



**ALAMEDA CORRIDOR TRANSPORTATION AUTHORITY**

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

March 15, 2011

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

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

Re: Notice of Estimated Shortfall Advances Under Alameda Corridor Use and Operating Agreement

Dear Ms. Campbell and Mr. Rubin:

Estimated Shortfall Advances

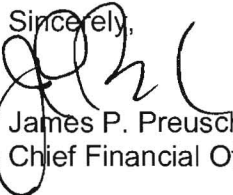
Pursuant to Section 7.3 (h)(ii) of the Use and Operating Agreement, ACTA is hereby providing notice of the estimated Shortfall Advance amount for ACTA's 2011-12 fiscal year. ACTA currently projects that a Shortfall Advance of \$9,000,000 will be required from each Port (total of \$18,000,000) for the fiscal year ending June 30, 2012. The Shortfall Advance payments are expected to be needed on or before September 23, 2011 (five business days prior to ACTA's October 1, 2011 debt service payment date). Pursuant to Section 7.3(h)(ii) of the Use and Operating Agreement, each Port is responsible for one-half of the total Shortfall Advance and is required to include its share of the estimated amount in its annual budget and provide certification to ACTA indicating compliance.

The projected Shortfall Advance requirement assumes that ACTA's proposed FRA RRIF loan of \$83.7 million either does not close or closes but without sufficient time to allow ACTA to achieve its contemplated debt restructuring prior to ACTA's October 1, 2011 debt service payment date. In the event that the FRA RRIF loan does close and ACTA's contemplated debt restructuring (as proposed in ACTA's loan application) is completed before the October 1, 2011 debt service payment date, then ACTA would not require a Shortfall Advance from the Ports for ACTA's 2011-12 fiscal year. ACTA will continue to provide the Ports with information on the status of the FRA RRIF loan.

Pursuant to Section 7.3(h)(iii) of the Use and Operating Agreement, the actual amount of any 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, 2011).

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

Sincerely,

  
James P. Preusch  
Chief Financial Officer

cc: John T. Doherty, ACTA CEO  
Geraldine Knatz, POLA Executive Director  
Richard Steinke, POLB Executive Director  
George Sturm, Union Pacific  
Myrle Giersch, Union Pacific

Mark Kirschinger, BNSF  
Marilyn Hardy, BNSF  
Kimberly Cuccaro, BNSF  
Valerie Smith, O'Melveny & Myers  
Ash Almurdaah, US Bank