



**U.S. Department of  
Transportation**

Office of the Secretary  
of Transportation

Assistant Secretary

1200 New Jersey Ave., S.E.  
Washington, DC 20590

April 28, 2009

**CLARIFICATION OF PAB ALLOCATION AVAILABILITY**

Mr. Andrew J. Niemec  
Executive Director  
Knik Arm Bridge and Toll Authority  
550 West 7<sup>th</sup> Avenue, Suite 1850  
Anchorage, Alaska 99501

Mr. Kevin Hemenway  
Chief Financial Officer  
Knik Arm Bridge and Toll Authority  
550 West 7<sup>th</sup> Avenue, Suite 1850  
Anchorage, Alaska 99501

Dear Mr. Niemec and Mr. Hemenway:

Thanks you for your letter of January 28, 2009, asking for a clarification of condition number 4 in our Provisional Bond Allocation Approval Letter for the Knik Arm Crossing Project (the "Project") dated October 29, 2007, which reads as follows:

4. The above captioned bonds must be issued within two and a half months of the execution of the public-private partnership contract. The execution of the public-private partnership contract is expected to occur by October 15, 2008. Therefore, the bonds must be issued by December 31, 2008. If the above captioned bonds have not been issued within two and a half months of the execution of the public-private partnership contract, this provisional allocation automatically expires and is available for reallocation. In the event that this provisional allocation expires, an application may be resubmitted, and it will be reviewed without preference or priority being given as a result of its prior submission for the Project.

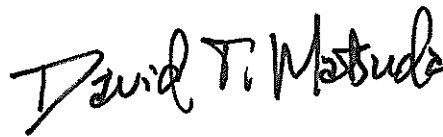
You ask for a clarification to confirm that that the two dates in condition number 4 of the October 29, 2007, letter are intended as examples rather than deadlines, and that the Knik Arm Bridge and Toll Authority will have, pursuant to the letter, two and one half months after the execution of the public-private partnership contract to issue its bonds. To clarify this matter, you suggest that the second and third sentences of condition number 4 be deleted.

We agree with your suggestion. Sentences two and three of condition number 4 were intended as examples. This provisional allocation did not expire on December 31, 2008. It expires two and half months after the execution of the public-private partnership contract for the Project. To clarify this matter, condition number 4 is hereby modified to read as follows:

4. The above captioned bonds must be issued within two and a half months of the execution of the public-private partnership contract. If the above captioned bonds have not been issued within two and a half months of the execution of the public-private partnership contract, this provisional allocation automatically expires and is available for reallocation. In the event that this provisional allocation expires, an application may be resubmitted, and it will be reviewed without preference or priority being given as a result of its prior submission for the Project.

For additional information or questions, please contact Jack Bennett in the Office of Infrastructure Finance and Innovation at (202) 366-6222.

Sincerely,

A handwritten signature in black ink that reads "David T. Matsuda". The signature is written in a cursive, slightly slanted style.

David Matsuda  
Acting Assistant Secretary for  
Transportation Policy

cc: Deputy Assistant Secretary for Budget & Programs/  
Acting General Counsel, Office of the Secretary  
Acting Deputy Administrator, Federal Highway Administration