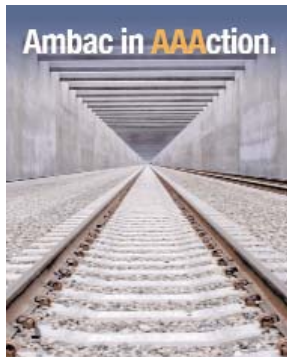


## MAJOR BOND ISSUES ENABLE L.A. RAIL AUTHORITY TO LOWER DEBT SERVICE COSTS

---



**\$686,000,000**

**Alameda Corridor Transportation Authority  
Subordinate Lien Revenue Refunding Bonds, Series A & B**

The Ports of Los Angeles and Long Beach are the largest in the United States, handling \$200 billion of cargo each year. In 2002, a joint powers authority of the two ports, the Alameda Corridor Transportation Authority (ACTA) opened a 20-mile multi-track rail and transportation corridor connecting the ports with the transcontinental rail network in downtown Los Angeles. The \$2.5 billion project was financed, in part, by a \$400 million loan from the U.S. Department of Transportation. Two years after completion, with the rail line functioning well, ACTA decided to take advantage of favorable interest rates by issuing bonds that would be used to refund the Federal loan. To lock in the best rates by bringing the deal to market in a timely manner, ACTA asked Ambac Assurance to participate in the financing.

Ambac underwriters quickly analyzed the rail line's container traffic volume and overall economics. Confidence in continued growth of the rail line's usage was essential, as the ports' contractual obligation in the financing would cover less than half of expected debt service costs. The essentiality of the rail line and the impressive amount of cargo passing through the ports helped Ambac get comfortable with the underwriting risks. Just six weeks after putting the financing wheels in motion, ACTA issued two series of bonds rated triple-A by virtue of the Ambac guarantees attached to the securities. ACTA repaid the Federal loan, improving the rail line's debt service costs and freeing the Authority from certain Federal covenants, thereby improving the Authority's financial management flexibility.

For additional information please contact:

Mark A. Spinelli, Managing Director, 212-208-3445, [mspinelli@ambac.com](mailto:mspinelli@ambac.com)

---

This report has been prepared by Ambac Assurance Corporation ("Ambac Assurance"). It is distributed solely to assist issuers and their underwriters and financial advisors in gaining a better understanding of Ambac Assurance's experience as a financial guarantee insurance company. The report was written by personnel of Ambac Assurance based on information available and believed to be accurate and complete as of April 22, 2004, the date on which the obligations described above were issued (the "Issuance Date"), which information was obtained from sources believed to be reliable. However, because of the possibility of human or mechanical error by our sources and the occurrence of subsequent events, Ambac Assurance does not guarantee the accuracy or completeness of this report as of the Issuance Date or its continued accuracy as of any date subsequent thereto. This report is distributed for information purposes only and nothing contained herein should be viewed as investment advice or as constituting a recommendation to buy, hold or sell the obligations described herein. Ambac Assurance has insured the obligations described above and received fees for the issuance of a financial guarantee insurance policy covering such obligations. In addition, Ambac Assurance (or its affiliates) may from time to time provide investment or financial products or other services for, or solicit other business from, or invest in securities of, the issuer of the obligations described in this report. Goldman, Sachs & Co. and UBS Financial Services Inc. were the bankers on this transaction.