

Legislation press release

For Immediate Release
May 10, 2006

For more information contact:
Darryl Jordan, (907) 269-6496
Deputy Executive Director and Program Manager

**KNIK ARM BRIDGE AND TOLL AUTHORITY BILL PASSES LEGISLATURE
Authorizes KABATA to Seek Project Financing, Including Public-Private
Partnerships**

Anchorage, May 10, 2006 – The Knik Arm Bridge and Toll Authority (KABATA) announced today that amendments to its enabling legislation contained in House Bill 471 were approved by both houses of the Alaska State Legislature and are expected to be signed into law by Governor Murkowski.

The legislation furnishes KABATA with the following statutory authorities:

- authorizes KABATA to enter into Public-Private Partnerships (P3) for the finance, design, construction, or operation and maintenance;
- authorizes KABATA to issue up to \$500 million, non-recourse, revenue bonds;
- authorizes KABATA to make additional non-recourse loans from the Federal Highway Administration's (FHWA) Transportation Finance and Innovation Act loan program;
- provides exclusive authority to KABATA to set toll rates for the proposed Knik Arm toll bridge;
- provides a means for collecting tolls and other obligations owed to KABATA as a result of operating the proposed Knik Arm toll bridge.

“KABATA owes a debt of gratitude to Alaska Senators Lyda Green, Charlie Huggins, and John Cowdery, and to Representative Bill Stolze, the bill sponsor, for their support in passing of House Bill 471, which is so important to moving the Knik Arm toll bridge project forward.” said George Wuerch, Chairman of the Board of Directors of KABATA. “We are particularly pleased with the P3 and financing aspects of the legislation. These financing components, together with the public equity reflected in Senate Bill 231, will enable KABATA to pursue the necessary financing to design, construct and operate this important project for all Alaskans once we have received a Record of Decision on the Environmental Impact Statement (EIS).”

Coordination is ongoing with the Federal Highway Administration, the lead agency for the EIS currently under review in Washington D.C. for approval of the draft EIS. In anticipation of passage of this legislation, KABATA has contacted FHWA P3 director, Michael Saunders for Federal support and guidance. The P3 office is an initiative of Richard Capka, acting Administrator for the Federal Department of Transportation.

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.” The Knik Arm Crossing Project is expected to cost approximately \$400 to \$600 million to construct and could be completed by 2010.

Legislation press release

Forward-Looking Statements – Any statements contained in this press release that are not historical facts are forward-looking statements that involve risks and uncertainties; actual results may differ from the forward-looking statements. Sentences that use such words or phrases as “believes,” “anticipates,” “plans,” “may,” “hopes,” “can,” “will,” “expects,” “could,” “is designed to,” “with the intent,” “potential” and others indicate forward-looking statements, but their absence does not mean that a statement is not forward-looking. KABATA undertakes no obligation to publicly release the results of any revision to forward-looking statements that may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

###