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Memorandum

TO: BATA Oversight Committee

DATE: February 6, 2008

FR: Executive Director

RE: Reauthorization of BATA Debt Policy, Resolution No. 51 Revised

Staff recommends this Committee forward approval of Resolution 51, Revised to the Authority to make a minor modification of the corporate and “counterparty” credit ratings.

BATA adopted a debt policy in May 2004 that outlined debt and swap guidelines as proposed by Government Finance Officers Association (GFOA), Municipal Securities Rulemaking Board (MSRB), and nationally recognized rating agencies (Fitch, Moody’s and Standard & Poors) and was set forth in BATA Resolution No. 51.

We are recommending a minor clarification to the debt policy. The current policy establishes a two part test. The first part is that the controlling corporate entity must meet the “A+” rating or better from all three rating agencies. The second part is the counterparty controlled by the corporate entity must maintain ratings equal to or better than BATA’s underlying ratings from two out of three nationally recognized rating agencies.

The recommended change more clearly differentiates the corporate entity and counterparty credit rating requirements.

This requirement provides for a generally high level of corporate ratings from all three nationally recognized rating agencies and also allows these corporations to utilize even higher rated specialized corporate subsidiaries to be the actual swap counterparty to the transaction.

Staff recommends this Committee forward approval of Resolution 51, Revised to the Authority.

/Steve Heminger/