



News

ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY

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FOR IMMEDIATE RELEASE

February 3, 2010

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Alameda Corridor Transportation Authority Responds to Moody's Investor Services Downgrading Credit Ratings

Carson, Ca. – The Alameda Corridor Transportation Authority (ACTA) today issued the following statement following Moody's Investors Services single step credit rating downgrade for the Authority's senior and subordinate lien bonds:

“The Alameda Corridor Transportation Authority is disappointed that Moody's chose to downgrade its bond ratings one notch today. However, the positive indicators that point to container volumes increasing at the Ports of Los Angeles and Long Beach will, we believe, lead to an upturn in containers traveling through the Alameda Corridor and long-term growth in ACTA revenues. Today's action does not impact operations on the corridor or ACTA's ability to conduct business.

“The global recession has affected virtually all American businesses and every level of government. Every part of the goods movement industry has experienced the consequences of this slowdown. In response to the recession, ACTA has undertaken programs to ensure it will meet its debt service obligations.

“The recently completed and revised Global Insight-Tioga Consensus Cargo Forecasts, commissioned by the ports, predict that recovery in container traffic will take place beginning in 2010 and that the ports can expect to more than triple their volume by 2035. This will greatly enhance ACTA revenue.

“In addition to the improved cargo forecasts, ACTA is currently undertaking a restructuring of its debt that would reduce debt service over the next 5 to 10 years and increase debt service in future years when projections demonstrate that more than substantial revenue would be available.”

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