

METROPOLITAN TRANSPORTATION AUTHORITY

and

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

Municipal Finance Disclosure Policies & Procedures

Introduction

The Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority are committed to ensuring that disclosures made in connection with its municipal finance offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and any other applicable laws. Further, it is the policy of both the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority to satisfy in a timely manner their contractual obligations undertaken pursuant to Continuing Disclosure Undertakings entered into in connection with municipal finance offerings.

In furtherance of these objectives and policies, and to promote best practices relating to disclosures, the Boards of the Metropolitan Transportation Authority and the Triborough Bridge and Tunnel Authority have adopted the Disclosure Policies and Procedures set forth below, which shall apply to all disclosure undertakings.

Definitions

Capitalized terms used in these Disclosure Policies and Procedures shall have the meanings set forth below:

“Annual Disclosure Statement” means the financial information and operating data required to be filed pursuant to MTA’s Continuing Disclosure Undertakings, including Appendix A, the audited financial statements of MTA, NYCTA, TBTA and the TBTA Independent Engineer’s Report, which are incorporated by specific reference in certain other MTA and TBTA Disclosure Documents. The information includes narrative information relating to MTA Headquarters and each of the operating entities, as well as information that MTA has specifically contracted with bondholders to update on an annual basis in accordance with Securities and Exchange Commission Rule 15c2-12 (“Rule 15c2-12”).

“Authority” means, as the context permits or requires, any or all of the following: Metropolitan Transportation Authority (MTA); Triborough Bridge and Tunnel Authority (TBTA); Long Island Rail Road Company (LIRR); Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA); Metro-North Commuter Railroad Company (MNCRC); New York City Transit Authority (NYCTA); Staten Island Rapid Transit Operating Authority (SIRTOA); MTA Bus Company (MTA Bus); MTA Capital

Construction Company (MTACC); First Mutual Transportation Assurance Company (FMTAC); and any other affiliate or subsidiary hereafter created having a common board with the MTA.

“Board” shall mean the MTA Board and/or the TBTA Board, as appropriate.

“Bond Counsel” shall mean any attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of obligations by state and municipal entities selected by the Authority. At any time MTA/TBTA retains more than one bond counsel, all references to bond counsel shall be deemed to include one or more bond counsel, as deemed appropriate by the Deputy General Counsel, Finance.

“Bonds” or “bonds” shall refer to any bonds, notes or other securities offered by any Authority, the disclosure relating to which is subject to the requirements of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934, including Rule 10b-5 thereunder, and Securities Exchange Commission Rule 15c2-12.

“Continuing Disclosure Undertakings” means MTA’s and TBTA’s contractual obligations entered into with the trustee by any Authority in connection with each issuance of Bonds.

“Disclosure Documents” means MTA’s and TBTA’s documents and materials specifically prepared, issued, and distributed in connection with MTA’s and TBTA’s disclosure obligations under applicable federal securities laws or that otherwise could potentially subject MTA and TBTA to liability under such laws, and shall include, but not be limited to the following:

- Annual Disclosure Statement
- Official Statements
- Any filing made by MTA and TBTA with EMMA pursuant to a Continuing Disclosure Undertaking, including material event notices
- Any voluntary filing made by MTA and TBTA that is posted on EMMA
- Any document or other communication from MTA and TBTA that could be viewed as reasonably expected to reach investors and the trading market for MTA’s and TBTA’s Bonds
- Any other document that is reviewed and approved in accordance with these Disclosure Policies and Procedures

“EMMA” means the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board.

“MTA” means the Metropolitan Transportation Authority, a public benefit corporation of the State of New York.

“Official Statements” means, collectively, preliminary and final Official Statements, remarketing circulars or offering memoranda used in connection with the offering of Bonds. The Official Statement does not attempt to repeat the information in the Annual Disclosure Statement, but instead generally includes such information by specific cross-reference, as expressly authorized by Rule 15c2-12, and updates only the information that has materially changed.

“Rule 15c2-12” means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, including any official interpretations thereof.

“Staff” means employees of the Authority.

“State” means the State of New York.

“TBTA” means the Triborough Bridge and Tunnel Authority.

I. General Disclosure Practices

1. The Board, through approval of the documentation relating to individual financings and the review of the related Staff Summary, delegates authority and responsibility to Staff to prepare and distribute an Official Statement, and updates thereto in the case of securities subject to remarketings, which will be prepared in accordance with these Disclosure Policies and Procedures unless the Board otherwise directs.

2. The Board, pursuant to a resolution adopted annually, delegates authority and responsibility to Staff to prepare an Annual Disclosure Statement and any other Disclosure Documents other than Official Statements that may be required to be filed throughout the existing year, which will be prepared in accordance with these Disclosure Policies and Procedures unless the Board otherwise directs.

3. The Deputy General Counsel/Finance, Finance Staff and other Staff deemed necessary, with the assistance of Bond Counsel and advice and direction of General Counsel, shall prepare all Disclosure Documents, including the Annual Disclosure Statement, and shall prepare and submit any other disclosure filings that may be required throughout the year. All Disclosure Documents and any other disclosure filings shall be prepared in accordance with these Disclosure Policies and Procedures unless the Board otherwise directs.

4. The timeline for any particular bond financing for which a Disclosure Document will be prepared shall vary depending on the type of bonds being offered, the security for the bonds, the purpose for the financing, and other factors unique to each bond financing.

II. On-Going Disclosure

1. The Deputy General Counsel/Finance, Finance Staff and Bond Counsel shall monitor State and national markets generally and, in consultation with the General Counsel, determine whether there is a need for additional disclosure by way of additional periodic filings with EMMA or any recommended supplement to a Disclosure Document.

2. Management's Discussion and Analysis and the Notes to annual and quarterly financial statements (collectively, MD&N) shall be reviewed by the Chief Financial Officer, Finance Staff, and the Deputy General Counsel/Finance, in consultation with General Counsel, prior to their being finalized. The Chief Financial Officer, Finance Staff and the Deputy General Counsel/Finance shall consult with Staff with specific knowledge of various elements of the MD&N and Bond Counsel as they deem appropriate.

III. Official Statement Review and Disclosure Processes

1. The Deputy General Counsel/Finance and Finance Staff shall timely identify those who, for a particular financing, are appropriate to assist Bond Counsel, underwriter(s), underwriter's counsel, financial advisors, and appropriate Staff in the preparation and review of the related Official Statement.

2. The Deputy General Counsel/Finance and Finance Staff (or their designees) shall be responsible for soliciting material information from Authority departments, subsidiaries, affiliates, or State or other governmental officials and in the case of a TBTA financing, TBTA's consulting engineer for inclusion in the applicable Official Statement, and shall identify Staff and any State or other governmental officials who may have information necessary to prepare or who should review portions of the Official Statement. Staff and State or other governmental officials should be timely contacted and informed that their assistance will be needed for the preparation of the Official Statement.

- a. The Staff and State or other governmental officials shall be contacted as soon as reasonably practical in order to provide adequate time for such individuals to perform a thoughtful and critical review or draft of those portions of the Official Statement assigned to them.
- b. The request for information shall provide that Staff must raise any item which could be material for inclusion in the offering document.
- c. The Deputy General Counsel/Finance shall maintain or cause to be maintained an accurate log of all individuals, departments, subsidiaries, affiliates or State or other governmental officials that were requested to review or draft information in connection with an Official Statement, including what sections such individuals or entities listed above prepared or

reviewed and shall also be responsible for collecting all transmittal letters, certifications, and lists of sources for incorporation into the records to be maintained by the Finance Staff or Deputy General Counsel/Finance.

d. The appropriate outside agency auditors should be apprised of the Authority's schedule for publishing such Official Statement.

3. Once such review or drafting is completed, the particular sections of the Official Statement shall be transmitted by such individuals or entities to the Deputy General Counsel/Finance and Finance Staff.

4. Finance Staff, the Chief Financial Officer, the General Counsel, the Budget Director, the Director of Capital Programs and their delegees, relevant Staff at the operating agencies included in the financing and MTA auditors shall receive the draft of the preliminary Official Statement for review and comment.

5. Other Staff shall be consulted if an issue arises concerning items as to which they have specific knowledge.

6. The draft preliminary Official Statement shall be provided to the senior managing underwriter and its counsel for review and comment.

7. The Deputy General Counsel/Finance and Bond Counsel shall hold due diligence sessions with the appropriate Staff and State officials, and in the case of a TBTA financing, the TBTA's consulting engineer, prior to the printing or posting of a preliminary Official Statement.

8. Bond Counsel shall provide written discussion topics or questions in the form of an agenda in advance of the due diligence session, to the extent practical, to permit all required Staff and State officials, and in the case of a TBTA financing, the TBTA's consulting engineer, as well as underwriters and their counsel, to prepare for the due diligence session and to consider additional matters they deem material to the offering. The due diligence session shall not be limited to the list of written topics or questions or other questions solely from Bond Counsel. Bond Counsel, MTA financial advisor and, in the case of a negotiated transaction, the underwriters and underwriters' counsel shall participate in such due diligence session.

9. At the time of the sale of the Bonds the Deputy General Counsel/Finance, in conjunction with Finance, Budget Staff and Bond Counsel, shall prepare a final Official Statement and satisfy themselves that at the time of sale that such Official Statement is in satisfactory form and that no additional disclosure is required.

10. Annual audited MTA or TBTA financial statements and those for the most recent MTA or TBTA unaudited quarterly reporting period shall be incorporated by reference into the Disclosure Documents. Before the printing of any preliminary or final Official Statement the Deputy General Counsel/Finance and Bond Counsel shall obtain written confirmations from the individuals noted in **Exhibit A**, by e-mail or otherwise, that they know of no material litigation that has been filed (or threatened with a reasonable likelihood of being filed) against any relevant Authority since the diligence

session and know of no material change that is required to be reflected in the Recent Developments or any other heading of the Disclosure Document.

11. Bond Counsel may be invited to attend any MTA or TBTA presentations to rating agencies and investors made in connection with the offering of bonds. Bond Counsel, the Deputy General Counsel/Finance and Finance Staff shall review any materials used in presentations, meetings or telephone conferences with rating agencies or investors for consistency with the appropriate Official Statement. Appropriate records of meetings and telephone conferences with rating agencies and investors will be kept by the Deputy General Counsel/Finance or Finance Staff.

12. Prior to closing, for each Bond issue the Deputy General Counsel/Finance and Bond Counsel shall obtain written certifications, by e-mail or otherwise, by the designated officials in **Exhibit B**.

IV. The Annual Disclosure Statement (Rule 15c2-12)

1. The Deputy General Counsel/Finance in conjunction with Finance Staff shall distribute sections of the Annual Disclosure Statement to Staff with specific knowledge of various areas. Staff shall review and update said sections. The request for information shall provide that Staff must raise any item which could be material for inclusion in the Annual Disclosure Statement.

2. The audited financial statements of MTA on a consolidated basis, NYCTA and TBTA shall be attached to the annual filing in accordance with MTA's Continuing Disclosure Undertakings under Rule 15c2-12. The Deputy General Counsel/Finance and Finance Staff shall review the MD&N to Financial Statements before they are finalized.

3. The State Division of the Budget shall be requested to provide updates regarding State revenues. MTA Budget staff shall review this information for consistency. Bond Counsel, Legal Staff, the Chief Finance Officer, Budget Staff and Capital Programs Staff shall review multiple drafts, make suggestions for changes and raise questions about content and topics not discussed in the multiple drafts.

4. Diligence sessions shall be held with the operating agencies and headquarters Staff at which presentations shall be made by such groups based upon an agenda prepared by Bond Counsel circulated in advance of the sessions. Finance Staff, Legal Staff, Bond Counsel and representatives of all MTA and TBTA underwriters and all rotating underwriters' counsel shall have the opportunity to ask questions.

5. Bond Counsel, the MTA General Counsel, the Deputy General Counsel/Finance, General Counsel and Staff with specific knowledge of various areas at each of the operating agencies, the Chief Finance Officer, Finance Staff and other Staff at MTA Headquarters shall review and approve the Annual Disclosure Statement in writing, by e-mail or otherwise.

6. The Annual Disclosure Statement, pursuant to MTA's and TBTA's Continuing Disclosure Undertakings, shall be filed at the end of April of each year.

V. Role of Bond Counsel

1. MTA and TBTA will require Bond Counsel to perform the following:
 - a. review and comment on MTA's and TBTA's Disclosure Documents;
 - b. coordinate the due diligence process in the manner provided above;
 - c. review presentations and, if requested, attend and/or listen to rating agency or investor presentations related to MTA's and TBTA's bonds, notes and other securities;
 - d. advise MTA and TBTA regarding:
 - (1) specific disclosure issues relating to MTA's and TBTA's financial operations, operating performance and capital program development, including funding, progress and problems;
 - (2) standards of disclosure under applicable securities laws;
 - (3) adequacy of MTA's and TBTA's disclosure in any Disclosure Document;
 - (4) completeness and clarity of the information provided by the State in any Disclosure Document; and
 - (5) other matters as directed by MTA or TBTA.
 - e. interface with the Deputy General Counsel/Finance and Finance Staff with respect to any Disclosure Document;
 - f. provide a securities law supplemental opinion for each financing transaction;
 - g. participate in the preparation, review and approval of the Annual Disclosure Statement; and
 - h. conduct periodic training of Staff on the disclosure process contemplated by the Disclosure Policies and Procedures set forth herein as may be requested from time to time by the Deputy General Counsel/Finance and Finance Staff.

VI. Disclosure Practices Training

Training for Board members and Staff shall be conducted by either Bond Counsel or MTA General Counsel or their designee(s) regarding disclosure practices under applicable state and federal law. It is intended that this training shall assist these individuals in (1) understanding their responsibilities; (2) identifying significant items which may need to be included in the Disclosure Documents; and (3) reporting issues and concerns relating to disclosure. A refresher training program shall be conducted not less than once every two years.

1. Board Members

- a. Board members shall be advised of their general disclosure responsibilities and the extent they may delegate to and rely on Staff's preparation of Disclosure Documents.
- b. Board Members shall be advised of their fiduciary duties under the State's Public Authorities Law.
- c. Specialized training regarding MTA and TBTA disclosure responsibilities shall be conducted for the members of the Finance Committee of the Board.

2. Staff

- a. Staff with responsibility for collecting, preparing or reviewing information that is provided for inclusion in a Disclosure Document or for certifying or confirming its accuracy in accordance with these Disclosure Policies and Procedures, and those persons responsible for executing them, shall attend disclosure training sessions.
- b. The determination as to whether or not a class of employee shall receive such training shall be made by the MTA General Counsel or Deputy General Counsel/Finance in consultation with Bond Counsel and the Chief Financial Officer.

VII. Disclosure-Related Document Retention Practices

MTA's Records Management Program Manual sets forth MTA's document retention schedule. Consistent with MTA's Continuing Disclosure Undertakings, the following documents shall be maintained at least as long as required by MTA's Records Management Program:

- Annual Continuing Disclosure Filings

- Bond Issue Bound Books or CD-ROMs containing bond issue documents
- Bond Issue Executed Documents
- Disclosure Documents
- Investor Materials
- MTA Financial Statements related to bonds
- Note Issue Bound Books or CD-ROMs containing note issue documents
- Note Issue Executed Documents
- Rating Agency Presentation Materials
- Records of all Disclosure Activities, including but not limited to telephone calls, emails and other inquiries from investors
- Unaudited Quarterly and Annual Financial Statements Audited by Outside Auditing Firm

VIII. General Principles Relating to Disclosure

1. Each Staff member participating in the disclosure process shall be responsible for raising potential disclosure items at all times in the process.

2. Each Staff member participating in the disclosure process should raise any issue regarding disclosure with the MTA General Counsel or Deputy General Counsel/Finance at any time.

3. Recommendations for improvement of these Disclosure Policies shall be solicited and considered by the Deputy General Counsel/Finance and Bond Counsel and if revision is deemed to be appropriate will be reviewed by the General Counsel and the Chief Financial Officer.

4. The process of revising and updating Disclosure Documents should not be viewed as mechanical insertions of more current information; everyone involved in the process should consider the need for revisions in the form and content of the sections for which they are responsible.

The Deputy General Counsel/Finance shall provide a report to the Finance Committee each year, at the time of the meeting of the Finance Committee immediately preceding the filing of the Annual Disclosure Statement, regarding compliance with these Disclosure Policies and Procedures during the preceding twelve month period. Such report shall (i) state whether the Annual Disclosure Statement for the current year is being prepared in compliance with the Disclosure Policies and Procedures and whether all Disclosure Documents prepared during the

prior twelve month period were prepared in accordance with the Disclosure Policies and Procedures, (ii) describe any issues or problems which arose in connection with compliance with the Disclosure Policies and Procedures during such period, (iii) present any recommendations for changes to the Disclosure Policies and Procedures; (iv) provide an informational copy of the then current draft of the Annual Disclosure Statement to any Finance Committee member who requests one; and (v) provide a printed copy of the final Annual Disclosure Statement to all Board members.

A copy of these Disclosure Policies and Procedures shall be distributed annually to Board members and all Staff participating in the disclosure process. Any updates to these Disclosure Policies and Procedures shall be distributed to such groups upon issuance.

Exhibit A

Confirmations of No Material Changes for Offering Statements

	Confirmation	Official
TBTA	No Material Litigation No Material Change in Recent Developments	TBTA GC TBTA GC & CFO/ Director of Budget
TRB	No Material Litigation No Material Change in Recent Developments	All Agency GCs including MTA HQ GC MTA HQ GC & CFO/ Director of Budget
DTF	No Material Litigation No Material Change in Recent Developments	MTA HQ GC MTA HQ GC & CFO/ Director of Budget State Attorney General

Exhibit B

Certifications for Bond Issues

	Document	Official												
TBTA	Assistant Secretary of TBTA Signature & No-Litigation Certificate Rule 15c2-12 Certificate Omnibus Certificate Arbitrage & Use of Proceeds Certificate Consent Letters Bringdown Letter	Assistant Sec. & TBTA Gen. Counsel MTA Director of Finance MTA Director of Finance MTA Director of Finance MTA Director of Finance Outside Accountant & Consulting Engineer Outside Engineer												
DTF	Assistant Secretary of MTA Signature & No-Litigation Certificate Rule 15c2-12 Certificate Omnibus Certificate Arbitrage & Use of Proceeds Certificate Certificate of CPRB Review Board State Comptroller's Approval Letter Consent Letter	Assistant Sec./ MTA Finance Director MTA Director of Finance/Assistant. Sec. MTA Director of Finance MTA Director of Finance MTA Director of Finance CPRB Chairman New York State Comptroller Outside Accountant												
TRB	Assistant Secretary of MTA Signature & No-Litigation Certificate Rule 15c2-12 Certificate Omnibus Certificate Arbitrage & Use of Proceeds Certificate Consent Letter State Comptroller's Approval Letter Certificate of CPRB Review Board	Assistant Sec. & MTA Director of Fin. MTA Director of Finance MTA Director of Finance MTA Director of Finance MTA Director of Finance Outside Accountant New York State Comptroller CPRB Chairman												
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