



NEWS

January 30, 1998

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MTA PROJECTS UP TO \$40 MILLION IN SAVINGS ON BOND ISSUES

The MTA has taken steps that will result in savings of \$35 to \$40 million in bonding expenses over the next five years.

The MTA Board Thursday approved a \$214 million bond issue that, because of current low interest rates, is expected to reduce anticipated financing costs by \$10 to \$15 million. Earlier this month, the MTA refinanced an earlier bond issue, saving \$25 million over the next five years. The value of that bond issue was \$160.2 million.

"We are aggressively taking advantage of lower interest rates," said Joya De Foor, the MTA's acting treasurer. "It's becoming quite a sizable savings for us and the people of Los Angeles."

The MTA has issued debt since 1986, including sales tax revenue bonds, U.S. and cross-border leases, revenue anticipation notes, commercial paper and certificates of participation.

The funds from Propositions A and C, local half-percent sales taxes, are pledged as payment for the bonds. Propositions A and C revenues are used to fund a wide range of multimodal transit projects including Metro Rail construction.

"The MTA will continue to monitor the markets and will aggressively pursue future cost saving opportunities," said Allan Lipsky, MTA Deputy CEO.

"We are in a period of austerity at the MTA and we are searching for ways to reduce costs and fund important transportation programs and services," continued Lipsky. "These efforts will help us meet future obligations on behalf of the taxpayers."

MTA-011

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