On August 1, 2007, the Interstate Highway 35W bridge over the Mississippi River in Minneapolis collapsed. The Minnesota Department of Transportation (“Mn/DOT”) is working with the National Transportation Safety Board in its investigation and Hennepin County in recovery operations. Mn/DOT has begun the process of selecting a design-build contractor to replace the bridge. Recovery and re-construction is expected to result in significant expenditures by city, county, state and federal entities.

The U.S. Department of Transportation has provided $55 million in funding to the State of Minnesota for utilization in initial response and recovery activities and for rebuilding the bridge. Congress authorized $250 million in federal aid to repair and reconstruct the bridge (HR3311, Public Law 110-56). HR3311 specifies that the bridge replacement would be 100% federally funded and would permit a waiver of the normal $100 million annual cap on Federal Highway Administration’s "emergency relief" funding. The President signed the measure on August 6, 2007.

It is possible that the Governor will call a special session of the Minnesota Legislature to address funding for expenditures related to the collapse not covered by city, county or federal entities. While the Governor may call a special session pursuant to the Minnesota Constitution, he is not authorized to limit the agenda or duration of such special session once the Minnesota Legislature has convened.

Litigation

The following is a discussion of additional claims litigation developments that have occurred since the date of the Final Official Statement that are material for purposes of this Official Statement.

a) Tort Claims. A material number of tort claims arising out of the Interstate Highway 35W bridge collapse for damages are likely, however, the State’s exposure is limited by existing State law to $300,000 per claim and $1,000,000 per occurrence.
b) In the Matter of the Commission Inquiry Regarding Potential Proscribed Ex Parte Contact Regarding Commissioner Scott; In the Matter of the Minnesota Department of Commerce Against Qwest Corporation Regarding Unfiled Agreement; In the Matter of the Complaint of A T & T Communications of the Midwest, Inc. against Qwest Corporation (Minn. Ct. Appeals). The Public Utilities Commission (PUC) required Qwest to pay a penalty or $25,955,000 for failing to make public and seek PUC approval for interconnection agreements entered into with competitive local exchange carriers in a decision upheld by the U.S. District Court and the Eighth Circuit Court of Appeals. Subsequently, the PUC investigated allegedly improper communications between a former PUC commissioner and a former senior regulatory counsel with A T & T and concluded the penalty determination was reasonable and not the result of undue influence. Qwest appealed. The Court of Appeals affirmed the PUC determination that the alleged communications did not constitute impermissible ex parte communications as supported by substantial evidence but vacated the penalty and remanded for re-deliberation of the penalty on grounds that record indicates the penalty was at least partially the result of improper influence. Further proceeding before the PUC are anticipated.