

Municipal Entity Data: Get Ahead of the Next Potential Crisis

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Municipal bonds have recently been identified as the next potential victim of the financial crisis by some industry observers as evidenced by consistently higher yields from September through December 2010. This demand for higher yields has negatively impacted the new issue market. What is creating this situation and how can investors gain access to information to help them make more informed decisions and minimize risk?

One of the biggest issues impacting the municipal bond market is the continued turmoil in the economy. Tax receipts are down, and municipalities are under increasing pressure to meet all of their obligations, which include debt, payroll, and maintenance, among others.

The situation faced by many municipalities has led to a significant amount of default chatter among market participants. For example, Harrisburg, Pennsylvania has been close to missing interest payments on its general-obligation bonds and the city is struggling to meet payroll. A high-profile New York law firm has offered their assistance, pro bono, to advise the city in connection with a possible bankruptcy filing. This action stokes fears that a high-profile default may lead to other municipalities pondering the advantages of bankruptcy.

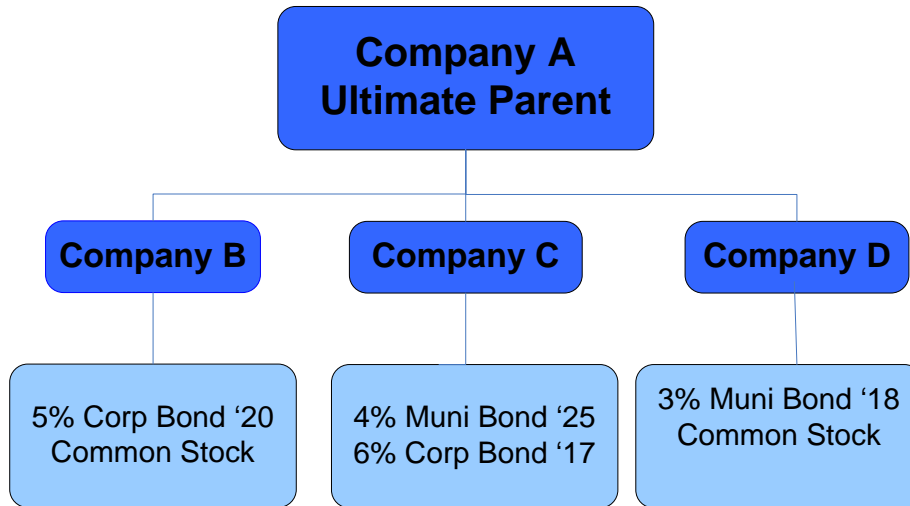
Compounding the problems facing the municipal bond market was the bankruptcy filing by bond insurer Ambac. Bond insurance once backed nearly half of all municipal issues, and its demise has left the industry struggling to conduct credit analysis on a large and varied pool of municipal credits.

Furthermore, issuer pressure has led to a recalibration of Credit Rating Agencies' ratings scales for municipal bonds. This led to higher ratings for many municipal bonds and an increased concentration of ratings at certain levels. Lost was some of the previous granularity between municipal credit ratings.

As a result of these and other developments, it is critical that municipal bond investors gain access to a more complete set of information about the obligations of municipal issuers so they can make more informed investment decisions. However, while most everyone knows that they need this information, the challenge is knowing where to find it.

Interactive Data is committed to helping municipal bond investors by providing a starting point for gathering the critical information that they need. With our Business Entity Service, clients can better understand the relationship between municipal issuers and their outstanding obligations.

Following is a simple illustration of a Business Entity family tree. The obligor of a municipal security may not be the same as the issuing entity, represented here by Companies C and D, but could be a parent entity, represented in this hierarchy as Company A.



Historically, this relationship was not readily apparent to investors without conducting substantial manual research. With Interactive Data's Business Entity Service, municipal investors can now easily view these relationships and obtain additional information.

Issuer	MOBILE ALA INDL DEV BRD POLLUT REV BDS 2009
Category	Municipal Bond
Identifier (with Check Digit)	607167DY6
Exceptional Issue Status	Put bonds
Maturity Date	1 Jun 2034
Series and Conduit Information	
Series Name	2009
Project Name	BARRY PLANT PROJ
Conduit Obligor Name	ALABAMA POWER CO

In this conduit financing example, Alabama Power Company is the corporate obligor for a Mobile, Alabama issued Industrial Development Bond (IDB). A look at the Business Entity data for Alabama Power Company shows that The Southern Company is the ultimate parent for Alabama Power Company.

Entity Information	
D-U-N-S Number	006900120
Registered Name	Alabama Power Company
Common Name	
Street Address	600 North 18th Street
City	Birmingham
State/Province	AL
Postal Code	35291
Country	US
Telephone	2052571000
Company Website	www.alabamapower.com
SIC	Electric services (4911)
NAICS	Other Electric Power Generation (221119)
Information Last Updated	7 Sep 2010
Aggregate Voting Rights	
Entity Total Debt	6,182,547,000
Entity Long Term Debt	5,882,547,000
Entity Debt Currency Code	USD
Entity Financials Report Date	30 Jun 2010
View Linkage Information	

Parent Information	Ultimate Parent Information
See Ultimate Parent Information	D-U-N-S Number 006925341
	Name The Southern Company
	Street Address 30 Ivan Allen Jr Boulevard NW
	City Atlanta
	State/Province GA
	Postal Code 303083055
	Country US
	Telephone 4045065000
	Company Website www.southerncompany.com
	Aggregate Voting Rights 830,706,000
	Entity Total Debt
	Entity Long Term Debt
	Entity Debt Currency Code
	Entity Financials Report Date

100 Securities Issued			
Identifier	Category	Issuer/Issue	Primary Exchange
607167DY6	Municipal Bond	MOBILE ALA INDL DEV BRD POLLUT REV BDS 2009	
010392DM7	US/Canadian Fixed Income	ALABAMA PWR CO NT 5.35%03	
010392DG0	US/Canadian Fixed Income	ALABAMA PWR CO SR INSD NT6.5%18	
010392EA2	US/Canadian Fixed Income	ALABAMA PWR CO SR NT 4.7%10	New York Bond Exchange
607166AA3	Municipal Bond	MOBILE ALA INDL DEV BRD REV IN DEV B DS 2001 A	
197210AW7	Municipal Bond	COLUMBIA ALA INDL DEV BRD POLL REV REF B DS 1999C	

In addition, The Southern Company is also the parent of several other issuing entities.



By following the Business Entity data for the Mobile IDB, investors can better identify their credit exposure to the parent, The Southern Company. Investors can also associate various Southern Company credits across municipal, corporate and equity security markets.

Through comprehensive information that helps municipal bond investors understand the various obligations of municipal issuers and obligors, Interactive Data's Business Entity Service can empower them to make informed decisions and more effectively mitigate risk.

For additional information, please visit www.interactivedata.com or contact us at info@interactivedata.com.

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