



ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY

3760 KILROY AIRPORT WAY, SUITE 200, LONG BEACH, CALIFORNIA 90806 – TEL. (562) 247-7777 • FAX (562) 247-7090

March 25, 2020

Ms. Marla Bleavins
Chief Financial Officer
Port of Los Angeles
425 S. Palos Verdes Street
Los Angeles, CA 90732

Mr. Sam Joumbat
Managing Director Fin & Admin.
Port of Long Beach
415 W. Ocean Blvd.
Long Beach, CA 90802

Re: Notice of Estimated Shortfall Advances and Reserve Account Funding

Dear Marla and Sam:

Shortfall Advances

Pursuant to Section 7.3 (h)(ii) of the Use and Operating Agreement, ACTA is hereby providing notice of the estimated Shortfall Advance amount for the upcoming fiscal year. Pursuant to Section 7.3 (h)(ii) of the Use and Operating Agreement, ACTA is hereby providing notice of the estimated Shortfall Advance amount for the upcoming fiscal year. No Shortfall Advance is required for the fiscal year ending June 30, 2021.

The days since turning the calendar to the year 2020 have been among the most extraordinary and unpredictable in possibly the last 100 years! Yet, based upon ACTA's monthly financial cash flow model, it appears that **so long as San Pedro Bay Port TEU volume for the period March – August 2020 remains at or above 50% of the TEU volume of 2019 on a month over month basis, no Shortfall Advance would be required for ACTA's April 1 or October 1, 2020 debt service payments.** Please accept that this projection is tentative. Our times are extremely uncertain for the foreseeable future.

As you know, each Port is responsible for one-half of the Shortfall Advance and is ordinarily required to include its share of the estimated amount in its annual budget and provide certification to ACTA indicating compliance.

Pursuant to Section 7.3(h)(iii) of the Use and Operating Agreement, the actual amount of the Shortfall Advance will be determined at least 45 days prior to the date such payments are due (i.e., five business days prior to October 1, 2020). Although it is not currently anticipated, in the event that actual funds are needed from each Port, ACTA will provide a written request at such time.

If there are any questions please free to contact me at 562-247-7080.

Sincerely,

James P. Preusch
Interim Chief Executive Officer

cc: Gene Seroka, POLA Executive Director
Mario Cordero, POLB Chief Executive Officer
Melissa Grosz, Union Pacific
Kate Sieverson, BNSF