



Carole L. Brown
Chairman

Chicago Transit Authority
567 West Lake Street
Chicago, Illinois 60661

Richard L. Rodriguez
President

March 24, 2009

Pia Yoswig
Legislative Research Unit
222 South College
Suite 301
Springfield, IL 62706

Dear Ms. Yoswig:

Per Section 12c of the Metropolitan Transit Authority Act (the Act), the Chicago Transit Authority (CTA) submits the following information regarding the issuance of debt for the CTA's Retirement Plan. This letter will outline the CTA's procurement program, outreach, and program results. This program focused on CTA's contracts with underwriters, bond counsel, financial advisors, and accountants with a goal for the payment of fees from these contracts to minority and female owned businesses to equal not less than 30 per cent.

The bond underwriters and financial advisors selected for the issuance of pension obligation bonds were retained by the CTA through a process known as a Request for Letters of Interest and Qualifications. In this process, a request for qualified bond underwriters and financial advisors was advertised in the Chicago Tribune and the Bond Buyer, inasmuch as the CTA Purchasing rules require advertisement in a newspaper "of general circulation in the metropolitan area" (Chicago Transit Authority Regulations Regarding Purchase and Sales Transactions, Section 54.5-1). Proposals were received by the CTA Purchasing Department and evaluated on a series of pre-established criteria by a committee appointed by the President of the CTA. A list of qualified firms was submitted to the Chicago Transit Board, and the Board authorized the Treasurer of the CTA, with the concurrence of the Chairman and the President, to select firms for specific and identifiable tasks (Ordinances 008-28 and 008-29).

For the pension obligation bonds, the Treasurer, Chairman and President selected two financial advisors from the list of thirteen after an additional informal evaluation process. Both firms are owned by minority or female principals. With respect to the bond underwriters, additional proposals were solicited from the list of thirty-nine pre-approved bond underwriters, and the final team of bond underwriters was selected after presentations by the underwriters to the Chairman, Treasurer, Chairman's Chief of Staff, First Deputy General Counsel and the financial advisors. This team was

The legal team was selected pursuant to a slightly different process. The CTA has issued bonds on a number of occasions over the last several years, and frequently interviews firms that are interested in CTA work or that are new to the industry for that purpose. The lead issuer's firm, which is recognized in The Bond Buyer's Municipal Marketplace (the Red Book), has worked on several of these transactions and had been assisting in the preparation and modification of the pension obligation bond legislation for nearly two years. As such, it was prudent to continue to rely on that firm's expertise with this issuance. The other firms were chosen pursuant to an informal selection process conducted by the Chairman, Treasurer and General Counsel, all of whom are familiar with the law firms in the Chicago area who have experience in municipal finance. Of the six other firms that participated in the transaction, four had female or minority principals.

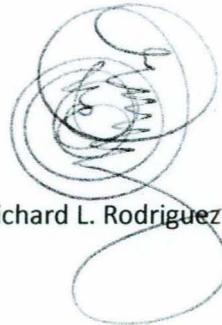
The total fees incurred by the CTA for this Pension Obligation Bond sale were \$13,782,638. Of that total, 47.3 per cent went to minority/female owned enterprises (\$6,518,712). These results exceed the minimum requirement of not less than 30 per cent. Attached, please find a listing of all the minority or women owned firms that participated in this debt issuance as underwriters, bond counsel, financial advisors, and/or accountants.

Please contact us if you have any concerns or questions.

Sincerely,



Carole L. Brown



Richard L. Rodriguez