



**ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY**

ONE CIVIC PLAZA, SUITE 350, CARSON, CALIFORNIA 90745 - TEL. (310) 233-7480 • FAX (310) 233-7483

August 8, 2011

Ms. Molly Campbell  
Deputy Executive Director - Finance  
& Administration  
Port of Los Angeles  
425 S. Palos Verdes Street  
Los Angeles, CA 90732

Mr. Steven Rubin  
Managing Director, Finance & Support  
Services  
Port of Long Beach  
925 Harbor Plaza  
Long Beach, CA 90802

Dear Ms. Campbell and Mr. Rubin:

**Notice of Port Shortfall Advance**

Pursuant to Section 7.3 (h) (iii) of the Use and Operating Agreement, ACTA is hereby providing notice to each Port of the actual Shortfall Advance due with respect to ACTA's October 1, 2011 debt service payments. **A Shortfall Advance of \$2,950,000.00 from each Port is due no later than Thursday, September 22, 2011.** The Shortfall Advance payment should be sent by Federal Funds wire to US Bank, the bond Trustee. Wire instructions will be provided separately.

On March 15, 2011, ACTA provided notice of the estimated Shortfall Advance amount for Fiscal Year 2011/2012. At that time, the total amount of the Shortfall Advance was estimated to be \$18 million. Due to increased cargo volumes since that time, Revenues have increased resulting in a reduction in the amount of the Shortfall Advance.

Please note that Revenues will not be sufficient (even after payment of the Shortfall Advance requested herein) to make deposits in certain other funds and accounts, including to replenish Financing Fees, restore the Reserve Account to the Reserve Account Target (\$15 million), or to set aside additional cash in the Administrative Cost Fund.

Based on current Revenue projections, Shortfall Advances may continue to be required in future years. The amount and duration of Shortfall Advances beyond October 1, 2011 is largely dependent on future San Pedro Bay cargo volumes, the mix of local vs. discretionary cargo, and ACTA's ability to re-structure its debt service obligations through the FRA RRIF financing or other transactions.

If there are any questions please contact me at 310-847-4314.

Sincerely,

James P. Preusch  
Chief Financial Officer

cc: John T. Doherty, ACTA CEO  
Charles Gale ACTA Co-Counsel  
Heather McCloskey, ACTA Co-Counsel  
Geraldine Knatz, POLA Executive Director  
Richard Steinke, POLB Executive Director  
Mike Christensen, POLA  
Doug Thiessen, POLB

Jerry Wilmoth, Union Pacific  
George Sturm, Union Pacific  
Ron Bance, Union Pacific  
Rollin Bredenberg, BNSF  
Kim Cuccaro, BNSF  
Marilyn Hardy, BNSF  
Valerie Smith, OMM