separation in ultimate buildout

3. Use of federal funds anticipated for initial construction

Much of the Right of Way (ROW) for the Project is currently owned by public entities, including the State of Alaska, the Mat-Su Borough, the Municipality of Anchorage (including properties within the Port of Anchorage), the University of Alaska and the Bureau of Land Management/U.S. Department of Defense. The remaining portion, representing approximately one percent of the necessary Project ROW, is owned by private parties. KABATA intends to acquire portions of the Project ROW itself, including those currently owned by the State of Alaska, Anchorage and the Bureau of Land Management/United States Department of Defense. KABATA has the power of eminent domain under its authorizing legislation; however, the Concessionaire may perform some ROW acquisition services with respect to the privately owned ROW required for the Project.

Tolling plans, rates and policies are under development, though it is currently anticipated that the project will utilize a barrier free, open road tolling system.

The FHWA completed a DEIS for the Project on September 5, 2006 in consultation with the Alaska Department of Transportation and Public Facilities and KABATA. KABATA currently anticipates that a Final EIS will be issued in March 2007 and Record of Decision will be issued by April 2007.

Tentative Procurement Milestones

ACTIVITY	TENTATIVE SCHEDULE
Shortlisting	Spring 2007
Industry Review	Spring/Summer 2007
Issue RFP	Summer/Fall 2007
Proposals Due	Fall 2007
Selection	Winter 2007/Spring 2008
Negotiations	Winter 2007/Spring 2008
Award, Execution, Financial Close	Winter 2007 / Spring 2008
Construction Commences	Spring/Summer 2008

Exhibit BKABATA Work Plan and Schedule for
TIFIA Credit Assistance

Task	Schedule	Responsible Party
Submit SEP-15 application	March 12, 2007	KABATA
Approve SEP-15 application	April 12, 2007	PHWA
Circulation of first draft of TIFIA application (without finance plan) and memorandum re additional information	April 18, 2007	NOSSAMAN
Receipt of comments to first draft of TIFIA application	April 20, 2007	KABATA Working Group
Distribute revised TIFIA application and first draft of finance plan for TIFIA application to KABATA Working Group	May 4, 2007	NOSSAMAN; financial advisors
Receipt of comments to revised TIFIA application and first draft of finance plan	May 11, 2007	KABATA Working Group
Conference call to discuss revised TIFIA application and first draft of finance plan	May 15, 2007	KABATA Working Group
Distribute next draft of TIFIA application, including finance plan, to KABATA Working Group	May 23, 2007	NOSSAMAN; financial advisors
Receipt of comments to final draft of TIFIA application, including finance plan	May 30, 2007	KABATA Working Group
Conference call to discuss final draft of TIFIA application, including finance plan	June 5, 2007	KABATA Working Group
Finalize TIFIA application and submit to FHWA/USDOT	June 11, 2007	KABATA
Conference call regarding TIFIA application	June 22, 2007	KABATA Working Group and TIFIA officials
Meeting and presentation regarding TIFIA application with TIFIA officials	June 28, 2007	KABATA Working Group and TIFIA officials
Receipt of draft of TIFIA Term Sheet	July 19, 2007	FHWA counsel

Conference call to discuss draft of TIFIA term sheet	July 25, 2007	TIFIA officials and KABATA Working Group
Receive revised form of TIFIA term sheet and distribute to proposers	August 8, 2007	FHWA counsel
Receive Conditional TIFIA Credit Commitment and Form of Credit Agreement	August 21, 2007	TIFIA officials
Conference call to discuss TIFIA Credit Commitment and Form of Credit Agreement	August 27, 2007	KABATA Working Group and TIFIA officials
Meeting and presentation regarding TIFIA Credit Commitment and Form of Credit Agreement with TIFIA officials	August 30, 2007	KABATA Working Group and TIFIA officials
Receive revised form of TIFIA Credit Commitment and Form of Credit Agreement	September 17 2007	FHWA counsel
Conference call to discuss revised forms	September 21, 2007	KABATA Working Group and TIFIA officials
Receive final form of TIFIA Credit Commitment and Form of Credit Agreement	September 27, 2007	FHWA counsel
Distribute Conditional TIFIA Credit Commitment and Credit Agreement to proposers	September 28, 2007	KABATA
One-on-one meetings between TIFIA JPO and proposers to discuss negotiable terms of Credit Agreement	October 1 – November 29, 2007	FHWA/Proposers/ KABATA
Proposal Due Date	November 30, 2007	KABATA