

STATE OF ALASKA

KNIK ARM BRIDGE AND TOLL AUTHORITY

SEAN PARNELL, GOVERNOR

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March 1, 2011

Mr. Duane Callender, Project Finance Coordinator
TIFIA Credit Program (HCFT-1)
US Department of Transportation
Room E64-301
1200 New Jersey Avenue, S.E.
Washington, DC 20590

Dear Mr. Callender,

On behalf of the Knik Arm Bridge and Toll Authority (KABATA), I am pleased to submit to the TIFIA Credit Program a Letter of Interest (LOI) to obtain TIFIA Credit for the Knik Arm Crossing Project (Project). The Project will provide substantial economic, social, and environmental benefits while supporting sustainable and livable communities for generations of citizens. TIFIA credit will accelerate the Project and the benefits it promises and help to keep tolls affordable for the public.

The Project has achieved several key milestones over the last few months. The National Marine Fisheries Service issued a biological opinion that the bridge would not jeopardize the Cook Inlet stock of beluga whales on November 30, 2010, followed by FHWA signing a "build" Record of Decision on December 15, 2010. These actions place the Project in position to close on TIFIA Credit and begin construction under a public-private partnership by 2012. KABATA is prepared to submit a full application promptly to achieve our schedule.

The Alaska Legislature is considering several bills to enhance the Project credit profile and appropriate funds for a Project reserve account. We believe that the pending legislation places the Project in a strong position to pay for up to 100 percent of the TIFIA credit subsidy, preserving scarce TIFIA budget authority for other essential projects around the country, as discussed in more detail in the LOI.

KABATA, the State of Alaska, and I all look forward to the results of the evaluation of the submitted LOIs and are confident that the Knik Arm Crossing Project rates very highly on all of the scoring criteria. We are providing exhibits and other relevant documents supporting the LOI at www.knikarmbridge.com/TIFIA.html due to their voluminous nature. Please contact me or Mr. Hemenway, our CFO, directly if the TIFIA JPO needs any other information about the Project.

Sincerely,



Andrew J. Niemiec
Executive Director

cc: David C. Miller, Alaska Division, FHWA
Marc A. Luiken, Commissioner, ADOT&PF
Michael L. Foster, Chairman, KABATA