

MTA ANNUAL DISCLOSURE STATEMENT SUPPLEMENT
July 5, 2023

This Metropolitan Transportation Authority (“MTA”) Annual Disclosure Statement Supplement (the “Supplement”), dated July 5, 2023, supplements the information contained in the Annual Disclosure Statement (the “ADS”) of MTA, dated April 28, 2023. MTA expects to file this Supplement with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access (“EMMA”) system and may incorporate such information herein by specific cross-reference. No statement on MTA’s website or any other website is included by specific cross-reference herein. All of the information in this Supplement is accurate as of its respective date. MTA retains the right to update and supplement specific information contained herein as events warrant.

The factors affecting MTA’s financial condition are complex. This Supplement contains forecasts, projections, and estimates that are based on expectations and assumptions, which existed at the time they were prepared and contains statements relating to future results and economic performance that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “project,” “forecast,” “anticipate” or other similar words. The forward-looking statements contained herein are based on MTA’s expectations and are necessarily dependent upon assumptions, estimates and data that it believes are reasonable as of the date made but that may be incorrect, incomplete, imprecise or not reflective of future actual results. Forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the preceding paragraph, MTA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events occur that change the conditions or circumstances on which such statements are based. These forward-looking statements speak only as of the date of this Supplement.

Audited Financials

On June 7, 2023, MTA posted the audited Consolidated Financial Statements for the years ended December 31, 2022 and 2021, for each of the Metropolitan Transportation Authority, New York City Transit Authority and Triborough Bridge and Tunnel Authority (collectively, the 2022 Audited Financial Statements).

All references in the ADS to the “unaudited Consolidated Financial Statements for the years ended December 31, 2022 and 2021” of each of the Metropolitan Transportation Authority, New York City Transit Authority and Triborough Bridge and Tunnel Authority are hereby deemed to refer to the “audited Consolidated Financial Statements for the years ended December 31, 2022 and 2021”, all references in the ADS to the “unaudited Consolidated Financial Statements for the year ended December 31, 2022” of each of the Metropolitan Transportation Authority, New York City Transit Authority and Triborough Bridge and Tunnel Authority are hereby deemed to refer to the “audited Consolidated Financial Statements for the year ended December 31, 2022”, and references to 2022 “unaudited consolidated financial statements” or “unaudited financial statements” shall now be deemed to refer to the “audited consolidated financial statements” or “audited financial statements”, respectively, with respect to each such entity. The 2022 Audited Financial Statements are hereby incorporated into the ADS by specific cross-reference.

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The table appearing under “PART 2. FINANCIAL INFORMATION – REVENUE OF THE RELATED ENTITIES – State Special Tax Supported Operating Subsidies – *MTTF Receipts and MMTOA Receipts*”, appearing on page 26 of the ADS is amended to remove the third footnote.

The following paragraph is added after the fourth paragraph under “PART 2. FINANCIAL INFORMATION – REVENUE OF THE RELATED ENTITIES – Payroll Mobility Tax, PMT Offset, and MTA Aid Trust Account Receipts – *Mobility Tax Receipts*” appearing on page 28 of the ADS:

The State Fiscal Year 2023-2024 Enacted Budget included legislation which increases the maximum rate of the PMT for employers with payroll expense of over \$437,500 in any calendar quarter engaging in business in the MCTD in the counties of Bronx, Kings, New York, Queens and Richmond (the counties which comprise New York City) from 0.34% to 0.60%, such increase to become effective on July 1, 2023. The legislation also increases the rate of the PMT imposed on self-employed individuals with net earnings allocated to the MCTD of over \$50,000 for the tax year engaging in business in the MCTD in the counties of Bronx, Kings, New York, Queens and Richmond from 0.34% to 0.47%, such increase effective at the start of the tax year beginning on or after January 1, 2023, and from 0.47% to 0.60%, such increase to become effective at the start of the tax year beginning on or after January 1, 2024. No change was made to the existing rates of the PMT on employers and self-employed individuals engaging in business in the MCTD in the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester.

The second paragraph under “PART 2. FINANCIAL INFORMATION – REVENUE OF THE RELATED ENTITIES – Payroll Mobility Tax, PMT Offset, and MTA Aid Trust Account Receipts – *Mobility Tax Receipts*” appearing on page 28 of the ADS is deleted and replaced with the following:

Beginning in July 2020, pursuant to State legislation, on an annual basis, the City is required to subsidize 50% of the MTA’s paratransit services net operating costs, subject to the following annual caps: 2020 - \$215 million; 2021 - \$277 million; 2022 - \$290 million; and 2023 - \$310 million. The State Fiscal Year 2023-2024 Enacted Budget extends the City contribution to paratransit, originally set to expire on June 30, 2024, to June 30, 2030. The budget also increases the City contribution to paratransit during the period from July 1, 2023 through June 30, 2025. During that period, the City is required to fund 80% of the net paratransit operating expenses; provided, however, that such contribution may not exceed the sum of: (i) 50% of the net paratransit operating expenses for such twelve month period; and (ii) \$165 million.

The eighth and ninth paragraphs under “PART 2. FINANCIAL INFORMATION – REVENUE OF THE RELATED ENTITIES – Congestion Zone Surcharges” appearing on page 33 of the ADS are deleted and replaced with the following:

The 2023 projected For-Hire Transportation Surcharges, on an accrual basis, as reported in the 2023 Adopted Budget, is \$378.7 million, with \$300.0 million for the Subway Action Plan, \$50.0 million for Outerborough Transportation and \$28.7 million for General Transportation, which excludes ABLE fines (Bus Lane Violations). The Outerborough Transportation amount is being set aside to cover expenses and revenue reductions that have yet to be incorporated in MTA’s financial plans.

The 2023 projected For-Hire Transportation Surcharges, on a cash basis, as reported in the 2023 Adopted Budget, is \$378.7 million, with \$300.0 million for the Subway Action Plan, \$50.0 million for Outerborough Transportation and \$28.7 million for General Transportation, which excludes ABLE fines (Bus Lane Violations). The Outerborough Transportation amount is being set aside to cover expenses and revenue reductions that have yet to be incorporated in MTA’s financial plans.

The following new section is added after “PART 2. FINANCIAL INFORMATION – FINANCIAL PLANS AND CAPITAL PROGRAMS – Subsequent Developments” appearing on page 53 of the ADS:

New York State Budget for State Fiscal Year 2023-2024

On May 3, 2023, the New York State Budget for State Fiscal Year 2023-2024 (the “State Fiscal Year 2023-2024 Enacted Budget”) was enacted into law. MTA continues to analyze the State Fiscal Year 2023-2024 Enacted Budget regarding its impacts on MTA and the Related Entities, and will incorporate such impacts into future financial plans.

Appropriations for MTA

The State Fiscal Year 2023-2024 Enacted Budget contains, among other things, three key appropriations for MTA:

- \$300 million in one-time State aid to address the extraordinary impact of the COVID-19 pandemic on MTA operating revenues;
- \$35 million in investment to improve subway service on weekday middays, weekends and weeknights; and
- \$65 million to reduce the proposed 2023 fare increase from 5.5% to 4%.

These appropriations, along with the other measures described below, will be incorporated into the 2023 July Financial Plan.

Payroll Mobility Tax Increase

The State Fiscal Year 2023-2024 Enacted Budget included legislation which increases the maximum rate of the PMT for employers with payroll expense of over \$437,500 in any calendar quarter engaging in business in the MCTD in the counties of Bronx, Kings, New York, Queens and Richmond (the counties which comprise New York City) from 0.34% to 0.60%, such increase to become effective on July 1, 2023. The legislation also increases the rate of the PMT imposed on self-employed individuals with net earnings allocated to the MCTD of over \$50,000 for the tax year engaging in business in the MCTD in the counties of Bronx, Kings, New York, Queens and Richmond from 0.34% to 0.47%, such increase effective at the start of the tax year beginning on or after January 1, 2023, and from 0.47% to 0.60%, such increase to become effective at the start of the tax year beginning on or after January 1, 2024. No change was made to the existing rates of the PMT on employers and self-employed individuals engaging in business in the MCTD in the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester.

Downstate Casino Revenues

The State has authorized three licenses for casinos which may be located in the counties of Nassau, Putnam, Rockland, Suffolk, or Westchester (the “Downstate Counties”) or the City. The State Fiscal Year 2023-2024 Enacted Budget provides that, if such casino licenses are granted for casinos to be located in the Downstate Counties or the City, 100% of the license fees will be paid to MTA.

Additionally, the State Fiscal Year 2023-2024 Enacted Budget provides that 50% of future casino tax revenues will be paid to MTA if such casino is located within the City and is not operated by an entity which held a video gaming lottery license prior to January 1, 2022, and 40% of future downstate casino tax revenues to MTA if such casino is located within the Downstate Counties and is not operated by an entity which held a video gaming lottery license prior to January 1, 2022. If the licenses are granted to an entity which held a video gaming lottery license prior to January 1, 2022, then tax revenues will be paid to the Commercial Gaming Revenue Fund until a statutory amount is reached, after which 80% of the revenues shall be paid to MTA.

MTA cannot predict the timing or amount of revenue, if any, it will receive from casino license fees or casino taxes.

NYC Paratransit Contribution

The State Fiscal Year 2023-2024 Enacted Budget extends the City contribution to paratransit, originally set to expire on June 30, 2024, to June 30, 2030. The budget also increases the City contribution to paratransit during the period from July 1, 2023 through June 30, 2025. During that period, the City is required to fund 80% of the net paratransit

operating expenses; provided, however, that such contribution may not exceed the sum of: (i) 50% of the net paratransit operating expenses for such twelve month period; and (ii) \$165 million.

Corporate Franchise Tax Surcharge

Starting on January 1, 2024, the Corporate Franchise Tax Surcharge is fixed at a rate of 30%, rather than being determined annually by the State Department of Taxation and Finance as had been the case since 2015.

Automated Bus Lane Enforcement (“ABLE”) Program Expansion

The State Fiscal Year 2023-2024 Enacted Budget creates a five-year pilot program authorizing MTA and the New York City Department of Transportation to use automated cameras for enforcement of four additional bus operation-related violations including: violation of posted no standing rules at bus stops; general no stopping zones on bicycle lanes; double parking; and general no standing zones on bus lane. The budget also extends the current ABLE program, which was to expire in 2025, through 2028.

Fare-Free Bus Pilot

The State Fiscal Year 2023-2024 Enacted Budget requires MTA to establish a fare-free bus pilot program. The legislation requires that the program include five fare-free bus routes, one in each of the five boroughs of the City; provided that the program may not cost more than \$15 million in net operating costs. Such routes are to remain fare-free for six to twelve months.

Additional Appropriations

The State Fiscal Year 2023-2024 Enacted Budget includes appropriations of \$5 million to the Outer Borough Transportation Account to make up for shortfalls in receipts in 2022 and \$7 million to provide revenue to maintain the SIR Rebate Program in anticipation of the expected 2023 MTA Bridges and Tunnels toll increase.

The lead in paragraph, table, and notes following under the heading “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS –TRANSPORTATION REVENUE BONDS – Pledged Transportation Revenues Gross Lien and Rate Covenant”, titled TRB Table 2a, appearing, respectively, on pages 94 and 96 are deleted and replaced with the following:

For the years 2018-2022, **TRB Table 2a** is based on the historical audited financial statements of MTA and its subsidiaries, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA, on a cash basis. The audited financial statements for MTA and MTA New York City Transit covered by TRB Table 2a are included herein by specific cross-reference and should be read in connection with this information. The information in **TRB Table 2a** may not be indicative of future results of operations and financial condition. The information contained in the table has been prepared by MTA management based upon the historical financial statements and the notes thereto.

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TRB Table 2a
Summary of Pledged Revenues (Calculated in Accordance with the Transportation Resolution)
Historical Cash Basis (\$ in millions)⁽¹⁾

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Revenues from Systems Operations					
Fares from Transit System	\$ 4,454	\$ 4,592	\$ 1,939	\$2,332	\$2,944
Fares from Commuter System	1,481	1,526	517	557	902
Fares from MTA Bus	242	245	100	144	185
Other Income ⁽²⁾	<u>280</u>	<u>278</u>	<u>207</u>	<u>197</u>	<u>215</u>
Subtotal – Operating Revenues	\$6,457	\$6,641	\$2,763	\$3,230	\$4,245
Non-Operating Revenues⁽³⁾					
Revenues from MTA Bridges and Tunnels Surplus	\$692	\$788	\$495	\$928	\$1,193
State and Local General Operating Subsidies ⁽⁴⁾	\$375	\$340	\$365	\$408	\$368
NYC Transportation Assistance Fund - General Transportation Account ⁽⁵⁾	-	0	2	2	\$2
Special Tax-Supported Operating Subsidies					
DTF Excess ⁽⁶⁾	250	268	180	198	174
MMTOA Receipts	1,687	1,824	1,564	2,247	2,601
Urban Tax	656	668	377	429	729
MRT-2 Distribution ⁽⁷⁾	25	12	12	12	12
MTA Aid Trust Account Receipts ⁽⁸⁾	273	311	249	263	263
Payroll Mobility Tax Receipts ⁽⁸⁾	1,483	1,561	1,561	1,668	1,596
Payroll Mobility Revenue Offset Funds ⁽⁹⁾	<u>244</u>	<u>244</u>	<u>195</u>	<u>293</u>	<u>244</u>
Subtotal Special Tax-Supported Operating Subsidies	\$4,617	\$4,888	\$4,139	\$5,111	\$5,620
Station Maintenance and Service Reimbursements	530	647	637	795	797
City Subsidy for MTA Bus	464	669	355	456	522
Income from Investments ⁽¹⁰⁾	55	50	22	4	17
Subtotal – Non-Operating Revenues	\$6,734	\$7,382	\$6,015	\$7,704	\$8,519
Total Transportation Resolution Pledged Revenues	\$13,190	\$14,023	\$8,778	\$10,934	\$12,763
Debt Service⁽¹¹⁾	\$1,457	\$1,751	\$1,989	\$1,852	\$1,780
Debt Service Coverage from Pledged Revenues	9.1x	8.0x	4.4x	5.9x	7.2x

⁽¹⁾ Totals may not add due to rounding

⁽²⁾ Other income in the case of the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income in the case of the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. MTA Bus other incomes is also included.

⁽³⁾ The Transportation Resolution permits MTA to issue revenue anticipation notes that are secured by operating subsidies prior to the payment of debt service on the Bonds. See discussion under “Revenue Anticipation Notes Authorized by the Resolution” later in this “TRANSPORTATION REVENUE BONDS” section.

⁽⁴⁾ State and Local General Operating Subsidies are lower in 2019 due to delay in receipt of the City’s December 18-b payment.

⁽⁵⁾ The 2018-2019 State Enacted Budget included a new revenue stream for MTA to provide a source of funding for the Subway Action Plan, outer borough transit improvements, and other MTA needs. Such new revenues consist of certain statutory surcharges and fines, including a surcharge beginning January 1, 2019, on for-hire vehicle trips entirely within the State that start or terminate in, or traverse, Manhattan below 96th Street. Revenues from this surcharge will be deposited into a New York City Transportation Assistance Fund and disbursed to three sub-accounts established in such fund in the following order: a Subway Action Plan account, an Outer Borough Transportation account, and the General Transportation account. Additionally, beginning in 2020, the City began enforcing bus lane violations and pursuant to Chapter 59 of the Laws of 2018, the fines and penalties deposit into the General Transportation Account.

⁽⁶⁾ Calculated by subtracting the debt service payments on the Dedicated Tax Fund Bonds from the MTTF Receipts described under the caption “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS”.

⁽⁷⁾ Funds are for MTA Bus portion of debt service, pursuant to Board authorization in December 2007.

⁽⁸⁾ Calculated by subtracting the debt service payments on Payroll Mobility Tax Resolution Obligations from the combined Mobility Tax Receipts and ATA Receipts, which are pledged revenues for the Payroll Mobility Tax Resolution Obligations described under the caption “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – PAYROLL MOBILITY TAX OBLIGATIONS”.

⁽⁹⁾ In prior Annual Disclosure Statements, PMT Revenue Offset Receipts were included in the PMT Receipts. Beginning with the 2021 Annual Disclosure Statement, PMT Revenue Offset Receipts are presented separately because such revenues do not constitute pledged revenues under the PMT Resolutions.

⁽¹⁰⁾ Consists of investment income on capital program funds held for the benefit of the Transit and Commuter Systems on an accrual basis, and also investment income earned on subsidy accounts.

⁽¹¹⁾ Debt service was reduced by approximately \$54 million in each year of 2018 through 2020, \$49 million in 2021 and \$48 million in 2022 to reflect Build America Bonds interest credit payments relating to certain outstanding bonds. Such payments do not constitute Pledged Revenues under the Transportation Resolution. Debt service includes payments of interest on bond anticipation notes, including, \$101.5 million in 2018, \$188.6 million in 2019, \$344.5 million in 2020, \$253.4 million in 2021, and \$133.8 million in 2022.

The following should be noted in **TRB Table 2a**:

- Overall, pledged operating revenues, excluding other income, in 2022 were approximately \$1 billion, or 32.9% higher compared to 2021, but still lower than 2019 and prior years due to the decline in ridership during the COVID-19 pandemic. Total pledged revenues in 2022 were lower than 2019 by approximately \$1.3 billion, but were \$1.8 billion or 16.7% higher than 2021.
- Federal COVID relief receipts are included in *Other Revenue* under **Table 2b** for 2020 through 2022, and are not included in “Other Income” in **Table 2a** because they do not constitute pledged revenues under the Transportation Resolution. Additionally, while Internet Sales Tax and Mansion Tax receipts were made available as a resource for operating expenses for two years during the COVID-19 pandemic, they do not constitute pledged revenues under the Transportation Resolution and are not included in the table above.
- MTA receives monthly payments beginning in May of MMTOA Receipts, with the first quarter of the State’s appropriation for the succeeding year advanced into the fourth quarter of MTA’s calendar year. MTA continues to monitor the effect of not having MMTOA Receipts available during the first quarter of the calendar year to determine if working capital borrowings may be necessary for cash flow needs.
- “Urban Tax” collection reflects the activity level of certain commercial real estate transactions in the City. In 2018 and 2019, MTA saw an increase in Urban Tax revenues from the prior year, as a result of both an overall stronger commercial real estate economy and an uptick in the value of significantly large transactions (valued over \$100 million). In 2020, Urban Tax revenues declined significantly due to lower value of commercial real estate transactions and mortgages during the COVID-19 pandemic. In 2021 and 2022, Urban Tax receipts increased, reflecting optimism in the current value of commercial real estate in the City. Comparing 2022 to 2021, Urban Tax receipts were favorable by \$300.2 million, or 69.9%.
- Mortgage recording taxes consist of two separate taxes: the MRT-1 Tax, which is imposed on borrowers of recorded mortgages of real property; and the MRT-2 Tax, which is a tax imposed on the institutional lender. These taxes are collected by the City and the seven other counties within MTA’s service area. Mortgage recording taxes are used for Transit and Commuter Systems purposes after the payment of MTA Headquarters’ expenses and MTA Bus debt service. The MRT-2 Distribution to TRB Pledged Revenue is made before the funds are used for MTA Headquarters.

Since 2018, City Subsidy for MTA Bus has increased or decreased primarily due to timing of payments. Since the COVID-19 pandemic, federal relief funds offset the loss of revenue and increase in expenses reflected in the deficits billed to the City for MTA Bus service.

The lead in paragraph and table under the heading “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS –TRANSPORTATION REVENUE BONDS – Pledged Transportation Revenues Gross Lien and Rate Covenant”, titled TRB Table 2b, appearing, respectively, on pages 96 and 97 are deleted and replaced with the following:

TRB Table 2b is the MTA Consolidated Statement of Operations by Category. It sets forth, by major category, for the five years ended December 31, 2022, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance. The information in the table has been prepared by MTA management based on MTA financial plans. The amounts indicated in the “Actual” columns for 2018 to 2022 reflect actual information based on the historical audited financial statements of MTA and its subsidiaries. The information in **TRB Table 2b** may not be indicative of future results of operations and financial condition.

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TRB Table 2b
MTA Consolidated Statement of Operations by Category
(\$ in millions)

	Actual <u>2018</u>	Actual <u>2019</u>	Actual <u>2020</u>	Actual <u>2021</u>	Actual <u>2022</u>
Non-Reimbursable					
<u>Operating Revenue</u>					
Farebox Revenue	\$6,155	\$6,351	\$2,625	\$3,048	\$4,024
Toll Revenue	1,976	2,071	1,640	2,170	2,332
Other Revenue	643	706	4,571	4,706	7,657
Capital and Other Reimbursements	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Operating Revenue	\$8,774	\$9,128	\$8,836	\$9,924	\$14,014
<u>Operating Expense</u>					
Labor Expenses:					
Payroll	\$5,211	\$5,311	\$5,308	\$5,214	\$5,414
Overtime	1,066	974	910	965	1,127
Health & Welfare	1,230	1,339	1,298	1,405	1,423
OPEB Current Payment	604	666	633	722	752
Pensions	1,336	1,493	1,510	1,410	1,339
Other-Fringe Benefits	881	848	789	816	1,009
Reimbursable Overhead	<u>(528)</u>	<u>(470)</u>	<u>(380)</u>	<u>(372)</u>	<u>(400)</u>
Subtotal Labor Expenses	\$9,799	\$10,161	\$10,068	\$10,160	\$10,666
Non-Labor Expenses:					
Electric Power	\$482	\$444	\$385	\$430	\$556
Fuel	185	174	103	163	283
Insurance	(29)	2	(5)	26	9
Claims	438	495	237	426	376
Paratransit Service Contracts	455	477	326	346	412
Maintenance and Other Operating Contracts	678	731	773	765	806
Professional Service Contracts	544	442	446	499	555
Materials & Supplies	637	647	543	486	561
Other Business Expenses	<u>221</u>	<u>231</u>	<u>152</u>	<u>200</u>	<u>246</u>
Subtotal Non-Labor Expenses	\$3,611	\$3,642	\$2,961	\$3,341	\$3,804
Other Expense Adjustments:					
Other	\$129	\$149	\$80	\$21	\$100
General Reserve	<u>0</u>	<u>0</u>	<u>335</u>	<u>(335)</u>	<u>0</u>
Subtotal Other Expense Adjustments	\$129	\$149	\$415	(\$314)	\$100
Total Operating Expense before Non-Cash Liability Adj.	\$13,539	\$13,952	\$13,443	\$13,187	\$14,570
Depreciation	\$2,805	\$2,869	\$3,010	\$3,159	\$3,286
OPEB Liability Adjustment	1,048				
GASB 68 Pension Expense Adjustment	(373)	13	(77)	(917)	(393)
GASB 75 OPEB Expense Adjustment		895	978	1,075	1,084
GASB 87 Lease Adjustment	1	0	0	0	21
Environmental Remediation	105	42	123	37	26
Total Operating Expense after Non-Cash Liability Adj.	\$17,124	\$17,771	\$17,477	\$16,541	\$18,594
Conversion to Cash Basis: Non-Cash Liability Adjs.	(\$3,585)	(\$3,801)	(\$4,034)	(\$3,354)	(\$4,024)
Debt Service	2,541	2,630	2,703	2,787	3,121
Total Operating Expense with Debt Service	\$16,079	\$16,582	\$16,146	\$15,974	\$17,691
Dedicated Taxes and State/Local Subsidies	\$7,177	\$7,376	\$6,678	\$7,679	\$8,560
Net Surplus/(Deficit) After Subsidies and Debt Service	(\$128)	(\$79)	(\$632)	\$1,628	\$4,883
Conversion to Cash Basis: GASB Account	0	0	0	0	0
Conversion to Cash Basis: All Other	379	192	646	(961)	(6,049)
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	\$251	\$113	\$14	\$668	\$(1,166)
ADJUSTMENTS	0	0	0	0	0
PRIOR-YEAR CARRYOVER	121	372	485	499	1,166
NET CASH BALANCE	\$372	\$485	\$499	\$1,166	\$0

The lead in paragraph, table, and notes under the heading “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – MTA BRIDGES AND TUNNELS SUBORDINATE REVENUE BONDS – Sources of Payment”, titled MTA Bridges and Tunnels Senior Lien Table 2, appearing on pages 112-113 are deleted and replaced with the following:

MTA Bridges and Tunnels Subordinate Table 2 sets forth, by MTA Bridges and Tunnels facility, the amount of revenues for each of the last five years, as well as operating expenses. The audited financial statements for MTA and MTA Bridges and Tunnels for 2022 and 2021 covered by MTA Bridges and Tunnels Subordinate Table 2 are included herein by specific cross-reference and should be read in connection with this information. This information in MTA Bridges and Tunnels Subordinate Table 2 may not be indicative of future results of operations and financial condition. The information contained in the table has been prepared by MTA management based upon the historical financial statements and notes.

MTA Bridges and Tunnels Subordinate Table 2
Historical Revenues, Operating Expenses and Senior and Subordinate Debt Service
(in thousands)

	2018	2019	2020	2021	2022
Bridge and Tunnel Revenues:					
Robert F. Kennedy Bridge	\$ 449,086	\$ 463,134	\$ 355,004	\$ 466,908	\$ 503,541
Verrazzano-Narrows Bridge	434,963	453,434	386,978	515,132	544,527
Bronx-Whitestone Bridge	334,325	352,093	282,204	379,286	401,877
Throgs Neck Bridge	345,992	356,078	293,274	348,927	368,082
Henry Hudson Bridge	84,422	88,568	59,958	91,874	97,581
Marine Parkway Gil Hodges Memorial Bridge	17,526	18,507	16,560	20,381	21,208
Cross Bay Veterans’ Memorial Bridge	18,647	19,543	17,741	21,392	21,626
Queens Midtown Tunnel	175,919	198,866	134,251	192,306	221,532
Hugh L. Carey Tunnel	114,783	121,279	93,783	133,671	152,410
Total Bridge and Tunnel Revenues:	<u>\$ 1,975,663</u>	<u>\$ 2,071,411</u>	<u>\$ 1,639,753</u>	<u>\$ 2,169,877</u>	<u>\$ 2,332,384</u>
Investment Income and Other ⁽¹⁾	<u>30,106</u>	<u>31,921</u>	<u>22,716</u>	<u>24,726</u>	<u>31,251</u>
Total Revenues	<u>\$ 2,005,769</u>	<u>\$ 2,103,332</u>	<u>\$ 1,662,469</u>	<u>\$ 2,194,603</u>	<u>\$ 2,363,636</u>
Operating Expenses ⁽²⁾					
Personnel Costs ⁽³⁾	\$ 275,410	\$ 286,792	\$ 254,547	\$ 234,823	\$ 225,071
Maintenance and Other Operating Expenses	256,210	257,028	212,188	227,203	247,771
Total Operating Expenses	<u>\$ 531,620</u>	<u>\$ 543,820</u>	<u>\$ 466,735</u>	<u>\$ 462,026</u>	<u>\$ 472,842</u>
Net Revenues Available for Debt Service⁽³⁾	\$ 1,474,149	\$ 1,559,512	\$ 1,195,734	\$ 1,732,577	\$ 1,890,793
MTA Bridges and Tunnels Senior Lien Debt Service⁽³⁾	\$ 551,552	\$ 558,253	\$ 564,261	\$ 586,373	\$ 581,186
Subordinate Bond Fund Investment Earnings	\$ 819	\$ 938	\$ 165	\$ 14	\$ 615
Net Revenues Available for Subordinate Debt Service	\$ 923,416	\$ 1,002,197	\$ 631,638	\$ 1,146,204	\$ 1,310,222
Debt Service on Subordinate Revenue Bonds	\$ 120,076	\$ 102,721	\$ 102,234	\$ 102,115	\$ 103,300
Total Debt Service (Senior and Subordinate)	\$ 671,628	\$ 660,974	\$ 666,495	\$ 688,488	\$ 684,486
Combined Debt Service Coverage Ratio	2.19x	2.36x	1.79x	2.52x	2.76x

⁽¹⁾ Includes the net revenues from the Battery Parking Garage, as well as E-ZPass administrative fees and miscellaneous other revenues. Investment earnings include interest earned on bond funds, including debt service funds that were applied to the payment of debt service as follows for the years 2018 through 2022, respectively (in thousands); \$3,582, \$4,793, \$970, \$116, and \$3,167. The amounts set forth in this footnote are derived from MTA Bridges and Tunnels audited financial statements for the years 2018 through 2022.

⁽²⁾ Excludes depreciation, includes GASB 75 OPEB Expense Adjustment, GASB 68 Pension Expense Adjustment, beginning as of 2021, GASB 87 Lease Adjustment.

⁽³⁾ Includes regular and overtime salaries and fringe annual benefits, less capitalized personnel reimbursements.

⁽⁴⁾ Net of Build America Bond interest subsidies of \$8.5 million in 2018, \$8.4 million in 2019, \$8.6 million in 2020 and \$8.5 million in 2021 and 2022.

The following should be noted in MTA Bridges and Tunnels Subordinate Table 2:

- Bridge and Tunnel Revenues – In 2020, traffic and revenues were negatively affected during the height of the COVID-19 pandemic. In 2021, paid vehicle crossings rebounded to 307.3 million, an increase of 21.4% from 2020. There were 326.3 million paid vehicle crossings in 2022, an increase of 6.2% compared to 2021, and less than 1% lower than the 329.4 million paid vehicle crossings in 2019. In addition a toll increase was implemented in April 2021.

- Operating Expenses - Personnel Costs – The increase in 2019 was primarily due to an increase in retirement and other employee benefits. The decrease in 2020 was primarily due to a decrease in salaries and benefits and other post-employment benefits. The decreases in 2021 and 2022 were also primarily due to a decrease in salaries and benefits and other post-employment benefits as a result of lower headcount.
- Operating Expenses - Maintenance and Other Operating Expenses – In 2019, there was a slight increase in non-labor expenses due to higher credit card fees associated with the toll increase implemented on March 31, 2019, and general inflationary adjustments across a variety of areas. The decrease in 2020 was primarily due to lower major maintenance and bridge painting costs, lower legal expense, and lower credit card fees. The increase in 2021 was due to higher legal expenses, credit card fees and insurance, offset by lower major maintenance and bridge painting costs. The increase in 2022 is primarily due to higher major maintenance and bridge painting costs, credit card fees and insurance.

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The lead in paragraph, table, and notes under the heading “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – MTA BRIDGES AND TUNNELS GENERAL REVENUE BONDS – Sources of Payment”, titled MTA Bridges and Tunnels Senior Lien Table 2, appearing on pages 106-107 are deleted and replaced with the following:

MTA Bridges and Tunnels Senior Lien Table 2 sets forth, by MTA Bridges and Tunnels facility, the amount of revenues for each of the last five years, as well as operating expenses. The audited financial statements for MTA and MTA Bridges and Tunnels for the years 2022 and 2021 covered by MTA Bridges and Tunnels Senior Lien Table 2 are included herein by specific cross-reference and should be read in connection with this information. The information in MTA Bridges and Tunnels Senior Lien Table 2 may not be indicative of future results of operations and financial condition. The information contained in the table has been prepared by MTA management based upon the historical financial statements and notes.

MTA Bridges and Tunnels Senior Lien Table 2
Historical Revenues, Operating Expenses and Senior Lien Debt Service
(\$ in thousands)

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Bridge and Tunnel Revenues:					
Robert F. Kennedy Bridge	\$449,086	\$463,134	\$355,004	\$466,908	\$503,541
Verrazzano-Narrows Bridge	434,963	453,343	386,978	515,132	544,527
Bronx Whitestone Bridge	334,325	352,093	282,204	379,286	401,877
Throgs Neck Bridge	345,992	356,078	293,274	348,927	368,082
Henry Hudson Bridge	84,422	88,568	59,958	91,874	97,581
Marine Parkway Gil Hodges Memorial Bridge	17,526	18,507	16,560	20,381	21,208
Cross Bay Veterans’ Memorial Bridge	18,647	19,543	17,741	21,392	21,626
Queens Midtown Tunnel	175,919	198,866	134,251	192,306	221,532
Hugh L. Carey Tunnel	114,783	121,279	93,783	133,671	152,410
Total Bridge and Tunnel Revenues:	<u>\$1,975,663</u>	<u>\$2,071,411</u>	<u>\$1,639,753</u>	<u>\$2,169,877</u>	<u>\$2,332,384</u>
Investment Income and Other ⁽¹⁾	<u>30,106</u>	<u>31,921</u>	<u>22,716</u>	<u>24,726</u>	<u>31,251</u>
Total Revenues	<u>\$2,005,769</u>	<u>\$2,103,332</u>	<u>\$1,662,469</u>	<u>\$2,194,603</u>	<u>\$2,363,636</u>
Operating Expenses ⁽²⁾					
Personnel Costs ⁽³⁾	\$275,410	\$286,792	\$254,547	\$234,823	\$225,071
Maintenance and Other Operating Expenses	<u>256,210</u>	<u>257,028</u>	<u>212,188</u>	<u>227,203</u>	<u>247,772</u>
Total Operating Expenses	<u>\$531,620</u>	<u>\$543,820</u>	<u>\$466,735</u>	<u>\$462,026</u>	<u>\$472,843</u>
Net Revenues Available for Debt Service⁽⁴⁾	\$1,474,149	\$1,559,512	\$1,195,734	\$1,732,577	\$1,890,793
MTA Bridges and Tunnels Senior Lien Debt Service⁽³⁾	\$551,552	\$558,253	\$564,261	\$586,373	\$581,186
Senior Lien Coverage	2.67x	2.79x	2.12x	2.95x	3.25x

⁽¹⁾ Includes the net revenues from the Battery Parking Garage, as well as E-ZPass administrative fees and miscellaneous other revenues. Investment earnings include interest earned on bond funds, including debt service funds that were applied to the payment of debt service as follows for the years 2018 through 2022, respectively (in thousands); \$3,582, \$4,793, \$970, \$116, and \$3,167. The amounts set forth in this footnote are derived from MTA Bridges and Tunnels audited financial statements for the years 2018 through 2022.

⁽²⁾ Excludes depreciation, includes GASB 75 OPEB Expense Adjustment, GASB 68 Pension Expense Adjustment, beginning as of 2021, GASB 87 Lease Adjustment.

⁽³⁾ Includes regular and overtime salaries and fringe annual benefits, less capitalized personnel reimbursements.

⁽⁴⁾ Net of Build America Bond interest subsidies of \$8.5 million in 2018, \$8.4 million in 2019, \$8.6 million in 2020 and \$8.5 million in 2021 and 2022.

The following should be noted in MTA Bridges and Tunnels Senior Lien Table 2:

- Bridge and Tunnel Revenues – In 2020, traffic and revenues were negatively affected during the height of the COVID-19 pandemic. In 2021, paid vehicle crossings rebounded to 307.3 million, an increase of 21.4% from 2020. There were 326.3 million paid vehicle crossings in 2022, an increase of 6.2% compared to 2021, and less than 1% lower than the 329.4 million paid vehicle crossings in 2019. In addition a toll increase was implemented in April 2021.
- Operating Expenses - Personnel Costs – The increase in 2019 was primarily due to an increase in retirement and other employee benefits. The decrease in 2020 was primarily due to a decrease in salaries and benefits

and other post-employment benefits. The decreases in 2021 and 2022 were primarily due to a decrease in salaries and benefits and other post-employment benefits as a result of lower headcount.

- Operating Expenses - Maintenance and Other Operating Expenses – In 2019, there was a slight increase in non-labor expenses due to higher credit card fees associated with the toll increase implemented on March 31, 2019, and general inflationary adjustments across a variety of areas. The decrease in 2020 was primarily due to lower major maintenance and bridge painting costs, lower legal expenses, and lower credit card fees. The increase in 2021 was due to higher legal expenses, credit card fees and insurance, offset by lower major maintenance and bridge painting costs. The increase in 2022 is primarily due to higher major maintenance and bridge painting costs, credit card fees and insurance.

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The table under the heading “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS – Sources of Payment-Revenues from Dedicated Taxes”, titled DTF Table 2, appearing on page 123 is deleted and replaced with the following:

DTF Table 2
Summary of MTTF Receipts and MMTOA Receipts⁽¹⁾
State Fiscal Year ending March 31 (\$ millions)

<u>Dedicated Taxes (\$ millions)</u>	<u>Actual</u> <u>2020</u>	<u>Actual</u> <u>2021</u>	<u>Actual</u> <u>2022</u>	<u>Actual</u> <u>2023</u>	<u>Projection ⁽¹⁰⁾</u> <u>2024</u>
MTTF⁽²⁾					
PBT	\$ 343.9	\$ 281.6	\$ 306.9	\$ 325.5	\$ 329.1
Motor Fuel Tax	99.4	83.4	97.0	34.9 ⁽⁸⁾	96.2
Motor Vehicle Fees ⁽³⁾	131.9	119.1	128.9	121.9	121.4
Total Available	\$ 575.2	\$ 484.1	\$ 532.8	\$ 482.3	\$ 546.7
MMTOA⁽²⁾					
PBT	\$ 74.1	\$ 60.4	\$ 66.0	\$ 69.3	\$ 70.4
District Sales Tax	1,049.1	873.0	1,089.0	1,217.0 ⁽⁸⁾	1,280.0
Franchise Taxes ⁽⁴⁾	39.3	27.5	25.3	27.3	27.0
Franchise Surcharges	1,392.4	1,379.1	1,733.6	2,143.1	2,021.0
Total Available	\$ 2,554.9	\$ 2,340.0	\$ 2,913.9	\$ 3,456.7	\$ 3,398.4
Disbursements					
MTTF⁽³⁾⁽⁵⁾	\$ 642.5	\$ 527.9	\$ 624.3	\$ 575.2	\$ 611.3
MMTOA⁽⁶⁾	\$ 1,829.7	\$ 1,895.2	\$ 1,922.8	\$ 2,607.0	\$ 2,838.5
Total Disbursed	\$ 2,472.2	\$ 2,423.1	\$ 2,547.1	\$ 3,182.2	\$ 3,449.8
Debt Service⁽⁷⁾	\$ 382.8	\$ 385.8	\$ 394.8	\$ 385.2⁽⁹⁾	\$ 357.4⁽⁹⁾
Debt Service Coverage Ratio – MTTF Receipts Only	1.68x	1.37x	1.58x	1.49x	1.71x
Debt Service Coverage Ratio – MTTF and MMTOA Receipts	6.46x	6.28x	6.45x	8.25x	9.65x

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ As used in this Table, MTTF Receipts and MMTOA Receipts have the meaning given such terms in the DTF Resolution.

⁽³⁾ Pursuant to legislation enacted in 2014, beginning with State Fiscal Year 2014-2015 and each year thereafter, a portion of the Fiscal Year 2013-2014 Motor Vehicle General Fund transfer of \$169.4 million has been replaced with a direct transfer of \$62.7 million from the State General Fund to the Dedicated Mass Transportation Trust Fund and \$57.6 million of such amount flows to MTA’s Dedicated Tax Fund as MTTF Receipts; the remainder flows to other transportation systems.

⁽⁴⁾ Beginning with State Fiscal Year 2012-2013, the distribution to the MMTOA Account was changed from 80% to 54% of the taxes collected from Franchise Taxes. The remaining 26% is distributed to the Public Transportation Systems Operating Assistance Account.

⁽⁵⁾ Represents the amount in the MTTF that was, subject to appropriation, paid to MTA by deposit into MTA’s Dedicated Tax Fund, thereby becoming MTTF Receipts. The amount of MTTF Receipts in any State fiscal year may be greater than the amount collected for deposit into the MTTF due to, among other things, investment earnings or surplus amounts retained in the MTTF that were not paid out in prior years.

⁽⁶⁾ Represents the amount in the MMTOA Account that was, subject to appropriation, paid to MTA by deposit into MTA’s Dedicated Tax Fund, thereby becoming MMTOA Receipts. The difference between Total Available MMTOA Taxes and MMTOA Receipts generally represents the amount appropriated for operating expenses of the various non-MTA systems in the MTA Commuter Transportation District, as well as the amounts appropriated to MTA and other transportation agencies, primarily in accordance with the Section 18-b Program as described under the caption “PART 2. PUBLIC DEBT SECURITIES – REVENUES OF THE RELATED ENTITIES – State and Local General Operating Subsidies”.

⁽⁷⁾ Net of approximately \$26.0 million of Build America Bond interest subsidies in each year. Actuals are budgeted actuals calculated for the State fiscal year. Projections for State Fiscal Year 2024 are based on projections in the 2023 February Financial Plan.

⁽⁸⁾ The State Fiscal Year 2022-2023 Enacted Budget suspended the State and MCTD sales taxes imposed on gasoline and diesel motor fuel, as well as the motor fuel tax, from June 1, 2022, through December 31, 2022. Additionally, a “hold harmless” General Fund transfer provision was included to transfer the projected revenue amounts that would have been distributed to the MTTF component of the Motor Fuel Tax (\$58.2 million) and the MMTOA component of the District Sales Tax (\$15.0 million) as though the suspension of such taxes was not in effect. The referenced estimates in the table above do not reflect the noted “hold harmless” General Fund transfer amounts.

⁽⁹⁾ Budgeted actual debt service for State Fiscal Year 2023 excludes a December 1, 2022 redemption of DTF Series 2012A Bonds that was paid with available moneys. The redemption of the DTF Series 2012A Bonds reduced projected debt service for State Fiscal Year 2024.

⁽¹⁰⁾ The State Fiscal Year 2023-2024 projections are based on the State Fiscal Year 2023-2024 Enacted Budget Financial Plan.

The table appearing under “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS – MTTF Receipts – Dedicated Petroleum Business Tax – *General – Tax Rates*”, titled “Petroleum Business Tax Index Change (percent)” appearing on page 130 of the ADS is amended to remove the second footnote.

The following paragraph is added after the fourth paragraph under “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS – MTTF Receipts – Dedicated Petroleum Business Tax – *General – Legislative Changes*” appearing on page 131 of the ADS:

Legislation adopted with the State Fiscal Year 2023-2024 Enacted Budget required distributors of motor fuel and diesel motor fuel to collect, report, and remit taxes on every gallon of fuel sold, including the additional gallons realized from temperature fluctuations.

The following paragraph is added after the second paragraph under “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS – MMTOA Account – Special Tax Supported Operating Subsidies – *Franchise Surcharge – General*” appearing on page 138 of the ADS:

Starting on January 1, 2024, the Corporate Franchise Tax Surcharge is fixed at a rate of 30%, rather than being determined annually by the State Department of Taxation and Finance as had been the case since 2015.

The following section is added after “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – PAYROLL MOBILITY TAX OBLIGATIONS – PMT Receipts – *Mobility Tax Receipts – The Payroll Mobility Tax*” appearing on page 142 of the ADS:

PMT Legislation in the State Fiscal Year 2023-2024 Enacted Budget. The State Fiscal Year 2023-2024 Enacted Budget included legislation which increases the maximum rate of the PMT for employers with payroll expense of over \$437,500 in any calendar quarter engaging in business in the MCTD in the counties of Bronx, Kings, New York, Queens and Richmond (the counties which comprise New York City) from 0.34% to 0.60%, such increase to become effective on July 1, 2023. The legislation also increases the rate of the PMT imposed on self-employed individuals with net earnings allocated to the MCTD of over \$50,000 for the tax year engaging in business in the MCTD in the counties of Bronx, Kings, New York, Queens and Richmond from 0.34% to 0.47%, such increase effective at the start of the tax year beginning on or after January 1, 2023, and from 0.47% to 0.60%, such increase to become effective at the start of the tax year beginning on or after January 1, 2024. No change was made to the existing rates of the PMT on employers and self-employed individuals engaging in business in the MCTD in the counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester.

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The table under the caption “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – PAYROLL MOBILITY TAX OBLIGATIONS – PMT Receipts – *Mobility Tax Receipts – Current Mobility Tax Rates*” appearing on page 142 of the ADS is deleted and replaced with the following:

<u>Payroll Expense for Calendar Quarter</u>	<u>Tax Rate on Payroll Expense</u>	<u>Employers Engage in Business in</u>
Under \$312,500	Not subject to PMT	--
Over \$312,500 but not over \$375,000	0.11%	All counties in MCTD
Over \$375,000 but not over \$437,500	0.23%	All counties in MCTD
Over \$437,500	0.34% ⁽¹⁾	Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester
Over \$437,500	0.60% ⁽²⁾	Bronx, Kings, New York, Queens and Richmond

⁽¹⁾ No change to the current rate.

⁽²⁾ Current rate is 0.34%, with increase to become effective on July 1, 2023.

The tables under the caption “PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – PAYROLL MOBILITY TAX OBLIGATIONS – PMT Receipts – *Mobility Tax Receipts*” titled “Table 4- Historical Annual Mobility Tax Receipts,” “Table 5- Historical Annual ATA Receipts,” and “Table 6A- Historical Annual Combined Mobility Tax Receipts and ATA Receipts (PMT Receipts)” appearing on pages 145, 146, and 147, respectively, are hereby amended to remove the footnotes designating the 2022 amounts as preliminary actuals.

The table under the caption “PART 6. REGULATORY, EMPLOYMENT, INSURANCE AND LITIGATION MATTERS – INSURANCE – General” appearing on page 219 of the ADS is deleted and replaced with the following:

<u>Insurance Program</u>	<u>Expiration Date</u>
Property Insurance	May 1, 2024
Commuter Stations and Force Liability	December 15, 2023
FMTAC Excess Loss Fund	October 31, 2023
Commercial Excess Liability Policy	October 31, 2023
All Agency Protective Liability	June 1, 2024
Paratransit and Non-Revenue Vehicle Policies	March 1, 2024
Premises Liability	December 7, 2023
Builder’s Risk	Various
Owner Controlled Insurance Programs	Various

The information under the caption “PART 6. REGULATORY, EMPLOYMENT, INSURANCE AND LITIGATION MATTERS – INSURANCE – Property Insurance Program” appearing on pages 219-220 of the ADS is deleted and replaced with the following:

Property Insurance Program

Property Insurance. Effective May 1, 2023, FMTAC renewed the all-agency property insurance programs. For the annual period commencing May 1, 2023, FMTAC directly insures property damage claims of the Related Entities in excess of a \$25 million per occurrence deductible, subject to an annual \$75 million aggregate deductible. The total All Risk program annual limit is \$500 million per occurrence and in the annual aggregate for Flood and Earthquake covering

property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of \$7.5 million per occurrence. In addition to the noted \$25 million per occurrence self-insured deductible, MTA self-insures above that deductible for \$147.082 million within the overall \$500 million per occurrence property program as follows: \$20.277 million (or 40.55%) of the primary \$50 million layer, plus \$23.777 million (or 47.55%) of the \$50 million excess \$50 million layer, plus \$14.792 million (or 29.58%) of the \$50 million excess \$100 million layer, plus \$8.827 million (or 17.65%) of the \$50 million excess \$150 million layer, plus \$4.484 million (or 8.96%) of the \$50 million excess \$200 million layer, plus \$12.548 million (or 25.09%) of the \$50 million excess \$250 million layer, plus \$13.547 million (or 27.09%) of the \$50 million excess \$300 million layer, plus \$14.997 million (or 29.99%) of the \$50 million excess \$350 million layer, plus \$18.664 million (or 37.32%) of the \$50 million excess \$400 million layer, and \$15.164 million (or 30.32%) of the \$50 million excess \$450 million layer.

The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage.

Supplementing the \$500 million per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of \$100 million of fully collateralized storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three-year period from May 19, 2023 to April 30, 2026. The expanded protection is reinsured by MetroCat Re Ltd. 2023-1, a Bermuda special purpose insurer independent from MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2023-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of \$200 million. The United States government's reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any "certified" act of terrorism up to a maximum recovery of \$215 million for any one occurrence and in the annual aggregate, (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the "certified" acts of terrorism insurance or (3) 100% of any "certified" terrorism loss which exceeds \$5 million and less than the \$200 million TRIPRA trigger up to a maximum recovery of \$200 million for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of \$215 million. Recovery under the terrorism policy is subject to a deductible of \$25 million per occurrence and \$75 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities' deductible in any one year exceed \$75 million future losses in that policy year are subject to a deductible of \$7.5 million. The terrorism coverages expire on May 1, 2025.

The information under the caption "PART 6. REGULATORY, EMPLOYMENT, INSURANCE AND LITIGATION MATTERS – INSURANCE – FMTAC Excess Loss Fund" appearing on pages 220-226 of the ADS is deleted and replaced with the following:

FMTAC Excess Loss Fund

FMTAC operates an Excess Liability Fund ("ELF") insurance program that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. The

self-insured retention limits, by agency, are set forth in the table below. The maximum amount of claims arising out of any one occurrence is the total assets of the ELF program available for claims, but in no event greater than \$50 million. The retrospective portion contains the same insurance agreements, participant retentions, and limits as existed under the ELF for occurrences happening on or before October 30, 2003. On a prospective basis, FMTAC issues insurance policies indemnifying MTA and the other Related Entities above their specifically assigned self-insured retention with a limit of \$50 million per occurrence and a \$50 million annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. Based on actuarial review and analysis of agencies' underlying losses, the Excess Loss premium for the policy period October 31, 2022 – October 31, 2023 was \$14 million. For the next renewal period, a similar analysis will be conducted and appropriate premium charges will be determined. On December 31, 2022, the balance of the assets in this program was \$174.04 million.

Related Entity	Self-Insured Retention (in millions of dollars)			
	10/31/06 - 10/31/09	10/31/09 - 10/31/12	10/31/12 - 10/31/15	10/31/15 to Present
MTA New York City Transit MaBSTOA MTA Long Island Rail Road MTA Metro-North Railroad MTA Bus	\$8	\$9	\$10	\$11
MTA Staten Island Railway MTA Metropolitan Suburban Bus Authority*	\$2.3	\$2.6	\$3	\$3.2
MTA Bridges and Tunnels MTA Headquarters	\$1.6	\$1.9	\$2.6	\$3.2

MTA also maintains an All-Agency Excess Liability Insurance Policy that affords MTA and the other Related Entities additional coverage limits of \$357.5 million, for a total limit of \$407.5 million (\$357.5 million in excess of \$50 million). In certain circumstances, when the assets in the ELF program are exhausted due to payment of claims, the All-Agency Excess Liability Insurance Policy will assume the coverage position of \$50 million.

During 2022 and to date, the ELF program has paid approximately \$25.1 million, as the ELF's share of settlements that exceeded the MTA Long Island Rail Road self-insured retention for the New Hyde Park loss on October 8, 2016 and the Atlantic Terminal loss on January 4, 2017.

The following are pending cases and claims that could result in payments under this liability policy in excess of agency retentions, as well as certain noted claims that closed in the past year without payment from the excess loss fund:

- MTA Metro-North Railroad Valhalla* - An incident occurring on February 3, 2015, when an MTA Metro-North Railroad Harlem Line train struck an automobile in a highway-rail grade crossing between the Valhalla and Hawthorne stations, has resulted in assertion of personal injury claims against the railroad. The driver of the automobile and five passengers on the train were killed. A number of passengers, and the train engineer, were injured. The National Transportation Safety Board (NTSB) adopted its report on the causes of the accident on July 25, 2017, finding that the probable cause of the accident was the driver of the automobile, for undetermined reasons, moving the vehicle on to the tracks while the Commerce Street highway-railroad grade crossing warning system was activated, into the path of Metro-North Railroad train. Contributing to the accident was the automobile driver: (1) stopping beyond the stop line, within the boundary of the highway-railroad grade crossing, despite warning signs indicating the approach to the grade crossing; and (2) reducing the available time to clear the grade crossing by exiting the vehicle after the grade crossing warning system activated because the driver's attention was diverted by the grade crossing warning system crossing gate arm striking her vehicle. Contributing to the severity of the accident was the third rail penetrating the passenger compartment of the lead passenger railcar and the post-accident fire. While there is no indication from the NTSB's findings that MTA Metro-North Railroad was at fault in connection with this incident, 37 lawsuits have been filed to date against MTA Metro-North Railroad, many of which name other defendants as well. Notwithstanding MTA Metro-North Railroad's position that it has no responsibility for this incident, if plaintiffs are successful in their claims against MTA Metro-North Railroad, damages could exceed the self-insured retention and impact the FMTAC and excess layers of insurance. The motions for summary

* The MTA subsidiary Metropolitan Suburban Bus Authority discontinued its provision of transportation services at the end of 2011. Its activities are limited to the winding up of its affairs. FMTAC excess loss coverage remains in place only with respect to claims arising out of MTA LI Bus incidents which occurred on or before December 31, 2011.

judgment were recently decided. Judge Lubell of Westchester County Supreme Court issued three separate decisions. The Court denied the motion of defendant Mount Pleasant and Engineer Smalls individually. Defendants MTA and Metro-North's motion were partially granted and denied allowing certain claims pertaining to the operation of the train, the design of the crossing and the training of the engineer. The Town of Mount Pleasant has submitted a motion to renew/reargue. No trial date has been scheduled.

- *MTA Long Island Rail Road - Atlantic Terminal Bumper Block Strike.* An incident occurred on January 4, 2017, when an MTA Long Island Rail Road Far Rockaway Line train struck a bumper block in the Atlantic Terminal-Brooklyn Station. This incident resulted in 173 injury claims, which includes 11 employee FELA claims. To date, 122 claims have been put into suit. MTA Long Island Rail Road has paid out the entire \$11 million FMTAC Station Maintenance retention limit in expenses and settlements and \$16.5 million has impacted the excess layer of insurance. The current outstanding reserves are \$4.8 million and there are 13 open lawsuits.
- *MTA Long Island Rail Road—New Hyde Park Collision* - On October 8, 2016, while MTA Long Island Rail Road was conducting track work east of the New Hyde Park Station on track placed out of service, a piece of track equipment derailed fouling live track which was then struck by a train carrying passengers, causing the passenger train to derail. Numerous passengers and several employees were injured due to this accident. The FRA, along with MTA Long Island Rail Road conducted investigations into this matter. There have been a total of 72 claims related to this accident; 57 passenger injuries, 8 employee injuries and the remaining are the property damage claims. The derailment caused damage to three passenger cars, the track area and the track equipment involved. At this time, 33 lawsuits have been filed against MTA Long Island Rail Road. MTA Long Island Rail Road has paid out the entire \$11 million FMTAC Force Account retention limit in expenses and settlements and \$8.6 million has impacted the excess layer of insurance. The current outstanding reserves are \$3.3 million and there are 11 open lawsuits.
- *DiRusso v. Triborough Bridge and Tunnel Authority, et al.* - Plaintiff, an employee of Tully Construction subcontractor Welsbach Electric Co., commenced this action in Supreme Court, Kings County, regarding an incident on May 16, 2017. Plaintiff was performing electrical work on a man lift in the Hugh Carey Tunnel when a MTA Bridges and Tunnels vehicle operated by an MTA Bridges and Tunnels employee struck the man lift causing the plaintiff to fall approximately 15 to 20 feet and sustain personal injuries. It is claimed that MTA Bridges and Tunnels was in violation of Labor Law §§200, 240 and 241(6) as well as relevant sections of the New York State Industrial Code and OSHA regulations. A settlement was reached on February 23, 2023.
- *Diaz v. MTA New York City Transit Authority* - On January 15, 2015, plaintiff, then 32 years old, was walking within the crosswalk when he was struck by an MTA New York City Transit bus making a right-hand turn. Plaintiff suffered fractures of his right clavicle, right scapular body, pelvis, right hip, right ribs, a right hip dislocation and a traumatic partial amputation of his right foot. A settlement was reached on May 12, 2022.
- *Robert Liciaga v. MTA New York City Transit Authority* - On April 10, 2016, plaintiff, then 23-years old, rode his bicycle through a cordoned-off construction site beneath the elevated subway line and was struck by a rotted cross tie which was dropped into a designated “drop zone”. Plaintiff sustained severe and permanent injuries and is now confined to a long-term care facility on Roosevelt Island. A Kings County Supreme Court jury found MTA New York City Transit 100% liable and awarded Plaintiff \$110 million. The trial judge reduced the pain and suffering awards after post-trial motions were made thereby reducing the total award to roughly \$69 million. The Authority appealed. Oral argument has not yet been scheduled by the appellate court. The appeal is pending. Thus, an appellate decision is not expected until mid to late 2023. Settlement has not been reached as plaintiff insists on recovering the entire judgment amount. The case has been reported to ELF, which would be responsible for the remaining limits available excess of the \$11 million self-insured retention.
- *Corrigan v. MTA New York City Transit Authority* - On March 8, 2010, 37-year-old male plaintiff made contact with an uptown #6 train at the 14th Street station in Manhattan resulting in a traumatic brain injury, multiple facial, orbital, sinus and subarachnoid hemorrhage. Plaintiff does not remember the accident. The police accident report indicates that immediately before the accident, plaintiff was vomiting and walked into the moving train. Before discovery was completed, plaintiff's ex-wife, who is also a named plaintiff, filed for bankruptcy. Due to the bankruptcy filing, the state court judge stayed this action. The current reserve is \$1 million. The case has been reported to ELF, which would be responsible for the remaining limits available excess of the \$9 million self-insured retention.

- *Sang Gi Kang, et al v. MTA New York City Transit Authority & MTA* - On September 18, 2017, an MTA New York City Transit bus making a right turn was struck in the rear by a Dahlia Group, Inc. tour bus travelling straight at an excessive speed passing through two red traffic signals. The National Transportation Safety Board concluded that the probable cause of the accident was the Dahlia bus driver's "unintended acceleration of the motor coach and inability to brake for reasons that could not be conclusively determined from the information available". There are currently 25 lawsuits; 4 fatalities, 12 MTA New York City Transit bus passengers including the MTA New York City Transit driver, 2 pedestrians, 2 persons in a car struck by the MTA New York City Transit bus and 4 property damage claims. Discovery is ongoing. Although MTA New York City Transit maintains that liability lies with Dahlia, Dahlia's insurance limit of \$5 million is not enough coverage to satisfy the injury and property damage claims from this event. Should MTA New York City Transit be found even 1% liable, it will be responsible for the entirety of any amount awarded plaintiffs. MTA New York City Transit is thus concerned that it may not prevail on a summary judgment motion or trial in this matter. Settlement will therefore be explored as discovery continues. Discovery is ongoing. Demands received from plaintiffs following the November 2022 conference are being evaluated. Defendants' offers will be finalized once all demands have been received and medical evaluations have been completed. The case has been reported to ELF, which would be responsible for the remaining limits available excess of the \$11 million self-insured retention.
- *Rajan Patel v. MTA New York City Transit Authority* - On February 17, 2018, plaintiff was struck by a southbound 4 subway train resulting in below the knee amputation of both legs. Post-note of issue, discovery is being completed. A trial date has been set for June 29, 2023. MTA New York City Transit brought third-party actions against two bars that served the plaintiff alcohol prior to the accident. One bar brought an untimely motion to dismiss which was denied. The bar is appealing this denial. The other bar defaulted. MTA New York City Transit intends to vigorously defend this action and cannot predict the outcome of the litigation at this time. The case has been reported to ELF, which would be responsible for the remaining limits available excess of the \$11 million self-insured retention.
- *Leykin v. MTA New York City Transit Authority* - On February 2, 2018, plaintiff was struck and dragged by an incoming train at the DeKalb Avenue train station resulting in bilateral knee amputation, right hand injury and skull fractures. Plaintiff filed a note of issue at the end of 2021. A settlement was reached in August 2022.
- *Mathews v. MTA New York City Transit Authority* - On June 6, 2017, while crossing outside the crosswalk and mid-block, plaintiff, was struck by an MTA New York City Transit bus that had just made a right turn. Plaintiff has had multiple surgeries to both legs including a right leg amputation. A trial date has not yet been set. Meanwhile, the parties are exploring third-party mediation. The case has been reported to ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits available.
- *Beauchamp v. MTA New York City Transit Authority* - On the evening of March 6, 2017, Aurora Beauchamp, plaintiff, then 62 years old, was lawfully crossing southbound in the crosswalk on Houston Street when she was struck by an M14D bus making a left turn onto Houston Street from Avenue D. Plaintiff was pinned under the bus and had to be extracted by the FDNY. Plaintiff sustained multiple injuries and will need future care. Plaintiff is currently using a wheelchair; she is unable to ambulate independently. Trial was scheduled for June 5, 2023, and adjourned by the court without a new date. The MTA New York City Transit self-insured retention is \$11 million. The matter has been reported to ELF, which would be responsible for settlement payments up to the remaining available limits.
- *Cropper v. MTA New York City Transit Authority* - On June 6, 2006, 39-year-old Plaintiff, Cuman Cropper, was thrown from his bicycle and into the path of an MTA New York City Transit bus when his bicycle was struck by the opening door of a parked taxi. The driver of the MTA New York City Transit bus that struck Plaintiff, was named as a defendant. Because the driver failed to cooperate in his defense, MTA New York City Transit was relieved as his counsel. A default judgment was subsequently entered against him. The case then proceeded to trial against MTA New York City Transit and the taxicab defendants. A New York County jury found MTA New York City Transit and the taxicab driver liable for the accident and judgment was entered in Plaintiff's favor for \$10.5 million. MTA New York City Transit appealed and the Appellate Division, First Department dismissed the case against MTA New York City Transit. Years after the Appellate Division ruled, Plaintiff brought a motion against MTA New York City Transit seeking to recoup the \$10.5 million judgment based on an assignment Plaintiff obtained from MTA New York City Transit's bus driver. That motion was denied and appealed by Plaintiff. The Appellate Division affirmed the denial of the motion on the grounds that since all claims against MTA New York City Transit had been resolved, the court lacked jurisdiction. Plaintiff has subsequently commenced a new plenary action for the same relief.

MTA New York City Transit has moved for summary judgment dismissing the action and Plaintiff has cross-moved for summary judgment seeking an order directing MTA New York City Transit to pay the judgment. A decision on the motions was denied. Plaintiff is expected to appeal the decision. The ELF reported case has been re-opened. The ELF would be responsible for any amount in excess of the \$7 million self-insured retention up to the remaining available limits.

- *Aviles v. MTA New York City Transit Authority* - On February 15, 2016, 46-year-old Plaintiff alleges he slipped on a wet and slushy subway platform at the Woodhaven Blvd. station and fell in the space between the platform and two cars of the train as the train pulled out of the station. Plaintiff claims that when he reached the train, it was stopped with its doors closed and that he banged on the doors for 10-15 seconds and therefore should have been seen by the conductor. Plaintiff suffered a fractured pelvis, right hip, right arm, injuries to bladder, prostate and rectum, partial paralysis, vesicocutaneous (bladder) fistula, rectal repair, colostomy and nephrostomy, lacerations, head trauma and severe emotional distress and depression. Plaintiff has undergone numerous surgeries and has had significant issues with wound healing. Plaintiff has undergone numerous surgeries to reconstruct his bladder and parts of his digestive system to restore his ability to control his defecation and urination. From the time of the incident, and allegedly into the foreseeable future, he will have to use stoma bags for both functions. Plaintiff remains bed ridden and continues to reside in a rehabilitation facility. Hospital reports confirm that plaintiff's blood alcohol content was measured at .32 following the accident and that plaintiff had been hospitalized a week before the accident because of a drug overdose that was deemed a suicide attempt. The court ordered a further discovery conference for July 2023 at which time the court is expected to place this case on the trial calendar. Settlement discussions will be entertained at that time. The case has been reported to the ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits available.
- *Maycock v. MTA New York City Transit Authority* - On June 6, 2014, then 7-year-old Plaintiff, Jervir Maycock, boarded a B46 MTA New York City Transit bus alone at the corner of Malcolm X Blvd. and Fulton Street, Brooklyn. When the bus pulled away from the bus stop, the plaintiff informed the bus driver that he had been separated from his grandmother and asked to be let off. The bus drove to the other side of the Fulton Street intersection and let the Plaintiff off approximately 40 feet past the intersection where there was no bus stop. The Plaintiff disembarked safely, ran to the intersection, ran across Fulton Street to a concrete triangular median in the center of the intersection, and after running through eastbound vehicles stopped in traffic, was hit by a westbound car traveling 30-mph. The plaintiff suffered a fractured jaw, had multiple surgeries, multiple pelvic fractures without surgery and alleges a traumatic brain injury. The traumatic brain injury is confirmed by multiple unrelated medical professionals. Plaintiff is now 15, attends high school and has been held back twice. A Kings County Supreme County jury apportioned liability for the accident at 20% against co-defendant and 80% against MTA New York City Transit. At the conclusion of the liability trial, the court granted co-defendant's motion and dismissed the action against co-defendant. Following a damages trial, the jury awarded \$18 million (\$6 million for past pain and suffering, \$12 million for future pain and suffering). MTA New York City Transit's post-trial motion to dismiss the case, or alternatively to reduce the award, is pending. Appellate practice is anticipated to ensue following a decision on the post-trial motions. The case has been reported to ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits.
- *Bronx Bus GWB Overhang Cases* - On January 14, 2021, an articulated MTA New York City Transit bus making a left turn onto the George Washington Bridge overpass, lost control, went onto the sidewalk and through a metal guardrail. The front of the bus fell face down 60' and hung perpendicular to the roadway below, while the rear portion of the bus located behind the accordion remained on University Avenue. The investigation into the cause of the accident is ongoing. There are currently 7 lawsuits; each plaintiff was a passenger on the bus. Claimed injuries range from spinal herniations, leg and hip fractures to shoulder and knee tears. One plaintiff has been granted liability against MTA New York City Transit. MTA New York City Transit has appealed that decision. Since the investigation is ongoing and discovery has just commenced, MTA New York City Transit cannot predict the outcome of the litigation at this time. The case has been reported to the ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits available.
- *Bronx Bus Concrete Median Cases* - On September 9, 2019, at approximately 12:48 pm, an articulated MTA New York City Transit bus struck a concrete median in the roadway while attempting a left-turn in the vicinity of Webster Avenue and 165th Street. Ten (10) personal injury claims have been filed, all passengers on the bus, and 9 are in suit. The injuries claimed range from spinal fusions to shoulder and knee injuries.

One case settled. In two of the nine law-suits, Plaintiff has been granted liability against MTA New York City Transit. All remaining cases are in the early stages of discovery. MTA New York City Transit cannot predict the outcome of the litigation at this time. The case has been reported to the ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits available.

- *Brooklyn Bus Brownstone Cases* - On Monday June 7, 2021, an MTA New York City Transit bus traveling southbound on Bedford Avenue near Lincoln Road, rear-ended a truck that was stopped in traffic. The bus then crossed over the opposing lanes of traffic, contacted three other vehicles and drove into a brownstone. The cause of the accident is under investigation, but the bus driver claimed his foot became caught between the gas and brake pedals. Currently, there are 5 property damage claims and 15 personal injury claims, and 4 personal injury lawsuit. MTA New York City Transit cannot predict the outcome of the litigation at this time. The case has been reported to the ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits available.
- *Brooklyn 36th Street Subway Shooting* - On the morning of April 12, 2022, a mass shooting occurred on a northbound N train on an MTA New York City Transit subway in Sunset Park, Brooklyn. A gunman wearing a gas mask threw two smoke grenades onto the train and opened fire. Police said that the gunman was able to fire 33 shots, striking 10 people aboard the Manhattan-bound N train as it pulled into the 36th Street station in Sunset Park, Brooklyn. To date, 9 claims (including 1 loss of consortium claim) have been received and 4 lawsuits have been filed. The case has been reported to the ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits.
- *Henry v. MTA New York City Transit Authority* - On August 27, 2018, at about 9 pm, while straddling the double yellow lines of Gun Hill Road in the Bronx, outside of a crosswalk, 60-year-old Josephine Henry was struck in the head by the driver side mirror of an MTA New York City Transit bus. The on-board bus cameras captured the incident. Plaintiff sustained extensive polytrauma due to blunt force impact, including fractures to her hips, ribs and cervical and thoracic spines and lacerations to her liver. Plaintiff was hospitalized for 2.5 months, during which time she was intubated for 3 weeks and underwent spinal fusion for levels T5 to T10 and hip surgeries to repair severe socket fractures in both hips. Discovery is ongoing. A court conference is scheduled for June 20, 2023, at which time settlement will be explored. The case has been reported to ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits.
- *Bronx Bus accident with FDNY Truck* - On the afternoon of November 16, 2018, an MTA New York City Transit bus traveling northbound on Webster Avenue in the Bronx, collided with an FDNY firetruck (with lights on) that had turned onto Webster Avenue from East 175th Street in the Bronx. The incident was captured on bus video. There are 12 personal injury lawsuits, all of which are in the early stages of discovery. Thus, MTA New York City Transit cannot predict the outcome of the litigation at this time. The case has been reported to the ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits available.
- *Singh v. MTA New York City Transit Authority* - On June 12, 2018, at approximately 7:10 pm, 59-year-old Mukhdev Singh, a limo driver, was stopped for a red signal on northbound 3rd Avenue when his vehicle was struck from behind by an MTA New York City Transit Authority bus. Plaintiff sustained herniated and bulging discs in cervical and lumbar spine, requiring a 2-level cervical fusion, 2 lumbar fusion surgeries, bilateral shoulder tears and bilateral knee sprains with derangement requiring bilateral knee injections and recommendation for future surgery. Liability was granted against MTA New York City Transit in September 2020. This matter is on the trial calendar; however, discovery is ongoing. A pre-trial conference is scheduled for late June 2023, with jury selection scheduled for November 1, 2023. Settlement will be explored once discovery is completed. The case has been reported to ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits available.
- *125th Street Derailment* - On June 27, 2017, a southbound A train pulling into the 125th Street station in Harlem derailed with wheels of two cars off the tracks. The derailment also caused damage to subway cars, track, and related track equipment and infrastructure in the vicinity of the derailment. Thirty-one (31) personal injury lawsuits were commenced. A majority of such lawsuits have settled. Thirteen (13) cases remain. Injuries alleged in the remaining cases include fusions surgeries and disectomies. The case has been reported to ELF, which would be responsible for any amount in excess of the \$10 million self-insured retention up to the remaining limits available.

- *Bronx Bus and Van collision* - On July 12, 2022, at approximately 10:26 am, an MTA New York City Transit bus traveling northbound on Spofford Avenue collided with a van traveling eastbound on Longfellow Avenue that proceeded through a stop sign, without stopping. The impact was to the left rear wheel well of the bus. The accident was captured on bus video. Eight personal injury claims, all passengers on the bus, have been filed and none of them are in suit. Thus, MTA New York City Transit cannot predict the outcome of the litigation at this time. Claimed injuries range from cervical and lumbar spine, shoulders, knees and ankles. The case has been reported to ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits.
- *Pisano, Jr. v. SIRTOA* - On November 24, 2016, at about 4:00 am, then 23-year-old Robert Pisano, Jr., 23-year-old male was intoxicated at the Bay Terrace SIRTOA train station. He was seen in the station video stumbling and standing on the platform for about 13 minutes before stumbling to the end of the platform. The camera loses sight of him at that point. The train is seen entering the station and making a normal station stop. The Engineer states that as he was entering the station, he saw what he perceived to be a plastic garbage bag to the left of the train as he pulls into the station. Upon making the station stop, he asked his conductor (operating at the rear of a 4-car train) to check behind the train and see if he saw anything. The conductor observed plaintiff laying injured across the tracks. Plaintiff sustained a traumatic amputation of his right leg below the knee which was surgically raised to an above the knee amputation due to infections and debridements, a head injury with degloving to the scalp, surgical removal of left kidney, removal of spleen, pelvic fracture, l-5 fracture, lacerations to liver, bladder and prostate, colectomy with subsequent reversal, diaphragmatic hernia and psychological injury involving stress, nightmare, anxiety and depression. Plaintiff returned to work after 10 months. He is being treated for depression and may need revision surgery. Discovery and depositions are continuing. A compliance conference has been scheduled for June 15, 2023. The case has been reported to the ELF, which would be responsible for any amount in excess of the \$3.2 million self-insured retention up to the remaining limits available.
- *Barragan v. MTA New York City Transit Authority* - 29-year-old Yannet Barragan, while walking within a crosswalk, was struck by an MTA New York City Transit bus at the intersection of Fifth Avenue and 60th Street in Brooklyn. Plaintiff claimed three cervical herniations and one lumbar herniation without surgery, knee injuries requiring arthroscopic surgery on each knee and a left rotator cuff tear without surgery. Following a damages trial, a Kings County jury awarded plaintiff \$10.6 million (\$1,700,000 for past pain and suffering; \$5,500,000 for future pain and suffering and \$3,400,000 over 47 years for future medical expenses). Judgment was entered in July 2020 in the approximate sum of \$14.5 million. MTA New York City Transit has appealed. An appellate decision is expected sometime in late 2023/early 2024. The case has been reported to ELF, which would be responsible for any amount in excess of the \$10 million self-insured retention up to the remaining limits available.
- *Malerba v. MTA New York City Transit Authority* - On September 2, 2008, 51-year-old Peter Malerba, an employee of 3rd party defendant Ameron Global (subcontractor hired by to maintain and service fire extinguisher systems in the subway booths), was severely injured while servicing a fire suppressant tank at Ameron Global's facility when the tank exploded. As a result, plaintiff sustained vision loss in the left eye, hearing loss, multiple left-sided facial fractures to the occipital bones and maxilla, skull fractures, right wrist and arm fractures and traumatic brain injuries. Plaintiff also has a significant claim for economic damages. This matter is currently on the trial calendar with pending motions to strike the Note of Issue due to outstanding discovery issues. The case has been reported to ELF, which would be responsible for any amount in excess of the \$8 million self-insured retention up to the remaining limits available.
- *Staten Island Bus Collision with Dump Truck* - On March 7, 2022, at approximately 9:56 am, an MTA New York City Transit S40 bus was traveling eastbound on Richmond Terrace, near Stuyvesant Avenue, in Richmond County when it drove into the rear of a stopped, double parked, dump truck owned by co-defendant Jet Hauling LLC. The right front of the bus made contact with the left rear of the truck. The bus was equipped with video cameras that recorded the accident. In a recorded call to Console immediately following the collision, the bus operator admitted to falling asleep at the wheel. The police issued the co-defendant's dump truck a ticket for double parking. Twelve notices of claim for personal injury were filed. One was withdrawn. Seven lawsuits have commenced. The case has been reported to the ELF, which would be responsible for any amount in excess of the \$11 million self-insured retention up to the remaining limits available.

The information under the caption “PART 6. REGULATORY, EMPLOYMENT, INSURANCE AND LITIGATION MATTERS – INSURANCE – Owner Controlled Insurance Program” appearing on page 227 of the ADS is deleted and replaced with the following:

Owner Controlled Insurance Program

In an owner controlled insurance program (“OCIP”), MTA RIM arranges for the insurance coverage for all of the construction activity covered by the OCIP, rather than reimbursing the individual contractors and subcontractors for obtaining their own insurance. OCIPs have historically been regarded as more economical than requiring the contractors and subcontractors to obtain the insurance directly. Economies arise from, among other things, the risk pooling nature of the program (i.e., the risks relating to insuring each individual project separately is generally considered greater than the risks associated with collectively insuring many projects) and that MTA, due to its financial strength and successful operation of safety management programs at the job sites, is generally better able to procure insurance at favorable rates than individual smaller contractors and subcontractors. In addition, an OCIP provides the same level of insurance coverage at each project, which was not always possible when the individual contractors and subcontractors were required to obtain the insurance.

Generally, commercial insurance policies are obtained for the OCIP, but FMTAC will typically retain a significant portion of each insured loss which ranges from the first \$500,000 to \$10,000,000 of each insured workers’ compensation or general liability loss and up to the first \$50 million of a builders risk loss on a network expansion project. FMTAC holds deposit moneys and/or collateral in trust with a commercial bank as security for its reimbursement obligation to the commercial insurance carrier for any losses. Unexpended funds are retained by FMTAC and used to discount future OCIP programs. The following are active MTA OCIP programs with ongoing projects:

- MTA New York City Transit, MTA Long Island Rail Road, MTA Metro-North Railroad, SBDP 2015-2019 Capital Programs;
- MTA Long Island Rail Road Expansion Project from Floral Park to Hicksville;
- Bridge Program 2020-2024;
- Penn Station Access; and
- Mini OCIP 2022.

The information under the caption “PART 6. REGULATORY, EMPLOYMENT, INSURANCE AND LITIGATION MATTERS – INSURANCE – Builder’s Risk” appearing on page 228 of the ADS is deleted and replaced with the following:

Builder’s Risk

- Builder’s Risk insurance is a type of property insurance that provides coverage for physical damage to the insured structure during the course of construction. Builder’s Risk insurance is not liability insurance.
- Builder’s Risk for the Capital Program OCIPs covers a project for the full project value up to a limit of \$100 million. Penn Station Access Builder’s Risk was placed on December 31, 2022 with a limit of \$300 million.
- Claims and claims administration are funded out of the FMTAC General Operating Account.