On their respective Mandatory Tender Dates (being March 31, 2021, April 6, 2021 and April 1, 2021, as described herein), the Metropolitan Transportation Authority (MTA) is effectuating a mandatory tender for the purchase and remarketing of the currently outstanding (a) Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-2a-1 (the Subseries 2002D-2a-1 Bonds), (b) Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-2a-2 (the Subseries 2002D-2a-2 Bonds), and (c) Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-2b (the Subseries 2002D-2b Bonds and, together with the Subseries 2002D-2a-1 Bonds and the Subseries 2002D-2a-2 Bonds, the Remarketed Bonds.) On the respective Mandatory Tender Dates (i) each subseries of the Remarketed Bonds will be subject to mandatory tender at a purchase price equal to the principal amount thereof; (ii) MTA will convert each subseries of the Remarketed Bonds to the Term Rate Mode bearing interest at a variable interest rate equal to the Adjusted SOFR Rate, as provided herein; (iii) the terms and provisions of the Remarketed Bonds will be amended to reflect the terms and provisions described herein; and (iv) each subseries of the Remarketed Bonds will be remarketed at a price equal to the principal amount thereof. The Mandatory Tender Dates are also Interest Payment Dates (as defined herein) for the Remarketed Bonds, and accrued interest to, but not including, the respective Mandatory Tender Date, will be paid in accordance with customary procedures. See "REMARKETING PLAN" herein. For a discussion of certain federal and State income tax matters with respect to the Remarketed Bonds, see "TAX MATTERS" herein.

$200,000,000
METROPOLITAN TRANSPORTATION AUTHORITY
Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-2
(Secured Overnight Financing Rate Tender Notes)

consisting of

Subseries	Delivery Date	Purchase Date	Interest Rate (Variable)	Price	CUSIP Number*
$50,000,000 Subseries 2002D-2a-1	March 31, 2021	April 1, 2024	67% of SOFR plus 0.55%	100%	59261A L47
$50,000,000 Subseries 2002D-2a-2	April 6, 2021	April 1, 2026	67% of SOFR plus 0.80%	100%	59261A L54
$100,000,000 Subseries 2002D-2b	April 1, 2021	April 1, 2024	67% of SOFR plus 0.55%	100%	59261A L62

Dated and accruing interest from the Delivery Dates listed above **Due: November 1, 2032**

The Remarketed Bonds —

- are MTA's special, not general, obligations, payable solely from the revenues of the transit and commuter systems and other sources pledged to bondholders as described in this remarketing circular, and
- are not a debt of the State of New York (the State) or The City of New York (the City) or any other local government unit.

MTA has no taxing power.

Each subseries of the Remarketed Bonds will bear interest in the Term Rate Mode at a variable interest rate equal to the Adjusted SOFR Rate as described herein. The Adjusted SOFR Rate for each Interest Rate Period of each subseries of the Remarketed Bonds shall equal 67% of SOFR plus the per annum spread set forth above. The Adjusted SOFR Rate will be determined, with respect to any Effective Date, on the first U.S. Government Securities Business Day (as defined herein) immediately preceding such Effective Date, and shall be effective on each Effective Date. See "DESCRIPTION OF THE REMARKETED BONDS – Determination of Interest Rates for the Remarketed Bonds" herein. **This remarketing circular (i) is intended to provide disclosure only to the extent the Remarketed Bonds remain in the Term Rate Mode and bear interest at the Adjusted SOFR Rate, and (ii) speaks only as of the date of this document or as of certain earlier dates specified herein.**

The Remarketed Bonds are subject to the Book-Entry-Only system through the facilities of The Depository Trust Company.

The scheduled payment of principal of and interest on each subseries of the Remarketed Bonds when due will continue to be guaranteed under the insurance policy issued concurrently with the original delivery of the Remarketed Bonds by Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.).

ASSURED GUARANTY® MUNICIPAL

The Remarketed Bonds of each subseries are subject to optional redemption and mandatory tender prior to their respective Purchase Dates, as described herein.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Remarketed Bonds. Investors are advised to read the entire remarketing circular, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

BofA Securities

Loop Capital Markets Mischler Financial Group, Inc. Stern Brothers & Co.

March 24, 2021

* The CUSIP numbers have been assigned by an organization not affiliated with MTA and is included solely for the convenience of the holders of the Remarketed Bonds. MTA is not responsible for the selection or uses of the CUSIP numbers, nor is any representation made as to its correctness on the Remarketed Bonds or as indicated above. The CUSIP numbers are subject to being changed after the remarketing of the Remarketed Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Remarketed Bonds.

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

Metropolitan Transportation Authority
2 Broadway, 4th Floor
New York, New York 10004
(212) 878-7000
Website: https://new.mta.info

Patrick J. Foye	Chair and Chief Executive Officer
Andrew B. Albert	Non-Voting Member
Jamey Barbas	Member
Frank Borrelli, Jr.	Member
Norman E. Brown	Non-Voting Member
Victor Calise	Member
Lorraine Cortes-Vazquez	Member
Michael Fleischer	Member
Randolph F. Glucksman	Non-Voting Member
Rhonda Herman	Member
David R. Jones	Member
Linda A. Lacewell	Member
Kevin S. Law	Member
Robert W. Linn	Member
David S. Mack	Member
Haeda B. Mihaltses	Member
Robert F. Mujica, Jr.	Member
John Samuelsen	Non-Voting Member
Lawrence S. Schwartz	Member
Vincent Tessitore, Jr.	Non-Voting Member
Neal Zuckerman	Member

Robert E. Foran	Chief Financial Officer
John N. Lieber	Chief Development Officer
Thomas J. Quigley	General Counsel
Patrick J. McCoy	Deputy Chief, Financial Services

ORRICK, HERRINGTON & SUTCLIFFE LLP
New York, New York

BRYANT RABBINO LLP
New York, New York

Co-Bond Counsel

PUBLIC RESOURCES ADVISORY GROUP, INC.
New York, New York

ROCKFLEET FINANCIAL SERVICES, INC.
New York, New York

Co-Financial Advisors

HAWKINS DELAFIELD & WOOD LLP
New York, New York
Special Disclosure Counsel

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Remarketed Bonds following a remarketing of such bonds as described herein under "REMARKETING PLAN". The information in this remarketing circular, including the materials filed with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA and to the Transportation Revenue Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Remarketed Bonds.

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.
Bonds Being Remarketed	Transportation Revenue Bonds, Subseries 2002D-2 (Secured Overnight Financing Rate Tender Notes) consisting of Subseries 2002D-2a-1 (the Subseries 2002D-2a-1 Bonds), Subseries 2002D-2a-2 (the Subseries 2002D-2a-2 Bonds) and Subseries 2002D-2b (the Subseries 2002D-2b Bonds, and together with the Subseries 2002D-2a-1 Bonds and the Subseries 2002D-2a-2 Bonds, the Remarketed Bonds).
Maturity and Rates	The Remarketed Bonds mature on the date and bear interest at the floating rates determined as described on the cover page of this Remarketing Circular, and herein under "DESCRIPTION OF REMARKETED BONDS – Determination of Interest Rates for the Remarketed Bonds" in **Part I**.
Denominations	$5,000 and any integral multiples thereof.
Interest Payment Dates	The first Business Day of each month, commencing May 3, 2021.
Tender and Redemption	See "DESCRIPTION OF THE REMARKETED BONDS – Tender and Redemption Provisions for the Remarketed Bonds" in **Part I**.
Sources of Payment and Security	MTA's pledged transportation revenues from Transit and Commuter System operations, MTA Bus operations, MTA Bridges and Tunnels operating surplus, subsidies from State and local governmental entities and certain other sources, all as described in **Part II**.
Credit Enhancement	The scheduled payment of principal of and interest on each subseries of the Remarketed Bonds when due will continue to be guaranteed under the insurance policy issued concurrently with the original delivery of the Remarketed Bonds by Assured Guaranty Municipal Corp. (AGM) (formerly known as Financial Security Assurance Inc.).
Impacts of the COVID-19 Pandemic	The impact of the COVID-19 pandemic on MTA revenues and operations in 2020 and beyond has been severe. See "SOURCES OF PAYMENT – Factors Affecting Revenues – The COVID-19 Pandemic" for a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects' implementation.
Registration of the Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.
Trustee, Paying Agent, Tender Agent, and Calculation Agent	The Bank of New York Mellon, New York, New York.
Co-Bond Counsel	Orrick, Herrington & Sutcliffe LLP, New York, New York, and Bryant Rabbino LLP, New York, New York.
Special Disclosure Counsel	Hawkins Delafield & Wood LLP, New York, New York.
Tax Status	See "TAX MATTERS" in **Part III**.

Ratings

Rating Agency	*Underlying Rating*	*Outlook*	*Applicable Criteria/Methodology*	*Insured Rating*
Fitch:	A-	Negative Outlook	Public-Sector, Revenue-Supported Debt	Not Rated
KBRA:	AA	Negative Outlook	U.S. Public Toll Roads, Bridges & Tunnels Revenue Bond Rating	AA+*
Moody's:	A3	Negative Outlook	Mass Transit Enterprises	A2†
S&P:	BBB+	Stable Outlook	Global Not-For-Profit Transportation Infrastructure Enterprises Criteria	AA‡

See "RATINGS" in **Part III**.

Co-Financial Advisors	Public Resources Advisory Group, Inc., New York, New York, and Rockfleet Financial Services, Inc., New York, New York.
Remarketing Agents	See cover page.
Purchase Price	See "REMARKETING" in **Part III**.
Counsel to the Remarketing Agents	Cozen O'Connor, New York, New York.

* Rating is based on the higher of AGM's and Subseries 2002D-2 Bonds underlying rating, in this case AGM, which is rated AA+ by KBRA.

† Rating is based on the higher of AGM's and Subseries 2002D-2 Bonds underlying rating, in this case AGM, which is rated A2 by Moody's

‡ Rating is based on the higher of AGM's and Subseries 2002D-2 Bonds underlying rating, in this case AGM, which is rated AA by S&P.

SUMMARY OF TERMS RELATING TO
REMARKETED BONDS (SECURED OVERNIGHT FINANCING RATE TENDER NOTES)*

INTEREST PAYMENT DATES AND CALCULATION PERIOD	First Business Day of each month, commencing May 3, 2021, based on actual number of days elapsed over a year of 365 or 366 days, as the case may be.
RECORD DATE	The Business Day preceding each Interest Payment Date.
OWNERS' RIGHTS TO TENDER	None.
MANDATORY TENDER FOR PURCHASE	• The Business Day after the last day of each Interest Rate Period (a Purchase Date). The Purchase Date for the Subseries 2002D-2a-1 Bonds is April 1, 2024. The Purchase Date for the Subseries 2002D-2a-2 Bonds is April 1, 2026. The Purchase Date for the Subseries 2002D-2b Bonds is April 1, 2024. • On any Business Day which is no earlier than the earliest Optional Purchase Date, at the option of MTA. The earliest Optional Purchase Date for the Subseries 2002D-2a-1 Bonds is January 1, 2024. The earliest Optional Purchase Date for the Subseries 2002D-2a-2 Bonds is January 1, 2026. The earliest Optional Purchase Date for the Subseries 2002D-2b Bonds is January 1, 2024.
OPTIONAL REDEMPTION	On any Business Day on or after January 1, 2024, with respect to the Subseries 2002D-2a-1 Bonds, January 1, 2026, with respect to the Subseries 2002D-2a-2 Bonds, and January 1, 2024, with respect to the Subseries 2002D-2b Bonds, at the option of MTA.
SOFR DETERMINATION DATE	The U.S. Government Securities Business Day immediately preceding each Effective Date.
SOFR REFERENCE DATE	With respect to each Effective Date, the U.S. Government Securities Business Day immediately preceding the related SOFR Determination Date.
EFFECTIVE DATE	Each U.S. Government Securities Business Day.
RATE FOLLOWING UNSUCCESSFUL REMARKETING	9% per annum.
MAXIMUM ADJUSTED SOFR RATE	9% per annum.
CALCULATION AGENT	The Bank of New York Mellon, New York, New York.

* So long as the Remarketed Bonds are registered in the name of Cede & Co., as Bondholder and Securities Depository Nominee of DTC, mechanics for tender and redemption will be in accordance with procedures established by DTC.

* ***No Unauthorized Offer.* This remarketing circular is not an offer to sell, or the solicitation of an offer to buy, the Remarketed Bonds in any jurisdiction where that would be unlawful. MTA has not authorized any dealer, salesperson or any other person to give any information or make any representation in connection with the remarketing of the Remarketed Bonds, except as set forth in this remarketing circular. No other information or representations should be relied upon.**

* ***No Contract or Investment Advice.* This remarketing circular is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this remarketing circular, the Remarketed Bonds, and anything else related to this remarketing.**

* ***Information Subject to Change.* Information and expressions of opinion are subject to change without notice, and it should not be inferred that there have been no changes since the date of this document. Neither the delivery of, nor any sale made under, this remarketing circular shall under any circumstances create any implication that there has been no change in MTA's affairs or in any other matters described herein since the date of this remarketing circular.**

* ***Forward-Looking Statements.* Many statements contained in this remarketing circular, including the appendices and documents included by specific cross-reference, that are not historical facts are forward-looking statements, which are based on MTA's beliefs, as well as assumptions made by, and information currently available to, the management and staff of MTA as of the date of this remarketing circular. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "plan," "forecast," "goal," "budget" or similar words are intended to identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this remarketing circular. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the forward-looking statements contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and they assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the forward-looking statements set forth in this remarketing circular, which is solely the product of MTA and its affiliates and subsidiaries as of the date of this remarketing circular, and the independent auditors assume no responsibility for its content. These forward-looking statements speak only as of the date of this remarketing circular.**

* ***Projections.* The projections set forth in this remarketing circular were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of MTA's management, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management's knowledge and belief, the expected course of action and the expected future financial performance of MTA. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this remarketing circular are cautioned not to place undue reliance on the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have compiled, examined, or performed any procedures with respect to the prospective financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information. Neither MTA's independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this remarketing circular, which is solely the product of MTA and its affiliates and subsidiaries as of the date of this remarketing circular, and the independent auditors assume no responsibility for its content.**

* ***Independent Auditor.* Deloitte & Touche LLP, MTA's independent auditor, has not reviewed, commented on or approved, and is not associated with, this remarketing circular. The last completed audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2019 and 2018, which is a matter of public record, is included by specific cross-reference in this remarketing circular. Deloitte & Touche LLP has not been asked to consent to the inclusion, or incorporation by reference, of its audit report in this remarketing circular. Deloitte & Touche LLP has performed a review of the consolidated interim financial information of MTA for the nine-month period ended September 30, 2020. As indicated in the review report which accompanies MTA's consolidated interim financial information, because Deloitte & Touche LLP**

did not perform an audit, Deloitte & Touche LLP expresses no opinion on that information. The consolidated interim financial information of MTA for the nine-month period ended September 30, 2020 (except for the auditor's review report accompanying the consolidated interim financial information) is included in this remarketing circular by specific cross-reference. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in this remarketing circular, since the date of such review report which is not included by reference herein.

- ***No Guarantee of Information by Remarketing Agents.*** **The Remarketing Agents have provided the following sentences for inclusion in this remarketing circular: The Remarketing Agents have reviewed the information in this remarketing circular in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agents do not guarantee the accuracy or completeness of such information. The Remarketing Agents do not make any representation or warranty, express or implied, as to**
    - **the accuracy or completeness of information they have neither supplied nor verified,**
    - **the validity of the Remarketed Bonds, or**
    - **the tax-exempt status of the interest on the Remarketed Bonds.**
- ***Overallotment and Stabilization*. The Remarketing Agents may overallot or effect transactions that stabilize or maintain the market prices of the Remarketed Bonds at levels above those which might otherwise prevail in the open market. The Remarketing Agents are not obligated to do this and are free to discontinue it at any time.**
- ***Bond Insurance Information*. Assured Guaranty Municipal Corp. ("AGM") makes no representation regarding the Remarketed Bonds or the advisability of investing in the Remarketed Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this remarketing circular or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "DESCRIPTION OF THE REMARKETED BONDS – Bond Insurance" in Part I and in Attachment 4 – "Information Relating to Assured Guaranty Municipal Corp. and Form of Policy."**
- **MTA has not made an independent investigation into the claims paying ability of AGM and no assurance or representation regarding the financial strength or projected financial strength of AGM is given. Thus, when making an investment decision, potential investors should carefully consider the ability of MTA to pay principal and interest on the Remarketed Bonds and the claims paying ability of AGM, particularly over the life of the investment. For certain information provided by AGM and information concerning the Policy, which includes further instructions for obtaining current financial information concerning AGM, see "DESCRIPTION OF THE REMARKETED BONDS – Bond Insurance" in Part I and Attachment 4 – "Information Relating to Assured Guaranty Municipal Corp. and Form of Policy."**
- ***Website Addresses.*** **References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this remarketing circular for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.**

TABLE OF CONTENTS

Page

Information Included by Specific Cross-reference. The following portions of MTA's 2020 Combined Continuing Disclosure Filings, dated April 29, 2020, as supplemented on May 1, 2020, May 19, 2020, May 27, 2020, June 3, 2020, June 25, 2020, July 17, 2020, and August 28, 2020, and as updated by a First Quarterly Update, dated August 3, 2020, a Second Quarterly Update, dated November 24, 2020, and a Third Quarterly Update, dated March 2, 2021, each filed with the Electronic Municipal Market Access system (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this remarketing circular, along with material that updates this remarketing circular and that is filed with EMMA prior to the respective delivery dates of the Remarketed Bonds, together with any supplements or amendments thereto:

- **Part I** – MTA Annual Disclosure Statement (the **MTA Annual Disclosure Statement** or **ADS**)
- **Appendix B** – Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2019 and 2018 (including the auditor's report accompanying the annual financial information)

The following documents have also been filed with EMMA and are included by specific cross-reference in this remarketing circular:

- Summary of Certain Provisions of the Transportation Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- Form of the Interagency Agreement
- MTA's Unaudited Consolidated Interim Financial Statements as of and for the Nine-Month Period Ended September 30, 2020 (excluding the auditor's review report accompanying the interim financial information)

For convenience, copies of most of these documents can be found on the MTA website (https://new.mta.info) under the caption "Transparency - Financial & Investor Information – Investor Information and Disclosures" and "– Financial and Budget Statements". No statement on MTA's website is included by specific cross-reference herein. See "FURTHER INFORMATION" in Part III. Definitions of certain terms used in the summaries may differ from terms used in this remarketing circular, such as the use herein of the popular names of MTA affiliates and subsidiaries.

The consolidated financial statements of MTA for the years ended December 31, 2019 and 2018, incorporated by specific cross-reference in this remarketing circular, have been audited by Deloitte & Touche LLP, independent certified public accountants, as stated in their audit report appearing therein. Deloitte & Touche LLP has not reviewed, commented on or approved, and is not associated with, this remarketing circular. The audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2019 and 2018, which is a matter of public record, is included in such consolidated financial statements. Deloitte & Touche LLP has not been asked to consent to the inclusion, or incorporation by reference, of its audit report in this remarketing circular. The consolidated interim financial information for the nine-month period ended September 30, 2020 (except for the auditor's review report accompanying the consolidated interim financial information), has also been incorporated by specific cross-reference in this remarketing circular. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in, or incorporated by specific cross-reference in, this remarketing circular, since the date of such review report, which is not included by reference herein.

INTRODUCTION

MTA, MTA Bridges and Tunnels and Other Related Entities

The Metropolitan Transportation Authority (MTA) was created by special New York State (the State) legislation in 1965, as a public benefit corporation, which means that it is a corporate entity separate and apart from the State, without any power of taxation – frequently called a "public authority." MTA is governed by board members appointed by the Governor, with the advice and consent of the State Senate.

MTA has responsibility for developing and implementing a single, integrated mass transportation policy for MTA's service region (the MTA Commuter Transportation District or MCTD), which consists of New York City (the City) and the seven New York metropolitan-area counties of Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester. It carries out some of those responsibilities by operating the Transit and Commuter Systems through its subsidiary and affiliate entities: the New York City Transit Authority and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority; the Staten Island Rapid Transit Operating Authority; The Long Island Rail Road Company; the Metro-North Commuter Railroad Company; the MTA Bus Company; and the MTA Construction and Development Company. MTA issues debt obligations to finance a substantial portion of the capital costs of these systems.

Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels), another affiliate of MTA, is a public benefit corporation empowered to construct and operate toll bridges and tunnels and other public facilities in the City. MTA Bridges and Tunnels issues debt obligations to finance the capital costs of its facilities secured by bridge and tunnel tolls and is empowered to issue debt obligations to finance the capital costs of the Transit and Commuter Systems operated by other affiliates and subsidiaries of MTA secured by bridge and tunnel tolls or certain other revenues transferred by MTA. In the last ten years, MTA Bridges and Tunnels has not issued new money bonds secured by bridge and tunnel tolls to finance capital projects for the benefit of the Transit and Commuter Systems. MTA Bridges and Tunnels' surplus amounts are used to fund certain transit and commuter operations and capital projects. See "SOURCES OF PAYMENT - Description of Pledged Revenues – *Expectations with Respect to Future Bonding*".

The board members of MTA serve as the board members of MTA's affiliates and subsidiaries, which, together with MTA, are referred to herein as the Related Entities. MTA and the other Related Entities are described in detail in **Part I** – MTA Annual Disclosure Statement to MTA's 2020 Combined Continuing Disclosure Filings (the **MTA Annual Disclosure Statement** or **ADS**), which is included by specific cross-reference in this remarketing circular.

The following table sets forth the legal and popular names of the Related Entities. Throughout this remarketing circular, reference to each agency will be made using the popular names.

Legal Name	Popular Name
Metropolitan Transportation Authority	MTA
New York City Transit Authority	MTA New York City Transit
Manhattan and Bronx Surface Transit Operating Authority	MaBSTOA
Staten Island Rapid Transit Operating Authority	MTA Staten Island Railway
MTA Bus Company	MTA Bus
The Long Island Rail Road Company	MTA Long Island Rail Road
Metro-North Commuter Railroad Company	MTA Metro-North Railroad
MTA Construction and Development Company	MTA Construction and Development
Triborough Bridge and Tunnel Authority	MTA Bridges and Tunnels

Capitalized terms used herein and not otherwise defined have the meanings provided in the **ADS** or the Transportation Resolution.

Information Provided in the MTA Annual Disclosure Statement

From time to time, the Governor, the State Comptroller, the Mayor of the City, the City Comptroller, County Executives, State legislators, City Council members and other persons or groups may make public statements, issue reports, institute proceedings or take actions that contain predictions, projections or other information relating to the Related Entities or their financial condition, including potential operating results for the current fiscal year and projected baseline surpluses or gaps for future years, that may vary materially from, question or challenge the information provided in the **ADS**. Investors and other market participants should, however, refer to MTA's then current continuing disclosure filings, official statements, remarketing circulars and offering memorandums for information regarding the Related Entities and their financial condition.

Where to Find Information

Information in this Remarketing Circular. This remarketing circular is organized as follows:

- This ***Introduction*** provides a general description of MTA, MTA Bridges and Tunnels and the other Related Entities.
- ***Part I*** provides specific information about the Remarketed Bonds.
- ***Part II*** describes the sources of payment and security for all Transportation Revenue Bonds, including the Remarketed Bonds.
- ***Part III*** provides miscellaneous information relating to the Remarketed Bonds.
- ***Attachment 1*** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Remarketed Bonds.
- ***Attachment 2*** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Remarketed Bonds.
- ***Attachment 3-1*** is the form of approving opinion of Hawkins Delafield & Wood LLP delivered in connection with the original issuance of the Series 2002D Bonds on May 30, 2002.
- ***Attachment 3-2*** is the form of opinion of Hawkins Delafield & Wood LLP delivered in connection with the remarketing of the Subseries 2002D-2 Bonds on May 25, 2011.
- ***Attachment 3-3*** is the form of opinions of Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP delivered in connection with the remarketing of the Subseries 2002D-2a-1 Bonds on April 6, 2020.
- ***Attachment 3-4*** is the form of opinions of Co-Bond Counsel to be delivered in connection with the remarketing of the Remarketed Bonds.
- ***Attachment 4*** sets forth certain information relating to Assured Guaranty Municipal Corp. and includes the form of its specimen municipal bond insurance policy related to the Remarketed Bonds.
- ***Attachment 5*** sets forth a copy of the Third Quarterly Update to the ADS, dated March 2, 2021.

Information Included by Specific Cross-reference in this remarketing circular and identified under the caption "Information Included by Specific Cross-reference" following the Table of Contents may be obtained, as described below, from the MSRB and from MTA.

Information from the MSRB through EMMA. MTA files annual and other information with EMMA. Such information can be accessed at http://emma.msrb.org/.

Information Included by Specific Cross-reference. The information listed under the caption "Information Included by Specific Cross-reference" following the Table of Contents, as filed with the MSRB through EMMA to date, is "included by specific cross-reference" in this remarketing circular. This means that important information is disclosed by referring to those documents and that the specified portions of those documents are considered to be part of this remarketing circular. **This remarketing circular, which includes the specified portions of those filings, should be read in its entirety in order to obtain essential information for making an informed decision in connection with the Remarketed Bonds.**

Information Available at No Cost. Information filed with the MSRB through EMMA is also available, at no cost, on MTA's website or by contacting MTA, Attn.: Finance Department, at the address on page (i). For important information about MTA's website. See "FURTHER INFORMATION" in **Part III**.

Anticipated Debt Issuance and Remarketing

In addition to the remarketing of the Remarketed Bonds, MTA expects to remarket $66,570,000 of Transportation Revenue Variable Rate Refunding Bonds, Subseries 2020B-1 on or about April 1, 2021. In addition, MTA expects to issue Transportation Revenue Bonds, or bonds of another credit to be determined, to retire its Transportation Revenue Bond Anticipation Notes, Subseries 2018B-2 in the aggregate principal amount of $800,000,000 on or before May 15, 2021.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

PART I. REMARKETED BONDS

Part I of this remarketing circular, together with the Summary of Terms, provides specific information about the Remarketed Bonds.

REMARKETING PLAN

On their respective Mandatory Tender Dates (being March 31, 2021 with respect to the Subseries 2002D-2a-1 Bonds, April 1, 2021 with respect to the Subseries 2002D-2b Bonds, and April 6, 2021 with respect to the Subseries 2002D-2a-2 Bonds) MTA is effectuating a mandatory tender for the purchase and remarketing of the currently outstanding Remarketed Bonds. On the respective Mandatory Tender Dates (i) each subseries of the Remarketed Bonds will be subject to mandatory tender at a purchase price equal to the principal amount thereof, and (ii) MTA will convert each subseries of the Remarketed Bonds to the Term Rate Mode bearing interest at the Adjusted SOFR Rate, as provided herein. Each Mandatory Tender Date is also an Interest Payment Date for the respective subseries of the Remarketed Bonds, and accrued interest to, but not including, the respective Mandatory Tender Date, will be paid in accordance with customary procedures.

MTA is further amending and restating the Certificate of Determination delivered in connection with the issuance and subsequent remarketing of each subseries of the Remarketed Bonds, pursuant to the supplemental resolution relating to the Remarketed Bonds, to modify the terms and provisions of the Remarketed Bonds to reflect the terms and provisions described herein. By acceptance of a confirmation of purchase of the Remarketed Bonds, each beneficial owner will be deemed to have acknowledged that the amendments to the Certificate of Determination reflecting the terms and provisions of the Remarketed Bonds described herein will be applicable to the Remarketed Bonds.

On each Mandatory Tender Date, the respective subseries of Remarketed Bonds will be purchased and remarketed by the Remarketing Agents at a price that is not in excess of the price on the cover of this remarketing circular. The obligations of the Remarketing Agents to purchase and remarket the Remarketed Bonds on their respective Mandatory Tender Dates are subject to certain terms and conditions set forth in the Firm Remarketing Agreements with MTA.

MTA anticipates that the proceeds of the remarketing of the Remarketed Bonds will be used to pay the Purchase Price of the currently outstanding Remarketed Bonds of each subseries. The Remarketing Agents' compensation and certain financing and legal expenses will be paid by MTA at closing from other available funds.

DESCRIPTION OF THE REMARKETED BONDS

Unless the context otherwise indicates, references in the following description to the "Remarketed Bonds" apply to each of the Subseries 2002D-2a-1 Bonds, the Subseries 2002D-2a-2 Bonds and the Subseries 2002D-2b Bonds independently. Actions may be taken, or determinations made, with respect to one subseries that are not made with respect to other subseries.

General

Multi-Modal Obligations. Each subseries of the Remarketed Bonds will bear interest in the Term Rate Mode at a variable interest rate equal to the Adjusted SOFR Rate from their respective Delivery Dates as set forth on the cover page hereof. MTA reserves the right to convert any subseries of the Remarketed Bonds to a Commercial Paper Mode, Daily Mode, Weekly Mode, Fixed Rate Mode or another Term Rate Mode. The Remarketed Bonds are subject to mandatory tender for purchase in connection with any such conversion, which shall not occur before January 1, 2024, with respect to the Subseries 2002D-2a-1 Bonds, January 1, 2026, with respect to the Subseries 2002D-2a-2 Bonds, and January 1, 2024, with respect to the Subseries 2002D-2b Bonds, the earliest Optional Purchase Dates for each subseries, as described herein. **This remarketing circular is intended to provide disclosure only to the extent the Remarketed Bonds remain in the Term Rate Mode bearing interest at a variable interest rate equal to the Adjusted SOFR Rate. In**

the event MTA elects to convert the Remarketed Bonds of a subseries to a different Mode or a different Term Rate Mode, it expects to circulate a revised disclosure document relating thereto.

Record Date. The Record Date for the payment of principal of and interest on, and any Sinking Fund Installments with respect to, the Remarketed Bonds will be the first Business Day preceding each Interest Payment Date.

Book-Entry-Only System. The Remarketed Bonds will be registered in the name of The Depository Trust Company, New York, New York, or its nominee (together, DTC), which will act as securities depository for the Remarketed Bonds. During the period the Remarketed Bonds bear interest in the Term Rate Mode, individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or any integral multiple thereof (Authorized Denominations). So long as DTC is the registered owner of the Remarketed Bonds, all payments on the Remarketed Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – "Book-Entry-Only System."

Interest Payments. Interest on each subseries of the Remarketed Bonds is payable on the first Business Day of each month, commencing May 3, 2021. So long as DTC is the sole registered owner of all of the Remarketed Bonds of a subseries, all interest payments will be made to DTC by wire transfer of immediately available funds, and DTC's participants will be responsible for payment of interest to beneficial owners of Remarketed Bonds of such subseries. All Remarketed Bonds will be fully registered in Authorized Denominations.

Transfers and Exchanges. So long as DTC is the securities depository for the Remarketed Bonds, it will be the sole registered owner of the Remarketed Bonds, and transfers of ownership interests in the Remarketed Bonds will occur through the DTC Book-Entry-Only System.

Trustee, Paying Agent, Tender Agent and Calculation Agent. The Bank of New York Mellon, New York, New York, is Trustee, Paying Agent, Tender Agent and Calculation Agent with respect to the Remarketed Bonds.

Determination of Interest Rates for the Remarketed Bonds

The Remarketed Bonds will bear interest at the Adjusted SOFR Rate. The Adjusted SOFR Rate for each subseries of the Remarketed Bonds will equal 67% of SOFR plus the per annum spread set forth on the cover page hereof. Interest will be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be. The Adjusted SOFR Rate shall never exceed an interest rate of 9% per annum (the Maximum Rate).

On and after the respective Mandatory Tender Date, the Adjusted SOFR Rate for a subseries of the Remarketed Bonds will be determined by the Calculation Agent. The Adjusted SOFR Rate will be determined, with respect to any Effective Date, on the first U.S. Government Securities Business Day (as defined herein) immediately preceding such Effective Date (the SOFR Determination Date), and shall be effective on such Effective Date up to but excluding the next Effective Date. Upon determining the Adjusted SOFR Rate for an Effective Date of a subseries of Remarketed Bonds, the Calculation Agent will notify MTA and the Owners of the Remarketed Bonds of that subseries of such Adjusted SOFR Rate by electronic mail (e-mail) or by telephone or in such other manner on the SOFR Determination Date, which notice, if provided by telephone, will be promptly confirmed in writing. Such notice will be provided by not later than 6:00 p.m. on the SOFR Determination Date.

The determination of the Adjusted SOFR Rate (absent manifest error) shall be conclusive and binding upon MTA, the Remarketing Agents and the Owners of the Remarketed Bonds of a subseries. If for any reason the Adjusted SOFR Rate applicable to a subseries of Remarketed Bonds shall not be established for any Effective Date, the Remarketed Bonds of such subseries shall bear interest at the Adjusted SOFR Rate last in effect until such time as a new Adjusted SOFR Rate shall be established pursuant to the terms hereof.

"SOFR" means, with respect to any Effective Date:

(1) The Secured Overnight Financing Rate on the Federal Reserve's Website as of 4:00 p.m. on the SOFR Determination Date for each related SOFR Reference Date. The SOFR Reference Date is the U.S. Government Securities Business Day immediately preceding the related SOFR Determination Date (for example, the Secured Overnight Financing Rate for the Effective Date of April 30, 2021, will be the rate on the Federal Reserve's Website on the SOFR Determination Date, April 29, 2021, as of 4:00 p.m., for the SOFR Reference Date of April 28, 2021). The Secured Overnight Financing Rate is published every U.S. Government Securities Business Day at 8:00 a.m. and may be revised until 2:30 p.m., as described herein.

(2) If the Secured Overnight Financing Rate cannot be determined with respect to such Effective Date as specified in paragraph (1), unless both a SOFR Index Cessation Event and a SOFR Index Cessation Date have occurred, then the Calculation Agent shall use the Secured Overnight Financing Rate in respect of the last U.S. Government Securities Business Day for which such Secured Overnight Financing Rate was published on the Federal Reserve's Website.

(3) If a SOFR Index Cessation Event and SOFR Index Cessation Date have occurred, the Calculation Agent shall determine the Adjusted SOFR Rate as if references to SOFR were references to the rate that was recommended as the replacement for the Secured Overnight Financing Rate by the Federal Reserve Board and/or the Federal Reserve Bank of New York or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York for the purpose of recommending a replacement for the Secured Overnight Financing Rate (which rate may be produced by a Federal Reserve Bank or other designated administrator, which rate may include any adjustments or spreads, and which rate will be reasonably expected to measure contemporaneous variations in the cost of newly borrowed funds in U.S. dollars). If no such rate has been recommended within one U.S. Government Securities Business Day of the SOFR Index Cessation Event, then the Calculation Agent shall use the OBFR published on the Federal Reserve's Website for any Effective Date after the SOFR Index Cessation Date (it being understood that the OBFR for any such Effective Date will be the Overnight Bank Funding Rate on the Federal Reserve's Website as of 4:00 p.m. on the SOFR Determination Date for each related SOFR Reference Date).

(4) If the Calculation Agent is required to use the OBFR in paragraph (3) above and an OBFR Index Cessation Event has occurred, then for any Effective Date after the OBFR Index Cessation Date, the Calculation Agent shall use the short-term interest rate target set by the Federal Open Market Committee and published on the Federal Reserve's Website, or if the Federal Open Market Committee has not set a single rate, the mid-point of the short-term interest rate target range set by the Federal Open Market Committee and published on the Federal Reserve's Website (calculated as the arithmetic average of the upper bound of the target range and the lower bound of the target range).

The following definitions apply to the preceding description of SOFR:

"Effective Date" means each U.S. Government Securities Business Day.

"Federal Reserve's Website" means the website of the Federal Reserve Bank of New York, currently at http://www.newyorkfed.org, or any successor website of the Federal Reserve Bank of New York.

"OBFR" means, with respect to any Effective Date, the Overnight Bank Funding Rate on the Federal Reserve's Website as of 4:00 p.m. on the SOFR Determination Date for each related SOFR Reference Date.

"OBFR Index Cessation Date" means, in respect of an OBFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the OBFR), ceases to publish the OBFR, or the date as of which the OBFR may no longer be used.

"OBFR Index Cessation Event" means the occurrence of one or more of the following events:

(a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the OBFR) announcing that it has ceased to publish or provide the OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide an OBFR; or

(b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the OBFR) has ceased to provide the OBFR permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the OBFR.

"SOFR Determination Date" means, with respect to any Effective Date, the U.S. Government Securities Business Day immediately preceding such Effective Date.

"SOFR Index Cessation Date" means, in respect of a SOFR Index Cessation Event, the date on which the Federal Reserve Bank of New York (or any successor administrator of the Secured Overnight Financing Rate) ceases to publish the Secured Overnight Financing Rate, or the date as of which the Secured Overnight Financing Rate may no longer be used.

"SOFR Index Cessation Event" means the occurrence of one or more of the following events:

(a) a public statement by the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) announcing that it has ceased to publish or provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide a Secured Overnight Financing Rate; or

(b) the publication of information which reasonably confirms that the Federal Reserve Bank of New York (or a successor administrator of the Secured Overnight Financing Rate) has ceased to provide the Secured Overnight Financing Rate permanently or indefinitely, provided that, at that time, there is no successor administrator that will continue to publish or provide the Secured Overnight Financing Rate.

"SOFR Reference Date" means, with respect to any Effective Date, the U.S. Government Securities Business Day immediately preceding the related SOFR Determination Date.

"U.S. Government Securities Business Day" means any day except for a Saturday, Sunday or a day on which the Securities Industry and Financial Markets Association recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. Government Securities.

Unless otherwise specified herein, all times described herein are New York time.

Description of the SOFR

The SOFR is published by the Federal Reserve Bank of New York (the Federal Reserve) and is intended to be a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities. The Federal Reserve reports that the SOFR includes all trades in the Broad General Collateral Rate (as defined on the Federal Reserve's Website), plus bilateral Treasury repurchase agreement transactions cleared through the delivery-versus-payment service offered by the Fixed Income Clearing Corporation (the FICC), a subsidiary of the Depository Trust and Clearing Corporation (DTCC). The SOFR is filtered by the Federal Reserve to remove a portion of the foregoing transactions considered to be "specials" (as defined on the Federal Reserve's Website).

The Federal Reserve reports that the SOFR is calculated as a volume-weighted median of transaction-level tri-party repo data collected from The Bank of New York Mellon as well as General Collateral Finance repurchase agreement transaction data and data on bilateral Treasury repurchase transactions cleared through the FICC's delivery-versus-payment service. The Federal Reserve notes that it obtains information from DTCC Solutions LLC, an affiliate of DTCC. The Federal Reserve notes on its publication page for the SOFR that use of the SOFR is subject to important limitations and disclaimers, including that the Federal Reserve may alter the methods of calculation, publication schedule, rate revision practices or availability of the SOFR at any time without notice. SOFR rates are subject to revision until 2:30 p.m. on any date on which the SOFR is published. The description of the SOFR herein does not purport to be exhaustive. For a more complete discussion of the SOFR, see the Federal Reserve's Website at https://apps.newyorkfed.org/markets/autorates/sofr.

Risks Associated with SOFR Securities

This remarketing circular does not describe all of the risks and other ramifications of an investment in the Remarketed Bonds. An investment in the Remarketed Bonds entails risks not associated with an investment in a fixed rate security or a debt security whose periodic interest rate is not tied to a SOFR index. Further, there may be additional risks associated with the alternate rates described herein. Investors should consult their own financial and legal advisors about the risks associated with an investment in the Remarketed Bonds and the suitability of investing in the Remarketed Bonds in light of their particular circumstances, and possible scenarios for economic, interest rate and other factors that may affect their investment.

Because the SOFR is published by the Federal Reserve based on data received from other sources, MTA, the Remarketing Agents, and the Calculation Agent have no control over its determination, calculation or publication. There can be no guarantee that the SOFR will not be discontinued or fundamentally altered in a manner that is materially adverse to the interests of investors in the Remarketed Bonds. If the manner in which the SOFR is calculated is changed, that change may result in a reduction of the amount of interest payable on the Remarketed Bonds and/or the trading prices of the Remarketed Bonds. If the rate at which interest accrues on any day (meaning the Adjusted SOFR Rate) declines to zero or becomes negative, no interest will be payable on the Remarketed Bonds in respect of that day.

The Federal Reserve began to publish the SOFR in April 2018. The Federal Reserve has also begun publishing historical indicative SOFRs going back to August 2014. Investors should not rely on any historical changes or trends in the SOFR as an indicator of future changes in the SOFR. Also, since the SOFR is a relatively new market index, the Remarketed Bonds may have a limited trading market when issued, and an established trading market may never develop or may be illiquid. Market terms for debt securities indexed to the SOFR, such as the spread over the index reflected in interest rate provisions, may evolve over time, and trading prices of the Remarketed Bonds may be lower than those of later-issued indexed debt securities as a result. Similarly, if the SOFR does not prove to be widely used in securities like the Remarketed Bonds, the trading price of the Remarketed Bonds may be lower than those of bonds linked to indices that are more widely used. Investors in the Remarketed Bonds may not be able to sell the Remarketed Bonds at all or may not be able to sell the Remarketed Bonds at prices that will provide them with a yield comparable to similar investments that have a developed secondary market, and may consequently suffer from increased pricing volatility and market risk.

Tender and Redemption Provisions for the Remarketed Bonds

The Remarketed Bonds are subject to tender and redemption prior to maturity on such dates and at such prices as are set forth below.

Mandatory Tender for Purchase at End of each Term Rate Mode Interest Rate Period. The Remarketed Bonds of a subseries are subject to mandatory tender for purchase on the Business Day after the last day of the initial Interest Rate Period (the Purchase Date) at the Purchase Price. The Purchase Date for the Subseries 2002D-2a-1 Bonds is April 1, 2024. The Purchase Date for the Subseries 2002D-2a-2 Bonds is April 1, 2026. The Purchase Date for the Subseries 2002D-2b Bonds is April 1, 2024.

Mandatory Tender for Purchase at the Option of the Issuer. The Remarketed Bonds of a subseries are subject to mandatory tender for purchase at the option of MTA (an Optional Purchase) at the Purchase Price on any Business Day which Business Day is no earlier than January 1, 2024 with respect to the Subseries 2002D-2a-1 Bonds, January 1, 2026 with respect to the Subseries 2002D-2a-2 Bonds, and January 1, 2024 with respect to the Subseries 2002D-2b Bonds (each, an Optional Purchase Date).

Mandatory Purchase Date and Purchase Price. The Purchase Dates and the Optional Purchase Dates are each referred to herein as a Mandatory Purchase Date. The Purchase Price to be paid for the Remarketed Bonds of a subseries on any Mandatory Purchase Date will be the principal amount of such Remarketed Bonds. The Mandatory Purchase Date will also be an Interest Payment Date for the Remarketed Bonds and interest will be paid in accordance with customary procedures.

Optional Redemption. The Remarketed Bonds of a subseries are subject to redemption prior to maturity on any Business Day on or after January 1, 2024 with respect to the Subseries 2002D-2a-1 Bonds, January 1, 2026 with respect to the Subseries 2002D-2a-2 Bonds, and January 1, 2024 with respect to the Subseries 2002D-2b Bonds, at the option of MTA, as a whole or in part (in accordance with the procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee deems proper) at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the respective redemption dates.

Mandatory Sinking Fund Redemption. Each subseries of Remarketed Bonds are subject to redemption in part on November 1 of each year and in the respective principal amounts set forth below at 100% of the principal amount thereof, plus accrued interest to the redemption date, from sinking fund installments which are required to be made in amounts sufficient to effectuate such redemptions:

November 1	Subseries 2002D-2a-1	Subseries 2002D-2a-2	Subseries 2002D-2b
2029	$ 5,700,000	$ 5,700,000	$11,400,000
2030	7,850,000	7,850,000	15,700,000
2031	7,750,000	7,750,000	15,500,000
2032†	28,700,000	28,700,000	57,400,000

†Final maturity

Credit Toward Mandatory Sinking Fund Redemption. MTA may take credit toward mandatory Sinking Fund Installment requirements as follows, and, if taken, thereafter reduce the amount of the Remarketed Bonds of a given subseries otherwise subject to mandatory Sinking Fund Installments on the date for which credit is taken:

- If MTA directs the Trustee to purchase or redeem Remarketed Bonds of a subseries with money in the Debt Service Fund (at a price not greater than par plus accrued interest to the date of purchase or redemption), then a credit of 100% of the principal amount of those bonds will be made against the next Sinking Fund Installment due for such subseries.
- If MTA purchases or redeems Remarketed Bonds of a subseries with other available moneys, then the principal amount of those bonds will be credited against future Sinking Fund Installment requirements for that subseries in any order, and in any annual amount, that MTA may direct.

State and City Redemption. Pursuant to the MTA Act, the State or the City, upon providing sufficient funds, may require MTA to redeem the Remarketed Bonds as a whole at the time and at the price and in accordance with the terms upon which the Remarketed Bonds are otherwise redeemable.

Notice of Mandatory Tender for Purchase. The Trustee will, at least fifteen (15) days prior to any Mandatory Purchase Date, give notice to the Owners of the mandatory tender for purchase of the Remarketed Bonds of a subseries that is to occur on that date. So long as DTC is the Securities Depository for the Remarketed Bonds of such subseries, such notice will be given to DTC. If the Remarketed Bonds are not held in book-entry-only form, such notice will be given directly to the bondholders.

Notice of any mandatory tender of the Remarketed Bonds will be provided by the Trustee by mailing a copy of the notice of mandatory tender by first-class mail to each Owner of such Remarketed Bonds at the respective addresses shown on the registry books. Each notice of mandatory tender for purchase will identify the reason for the mandatory tender for purchase and specify:

- the Mandatory Purchase Date,

- the Purchase Price,
- the place and manner of payment,
- that the Owner has no right to retain such Remarketed Bonds, and
- that no further interest will accrue from and after the Mandatory Purchase Date to such Owner.

Any notice mailed as described above will be conclusively presumed to have been duly given, whether or not the Owner of any Remarketed Bonds receives the notice, and the failure of that Owner to receive any such notice will not affect the validity of the action described in that notice. Failure by the Trustee to give a notice as provided under this caption will not affect the obligation of the Tender Agent to purchase the Remarketed Bonds subject to mandatory tender for purchase on the Mandatory Purchase Date.

Redemption Notices. So long as DTC is the securities depository for the Remarketed Bonds, redemption notices will be sent to DTC at least 20 days before the redemption date. If Remarketed Bonds of a subseries are not held in book-entry-only form, then redemption notices will be mailed directly to bondholders of such subseries within the same time frame. A redemption of the Remarketed Bonds is valid and effective even if DTC's procedures for notice should fail. Beneficial owners should consider arranging to receive redemption notices or other communications to DTC affecting them, including notice of interest payments through DTC participants. Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. **Please note that all redemptions are final - even if beneficial owners do not receive their notice, and even if that notice has a defect.**

Redemption Process. If unconditional notice of redemption has been given, then on the redemption date the Remarketed Bonds of the subseries called for redemption will become due and payable. If conditional notice of redemption has been given and the Trustee holds money sufficient to pay the redemption price of the affected Remarketed Bonds, and MTA notifies the Trustee that the conditions included in such notice have been satisfied, then on the redemption date the Remarketed Bonds of the subseries called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Remarketed Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Remarketed Bonds.

Future Remarketing of Remarketed Bonds

MTA currently plans to remarket each subseries the Remarketed Bonds on or before their respective Purchase Dates, and apply the proceeds of such remarketings to pay the Purchase Price of such subseries. The remarketing agent(s) to be appointed by MTA will offer for sale and use its best efforts to find purchasers for all Remarketed Bonds of a subseries required to be tendered for purchase.

Source of Funds for Purchase of Remarketed Bonds

On or before 3:00 p.m. on the Mandatory Purchase Date for a subseries of the Remarketed Bonds, the Tender Agent will purchase the Remarketed Bonds of such subseries from the Owners at the Purchase Price. Funds for the payment of such Purchase Price will be derived from immediately available funds transferred by the remarketing agent(s) to the Tender Agent derived from the remarketing of such subseries of the Remarketed Bonds.

Notwithstanding the foregoing, MTA has the option, but will not be obligated, to transfer immediately available funds to the Tender Agent for the payment of the Purchase Price of any Remarketed Bonds of a subseries tendered or deemed tendered as described in this remarketing circular and the Purchase Price of which is not paid on their respective Mandatory Purchase Date. None of MTA, the Trustee, the Tender Agent or any remarketing agent will have any liability or obligation to pay or, except from remarketing proceeds, make available such Purchase Price. The failure to pay such Purchase Price from any of the sources identified above will not constitute an Event of Default under the Transportation Resolution and in the case of such failure, none of such Remarketed Bonds of a subseries will be purchased, and the Remarketed Bonds of such subseries will remain in the Term Rate Mode and bear interest at 9% per annum. See "– Consequences of a Failed Remarketing."

Delivery of the Remarketed Bonds

Except as otherwise required or permitted by DTC's book-entry-only system, the Remarketed Bonds sold by a remarketing agent will be delivered by the remarketing agent to the purchasers of those Remarketed Bonds by 3:00 p.m. on the Mandatory Purchase Date.

Delivery of and Payment for Purchased Remarketed Bonds; Undelivered Remarketed Bonds

Except as otherwise required or permitted by DTC's book-entry-only system, the Remarketed Bonds of a subseries that are remarketed and purchased as set forth above will be delivered (with all necessary endorsements) at or before 12:00 noon on the applicable Mandatory Purchase Date at the office of the Tender Agent in New York, New York; provided, however, that payment of the Purchase Price of any the Remarketed Bonds of a subseries that are remarketed and purchased will be made only if such Remarketed Bonds so delivered to the Tender Agent conform in all respects to the description thereof in the notice of tender. Payment of the Purchase Price for a subseries of the Remarketed Bonds will be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the applicable Mandatory Purchase Date or, if the bondholder has not provided or caused to be provided wire transfer instructions, by check mailed to the bondholder at the address appearing in the books required to be kept by the Trustee pursuant to the Transportation Resolution. If Remarketed Bonds of a subseries to be purchased are not delivered by the bondholders to the Tender Agent by 12:00 noon on the applicable Mandatory Purchase Date, the Tender Agent will hold any funds received for the purchase of such Remarketed Bonds in trust in a separate account uninvested, and will pay such funds to the former bondholders upon presentation of such Remarketed Bonds subject to tender. Undelivered Remarketed Bonds of a subseries are deemed tendered and cease to accrue interest as to the former bondholders on the applicable Mandatory Purchase Date if moneys representing the Purchase Price will be available against delivery of those Remarketed Bonds of such subseries at the Principal Office of the Tender Agent; provided, however, that any funds so held by the Tender Agent that remain unclaimed by the former holder of any such Remarketed Bonds not presented for purchase for a period of two years after delivery of such funds to the Tender Agent will, to the extent permitted by law, upon request in writing by MTA and the furnishing of security or indemnity to the Tender Agent's satisfaction, be paid to MTA free of any trust or lien and thereafter the former holder of such Remarketed Bonds will look only to MTA and then only to the extent of the amounts so received by MTA without any interest thereon and the Tender Agent will have no further responsibility with respect to such moneys or payment of the Purchase Price of such Remarketed Bonds. The Tender Agent will authenticate replacement Remarketed Bonds for any undelivered Remarketed Bonds which may then be remarketed by the remarketing agent.

Consequences of a Failed Remarketing

In the event that remarketing proceeds are insufficient to pay the Purchase Price of all Outstanding Remarketed Bonds of a subseries on the applicable Mandatory Purchase Date, (1) no purchase will be consummated on the applicable Mandatory Purchase Date and the Tender Agent will, after any applicable grace period, (a) return all tendered Remarketed Bonds of such subseries to the registered owners thereof and (b) return all remarketing proceeds to the remarketing agent(s) for return to the persons providing such moneys; and (2) the Remarketed Bonds of such subseries will bear interest at 9% per annum during the period of time from and including the applicable Mandatory Purchase Date to (but not including) the date that all the Remarketed Bonds of such subseries are successfully remarketed (the Delayed Remarketing Period).

On each Business Day following the failed remarketing on the applicable Mandatory Purchase Date, MTA expects to continue to have the remarketing agent(s) use its best efforts to remarket the applicable subseries of the Remarketed Bonds into the Mode designated by the Trustee, at the direction of MTA (or such other Mode as the Trustee, at the direction of MTA, will thereafter designate to the remarketing agent(s) and the prospective owners thereof) or for an additional Interest Rate Period in the Term Rate Mode. Once the remarketing agent(s) has advised the Trustee that it has a good faith belief that it is able to remarket all of the Remarketed Bonds of such subseries, the Trustee, at the direction of MTA, will give notice by mail to the registered owners of the Remarketed Bonds of such subseries not later than five Business Days prior to the purchase date, which notice will state (1) that the interest rate on the Remarketed Bonds of such subseries will continue to be a Term Rate or will be adjusted to a Daily Rate, Weekly Rate or Fixed Rate or to the interest rates and Interest Rate Periods applicable in the Commercial Paper Mode on and after the purchase date; (2) that the Remarketed Bonds of such subseries will be subject to mandatory tender for purchase on the purchase date; (3) the procedures for such mandatory tender; (4) the purchase price of the Remarketed Bonds of such subseries on the purchase date (expressed as a percentage of the principal amount thereof); and (5) the consequences of a failed remarketing.

During the Delayed Remarketing Period, the Trustee may, upon direction of MTA, apply available amounts to the redemption of the Remarketed Bonds of a subseries as a whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notice of redemption will be provided at least five Business Days prior to the date fixed for redemption.

During the Delayed Remarketing Period, interest on the Remarketed Bonds of a subseries will be paid to the registered owners thereof (i) on the first Business Day of each month occurring during the Delayed Remarketing Period and (ii) on the last day of the Delayed Remarketing Period. Payment of such interest will be made by the Trustee from the Debt Service Fund pursuant to the Transportation Resolution.

During any Delayed Remarketing Period, pursuant to its plan of financing, MTA currently expects to use its best efforts to cause the remarketing agent(s) to remarket the Remarketed Bonds of a subseries, to convert the Remarketed Bonds of such subseries to another Mode or another Interest Rate Period or to refund the Remarketed Bonds of such subseries.

Bond Insurance

Concurrently with the original issuance of the Remarketed Bonds, Assured Guaranty Municipal Corp. (AGM), then known as Financial Security Assurance Inc., issued its Municipal Bond Insurance Policy for the Remarketed Bonds (the Policy). The Policy will continue to guarantee the scheduled payment of principal of and interest on the Remarketed Bonds when due as set forth in the form of the Policy included as **Attachment 4** to this remarketing circular.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Debt Service on the Bonds

Table 1 on the next page sets forth, on a cash basis (i) the debt service on the outstanding Transportation Revenue Bonds (other than the Remarketed Bonds), (ii) debt service on the Remarketed Bonds, and (iii) the aggregate debt service on all Transportation Revenue Bonds (including the Remarketed Bonds) outstanding as of April 6, 2021.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

Table 1
Aggregate Debt Service
($ in thousands)[1]

Year Ending December 31	Debt Service on Outstanding Bonds[2][3][4][5]	Remarketed Bonds[2]			Aggregate Debt Service[6]
		Principal	Interest	Total	
2021	$ 1,786,127	-	$ 6,720	$ 6,720	$ 1,792,847
2022	1,800,990	-	10,125	10,125	1,811,115
2023	1,886,370	-	10,125	10,125	1,896,495
2024	1,877,768	-	10,125	10,125	1,887,893
2025	1,858,022	-	10,125	10,125	1,868,147
2026	1,877,816	-	10,125	10,125	1,887,941
2027	1,722,433	-	10,125	10,125	1,732,558
2028	1,828,952	-	10,125	10,125	1,839,077
2029	1,823,295	$ 22,800	10,029	32,829	1,856,124
2030	1,815,022	31,400	8,838	40,238	1,855,260
2031	1,872,705	31,000	7,250	38,250	1,910,955
2032	1,782,550	114,800	5,327	120,127	1,902,678
2033	1,640,244	-	-	-	1,640,244
2034	1,604,556	-	-	-	1,604,556
2035	1,539,015	-	-	-	1,539,015
2036	1,360,404	-	-	-	1,360,404
2037	1,340,090	-	-	-	1,340,090
2038	1,322,448	-	-	-	1,322,448
2039	1,258,732	-	-	-	1,258,732
2040	1,202,714	-	-	-	1,202,714
2041	1,101,362	-	-	-	1,101,362
2042	1,048,879	-	-	-	1,048,879
2043	1,007,038	-	-	-	1,007,038
2044	1,020,449	-	-	-	1,020,449
2045	908,949	-	-	-	908,949
2046	1,009,582	-	-	-	1,009,582
2047	1,015,188	-	-	-	1,015,188
2048	986,640	-	-	-	986,640
2049	827,052	-	-	-	827,052
2050	564,263	-	-	-	564,263
2051	282,567	-	-	-	282,567
2052	282,812	-	-	-	282,812
2053	233,445	-	-	-	233,445
2054	233,687	-	-	-	233,687
2055	171,225	-	-	-	171,225
2056	63,684	-	-	-	63,684
2057	10,483	-	-	-	10,483
Total	$43,967,561	$200,000	$109,040	$309,040	$44,276,601

(1) Totals may not add due to rounding.

(2) Includes the following assumptions for debt service: variable rate bonds at an assumed rate of 4.0%; variable rate bonds swapped to fixed at the applicable fixed rate on the swap; floating rate notes at an assumed rate of 4.0% plus the current fixed spread; floating rate notes swapped to fixed at the applicable fixed rate on the swap plus the current fixed spread; Subseries 2002G-1 Bonds at an assumed rate of 4.0% plus the current fixed spread, except Subseries 2002G-1g Bonds at an assumed rate of 4.0%; Series 2011B Bonds at an assumed rate of 4.0% plus the current fixed spread; Subseries 2020B-2 Bonds at an assumed rate of 4.0%; fixed rate mandatory tender bonds at their respective fixed rates prior to the mandatory tender date; interest paid monthly, calculated on the basis of a 360-day year consisting of twelve 30-day months for variable rate bonds, floating rate notes and direct purchases.

(3) Excludes debt service on all outstanding Bond Anticipation Notes and Revenue Anticipation Notes.

(4) Debt service has not been reduced to reflect expected receipt of Build America Bond interest subsidies relating to certain Outstanding Bonds; such subsidies do not constitute pledged revenues under the Transportation Resolution.

(5) Excludes debt service on the Remarketed Bonds.

(6) Figures reflect amounts outstanding as of April 6, 2021 and reflect the remarketing of the Subseries 2020B-1 Bonds.

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this remarketing circular describes the sources of payment and security for all Transportation Revenue Bonds, including the Remarketed Bonds.

SOURCES OF PAYMENT

Pledged Transportation Revenues Gross Lien

Under State law, the Transportation Revenue Bonds are MTA's special obligations, which means that they are payable solely from a gross lien on the money pledged for payment under the Transportation Resolution. They are not MTA's general obligations. Summaries of certain provisions of the Transportation Resolution and the form of the Interagency Agreement have been filed with the MSRB through EMMA as described under "INTRODUCTION – Where to Find Information."

MTA receives "transportation revenues" directly and through certain subsidiaries (currently, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus) and affiliates (currently, MTA New York City Transit and MaBSTOA), and its receipts from many of these sources are pledged for the payment of Transportation Revenue Bonds. MTA and its subsidiaries and affiliates also receive operating subsidies from MTA Bridges and Tunnels and a number of other governmental sources. 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 "Revenue Anticipation Notes Authorized by the Resolution" below. The Transportation Resolution provides that Owners are to be paid from pledged revenues prior to the payment of operating or other expenses, and as described in more detail below. MTA has covenanted to impose fares and other charges so that pledged revenues, together with other available moneys, will be sufficient to cover all debt service and operating and capital costs of the systems. See "Factors Affecting Revenues – Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses" below.

Operating Subsidies include general operating subsidies from the State and local governments under the State's Section 18-b program; special tax-supported operating subsidies (the MTTF revenues and MMTOA taxes) after the payment of debt service and certain other obligations relating to MTA's Dedicated Tax Fund senior and subordinated bonds; PMT Revenues (defined below) after the payment of debt service and certain other obligations relating to senior and subordinated bonds issued under the MTA PMT Bond Resolution (as hereinafter defined) and the TBTA PMT Bond Resolution (as hereinafter defined) (see "Description of Pledged Revenues – *Additional Taxes and Fees – Expectations with Respect to Future Bonding*" below); MTA Bridges and Tunnels operating surplus; Commuter System station maintenance payments; certain mortgage recording and real property transfer taxes with respect to certain real property located within the City; and Congestion Zone Surcharges and Rapid Transit Lane Fines deposited into the General Transportation Account.

Table 2a sets forth by general category the amount of pledged revenues, calculated in accordance with the Transportation Resolution, and the resulting debt service coverage for the five years ended December 31, 2019. A general description of the pledged revenues in the general categories referenced in **Table 2a** follows the table, and a more detailed description is set forth in Part 2 of the **ADS** under the heading "REVENUES OF THE RELATED ENTITIES."

Table 2a is a summary of historical revenues 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. This information in **Table 2a** may not be indicative of future results of operations and financial condition. The information contained in **Table 2a** has been prepared by MTA management based upon the historical financial statements and the notes thereto.

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

	2015	2016	2017	2018	2019
Revenues from Systems Operations					
Fares from Transit System	$ 4,396	$ 4,414	$ 4,487	$ 4,454	$ 4,592
Fares from Commuter System	1,373	1,401	1,460	1,481	1,526
Fares from MTA Bus	223	233	236	242	242
Other Income[(2)]	248	248	256	280	278
Subtotal – Operating Revenues	**$6,240**	**$6,296**	**$6,439**	**$6,457**	**$6,638**
Non-Operating Revenues:					
Revenues from MTA Bridges and Tunnels Surplus	$740	$742	$731	$692	$788
State and Local General Operating Subsidies[(3)]	$370	$378	$376	$375	$340
Special Tax-Supported Operating Subsidies					
DTF Excess[(4)]	277	259	231	250	268
MMTOA Receipts	1,564	1,668	1,668	1,687	1,824
Urban Tax	941	811	585	656	668
Excess Mortgage Recording Taxes	25	25	25	25	12
MTA Aid Trust Account Receipts	285	300	306	273	311
Payroll Mobility Tax Receipts[(5)]	1,626	1,682	1,680	1,727	1,805
Subtotal Special Tax-Supported Operating Subsidies	$4,718	$4,745	$4,495	$4,617	$4,888
Station Maintenance and Service Reimbursements	599	563	560	530	647
City Subsidy for MTA Bus	439	356	520	464	669
Revenues from Investment of Capital Program Funds[(6)]	8	13	24	55	50
Subtotal – Non-Operating Revenues[(7)]	**$6,874**	**$6,797**	**$6,706**	**$6,734**	**$7,382**
Total Transportation Resolution Pledged Revenues	**$13,114**	**$13,093**	**$13,145**	**$13,190**	**$14,020**
Debt Service[(8)]	**$1,399**	**$1,381**	**$1,581**	**$1,457**	**$1,751**
Debt Service Coverage from Pledged Revenues	**9.4x**	**9.5x**	**8.3x**	**9.1x**	**8.0x**

(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. Other income does not include Superstorm Sandy reimbursement funds.
(3) State and Local General Operating Subsidies are lower in 2019 due to delay in receipt of the City's December 18-b payment. The funds, in the amount of $35 million, were received in February of 2020.
(4) Calculated by subtracting the debt service payments on the Dedicated Tax Fund Bonds from the MTTF Receipts described in Part 3 of the **ADS** under the caption "PART 3. PUBLIC DEBT SECURITIES – DEDICATED TAX FUND BONDS."
(5) Payroll Mobility Tax Receipts include PMT Revenue Offset of $309 million annually in 2015 through 2016, and $244.3 million annually in 2017 through 2019. Beginning as of February Financial Plan 2021-2024, Payroll Mobility Offset Funds are broken out from Payroll Mobility Tax Receipts in Table 3a.
(6) Represents investment income on capital program funds held for the benefit of the Transit and Commuter Systems on an accrual basis.
(7) Sum of (a) Revenues from MTA Bridges and Tunnels Surplus, (b) Revenues from Governmental Sources (including State and Local General Operating Subsidies and Special Tax-Supported Operating Subsidies), (c) Station Maintenance and Service Reimbursements, (d) City Subsidy for MTA Bus, and (e) Revenues from Investment of Capital Program Funds.
(8) Debt service was reduced by approximately $54 million in each year of 2015 through 2019 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 $13 million in 2016, $13.5 million in 2017, $101.5 million in 2018, and $188.6 million in 2019.

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

- 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. Urban Tax revenues declined in 2017 due to fewer significantly large transactions (valued over $100 million) as compared to 2015 and 2016. 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.

- 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 ($25 million annually beginning in 2009). Since 2009, even though mortgage recording tax receipts have grown in seven out of the last eight years, MTA Headquarters expenses and MTA Bus debt service expenses have continued to exceed MRT receipts, resulting in no Excess Mortgage Recording Tax transfers to the Transit and Commuter Systems.

- City Subsidy for MTA Bus was higher in 2017 predominantly due to the timing of payments received. MTA received one extra monthly payment made in 2017 (only 11 payments were made in 2016) and an additional quarterly payment, which is usually reconciled in the following year. In 2018, there was a decrease in receipts for MTA Bus, resulting from the additional quarterly payment that was made in 2017. In 2019, the increase in receipts for MTA Bus is the result of higher monthly fixed payments and an additional quarterly payment made in 2019.

- Revenues from Investment of Capital Program Funds – substantially all of the investment income is generated from bond proceeds, such as funds held in anticipation of expenditure on project costs.

- In 2016, $45.3 million of revenues on deposit in the Debt Service Fund were replaced with proceeds of certain Transportation Revenue Bonds permitting such revenues to be used together with other available moneys to prepay outstanding 2 Broadway Certificates of Participation. As a result, 2016 Debt Service reported in the above table is lower by $45.3 million than it would have been if such transaction had not occurred.

Table 2b sets forth, by major category, for the five years ended December 31, 2019, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance. This information contained in **Table 2b** may not be indicative of future results of operations and financial condition. The information in **Table 2b** has been prepared by MTA management based on MTA financial plans. See "SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*" in **Part II**; see also **Attachment 5** – "Third Quarterly Update to the ADS, dated March 2, 2021", the Second Quarterly Update to the ADS, dated November 24, 2020, the Supplement to the ADS, dated August 28, 2020 and the First Quarterly Update to the ADS, dated August 3, 2020.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

Table 2b

MTA Consolidated Statement of Operations by Category
($ in millions)

Non-Reimbursable	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Actual 2019
Operating Revenue					
Farebox Revenue	$5,961	$6,170	$6,172	$6,155	$6,351
Toll Revenue	1,809	1,912	1,912	1,976	2,071
Other Revenue	689	653	653	643	706
Capital and Other Reimbursements	0	0	0	0	0
Total Operating Revenue	**$8,459**	**$8,608**	**$8,737**	**$8,774**	**$9,128**
Operating Expense					
Labor Expenses:					
Payroll	$4,696	$5,019	$5,021	$5,211	$5,311
Overtime	755	934	934	1,066	974
Health & Welfare	1,050	1,209	1,209	1,230	1,339
OPEB Current Payment	502	564	564	604	666
Pensions	1,249	1,345	1,345	1,336	1,493
Other-Fringe Benefits	861	794	792	881	848
Reimbursable Overhead	(380)	(492)	(492)	(528)	(470)
Subtotal Labor Expenses	**$8,732**	**$9,238**	**$9,373**	**$9,799**	**$10,161**
Non-Labor Expenses:					
Electric Power	$474	$430	$430	$482	$444
Fuel	162	150	150	185	174
Insurance	57	(3)	(3)	(29)	2
Claims	331	515	526	438	495
Paratransit Service Contracts	379	393	393	478	477
Maintenance and Other Operating Contracts	579	692	695	678	731
Professional Service Contracts	380	506	507	544	442
Materials & Supplies	543	588	588	637	647
Other Business Expenses	196	217	217	221	231
Subtotal Non-Labor Expenses	**$3,101**	**$3,168**	**$3,505**	**$3,611**	**$3,642**
Other Expense Adjustments:					
Other	$37	$49	$49	$129	$149
General Reserve	0	0	0	0	0
Subtotal Other Expense Adjustments	**$37**	**$47**	**$49**	**$129**	**$149**
Total Operating Expense before Non-Cash Liability Adj.	**$11,871**	**$12,454**	**$12,927**	**$13,539**	**$13,952**
Depreciation	$2,443	$2,600	$2,608	$2,805	$2,870
OPEB Liability Adjustment	1,490	1,548	1,567	0	0
GASB 75 OPEB Expense Adjustment	0	0	0	1,048	877
GASB 68 Pension Expense Adjustment	(410)	(234)	(168)	(373)	13
Environmental Remediation	21	13	13	106	42
Total Operating Expense after Non-Cash Liability Adj.	**$15,414**	**$16,252**	**$16,948**	**$17,124**	**$17,752**
Conversion to Cash Basis: Non-Cash Liability Adjs.	($3,543)	($3,927)	($4,021)	($3,585)	($3,801)
Debt Service (excludes Service Contract Bonds)	2,373	2,525	2,525	2,541	2,630
Total Operating Expense with Debt Service	**$14,244**	**$14,912**	**$15,452**	**$16,079**	**$16,582**
Dedicated Taxes and State/Local Subsidies	$6,595	$6,429	$6,416	$7,177	$7,290
Net Surplus/(Deficit) After Subsidies and Debt Service	**$810**	**$371**	**($300)**	**($128)**	**($164)**
Conversion to Cash Basis: GASB Account	0	0	0	0	0
Conversion to Cash Basis: All Other	(660)	129	174	379	277
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	**$150**	**($232)**	**($126)**	**$251**	**$113**
ADJUSTMENTS	**0**	**0**	**0**	**0**	**0**
PRIOR-YEAR CARRYOVER	**330**	**480**	**248**	**121**	**372**
NET CASH BALANCE	**$480**	**$248**	**$121**	**$372**	**$485**

Table 3a sets forth the Summary of Final Estimate 2020 and Adopted Budget 2021. Pledged Revenues are based on the MTA 2021 Adopted Budget and the February Financial Plan 2021-2024, adopted by the MTA Board on February 18, 2021. For a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects' implementation see "SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*"; see also **Attachment 5** – "Third Quarterly Update to the ADS, dated March 2, 2021", the Second Quarterly Update to the ADS, dated November 24, 2020, the Supplement to the ADS, dated August 28, 2020 and the First Quarterly Update to the ADS, dated August 3, 2020. The information set forth in **Table 3a** is comparable to that set forth, with respect to the years 2015-2019 in **Table 2a**.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

Table 3a
Summary of Final Estimate 2020 and Adopted Budget 2021
(Calculated in Accordance with the Transportation Resolution)
($ in millions) (1)(2)

	Final Estimate 2020	Adopted Budget 2021
Revenues from Systems Operations:		
Fares from Transit System	$1,777	$1,262
Fares from Commuter System	538	425
Fares from MTA Bus	73	60
Other Income (3)(4)	214	258
Subtotal – Operating Revenues	**$2,602**	**$2,005**
Non-Operating Revenues:(5)		
Revenues from MTA Bridges and Tunnels Surplus	$265	$154
State and Local General Operating Subsidies	$336	$439
NYC Transportation Assistance Fund – General Transportation Account(6)	$2	$3
Special Tax-Supported Operating Subsidies		
DTF Excess (7)	175	175
MMTOA Receipts	1,564	2,094
Urban Tax	361	319
Excess Mortgage Recording Taxes	12	12
Aid Trust Account Receipts (8)	261	273
Payroll Mobility Tax Receipts (8)	1,469	1,375
Payroll Mobility Offset Funds (9)	195	273
Subtotal Special Tax-Supported Operating Subsidies	$4,038	$4,522
Station Maintenance and Service Reimbursements	$755	$817
City Subsidy for MTA Bus	$362	$530
Income from Investments(10)	$41	$41
Subtotal – Non-Operating Revenues	**$5,798**	**$6,505**
Total Transportation Resolution Pledged Revenues	**$8,401**	**$8,510**
Budgeted Debt Service (11)	**$1,663**	**$1,808**
Debt Service Coverage from Pledged Revenues	**5.0x**	**4.7x**

(1) Totals may not add due to rounding.

(2) See "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*" for a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects' implementation.

(3) Other income for the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income for 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. Includes MTA Bus Other Income.

(4) Other income does not include CARES Act receipts, which are included in *Other Revenue* under Table 3b for purposes of the February Financial Plan, but do not constitute pledged revenues for the Transportation Resolution. Additional federal stimulus funds, as budgeted in the February Financial Plan, are included under *Adjustments* under Table 3b. Additionally, while the Internet Sales Tax and Mansion Tax have been made available as a resource for operating expenses for two years, and currently are reflected in the liquidity resources disclosed by MTA, they do not constitute pledged revenues under the Transportation Resolution and are not included in the table above.

(5) 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 "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Pledged Transportation Revenues Gross Lien" and "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SECURITY – Revenue Anticipation Notes Authorized by the Resolution".

(6) 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 a General Transportation account. See "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – *2018 Additional Revenues*". The zero amounts in 2019 reflect lower collection of For-Hire Vehicle fees, as collections were delayed following the filing of a lawsuit and a temporary restraining order, which was lifted at the end of January 2019. See Part 1 of the **ADS**. 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.

(7) Calculated by subtracting the debt service payments on Dedicated Tax Fund Bonds from the MTTF Receipts described in Part 3 of the **ADS** under the caption "DEDICATED TAX FUND BONDS."

(8) See "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – *2018 Additional Revenues*" in the **ADS** and "– *Expectations with Respect to Future Bonding*" herein for a description of such additional revenues and MTA's current expectations for application of such revenues in the future. Calculated by subtracting debt service payments on Payroll Mobility Resolution Obligations from the combined PMT receipts and Aid Trust Account receipts (which are pledged revenues for Payroll Mobility Resolution Obligations). As budgeted in the February Financial Plan, debt service payments on Payroll Mobility Resolution Obligations do not begin until 2022.

(9) Payroll Mobility Offset Funds are not part of the pledged revenues for the Payroll Mobility Resolution Obligations discussed in footnote (8).

(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) Net of annual Build America Bond interest credit payments on previously issued bonds of approximately $54.0 million in 2020 and $53.1 million in 2021. Such payments do not constitute pledged revenues under the Transportation Resolution.

Table 3b sets forth, by major category, for the Summary of Final Estimate 2020 and Adopted Budget 2021, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance as published in the MTA 2021 Adopted Budget and the February Financial Plan 2021-2024. For a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects' implementation see "SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*"; see also **Attachment 5** – "Third Quarterly Update to the ADS, dated March 2, 2021", the Second Quarterly Update to the ADS, dated November 24, 2020, the Supplement to the ADS, dated August 28, 2020 and the First Quarterly Update to the ADS, dated August 3, 2020. The information contained in **Table 3b** is comparable to that set forth, with respect to the years 2015-2019, in **Table 2b**.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

Table 3b
MTA Consolidated Statement of Operations by Category[1]
($ in millions)

Non-Reimbursable	Final Estimate 2020	Adopted Budget 2021
Operating Revenue		
Farebox Revenue	$2,393	$1,746
Toll Revenue	1,419	1,396
Other Revenue	4,621[2]	736
Capital and Other Reimbursements	0	0
Total Operating Revenue	**$8,434**	**$3,878**
Operating Expense		
Labor Expenses:		
Payroll	$5,402	$5,433
Overtime	971	917
Health & Welfare	1,398	1,564
OPEB Current Payment	692	797
Pensions	1,531	1,443
Other-Fringe Benefits	990	998
Reimbursable Overhead	(370)	(430)
Subtotal Labor Expenses	**$10,614**	**$10,723**
Non-Labor Expenses:		
Electric Power	$398	$458
Fuel	114	145
Insurance	19	30
Claims	387	424
Paratransit Service Contracts	345	434
Maintenance and Other Operating Contracts	830	863
Professional Service Contracts	604	609
Materials & Supplies	591	681
Other Business Expenses	174	170
Subtotal Non-Labor Expenses	**$3,463**	**$3,814**
Other Expense Adjustments:		
Other	$94	$37
General Reserve	170	(160)
Subtotal Other Expense Adjustments	**$264**	**($123)**
Total Operating Expense before Non-Cash Liability Adjustments	**$14,340**	**$14,414**
Depreciation	$2,849	$2,923
GASB 75 OPEB Expense Adjustment	1,607	1,760
GASB 68 Pension Expense Adjustment	(237)	(311)
Environmental Remediation	6	6
Total Operating Expense after Non-Cash Liability Adjustments	**$18,566**	**$18,792**
Conversion to Cash Basis: Non-Cash Liability Adjustments	($4,226)	($4,378)
Debt Service (excludes Service Contract Bonds)	2,734	2,911
Total Operating Expense with Debt Service	**$17,075**	**$17,325**
Dedicated Taxes and State/Local Subsidies	$6,689	$7,682
Net Surplus/(Deficit) After Subsidies and Debt Service	**($1,951)**	**($5,764)**
Conversion to Cash Basis: GASB Account	$0	$0
Conversion to Cash Basis: All Other	654	95
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	**($1,297)**	**($5,669)**
ADJUSTMENTS[3]	**$1,326**	**$5,160**
PRIOR-YEAR CARRYOVER	**485**	**514**
NET CASH BALANCE	**$514**	**$5**

[1] See "SOURCES OF PAYMENT – Factors Affecting Revenues – *The COVID-19 Pandemic*" for a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects' implementation.

[2] CARES Act receipts are included in Other Revenue for purposes of the February Financial Plan, but do not constitute pledged revenues for the Transportation Resolution. See **Table 3a** above.

[3] Adjustment in 2021 reflects, among other things, the anticipated receipt of $4 billion from the Coronavirus Response and Relief Supplemental Appropriations Act. The February Financial Plan does not reflect the anticipated $6.5 billion of funding from the American Rescue Plan Act of 2021. Such funds do not constitute pledged revenues for the Transportation Resolution.

Description of Pledged Revenues

Each of the following revenues is described in more detail in Part 2 of the **ADS** under the caption "REVENUES OF THE RELATED ENTITIES." See also **Tables 2a, 2b, 3a** and **3b** above for both historical and forecasted results for each category of pledged revenues described below.

Revenues from Systems Operations.

- ***Fares from the Transit and Commuter Systems.*** The previously approved transit and commuter fare increases were implemented on March 19, 2017. At its February 27, 2019 meeting, the MTA Board approved transit and commuter fare increases that became effective on April 21, 2019.

  The base subway, local bus and paratransit fares remained unchanged at $2.75 per trip and the base express bus fare increased from $6.50 to $6.75 per trip. The Pay-Per-Ride MetroCard bonus was eliminated. Single ride subway and bus tickets remained unchanged at $3.00. MTA New York City Transit increased the cost of 30-day and calendar monthly unlimited ride MetroCards from $121 to $127, the cost of a 7-day unlimited ride MetroCard from $32 to $33, and the 7-day Express Bus Plus unlimited ride MetroCard from $59.50 to $62.

  At MTA Metro-North Railroad and MTA Long Island Rail Road, all weekly and monthly passes increased 3.85% or less, and monthly tickets no more than $15. One way tickets had a range of increases due to the need for fares to round to $0.25 increments. One-way fares into New York City had a range of increases up to 8.00%. Other ticket types such as intermediates, half fares and other discounted tickets had larger increases up to 10%, again due to the need to round to $0.25 increments on a low ticket price. For these one-way fares, any increase greater than 6.0% was not more than $0.50 per ride. Increased fares also apply to UniTickets and MTA Metro-North Railroad-managed connecting services. CityTicket increased from $4.25 to $4.50.

- ***Other Income.*** MTA receives revenues from concessions to vendors and from advertising and other space it rents in subway and commuter rail cars, buses, stations and other facilities. Concession revenues from Grand Central Terminal (the main station for MTA Metro-North Railroad) and Penn Station (the main station for MTA Long Island Rail Road), however, are not included within these amounts pledged.

Revenues from MTA Bridges and Tunnels Surplus. MTA Bridges and Tunnels is required by law to transfer its annual operating surpluses (generally, tolls and other operating revenues from bridges and tunnels after payment of operating expenses and debt service costs, but not including moneys deposited into the CBD Tolling Capital Lockbox Fund, as hereinafter described) to MTA, and a statutory formula determines how MTA allocates that money between the Transit and Commuter Systems.

At their February 18, 2021 meeting, the MTA Bridges and Tunnels Board approved toll increases that are expected to be implemented on or about April 11, 2021, as follows:

- ***Cash/Tolls by Mail for Passenger Vehicles.*** Toll rates for fare media other than New York Customer Service Center (NYCSC) E-ZPass (which includes cash, Tolls by Mail and non-NYCSC E-ZPass) were increased by $0.67 at the Robert F. Kennedy, Bronx-Whitestone and Throgs Neck Bridges and Queens Midtown and Hugh L. Carey Tunnels (the major facilities) to $10.17, by $0.50 at the Henry Hudson Bridge to $7.50, and by $0.34 at the Marine Parkway-Gil Hodges and Cross Bay Veterans Memorial Bridges (the Rockaway Bridges) to $5.09. Beginning on December 1, 2020, MTA Bridges and Tunnels began collecting tolls in both directions on the Verrazzano-Narrows Bridge (the VNB) at a rate of $9.50 in each direction. These tolls were increased by $0.67 to $10.17. Commercial vehicle tolls also increased.

- ***E-ZPass Tolls.*** E-ZPass tolls for passenger vehicles using tags issued by the NYCSC increased by $0.43 (to $6.55) at major facilities and the VNB, $0.20 (to $3.00) at the Henry Hudson Bridge and $0.16 (to $2.45) at the Rockaway Bridges.

- ***Mid-Tier Tolls***. A new, mid-tier passenger car charge was introduced which applies NYCSC E-ZPass customers when their NYCSC E-ZPass tag is not properly mounted, for tolls posted to

NYCSC E-ZPass accounts based on license plates, and for NYCSC third-party account providers. The Mid-Tier toll for passenger vehicles is \$8.36 at major facilities and the VNB, \$4.62 at the Henry Hudson Bridge, and \$3.77 at the Rockaway Bridges.

Revenues from State and Local Governmental Sources.

- ***General Operating Subsidies from the State and Local Governments.*** Under the State's Section 18-b program, MTA receives:
    - subsidies for the Transit System from the State and matching subsidies from the City, and
    - subsidies for the Commuter System from the State and matching subsidies from the City and the seven counties within the MCTD.
- ***Special Tax-Supported Operating Subsidies.*** MTA receives subsidies from a number of sources including:
    - portions of the following dedicated taxes pledged but not ultimately needed to pay debt service on MTA's Dedicated Tax Fund senior and subordinated bonds:
        - a group of business privilege taxes imposed on petroleum businesses operating in the State, referred to as the PBT,
        - motor fuel taxes on gasoline and diesel fuel, and
        - certain motor vehicle fees administered by the State Department of Motor Vehicles, including both registration and non-registration fees; and
    - portions of the following mass transportation operating assistance or MMTOA taxes, which State law requires first be used to pay debt service on MTA's Dedicated Tax Fund senior and subordinated bonds if the dedicated taxes described above are insufficient:
        - the regional PBT (in addition to the State-wide portion described above), which is referred to as the MMTOA PBT,
        - the sales and compensating use tax within the MCTD,
        - two franchise taxes imposed on certain transportation and transmission companies, and
        - a surcharge on a portion of the franchise tax imposed on certain corporations, banks, insurance, utility and transportation companies attributable to business activities within the MCTD; and
    - a portion of the amounts collected by the City for the benefit of the Transit System from certain mortgage transfer and recording taxes (the Urban Taxes).

Additional Taxes and Fees.

2009 Additional Taxes and Fees. On May 7, 2009, legislation was enacted in the State (the May 2009 Legislation) providing additional sources of revenues, in the form of taxes, fees and surcharges, to address the financial needs of MTA. Certain provisions of the May 2009 Legislation, principally relating to the payroll mobility tax (PMT), have been substantially revised since originally enacted, including provisions exempting additional categories of taxpayers from payment of the PMT, increasing the level of payroll expense at which the PMT becomes applicable, and lowering the tax rate. The May 2009 Legislation, as amended to date, among other things, imposes:

- a PMT on payroll expenses and net earnings from self-employment within the MCTD, subject to certain limitations and exemptions;
- a supplemental fee of one dollar for each six-month period of validity of a learner's permit or a driver's license issued to a person residing in the MCTD;

- a supplemental fee of twenty-five dollars per year on the registration and renewals of registrants of motor vehicles who reside within the MCTD;
- a tax on taxicab owners of fifty cents per ride on taxicab rides originating in the City and terminating within the MCTD; and
- a supplemental tax of six percent of the cost of rentals of automobiles rented within the MCTD.

Additional amendments made in 2011 to the May 2009 Legislation further provided that any reductions in aid to MTA attributable to the 2011 statutory reductions in the PMT "shall be offset through alternative sources that will be included in the state budget" (the PMT Revenue Offset).

Revenue from the PMT is not subject to appropriation, and is payable directly to MTA. The PMT Revenue Offset, however, is subject to appropriation. Beginning in State Fiscal Year 2019-2020, revenues from other taxes and fees imposed by the May 2009 Legislation (the Aid Trust Account Monies) are no longer subject to appropriation, and will be paid on a quarterly basis to MTA.

2018 Additional Revenues. In April 2018, legislation was enacted in the State (the April 2018 Legislation) providing additional sources of revenues, in the form of surcharges and fines, to address the financial needs of MTA. Among other things, the April 2018 Legislation imposed, beginning January 1, 2019, the following:

- a surcharge of $2.75 on for-hire transportation trips (the For-Hire Transportation Surcharge) provided by motor vehicles carrying passengers for hire (or $2.50 in the case of taxicabs that are subject to the $0.50 tax on hailed trips that are part of the MTA Aid Trust Account Receipts), other than pool vehicles, ambulances and buses, on each trip that (1) originates and terminates south of and excluding 96th Street in the Borough of Manhattan (the Congestion Zone), (2) originates anywhere in the State and terminates within the Congestion Zone, (3) originates in the Congestion Zone and terminates anywhere in the State, or (4) originates anywhere in the State, enters into the Congestion Zone while in transit, and terminates anywhere in the State;
- a surcharge of $0.75 for each person (the Pool Vehicle Surcharge, which, together with the For-Hire Transportation Surcharge, is referred to herein collectively as the Congestion Zone Surcharges) who both enters and exits a pool vehicle (certain carpool arrangements set forth in the April 2018 Legislation) in the State and who is picked up in, dropped off in, or travels through the Congestion Zone; and
- certain fines relating to bus rapid transit lane restrictions (the Rapid Transit Lane Fines) captured by the use of stationary and mobile (on-bus) bus lane photo devices on up to ten bus rapid transit routes designated by the New York City Department of Transportation.

The Congestion Zone Surcharges do not apply to transportation services administered by or on behalf of MTA, including paratransit services.

The April 2018 Legislation also created the New York City Transportation Assistance Fund, held by MTA, and the following three accounts therein:

- Subway Action Plan Account,
- Outer Borough Transportation Account, and
- General Transportation Account.

Moneys in the Subway Action Plan Account may be used exclusively for funding the operating and capital costs of the Subway Action Plan (such plan developed by MTA New York City Transit and approved by the MTA Board). Moneys in the Outer Borough Transportation Account may be used exclusively for funding (1) the operating and capital costs of MTA facilities, equipment and services in the counties of Bronx, Kings, Queens and Richmond, and any projects improving transportation connections from such counties to Manhattan, or (2) a toll reduction program for any crossing under the jurisdiction of MTA or MTA Bridges and Tunnels. In connection with the enactment of the State budget for Fiscal Year 2019-2020, adopted on April 1, 2019 (the 2019-2020 State Enacted Budget), moneys from the Outer Borough Transportation Account were earmarked to establish two rebate programs relating to certain toll payers of specified MTA Bridges and Tunnels crossings. Moneys in the General Transportation Account may be used to fund the operating and capital costs of MTA. In each case, moneys may be used for PAYGO or for debt service and reserve requirements.

The Congestion Zone Surcharges, together with interest and penalties thereon, will be deposited daily with the State Comptroller in trust for MTA. The State Comptroller will retain such amount as is determined to be necessary for refunds and the State Commissioner of Taxation and Finance (the Commissioner) will deduct reasonable amounts for costs incurred to administer, collect and distribute such amounts. If sufficient amounts are collected and available, then in accordance with the April 2018 Legislation, on or before the 12th day of each month, after reserving amounts for refunds and reasonable costs, the Commissioner will certify to the State Comptroller the amounts collected in the prior month and the following amounts will be transferred to the following accounts by the 15th business day of each succeeding month (except for the Rapid Transit Lane Fines, which are payable quarterly):

- to the Subway Action Plan Account, without appropriation, the first $300 million;
- to the Outer Borough Transportation Account, without appropriation, in each year the next $50 million; provided that any uncommitted balance at the end of each calendar year shall be transferred to the General Transportation Account (the use of any funds paid into the Outer Borough Transportation Account must be unanimously approved by the members of the MTA Capital Program Review Board (CPRB) appointed upon the recommendations of the Temporary President of the Senate and the Speaker of the Assembly and the member appointed by the Governor); and
- to the General Transportation Account, without appropriation, (1) all excess Congestion Zone Surcharges in each calendar year above the amounts required to be deposited to the Subway Action Plan Account and the Outer Borough Transportation Account, (2) the uncommitted balance at the end of each year in the Outer Borough Transportation Account, and (3) Rapid Transit Lane Fines, interest and penalties until expiration on September 20, 2025.

Application of 2009 Additional Taxes and Fees and 2018 Additional Revenues.

- *PMT*. The revenues from the PMT and the PMT Revenue Offset (the PMT Revenues) can be: (i) pledged by MTA to secure and be applied to the payment of bonds to be issued in the future to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary and (ii) used by MTA to pay capital costs, including debt service on Transportation Revenue Bonds, of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Subject to the provisions of any such pledge, or in the event there is no such pledge, the PMT Revenues can be used by MTA to pay for costs, including operating costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Under the Transportation Resolution, the PMT Revenues constitute "Operating Subsidies" that are pledged to the payment of principal of and interest on the Transportation Revenue Bonds to the extent not required to be applied to the payment of debt service on bonds that may be issued in the future by MTA or MTA Bridges and Tunnels (with PMT Revenues transferred by MTA) to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary, or that may be issued in the future by MTA to fund operating costs, such as the deficit bonds, and secured in whole or in part by the PMT Revenues. See "*Expectations with Respect to Future Bonding*" below.

- *Aid Trust Account Monies*. The revenues from other taxes and fees imposed by the May 2009 Legislation (the Aid Trust Account Monies) may be pledged by MTA or pledged to MTA Bridges and Tunnels to secure debt of MTA or MTA Bridges and Tunnels. Subject to the provisions of such pledge, or in the event there is no such pledge, such revenues can be used by MTA for the payment of operating and capital costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary as MTA shall determine. Under the Transportation Resolution, the Aid Trust Account Monies constitute "Non-Pledged Operating Subsidies" that are not pledged to the payment of principal of and interest on the Transportation Revenue Bonds, unless and until and to the extent MTA allocates such moneys to the payment of debt service on the Transportation Revenue Bonds or Operating and Maintenance Expenses. Although MTA has allocated such monies so as to constitute Pledged Revenues in prior years, no assurances can be given that MTA will allocate any of the Aid Trust Account Monies to the payment of debt service on the Transportation Revenue Bonds or Operating and Maintenance Expenses in the future.

- *Congestion Zone Surcharges and Rapid Transit Lane Fines.* The Congestion Zone Surcharges and the Rapid Transit Lane Fines may be pledged by MTA to secure and be applied to the payment of bonds to be issued in the future to fund capital projects for which moneys in the applicable Account of the New York City Transportation Assistance Fund may be used, as described above, including the payment of debt service of MTA. Subject to the provisions of any such pledge, or in the event there is no such pledge, the Congestion Zone Surcharges and the Rapid Transit Lane Fines may be used by MTA to pay costs, including operating costs of MTA, for which moneys in the applicable Account of the New York City Transportation Assistance Fund may be used.

  Under the Transportation Resolution, the Congestion Zone Surcharges deposited into the Subway Action Plan Account and the Outer Borough Transportation Account constitute "Non-Pledged Operating Subsidies" that are not pledged to the payment of principal of and interest on the Transportation Revenue Bonds, unless and until and to the extent MTA allocates such moneys to the payment of debt service on the Transportation Revenue Bonds or to Operating and Maintenance Expenses. Under the Transportation Resolution, the Congestion Zone Surcharges deposited into the General Transportation Account and the Rapid Transit Lane Fines constitute "Operating Subsidies" that are pledged to the payment of principal of and interest on the Transportation Revenue Bonds.

2019 Additional Revenues for MTA Capital Program Costs. The 2019-2020 State Enacted Budget established three additional revenue sources for MTA: (1) the Central Business District Tolling Program, (2) a portion of the collections of new real estate transfer taxes to be imposed in the City, and (3) allocated portions of the State and City sales tax collections based upon projected increases due to legislative changes to collect City-based internet sales tax allocations (appropriations for the State portion of the sales tax collections were included in the 2020-2021 State Enacted Budget). Funds from such additional revenue sources are to deposited in a newly established CBD Tolling Capital Lockbox Fund held by MTA Bridges and Tunnels, to be used, subject to certain limitations, to fund operating, administration and other necessary expenses relating to the CBD Tolling Program, including costs incurred by MTA Bridges and Tunnels in administering the program and related costs incurred by the City Department of Transportation, and costs of MTA capital projects included in the 2020-2024 Capital Program or any successor capital program. Such funds in the CBD Tolling Capital Lockbox Fund may be:

(i) pledged by MTA Bridges and Tunnels to pay any bonds issued by MTA Bridges and Tunnels to finance (a) costs of the CBD Tolling Program, including the tolling infrastructure, CBD tolling collection system and CBD tolling customer service center and (b) the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program; or

(ii) used by MTA Bridges and Tunnels to pay capital costs of the CBD Tolling Program and the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program on a PAYGO basis; or

(iii) transferred to MTA and either (x) pledged by MTA to pay MTA bonds issued to pay costs of MTA capital projects in the 2020-2024 Capital Program or later capital program, or (y) used by MTA to pay costs of MTA capital projects in the 2020-2024 Capital Program or later capital program on a PAYGO basis.

Notwithstanding the foregoing, however, the State in 2020 enacted legislation that allows MTA, subject to repayment as described therein, to use the moneys in the CBD Tolling Capital Lockbox Fund through 2021 to offset decreases in revenue or increases in operating costs due in whole or in part to the State emergency disaster caused by the COVID-19 pandemic. For further information related to the impact of the

COVID-19 pandemic on the revenues and operations of MTA and its Related Entities, see "SOURCES OF REVENUE – Factors Affecting Revenues – *The COVID-19 Pandemic*" and "– *Government Assistance*" in **Part II**; see also **Attachment 5** – "Third Quarterly Update to the ADS, dated March 2, 2021", the Second Quarterly Update to the ADS, dated November 24, 2020, the Supplement to the ADS, dated August 28, 2020 and the First Quarterly Update to the ADS, dated August 3, 2020.

Expectations with Respect to Future Bonding. On January 13, 2020, MTA submitted to the CPRB a proposed MTA Bridges and Tunnels Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (Statewide and Citywide Sales Tax) (the MTA Bridges and Tunnels Sales Tax Bond Resolution) for review and approval. The MTA Bridges and Tunnels Sales Tax Bond Resolution was deemed approved upon completion of the statutory 15-day review period following such submission and subsequently approved by the MTA Bridges and Tunnels' Board. The timing of the issuance of obligations under the MTA Bridges and Tunnels Sales Tax Bond Resolution for capital costs of the transit and commuter systems relating to projects in the 2020-2024 Capital Program is anticipated to be later in 2021.

The 2020-2021 State Enacted Budget created new authorization for MTA to issue a total of up to $10 billion of bonds or notes during the three year period through 2022, to offset decreases in revenue (i.e. lost taxes, fees, charges, fares and tolls) or increases in operating costs of the MTA and its Related Entities due in whole or in part to the State disaster emergency caused by the COVID-19 pandemic.

On November 18, 2020, the MTA Board approved a Payroll Mobility Tax Resolution (the MTA PMT Bond Resolution) that authorizes MTA to issue bonds, notes and other obligations secured by the PMT (but not the PMT Revenue Offset) and the Aid Trust Account Monies for the purposes described in the preceding paragraph, as well as other working capital needs. In December 2020, MTA placed a bond anticipation note (the MLF BAN) maturing on December 15, 2023, issued under the MTA PMT Bond Resolution in the principal amount of $2,907,280,000 with the Municipal Liquidity Facility (the MLF) under a program established by the Federal Reserve Bank to finance lost revenues and pay additional expenses of the MTA and its affiliates and subsidiaries caused by the COVID-19 pandemic. The principal of and interest on the MLF BAN may be paid solely from (i) the proceeds of rollover bond anticipation notes, (ii) take-out bonds issued under the MTA PMT Bond Resolution, and (iii) the proceeds of notes or other evidences of indebtedness or any other amounts (which other amounts are not otherwise pledged to the payment of the MLF BAN), in each case if and to the extent such amounts may lawfully be used to make such payments. The payment of principal on the MLF BAN is not secured by revenues under the MTA PMT Bond Resolution. The payment of interest on the MLF BAN, all of which is payable at maturity, is payable on a subordinate basis to senior lien obligations and parity obligations that may be issued under the MTA PMT Bond Resolution.

MTA Bridges and Tunnels has adopted a bond resolution (the TBTA PMT Bond Resolution) substantially similar to the MTA PMT Bond Resolution that authorizes MTA Bridges and Tunnels to issue obligations to fund transit and commuter capital projects secured by the PMT (but not the PMT Revenue Offset) and Aid Trust Account Monies, on parity with the MTA PMT Bond Resolution. On March 17, 2021, the TBTA PMT Bond Resolution was deemed approved by the CPRB and subsequently ratified by the Board of MTA Bridges and Tunnels. As described in the preceding paragraphs, MTA is currently permitted to issue bonds, notes and other obligations under the MTA PMT Bond Resolution for deficit financing; however, CPRB approval is required prior to the issuance by MTA under the MTA PMT Bond Resolution of obligations to fund transit and commuter capital projects. The MTA PMT Bond Resolution, TBTA PMT Bond Resolution and related Annexes may be found on the MTA investor website under the caption "Debt Portfolio Information – Bond Resolutions and Interagency Agreements". The provisions of the TBTA PMT Bond Resolution are substantially the same as the provisions of the MTA PMT Bond Resolution and the annexes for both resolutions are identical. No statement on MTA's website is included by specific cross-reference herein.

Anti-Diversion Legislation. Effective December 28, 2018, the Executive Law of the State was amended to, among other things, prohibit, subject to limited exceptions requiring the adoption of future State legislation, any diversion of revenues derived from taxes and fees payable to MTA (including, but not limited to taxes and fees paid to the MTA Dedicated Tax Fund, the PMT and other taxes and fees imposed by the May 2009 Legislation, as amended) into the State's general fund or any other fund maintained for support of another governmental purpose.

Station Maintenance and Service Reimbursements. MTA is reimbursed by the City and the seven counties in the MCTD with respect to commuter stations located in each respective jurisdiction for the cost of staffing the stations, maintaining the stations and appurtenant land and buildings, and insurance. In addition, the City provides for the policing of the Transit System and contributes to support MTA New York City Transit's paratransit, senior citizen and school children programs. Also, MTA Metro-North Railroad receives certain payments from the Connecticut Department of Transportation (CDOT) for its share of the operating deficits of the New Haven rail line.

City Agreement with MTA Bus. In December 2004, the MTA Board approved a letter agreement with the City (the MTA Bus Letter Agreement) with respect to MTA Bus' establishment and operation of certain bus routes (the MTA Bus System) in areas then served by seven private bus companies pursuant to franchises granted by the City. The City's payments under the MTA Bus Letter Agreement are pledged to holders of the Transportation Revenue Bonds and are reflected in **Tables 2a, 2b, 3a** and **3b** above. The MTA Bus Letter Agreement with the City provides for the following:

- A lease by the City to MTA Bus of the bus assets to operate the MTA Bus System.
- The City agrees to pay MTA Bus the difference between the actual cost of operation of the MTA Bus System (other than certain capital costs) and all revenues and subsidies received by MTA Bus and allocable to the operation of the MTA Bus System.
- If the City fails to timely pay any of the subsidy amounts due for a period of 30 days, MTA Bus has the right, after an additional 10 days, to curtail, suspend or eliminate service and may elect to terminate the agreement. The City can terminate the agreement on one year's notice.

Revenues from Investment Income and Miscellaneous. MTA earns income, as do its subsidiaries and affiliates, from the temporary investment of money held in those of MTA's various funds and accounts that are pledged to holders of Transportation Revenue Bonds.

Factors Affecting Revenues

The COVID-19 Pandemic. The COVID-19 pandemic has had a substantially adverse impact on MTA revenues, operations and the timing of its capital projects' implementation. The impacts of the COVID-19 pandemic on MTA's financial condition have been, and continue to be severe and may deteriorate further. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES" in Part 1 of the **ADS**, including the supplements thereto; see also **Attachment 5** – "Third Quarterly Update to the ADS, dated March 2, 2021", the Second Quarterly Update to the ADS, dated November 24, 2020, the Supplement to the ADS, dated August 28, 2020 and the First Quarterly Update to the ADS, dated August 3, 2020.

Ridership. The level of fare revenues depends to a large extent on MTA's ability to maintain and/or increase ridership levels on the Transit, Commuter and MTA Bus Systems. Those ridership levels are affected by safety and the quality and efficiency of systems operations, as well as by financial and economic conditions in the New York metropolitan area, and the severe impact of the COVID-19 pandemic, as noted above.

Fare Policy. MTA determines the rate or rates of fares charged to users of the Commuter System and MTA Bus System, and MTA New York City Transit and MaBSTOA, together with MTA, do the same for the Transit System. After adopting operating expense budgets and assessing the availability of governmental subsidies, each makes a determination of fares necessary to operate on a self-sustaining cash basis in compliance with State law and covenants in the Transportation Resolution. Considering the impact of increased fares on riders and on the regional economy, MTA may attempt to reduce costs or obtain additional revenues from other sources, mainly governmental sources, before increasing fares. As a result, even though MTA does not generally need other governmental approvals before setting fares, the amount and timing of fare increases may be affected by the federal, State and local government financial conditions, as well as by budgetary and legislative processes. MTA's obligation to obtain approval of fare increases on the New Haven line from CDOT can also affect the amount and timing of fare increases.

Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses. The Transit, Commuter and MTA Bus Systems have depended, and are expected to continue to depend, upon government subsidies to meet capital and operating needs. Thus, although MTA is legally obligated by the Transportation Resolution's rate covenant to raise fares sufficiently to cover all capital and operating costs, there can be no assurance that there is any level at which Transit, Commuter and MTA Bus Systems fares alone would produce revenues sufficient to comply with the rate covenant, particularly if the current level (or the assumed level in the Summary of Final Estimate 2020 and Adopted Budget 2021 and the forecasts in the February Financial Plan 2021-2024 prepared in connection with 2022, 2023 and 2024) of collection of dedicated taxes, operating subsidies, and expense reimbursements were to be discontinued or substantially reduced.

Operating Results and Projections. Based upon the Adopted Budget 2021 and the February Financial Plan 2021-2024, the budgets of the Related Entities reflect substantial projected deficits through 2024. Any of the Transit System, the Commuter System or MTA Bus System or all of them may be forced to institute additional cost reductions (which, in certain circumstances, could affect service which, in turn, could adversely affect revenues) or take other additional actions to close projected budget gaps, which could include additional fare increases.

MTA Liquidity Resources. As of March 24, 2021, MTA had liquidity resources in the approximate amount of \$6.830 billion, consisting of a current running cash balance of \$940 million, internal available flexible funds totaling \$1.313 billion, PMT working capital BANs totaling \$2.903 billion and commercial bank lines of credit totaling \$1.674 billion (total commercial bank lines of credit are \$2.150 billion, of which \$476 million have been drawn by MTA). *These funds provide a temporary funding "bridge" to a permanent solution to lost revenues and higher expenses. Certain of these funds must be repaid or replaced. Use of these monies will leave MTA with a significant gap in funding for both the operating budget and capital plan over the longer term and will likely result in additional debt issuance and unfunded operating needs.*

Financial Plans. The February Financial Plan 2021-2024, the 2010-2014 Capital Program, the 2015-2019 Capital Program, the 2020-2024 Capital Program and prior and future Capital Programs are interrelated, and any failure to fully achieve the various components of these plans could have an adverse impact on one or more of the other proposals contained in the February Financial Plan 2021-2024, the 2010-2014 Capital Program, the 2015-2019 Capital Program, the 2020-2024 Capital Program and prior and future Capital Programs, as well as on pledged revenues.

MTA Transformation Plan. The 2019-2020 State Enacted Budget required a series of MTA reforms, including the mandate to develop an organizational restructuring plan with the goal of streamlining the organization, reducing fixed costs and providing safe and reliable service. To that end, MTA procured the services of a management consulting firm that provided a report to MTA (the MTA Transformation Plan). The MTA Transformation Plan was approved as a blueprint plan by the MTA Board at its July 24, 2019 meeting. The MTA Transformation Plan is central to MTA's efforts to efficiently meet the needs of its customers in a cost efficient manner without reducing service. To that end, MTA is delivering these benefits mainly by leveraging in-house competencies, reinforced by selected external hires where strictly necessary, and aggressively benchmarking performance relative to other agencies undertaking similar public service functions. MTA is evaluating and holding accountable all of its functions and agencies to rigorous value for money performance criteria. The MTA Transformation Plan and initial anticipated fiscal impacts of the report's recommendations are included in the February Financial Plan 2021-2024. Transformation leadership, reporting to the MTA Board, expects to continue providing updates, refining the Financial Plan 2021-2024 over the course of the 2021 fiscal year.

In light of the COVID-19 pandemic and the fiscal crisis it created, the MTA Transportation Plan will proceed on a different timeline than originally anticipated. The focus of the MTA Transformation Plan remains directed at (i) employee and customer health and safety, (ii) operational excellence despite the organizational and operational constraints imposed by the pandemic, and (iii) addressing immediate and longer term financial challenges through the end of 2024.

MTA Bridges and Tunnels Operating Surplus. The amount of MTA Bridges and Tunnels operating surplus to be used for the Transit and Commuter Systems is affected by a number of factors, including traffic volume, the timing and amount of toll increases, the operating and capital costs of MTA Bridges and Tunnels

Facilities, and the amount of debt service payable from its operating revenues, including debt service on obligations issued for the benefit of MTA's affiliates and subsidiaries and for MTA Bridges and Tunnels' own capital needs, including its bridges and tunnels and the CBD Tolling Program as well as by the COVID-19 pandemic.

Government Assistance. The level and timing of government assistance to MTA may be affected by several different factors, such as:

- Subsidy payments by the State may be made only if and to the extent that appropriations have been made by the Legislature and money is available to fund those appropriations.
- The Legislature may not bind or obligate itself to appropriate revenues during a future legislative session, and appropriations approved during a particular legislative session generally have no force or effect after the close of the State fiscal year for which the appropriations are made.
- The State is not bound or obligated to continue to pay operating subsidies to the Transit, Commuter or MTA Bus Systems or to continue to impose any of the taxes currently funding those subsidies.
- The financial condition of the State and the State of Connecticut, and the City and counties in the MCTD could affect the ability or willingness of the States and local governments to continue to provide general operating subsidies, the City and local governments to continue to provide reimbursements and station maintenance payments, and the State to continue to make special appropriations.
- Court challenges to the State taxes that are the sources of various State and City operating subsidies to MTA, if successful, could adversely affect the amount of pledged revenues generated by such State taxes.
- The State released its Fiscal Year 2022 Executive Budget Financial Plan (the State Fiscal Year 2022 Executive Financial Plan) on January 19, 2021, in connection with the State Fiscal Year 2021-2022 Executive Budget. While the State, in its Fiscal Year 2022 Executive Financial Plan, continues to caution that the wide-ranging economic, health and social disruptions caused by the COVID-19 pandemic are having an adverse impact on the State's finances as well as aid directed to State authorities and localities, including MTA and the City, the update to its Mid-Year Financial Plan reflects improvement due to stronger than expected tax receipts through December 2020 and for the first weeks of 2021. As part of a plan to address the financial impacts of the COVID-19 pandemic, the Mid-Year State Fiscal Year 2021 Financial Plan included $8.2 billion in recurring reductions in Aid-to-Locality disbursements. To reach this target by the end of its fiscal year, consistent with the Mid-Year Plan assumption, the State had commenced withholding 20 percent of most local aid payments. Due to the improved tax receipts, additional availability of COVID-19 pandemic relief resources and a temporarily higher federal matching rate for Medicaid, the State now expects to reduce most Aid-to-Locality disbursements by a total of 5 percent from the 2020-2021 State Enacted Budget estimates, rather than the 20 percent anticipated in the Mid-Year Update. The State plans to reconcile payments and withholdings to date, and to pay balances to the localities by the end of the final quarter of State Fiscal Year 2021. MTA expected to receive approximately $3.2 billion in Aid-to-Locality disbursements during the State's 2021 fiscal year, which fiscal year ends on March 31, 2021.

For further information related to the impact of the COVID-19 pandemic on government assistance and relating to the revenues and operations of MTA and its Related Entities, see "BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES" in Part 1 of the **ADS**; see also **Attachment 5** – "Third Quarterly Update to the ADS, dated March 2, 2021", the Second Quarterly Update to the ADS, dated November 24, 2020, the Supplement to the ADS, dated August 28, 2020 and the First Quarterly Update to the ADS, dated August 3, 2020.

Information Relating to the State. Information relating to the State, including the Annual Information Statement of the State, as amended or supplemented, is not a part of this remarketing circular.

Such information is on file with the MSRB through EMMA with which the State was required to file, and the State has committed to update that information to the holders of its general obligation bonds in the manner specified in Rule 15c2-12. Prospective purchasers of Transportation Revenue Bonds and Notes wishing to obtain that information may refer to those filings regarding currently available information about the State. The State has not obligated itself to provide continuing disclosure in connection with the offering of Transportation Revenue Bonds or Notes. MTA makes no representations about State information or its continued availability.

SECURITY

General

The Transportation Revenue Bonds, including the Remarketed Bonds, are MTA's special obligations payable as to principal (including sinking fund installments), redemption premium, if any, and interest from the security, sources of payment, and funds specified in the Transportation Resolution.

- The payment of principal (including sinking fund installments, if any), redemption premium, if any, and interest on Transportation Revenue Bonds is secured by, among other sources described below, the transportation revenues discussed in the preceding section "SOURCES OF PAYMENT," which are, together with certain other revenues, referred to as "pledged revenues."
- Holders of Transportation Revenue Bonds are to be paid after the payment of debt service on revenue anticipation notes and prior to the payment, from pledged revenues, of operating or other expenses of MTA, MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus. However, MTA's ability to generate major portions of the pledged revenues depends upon its payment of operating and other expenses.
- Transportation Revenue Bonds are not a debt of the State or the City, or any other local governmental unit.
- MTA has no taxing power.

Summaries of certain provisions of the Transportation Resolution and the form of the Interagency Agreement have been filed with the MSRB through EMMA. See "INTRODUCTION – Where to Find Information."

Revenue Anticipation Notes Authorized by the Resolution

MTA and MTA New York City Transit have in the past and may, from time to time, in the future issue revenue anticipation notes (RANs) for their working capital needs and the needs of their respective affiliates and subsidiaries occasioned by delays in the receipt of subsidies or other irregularities in the timing of receipt of revenues. See "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Pledged Transportation Revenues Gross Lien." RANs issued under the Transportation Resolution are secured by a lien on Operating Subsidies (as defined in the Transportation Resolution) prior to the lien in favor of the owners of Transportation Revenue Bonds. Owners of the Transportation Revenue Bonds retain a first lien on the other Pledged Revenues, including fares. The maturity on such RANs may not exceed 18 months. While such notes can be rolled, the final maturity of the notes cannot exceed five years from the date of their original issuance.

MTA has entered into three agreements that would permit the issuance of up to \$2.15 billion of revenue anticipation notes, with \$476 million currently outstanding, and MTA has Board approval to enter into agreements for an additional \$850 million. Such agreements have been filed with EMMA, along with periodic notices regarding amounts drawn thereunder. Two of the agreements expire on August 24, 2022, and the third expires on May 22, 2022.

Operating Subsidies include general operating subsidies from the State and local governments under the State's Section 18-b program; special tax-supported operating subsidies (the MTTF revenues and MMTOA taxes) after the payment of debt service and certain other obligations relating to MTA's Dedicated Tax Fund senior and subordinated bonds; PMT Revenues after the payment of debt service and certain other obligations relating to senior and subordinated bonds issued under the MTA PMT Resolution and the TBTA PMT Bond Resolution; MTA Bridges and Tunnels operating surplus; Commuter System station maintenance payments; certain mortgage recording and real property transfer taxes with respect to certain real property located within the City referred to as the "urban taxes"; and Congestion Zone Surcharges and Rapid Transit Lane Fines deposited into the General Transportation Account. See "- *Expectations with Respect to Future Borrowings*" above.

Pledge Effected by the Resolution

The Transportation Resolution provides that there are pledged to the payment of principal and redemption premium of, interest on, and sinking fund installments for, the Transportation Revenue Bonds and Parity Debt, in accordance with their terms and the provisions of the Transportation Resolution the following, referred to as the "Trust Estate":

- all pledged revenues as described above;
- the net proceeds of certain agreements pledged by MTA to the payment of transit and commuter capital projects;
- the proceeds from the sale of Transportation Revenue Bonds, until those proceeds are paid out for an authorized purpose;
- all funds, accounts and subaccounts established by the Transportation Resolution (except those established by a supplemental obligation resolution for variable interest rate obligations, put obligations, parity debt, subordinated contract obligations or subordinated debt); and
- the Amended and Restated Interagency Agreement dated as of April 1, 2006, among MTA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA New York City Transit, MaBSTOA and MTA Bus.

The Trustee may directly enforce an undertaking to operate the Transit System, the Commuter System or the MTA Bus System to ensure compliance with the Transportation Resolution.

Under the Transportation Resolution, the operators of the Transit, Commuter and MTA Bus Systems are obligated to transfer to the Trustee for deposit into the Revenue Fund virtually all pledged revenues as soon as practicable following receipt or, with respect to revenues in the form of cash and coin, immediately after being counted and verified. The pledge of money located in the State of Connecticut may not be effective until that money is deposited under the Transportation Resolution.

Flow of Revenues

The Transportation Resolution creates the following funds and accounts:

- Revenue Fund (held by the Trustee),
- Debt Service Fund (held by the Trustee), and
- Proceeds Fund (held by MTA).

Subject to the payment from the operating subsidies of debt service on RANs, the Transportation Resolution requires the Trustee, promptly upon receipt of the pledged revenues in the Revenue Fund, to deposit the revenues into the following funds and accounts, in the amounts and in the order of priority, as follows:

- to the debt service accounts, the net amount, if any, required to make the amount in the debt service accounts equal to the accrued debt service for Transportation Revenue Bonds and Parity Debt to the last day of the current calendar month;

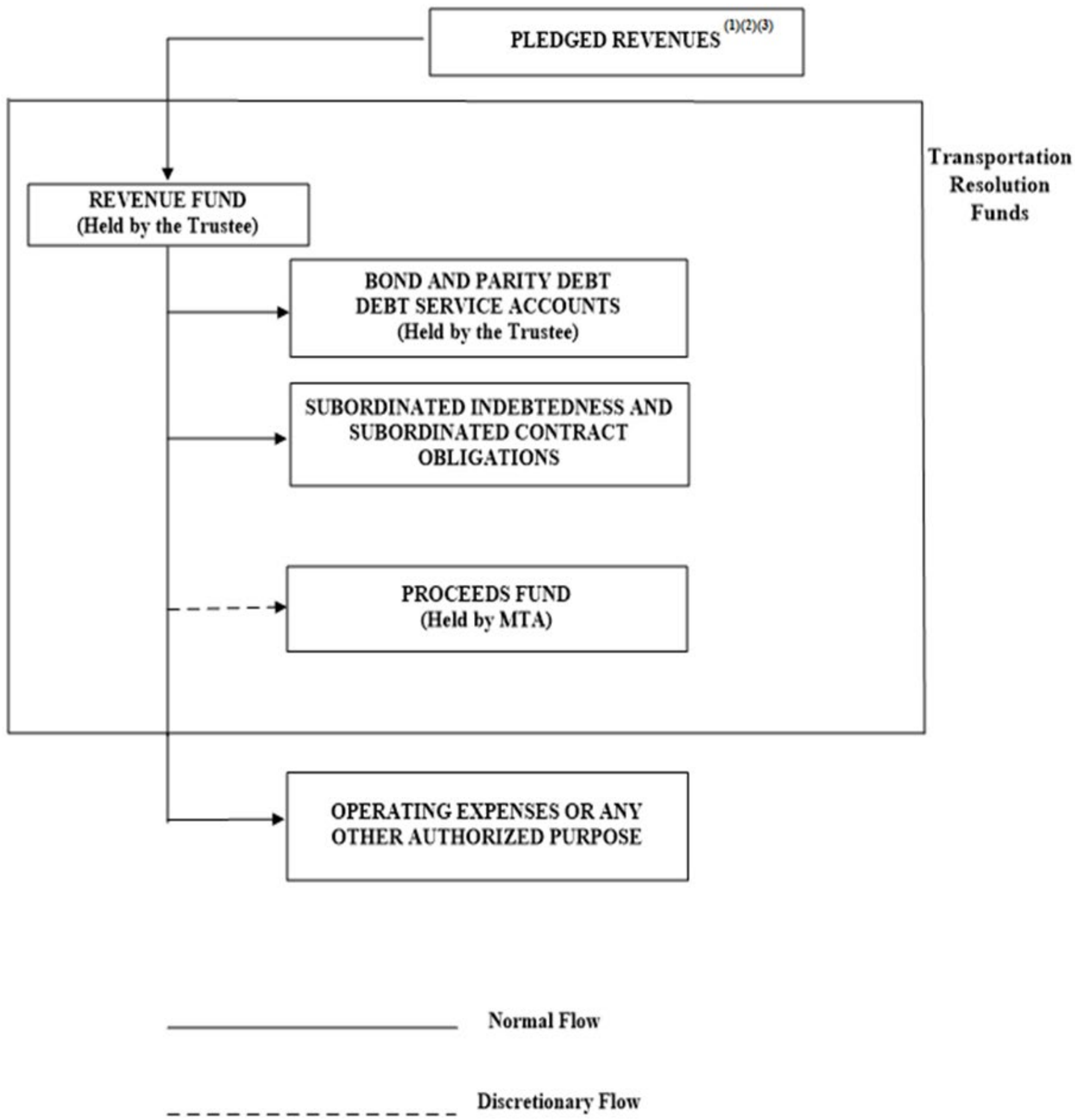
- to pay, or accrue to pay, principal of and interest on any Subordinated Indebtedness or for payment of amounts due under any Subordinated Contract Obligation;
- to MTA for deposit in the Proceeds Fund, as directed by one of MTA's authorized officers, to fund Capital Costs of the Transit, Commuter and MTA Bus Systems; and
- to accounts held by MTA or any of the Related Transportation Entities for payment of operating expenses or any other authorized purpose.

All amounts paid out by MTA or the Trustee either for an authorized purpose (excluding transfers to any other pledged fund or account) or under the last bullet point above are free and clear of the lien and pledge created by the Transportation Resolution.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

The following chart illustrates the basic elements of the flow of revenues described above:

TRANSPORTATION REVENUE OBLIGATIONS – FLOW OF PLEDGED REVENUES



(1) Includes "Operating Subsidies" pledged to the payment of RANs prior to the payment of principal and interest on Transportation Revenue Bonds.

(2) MTA has issued the MLF BAN under the MTA PMT Bond Resolution and expects that it may continue to issue additional obligations secured by the PMT (but not the PMT Revenue Offset) and the Aid Trust Account Monies. See "Description of Pledged Revenues – *Additional Taxes and Fees - Expectations with Respect to Future Bonding*".

(3) MTA is authorized to issue deficit bonds payable from numerous sources, including PMT Revenues and Aid Trust Account Monies.

Covenants

Rate Covenants. MTA must fix the transit and commuter fares and other charges and fees to be sufficient, together with other money legally available or expected to be available, including from government subsidies –

- to pay the debt service on all the Transportation Revenue Bonds;
- to pay any Parity Debt;
- to pay any Subordinated Indebtedness and amounts due on any Subordinated Contract Obligations; and
- to pay, when due, all operating and maintenance expenses and other obligations of its transit and commuter affiliates and subsidiaries.

See "SOURCES OF PAYMENT – Factors Affecting Revenues" above.

Operating and Maintenance Covenants.

- MTA, MaBSTOA, MTA New York City Transit, MTA Metro-North Railroad, MTA Long Island Rail Road and MTA Bus are required at all times to operate, or cause to be operated, the systems properly and in a sound and economical manner and maintain, preserve, reconstruct and keep the same or cause the same to be maintained, preserved, reconstructed and kept in good repair, working order and condition.
- Nothing in the Transportation Resolution prevents MTA from ceasing to operate or maintain, or from leasing or disposing of, all or any portion of the systems if, in MTA's judgment it is advisable to do so, but only if the operation is not essential to the maintenance and continued operation of the rest of the systems and this arrangement does not materially interfere with MTA's ability to comply with MTA's rate covenants.

Additional Bonds. The Transportation Resolution permits MTA to issue additional Transportation Revenue Bonds and to issue or enter into Parity Debt, from time to time, to pay or provide for the payment of qualifying costs, without meeting any specific debt-service-coverage level, as long as MTA certifies to meeting the rate covenant described above for the year in which the additional debt is being issued. Under the Transportation Resolution, MTA may only issue additional Transportation Revenue Bonds if those bonds are issued to fund projects pursuant to an approved MTA Capital Program, if an approved capital program is then required.

There is no covenant with Owners limiting the aggregate principal amount of revenue anticipation notes or additional Transportation Revenue Bonds or Parity Debt that MTA may issue. There is a limit under current State law that covers the Transportation Revenue Bonds and certain other securities. See Part 3 of the **ADS** under the caption "GENERAL – Financing of Capital Projects and Statutory Ceiling" for a description of the current statutory cap.

Refunding Bonds. MTA may issue Transportation Revenue Bonds to refund all or any portion of outstanding Transportation Revenue Bonds or Parity Debt. Transportation Revenue Bonds may also be issued to refund any pre-existing indebtedness of any Related Entity issued to fund transit and commuter projects. The MTA Board has adopted a refunding policy which must be complied with prior to the issuance of any refunding Bonds.

Non-Impairment. Under State law, the State has pledged to MTA that it will not limit or change MTA's powers or rights in such a way that would impair the fulfillment of MTA's promises to holders of the Transportation Revenue Bonds.

No Bankruptcy. State law specifically prohibits MTA, its Transit System affiliates, its Commuter System subsidiaries or MTA Bus from filing a bankruptcy petition under Chapter 9 of the U.S. Federal Bankruptcy Code. As long as any Transportation Revenue Bonds are outstanding, the State has covenanted not to change the law to permit MTA or its affiliates or subsidiaries to file such a petition. Chapter 9 does not provide authority for creditors to file involuntary bankruptcy proceedings against MTA or other Related Entities.

Parity Debt

MTA may incur Parity Debt pursuant to the terms of the Transportation Resolution that, subject to certain exceptions, would be secured by a pledge of, and a lien on, the Trust Estate on a parity with the lien created by the Transportation Resolution with respect to Transportation Revenue Bonds. Parity Debt may be incurred in the form of a Parity Reimbursement Obligation, a Parity Swap Obligation or any other contract, agreement or other obligation of MTA designated as constituting 'Parity Debt' in a certificate of an Authorized Officer delivered to the Trustee.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

PART III. OTHER INFORMATION ABOUT THE REMARKETED BONDS

Part III of this remarketing circular provides miscellaneous additional information relating to the Remarketed Bonds.

TAX MATTERS

General

On May 30, 2002, the date of original issuance of the Series 2002D Bonds, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth in **Attachment 3-1** (the Approving Opinion). On May 25, 2011, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-2** (the First Reissuance Opinion) related to the remarketing of the Subseries 2002D-2 Bonds (as defined therein), which remarketing was deemed a reissuance for federal tax purposes. On May 27, 2014, Nixon Peabody LLP, as bond counsel to MTA, delivered its opinion (the First Remarketing Opinion) related to the remarketing on that date of the Subseries 2002D-2 Bonds. On March 29, 2018, Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., as co-bond counsel to MTA, delivered their opinions (the Second Remarketing Opinion) related to the remarketing on that date of the Subseries 2002D-2b Bonds. On April 6, 2020, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, as co-bond counsel to MTA, delivered the opinion set forth as **Attachment 3-3** (the Second Reissuance Opinion) related to the remarketing of the Subseries 2002D-2a-1 Bonds, which remarketing was deemed a reissuance for federal tax purposes. The First Reissuance Opinion, the First Remarketing Opinion, the Second Remarketing Opinion and the Second Reissuance Opinion are collectively referred to as the Prior Opinions. Each of the Prior Opinions speaks only as of its respective date and only as to the matters expressly stated.

Each of the First Reissuance Opinion, with respect to the Subseries 2002D-2 Bonds, and the Second Reissuance Opinion, with respect to the Subseries 2002D-2a-1 Bonds, concluded that, under then existing law, as of its respective date, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, interest on the Subseries 2002D-2 Bonds and the Subseries 2002D-2a-1 Bonds, respectively, was:

- excluded from a bondholder's federal gross income under the Internal Revenue Code of 1986, and
- not a preference item for a bondholder under the federal alternative minimum tax, although it is included in the adjusted current earnings of certain corporations for purposes of calculating the federal corporate alternative minimum tax.*

Each of the First Reissuance Opinion and the Second Reissuance Opinion also concluded that, under then existing law, as of its respective date, interest on the Subseries 2002D-2 Bonds and the Subseries 2002D-2a-1 Bonds, respectively, was exempt from personal income taxes of the State and any political subdivisions of the State, including the City.

The First Remarketing Opinion concluded that, under then-existing law, as of its date, the mandatory tender and remarketing of the Subseries 2002D-2 Bonds and the redesignation of the Subseries 2002D-2 Bonds as the Subseries 2002D-2a Bonds and the Subseries 2002D-2b Bonds would not adversely affect for federal and State income tax purposes the tax treatment on the Subseries 2002D-2 Bonds.

The Second Remarketing Opinion concluded that, under then-existing law, as of its date, the mandatory tender and remarketing of the Subseries 2002D-2b Bonds would not adversely affect for federal and State income tax purposes the tax treatment on the Subseries 2002D-2b Bonds.

* The Tax Cuts and Jobs Act of 2017, Public Law No. 115-97, eliminated the alternative minimum tax in respect of corporations for taxable years commencing after December 31, 2017.

On each Mandatory Tender Date, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, as Co-Bond Counsel to MTA for the remarketing of the Remarketed Bonds, will deliver an opinion in the form set forth hereto as **Attachment 3-4** that the mandatory tender and remarketing of the respective subseries of Remarketed Bonds on such Mandatory Tender Date and the amendment of the terms and provisions of such subseries of Remarketed Bonds as described herein will not, in and of themselves, adversely affect the exclusion of interest on such subseries of Remarketed Bonds from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986.

The Remarketed Bonds

The Internal Revenue Code of 1986 imposes requirements on the Remarketed Bonds that MTA must continue to meet after the Remarketed Bonds were originally issued (or reissued for federal tax purposes). These requirements generally involve the way that Remarketed Bond proceeds must be invested and ultimately used. If MTA does not meet these requirements, it is possible that an Owner may have to include interest on the Remarketed Bonds in its federal gross income on a retroactive basis to the date of issue. MTA has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code of 1986.

An Owner who is a particular kind of taxpayer may also have additional tax consequences from owning the Remarketed Bonds. This is possible if an Owner is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Remarketed Bonds.

If an Owner is in any of these categories, it should consult its tax advisor.

Co-Bond Counsel are not responsible for updating their respective opinions in the future. Although it is not possible to predict, as of the respective dates of delivery of such opinions, it is possible that something may have happened or may happen in the future that could change the tax treatment of the interest on the Remarketed Bonds or affect the market price of the Remarketed Bonds. See also "Miscellaneous" below under this heading.

Co-Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Remarketed Bonds or under State, local or foreign tax law.

Bond Premium

If an Owner purchases a Remarketed Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Remarketed Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized an Owner's tax basis in that Remarketed Bond will be reduced. The Owner of a Remarketed Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Remarketed Bond. An Owner in certain circumstances may realize a taxable gain upon the sale of a Remarketed Bond with bond premium, even though the Remarketed Bond is sold for an amount less than or equal to the Owner's original cost. If an Owner owns any Remarketed Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, such as the Remarketed Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the interest recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Internal Revenue Code of 1986. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing a Remarketed Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Remarketed Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Legislative or administrative actions and court decisions, at either the federal or state level, may cause interest on the Remarketed Bonds to be subject, directly or indirectly, in whole or in part, to federal, state or local income taxation, and thus have an adverse impact on the value or marketability of the Remarketed Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion or exemption of the interest on the Remarketed Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an impact on the federal or state income tax treatment of holders of the Remarketed Bonds may occur. Prospective purchasers of the Remarketed Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Remarketed Bonds. Co-Bond Counsel have not undertaken to advise in the future whether any events after the date of the remarketing of the Remarketed Bonds may affect the tax status of interest on the Remarketed Bonds.

Prospective Owners should consult their own tax advisors regarding the foregoing matters.

LEGALITY FOR INVESTMENT

The MTA Act provides that the Remarketed Bonds are securities in which the following investors may properly and legally invest funds, including capital in their control or belonging to them:

- all public officers and bodies of the State and all municipalities and political subdivisions in the State,
- all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business,
- all administrators, guardians, executors, trustees and other fiduciaries, and
- all other persons whatsoever who are now or who may hereafter be authorized to invest in the obligations of the State.

Certain of those investors, however, may be subject to separate restrictions that limit or prevent their investment in the Remarketed Bonds.

LITIGATION

There is no pending litigation concerning the Remarketed Bonds.

MTA is the defendant in numerous claims and actions, as are its affiliates and subsidiaries, including MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bus and MTA Bridges and Tunnels. Certain of these claims and actions, either individually or in the aggregate, are potentially material to MTA, or its affiliates or subsidiaries. MTA does not believe that any of these claims or actions would affect the application of the sources of payment for the Remarketed Bonds. A summary of certain of these potentially material claims and actions is set forth in Part 6 of the **ADS** under the caption "LITIGATION," as that filing may be amended or supplemented to date.

CO-FINANCIAL ADVISORS

Public Resources Advisory Group, Inc. and Rockfleet Financial Services, Inc. are MTA's Co-Financial Advisors for the Remarketed Bonds. The Co-Financial Advisors have provided MTA advice on the remarketing plan and reviewed the pricing of the Remarketed Bonds. The Co-Financial Advisors have not independently verified the information contained in this remarketing circular and do not assume responsibility for the accuracy, completeness or fairness of such information.

REMARKETING

The Remarketed Bonds are being purchased and remarketed by the remarketing agents shown on the cover hereof (the Remarketing Agents), acting through BofA Securities, Inc., as Representative, at prices that are not in excess of the prices stated on the cover of this remarketing circular. The Remarketing Agents will be paid $566,334.09 as compensation for services rendered in connection with the remarketing of the Remarketed Bonds.

In addition, certain of the Remarketing Agents have entered into distribution agreements with other broker-dealers (that have not been designated by MTA as Remarketing Agents) for the distribution of the Remarketed Bonds at the original issue prices. Such agreements generally provide that the relevant Remarketing Agent will share a portion of its compensation or selling concession with such broker-dealers.

The Remarketing Agents and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, principal investment, hedging, financing and brokerage activities. The Remarketing Agents and their affiliates have, from time to time, performed, and may in the future perform, various investment banking services for MTA, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Remarketing Agents and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of MTA. The Remarketing Agents and their affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

RATINGS

The Summary of Terms identifies the ratings of the credit rating agencies that are assigned to the Remarketed Bonds. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings or any outlooks, criteria methodology or other statements given with respect thereto from each identified agency may be obtained as follows:

Fitch Ratings Hearst Tower 300 W. 57th Street New York, New York 10019 (212) 908-0500	Kroll Bond Ratings Agency, Inc. 805 Third Avenue, 29th Floor New York, New York 10022 (212) 702-0707
Moody's Investors Service, Inc. 7 World Trade Center New York, New York 10007 (212) 553-0300	S&P Global Ratings 55 Water Street New York, New York 10041 (212) 438-2000

MTA has furnished information to each rating agency rating the Remarketed Bonds, including information not included in this remarketing circular, about MTA and the bonds. Generally, rating agencies base their ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold securities. There can be no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by a rating agency if, in the judgment of that rating agency, circumstances warrant the revision or withdrawal. Those circumstances may include, among other things, changes in or unavailability of information relating to MTA or the Remarketed Bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Remarketed Bonds.

LEGAL MATTERS

Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP are Co-Bond Counsel to MTA for the remarketing of the Remarketed Bonds. On May 30, 2002, the date of original issuance of the Series 2002D Bonds, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the approving opinion set forth in **Attachment 3-1**. On May 25, 2011, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-2** related to the remarketing of the Subseries 2002D-2 Bonds, which remarketing was deemed a reissuance for federal tax purposes. On April 6, 2020, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, as co-bond counsel to MTA, delivered the opinion set forth as **Attachment 3-3** related to the remarketing of the Subseries 2002D-2a-1 Bonds, which remarketing was deemed a reissuance for federal tax purposes. The foregoing opinions speak only as of their respective dates, only as to the matters expressly stated and none of the foregoing opinions is being re-delivered.

On the respective Delivery Date for each subseries of the Remarketed Bonds, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, as Co-Bond Counsel to MTA, will each deliver an opinion substantially in the form set forth as **Attachment 3-4**.

The Remarketing Agents have appointed Cozen O'Connor as counsel to the Remarketing Agents in connection with the remarketing of the Remarketed Bonds, which firm will pass on certain legal matters.

Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, Special Disclosure Counsel to MTA.

Certain legal matters regarding MTA will be passed upon by its General Counsel.

CONTINUING DISCLOSURE

As more fully stated in **Attachment 2**, MTA has agreed to provide certain financial information and operating data by no later than 120 days following the end of each fiscal year. That information is to include, among other things, information concerning MTA's annual audited financial statements prepared in accordance with generally accepted accounting principles, or if unavailable, unaudited financial statements will be delivered until audited statements become available. MTA has undertaken to file such information (the Annual Information) with EMMA.

MTA has further agreed to deliver notice to EMMA of any failure to provide the Annual Information. MTA is also obligated to deliver, in a timely manner not in excess of ten business days after the occurrence of each event, notices of the following events to EMMA:

- principal and interest payment delinquencies;
- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Remarketed Bonds or other material events affecting the tax status of the Remarketed Bonds;
- modifications to the rights of security holders, if material;
- bond calls, if material, and tender offers;
- defeasances;
- release, substitution, or sale of property securing repayment of the Remarketed Bonds, if material;
- rating changes;
- bankruptcy, insolvency, receivership of MTA or similar event;
- consummation of a merger, consolidation, or acquisition involving an obligated person or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- appointment of a successor or additional trustee or the change in name of a trustee, if material;
- incurrence of a financial obligation, as defined in Rule 15c2-12, of MTA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of MTA, any of which affect security holders, if material; and
- default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of MTA, any of which reflect financial difficulties.

MTA has not failed to comply, in any material respect, with any previous undertakings in a written contract or agreement specified in paragraph (b)(5)(i) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended.

MTA is not responsible for any failure by EMMA or any nationally recognized municipal securities information repository to timely post disclosure submitted to it by MTA or any failure to associate such submitted disclosure to all related CUSIPs.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

FURTHER INFORMATION

MTA may place a copy of this remarketing circular on MTA's website at https://new.mta.info/investors. No statement on MTA's website or any other website is included by specific cross-reference herein.

Although MTA has prepared the information on its website for the convenience of those seeking that information, no decision in reliance upon that information should be made. Typographical or other errors may have occurred in converting the original source documents to their digital format, and MTA assumes no liability or responsibility for errors or omissions contained on any website. Further, MTA disclaims any duty or obligation to update or maintain the availability of the information contained on any website or any responsibility or liability for any damages caused by viruses contained within the electronic files on any website. MTA also assumes no liability or responsibility for any errors or omissions or for any updates to dated information contained on any website.

METROPOLITAN TRANSPORTATION AUTHORITY

By: _/s/ Patrick J. McCoy_____________________
Patrick J. McCoy
Deputy Chief, Financial Services

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

ATTACHMENT 1

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Remarketed Bonds. The Remarketed Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Remarketed Bond will be issued for each maturity of the Remarketed Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Remarketed Bonds exceeds $500 million, one Bond of such maturity will be issued with respect to each $500 million of principal amount, and an additional Bond will be issued with respect to any remaining principal amount of such maturity.

2. DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (Direct Participants) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (DTCC). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (Indirect Participants). DTC has an S&P rating of AA+. The DTC Rules applicable to Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Remarketed Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Remarketed Bonds on DTC's records. The ownership interest of each actual purchaser of each Remarketed Bond (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Remarketed Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Remarketed Bonds, except in the event that use of the book-entry-only system for the Remarketed Bonds is discontinued.

4. To facilitate subsequent transfers, all Remarketed Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Remarketed Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Remarketed Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Remarketed Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be

governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Remarketed Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Remarketed Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Remarketed Bond documents. For example, Beneficial Owners of the Remarketed Bonds may wish to ascertain that the nominee holding the Remarketed Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Remarketed Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Remarketed Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to MTA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Remarketed Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds and principal and interest payments on the Remarketed Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from MTA or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or MTA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of MTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

9. DTC may discontinue providing its services as depository with respect to the Remarketed Bonds at any time by giving reasonable notice to MTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Remarketed Bonds are required to be printed and delivered.

10. MTA may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, certificates for the Remarketed Bonds will be printed and delivered.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY SYSTEM HAS BEEN OBTAINED FROM SOURCES THAT MTA BELIEVES TO BE RELIABLE, BUT MTA TAKES NO RESPONSIBILITY FOR THE ACCURACY THEREOF.

ATTACHMENT 2

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Remarketing Agent in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (Rule 15c2-12), MTA and the Trustee will enter into a written agreement (the Disclosure Agreement) for the benefit of holders of the Remarketed Bonds to provide continuing disclosure. MTA will undertake to provide certain financial information and operating data relating to the Related Transportation Entities (currently, 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) by no later than 120 days after the end of each MTA fiscal year, commencing with the fiscal year ending December 31, 2021 (the Annual Information), and to provide notices of the occurrence of certain enumerated events. The Annual Information will be filed by or on behalf of MTA with the Electronic Municipal Market Access system (EMMA) of the Municipal Securities Rulemaking Board (the MSRB). Notices of enumerated events will be filed by or on behalf of MTA with EMMA. The nature of the information to be provided in the Annual Information and the notices of material events is set forth below.

Pursuant to Rule 15c2-12, MTA will undertake for the benefit of holders of Remarketed Bonds to provide or cause to be provided, either directly or through the Trustee, audited consolidated financial statements of MTA New York City Transit and the audited consolidated financial statements of MTA by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2021, when and if such audited financial statements become available and, if such audited financial statements of either MTA New York City Transit or MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA New York City Transit or MTA for such fiscal year. MTA New York City Transit's and MTA's annual financial statements will be filed by or on behalf of such parties by MTA with EMMA. In the event that such audited financial statements of MTA New York City Transit cease to be separately published, the obligation of MTA hereunder to provide such financial statements shall cease.

The required Annual Information shall consist of at least the following:

1. a description of the systems operated by the Related Transportation Entities and their operations,
2. a description of changes to the fares or fare structures charged to users of the systems operated by the Related Transportation Entities,
3. operating data of the Related Transportation Entities, including data of the type included in the MTA Annual Disclosure Statement (the **ADS**) under the following captions:
    a. "TRANSIT SYSTEM,"
    b. "RIDERSHIP AND FACILITIES USE – Transit System (MTA New York City Transit and MaBSTOA) Ridership,"
    c. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – MTA New York City Transit and MaBSTOA,"
    d. "COMMUTER SYSTEM,"
    e. "RIDERSHIP AND FACILITIES USE – Commuter System Ridership,"
    f. "EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – Commuter System,"
    g. "MTA BUS COMPANY,"

h. “RIDERSHIP AND FACILITIES USE – MTA Bus Ridership,” and

i. “EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – MTA Bus.”

4. information regarding the Capital Programs of the Related Transportation Entities, including information of the type included in the **ADS** under the caption “FINANCIAL PLANS AND CAPITAL PROGRAMS,”

5. a presentation of the financial results of the Related Transportation Entities prepared in accordance with GAAP for the most recent year for which that information is then currently available (currently, MTA New York City Transit prepares consolidated financial statements and MTA prepares consolidated financial statements),

6. a presentation of changes to indebtedness issued by MTA under the Transportation Resolution, as well as information concerning changes to MTA’s debt service requirements on such indebtedness payable from pledged revenues,

7. information concerning the amounts, sources, material changes in and material factors affecting pledged revenues and debt service incurred under the Transportation Resolution,

8. financial information of the type included in this remarketing circular in **Table 2a** and **Table 2b** under the caption “SOURCES OF PAYMENT—Pledged Transportation Revenues” and included in the **ADS** under the caption “REVENUES OF THE RELATED ENTITIES,”

9. material litigation related to any of the foregoing, and

10. such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning, and in judging the financial condition of, the Related Entities.

All or any portion of the Annual Information as well as required audited financial statements may be incorporated therein by specific cross-reference to any other documents which have been filed with (a) EMMA or (b) the Securities and Exchange Commission (the SEC). Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent feasible, such comparison shall also be quantitative. A notice of any such change in accounting principles shall be sent to EMMA.

MTA will undertake, for the benefit of holders of the Remarketed Bonds, to provide or cause to be provided:

1. to EMMA, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the events listed under the caption “CONTINUING DISCLOSURE” in this remarketing circular with respect to the Remarketed Bonds, and

2. to EMMA, in a timely manner, notice of a failure to provide any Annual Information required by such undertaking or any required audited financial statements of any of the Related Transportation Entities.

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Remarketed Bonds (which will include beneficial owners during any period that DTC acts as securities depository for, and DTC or its nominee is the registered owner of, the Remarketed Bonds) may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against such party and any of its officers, agents and employees, and may compel such party or any of its officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach under the undertaking is an action to compel specific performance, and no person or entity, including any holder of Remarketed Bonds, may recover monetary damages thereunder under any circumstances, and provided further that any challenge to the adequacy of any information under the undertaking may be brought only by the Trustee or the holders of 25 percent in aggregate principal amount of the Remarketed Bonds at the time outstanding which are affected thereby. Each of MTA and the Trustee reserves the right, but shall not be obligated, to enforce the obligations of the others. Failure to comply with any provisions of the undertaking shall not constitute a default under the Transportation Resolution nor give right to the Trustee or any Owner to exercise any remedies under the Transportation Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the undertaking insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information shall no longer be required to be provided.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data, and where MTA's undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. MTA does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Remarketed Bonds have been paid in full or legally defeased pursuant to the Transportation Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of MTA.

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

ATTACHMENT 3-1

FORM OF OPINION OF HAWKINS DELAFIELD & WOOD LLP DELIVERED ON MAY 30, 2002, IN CONNECTION WITH THE ORIGINAL ISSUANCE OF THE SERIES 2002D BONDS.

THE BELOW OPINION IS NOT BEING REISSUED AND SPEAKS ONLY AS OF ITS DATE.

May 30, 2002

Metropolitan Transportation Authority
347 Madison Avenue
New York, New York 10017

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority (the "MTA") and other proofs submitted to us relative to the issuance of $400,000,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Variable Rate Refunding Bonds, Series 2002D (the "Series 2002D Bonds").

All terms defined in the Resolution (hereinafter defined) and used herein shall have the meanings assigned in the Resolution, except where the context hereof requires otherwise.

The Series 2002D Bonds are issued under and pursuant to the Constitution and statutes of the State (the "State"), including the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the "Issuer Act"), and under and pursuant to proceedings of MTA duly taken, including a resolution adopted by the members of MTA on March 26, 2002 entitled "General Resolution Authorizing Transportation Revenue Obligations", as supplemented by a resolution of said members adopted on March 26, 2002 (collectively, the "Resolution").

The Series 2002D Bonds are dated, mature, are payable, bear interest and are subject to redemption, all as provided in the Resolution.

A portion of the proceeds of the Series 2002D Bonds is being used to refund certain of the outstanding bonds of MTA and the Transit Authority issued, in the case of MTA, pursuant to the Transit Resolution, and in the case of the Transit Authority, pursuant to the Livingston Plaza Resolution (the Transit Resolution and the Livingston Plaza Resolution, collectively, the "Prior Lien Resolutions"), such bonds having been issued in multiple series and as described in the hereinafter defined Escrow Agreements as being refunded with proceeds of the Series 2002D Bonds (collectively, the "Refunded Bonds"). A portion of the proceeds of the Series 2002D Bonds together with any other amounts made available by MTA (collectively, the "Defeasance Deposit") has been used to purchase direct obligations of the United States of America in an aggregate amount sufficient, together with any amounts held uninvested, to pay when due the principal or applicable redemption price of and interest due and to become due on said Refunded Bonds (the "Defeasance Requirement"). Such Defeasance Deposit is being held in trust under escrow agreements, each dated May 30, 2002 (collectively, the "Escrow Agreements"), by and between MTA or the Transit Authority, as applicable, and JPMorgan Chase Bank, as escrow agent thereunder and as trustee under each of the Prior Lien Resolutions (the "Prior Trustees"). The MTA and the Transit Authority, as applicable, have given the Prior Trustees, in form satisfactory to them, irrevocable instructions to give notice in accordance with each of the Prior Lien Resolutions of the redemption of those Refunded Bonds being redeemed prior to maturity and the deposit of the Defeasance Deposit. Samuel Klein & Co., certified public accountants, have prepared a report stating that they have reviewed the accuracy of the mathematical computations of the adequacy of the Defeasance Deposit, as invested, to pay in full the Defeasance Requirement when due. We have undertaken no independent verification of the adequacy of the Defeasance Deposit.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2002D Bonds in order that interest on the Series 2002D Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the MTA, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which the MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2002D Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2002D Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates the MTA to take certain actions necessary to cause interest on the Series 2002D Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code may cause interest on the Series 2002D Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2002D Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion from gross income for federal income tax purposes pursuant to Section 103 of the Code of interest on the Series 2002D Bonds, and (ii) compliance by the MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We have also examined one of said Series 2002D Bonds as executed and, in our opinion, the form of said Series 2002D Bond and its execution are regular and proper.

We are of the opinion that:

1. MTA is duly created and validly existing under the laws of the State, including the Constitution of the State and the Issuer Act.

2. MTA has the right and power under the Issuer Act to adopt the Resolution. The Resolution has been duly and lawfully adopted by MTA, is in full force and effect, is valid and binding upon MTA, and is enforceable in accordance with its terms, and no other authorization for the Resolution is required. The Resolution creates the valid pledge which it purports to create of the Trust Estate, subject only to the provisions of the Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Resolution, including the prior pledge of any Prior Lien Obligations which remain outstanding. We express no opinion as to the effectiveness of the pledge of moneys located in the State of Connecticut until such moneys are deposited in the Revenue Fund.

3. The Series 2002D Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. MTA has no taxing power and the Series 2002D Bonds are not debts of the State or of any other political subdivision thereof. MTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2002D Bonds.

4. The Interagency Agreement has been duly and lawfully authorized, executed and delivered by MTA and the other parties thereto, is in full force and effect, is valid and binding upon MTA and the other parties thereto, and is enforceable in accordance with its terms.

5. The Series 2002D Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

6. Under existing statutes and court decisions (i) interest on the Series 2002D Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2002D Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

7. Under existing statutes, interest on the Series 2002D Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof.

8. The Escrow Agreements have each been duly authorized, executed and delivered by MTA, or the Transit Authority, as applicable, and, assuming the due authorization, execution and delivery of each of them by the Prior Trustees, each of the Escrow Agreements is a valid and binding obligation of MTA, or the Transit Authority, as applicable, enforceable in accordance with its respective terms. The Refunded Bonds have been paid within the meaning and with the effect expressed in the Prior Lien Resolutions, and the covenants, agreements and other obligations of MTA, or the Transit Authority, as applicable, to the holders of the Refunded Bonds have been discharged and satisfied.

The opinions expressed in paragraphs 2, 3 and 4 above are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraphs 6 and 7, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Series 2002D Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2002D Bonds, or under state, local and foreign tax law.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2002D Bonds.

This opinion letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any future actions, facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any reason whatsoever.

Very truly yours,

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

ATTACHMENT 3-2

FORM OF OPINION OF HAWKINS DELAFIELD & WOOD LLP DELIVERED ON MAY 25, 2011, IN CONNECTION WITH THE ISSUANCE OF THE SUBSERIES 2002D-2 BONDS.

THE BELOW OPINION IS NOT BEING REISSUED AND SPEAKS ONLY AS OF ITS DATE.

May 25, 2011

Metropolitan Transportation Authority
347 Madison Avenue
New York, New York 10017

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority (the “MTA”) and other proofs submitted to us relative to the remarketing of $200,000,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-2 (the “Subseries 2002D-2 Bonds”).

All terms defined in the Resolution (hereinafter defined) and used herein shall have the meanings assigned in the Resolution, except where the context hereof requires otherwise.

The Series 2002D-2 Bonds were issued under and pursuant to the Constitution and statutes of the State (the “State”), including the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the “Issuer Act”), and under and pursuant to proceedings of MTA duly taken, including a resolution adopted by the members of MTA on March 26, 2002 entitled “General Resolution Authorizing Transportation Revenue Obligations”, as supplemented by a resolution of said members adopted on March 26, 2002, including as supplemented by the Certificate of Determination of the MTA dated May 30, 2002, as amended by the Amendment to the Certificate of Determination Relating to Transportation Revenue Refunding Bonds, Subseries 2002D-2, (the “Amendment”) dated May 25, 2011 (collectively, the “Resolution”).

The Series 2002D-2 Bonds are dated, mature, are payable, bear interest and are subject to redemption, all as provided in the Resolution.

The Internal Revenue Code of 1986, as amended (the “Code”), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2002D-2 Bonds in order that interest on the Series 2002D-2 Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the MTA, dated the date hereof (the “Arbitrage and Use of Proceeds Certificate”), in which the MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2002D-2 Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2002D-2 Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates the MTA to take certain actions necessary to cause interest on the Series 2002D-2 Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code may cause interest on the Series 2002D-2 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2002D-2 Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 1 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion from gross income for federal income tax purposes pursuant to Section 103 of the Code of interest on the Series 2002D-2 Bonds, and (ii) compliance by the MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We have also examined one of said Series 2002D-2 Bonds as executed and, in our opinion, the form of said Series 2002D-2 Bond and its execution are regular and proper.

We are of the opinion that:

1. Under existing statutes and court decisions (i) interest on the Series 2002D-2 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2002D-2 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

2. Under existing statutes, interest on the Series 2002D-2 Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof.

3. The Amendment, and the following agreements (collectively, the "Agreements") each as defined in the Amendment, namely, the Continuing Covenants Agreement, the Cancellation Agreement and the Calculation Agent Agreement have each been duly authorized, executed and delivered by MTA and, the Agreements, assuming the due authorization, execution and delivery of each of them by the other parties thereto, are each valid and binding obligations of MTA, enforceable in accordance with its respective terms.

The opinions expressed in paragraph 3 above are subject to applicable bankruptcy, insolvency, reorganization, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraphs 1 and 2, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Series 2002D-2 Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2002D-2 Bonds, or under state, local and foreign tax law.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2002D-2 Bonds.

Very truly yours,

ATTACHMENT 3-3

**FORM OF OPINIONS OF ORRICK, HERRINGTON & SUTCLIFFE LLP
AND BRYANT RABBINO LLP
DELIVERED ON APRIL 6, 2020, IN CONNECTION WITH
THE REMARKETING OF THE SUBSERIES 2002D-2a-1 BONDS.**

**THE BELOW OPINION IS NOT BEING REISSUED
AND SPEAKS ONLY AS OF ITS DATE.**

April 6, 2020

Metropolitan Transportation Authority
2 Broadway
New York, New York 10004

Ladies and Gentlemen:

On May 30, 2002, Hawkins Delafield & Wood LLP delivered its approving opinion (the "Original Opinion") as bond counsel to the Metropolitan Transportation Authority ("MTA") with respect to the original issuance and delivery by MTA of its Transportation Revenue Variable Rate Refunding Bonds, Series 2002D, which bonds were subsequently divided into multiple subseries, including the Subseries 2002D-2a-1 Bonds (the "Subseries 2002D-2a-1 Bonds").

The Subseries 2002D-2a-1 Bonds were issued under and pursuant to the MTA General Resolution Authorizing Transportation Revenue Obligations, adopted by the Board of MTA on March 26, 2002 (the "General Resolution"), as amended and supplemented to the date of issuance thereof by the Multiple Restructuring Series Transportation Revenue Bond Supplemental Resolution adopted by the Board of MTA on March 26, 2002 (collectively with the General Resolution, the "Transportation Resolution"), along with the Certificate of Determination relating to Transportation Revenue Refunding Bonds, Series 2002D, dated as of May 30, 2002, as subsequently amended and restated (the "Certificate of Determination" and, together with the Transportation Resolution, the "Resolution").

All capitalized terms used in this opinion have the respective meanings set forth in the Resolution unless otherwise defined herein.

On the date hereof, MTA intends to (i) effect the mandatory tender and purchase by JPMorgan Chase Bank, National Association of the Subseries 2002D-2a-1 Bonds in a Term Rate Mode bearing interest at the Adjusted SIFMA Rate (the "Purchase"), and (ii) further amend and restate the Certificate of Determination, to provide for, among other things, the Purchase.

In order to effect the Purchase, MTA provided to the Trustee and certain other parties a Notice of Mandatory Tender relating to the Subseries 2002D-2a-1 Bonds pursuant to Section A-407(a) of Appendix A to the Certificate of Determination. In accordance with Section A-407(e) of Appendix A to the Certificate of Determination, the Trustee disseminated a Notice of Mandatory Tender to the owners of the Subseries 2002D-2a-1 Bonds at least fifteen days prior to the date hereof. Immediately prior to the Purchase, the Subseries 2002D-2a-1 Bonds will be subject to mandatory tender for purchase at a Purchase Price equal to the principal amount thereof. The date hereof is also an Interest Payment Date for the Subseries 2002D-2a-1 Bonds, and accrued interest thereon to, but not including, the date hereof, will be paid in accordance with customary procedures.

Based on the foregoing, we are of the opinion that the Purchase is authorized under the Resolution, and all conditions to the Purchase have been satisfied.

Based on the foregoing, we are further of the opinion that the Purchase and the amendment of the terms and provisions of the Subseries 2002D-2a-1 Bonds to reflect the terms and provisions described herein will result in a reissuance for federal tax purposes.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the tender and purchase of the Subseries 2002D-2a-1 Bonds in order that interest on the Subseries 2002D-2a-1 Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of MTA with respect to the Subseries 2002D-2a-1 Bonds, dated the date hereof, and the Arbitrage and Use of Proceeds Certificate of MTA with respect to the Transportation Revenue Refunding Bonds, Series 2020B, dated March 27, 2020, as supplemented on April 6, 2020 (in the aggregate, the "Arbitrage and Use of Proceeds Certificate"), which Transportation Revenue Refunding Bonds, Series 2020B (the "Series 2020B Bonds") are treated as a single issue for federal tax purposes with the reissued Subseries 2002D-2a-1 Bonds, in which MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Subseries 2002D-2a-1 Bonds and the Series 2020B Bonds, respectively, including, but not limited to, certain representations with respect to the use of the proceeds of the Subseries 2002D-2a-1 Bonds and the Series 2020B Bonds, respectively, and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates MTA to take certain actions necessary to cause interest on the Subseries 2002D-2a-1 Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code could cause interest on the Subseries 2002D-2a-1 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Subseries 2002D-2a-1 Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 1 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion of interest on the Subseries 2002D-2a-1 Bonds and the Series 2020B Bonds from gross income for federal income tax purposes under Section 103 of the Code, (ii) compliance by MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters, and (iii) the conclusion in the Original Opinion that the Subseries 2002D-2a-1 Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution.

We are of the opinion that:

1. Under existing statutes and court decisions (i) interest on the Subseries 2002D-2a-1 Bonds, as reissued, is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Subseries 2002D-2a-1 Bonds, as reissued, is not treated as a specific preference item in calculating the federal alternative minimum tax.

2. Under existing statutes, interest on the Subseries 2002D-2a-1 Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

Except as stated in paragraphs 1 and 2, we express no opinion regarding any other federal, state, local or foreign tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Subseries 2002D-2a-1 Bonds. We express no opinion regarding the federal, state, local or foreign tax consequences of any action hereafter taken or not taken in reliance upon an opinion of other counsel with respect to the Subseries 2002D-2a-1 Bonds.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Subseries 2002D-2a-1 Bonds. Our services did not include financial or other non-legal advice.

This opinion letter is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion letter is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any action hereafter taken or not taken, or any facts or circumstances or any changes in law, or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Yours truly,

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

ATTACHMENT 3-4

FORM OF OPINIONS OF ORRICK, HERRINGTON & SUTCLIFFE LLP AND BRYANT RABBINO LLP EXPECTED TO BE DELIVERED ON THE DATE EACH SUBSERIES OF THE REMARKETED BONDS IS REMARKETED

[Date of Remarketing of the Applicable Subseries]

Metropolitan Transportation Authority
2 Broadway
New York, New York 10004

Ladies and Gentlemen:

On May 30, 2002, Metropolitan Transportation Authority ("MTA") issued its Transportation Revenue Refunding Bonds, Series 2002D (the "Series 2002D Bonds") pursuant to the MTA General Resolution Authorizing Transportation Revenue Obligations, adopted by the Board of MTA on March 26, 2002 (the "General Resolution"), as amended and supplemented to the date of issuance thereof by the Multiple Restructuring Series Transportation Revenue Bond Supplemental Resolution adopted by the Board of MTA on March 26, 2002 (collectively with the General Resolution, the "Transportation Resolution"), along with the Certificate of Determination relating to Transportation Revenue Refunding Bonds, Series 2002D, dated as of May 30, 2002, as subsequently amended and restated (the "Certificate of Determination" and, together with the Transportation Resolution, the "Resolution"). Subsequent to the initial issuance of the Series 2002D Bonds, MTA re-designated the Series 2002D Bonds as multiple subseries, including the [Subseries 2002D-2a-1 Bonds] [Subseries 2002D-2a-2 Bonds] [Subseries 2002D-2b Bonds] (the "Remarketed Bonds").

All capitalized terms used in this opinion have the respective meanings set forth in the Resolution unless otherwise defined herein.

On the date hereof, MTA intends to (i) effect the mandatory tender and remarketing of the Remarketed Bonds in a Term Rate Mode bearing interest at the Adjusted SOFR Rate (the "Remarketing"), and (ii) further amend and restate the Certificate of Determination, to provide for, among other things, the Remarketing.

In order to effectuate the Remarketing, MTA provided to the Trustee and certain other parties a Notice of Mandatory Tender relating to the Remarketed Bonds pursuant to the Certificate of Determination. In accordance with the Certificate of Determination, the Trustee disseminated a Notice of Mandatory Tender to the owners of the Remarketed Bonds at least fifteen days prior to the date hereof.

Based on the foregoing, we are of the opinion that the Remarketing is authorized under the Resolution, and all conditions to the Remarketing have been satisfied.

Based on the foregoing, we are further of the opinion that the Remarketing and the amendment of the terms and provisions of the Remarketed Bonds to reflect the terms and provisions described herein and in the remarketing circular for the Remarketed Bonds will not, in and of themselves, adversely affect the exclusion of interest on the Remarketed Bonds from gross income for purposes of federal income taxation.

We have undertaken no investigation as to matters affecting the exclusion of interest on the Remarketed Bonds from gross income for federal income tax purposes since the date of their issuance. In delivering this opinion, we have assumed with respect to the Remarketed Bonds, without investigation, that MTA is in compliance with its covenants and agreements under the Resolution and that the proceeds of the Remarketed Bonds were applied in accordance with the Resolution and the applicable tax certificate of MTA delivered in connection with the issuance and reissuance of the Remarketed Bonds. Failure of MTA to have so complied or to have so applied the proceeds of the Remarketed Bonds, or to so comply, could adversely affect the exclusion of interest on the Remarketed Bonds from gross income for federal income tax purposes. No opinion is expressed herein as to whether interest on the Remarketed Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Remarketed Bonds. We are also expressing no opinion herein as to whether any matter, action, other than the actions described above, or omission subsequent to such date of issuance, may have adversely affected the exclusion of interest on the Remarketed Bonds from gross income for federal income tax purposes.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Remarketed Bonds. This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances or any changes in law, or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Yours truly,

ATTACHMENT 4

INFORMATION RELATING TO ASSURED GUARANTY MUNICIPAL CORP. AND FORM OF POLICY

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the original issuance of MTA's Transportation Revenue Bonds, Subseries 2002D-2 (Secured Overnight Financing Rate Tender Notes) consisting of Subseries 2002D-2a-1 (the "Subseries 2002D-2a-1 Bonds"), Subseries 2002D-2a-2 (the "Subseries 2002D-2a-2 Bonds") and Subseries 2002D-2b (the "Subseries 2002D-2b Bonds", and together with the Subseries 2002D-2a-1 Bonds and the Subseries 2002D-2a-2 Bonds, the "Remarketed Bonds"), Assured Guaranty Municipal Corp. ("AGM") issued its Municipal Bond Insurance Policy for the Remarketed Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Remarketed Bonds when due as set forth in the form of the Policy included as an exhibit to this Remarketing Circular.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A2" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On October 29, 2020, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 16, 2020, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

On August 13, 2019, Moody's announced it had affirmed AGM's insurance financial strength rating of "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2020.

Capitalization of AGM

At December 31, 2020:

- The policyholders' surplus of AGM was approximately $2,864 million.
- The contingency reserves of AGM and its indirect subsidiary Municipal Assurance Corp. ("MAC") (as described below) were approximately $940 million. Such amount includes 100% of AGM's contingency reserve and 60.7% of MAC's contingency reserve.
- The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately $2,112 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE"), and (iii) 60.7% of the net unearned premium reserve of MAC.

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM and MAC were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Merger of MAC into AGM

AGM and MAC have received approval to merge MAC into AGM, with AGM as the surviving company. The merger is expected to be effective on April 1, 2021. MAC is currently an indirect subsidiary of AGM. AGM's affiliate, Assured Guaranty Corp., a Maryland- domiciled insurance company ("AGC"), indirectly owns 39.3% of MAC. In connection with the merger transaction, AGM and AGC will each reassume the remaining outstanding par they ceded to MAC in 2013, and AGC will sell its share of MAC to AGM. AGM will then cause MAC to merge with and into AGM. Once the merger is completed, all of MAC's direct insured par exposure will become insured obligations of AGM.

Incorporation of Certain Documents by Reference

Portions of the following document filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Remarketing Circular and shall be deemed to be a part hereof: the Annual Report on Form 10-K for the fiscal year ended December 31, 2020 (filed by AGL with the SEC on February 26, 2021).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Remarketed Bonds shall be deemed incorporated by reference into this Remarketing Circular and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Remarketing Circular.

Any information regarding AGM included herein under the caption "DESCRIPTION OF THE REMARKETED BONDS – Bond Insurance" or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Remarketing Circular, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Remarketed Bonds or the advisability of investing in the Remarketed Bonds. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Remarketing Circular or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "DESCRIPTION OF THE REMARKETED BONDS – Bond Insurance".

FINANCIAL SECURITY ASSURANCE®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Metropolitan Transportation Authority

BONDS: $400,000,000 in aggregate principal amount of Transportation Revenue Refunding Bonds, Series 2002D, consisting of the following series: (i) $200,000,000 Subseries 2002D-1 and (ii) $200,000,000 Subseries 2002D-2

Policy No.: 29028-N

Effective Date: May 30, 2002

Premium: $4,462,751.78

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

FINANCIAL SECURITY ASSURANCE INC.

By ______________________________
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd. (212) 826-0100
350 Park Avenue, New York, N.Y. 10022-6022

Form 500NY (5/90)

FINANCIAL SECURITY ASSURANCE®

ENDORSEMENT NO. 1 TO MUNICIPAL BOND INSURANCE POLICY (Bank Bonds)

ISSUER: Metropolitan Transportation Authority

Policy No.: 29028-N

Effective Date: May 30, 2002

BONDS: $400,000,000 in aggregate principal amount of Transportation Revenue Refunding Bonds, Series 2002D, consisting of the following series: (i) $200,000,000 Subseries 2002D-1 and (ii) $200,000,000 Subseries 2002D-2

Notwithstanding the terms and provisions contained in this Policy, it is further understood that, with respect to Bank Bonds, as defined in the Certificate of Determination relating to the above-referenced bonds (the "Bonds"), dated May 30, 2002 (the "Certificate"), (i) the term "interest" shall include scheduled interest due and payable on Bank Bonds (including Differential Interest Amount) at an interest rate equal to the Bank Interest Rate, but not in excess of the lesser of (x) the maximum rate permitted by applicable law and (y) 25% per annum and (ii) the term "Due For Payment" as used in the Policy shall further mean the date upon which principal is due and payable in respect of Bank Bonds upon the scheduled mandatory redemption thereof pursuant to and in accordance with Section A-303 of the Certificate and paragraph 20 of the forepart of the Certificate. Defined terms used herein and not otherwise defined shall have the meaning assigned to them in the Certificate.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Endorsement to be executed on its behalf by its Authorized Officer.

FINANCIAL SECURITY ASSURANCE INC.

By ______________________________
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
350 Park Avenue, New York, N.Y. 10022-6022
(212) 826-0100

Form 626NY (NY 5/02)

ASSURED GUARANTY MUNICIPAL

ENDORSEMENT NO. 2 TO MUNICIPAL BOND INSURANCE POLICY (Index Rate)

ISSUER: Metropolitan Transportation Authority

Policy No.: 29028-N

BONDS: $200,000,000 in aggregate principal amount of Transportation Revenue Refunding Bonds, Subseries 2002D-2

Effective Date: May 25, 2011

SPECIMEN

With respect to the above-defined Bonds (the "Converted Bonds"), Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance, Inc.) ("AGM"), agrees that (i) the term "interest" shall include, without duplication, interest at the rate applicable to Converted Bonds at the Index Rate or Taxable Rate, and following the Term Loan Start Date, the Insured Term Out Rate, up to a maximum rate per annum of the lesser of (a) 25%, (b) the Insured Base Rate, and (b) the maximum non-usurious rate of interest permissible under applicable law and (ii) the term "Due for Payment" shall further mean principal amounts payable on each semi-annual payment date during an Insured Term Loan Period, commencing on the first such date that is at least 180 calendar days following the Term Loan Start Date, such that the amount remaining unpaid on the Term Loan shall be repaid in full by the fifth anniversary of the date 180 calendar days following the Term Out Start Date. For avoidance of doubt, the Policy does not insure a Term Loan following a Mandatory Purchase Date After Default.

Defined terms used herein and not otherwise defined shall have the meaning assigned to them in the Continuing Covenant Agreement dated the date hereof between the Issuer and Wells Fargo Bank, National Association.

This Endorsement forms a part of the Policy, effective on the Effective Date set forth above on this Endorsement. This Endorsement No. 2 supersedes Endorsement No. 1 with respect to the Subseries 2002D-2 Bonds.

In witness whereof, ASSURED GURANTY MUNICIPAL CORP. has caused this Endorsement to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ______________________________
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Ltd.
31 West 52nd Street, New York, N.Y. 10019

(212) 826-0100

Form 626NY

ENDORSEMENT NO. 4 TO MUNICIPAL BOND INSURANCE POLICY (Partial Cancellation)

ISSUER: Metropolitan Transportation Authority

Policy No.: 29028-N

BONDS: $200,000,000 in aggregate principal amount of Transportation Revenue Refunding Bonds, Subseries 2002D-1 Bonds maturing in the years 2022 (Yield at 2.7%); 2023; 2024 (Rate at 5%); 2025 through 2028; and 2029 (Rate at 3.75%)

Effective Date: May 9, 2012

Pursuant to that certain Insurance Policy Termination Agreement dated May 9, 2012 (the “Cancellation Agreement”), by and among the Issuer, and The Bank of New York Mellon, as trustee (the “Trustee”), J.P.Morgan Securities LLC, and Assured Guaranty Municipal Corp. (formerly known as Financial Security Assurance Inc.) (“AGM”), as of the date set forth above, this Policy no longer insures any payments relating to the above-referenced Bonds except for payments of principal or interest that are Due for Payment made to a bondowner prior to the date hereof by or on behalf of the Issuer which has been recovered from such bondowner pursuant to a United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction.

This Endorsement No. 4 does not affect the coverage under this Policy of the $200,000,000 principal amount of the Issuer’s Transportation Revenue Refunding Bonds, Subseries 2002D-2 or the Subseries 2002D-1 Bonds maturing in the years 2022 (Yield at 2.6%); 2024 (Rate at 3.00%); or 2029 (Rate at 3.625%).

For reference purposes, as of the date hereof Endorsement No. 3 has not been issued but may be issued in accordance with the terms of the Cancellation Agreement dated as of May 25, 2011 among the Issuer, AGM, The Bank of New York Mellon, as Trustee and Wells Fargo Bank, National Association.

This Endorsement forms a part of the Policy, effective on the Effective Date set forth above on this Endorsement.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Endorsement to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By ____________________________________

Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
31 West 52nd Street, New York, N.Y. 10019
(212) 826-0100

Form 639NY (SC 2/09)

ATTACHMENT 5

THIRD QUARTERLY UPDATE TO THE ADS, DATED MARCH 2, 2021

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2020 ADS Third Quarterly Update)
March 2, 2021

This Metropolitan Transportation Authority ("MTA") Annual Disclosure Statement Update (including Attachment A hereto, the "Third Quarterly Update"), dated March 2, 2021, is the third quarterly update to the Annual Disclosure Statement (the "ADS") of MTA, dated April 29, 2020, as supplemented on May 1, 2020, May 19, 2020, May 27, 2020, June 3, 2020, June 25, 2020, July 17, 2020 and August 28, 2020, and as updated by a First Quarterly Update, dated August 3, 2020 and a Second Quarterly Update, dated November 24, 2020, and contains information only through its date. MTA expects to file this Third Quarterly Update with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system and may incorporate such information herein by specific cross-reference. Such information, together with the complete February Plan hereinafter referred to, is also posted on the MTA website: https://new.mta.info/transparency/financial-information/financial-and-budget-statements**. No statement on MTA's website or any other website is included by specific cross-reference herein. All of the information in this Third Quarterly Update is accurate as of its 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 Third Quarterly Update 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 any 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; impediments to the regulations; 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 Third Quarterly Update.

MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2020 ADS Third Quarterly Update)
March 2, 2021

Introduction

This update, dated March 2, 2021 (the "Third Quarterly Update"), is the third quarterly update to the Annual Disclosure Statement (the "ADS") of the Metropolitan Transportation Authority ("MTA"), dated April 29, 2020, as supplemented on May 1, 2020, May 19, 2020, May 27, 2020, June 3, 2020, June 25, 2020, July 17, 2020 and August 28, 2020, and as updated by a First Quarterly Update, dated August 3, 2020 and a Second Quarterly Update, dated November 24, 2020. This Third Quarterly Update contains information only through March 2, 2021, and should be read in its entirety, together with the ADS as so previously supplemented. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the ADS.

In this Third Quarterly Update, readers will find:

1. A summary of recent events and changes to MTA's 2021-2024 Financial Plan released by MTA in November 2020 (the "November Plan") and previously revised by the December Financial Plan in December 2020 (the "December Plan"), to reflect provisions of the 2021 MTA February Financial Plan presented to the MTA Board on February 18, 2021 (the "February Plan"). The December Plan was approved by the MTA Board at its December 2020 meeting and can be found at https://new.mta.info/transparency/financial-information/financial-and-budget-statements under 2020: MTA 2021 Budget and 2021-2024 Financial Plan Adoption Materials. Additional information can be found in the November Plan under 2020: MTA 2021 Final Proposed Budget - November Financial Plan 2021-2024. The complete February Plan is posted on MTA's website: https://new.mta.info/transparency/financial-information/financial-and-budget-statements. No statement on MTA's website or any other website is included by specific cross-reference herein. The updated information reflected in the February Plan includes revised November Plan and December Plan projections for fiscal years 2021 through 2024, including the adopted budget for 2021.
2. **Attachment A** to this Third Quarterly Update, which presents the consolidated February Plan in tabular form and includes Financial Plan tables that summarize MTA's February Plan projected receipts and expenditures for fiscal years 2019 (actual), 2020 (final estimate), 2021 (adopted budget) through 2024, in each case prepared by MTA management.

Overview

This Third Quarterly Update discusses important features of February Plan derived from the 2021 Adopted Budget, the 2021-2024 Financial Plan, all relevant financial tables and reconciliations to the December Plan.

The purpose of the February Plan is to incorporate Board-approved MTA adjustments that were captured "below-the-line" and on a consolidated basis in the December Plan into the Related Entities' Financial Plan baseline budgets and forecasts, and provide updated estimates of existing proposals. “Above-the-line” items are all items that are incorporated in the Related Entity and corporate-wide (such as subsidies and debt service) financials. Items are "below-the-line" for one or more of several reasons, such as: (i) they are a late adjustment and MTA cannot revise the aforementioned financials (the FEMA reimbursement, for example); (ii) they are actions proposed that require future Board approval (such as fare and toll increases); or (iii) they are actions being taken, but have yet to be allocated to each Related Entity (such as yet unidentified non-personnel savings from the Transformation Plan). The February Plan also establishes a 12-month allocation of the 2021 Adopted Budget for financials, utilization and positions, which will be compared with actual results. Variances will be analyzed and reported monthly to Board Committees. The February Plan, unlike the July Plan and November Plan, typically does not include new proposals or programs. The detailed explanation of the programs and assumptions supporting the February Plan can be found in the December Plan.

The February Plan, however, as with prior financial plans since the onset of the pandemic, reflects the impact the coronavirus (“COVID-19”) outbreak and the ensuing effect that the pandemic has had on the MTA region, with focus on MTA’s financial survival as it strives to provide essential regional service. A key conclusion of the forecasts available to MTA management is that the COVID-19 pandemic can be expected to have an extended impact over the entire February Plan period.

Without further federal action and major additional budget relief, MTA management now preliminarily projects total deficits attributable to COVID-19 pandemic impacts for the February Plan period of approximately $8 billion. Federal actions identified to date will not be sufficient to fully address these forecast deficits. As previously discussed in the Second Quarterly Update and below, future actions being reviewed by MTA management may include the following: (i) reductions or delays in Capital Program implementation; (ii) fare and toll increases (above the planned 4% biennial adjustments); (iii) delay in pension contributions; (iv) wage freezes; (v) reductions in work force; (vi) service reductions; and (vii) long-term deficit financing.

In April 2020, MTA hired McKinsey & Company (“McKinsey”) to develop an initial financial impact assessment from the pandemic. McKinsey reviewed MTA farebox and toll revenues, and subsidy receipts and developed forecasts consistent with the likely effect the pandemic would have on the regional and national economies. The results of the McKinsey analysis were a baseline scenario (“earlier containment and recovery”), where ridership and traffic begin to return in June, but with a resurgence in cases in the fall of 2020, and an alternative scenario (“delayed containment and recovery”), where the initial return is slower due to countervailing factors such as personal preferences to avoid public transit and continued remote working, followed by a resurgence of the pandemic more severe than the base scenario. In the July Plan, the midpoint of these two scenarios was used for ridership, traffic and subsidy forecasts. McKinsey provided a preliminary updated analysis in November, including “best case” and “worst case” revised ridership scenarios. For the December Plan and the February Plan, ridership was based on the November “worst case” scenario, while traffic, and subsidy forecasts continued to be based on the midpoint of the initial McKinsey “early containment” and “delayed containment” scenarios. See discussion below relating to McKinsey’s projections under “Challenges and Significant Risks Remain.”

The 2020-2021 New York State Enacted Budget authorized the State Budget Director to reduce aid-to-localities appropriations and disbursements by any amount needed to achieve a balanced State budget, and to withhold and reduce specific local aid payments during the current State fiscal year. MTA anticipated a total reduction of 20 percent for the subsidy sources appropriated under aid-to-localities (MMTOA, PBT, Payroll Mobility Tax Replacement Funds, and State and Local 18-b Operating Assistance) and included an additional reduction below-the-line totaling $281 million ($276 million for 2020 and $5 million for 2021) for such subsidies in the July Plan, beyond the reductions projected by McKinsey. This reduction continued in the November and December Plans, and both plans also included a second State fiscal year reduction. As noted below, the February Plan bases projections for the subsidies appropriated under aid-to-localities on the 2021-2022 State Executive Budget rather than on the McKinsey projections and the additional reductions assumed in the July and November Plans.

The December Plan

The December Plan, which the Board approved in December 2020, projected cash balances of $29 million in 2021, with deficits of $3.280 billion in 2022, $2.346 billion in 2023 and $2.225 billion in 2024. The December Plan included, over the December Plan period, $2.9 billion of proceeds from Municipal Liquidity Facility ("MLF") deficit financing, $4.5 billion in federal aid from the Coronavirus Response and Relief Supplemental Appropriations Act ("CRRSAA") and proposed expense savings beginning in 2022 from service reductions and a wage freeze on both represented and non-represented employees totaling $3.475 billion.

The February Plan and Changes to the December Plan

The February Plan incorporates several significant changes to the 2021 Adopted Budget and 2021-2024 Financial Plan. Over the February Plan period, however, the cumulative deficit remains at $7.972 billion. The $1.9 trillion American Rescue Plan proposed by the Biden Administration (the "American Rescue Plan") includes $30 billion for transit, which, if enacted as proposed, could potentially close current projected MTA budget gaps for the February Plan period.

The February Plan incorporates favorable preliminary 2020 year-end operating results, including the impact of timing adjustments to reflect 2020 budgeted expenses that will be incurred in 2021, of $514 million.

The State of New York's 2021-2022 Fiscal Year Executive Budget released by the Governor in January, 2021 ("Executive Budget"), if enacted as proposed for the State Fiscal Year beginning April 1, 2021, would provide favorable changes to appropriated subsidies for MTA. Actual receipts by MTA through the end of 2020 were favorable by $280 million compared with the December Plan, and MTA is expecting another $429 million during the fourth quarter of the current State Fiscal Year, which ends on March 31, 2021. The Executive Budget also includes $617 million more in State Fiscal Year 2022 than was assumed in the December Plan, funds expected to be received during calendar year 2021. Out-year projections of appropriated subsidies for 2022 through 2024, however, are expected to be lower than December Plan projections by $496 million. Over the February Plan period, including 2020 year-end actuals, appropriated State subsidies are expected to surpass the December Plan projections by $831 million.

Re-estimates of other subsidies and debt service expenses are favorable by $334 million over the February Plan period.

The December Plan assumed CRRSAA aid to MTA would be $4.5 billion, but MTA now expects to receive $500 million less, for a total of $4 billion.

Additional savings actions being taken by MTA to reduce deficits have also been revised, with unfavorable re-estimates of the actions proposed in the December Plan over the February Plan period by $92 million.

There is a $32 million unfavorable variance due to delays in the implementation of proposed toll increases for MTA Bridges and Tunnels facilities in 2021 from March to April, to accommodate the State Administrative Procedures Act process, and the six-month deferral on a decision on fare increases expected to generate an annualized 4% yield increase in farebox revenue.

These re-estimates, as well as other changes, are expected to result in a favorable change of $1.15 billion to the cumulative deficit over the February Plan period. This improvement may allow MTA to avoid the service reductions anticipated in 2022 and may avoid imminent layoffs. However, even with the $2.9 billion in MLF deficit financing, the $4 billion in CRRSAA federal aid, the remaining service reductions and a permanent wage freeze, MTA is still left with a projected cumulative deficit of nearly $8 billion through 2024.

The February Plan includes important policy actions that were captured "below-the-line" in the December Plan. With Board approval secured, these items—which have no impact on the bottom line—are now included within the MTA baseline:

- *2019 and 2020 General Reserves***.** The General Reserve is a contingency fund set at approximately one percent of the operating expense budget. The drawdown of the 2019 General Reserve of $165 million was reserved for use in 2021. The 2020 General Reserve of $170 million was unexpended and is also being reserved for use in 2021.

- *Hold 2020-2024 Committed to Capital.* MTA proposes that annual Committed to Capital transfers, operating funds earmarked for capital use, will not be made during the February Plan period. This action retains in the operating budget $187 million in 2020, $181 million in 2021, $120 million in 2022 and $114 million in 2023.

- *Use OPEB Trust Proceeds.* The Other Post-Employment Benefits ("OPEB") Trust Fund of $337 million was applied in 2020 to make current OPEB payments.

- *Adjustment to Farebox Revenue Forecasts.* The November Plan included Related Entity baseline farebox revenue adjustments to reflect revised ridership projections based on McKinsey's "worst case" scenario. This adjustment reduced farebox revenue by $1.6 billion in 2021, $1.8 billion in 2022, $1.9 billion in 2023 and $1.4 billion in 2024. Additional reductions in farebox revenue from the proposed 2021 and 2023 yield increases of $52 million in 2021, $73 million in 2022, $140 million in 2023 and $115 million in 2024 are captured below-the-line in the 2021 and 2023 fare and toll increase estimates.

- *Rate Increase for MTA-Sponsored Medical Plans.* MTA's self-insured medical plan is administered by Aetna and covers the medical needs of active MTA New York City Transit represented employees, retirees and their dependents. Renewal of the Aetna insurance contract is expected to increase expenses by $106 million, $113 million, $121 million and $129 million each year from 2021 to 2024, respectively. Contract renewal increases are primarily due to higher than projected member enrollment, plan enhancements that were implemented in 2017, and higher escalators than anticipated in Medicare Advantage premiums. Partially offsetting these increases are lower costs per employee, driven by fewer claims than projected.

The February Plan also includes December Plan "below-the-line" actions that have been included within the MTA baseline, but reflect re-estimates that have a fiscal impact on the bottom line:

- *Additional Savings Actions.* MTA management issued instructions to the Related Entities to identify savings in key areas, including overtime, consulting services and other non-personnel expenses. They have been able to isolate the following savings for the February Plan. For overtime, tighter controls on the use of overtime, which includes reducing unscheduled overtime and related fringe benefits, better "extra list" management for bus operators, and reducing availability overtime backfill provisions, provide savings of $958 million over the February Plan period. For consulting services expenses, contract reductions resulting from the use of existing Enterprise Asset Management systems for asset management, replacing consultants with in-house staff, reducing reliance on consultants for IT support, closing walk-in E-ZPass centers for cash customers (which have been closed since the start of the COVID-19 pandemic), and reducing the use of consultants for Transformation Plan support amount to savings of $295 million over the February Plan period. For other non-personnel expenses, reductions in various categories, including electric power, fuel and labor from lower operating service levels, reduced inventory building, better management of non-revenue fleet, elimination of bus Wi-Fi and Bus Time SMS, revised vehicle inspection schedules and reductions on non-essential repairs, business travel, membership dues and training programs total $924 million over the February Plan period. The total savings in 2020 is estimated to be $242 million, $570 million in 2021, $473 million in 2022, $442 million in 2023, and $448 million in 2024. These revised estimates are unfavorable to the December Plan estimates by $17 million in 2020, $31 million in 2021, $25 million in 2022, $24 million in 2023 and $13 million in 2024.

- *MTA Transformation Plan.* In 2019, MTA procured the services of a management consulting firm, AlixPartners, to review operations throughout the organization and recommend changes to simplify and streamline internal processes, clarify roles and responsibilities across the Related Entities, and solidify accountability to foster efficiency. Although the pandemic delayed the full implementation of the Transformation Plan, savings have been realized from ongoing vacancies due to the MTA hiring freeze, and these 2020 savings are reflected in Related Entities' baselines. The savings from the consolidation and organizational efficiencies have resulted in the elimination of 2,700 vacant positions, and the savings from the eliminated vacant positions are reflected in Related Entities' baseline financial plans. Overall, the Transformation Plan is projected to generate savings of $431 million in 2021, $472 million in 2022, and $475 million in each of 2023 and 2024. After accounting for the vacancy elimination savings, estimated unidentified Transformation Plan savings of $25 million in 2021, $146 million in 2022, $151 million in 2023 and $148 million in 2024 remain below-the-line in the February Plan.

- *Redirect Mansion Tax and Internet Marketplace Tax.* Public Authorities Law 553-j was amended in the 2020-2021 State Enacted Budget to allow MTA to use monies in the Central Business District Tolling Lockbox Fund through the end of 2021 to offset revenue declines or operating expense increases resulting from the COVID-19 pandemic. Receipts from the Real Property Transfer Tax Surcharge and the Internet Marketplace Tax are deposited in the lockbox; revenues from the Central Business Tolling Program will also be deposited in the lockbox, once tolling commences. MTA is required to repay the lockbox if it receives sufficient funds from the federal government or insurance due to COVID-19, but only after first repaying any COVID-19 related public or private borrowings, draws on lines of credit, issuances of revenue anticipation loans or OPEB Trust. The November Plan included transfers from the lockbox of $424 million in 2020 and $476 million in 2021 to cover operating expenses. The February Plan recognizes an additional $16 million in 2020 and $49 million in 2021.

The following MTA Plan Adjustments remain "below-the-line" and therefore are not captured within Related Entities' baseline forecasts:

- *Fare and Toll Increase in 2021*. The February Plan assumes a six-month delay in the 4% yield increase in farebox revenue, and a one-month delay in the 4% yield increase in toll revenues. The six-month farebox delay reflects a preference by the MTA Board to defer any decision on fare rate changes until later in 2021, while the toll revenue delay is to conform with the statutorily mandated State Administrative Procedures Act timeline. The 2021 farebox and toll increases are expected to yield an additional $66 million in 2021, $208 million in 2022, $256 million in 2023 and $276 million in 2024. Factoring in the MTA Bus, MTA Staten Island Railway and MTA Bridges and Tunnels adjustments included in "Subsidy Impact of Fare and Toll Increases," the net increase to MTA is estimated to be $61 million in 2021, $203 million in 2022, $255 million in 2023 and $276 million in 2024. These delays, along with slight re-estimates, reduce the expected revenue from the yield increases by $32 million in 2021, with favorable impacts of $7 million in 2022 and $11 million in 2023 and 2024.

- *Fare and Toll Increase in 2023*. A $285 million annualized consolidated farebox and toll increase is assumed for implementation in March 2023, and is estimated to yield 4%, for an additional $226 million in 2023 and $285 million in 2024. Factoring in MTA Bus, Staten Island Railway and MTA Bridges and Tunnels adjustments included in "Subsidy Impact of Fare and Toll Increases," the net increase to MTA is estimated to be $217 million in 2023 and $284 million in 2024, which is favorable from the estimate in the November Plan by $2 million each year.

- *Change in State Aid for the 2015-19 Capital Plan.* Pursuant to the State's $7.3 billion funding commitment for the 2015-2019 Capital Program, as authorized through legislation enacted in 2016, State Aid will decrease compared to the July Plan by $898 million over the February Plan period to coincide with the reduction in assumed debt service resulting from the State issuing its own debt and the assumption that the State will directly fund all future obligations associated with the $7.3 billion commitment.

- *Repayment of Revolving Bank Line of Credit*. To provide liquidity, MTA drew on its lines of credit in 2020; the lines of credit are expected to be repaid in 2022.

- *Proceeds of MLF Deficit Financing.* To cover the budget deficits, MTA has been granted the authority by the 2020-2021 State Enacted Budget to borrow up to $10 billion in deficit financing through December 2022. MTA has utilized the Federal Reserve's Municipal Lending Facility ("MLF"), which the Federal Reserve established as a source of emergency financing for state and local governments and public entities to ensure they have access to credit during the COVID-19 pandemic, to borrow the maximum $2.9 billion allowed under the program before the lending window closed at the end of 2020. The December Plan assumed the full $2.9 billion in MLF deficit financing proceeds would be reflected in 2020. Due to favorable 2020 results, the February Plan anticipates using $1.65 billion in 2021 in MLF deficit financing proceeds, with the remaining $1.25 billion used in 2022.

- *MLF Takeout with Long-Term Deficit Bonds issued in 2023.* MTA expects to issue long-term bonds in 2023 to repay the MLF loan. The February Plan reflects the debt service associated with the MLF loan and the take-out bonds during the February Plan period.

- *Service Reductions.* With favorable preliminary 2020 year-end results and projected increases in State subsidies, the service reductions previously proposed in the December Plan are delayed until 2023, reducing savings by $1.27 billion in 2022. However, without additional federal aid in the out-years of the Financial Plan, MTA may still need to consider onerous alternatives. The most difficult action would be significant service reductions. In the December Financial Plan, MTA had considered service reductions to be more aligned with ridership levels, since ridership remained extremely low, and projections in the December Plan were worse than those included in the July Plan. The December Plan included service reductions of 40% percent for the subway and bus systems and 50% for the commuter railroads, which could accommodate anticipated ridership levels in 2022 and yield savings of $1.27 billion. Accompanying the service reductions would be workforce reductions of an estimated 9,367 positions. The proposed service reductions focused on achieving significant cost reductions, mitigating negative customer impacts, and providing service in response to current and projected ridership. Service would be restored as ridership levels improved, and projected savings would be $696 million in 2023 and $559 million in 2024.

- *Permanent Wage Freeze.* MTA is also proposing a permanent wage freeze for all employees, both represented and non-represented, through 2022. This action would save estimated totals of $309 million in 2022, $315 million in 2023 and $322 million in 2024.

- *FEMA Reimbursement.* The November Plan included reimbursement from the Federal Emergency Management Agency ("FEMA") for the estimated $293 million in direct COVID-19 related expenses incurred from the start of the pandemic through September 15, 2020, the cut-off date established by FEMA. FEMA typically reimburses 75% of local claim amounts, with the remaining portion covered by the State; however, with the State experiencing fiscal stress, MTA expects to receive $220 million in 2021, assuming the remaining 25% will not be received.

- *New Federal Aid*. The December Plan assumed $4.5 billion in new federal aid in 2021. The Coronavirus Response and Relief Supplemental Appropriations Act was signed into law on December 27, 2020. Analysis of the statute's provisions indicated MTA will receive $4.0 billion in new <u>federal aid</u>, reduced by $500 million anticipated in the December Plan.

Summary of February Plan Conclusions

In total, the foregoing changes leave the projected cumulative deficit at $7.972 billion in the February Plan, up from $7.850 billion in the December Plan, with a projected cash balance of $5 million in 2021 and deficits of $3.129 billion in 2022, $2.441 billion in 2023 and $2.403 billion in 2024. MTA continues to seek additional federal aid to mitigate these out-year deficits.

Challenges and Significant Risks Remain

There are a variety of challenges and significant risks affecting MTA and implementation of the February Plan and the ability to address the serious deficits still projected in the February Plan:

- *Additional Federal Aid.* MTA still projects $8 billion in remaining deficits over this February Plan period. MTA management is monitoring the $1.9 trillion American Rescue Plan proposal being considered by the federal government.

- *Maintain Cost Reductions.* MTA must remain focused on existing cost control efforts to maintain progress and achieve the $1.9 billion in identified Additional Savings Actions included in the February Plan.

- *Achieve Remaining Transformation Plan Savings Targets.* Without the savings from the Transformation Plan, the February Plan would worsen by $556 million over the February Plan period.

- *Implement the 4 Percent Fare/Toll Yield Increases in 2021 and 2023.* While MTA works diligently to control costs, combined fares and tolls only cover approximately half of operating costs ("Farebox Operating Ratio") and a little more than a third of total expenses, including capital costs ("Farebox Recovery Ratio"). Moreover, many costs are dependent on pricing factors outside MTA's direct control (e.g., energy, health & welfare and pensions). The February Plan assumes $795 million in additional fare and toll revenue from the projected 2021 increase, and another $501 million from the 2023 increase.

- *Align Service with "New Normal" Ridership Levels to Address MTA's Existing and Future Structural Fiscal Imbalance.* McKinsey projected that MTA's overall ridership may only recover to 80% to 92% of the pre-pandemic level by the mid-2020s. This projection considers changes in travel behavior as more employers allow their staffs to work remotely, increasing work from home from between one and three days a week, on average, from the pre-pandemic average of a half-day per week. McKinsey estimates this change in commutation patterns could drive down ridership between 4% and 12%. Non-work trips are expected to decline due to a 10% to 20% reduction in retail trips and a 20% to 30% decline in leisure trips, driving down overall ridership another 2 percent to 5 percent. Mode shifts, to automobile and other forms of travel—primarily bicycle and walking for shorter trips—are expected to further reduce overall ridership by 2 % to 3%. The challenge facing MTA is not only to provide the level of service to match the current needs of customers, but also to introduce the appropriate level of service as ridership returns. Simply returning to pre-pandemic service structure and service levels, without appropriately matching service with “new normal” demand, will continue the unsustainable structural fiscal imbalances that must be addressed and corrected.

- *Implement a Permanent Wage Freeze.* The permanent wage freeze, for both represented and non-represented employees, would save an estimated $946 million over the February Plan period.

- *Respond to the developing economic environment.* MTA’s finances are highly influenced by local, national and global economic factors. Passenger and toll revenues, dedicated taxes and subsidies (including real estate transaction tax revenue), debt service, pensions and energy costs are all impacted by the health of the economy. If the economic assumptions reflected in the February Plan are unrealized, the February Plan’s projected results could be adversely affected.

- *Cybersecurity Risks*. In the course of its daily business, MTA and its Related Entities collect and store sensitive data, including fare and toll collection data, financial information, security information, proprietary business information, information regarding customers, suppliers and business partners, and personally identifiable information of customers and employees. The secure processing, maintenance and transmission of this information is critical to many of MTA and its Related Entities’ operations, including operations of the Transit and Commuter Systems and MTA Bridges and Tunnels’ facilities. Despite security and other technical measures currently in place and those which may be adopted in the future, information technology and infrastructure may be vulnerable to attacks by hackers, nation states or other breaches, including as a result of error, malfeasance or other disruptions or failures. Any such breach, disruption or other failure could compromise MTA services, networks, facility operations and the information stored there could be accessed, disrupted, publicly disclosed, lost or stolen. Any such access, disruption, disclosure, theft or other loss of information could result in disruptions to MTA and its Related Entities’ operations and financial or other activities, including as they relate to the Transit and Commuter Systems and MTA Bridges and Tunnels’ facilities or otherwise, or legal claims or proceedings, including pursuant to laws that protect the privacy of personal information, or regulatory penalties.

  MTA maintains a cybersecurity division within its IT department lead by the MTA Chief Information and Security Officer who reports to the MTA Chief Technology Officer. MTA uses National Institute of Standards and Technology Cybersecurity Framework to measure the maturity of cybersecurity controls and exposure to cyber risks at MTA and its Related Entities. The current focus is on improving detection, response and recovery capabilities along with a continual review of critical controls for systems which process MTA and its Related Entities corporate/IT data. Funding has been provided to cover previously identified cybersecurity investment needs. While the 2021 MTA budget provides $15.2 million for cybersecurity, an additional $188.2 million over a four-year period is allocated to strengthen cybersecurity defenses at MTA and its Related Entities.

  While MTA cybersecurity and operational safeguards are periodically tested, no assurances can be given by MTA that such measures will ensure against all potential cybersecurity threats and attacks and accompanying disruptions and costs.

- *Potential Impact of Changes in Federal Law*. MTA's finances are also influenced by federal public transportation provisions, funding levels and federal tax law. The Presidential administration and Congress are considering budgetary and programmatic changes in law relating to federal public transportation and infrastructure finance. Enacted federal tax reform includes changes in personal and corporate tax rates and deductions, which adversely impact MTA's opportunities for federal tax-exempt financing, particularly the prohibition of advance refundings for debt service savings which became effective in 2018. The limitation of itemized deductions for state and local income and property taxes to $10,000 may also adversely impact the New York region's real estate market and levels of MTA real estate related tax subsidies. Although MTA management is monitoring federal legislative activity, at this time it is not possible to assess the financial or programmatic impacts upon MTA's finances of current federal proposals and enacted tax law changes.

- *Potentially Higher Interest Rates than Forecast.* The February Plan includes interest rate assumptions consistent with the Federal Open Markets Committee's ("FOMC"). However, recent actions and policy statements on future actions or a sudden and unexpected increase in economic activity may result in inflationary growth beyond the FOMC's inflation target, which in turn could lead to a further increasing of the federal funds rate. Such an increase could lead to an increase in interest rates for MTA capital borrowing higher than projected in the February Plan.

- *Central Business District Tolling Program*. On October 18, 2019, MTA Bridges and Tunnels announced the selection of TransCore to design, build, operate and maintain the toll system equipment and infrastructure required to implement the Central Business District ("CBD") Tolling Program in New York City (the "City"). MTA Bridges and Tunnels will work closely with TransCore and the City's Department of Transportation to install the toll system and infrastructure for the CBD Tolling Program that is expected to reduce congestion and generate net revenue sufficient to fund an estimated $15 billion for the MTA 2020-2024 Capital Plan. The City would be the first in North America to have a CBD Tolling Program.

  To implement the CBD Tolling Program on federal aid roadways within the CBD, authorization is required from the Federal Highway Administration ("FHWA") under its Value Pricing Pilot Program ("VPPP"). FHWA approval to participate in the VPPP makes this project subject to National Environmental Policy Act review. Once operational, TransCore will continue to be responsible under a contract with MTA Bridges and Tunnels for operating and maintaining the infrastructure and toll system for an additional six years. The contract envisions a future-ready system, which allows for new technologies to be incorporated as technologies advance. The total cost of this design, build, operate and maintain contract is $507 million, which includes incentive payments to encourage on-time delivery. There is no assurance when, or if, FHWA approval will be secured as MTA Bridges and Tunnels awaits a decision by the FHWA on the form of environmental review for the CBD Tolling Program. While MTA Bridges and Tunnels has already advanced some of the work on the CBD Tolling Program, within the constraints of federal environmental law, in the expectation that guidance will be provided by FHWA in the near future, on February 18, 2021, the MTA Board authorized the issuance of MTA Bridges and Tunnel's second lien subordinated revenue obligations to finance part of the

$503 million authorized to support the completion of the CBD Tolling Program as expeditiously as possible after FHWA approval is received. In light of the delays caused by the absence of FHWA approval, MTA Bridges and Tunnels' implementation of the CBD Tolling Program could be delayed until 2023.

MTA Liquidity Resources.

As of March 1, 2021, MTA had liquidity resources in the approximate amount of $6.775 billion, consisting of a current running cash balance of $885 million, internal available flexible funds totaling $1.313 billion, PMT working capital BANs totaling $2.903 billion and commercial bank lines of credit totaling $1.674 billion (total commercial bank lines of credit are $2.150 billion, of which $476 million have been drawn by MTA). *These funds provide a temporary funding "bridge" to a permanent solution to lost revenues and higher expenses. Certain of these funds must be repaid or replaced. Use of these monies will leave MTA with a significant gap in funding for both the operating budget and capital plan over the longer term and will likely result in additional debt issuance and unfunded operating needs.*

[The Remainder of this Page is Intentionally Left Blank]

Attachment A to MTA Annual Disclosure Statement
Third Quarterly Update
March 2, 2021

MTA February Financial Plan

This **Attachment A** to the 2020 ADS Third Quarterly Update sets forth the consolidated February Plan in tabular form and includes Financial Plan tables that summarize MTA's February Plan projected receipts and disbursements for fiscal years 2019 (actual), 2020 (final estimate), and 2021 (adopted budget) through 2024, in each case prepared by MTA management. The complete February Plan is posted on MTA's website: https://new.mta.info/transparency/financial-information/financial-and-budget-statements. No statement on MTA's website or any other website is included by specific cross-reference herein.

In general, the MTA's February Plan provides the opportunity for MTA to present a revised forecast of the previous year's final estimated results, revised forecast of the current year's finances and a three-year re-forecast of out-year finances. The February Plan may include a series of gap closing proposals necessary to maintain a balanced budget and actions requiring public hearings.

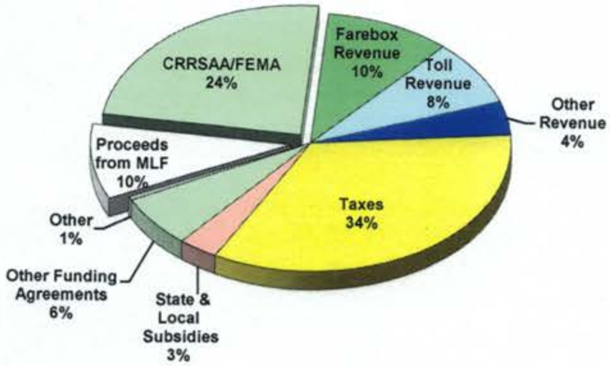
II. MTA Consolidated Financial Plan

MTA 2021 Adopted Budget

Baseline Revenues and Expenses <u>After</u> Below-the-Line (BTL) Adjustments

Non-Reimbursable

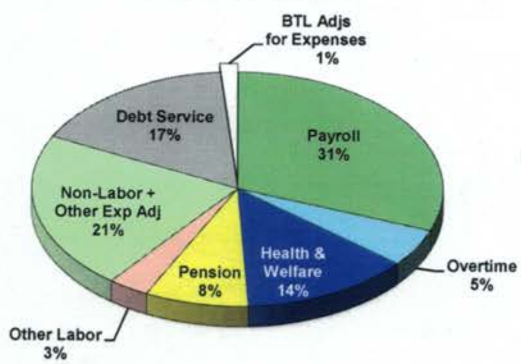
Where the Dollars Come From ...



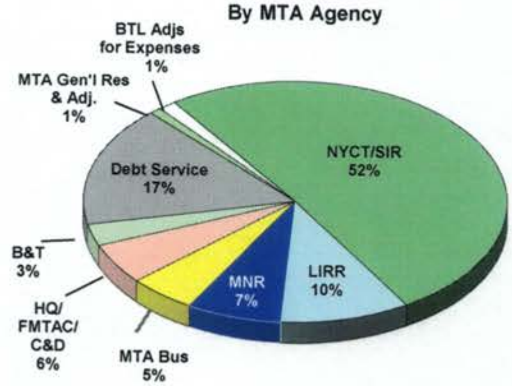
By Revenue Source ($ in millions)	
Farebox Revenue	$1,768
Toll Revenue	1,435
Other Revenue	736
Taxes	5,990
State and Local	558
Other Funding Agreements	1,139
Other [1]	88
Proceeds from MLF	1,650
CRRSAA/FEMA	4,215
Total [2]	$17,579

Where the Dollars Go ...

By Expense Category



By MTA Agency



By Expense Category [3] includes below-the-line adjustments ($ in millions)	
Payroll	$5,433
Overtime	917
Health & Welfare	2,361
Pension	1,443
Other Labor	568
Total Labor	*$10,723*
Non-Labor + Other Exp Adj	3,691
Debt Service	2,911
BTL Adjustments for Expenses [4]	249
Total [2]	$17,574

By MTA Agency [3] includes below-the-line adjustments ($ in millions)	
NYCT/SIR	$9,102
LIRR	1,771
MNR	1,292
MTABC	913
HQ/FMTAC/C&D	973
B&T	522
Debt Service	2,911
MTA Gen'l Res & Adjs	(160)
BTL Adjustments for Expenses [4]	249
Total [2]	$17,574

[1] *Includes cash adjustments and prior-year carryover.*

[2] *Totals may not add due to rounding.*

[3] *Expenses exclude Depreciation, GASB 75 OPEB Adjustment, GASB 68 Pension Adjustment and Environmental Remediation.*

[4] *In the pie chart "By Expense Category," the below-the-line adjustments cannot be segmented by Expense Category. The pie slice reflects the total adjustments to expenses that are being proposed in this Plan.*
In the pie chart "By MTA Agency," the below-the-line adjustments cannot be segmented by Agency . The pie slice reflects the total adjustments to expenses that are being proposed in this Plan.

Note: The revenues and expenses reflected in these charts are on an accrued basis.

[THIS PAGE INTENTIONALLY LEFT BLANK]

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2021 - 2024
MTA Consolidated Accrued Statement of Operations By Category
($ in millions)

	Actual 2019	Final Estimate 2020	Adopted Budget 2021	2022	2023	2024
Non-Reimbursable						
Operating Revenues						
Farebox Revenue	$6,351	$2,393	$1,746	$3,461	$4,566	$5,088
Toll Revenue	2,071	1,419	1,396	1,962	2,127	2,130
Other Revenue	706	4,621	736	813	846	941
Capital and Other Reimbursements	0	0	0	0	0	0
Total Revenues	**$9,128**	**$8,434**	**$3,878**	**$6,235**	**$7,539**	**$8,158**
Operating Expenses						
Labor:						
Payroll	$5,311	$5,402	$5,433	$5,592	$5,703	$5,856
Overtime	974	971	917	910	930	950
Health and Welfare	1,339	1,398	1,564	1,662	1,758	1,872
OPEB Current Payments	666	692	797	863	935	1,013
Pension	1,493	1,531	1,443	1,451	1,452	1,450
Other Fringe Benefits	848	990	998	1,056	1,095	1,135
Reimbursable Overhead	(470)	(370)	(430)	(417)	(409)	(416)
Total Labor Expenses	***$10,161***	***$10,614***	***$10,723***	***$11,117***	***$11,465***	***$11,860***
Non-Labor:						
Electric Power	$444	$398	$458	$474	$485	$497
Fuel	174	114	145	150	154	157
Insurance	2	19	30	47	56	71
Claims	495	387	424	436	451	465
Paratransit Service Contracts	477	345	434	511	545	585
Maintenance and Other Operating Contracts	731	830	863	925	939	944
Professional Services Contracts	442	604	609	595	559	549
Materials and Supplies	647	591	681	746	731	742
Other Business Expenses	231	174	170	200	223	225
Total Non-Labor Expenses	***$3,642***	***$3,463***	***$3,814***	***$4,083***	***$4,143***	***$4,235***
Other Expense Adjustments:						
Other	$149	$94	$37	$26	$28	$23
General Reserve	0	170	(160)	185	185	205
Total Other Expense Adjustments	***$149***	***$264***	***($123)***	***$211***	***$213***	***$228***
Total Expenses Before Non-Cash Liability Adjs.	**$13,952**	**$14,340**	**$14,414**	**$15,412**	**$15,821**	**$16,323**
Depreciation	$2,870	$2,849	$2,923	$2,992	$3,067	$3,125
GASB 75 OPEB Expense Adjustment	877	1,607	1,760	1,860	1,966	2,032
GASB 68 Pension Expense Adjustment	13	(237)	(311)	(300)	(241)	(348)
Environmental Remediation	42	6	6	6	6	6
Total Expenses After Non-Cash Liability Adjs.	**$17,752**	**$18,566**	**$18,792**	**$19,969**	**$20,618**	**$21,138**
Conversion to Cash Basis: Non-Cash Liability Adjs.	($3,801)	($4,226)	($4,378)	($4,557)	($4,798)	($4,815)
Debt Service (excludes Service Contract Bonds)	2,630	2,734	2,911	3,176	3,682	3,723
Total Expenses with Debt Service	**$16,582**	**$17,075**	**$17,325**	**$18,588**	**$19,503**	**$20,045**
Dedicated Taxes & State and Local Subsidies	$7,290	$6,689	$7,682	$7,245	$7,489	$7,616
Net Surplus/(Deficit) After Subsidies and Debt Service	**($164)**	**($1,951)**	**($5,764)**	**($5,108)**	**($4,474)**	**($4,271)**
Conversion to Cash Basis: GASB Account	$0	$0	$0	$0	$0	$0
Conversion to Cash Basis: All Other	277	654	95	324	361	247
Cash Balance Before Prior-Year Carryover	**$113**	**($1,297)**	**($5,669)**	**($4,783)**	**($4,113)**	**($4,024)**
Below the Line Adjustments	$0	$1,326	$5,160	$1,650	$1,672	$1,622
Prior Year Carryover Balance	372	485	514	5	0	0
Net Cash Balance	**$485**	**$514**	**$5**	**($3,129)**	**($2,441)**	**($2,403)**

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2021 - 2024
Plan Adjustments
($ in millions)

	Actual 2019	Final Estimate 2020	Adopted Budget 2021	2022	2023	2024
Cash Balance Before Prior-Year Carryover	**$113**	**($1,297)**	**($5,669)**	**($4,783)**	**($4,113)**	**($4,024)**
Fare and Toll Increases:						
Fare Increase 9/01/21 (4% Yield)		*$0*	*$22*	*$129*	*$171*	*$191*
Toll Increases on 4/01/21 (4% Yield)		*0*	*44*	*78*	*85*	*85*
Fare and Toll Increase on 3/1/23 (4% Yield)		*0*	*0*	*0*	*226*	*285*
Subsidy Impacts of 2021/2023 Fare/Toll Increase		*0*	*(5)*	*(7)*	*(19)*	*(15)*
Subtotal:		**$0**	**$61**	**$200**	**$464**	**$546**
MTA Initiatives:						
MTA Transformation Savings - Not Yet Identified		*$0*	*$25*	*$146*	*$151*	*$148*
Subtotal:		**$0**	**$25**	**$146**	**$151**	**$148**
Management and Policy Actions:						
State Aid for the 2015-19 Capital Program		*0*	*0*	*44*	*46*	*46*
Repayment of Revolving Bank Line of Credit		*0*	*0*	*(300)*	*0*	*0*
Drawdown of MLF Deficit Financing		*0*	*1,650*	*1,250*	*0*	*0*
Service Reductions		*0*	*0*	*0*	*696*	*559*
Permanent Wage Freeze (Rep/Non-Rep through 2022)		*0*	*0*	*309*	*315*	*322*
Subtotal:		**$0**	**$1,650**	**$1,303**	**$1,057**	**$927**
MTA Re-estimates:						
2020 Preliminary Results (with Timing Adjustments)		*1,326*	*(796)*	*0*	*0*	*0*
Subtotal		**$1,326**	**($796)**	**$0**	**$0**	**$0**
Other:						
FEMA Reimbursement		*$0*	*$220*	*$0*	*$0*	*$0*
CRRSAA Federal Aid		*0*	*4,000*	*0*	*0*	*0*
Subtotal:		**$0**	**$4,220**	**$0**	**$0**	**$0**
TOTAL ADJUSTMENTS		**$1,326**	**$5,160**	**$1,650**	**$1,672**	**$1,622**
Prior Year Carryover Balance	*$372*	*$485*	*$514*	*$5*	*$0*	*$0*
Net Cash Surplus/(Deficit)	**$485**	**$514**	**$5**	**($3,129)**	**($2,441)**	**($2,403)**

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2021 - 2024
Accrued Statement of Operations by Agency
($ in millions)

	Actual 2019	Final Estimate 2020	Adopted Budget 2021	2022	2023	2024
Non-Reimbursable						
Total Revenues						
New York City Transit	$5,061	$5,000	$1,773	$3,061	$3,876	$4,329
Long Island Rail Road	809	819	243	458	601	679
Metro-North Railroad	814	623	257	481	619	691
MTA Headquarters	50	60	17	17	16	6
First Mutual Transportation Assurance Company	47	39	40	41	41	42
MTA Bus Company	242	427	81	141	180	200
Staten Island Railway	9	28	4	6	7	8
Construction and Development	0	0	48	50	53	55
Bridges and Tunnels	2,095	1,438	1,415	1,981	2,146	2,148
Total	**$9,128**	**$8,434**	**$3,830**	**$6,185**	**$7,486**	**$8,103**
Total Expenses before Non-Cash Liability Adjs.*						
New York City Transit	$8,859	$8,866	$9,036	$9,509	$9,861	$10,220
Long Island Rail Road	1,514	1,558	1,771	1,879	1,920	1,997
Metro-North Railroad	1,339	1,324	1,292	1,336	1,363	1,388
MTA Headquarters	654	881	842	848	836	844
First Mutual Transportation Assurance Company	35	1	5	6	3	(7)
MTA Bus Company	834	887	913	944	939	951
Staten Island Railway	58	68	66	65	66	69
Construction and Development	0	0	88	73	75	76
Bridges and Tunnels	511	491	522	541	544	555
Other	149	264	(123)	211	213	228
Total	**$13,952**	**$14,340**	**$14,414**	**$15,412**	**$15,821**	**$16,323**
Depreciation						
New York City Transit	$1,994	$1,928	$1,978	$2,029	$2,082	$2,136
Long Island Rail Road	379	414	417	421	425	429
Metro-North Railroad	242	247	247	247	247	247
MTA Headquarters	31	21	39	39	39	39
First Mutual Transportation Assurance Company	0	0	0	0	0	0
MTA Bus Company	45	54	55	56	56	56
Staten Island Railway	12	12	12	12	18	18
Construction and Development	0	0	6	6	6	6
Bridges and Tunnels	167	173	170	182	194	194
Total	**$2,870**	**$2,849**	**$2,923**	**$2,992**	**$3,067**	**$3,125**
GASB 75 OPEB Expense Adjustment						
New York City Transit	$580	$1,346	$1,472	$1,557	$1,643	$1,699
Long Island Rail Road	108	52	53	54	55	56
Metro-North Railroad	112	69	70	63	62	65
MTA Headquarters	34	42	53	63	72	74
First Mutual Transportation Assurance Company	0	0	0	0	0	0
MTA Bus Company	0	58	70	80	90	93
Staten Island Railway	6	6	7	5	5	5
Bridges and Tunnels	37	34	36	38	39	40
Total	**$877**	**$1,607**	**$1,760**	**$1,860**	**$1,966**	**$2,032**
GASB 68 Pension Expense Adjustment						
New York City Transit	($27)	($303)	($309)	($309)	($309)	($309)
Long Island Rail Road	(12)	28	(34)	(33)	(8)	(61)
Metro-North Railroad	(4)	(4)	2	2	18	(13)
MTA Headquarters	6	4	0	6	12	1
MTA Bus Company	52	51	44	44	52	38
Staten Island Railway	0	0	(1)	(1)	(1)	(1)
Bridges and Tunnels	(3)	(14)	(13)	(9)	(5)	(3)
Total	**$13**	**($237)**	**($311)**	**($300)**	**($241)**	**($348)**
Environmental Remediation						
New York City Transit	$28	$0	$0	$0	$0	$0
Long Island Rail Road	10	2	2	2	2	2
Metro-North Railraod	3	4	4	4	4	4
MTA Bus Company	2	0	0	0	0	0
Bridges and Tunnels	0	0	0	0	0	0
Total	**$42**	**$6**	**$6**	**$6**	**$6**	**$6**
Net Surplus/(Deficit)						
New York City Transit	($6,372)	($6,836)	($10,404)	($9,725)	($9,402)	($9,418)
Long Island Rail Road	(1,190)	(1,236)	(1,965)	(1,864)	(1,793)	(1,746)
Metro-North Railroad	(879)	(1,017)	(1,357)	(1,171)	(1,074)	(999)
MTA Headquarters	(675)	(889)	(917)	(939)	(943)	(952)
First Mutual Transportation Assurance Company	13	38	35	35	39	49
MTA Bus Company	(690)	(624)	(1,001)	(983)	(957)	(938)
Staten Island Railway	(66)	(58)	(79)	(75)	(80)	(83)
Construction and Development	0	0	(47)	(29)	(29)	(28)
Bridges and Tunnels	1,382	754	700	1,229	1,373	1,363
Other	(149)	(264)	123	(211)	(213)	(228)
Total	**($8,625)**	**($10,132)**	**($14,914)**	**($13,734)**	**($13,079)**	**($12,979)**

Note: * Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2021 - 2024
Cash Receipts and Expenditures
($ in millions)

	Actual 2019	Final Estimate 2020	Adopted Budget 2021	2022	2023	2024
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	$6,380	$2,391	$1,749	$3,461	$4,570	$5,090
Other Revenue	757	4,648	887	831	865	962
Capital and Other Reimbursements	2,322	2,144	2,125	1,984	1,938	1,956
Total Receipts	**$9,459**	**$9,183**	**$4,761**	**$6,276**	**$7,373**	**$8,008**
Expenditures						
Labor:						
Payroll	$5,823	$5,885	$6,009	$6,099	$6,191	$6,353
Overtime	1,226	1,160	1,111	1,089	1,105	1,127
Health and Welfare	1,379	1,430	1,618	1,712	1,806	1,921
OPEB Current Payments	652	681	790	856	928	1,005
Pension	1,549	1,586	1,504	1,512	1,512	1,512
Other Fringe Benefits	930	932	957	985	1,009	1,041
Contribution to GASB Fund	0	0	0	0	0	0
Reimbursable Overhead	0	0	(4)	(4)	(4)	(4)
Total Labor Expenditures	***$11,559***	***$11,674***	***$11,984***	***$12,249***	***$12,546***	***$12,954***
Non-Labor:						
Electric Power	$459	$410	$466	$482	$493	$505
Fuel	172	111	143	147	151	155
Insurance	23	22	30	47	56	72
Claims	392	246	286	295	307	319
Paratransit Service Contracts	484	343	432	509	543	583
Maintenance and Other Operating Contracts	737	827	819	846	846	847
Professional Services Contracts	595	768	658	608	569	554
Materials and Supplies	875	762	844	850	828	838
Other Business Expenses	199	177	153	174	198	211
Total Non-Labor Expenditures	***$3,935***	***$3,665***	***$3,831***	***$3,958***	***$3,991***	***$4,083***
Other Expenditure Adjustments:						
Other	$112	$167	$193	$169	$172	$178
General Reserve	0	170	(160)	185	185	205
Total Other Expenditure Adjustments	***$112***	***$337***	***$33***	***$354***	***$357***	***$383***
Total Expenditures	**$15,606**	**$15,677**	**$15,848**	**$16,561**	**$16,893**	**$17,419**
Net Cash Balance before Subsidies and Debt Service	**($6,147)**	**($6,494)**	**($11,087)**	**($10,285)**	**($9,521)**	**($9,411)**
Dedicated Taxes & State and Local Subsidies	$8,223	$7,241	$7,586	$7,889	$8,163	$8,178
Debt Service (excludes Service Contract Bonds)	(1,963)	(2,044)	(2,168)	(2,388)	(2,755)	(2,791)
Cash Balance Before Prior-Year Carryover	**$113**	**($1,297)**	**($5,669)**	**($4,783)**	**($4,113)**	**($4,024)**
Adjustments	$0	$1,326	$5,160	$1,650	$1,672	$1,622
Prior-Year Carryover Balance	372	485	514	5	0	0
Net Cash Balance	**$485**	**$514**	**$5**	**($3,129)**	**($2,441)**	**($2,403)**

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2021 - 2024
Consolidated Cash Statement of Operations By Agency
($ in millions)

	Actual 2019	Final Estimate 2020	Adopted Budget 2021	2022	2023	2024
Total Receipts						
New York City Transit	$6,377	$6,065	$2,897	$4,137	$4,922	$5,321
Long Island Rail Road	1,237	1,265	617	815	937	1,015
Metro-North Railroad	1,148	982	592	732	874	948
MTA Headquarters	353	310	369	250	255	319
Construction & Development	34	49	141	138	139	140
First Mutual Transportation Assurance Company	47	39	40	41	41	42
MTA Bus Company	248	438	92	153	191	211
Staten Island Railway	15	35	12	12	13	12
Total	**$9,459**	**$9,183**	**$4,761**	**$6,276**	**$7,373**	**$8,008**
Total Expenditures						
New York City Transit	$9,988	$9,581	$9,929	$10,310	$10,634	$11,006
Long Island Rail Road	2,002	1,987	2,160	2,239	2,252	2,335
Metro-North Railroad	1,766	1,739	1,708	1,630	1,643	1,678
MTA Headquarters	887	1,149	1,015	984	949	951
Construction & Development	34	49	182	160	161	162
First Mutual Transportation Assurance Company	47	39	40	41	41	42
MTA Bus Company	816	873	864	894	888	899
Staten Island Railway	60	75	71	69	70	71
Other	6	185	(122)	235	254	275
Total	**$15,606**	**$15,677**	**$15,848**	**$16,561**	**$16,893**	**$17,419**
Net Operating Surplus/(Deficit)						
New York City Transit	($3,611)	($3,516)	($7,032)	($6,174)	($5,711)	($5,685)
Long Island Rail Road	(765)	(722)	(1,544)	(1,424)	(1,315)	(1,320)
Metro-North Railroad	(617)	(756)	(1,116)	(898)	(770)	(730)
MTA Headquarters	(535)	(839)	(646)	(734)	(695)	(632)
Construction & Development	0	0	(41)	(23)	(22)	(21)
First Mutual Transportation Assurance Company	0	0	0	0	0	0
MTA Bus Company	(568)	(436)	(772)	(741)	(697)	(689)
Staten Island Railway	(45)	(40)	(60)	(57)	(57)	(59)
Other	(6)	(185)	122	(235)	(254)	(275)
Total	**($6,147)**	**($6,494)**	**($11,087)**	**($10,285)**	**($9,521)**	**($9,411)**

METROPOLITAN TRANSPORTATION AUTHORITY

February Financial Plan 2021-2024

MTA Consolidated February Financial Plan Compared with December Financial Plan

Cash Reconciliation after Below-the-Line Adjustments

($ in millions)

	Favorable/(Unfavorable)				
	2020	2021	2022	2023	2024
DECEMBER FINANCIAL PLAN 2021-2024 NET CASH SURPLUS/(DEFICIT)	**$1,786**	**$29**	**($3,280)**	**($2,346)**	**($2,225)**
Subtotal Agency Changes	**$249**	**($788)**	**($1,121)**	**($1,201)**	**($732)**
Technical Adjustments [1]	$2	($103)	$8	$14	$19
Additional Savings Actions	247	582	489	458	465
Transformation Plan - Vacancy Savings	-	405	326	324	327
Adjustments to Farebox Revenue Forecasts	-	(1,561)	(1,826)	(1,869)	(1,404)
Rate Increase to MTA-Sponsored Medical Plans	-	(106)	(113)	(121)	(129)
All Other	-	(5)	(3)	(6)	(9)
B&T Net Baseline Impacts [2]	**($19)**	**($44)**	**($40)**	**($38)**	**($38)**
Debt Service	**$0**	**$1**	**($0)**	**($109)**	**($111)**
Subsidies (Cash)	**$1,285**	**$1,577**	**$359**	**$13**	**($198)**
Metropolitan Mass Transportation Operating Assist (MMTOA)	148	752	80	(145)	(177)
Petroleum Business Tax (PBT) Receipts	61	100	(30)	(76)	(76)
PMT Replacement Funds	34	112	(13)	(13)	(13)
2020-24 Capital Program Funding from Lockbox for Debt Service	440	525	0	-	(0)
State Operating Assistance (18-b)	26	32	-	-	-
Local Operating Assistance (18-b)	26	32	-	-	-
City Subsidy for MTA Bus	0	(246)	118	59	27
City Subsidy for Staten Island Railway	(0)	(1)	(6)	(15)	(29)
CDOT Subsidy for Metro-North Railroad	(5)	24	31	32	13
B&T Surplus Transfer	17	46	46	46	47
Use of OPEB Trust Proceeds	337	-	-	-	-
Savings from Holding 2020-2024 Committed to Capital	187	181	120	114	-
Other Subsidies and Subsidy Adjustments	13	22	12	10	10
Below-the-Line (BTL) Adjustments	**($2,786)**	**$501**	**$978**	**$1,241**	**$900**
Fare and Toll Increases:					
Adjustments to 2021 and 2023 Fare/Toll Increases	-	(32)	7	11	11
MTA Efficiencies:					
MTA Transformation Savings - Not Yet Identified	-	25	146	151	148
Management and Policy Actions:					
Reversal of Below-the-Line Policy Actions Incorporated Above-the-Line [3]	(1,212)	(1,513)	(1,090)	(912)	(793)
Drawdown of MLF Deficit Financing	(2,900)	1,650	1,250	-	-
Service Reductions	-	-	(1,274)	-	-
MTA Re-estimates:					
Reversal of Below-the-Line Re-estimates Incorporated Above-the-Line [4]	-	1,667	1,940	1,990	1,533
2020 Preliminary Results (with Timing Adjustments)	1,326	(796)	-	-	-
Other:					
Adjustment to CRRSAA Federal Aid	-	(500)	-	-	-
Prior Year Carryover	**($0)**	**($1,272)**	**($25)**	**$0**	**$0**
FEBRUARY FINANCIAL PLAN 2021-2024 NET CASH SURPLUS/(DEFICIT)	**$514**	**$5**	**($3,129)**	**($2,441)**	**($2,403)**

* *Totals may not add due to rounding*

[1] The MTA-wide hiring freeze has resulted in vacancies beyond the 2,700 envisioned in the Transformation Plan, and the separation expenses will not be incurred, saving the operating budget the $86.4 million in 2021. This Plan reassigns the expenses to Headquarters in the Technical Adjustments line in 2021, which are then eliminated as savings in Transformation Plan - Vacancy Savings line in 2021.

[2] While B&T Operating Surplus Transfer is captured as a subsidy, B&T's baseline impacts are captured in individual reconciliation categories in the Agency Baseline Adjustments above. To avoid duplication, B&T's baseline impacts are eliminated within this line. Included within B&T's baseline changes are Additional Savings Actions, Transformation Plan - Vacancy Savings and technical adjustments.

[3] Below-the-line Policy Actions have been incorporated above-the-line requiring a reversal of the policy action proposed in the December Plan. These include: Delay Use of the 2019 General Reserve to 2021, MTA Transformation Savings, Additional Savings Actions, Redirect of Mansion Tax & Internet Marketplace Tax, Hold 2020-2024 Committed to Capital, Use of OPEB Trust Proceeds, MLF Takeout with Long-Term Deficit Bonds issued in 2022.

[4] Below-the-line Re-estimates have been incorporated above-the-line requiring a reversal of the re-estimate proposed in the December Plan. These include: Adjustment to Farebox Revenue Forecasts and Rate Increase for MTA-Sponsored Medical Plans.

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2021 - 2024
Farebox Recovery and Operating Ratios

FAREBOX RECOVERY RATIOS

	Final Estimate 2020	Adopted Budget 2021	Plan 2022	Plan 2023	Plan 2024
New York City Transit	14.2%	10.0%	18.3%	22.9%	24.6%
Staten Island Railway	3.9%	3.1%	4.7%	5.1%	5.4%
Long Island Rail Road	10.6%	7.5%	14.0%	17.9%	20.0%
Metro-North Railroad	14.0%	11.3%	21.6%	27.7%	30.9%
MTA Bus Company	8.0%	6.6%	11.3%	14.3%	15.8%
MTA-Wide Farebox Recovery Ratio	**13.2%**	**9.5%**	**17.5%**	**22.0%**	**23.9%**

FAREBOX OPERATING RATIOS

	Final Estimate 2020	Adopted Budget 2021	Plan 2022	Plan 2023	Plan 2024
New York City Transit	21.0%	14.9%	27.1%	34.2%	36.6%
Staten Island Railway	5.9%	5.2%	8.0%	9.5%	9.8%
Long Island Rail Road	17.8%	11.8%	22.4%	29.3%	31.7%
Metro-North Railroad	20.0%	16.0%	31.6%	41.5%	45.1%
MTA Bus Company	9.9%	8.2%	14.2%	18.4%	20.1%
MTA-Wide Farebox Operating Ratio	**19.6%**	**14.1%**	**25.9%**	**33.0%**	**35.5%**

Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation and interest on long-term debt. Approximately 20% (and sometimes more) of MTA costs are not recovered in the current year from farebox revenues, other operating revenues or subsidies. That is why MTA operating statements generally show deficits. In addition, the recovery ratio allocates centralized MTA services to the Agencies, such as Security, the costs of the Inspector General, Civil Rights, Audit, Risk Management, Legal and Shared Services.

Farebox operating ratio focuses on Agency operating financial performance. It reflects the way MTA meets its statutory and bond-covenant budget-balancing requirements, and it excludes certain costs that are not subject to Agency control, but are provided centrally by MTA.

In the agenda materials for the Meeting of the Metro-North and Long Island Committees, the calculations of the farebox operating and recovery ratios for the LIRR and MNR use a revised methodology to put the railroads on a more comparable basis. Those statistics, which are included in the respective financial and ridership reports of both Agencies, differ from the statistics presented in this table.

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2021 - 2024
Farebox Recovery and Operating Ratios

FAREBOX RECOVERY RATIOS

	Final Estimate 2020	Adopted Budget 2021	Plan 2022	Plan 2023	Plan 2024
New York City Transit	14.2%	10.0%	18.3%	22.9%	24.6%
Staten Island Railway	3.9%	3.1%	4.7%	5.1%	5.4%
Long Island Rail Road	10.6%	7.5%	14.0%	17.9%	20.0%
Metro-North Railroad	14.0%	11.3%	21.6%	27.7%	30.9%
MTA Bus Company	8.0%	6.6%	11.3%	14.3%	15.8%
MTA-Wide Farebox Recovery Ratio	**13.2%**	**9.5%**	**17.5%**	**22.0%**	**23.9%**

FAREBOX OPERATING RATIOS

	Final Estimate 2020	Adopted Budget 2021	Plan 2022	Plan 2023	Plan 2024
New York City Transit	21.0%	14.9%	27.1%	34.2%	36.6%
Staten Island Railway	5.9%	5.2%	8.0%	9.5%	9.8%
Long Island Rail Road	17.8%	11.8%	22.4%	29.3%	31.7%
Metro-North Railroad	20.0%	16.0%	31.6%	41.5%	45.1%
MTA Bus Company	9.9%	8.2%	14.2%	18.4%	20.1%
MTA-Wide Farebox Operating Ratio	**19.6%**	**14.1%**	**25.9%**	**33.0%**	**35.5%**

Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation and interest on long-term debt. Approximately 20% (and sometimes more) of MTA costs are not recovered in the current year from farebox revenues, other operating revenues or subsidies. That is why MTA operating statements generally show deficits. In addition, the recovery ratio allocates centralized MTA services to the Agencies, such as Security, the costs of the Inspector General, Civil Rights, Audit, Risk Management, Legal and Shared Services.

Farebox operating ratio focuses on Agency operating financial performance. It reflects the way MTA meets its statutory and bond-covenant budget-balancing requirements, and it excludes certain costs that are not subject to Agency control, but are provided centrally by MTA.

In the agenda materials for the Meeting of the Metro-North and Long Island Committees, the calculations of the farebox operating and recovery ratios for the LIRR and MNR use a revised methodology to put the railroads on a more comparable basis. Those statistics, which are included in the respective financial and ridership reports of both Agencies, differ from the statistics presented in this table.

Mixed Sources
Product group from well managed forests, controlled sources and recycled wood or fiber.

Printed by: ImageMaster, LLC
www.imagemaster.com