

MTA ANNUAL DISCLOSURE STATEMENT SUPPLEMENT
July 10, 2024

This Metropolitan Transportation Authority (“MTA”) Annual Disclosure Statement Supplement (the “Supplement”), dated July 10, 2024 supplements the information contained in the Annual Disclosure Statement (the “ADS”) of MTA, dated April 29, 2024. 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, that existed at the time they were prepared and contains statements relating to future results and economic performance that are “forward-looking statements” as such term is defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “calculate,” “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, calculations 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 future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, general economic and business conditions; natural calamities; foreign hostilities or wars; domestic or foreign terrorism; changes in political, social, economic and environmental conditions, including climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity events; litigation; actions by the federal government to reduce or disallow expected aid, including federal aid authorized or appropriated by Congress, but subject to sequestration, administrative actions, or other actions that would reduce aid to MTA; and various other events, conditions and circumstances. Many of these risks and uncertainties are beyond the control of MTA. 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. Such forward-looking statements speak only as of the date of this Supplement.

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Updates Regarding the Central Business District Tolling Program

On June 5, 2024, Governor Hochul announced her intention to pause the implementation of congestion pricing (also referred to as the “Central Business District Tolling Program” or “CBDTP”). Subsequently, on June 26, 2024, the MTA Board adopted a resolution recognizing the pause, extending the implementation of congestion pricing until a tolling agreement among the project sponsors has been executed, and authorizing the president of MTA Bridges and Tunnels to implement the CBDTP after the tolling agreement has been executed.

The CBDTP was established by State legislation in 2019 to manage traffic congestion in Manhattan and provide \$15 billion in capital funding for MTA’s 2020-2024 Capital Program. Until such funding is made available, MTA will be unable to enter into contracts for a like amount of capital projects. As a result, approximately \$16.5 billion in projects are expected to be deferred in order to prioritize fundamental state of good repair projects, select rolling stock purchases, and certain federally funded projects. Deferred projects are expected to include expansion projects, ADA accessibility projects, zero-emission bus purchases, infrastructure and technology upgrades, rolling stock purchases, less urgent state of good repair projects, and signal modernization.

Risks Associated with Central Business District Tolling Program Pause. If the CBDTP is not implemented and other funding sources for the 2020-2024 Capital Program are not provided, there may be additional adverse impacts on MTA’s operating and debt service budget. MTA and/or MTA Bridges and Tunnels may have to issue bonds previously authorized for the 2020-2024 Capital Program earlier than anticipated. This earlier debt issuance could increase debt service costs during the financial plan period. Additionally, MTA may have to adjust staffing levels in response to reduced capital spending.

Central Business District Tolling Program Litigation. MTA and MTA Bridges and Tunnels are defendants in nine federal litigations challenging CBDTP. Several of the cases challenge the Environmental Assessment (“EA”) conducted under the National Environmental Policy Act and the Finding of No Significant Impact (“FONSI”) issued by the Federal Highway Administration and allege that a supplemental EA or Environmental Impact Statement (“EIS”) is required for CBDTP. On June 20, 2024, in *Chan v. U.S. Dep’t of Transp. et al.* the court granted summary judgement to the federal defendants, MTA, and MTA Bridges and Tunnels and dismissed on the merits the challenge to the EA and FONSI.

The plaintiffs in the various litigations have raised numerous claims including, but not limited to, state and federal constitutional claims including claims under the dormant commerce clause and right-to-travel provisions of the U.S. Constitution, claims under the state administrative procedure act (one of which, in *New Yorkers Against Congestion Pricing Tax v. U.S. Dep’t of Transp. et al.*, was dismissed), and various statutory claims under statutes including, but not limited to, the Clean Air Act and the Federal Aviation Agency Reauthorization Act.

At this time, most of the cases and attendant claims – except for the claims decided on the merits in the *Chan* and *New Yorkers* cases and certain claims to be decided in the District of New

Jersey – have been deferred upon agreement of the parties due to Governor Hochul’s pause of CBDTP; however, the cases have not been dismissed.

Governance

Effective June 14, 2024, Demetrius Crichlow was appointed Interim President of MTA New York City Transit, replacing Richard Davey, who stepped down as President on May 29, 2024.