

August 3, 2001



Metropolitan
Transportation
Authority

One Gateway Plaza
Los Angeles, CA
90012-2952

TO: BOARD OF DIRECTORS

FROM: TERRY MATSUMOTO *TM by Richard Kumbal*
EXECUTIVE OFFICER, FINANCE & TREASURER

**SUBJECT: PRELIMINARY OFFICIAL STATEMENTS FOR BENEFIT
ASSESSMENT DISTRICT REFUNDING BONDS**

ISSUE

The MTA is issuing two series of refunding bonds to lower debt service for the Special Benefit Assessment Districts A1 and A2, respectively. The two preliminary official statements are being made available to MTA Board members in order that each may have the opportunity to review and comment on the contents prior to distribution to potential bond investors.

BACKGROUND OR DISCUSSION

By authorizing the issuance of municipal securities, MTA's Board Members are considered by the Securities Exchange Commission (SEC) to each have an obligation under federal securities laws for taking appropriate steps, based on the facts known to the Board Member, to assure against the disclosure of materially false or misleading information. As a result, each director should have an opportunity to review the preliminary official statements.

NEXT STEPS

The two preliminary official statements are being sent via e-mail to each Director as well as other persons on the MTA's Board Box distribution list. Please call Michael Smith at (213) 922-4042 if you have not received the e-mail by COB August 6th. Any questions or comments resulting from review of the two preliminary official statements should be directed to Terry Matsumoto, Executive Officer, Finance and Treasurer. Mr. Matsumoto may be reached at (213) 922-2473. Questions and comments may also be submitted by facsimile at (213) 922-7490. All comments need to be received by Noon, Monday, August 13th, so they may be incorporated into the final versions. The final versions will be submitted to the printer on Wednesday, August 15th, for transmission to potential investors prior to the bond sale, currently scheduled for August 29th.

ATTACHMENTS

1. Preliminary Official Statement for Benefit Assessment District A1 Refunding Bonds – Draft dated 7/31/2001 (transmitted by e-mail)
2. Preliminary Official Statement for Benefit Assessment District A2 Refunding Bonds – Draft dated 7/31/2001 (transmitted by e-mail)