



Update regarding Proposed California Legislation.

Senate Bill No. 925 and Assembly Bill No. 2541

As of May 6, 2014

As previously reported, Senate Bill No. 925 (“SB 925”) was introduced by California State Senator Roderick Wright on January 29, 2014 and its companion bill Assembly Bill No. 2541 (“AB 2541” together with SB 925, the “Bills”) was introduced by California Assembly Member Isador Hall on February 21, 2014. If enacted, as introduced, the Bills would have required the Alameda Corridor Transportation Authority (the “Authority”) to materially alter its system of fee collection, including the adoption of a tariff that would have required shippers, or persons entitled to cargo, to pay fees to an independent third-party collection agency prior to the cargo entering the Alameda Corridor, subject to certain exceptions.

The Authority and the Los Angeles County Board of Supervisors both opposed the Bills.

SB 925 had been referred to the California State Senate Rules Committee. The California State Senate Rules Committee did not refer SB 925 to any California State Senate policy committee. AB 2541 had been referred to the California State Assembly Committee on Transportation for hearing. On April 21, 2014 and April 28, 2014, the scheduled hearings before the California State Assembly Committee on Transportation were canceled at the request of Assembly Member Hall.

Pursuant to the Joint Rules of the California Senate and Assembly, May 2, 2014 was the last day for Senate and Assembly policy committees to meet and report to their respective Fiscal Committees fiscal bills (including the Bills). As no policy committee reported on the Bills, without further legislative action, subject to certain limited exceptions, such Joint Rules provide that the Bills will not be further considered during the current legislative session.

There can be no assurance that the Bills, or legislation similar to the Bills, will not be enacted and, if enacted, will not have a material adverse effect on the Authority or the Authority’s bonds. The information provided in this update should not be construed as a prediction or representation about future events or the financial performance of the Authority or any other person or entity. The events described in this update are subject to approvals, conditions and other events and circumstances that may or may not occur and no assurances are given that any such events, including but not limited to the enacting of the Bills or legislation similar to the Bills, will or will not occur.