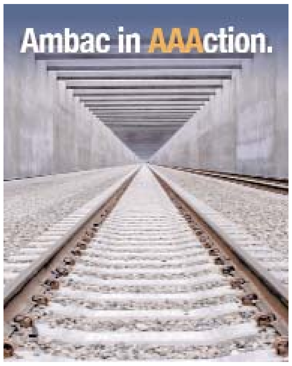
**2004 Far West Deal of the Year - Honorable Mention**, awarded by *The Bond Buyer*

Ambac Financial peace of mind.

# 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-milemulti-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:

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