



February 2, 1999

Kts
Metropolitan
Transportation
Authority

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TO: BOARD OF DIRECTORS
FROM: TERRY MATSUMOTO *Terry Matsumoto*
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SUBJECT: BOND RATING AGENCY COMMENTS

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During his comments with respect to the recent successful sale of Prop C bonds, Allan Lipsky, Chief Operating Officer, noted that while the high credit rating of the MTA remained unchanged, two of the rating agencies, Moody's and Fitch, retained their "negative" outlooks. The third agency, Standard & Poors, retained its "stable" outlook.

Mr. Lipsky also indicated that the rating agencies had noted progress toward addressing the MTA management factors cited in their reports. Based on that progress, Fitch removed its "RatingAlert," a short term credit watch signal. Both agencies indicated that with continued progress over the next period, they would consider removing their negative outlooks.

Attached for your review are the full texts of the three bond rating agencies' reports.

Please call me at 213-922-2473 if you have any questions on these items.

Attachments