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Make a few key points:

Urge the state and KABATA to update the traffic projections using the 2009 ISER numbers. If the Governor is going to make a decision about bridge financing, he needs to have the best information available.

The March 23 presentation to the DOR used a Phase II cost estimate of approximately \$375 million. This is not what FHWA is using. According to a May 2009 FHWA analysis, there is a 90% probability that Phase II will cost between \$750 million and \$920 million. I don't know where KABATA got its \$375 million figure (and I try to stay on top of all KABATA documents...).

Last, I urge the state representatives on KABATA's board to review last month's toll road bankruptcy near San Diego, the South Bay Expressway, to see what lessons can be learned from that.

- The cost of that road was approximately similar to the cost of Phase 1 of the Knik Arm Bridge,
- The project utilized the federal TIFIA loan process as KABATA plans to do, and
- A Macquarie subsidiary was involved as a private investor.

Traffic and toll revenues were much less than predicted which resulted in the Chapter 11 bankruptcy filing. As a result, the State of California and federal taxpayers likely will have to pay for the debt incurred.