

For Immediate Release
December 13, 2006

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KNIK ARM BRIDGE AND TOLL AUTHORITY ISSUES REQUEST FOR QUALIFICATIONS FOR KNIK ARM CROSSING PROJECT

Anchorage, December 13, 2006 – The Knik Arm Bridge and Toll Authority (KABATA) issued today a Request for Qualifications (RFQ) of teams interested in participating in the proposed Knik Arm Crossing Project (Project) through a Public-Private Agreement (PPA).

The RFQ initiates a competitive two-step selection process expected to lead to the selection of a developer team and the execution of a PPA for some or all aspects of development, design, construction, finance, operations and maintenance of the Project for a concession term not to exceed 55 years. KABATA's Board of Directors approved the issuance of the RFQ at a meeting held on November 29, 2006.

“We are excited to provide this opportunity for the private sector to participate in partnership with KABATA to deliver this important project to Alaskans.” said George Wuerch, Chairman of the Board of Directors of KABATA. “Public-private partnerships have been used to deliver infrastructure projects around the world, but this is a first on this scale in Alaska. The Knik Arm Crossing and all Alaskans will benefit from the private sector financing, experience and innovation brought to the Project.”

The Project would connect Anchorage, Alaska's largest community and the economic hub of the state, with the Matanuska-Susitna Borough, the 28th fastest growing “county” in the United States according to the U.S. Census Bureau, through the financing, construction and operation of a toll bridge crossing of the Knik Arm of Cook Inlet. The Project service area represents 53% of Alaska's population and has been experiencing steady and brisk economic and population growth.

Expected to cost between \$400 and \$600 million, the Project has been supported by Alaska's Governor, Legislature and Congressional delegation. The Alaska Legislature has allocated approximately \$129 million of state and federal funding directly or indirectly to the Project which includes an estimated \$30 million for the planning and environmental phases, and also passed legislation permitting the use of Public-Private Partnership as a means of Project financing and delivery.

Numerous environmental, feasibility and technical studies for the Project have been completed and the Federal highway Administration (FHWA) has published a Draft Environmental Impact Statement (EIS). KABATA anticipates that a Final EIS and Record of Decision could be issued by FHWA by spring 2007. Provided a build alternative is selected, construction could commence by 2008 and is expected to take three to four construction seasons to complete.

The RFQ is available to any interested party through the following web addresses: <http://www.knikarmbridge.com> and <http://notes4.state.ak.us/pn/pubnotic.nsf>, or by writing to KABATA, Attention Betty Fauber, Administrative Director, 550 West 7th Avenue, Suite 1850, Anchorage, Alaska 99501.

About KABATA - The Alaska Legislature established the Knik Arm Bridge and Toll Authority in 2003 under Alaska Statute 19.75 to “develop, stimulate, and advance the economic welfare of the state and further the development of public transportation systems in the vicinity of Upper Cook Inlet with construction of a bridge to span Knik Arm and connect the Municipality of Anchorage and the Matanuska-Susitna Borough.” Additional information about KABATA and the Knik Arm Crossing Project can be found on KABATA's website at www.knikarmbridge.com

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