NEW ISSUE **BOOK-ENTRY-ONLY**

$750,000,000
METROPOLITAN TRANSPORTATION AUTHORITY
Dedicated Tax Fund Bond Anticipation Notes, Series 2019A

DATED: Date of Delivery **DUE: As Set Forth on the Inside Cover Page**

The Dedicated Tax Fund Bond Anticipation Notes, Series 2019A (the Series 2019A Notes), offered hereby are issued in accordance with the terms and provisions of the Dedicated Tax Fund Obligation Resolution of MTA adopted on March 26, 2002 (the DTF Resolution), as supplemented, including as supplemented by the Multiple Series 2019 Bond Anticipation Notes and Related Subordinated Indebtedness Dedicated Tax Fund Bond Supplemental Resolution adopted by MTA on December 12, 2018 (the BAN Resolution). One or more series of bonds is expected to be issued to retire the Series 2019A Notes (the Take-Out Bonds), in accordance with the DTF Resolution, as supplemented, including as supplemented by the Multiple Series 2019 Dedicated Tax Fund Bond Supplemental Resolution adopted by MTA on December 12, 2018 (the Take-Out Bond Resolution, and together with the DTF Resolution and the BAN Resolution, the Resolution).

The Series 2019A Notes are being issued to (i) finance existing approved transit and commuter projects, (ii) pay interest on the Series 2019A Notes accruing through maturity, and (iii) pay certain financing, legal, and miscellaneous expenses. See "APPLICATION OF PROCEEDS" herein.

Principal of and interest on the Series 2019A Notes are payable solely from (1) the proceeds of other notes issued under the DTF Resolution, (2) the proceeds of the Take-Out Bonds, and (3) with respect to interest payable on the Series 2019A Notes, amounts available for payment of subordinated indebtedness issued under the DTF Resolution. The Series 2019A Notes are not secured by any other funds, accounts or amounts that are pledged to the payment of bonds or parity obligations issued under the Resolution. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2019A NOTES".

The Series 2019A Notes are not a debt of the State of New York (the State), The City of New York (the City) or any other local government unit, and the State, the City and other local government units are not liable thereon. MTA has no taxing power.

In the opinion of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel to MTA, under existing law and relying on certain representations by MTA and assuming the compliance by MTA with certain covenants, interest on the Series 2019A Notes is:

- *excluded from a noteholder's federal gross income under Section 103 of the Internal Revenue Code of 1986, and*
- *not a specific preference item for a noteholder in calculating the federal alternative minimum tax.*

Also in Co-Bond Counsel's opinion, under existing law, interest on the Series 2019A Notes is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See "TAX MATTERS" herein for a discussion of certain federal and State income tax matters.

The Series 2019A Notes are not subject to redemption prior to maturity.

The Series 2019A Notes are offered when, as, and if issued, subject to certain conditions, and are expected to be delivered through the facilities of The Depository Trust Company, on or about March 19, 2019.

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 Series 2019A Notes. Investors are advised to read the entire offering memorandum, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

March 12, 2019

$750,000,000
Metropolitan Transportation Authority
Dedicated Tax Fund Bond Anticipation Notes, Series 2019A

Maturity Date	Interest Rate	CUSIP Number*
March 1, 2022	5.00%	59260X AA6

* CUSIP number has been assigned by an organization not affiliated with MTA and is included solely for the convenience of the holders of the Series 2019A Notes. MTA is not responsible for the selection or uses of the CUSIP number, nor is any representation made as to its correctness on the Series 2019A Notes or as indicated above. The CUSIP number is subject to being changed after the issuance of the Series 2019A Notes as a result of various subsequent actions including, but not limited to, 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 Series 2019A Notes.

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2 Broadway, 20th Floor
New York, New York 10004
(212) 878-7000
Website: www.mta.info

NIXON PEABODY LLP New York, New York	D. SEATON AND ASSOCIATES, P.A., P.C. New York, New York

Co-Bond Counsel

PUBLIC RESOURCES ADVISORY GROUP, INC. New York, New York	BACKSTROM MCCARLEY BERRY & CO., LLC San Francisco, California

Co-Financial Advisors

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

* Vice-Chair Fernando Ferrer is serving as Acting Chair, pending appointment and confirmation of a Chair.

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SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Series 2019A Notes. The information in this offering memorandum, 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 Dedicated Tax Fund Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Series 2019A Notes being offered.

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.
Notes Being Offered	Dedicated Tax Fund Bond Anticipation Notes, Series 2019A (the Series 2019A Notes).
Purpose of Issue	The Series 2019A Notes are being issued to (i) finance existing approved transit and commuter projects, (ii) pay interest on the Series 2019A Notes accruing through maturity, and (iii) pay certain financing, legal, and miscellaneous expenses See "APPLICATION OF PROCEEDS" in **Part I**.
Maturity and Rate	The Series 2019A Notes mature on the date and bear interest at the rate shown on the inside cover page.
Denominations	$5,000 and whole multiples of $5,000.
Interest Payment Dates	Interest on the Series 2019A Notes shall be paid on May 15 and November 15 of each year, commencing on May 15, 2019, and at maturity. See "DESCRIPTION OF SERIES 2019A NOTES – General – Interest Payments" in **Part I**.
Redemption	The Series 2019A Notes are not subject to redemption prior to maturity.
Sources of Payment and Security	Principal of and interest on the Series 2019A Notes are payable solely from (1) the proceeds of other notes issued under the DTF Resolution, (2) the proceeds of the Take-Out Bonds, and (3) with respect to interest payable on the Series 2019A Notes, amounts available for payment of subordinated indebtedness under the DTF Resolution. The Series 2019A Notes are not secured by any other funds, accounts or amounts that are pledged to the payment of bonds or parity obligations issued under the Resolution. See "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2019A NOTES" in **Part I**.
Registration of the Series 2019A Notes	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a note will be delivered, except to DTC.
Trustee	The Bank of New York Mellon, New York, New York.
Co-Bond Counsel	Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York.
Special Disclosure Counsel	Hawkins Delafield & Wood LLP, New York, New York.
Tax Status	See "TAX MATTERS" in **Part III**.
Ratings	<u>*Rating Agency*</u> / <u>*Rating*</u> Fitch: F1+ S&P: SP-1+ See "RATINGS" in **Part III**.
Co-Financial Advisors	Public Resources Advisory Group, Inc., New York, New York, and Backstrom McCarley Berry & Co., LLC, San Francisco, California.
Purchase Price	See "UNDERWRITING" in **Part III**.

* ***No Unauthorized Offer.*** **This offering memorandum is not an offer to sell, or the solicitation of an offer to buy, the Series 2019A Notes 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 offering of the Series 2019A Notes, except as set forth in this offering memorandum. No other information or representations should be relied upon.**

* ***No Contract or Investment Advice.*** **This offering memorandum is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this offering memorandum and the Series 2019A Notes being offered, and anything else related to this note issue.**

* ***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 offering memorandum 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 offering memorandum.**

* ***Forward-Looking Statements.*** **Many statements contained in this offering memorandum, including the appendices and the 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 offering memorandum. 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 offering memorandum. 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 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 offering memorandum, which is solely the product of MTA and its affiliates and subsidiaries as of the date of this offering memorandum, and the independent auditors assume no responsibility for its content. These forward-looking statements speak only as of the date of this offering memorandum.**

* ***Projections.*** **The projections set forth in this offering memorandum 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 offering memorandum 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 offering memorandum, which is solely the product of MTA and its other affiliates and subsidiaries as of the date of this offering memorandum, 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 offering memorandum. The audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2017 and 2016, which is a matter of public record, is included by specific cross-reference in this offering memorandum. Deloitte & Touche LLP has performed a review of the consolidated interim financial information of MTA for the nine-month period ended September 30, 2018. 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, 2018**

(except for the auditor's review report accompanying the consolidated interim financial information as described above) which has been included on MTA's website is included in this offering memorandum 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 offering memorandum, since the date of such review report and has not been asked to consent to the inclusion, or incorporation by reference, of either its audit or review report in this offering memorandum.

- ***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 offering memorandum for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.**

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Information Included by Specific Cross-reference. The following portions of MTA's 2018 Combined Continuing Disclosure Filings, dated April 30, 2018, as supplemented on June 1, 2018, June 28, 2018, January 25, 2019, and January 31, 2019, and as updated by a First Quarterly Update, dated August 2, 2018, a Second Quarterly Update, dated December 4, 2018, and a Third Quarterly Update, dated March 5, 2019, 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 offering memorandum, along with material that updates this offering memorandum and that is filed with EMMA prior to the delivery date of the Series 2019A Notes, 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, 2017 and 2016

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

- Summary of Certain Provisions of the DTF Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- MTA's Unaudited Consolidated Interim Financial Statements as of and for the Nine-Month Period Ended September 30, 2018 (except that the auditor's review report accompanying the interim financial information does not express an opinion on the interim financial information because no audit was performed in connection therewith, and, consequently, the auditor's review report is not considered a part of this offering memorandum)

For convenience, copies of most of these documents can be found on the MTA website (www.mta.info) under the caption "MTA Info–Financial Information–Budget and Financial Statements" in the case of MTA's Unaudited Consolidated Interim Financial Statements as of and for the Nine-Month Period Ended September 30, 2018 and "MTA Info–Financial Information–Investor Information" in the case of the remaining documents, including the Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2017 and 2016. 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 offering memorandum, such as the use herein of the popular names of the MTA affiliates and subsidiaries.

The consolidated financial statements of MTA for the years ended December 31, 2017 and 2016, incorporated by specific cross-reference in this offering memorandum, 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 offering memorandum. The audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2017 and 2016, which is a matter of public record, is included in such consolidated financial statements. The consolidated interim financial information for the nine-month period ended September 30, 2018 (except for the auditor's review report accompanying the consolidated interim financial information as described above), has also been incorporated by specific cross-reference in this offering memorandum. 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 offering memorandum, since the date of such review report and has not been asked to consent to the inclusion, or incorporation by reference, of its report on the audited consolidated financial statements or its review report, as the case may be, in this offering memorandum.

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 Capital Construction 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 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. In the last ten years, MTA Bridges and Tunnels has not issued new money bonds to finance capital projects for the benefit of the Transit and Commuter Systems, and currently has no plans to do so in the future. MTA Bridges and Tunnels' surplus amounts are used to fund certain transit and commuter operations and capital projects.

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 2018 Combined Continuing Disclosure Filings (the **MTA Annual Disclosure Statement** or **ADS**), which is included by specific cross-reference in this offering memorandum.

The following table sets forth the legal and popular names of the Related Entities. Throughout this offering memorandum, 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 Capital Construction Company	MTA Capital Construction
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 DTF 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 memoranda for information regarding the Related Entities and their financial condition.

Where to Find Information

Information in this Offering Memorandum. This offering memorandum 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 Series 2019A Notes.
- ***Part II*** describes the sources of payment and security for all Dedicated Tax Fund Bonds, including the Take-Out Bonds.
- ***Part III*** provides miscellaneous information relating to the Series 2019A Notes.
- ***Attachment 1*** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Series 2019A Notes.
- ***Attachment 2*** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Series 2019A Notes.
- ***Attachment 3*** is the form of approving opinions of Co-Bond Counsel, in connection with the issuance of the Series 2019A Notes.
- ***Attachment 4*** sets forth a copy of the Third Quarterly Update to the ADS, dated March 5, 2019.

Information Included by Specific Cross-reference in this offering memorandum 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 offering memorandum. 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 offering memorandum. **This offering memorandum, 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 Series 2019A Notes.**

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**.

PART I. SERIES 2019A NOTES AND SECURITY FOR THE SERIES 2019A NOTES

Part I of this offering memorandum, together with the Summary of Terms, provides specific information about the Series 2019A Notes.

APPLICATION OF PROCEEDS

MTA anticipates that the net proceeds of the Series 2019A Notes (the principal amount thereof, plus original premium of $68,122,500.00) in the total amount of $818,122,500.00, will be used as follows: (i) $706,806,088.33 to finance existing approved transit and commuter projects, (ii) $110,625,000.00 to pay interest on the Series 2019A Notes accruing through maturity, (iii) $291,661.67 to pay Underwriters' discount, and (iv) $399,750.00 to pay certain financing, legal and miscellaneous expenses.

DESCRIPTION OF SERIES 2019A NOTES

General

Book-Entry-Only System. The Series 2019A Notes 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 Series 2019A Notes. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. So long as DTC is the registered owner of the Series 2019A Notes, all payments on the Series 2019A Notes 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."

Maturity. The Series 2019A Notes shall mature and be payable as to principal and interest accrued from the Dated Date, as set forth on the inside cover page.

Interest Payments. The Series 2019A Notes will bear interest at the rate shown on the inside cover page of this offering memorandum. Interest on the Series 2019A Notes shall be paid on May 15 and November 15 of each year, commencing on May 15, 2019, and at maturity. Interest payable on the Series 2019A Notes will be computed on the basis of a 360-day year of twelve 30-day months. So long as DTC is the sole registered owner of all of the Series 2019A Notes, all interest payments will be paid to DTC by wire transfer of immediately available funds, and payment of interest to beneficial owners will occur through the DTC Book-Entry-Only System.

Record Date. The Record Date for the payment of principal of and interest with respect to the Series 2019A Notes shall be 15 days prior to each interest payment date and the maturity date of the Series 2019A Notes.

Transfers and Exchanges. So long as DTC is the securities depository for the Series 2019A Notes, it will be the sole registered owner of the Series 2019A Notes, and transfers of ownership interests in the Series 2019A Notes will occur through the DTC Book-Entry-Only System.

Trustee. The Bank of New York Mellon, New York, New York is Trustee and Paying Agent with respect to the Series 2019A Notes.

No Redemption Prior to Maturity

The Series 2019A Notes are not subject to redemption prior to maturity.

SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2019A NOTES

The Series 2019A Notes are bond anticipation notes issued pursuant to the DTF Resolution and the Multiple Series 2019 Bond Anticipation Notes and Related Subordinated Indebtedness Dedicated Tax Fund Bond Supplemental Resolution adopted by MTA on December 12, 2018 (the BAN Resolution) in anticipation of one or more issues of Dedicated Tax Fund Bonds to be designated as the Take-Out Bonds.

Principal of and interest on the Series 2019A Notes are payable solely from (1) the proceeds of other notes issued under the DTF Resolution, (2) the proceeds of the Take-Out Bonds, authorized pursuant to the BAN Resolution, and (3) with respect to interest payable on the Series 2019A Notes, amounts available for payment of subordinated indebtedness issued under the DTF Resolution. The Series 2019A Notes are not secured by any other funds, accounts or amounts that are pledged to the payment of bonds or parity obligations issued under the Resolution.

MTA covenants in the BAN Resolution to maintain issuance capacity pursuant to the DTF Resolution to issue the Take-Out Bonds or additional bond anticipation notes in an amount sufficient to pay the principal of and interest on the Series 2019A Notes when due.

DEBT SERVICE

Table 1 on the next page sets forth, on a cash basis, the aggregate debt service on all currently outstanding Dedicated Tax Fund Bonds.

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Table 1
MTA Dedicated Tax Fund Bonds
Aggregate Debt Service
($ in thousands)[1]

Year Ending December 31	Debt Service on Outstanding Bonds[2][3][4]
2019	$ 412,079
2020	418,406
2021	418,405
2022	418,400
2023	418,391
2024	418,385
2025	413,929
2026	404,161
2027	412,101
2028	410,543
2029	419,891
2030	419,888
2031	404,151
2032	374,314
2033	382,995
2034	300,008
2035	300,009
2036	371,532
2037	394,327
2038	375,992
2039	357,651
2040	74,216
2041	38,171
2042	38,169
2043	38,170
2044	38,163
2045	38,171
2046	38,167
2047	38,167
2048	21,459
2049	21,456
2050	21,457
2051	21,460
2052	21,454
2053	21,448
2054	21,447
2055	21,451
2056	21,448
2057	13,425
Total	$8,793,457

(1) Total 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; interest paid monthly, calculated on the basis of a 360-day year consisting of twelve 30-day months.
(3) 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 part of the trust estate under the DTF Resolution.
(4) Figures reflect amounts outstanding as of the date of issuance of the Series 2019A Notes.

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this offering memorandum describes the sources of payment and security for all Bonds, including the Take-Out Bonds. In connection with the payment of the Series 2019A Notes as described above under "SOURCES OF PAYMENT AND SECURITY FOR THE SERIES 2019A NOTES", the Take-Out Bonds are the primary source of the security for the Series 2019A Notes.

SOURCES OF PAYMENT

Under State law, MTA receives money from certain dedicated taxes and fees described in this section. This money is deposited into MTA's Dedicated Tax Fund and is pledged by MTA for the payment of its Dedicated Tax Fund Bonds.

Revenues from Dedicated Taxes

MTA Revenues from Petroleum Business Tax (PBT), Motor Fuel Tax and Motor Vehicle Fees (MTTF Receipts). In 1991, as part of a program to address the need for continued capital investment in the State's transportation infrastructure, the State Legislature established a State fund, called the Dedicated Tax Funds Pool, from which money is apportioned by statutory allocation under current State Tax Law to a State fund, called the Dedicated Mass Transportation Trust Fund (MTTF). Currently, portions of the following taxes and fees are deposited into the Dedicated Tax Funds Pool, of which 34% is allocated to the MTTF for the benefit of MTA:

- A business privilege tax imposed on petroleum businesses operating in the State (the PBT), consisting of:
  - a basic tax that varies based on product type,
  - a supplemental tax on gasoline and highway diesel, and
  - a petroleum business carrier tax.

Currently, 80.3% of net PBT receipts from the basic tax and all of the supplemental tax and the carrier tax are required by current law to be deposited in the Dedicated Tax Funds Pool.

- Motor fuel taxes on gasoline (50%) and diesel fuel (100%).
- Certain motor vehicle fees administered by the State Department of Motor Vehicles, including both registration and non-registration fees.

Thirty-four percent (34%) of the Dedicated Tax Funds Pool is currently deposited in the MTTF for MTA's benefit. Subject to appropriation by the State Legislature, money in the MTTF is required by law to be transferred to the MTA Dedicated Tax Fund held by MTA. Amounts transferred from the MTTF account to the MTA's Dedicated Tax Fund constitute "MTTF Receipts."

MTA anticipates that the amount and timing of MTTF Receipts will be sufficient to make required principal and interest payments on the Dedicated Tax Fund Bonds, including the Take-Out Bonds.

A more detailed description of the MTTF Receipts is set forth in the **ADS** (included herein by specific cross-reference) under the caption "DEDICATED TAX FUND BONDS" under the following headings:

- MTTF Receipts — Dedicated Petroleum Business Tax,
- MTTF Receipts — Motor Fuel Tax, and
- MTTF Receipts — Motor Vehicle Fees.

MTA Revenues from Special Tax Supported Operating Subsidies (MMTOA Receipts). Like other U.S. mass transit systems, the Transit System and Commuter System have historically operated at a deficit and have been dependent upon substantial amounts of general operating subsidies from the State, as well as the City. Over time, the ongoing needs of the State's mass transportation systems led the State to supplement the general operating subsidies with additional operating subsidies supported by special State taxes.

Starting in 1980, in response to anticipated operating deficits of the State's mass transportation systems, the State Legislature enacted a series of taxes, portions of the proceeds of which have been and are to be deposited in a special State Fund — the Mass Transportation Operating Assistance Fund — to fund the operations of mass transportation systems. The Metropolitan Mass Transportation Operating Assistance Account, or MMTOA Account, was established in that State Fund to support operating expenses of transportation systems in the MCTD, including the MTA New York City Transit, MaBSTOA and the commuter railroads operated by MTA's subsidiaries, MTA Long Island Rail Road and MTA Metro-North Railroad. After payment of Section 18-b general operating assistance to the various transportation systems, MTA receives 84.8% of the moneys deposited into the MMTOA Account, with the remaining 15.2% available to other transportation properties within the MCTD, such as MTA Bus, which currently operates the routes formerly operated by the City private franchise bus lines.

Since the creation of the MMTOA Account, MTA has requested and received in each year significant payments from that account in order to meet operating expenses of the transit and commuter systems. It is expected that payments from the MMTOA Account will continue to be essential to the operations of the transit and commuter systems. Although a variety of taxes have been used to fund the special tax supported operating subsidies, the taxes levied for this purpose, which MTA refers to collectively as the "MMTOA Taxes," currently include:

- MMTOA PBT. The products that are subject to the tax, the tax rates, and the transactions excluded from the tax are identical to those of the basic PBT dedicated to the Dedicated Tax Funds Pool and the MTTF account in that pool. Pursuant to State law, 10.835% of the PBT Basic Tax collections is deposited in the MMTOA Account.
- District Sales Tax. The District Sales Tax consists of a 0.375% sales and compensating use tax imposed on sales and uses of certain tangible personal property and services applicable only within the MCTD.
- Franchise Taxes. Also deposited in the MMTOA Account is a legislatively-allocated portion of the following three taxes imposed on certain transportation and transmission companies (such as trucking, telegraph and local telephone companies and mobile communication services):
    - an annual franchise tax based on the amount of the taxpayer's issued capital stock,
    - an annual franchise tax on the taxpayer's gross earnings from all sources calculated to have been generated statewide pursuant to statutory formulae, and
    - an additional excise tax on the sale of mobile communication services effective May 1, 2015.
- Franchise Surcharges. The Franchise Surcharges are imposed on the portion of the franchise and other taxes of certain corporations, insurance, transportation and transmission companies attributable (according to various complex formulae) to business activity carried on within the MCTD. In accordance with the State Tax Law, the tax revenue generated under these provisions, after the deduction of administrative costs, is to be deposited to the MMTOA Account, as taxes are received.

MTA receives the equivalent of four quarters of MMTOA Receipts each year, with the first quarter of each succeeding calendar year's receipts advanced into the fourth quarter of the preceding year. This results in little or no MMTOA Receipts being received during the first quarter of each calendar year; MTA is required to make other provisions to provide for cash liquidity during this period.

A more detailed description of the MMTOA Taxes is set forth in the **ADS** (included herein by specific cross-reference) under the caption "DEDICATED TAX FUND BONDS — MMTOA Account — Special Tax Supported Operating Subsidies."

Five Year Summary of MTTF Receipts and MMTOA Receipts. **Table 2** sets forth a five year summary (based on the State's fiscal year ending March 31) of the following:

- actual collections by the State of receipts for each of the sources of revenues that, subject to appropriation and allocation among MTA and other non-MTA transportation agencies, could become receipts of the MTA Dedicated Tax Fund,
- amount of MTTF Receipts and MMTOA Receipts, and
- debt service coverage ratio based upon MTTF Receipts, and MTTF Receipts plus MMTOA Receipts.

The information in the following **Table 2** relating to MTTF Receipts and MMTOA Receipts was provided by the New York State Division of the Budget and the remaining information was provided by MTA.

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

Dedicated Taxes ($ millions)	Actual 2015	Actual 2016	Actual 2017	Actual 2018	Projection 2019[8]	Projection 2020[8]
MTTF[1]						
PBT[2]	$ 347.4	$ 337.3	$ 336.9	$ 326.5	$ 340.1	$ 345.6
Motor Fuel Tax	92.7	96.5	100.5	100.5	102.0	98.9
Motor Vehicle Fees[3]	120.4	127.4	128.7	132.5	132.3	132.3
Total Available	$ 560.5	$ 561.2	$ 566.1	$ 559.5	$ 574.4	$ 576.8
MMTOA[1]						
PBT[2]	$ 75.1	$ 72.6	$ 73.1	$ 70.8	$ 72.8	$ 73.9
District Sales Tax	854.2	874.2	903.0	942.0	972.0	1,022.0
Franchise Taxes[4]	25.7	39.4	41.4	37.2	33.5	33.4
Franchise Surcharges	1,032.0	1,039.7	1,017.1	1,087.4	1,140.7	1,223.8
Total Available	$ 1,987.0	$ 2,025.9	$ 2,034.6	$ 2,137.4	$ 2,219.0	$ 2,353.1
Disbursements						
MTTF[3][5]	$ 629.8	$ 604.8	$ 616.4	$ 623.4	$ 628.2	$ 640.5
MMTOA[6]	$ 1,563.9	$ 1,563.9	$ 1,668.0	$ 1,668.0	$ 1,686.6	$ 1,823.7
Total Disbursed	$ 2,193.7	$ 2,168.7	$ 2,284.4	$ 2,291.4	$ 2,314.8	$ 2,464.2
Debt Service[7]	$ 344.6	$ 341.7	$ 365.1	$ 390.2	$ 388.2	$ 393.3
Debt Service Coverage Ratio – MTTF Receipts Only	1.83x	1.77x	1.69x	1.60x	1.62x	1.63x
Debt Service Coverage Ratio – MTTF and MMTOA Receipts	6.37x	6.35x	6.26x	5.87x	5.96x	6.27x

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

(2) Effective December 1, 2017, all receipts from aviation fuel are directed to an aviation purpose account, from which no revenue is directed to MTTF or MMTOA.

(3) Pursuant to legislation enacted in 2014, beginning with State Fiscal year 2014-2015 and each year thereafter, a portion of the Fiscal Year 2013-2014 Motor Vehicle General Fund transfer of $169.4 million has been replaced with a direct transfer of $62.7 million from the State General Fund to the Dedicated Mass Transportation Trust Fund. $57.7 million of such amount flows to the MTA Dedicated Tax Fund as MTTF Receipts; the remainder flows to other transportation systems.

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

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

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

(7) Net of approximately $26.0 million of Build America Bond interest credit payments in each State fiscal year. Projections based on debt service as budgeted in the MTA 2019 Adopted Budget February Financial Plan 2019-2022.

(8) The State Fiscal Year 2018-2019 and Fiscal Year 2019-2020 projections are based on the 2019-2020 Executive Budget Financial Plan Updated for Governor's Amendments and Forecast Revisions.

Factors Affecting Revenues from Dedicated Taxes

Legislative Changes. The requirement that the State pay MTA Dedicated Tax Fund Revenues to the MTA Dedicated Tax Fund is subject to and dependent upon annual appropriations being made by the State Legislature for such purpose and the availability of moneys to fund such appropriations. The State Legislature is not obligated to make appropriations to fund the MTA Dedicated Tax Fund, and there can be no assurance that the State Legislature will make any such appropriation. The State is not restricted in its right to amend, repeal, modify or otherwise alter statutes imposing or relating to the MTA Dedicated Tax Fund Revenues or the taxes or appropriations that are the source of such Revenues.

In connection with the financing of future capital programs, MTA may propose legislation affecting components of the taxes currently securing the Dedicated Tax Fund Bonds.

Litigation. Aspects relating to the imposition and collection of the Dedicated Taxes have from time to time been and may continue to be the subject of administrative claims and litigation by taxpayers.

Economic Conditions. Many of the Dedicated Taxes are dependent upon economic and demographic conditions in the State and in the MCTD, and therefore there can be no assurance that historical data with respect to collections of the Dedicated Taxes will be indicative of future receipts.

Government Assistance. The level of government assistance to MTA through Dedicated Taxes may be affected by several different factors including:

- The State 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. However, in the case of the PBT that is deposited as a portion of the MTTF Receipts, the State Legislature has expressed its intent in the State Finance Law to enact for each State fiscal year an appropriation for the current and the next year. See the heading "SECURITY – Appropriation by the State Legislature" below.
- The State is not bound or obligated to continue to pay operating subsidies to the transit or commuter systems or to continue to impose any of the taxes currently funding those subsidies.

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 offering memorandum. 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 SEC Rule 15c2-12. Prospective purchasers of MTA's Dedicated Tax Fund Bonds 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 MTA's Dedicated Tax Fund Bonds. MTA makes no representations about State information or its continued availability.

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SECURITY

The Dedicated Tax Fund Bonds, including the Take-Out Bonds, are MTA's special obligations payable as to principal, redemption premium, if any, and interest solely from the security, sources of payment and funds specified in the DTF Resolution. Payment of principal of or interest on the Dedicated Tax Fund Bonds may not be accelerated in the event of a default.

The Dedicated Tax Fund Bonds are secured primarily by the sources of payment described under the caption "SOURCES OF PAYMENT", and are not secured by

- the general fund or other funds and revenues of the State, or
- the other funds and revenues of MTA or any of its affiliates or subsidiaries.

The Dedicated Tax Fund 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 DTF Resolution and the Standard Resolution Provisions have been filed with EMMA and are available on MTA's website.

Pledge Effected by the DTF Resolution

Trust Estate. The DTF Resolution provides that there are pledged to the payment of principal and redemption premium of, interest on, and sinking fund installments for, the Dedicated Tax Fund Bonds and Parity Debt, in accordance with their terms and the provisions of the DTF Resolution, subject only to the provisions permitting the application of that money for the purposes and on the terms and conditions permitted in the DTF Resolution, the following, referred to as the "Trust Estate":

- the proceeds of the sale of the Dedicated Tax Fund Bonds, until those proceeds are paid out for an authorized purpose,
- the Pledged Amounts Account in the MTA Dedicated Tax Fund (which includes MTTF Receipts and MMTOA Receipts), any money on deposit in that Account and any money received and held by MTA and required to be deposited in that Account, and
- all funds, accounts and subaccounts established by the DTF Resolution (except funds, accounts and subaccounts established pursuant to Supplemental Resolution, and excluded by such Supplemental Resolution from the Trust Estate as security for all Dedicated Tax Fund Bonds, in connection with Variable Interest Rate Obligations, Put Obligations, Parity Debt, Subordinated Indebtedness or Subordinated Contract Obligations), including the investments, if any, thereof.

The DTF Resolution provides that the Trust Estate is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the DTF Resolution, and all corporate action on the part of MTA to that end has been duly and validly taken.

Flow of Funds

The DTF Resolution establishes a Proceeds Fund held by MTA and a Debt Service Fund held by the Trustee. See "SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION" included herein by specific cross-reference for a description of the provisions of the DTF Resolution governing the deposits to and withdrawals from the Funds and Accounts. Amounts held by MTA or the Trustee in any of such Funds shall be held in trust separate and apart from all other funds and applied solely for the purposes specified in the DTF Resolution or any Supplemental Resolution thereto.

The following two charts summarize (i) the flow of taxes into the MTA Dedicated Tax Fund, and (ii) the flow of MTA Dedicated Tax Fund Revenues through the MTA Dedicated Tax Fund and the Funds and Accounts established under the DTF Resolution.

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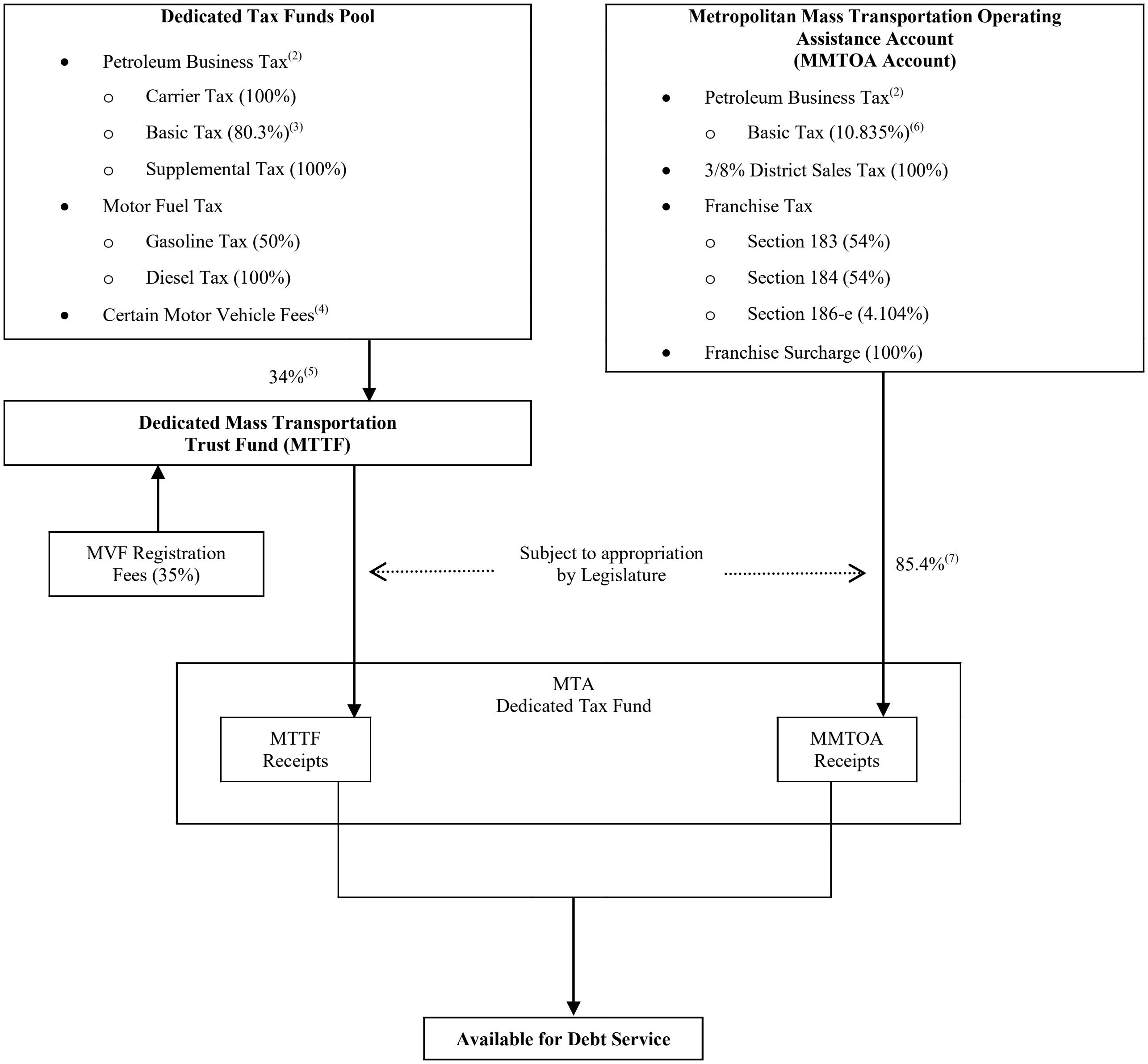
MTA DEDICATED TAX FUND BONDS SOURCES OF REVENUE
(Through March 31, 2019)[1]



Notes

(1) Parenthetical amounts and percentages, as well as flow of fund percentages, indicate the amount or percent of that tax or fund to be deposited for the year ending March 31, 2019 in the respective fund or account. The allocations shown may be changed at any time by the Legislature.

(2) Effective December 1, 2017, all receipts from aviation fuel are directed to an aviation purpose account, from which no revenue is directed to MTTF or MMTOA.

(3) In addition, the first $7.5 million of the Basic Tax is appropriated to the Dedicated Tax Funds Pool prior to any percentage split of the Dedicated Tax Funds Pool.

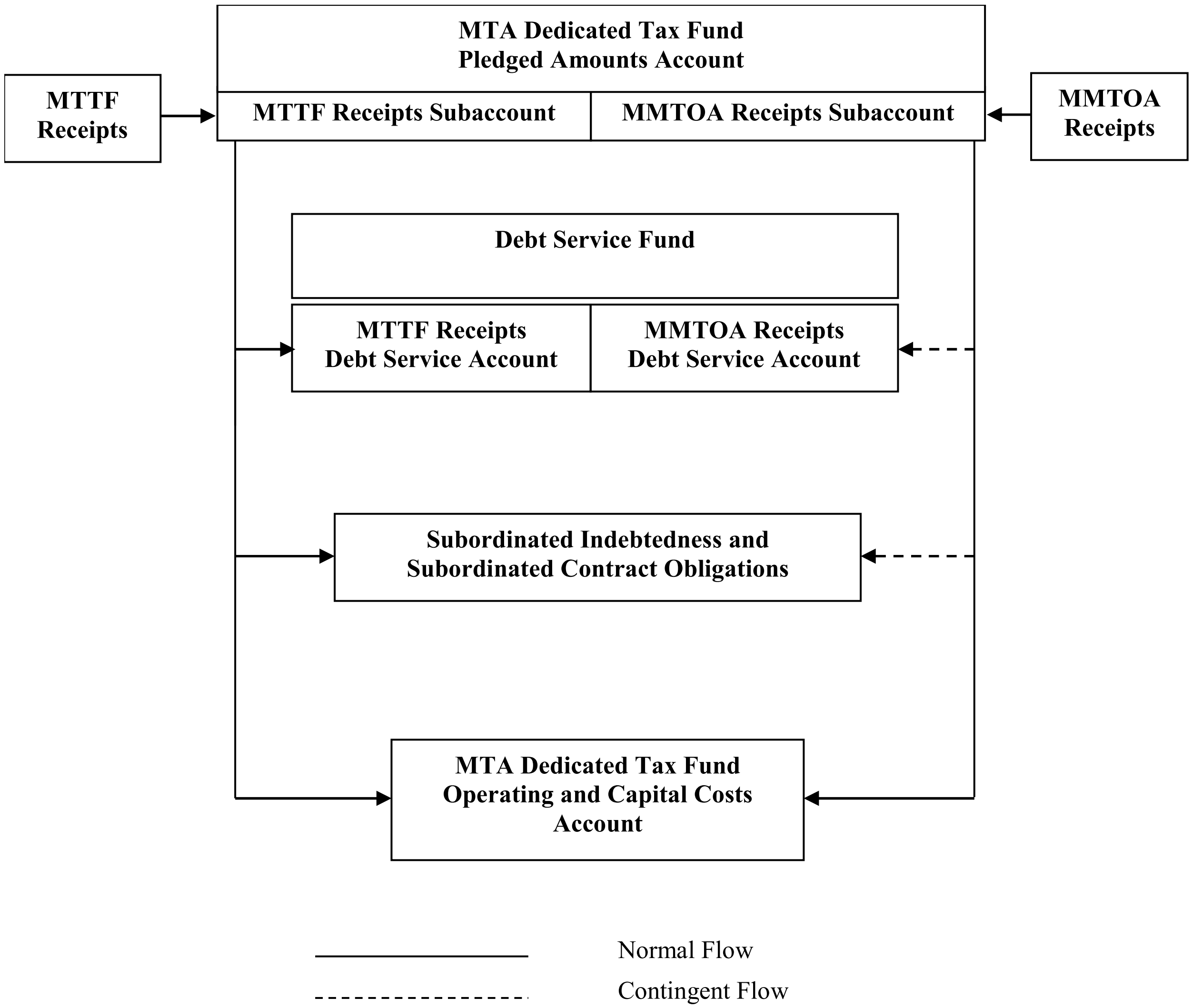
(4) Beginning with the State fiscal year 2014-2015, and each year thereafter, a portion of the State Fiscal Year 2013-2014 Motor Vehicle General Fund transfer of $169.4 million has been replaced with a direct transfer of $62.7 million from the State General Fund to the MTTF; $57.7 million of such amount flows to the MTA Dedicated Tax Fund as MTTF Receipts as defined in the DTF Resolution.

(5) Percentage of Dedicated Tax Funds Pool.

(6) The remaining 8.865% share of the Basic Tax is deposited in an account for certain upstate transportation entities.

(7) Percentage based upon appropriations for State Fiscal Year 2018-2019, including Section 18-b assistance.

MTA DEDICATED TAX FUND BONDS – RESOLUTION FLOW OF FUNDS



All amounts on deposit in the Pledged Amounts Account – MTTF Receipts Subaccount are paid out before any amounts on deposit in the Pledged Amounts Account – MMTOA Receipts Subaccount are paid out.

Amounts paid out from any fund or account for an authorized purpose (excluding transfers to any other pledged fund or account) are free and clear of the lien and pledge created by the DTF Resolution.

Debt Service Fund

Pursuant to the DTF Resolution, the Trustee holds the Debt Service Fund, consisting of the MTTF Receipts Debt Service Account and the MMTOA Receipts Debt Service Account. Moneys in the Debt Service Fund are applied by the Trustee to the payment of Debt Service on the Dedicated Tax Fund Bonds in the manner, and from the accounts and subaccounts, more fully described under "SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION — Debt Service Fund" included herein by specific cross-reference.

MTA is required to make monthly deposits to the appropriate account of the Debt Service Fund of interest (1/5th of the next semiannual payment) and principal (1/10th of the next annual payment), first from MTTF Receipts and then, to the extent of any deficiency, from MMTOA Receipts.

Covenants

Additional Bonds. The DTF Resolution permits MTA to issue additional Bonds from time to time to pay or provide for the payment of Capital Costs and to refund Outstanding Bonds.

Under the DTF Resolution, MTA may issue one or more Series of Bonds for the payment of Capital Costs, provided, in addition to satisfying certain other requirements, MTA delivers a certificate that evidences MTA's compliance with the additional bonds test set forth in the DTF Resolution.

Such certificate must set forth:

(A) for any 12 consecutive calendar months ended not more than six months prior to the date of such certificate: (i) MTTF Receipts, (ii) MMTOA Receipts, and (iii) investment income received during such period on amounts on deposit in the Pledged Amounts Account, the MTTF Receipts Subaccount, the MMTOA Receipts Subaccount and the Debt Service Fund; and

(B) the greatest amount for the then current or any future Debt Service Year of the sum of (a) Calculated Debt Service on all Outstanding Obligations, including the proposed Capital Cost Obligations and any proposed Refunding Obligations being treated as Capital Cost Obligations, but excluding any Obligations or Parity Debt to be refunded with the proceeds of such Refunding Obligations, plus (b) additional amounts, if any, payable with respect to Parity Debt; and then state:

> (x) that the sum of the MTTF Receipts and investment income (other than investment income on the MMTOA Receipts Subaccount) set forth in clause (A) above is not less than 1.35 times the amount set forth in accordance with clause (B) above and
>
> (y) that the sum of the MTTF Receipts, MMTOA Receipts and investment income set forth in clause (A) above is not less than 2.5 times the amount set forth in clause (B) above.

See "SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION—Special Provisions for Capital Cost Obligations" included herein by specific cross-reference for a description of further provisions which apply to the additional bonds test if the percentage of available existing taxes deposited into the MTA Dedicated Tax Fund is increased or additional taxes are added to the amounts so deposited.

For a discussion of the requirements relating to the issuance of Refunding Bonds, see "SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION—Special Provisions for Refunding Obligations" included herein by specific cross-reference.

Parity Debt

MTA may incur Parity Debt pursuant to the terms of the DTF 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 DTF Resolution with respect to the Dedicated Tax Fund 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.

Appropriation by the State Legislature

The State Constitution provides that the State may not expend money without an appropriation, except for the payment of debt service on general obligation bonds or notes issued by the State. An appropriation is an authorization approved by the State Legislature to expend money. The State Constitution requires all appropriations of State funds, including funds in the MTTF and MMTOA Accounts, to be approved by the State Legislature at least every two years. In addition, the State Finance Law provides, except as described below, that appropriations shall cease to have force and effect, except as to liabilities incurred thereunder, at the close of the State Fiscal Year for which they were enacted and that to the extent of liabilities incurred thereunder, such appropriations shall lapse on the succeeding June 30th or September 15th, depending upon the nature of the appropriation. The State Legislature may not be bound in advance to make any appropriation, and there can be no assurances that the State Legislature will appropriate the necessary funds as anticipated. MTA expects that the State Legislature will make appropriations from amounts on deposit in the MTTF and MMTOA Accounts in order to make payments when due. Until such time as payments pursuant to such appropriation are made in full, revenues in the MTTF shall not be paid over to any entity other than MTA.

The State Legislature has expressed its intent in the State Finance Law to enact for each State Fiscal Year in the future in an annual budget bill an appropriation from the MTTF (with respect to the PBT portion only) to the MTA Dedicated Tax Fund for the then current State Fiscal Year and an appropriation of the amounts projected by the Director of the Budget to be deposited in the MTA Dedicated Tax Fund from the MTTF (with respect to the PBT portion only) for the next succeeding State Fiscal Year. In any State Fiscal Year, if the Governor does not submit or if the State Legislature does not enact a current year appropriation from the MTTF (with respect to the PBT portion) to the MTA Dedicated Tax Fund, or such appropriation has been delayed, MTA is required to notify the State of amounts required to be disbursed from the appropriation made during the preceding State Fiscal Year for payment in the current State Fiscal Year. The State Comptroller may not make any payments from the MTTF to the MTA Dedicated Tax Fund from such prior year appropriation prior to May 1st of the current State Fiscal Year.

The 2018-2019 State Enacted Budget included two appropriations from the MTTF to the MTA Dedicated Tax Fund. One such appropriation is for the State Fiscal Year that ends March 31, 2019 and the other such appropriation is for the succeeding State Fiscal Year that ends March 31, 2020. MTA has periodically availed itself of the latter appropriation to meet operating costs in response to delays in the adoption of the State budget in such years.

A budgetary imbalance in the present or any future State Fiscal Year could affect the ability and willingness of the State Legislature to appropriate and the availability of moneys to make the payments from the MTTF and the MMTOA Accounts. However, MTA believes that if the State Legislature does not make appropriations as contemplated, it would have a serious impact on the ability of the State and its public benefit corporations to raise funds in the public credit markets.

Agreement of the State

The MTA Act prohibits MTA from filing a voluntary petition in bankruptcy under Chapter 9 of the Federal Bankruptcy Code or such successor chapters or sections as may from time to time be in effect and the State has pledged that so long as any notes, bonds or lease obligations of the MTA are outstanding, it will not limit or alter the denial of authority to MTA to so file. Chapter 9 does not provide authority for creditors to file involuntary bankruptcy proceedings against MTA or other Related Entities.

Under the MTA Act, the State pledges to and agrees with the holders of any notes, bonds or lease obligations issued or incurred by MTA, including the Take-Out Bonds, that the State will not limit or alter the rights vested in MTA to fulfill the terms of any agreements made by MTA with the holders of its notes, bonds and lease obligations, including the Take-Out Bonds, or in any way impair the rights and remedies of such holders. Notwithstanding the foregoing, in accordance with State law, nothing in the DTF Resolution shall be deemed to restrict the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the MTA Dedicated Tax Fund Revenues or the taxes or appropriations which are the source of such Revenues. No default under the DTF Resolution would occur solely as a result of the State exercising its right to amend, repeal, modify or otherwise alter such taxes or appropriations.

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PART III. OTHER INFORMATION ABOUT THE SERIES 2019A NOTES

Part III of this offering memorandum provides miscellaneous additional information relating to the Series 2019A Notes.

TAX MATTERS

General

Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C. are Co-Bond Counsel for the Series 2019A Notes. Each Co-Bond Counsel is of the opinion that, under existing law, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, interest on the Series 2019A Notes is:

- excluded from a noteholder's federal gross income under Section 103 of the Internal Revenue Code of 1986, and
- not a specific preference item for a noteholder in calculating the federal alternative minimum tax.

Each Co-Bond Counsel is also of the opinion that, under existing law, interest on the Series 2019A Notes is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See **Attachment 3** to this offering memorandum for the form of the opinions that Co-Bond Counsel each expect to deliver when the Series 2019A Notes are delivered.

The Series 2019A Notes

The Internal Revenue Code of 1986 imposes requirements on the Series 2019A Notes that MTA must continue to meet after the Series 2019A Notes are issued. These requirements generally involve the way that Series 2019A Note proceeds must be invested and ultimately used, and the way that assets financed and refinanced with proceeds of the Series 2019A Notes must be used. If MTA does not meet these requirements, it is possible that a noteholder may have to include interest on the Series 2019A Notes 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.

A noteholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2019A Notes. This is possible if a noteholder 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 Series 2019A Notes.

Prospective holders, particularly those in any of these categories, should consult their tax advisors.

Co-Bond Counsel are not responsible for updating their respective opinions in the future. It is possible that future events could change the tax treatment of the interest on the Series 2019A Notes or affect the market price of the Series 2019A Notes. See also "Miscellaneous" below under this heading.

Co-Bond Counsel express 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 Series 2019A Notes, or under State, local or foreign tax law.

Bond Premium

If a noteholder purchases a Series 2019A Note for a price that is more than the principal amount, generally the excess is "bond premium" on that Series 2019A Note. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized a noteholder's tax basis in that Series 2019A Note will be reduced. The holder of a Series 2019A Note 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 Series 2019A Note. A noteholder in certain circumstances may realize a taxable gain upon the sale of a Series 2019A Note with bond premium, even though the Series 2019A Note is sold for an amount less than or equal to the noteholder's original cost. If a noteholder owns any Series 2019A Notes 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 Series 2019A Notes. 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 a noteholder purchasing a Series 2019A Note 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 Series 2019A Notes 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 noteholder'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 Series 2019A Notes 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 Series 2019A Notes. 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 Series 2019A Notes from gross income for federal or state income tax purposes, or otherwise. Prospective purchasers of the Series 2019A Notes should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Series 2019A Notes. Co-Bond Counsel have not undertaken to advise in the future whether any events after the date of issuance of the Series 2019A Notes may affect the tax status of interest on the Series 2019A Notes.

Prospective purchasers of the Series 2019A Notes should consult their own tax advisors regarding the foregoing matters.

LEGALITY FOR INVESTMENT

The MTA Act provides that the Series 2019A Notes 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 Series 2019A Notes.

LITIGATION

There is no pending litigation concerning the Series 2019A Notes.

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 Series 2019A Notes. 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 Backstrom McCarley Berry & Co., LLC are MTA's Co-Financial Advisors for the Series 2019A Notes. The Co-Financial Advisors have provided MTA advice on the plan of financing and reviewed the competitive bidding of the Series 2019A Notes. The Co-Financial Advisors have not independently verified the information contained in this offering memorandum and do not assume responsibility for the accuracy, completeness or fairness of such information.

UNDERWRITING

After competitive bidding on March 12, 2019, the Series 2019A Notes were awarded to the purchasers identified in the table below (the Underwriters) in the principal amounts and at the purchase prices indicated therein. Each Underwriter has agreed to purchase all of the Series 2019A Notes awarded to them. Each Underwriter has sole discretion in establishing the price at which the Series 2019A Notes awarded to them will be offered to the public and may change from time to time the offering prices for the Series 2019A Notes it purchased.

Underwriter	Principal Amount Purchased	Original Issue Premium	Underwriter's Discount	Purchase Price
Merrill Lynch, Pierce, Fenner & Smith Incorporated	$325,000,000	$29,549,000	$190,666.67	$354,358,333.33
J.P. Morgan Securities LLC	175,000,000	15,858,500	35,000.00	190,823,500.00
Morgan Stanley & Co. LLC	150,000,000	13,593,000	21,000.00	163,572,000.00
Goldman Sachs & Co. LLC	50,000,000	4,561,000	15,000.00	54,546,000.00
Jefferies LLC	50,000,000	4,561,000	29,995.00	54,531,005.00

The Series 2019A Notes may be offered and sold to certain dealers (including dealers depositing such Series 2019A Notes into investment trusts) at prices lower or yields higher than such public offering prices or yields and prices or yields may be changed, from time to time, by the Underwriters.

In addition, certain of the Underwriters may have entered into distribution agreements with other broker-dealers (that have not been designated by MTA as Underwriters) for the distribution of the Series 2019A Notes at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective 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 Underwriters and their respective 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 Underwriters and their respective 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 Series 2019A Notes. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings or any outlooks or other statements given with respect thereto from each identified agency may be obtained as follows:

Fitch Ratings 33 Whitehall Street New York, New York 10004 (212) 908-0500	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 notes being offered, including information not included in this offering memorandum, about MTA and the notes. 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 notes. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the notes.

LEGAL MATTERS

All legal proceedings in connection with the issuance of the notes being offered are subject to the approval of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel to MTA. The form of the opinions of Co-Bond Counsel in connection with the issuance of the Series 2019A Notes is **Attachment 3** to this offering memorandum.

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 notes or other material events affecting the tax status of the notes;
- 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 notes, 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.

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FURTHER INFORMATION

MTA may place a copy of this offering memorandum on MTA's website at http://web.mta.info/mta/investor/. 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
Director, Finance

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ATTACHMENT 1

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Series 2019A Notes. The Series 2019A Notes 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 Series 2019A Note will be issued for each subseries of the Series 2019A Notes, each in the aggregate principal amount of such subseries, and will be deposited with DTC. If, however, the aggregate principal amount of any subseries of the Series 2019A Notes exceeds $500 million, one note of such subseries will be issued with respect to each $500 million of principal amount, and an additional note will be issued with respect to any remaining principal amount of such subseries.

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 a 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 Series 2019A Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2019A Notes on DTC's records. The ownership interest of each actual purchaser of each Series 2019A Note (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 Series 2019A Notes 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 Series 2019A Notes, except in the event that use of the book-entry system for the Series 2019A Notes is discontinued.

4. To facilitate subsequent transfers, all Series 2019A Notes 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 Series 2019A Notes 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 Series 2019A Notes; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2019A Notes 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 Series 2019A Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2019A Notes, such as defaults, and proposed amendments to the Series 2019A Note documents. For example, Beneficial Owners of the Series 2019A Notes may wish to ascertain that the nominee holding the Series 2019A Notes 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. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2019A Notes 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 Series 2019A Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Principal and interest payments on the Series 2019A Notes 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 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 Direct and Indirect Participants.

8. DTC may discontinue providing its services as depository with respect to the Series 2019A Notes 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 Series 2019A Notes are required to be printed and delivered.

9. MTA may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates for the Series 2019A Notes will be printed and delivered to DTC.

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 Underwriters 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 Series 2019A Notes to provide continuing disclosure. MTA will undertake to provide certain financial information and operating data relating to MTA by no later than 120 days after the end of each MTA fiscal year, commencing with the fiscal year ending December 31, 2019 (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 the Series 2019A Notes to provide or cause to be provided either directly or through the Trustee, audited combined 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, 2019, when and if such audited financial statements become available and, if such audited financial statements of MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA for such fiscal year.

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

1. description of the transit and commuter systems operated by the MTA and its affiliates and subsidiaries and their operations,
2. information regarding the transit and commuter capital programs, including information of the type included in MTA Annual Disclosure Statement (the ADS) under the caption “FINANCIAL PLANS AND CAPITAL PROGRAMS,”
3. presentation of changes to indebtedness issued by MTA under the DTF Resolution, as well as information concerning changes to MTA’s debt service requirements on such indebtedness payable from DTF Revenues,
4. financial information and operating data of the type included in the ADS under the caption “DEDICATED TAX FUND BONDS” which shall include information relating to the following:
    a. description of how the State allocates taxes to the MTA Dedicated Tax Fund;
    b. description of the material taxes allocated to the MTA Dedicated Tax Fund, currently the petroleum business tax, the motor fuel tax on gasoline and diesel fuel, certain motor vehicle fees, including both registration and non-registration fees, the District Sales Tax, the Franchise Taxes, and the Franchise Surcharge, together with a description of the tax rate, the tax base and the composition and collection of such taxes by the State (unless the taxes constituting the sources of revenue have been materially changed or modified, in which case similar information about such new or modified taxes will be provided); and
    c. for the material taxes then constituting a source of revenue for the MTA Dedicated Tax Fund, an historical summary of such revenue, if available, together with an explanation of the factors affecting collection levels, for a period of at least the five most recent completed fiscal years then available,
5. information concerning the amounts, sources, material changes in and material factors affecting DTF Revenues and debt service incurred under the DTF Resolution,
6. material litigation related to any of the foregoing, and

7. 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, MTA.

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. 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 Series 2019A Notes, to provide or cause to be provided:

1. to EMMA, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed under the caption "CONTINUING DISCLOSURE" in this offering memorandum with respect to the Series 2019A Notes, 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 MTA.

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 Series 2019A Notes (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 Series 2019A Notes) 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 the Series 2019A Notes, 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 Series 2019A Notes at the time outstanding which are affected thereby. MTA and the Trustee reserve 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 DTF Resolution nor give right to the Trustee or any Holder to exercise any remedies under the DTF 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 Series 2019A Notes have been paid in full or legally defeased pursuant to the DTF 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.

ATTACHMENT 3

FORM OF APPROVING OPINIONS OF CO-BOND COUNSEL

Upon delivery of the Series 2019A Notes in definitive form, each of Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel to MTA, proposes to render its final approving opinion in substantially the following form:

[Date of Delivery]

Metropolitan Transportation Authority
New York, New York

Ladies and Gentlemen:

We have examined a certified copy of the record of proceedings of the Metropolitan Transportation Authority ("MTA") and other proofs submitted to us relative to the issuance of $750,000,000 aggregate principal amount of Metropolitan Transportation Authority Dedicated Tax Fund Bond Anticipation Notes, Series 2019A (the "Series 2019A Notes").

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

The Series 2019A Notes are issued under and pursuant to the Constitution and statutes of the State of New York (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 "Dedicated Tax Fund Obligation Resolution", as supplemented by the Multiple Series 2019 Bond Anticipation Notes and Related Subordinated Indebtedness Dedicated Tax Fund Bond Supplemental Resolution adopted on December 12, 2018 and the Multiple Series 2019 Dedicated Tax Fund Bond Supplemental Resolution adopted on December 12, 2018 (collectively, the "Resolution").

The Series 2019A Notes are dated, mature, are payable and bear interest, 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 2019A Notes in order that interest on the Series 2019A Notes 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, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), 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 Series 2019A Notes, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2019A Notes 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 2019A Notes 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 Series 2019A Notes 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 Series 2019A Notes 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 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 Series 2019A Notes from gross income for federal income tax purposes pursuant to Section 103 of the Code, and 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 2019A Notes as executed and, in our opinion, the form of said Series 2019A Note 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.

3. The Series 2019A Notes 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 (i) the proceeds of notes, including renewal notes, issued under the Resolution, (ii) the proceeds of the Series 2019 Bonds (as defined in the Resolution) and (iii) with respect to interest payable on the Series 2019A Notes, amounts available for payment of subordinated indebtedness in accordance with the Resolution. The Series 2019A Notes are not secured by any other funds, accounts or amounts that are pledged to the payment of Obligations or Parity Debt issued under the Resolution. MTA has no taxing power and the Series 2019A Notes are not debt of the State or of any other political subdivision thereof.

4. MTA, the holders of the Series 2019A Notes, or the holders of any evidence of indebtedness of MTA do not and will not have a pledge or lien on (i) the dedicated mass transportation trust fund established by Section 89-c of the State Finance Law, (ii) the metropolitan transportation authority financial assistance fund established by Section 92-ff of the State Finance Law, (iii) the metropolitan mass transportation operating assistance account established in the mass transportation operating assistance fund pursuant to Section 88-a of the State Finance Law, or (iv) the taxes or moneys deposited therein.

5. The Series 2019A Notes 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, interest on the Series 2019A Notes (i) is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) is not treated as a preference item in calculating the alternative minimum tax under the Code.

7. Under existing statutes, interest on the Series 2019A Notes is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

The opinions expressed in paragraphs 2 and 3 above are subject to applicable bankruptcy, insolvency, receivership, reorganization, arrangements, fraudulent conveyances, 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 related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2019A Notes. 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 Series 2019A Notes.

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 2019A Notes. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Offering Memorandum or other offering material relating to the Series 2019A Notes and express no opinion with respect thereto.

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,

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ATTACHMENT 4

THIRD QUARTERLY UPDATE TO THE ADS DATED MARCH 5, 2019

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MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2018 Third Quarterly Update)
March 5, 2019

This Metropolitan Transportation Authority ("MTA") Annual Disclosure Statement Update (including Attachment A hereto, the "Third Quarterly Update") is dated March 5, 2019, is the third quarterly update to the Annual Disclosure Statement (the "ADS") of MTA, dated April 30, 2018, as supplemented June 1, 2018, June 28, 2018, January 25, 2019 and January 31, 2019 and as updated by the first quarterly update dated August 2, 2018 and a second quarterly update dated December 4, 2018, 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 under "MTA Info – Financial Information – Budget and Financial Statements" at www.mta.info. 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 respective date. MTA retains the right to update and supplement specific information contained herein as events warrant.

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

MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2018 Third Quarterly Update)
March 5, 2019

Introduction

This update, dated March 5, 2019 (the "Third Quarterly Update"), is the third quarterly update to the Annual Disclosure Statement (the "ADS") of the Metropolitan Transportation Authority ("MTA"), dated April 30, 2018, as supplemented June 1, 2018, June 28, 2018, January 25, 2019 and January 31, 2019 and as updated by the first quarterly update dated August 2, 2018 and a second quarterly update dated December 4, 2018. This Third Quarterly Update contains information only through March 5, 2019, 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. Information regarding current MTA cashflow, budgetary and capital spending financial status and New York State (the "State") funding, MTA governance and oversight proposals, particularly those proposals contained in legislation accompanying the Governor of the New York's Executive Budget promulgated on January 15, 2019, as amended on February 14, 2019, and a proposed MTA Transformation Plan set forth in a joint announcement from the Governor and the Mayor of New York City of February 26, 2019.
2. A summary of recent events and changes to MTA's 2019-2022 Financial Plan released by MTA in November 2018 (the "November Plan"), made since the date of the ADS, to reflect provisions of the 2019 MTA February Financial Plan presented to the MTA Board on February 27, 2019 (the "February Plan"). The complete February Plan is posted on MTA's website under "MTA Info – Financial Information – Budget and Financial Statements" at www.mta.info. No statement on MTA's website or any other website is included by specific cross–reference herein.
3. **Attachment A** to this Third Quarterly Update, which presents the February Plan in tabular form and includes Financial Plan tables that summarize MTA's February Plan for fiscal year 2017 (actual), final estimate for 2018 and projected receipts and expenditures for fiscal years 2019 (adopted budget) through 2022, in each case prepared by MTA management.

The February Plan includes the February Forecast, the adopted budget for 2019 and a Financial Plan for the years 2019-2022. Since 2010, MTA's financial plans have included MTA management initiatives to achieve recurring cost reductions, to moderate the amount of revenues needed from biennial fare and toll increases and governmental subsidies, and to provide funding for the capital program and enhanced maintenance. ***However, as detailed below, MTA management initiatives will not suffice to address severe current cashflow and projected operating, budgetary or capital program financial resource shortfalls. There is an urgent need for substantial additional recurring revenues.***

Update Regarding Aspects of MTA Budgetary and Capital Spending Financial Status and State Funding, Governance and Oversight Proposals

Current Budget and Cashflow Situation. MTA's financial condition remains tenuous, with 2019 anticipated to be MTA's third consecutive fiscal year of structural imbalance, in which expenditures exceed available revenues. This imbalance, if unresolved in the near term, is expected to give rise to a cashflow crisis. MTA has previously used non-recurring actions, including use of the general budget reserve to achieve budget balance. To mitigate the cashflow exigency and the projected Financial Plan deficits, and to bring the operating budget into structural balance, MTA is taking immediate cost reduction actions (such as the ongoing hiring/promotion freeze and the review of all consultants and all service contracts) and is planning significant additional measures to achieve savings, including, but not limited to, a review of various business processes, the consolidation of duplicative functions at the Related Entities as well as other actions. These additional targeted cuts are intended to reduce operating budget expenditures by $350 million and capitally reimbursable expenditures by another $150 million.

The February Plan projects deficits of $467 million, $814 million and $976 million in 2020, 2021, and 2022, respectively. Included within these baseline deficits are the assumed implementation of 4% fare/toll increases in 2019 and 2021, which are projected to generate approximately $316 million in annual recurring revenue per increase (subject in 2019, to the one-month delay in approval and implementation discussed below), and the achievement of additional cost reduction targets, including as yet unidentified annually recurring savings targets expected to total $348 million.

Projected incremental debt service included in the Financial Plan represents approximately one-half of the projected annual deficits. These deficit projections may limit MTA's ability to issue debt beyond mid-2019 to continue funding its approved Capital Programs.

On January 24, 2019, the MTA Board deferred the scheduled vote on the 2019 fare increase for consideration at the MTA Board meeting held on February 27, 2019 to consider alternative options to the earlier fare and toll increase proposals. The toll increase was intended to be voted on in February to address a longer State Administrative Procedure Act notice period. The MTA Board considered the following changes to the earlier proposed increases: raising MTA Bridges and Tunnels crossing charges by 6.3% (as opposed to the originally proposed 4%) for New York Customer Service Center ("NYCSC") E-ZPass customers, and 11.8% for non-NYCSC E-ZPass customers, and increasing express bus fares to $6.75 (compared to the original $7 proposal). The MTA Board approved the revised fare and toll proposals, with these changes, at the February 27th meeting. This delay in the implementation of the higher fares and tolls from March to April is estimated to reduce fare and toll revenues to be received in 2019 by $27 million, and the annualized value of the fare and toll increases is projected to be $336 million, up from $316 million. The toll increase is planned to take effect on March 31, 2019 and the transit and commuter fare increases are expected to be effective on April 21, 2019.

MTA is in continuing discussions with the State Division of the Budget ("DOB") addressing the urgent need for additional revenue. As of the date of this Third Quarterly Update, no agreement identifying any near-term sources of new revenues has been reached; however, MTA has communicated the need that this issue be addressed within the current legislative session as part of the current budget process. DOB has indicated its understanding of the urgency of the matter.

There can be no assurance that the State will provide the financial assistance that MTA has requested, or that MTA will be able to remedy the near term cashflow crisis or meet the deficit reduction targets it hopes to achieve. As a result, MTA may need to implement additional reductions, including curtailment of service and associated workforce reductions.

Congestion Tolling, and Future Needs. On January 15, 2019, Governor Cuomo released the Executive Budget proposal for the State's 2019-2020 fiscal year beginning April 1, 2019. On February 14, 2019, formal amendments to the Executive Budget proposals were made, which, if enacted, would have a major impact on MTA structure and finances. References in this subheading to the Executive Budget proposals are to the Executive Budget as so amended. See "*Governor and Mayor Ten-Point Plan to Transform and Fund MTA*" below for refinements of the Executive Budget proposals and additional funding initiatives. Among the proposals is the establishment of a congestion tolling program in the central business district of Manhattan, which, if enacted as proposed, would be designed and implemented by MTA Bridges and Tunnels, subject to oversight by the Mass Transit Expert Panel (described below). The newly created congestion tolling program would provide revenues from tolls imposed on vehicles traveling below 60th Street in Manhattan, in an amount sufficient to fund a minimum of fifteen billion dollars for MTA capital projects. It is expected that congestion tolls would be imposed in amounts sufficient to cover the cost of the program and allow bonding of such net revenues to provide capital funds to MTA for the 2020-2024 Capital Program, and successor programs.

The Executive Budget, if enacted as proposed, would establish a mass transit expert panel ("Mass Transit Expert Panel"), consisting of six members with extensive background or executive experience in at least one of the following areas: auditing, public finance, engineering; transportation, transit, management; and corporate restructuring and risk management. The Mass Transit Expert Panel would have the following responsibilities: (i) oversee the preparation of a performance and financial audit of the capital and operating budgets prepared by MTA, (ii) review and approve the capital and operating budgets of MTA, (iii) review and approve the MTA's 2020-2024 Capital Plan (currently under development) and successor plans, (iv) review and approve MTA reorganization plans called for in the Executive Budget, (v) determine the congestion toll amounts, which shall include a variable-pricing structure, no sooner than November 15, 2020 and no later than December 31, 2020, and (vi) assess MTA fiscal and programmatic risk and improve workforce management. For purposes of establishing congestion tolls, the Mass Transit Expert Panel is charged to ensure that annual revenues and fees collected under such program, less costs of operation of the program, will provide for adequate revenues into the congestion tolling capital lockbox fund, established by statute, to fund fifteen billion dollars for MTA capital projects.

In addition to the congestion tolling initiative and Mass Transit Expert Panel provisions just described, the Executive Budget proposal would also amend State law to (x) allow MTA to reform its organizational structure as may be approved by the MTA Board (the reorganization plan referred to in clause (iv) above), (y) provide a new vehicle speed violation monitoring system to aid the congestion tolling program, and (z) authorize use by MTA of design-build contracting on all major capital projects.

The Executive Budget proposal further linked four separate appropriations and reappropriations of expected State capital aid dedicated to support the 2015-2019 Capital Program to the successful adoption by the Legislature of the MTA-related initiatives previously described. The State capital aid is intended to be made available to MTA on a pro-rata basis together with the commitment by the City of New York to support the 2015-2019 Capital Program. Thus, a delay in receipt of State aid will also delay receipt of support from the City of New York, which may have an adverse impact on implementation of a substantial portion of the MTA's 2015-2019 Capital Program.

Governor and Mayor Ten-Point Plan to Transform and Fund MTA. On February 26, 2019, Governor Cuomo and New York City Mayor de Blasio announced a proposal to transform MTA and create dedicated and sustained funding streams for MTA, herein referred to collectively as the "MTA Transformation Plan". The proposal includes the joint endorsement of congestion pricing and a plan to reorganize MTA. As with the Executive Budget, these proposals are subject to legislative action. In summary, they provide:

- MTA would develop a reorganization plan to become more efficient and effective by centralizing common functions among the seven existing entities: MTA Bridges and Tunnels, MTA New York City Transit, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bus, MTA Capital Construction, and MTA Staten Island Railway. All common functions such as construction management, legal, engineering, procurement, human resources and advertising would be consolidated and streamlined in a central operation. The individual entities would focus on day-to-day management of their primary operations. The restructuring plan is intended to be completed by June 2019.

- The MTA Transformation Plan would include a congestion pricing financing model. Electronic tolling devices would be installed on the perimeter of the Manhattan Central Business District ("CBD"), defined as streets south of 61st Street in Manhattan. The FDR Drive would not be included in the CBD. The electronic tolling system would account for tolls previously paid by drivers entering Manhattan from designated crossings. The system would be installed and operated pursuant to a memorandum of understanding between New York City, MTA, and MTA Bridges and Tunnels for the purposes of ensuring the timely completion of congestion tolling infrastructure. It would utilize MTA Bridges and Tunnels for purposes of running and operating cashless tolling systems and New York City agencies for purposes of coordinating the impact of infrastructure installation on New York City streets.

  The MTA Transformation Plan proposes that congestion pricing tolls would be supplemented with additional State and New York City revenues from a fixed amount of the new internet sales tax derived from sales in New York City, including a growth factor, as well as a percentage of the State and New York City revenue from the cannabis excise tax (each such tax is proposed in the Executive Budget). Congestion tolling revenues and revenues from these two taxes would be placed in a 'lockbox' to provide a funding source for MTA capital needs, with priority given to MTA New York City Transit in the following areas: new signal system, new subway cars, track and car repair, accessibility, buses and bus system improvements and further investments in expanding transit availability to areas in the outer boroughs that have limited mass transit options. Congestion toll levels would be set by MTA once the electronic infrastructure is in place and the 2020-2014 Capital Plan is finalized, but would in no event be set later than December 2020.

- MTA fares for public mass transportation would be controlled in future years through cost containment actions and improved management. The aspirational goal of the MTA Transformation Plan is for MTA to be able to operate with mass transit fare increases limited to inflationary increases of 2% per year.

- All MTA Board appointments would be modified so that all terms end with the appointing elected official's tenure.

- The State would work with MTA, New York City and District Attorneys to develop a comprehensive fair evasion enforcement strategy, with both personnel and station design modifications that do not criminalize fare evasion but instead prevent fare evasion, sanction violators and increase enforcement.

- MTA would undergo a new independent audit to determine its assets and liabilities. The initial audit should be completed no later than January of 2020.

- The Capital Programs would be reviewed by a committee of transportation, engineering and government experts having no existing financial relationship with MTA to be denominated as the Regional Transit Committee ("RTC"). The RTC would consist of appointees by the Governor, Mayor of New York City, State Assembly and Senate, and organizations representing subway riders and driving commuters. The RTC would also review the toll and fare increases proposed by the MTA as necessary to fund the Capital Programs.

- MTA would have all major construction projects and planned projects advanced utilizing "design build" procurement methodology. All major construction projects would be reviewed by construction and engineering experts who are not affiliated with MTA or its consultants. These experts would also review the plans for signal system upgrade methodology and recommend the best system to use, specifically comparing Communications Based Train Control ("CBTC") to Ultra-Wide-Band ("UWB") technology for safety, timeliness and cost. The MTA would be directed to debar failed contractors.

- MTA would expedite the completion of the Subway Action Plan including: signal repair; water management; station enhancements; rail welding; friction pad installation; increased refurbishment efforts; and other service improvements.

- The Governor and Mayor of New York City will work closely with the Legislature to effectuate provisions in the proposed MTA Transformation Plan.

As noted, the proposals set forth in the MTA Transformation Plan remain subject to further clarification and refinement until such time as the final MTA Transformation Plan is enacted into law. There is considerable overlap with the Governor's Executive Budget proposals, and there is no assurance that such proposals will be enacted into law in the form described. The new State fiscal year begins April 1, 2019 and the final enacted State budget, which may include all, selected or revised versions of the proposals described herein is subject to adoption by that date.

The November Plan

The November Plan presented to the MTA Board in December 2018, included the following initiatives and goals, each of which continue to be MTA management priorities:

Hold Projected Fare/Toll Increases to 4% in 2019 and 2021. The November Plan projected net 4% biennial fare/toll increases (the equivalent of 2% per year), which is lower than the projected two-year inflation rates of 5.3% and 4.7% in 2019 and 2021, respectively. Consistent with recent financial plans, a March 1st implementation was assumed for both the 2019 and 2021 increases. However, as noted above, the approval and implementation of the 2019 fare/toll increases was delayed by one-month, until April 1, 2019, resulting in an estimated reduction of $27 million in the 2019 total collection. The annualized yield of these increases was projected in the November Plan to be $316 million and $321 million, respectively.

Achieve Annually Recurring Savings Targets. Since February 2018, nearly $1.9 billion in recurring savings have been identified over the November Plan period. The November Plan maintained the commitment set out in earlier Financial Plans but did not include any additional savings targets.

Maintenance of Prior Plan Investments. In addition to the continuation of the Subway Action Plan as noted above, the November Plan maintained major investments for the MTA Long Island Rail Road Forward Plan, the Bus Plans at MTA New York City Transit and MTA Bus, and the MTA Metro-North Railroad Way Ahead Plan.

Additional Maintenance and Operations Investments. Another $216 million over the November Plan period will be invested in additional maintenance and operating needs, including:

- At MTA New York City Transit, replacing, modifying, updating and maintaining various components of HVAC systems.
- At MTA Metro-North Railroad, installation of various components at Grand Central Terminal to ensure safety and state of good repair of building systems; update to dry-water line systems at stations; enhanced diesel fleet maintenance; and indefinite extension of weekend bus service between Rockland County and the Hudson and Harlem Lines in Westchester County.
- At MTA Long Island Rail Road and MTA Metro-North Railroad, increase of support for weather-related operational coverage requirements.

Bus and Subway Service Guidelines. Bus and subway service guidelines, which have been reviewed and approved by the MTA Board, are used to maintain an appropriate level of service based upon actual ridership on a route. The guidelines provided an objective standard of maximum loads for different times of day, and are intended to minimize the occurrences when buses or trains are either overcrowded or underutilized. During years of ridership growth, these service guidelines were the basis for increased service where it was warranted, but over the past several years as ridership has declined, reductions based on service guideline standards had been deferred. With ridership levels not rebounding, the November Plan included MTA New York City Transit proposed service guideline adjustments beginning in 2020 that are projected to result in savings of $41 million annually, with reductions of $10 million for subway service and $31 million for bus service.

February Plan Summary and Changes to the November Plan

Consistent with the MTA budget process and, as presented in tabular form in **Attachment A**, the November and February Plans are formatted to highlight certain policy actions and other adjustments for the benefit of the Board and financial stakeholders. Until these items have been approved by the Board, MTA excludes their financial impact from the "Statement of Operations" (see **Attachment A** at page II-3, also referred to as "the baseline"). Instead, these items are captured individually, and in total, on the "Plan Adjustments" page that follows the Statement of Operations (see **Attachment A** at page II-4). These Plan Adjustments are also referred to as being "below-the-baseline". Analyzed together, the Statement of Operations and Plan Adjustments tabular presentations in **Attachment A** produce the cash balance and gap projections set forth in **Attachment A** at page II-8.

The purpose of the February Plan is to incorporate Board-approved MTA adjustments on a consolidated basis in the November Plan into the Related Entities' financial plan baseline budgets and forecasts. The February Plan also establishes a 12-month allocation of the 2019 adopted budget for financials, utilization and positions, which will be compared with actual results. Unlike the July Plan and the November Plan, the February Plan does not include any new proposals or programs.

The February Plan includes policy actions that were captured "below-the-line" in the November Plan. With Board approval secured, these items are now included within the MTA baseline:

- *Drawdown of 50% of the MTA's 2018 General Reserve* – Draw down $80 million of the $160 million in the 2018 General Reserve.

- *Drawdown Remaining 2018 General Reserve* – The remaining $80 million from the MTA's 2018 General Reserve used to help balance the 2018 budget.

- E*xcess Fuel Hedge Collateral* – Elimination of $40 million in excess fuel hedge collateral to help balance the 2019 adopted budget.

- *MTA Re-estimates* – Re-estimates of savings for prior-year budget reduction program savings, including projected additional savings.

The February Plan also captures baseline changes that were not included in the November Plan, as well as other adjustments:

- *Health & Welfare Premium Adjustment* – 2019 premiums for the New York State Health Insurance Program, which covers about 40% of MTA employees and retirees, are lower than estimates used in the November Plan. The lower premiums are estimated to reduce expenses by $57 million in 2019, and an estimated $6 million annually thereafter.

- *Insurance Policy Renewal Cost Adjustments* – Lower than forecasted renewal costs for excess liability, environmental liability, stations liability and force account liability policies result in savings of $8 million annually through 2020 and an estimated $9 million annually thereafter.

- *Timing Adjustments/Other Baseline Re-estimates* – The February Plan includes timing and other minor technical adjustments impacting expenses and subsidies that have been incorporated into the baseline.

- *City Subsidy for MTA Bus* – Reflects timing-related changes to subsidy payments from the City of New York, the result of expense timing adjustments.

- *Other Subsidies* – Reflects lower collection of For-Hire Vehicle fees, which was delayed following the filing of a lawsuit and a temporary restraining order, which was lifted at the end of January.

The following MTA adjustments in the February Plan remain below-the-baseline and therefore are not captured within the Related Entities baseline forecasts:

- *Fare and Toll Increase in March 2019* – A $316 million annualized consolidated farebox and toll increase was assumed for implementation in March 2019, and estimated to yield 4%, for an additional $269 million in 2019, $316 million in both 2020 and 2021, and $317 million in 2022. Factoring in the MTA Bus, MTA Staten Island Railway and MTA Bridges and Tunnels adjustments included in "Subsidy Impact of Fare and Toll Increases" at p. II-4 in **Attachment A**, the net increase to MTA was projected to be $262 million in 2019, $308 million in 2020, $307 million in 2021, and $308 million in 2022, unchanged from the estimate in the November Plan.

- *One-Month Delay in 2019 Fare and Toll Increase* – The November Plan, approved in December 2018, anticipated the MTA Board would review and approve fare and toll increases in January 2019 for implementation in March 2019. The February Plan reflects a one-month delay in approval and implementation of the 2019 fare and toll increases, resulting in an estimated $27 million reduction in 2019 revenues as a result of the one-month approval delay.

- *Fare and Toll Increase in March 2021* – A $329 million annualized consolidated farebox and toll increase is assumed for implementation in March 2021, and is estimated to yield 4%, for an additional $280 million in 2021 and $329 million in 2022. Factoring in the MTA Bus, MTA Staten Island Railway and MTA Bridges and Tunnels, the net increase to MTA is projected to be $273 million in 2021 and $320 million in 2022, which is unchanged from the estimate in the November Plan.

- *MTA Efficiencies – Not Yet Implemented* – The November Plan recognized identified savings from the Related Entities – included in Related Entities baseline projections – totaling $84 million in 2018, exceeding the target in that year, $207 million in 2019, $209 million in 2020, $213 million in 2021 and $203 million in 2022; included in the total savings identified non-recurring savings of $69 million in 2018 and $18 million in 2019. Efficiencies, resulting in savings, yet to be implemented are estimated to total $123 million in 2019, $58 million in 2020, $82 million in 2021 and $86 million in 2022; which is unchanged from the November Plan.

- *Service Guideline Adjustments* – Service guidelines have been reviewed and approved by the MTA Board (See "November Plan – Bus and Subway Service Guidelines" above). Following these guidelines, MTA New York City Transit first proposed in the November Plan service guideline adjustments beginning in 2020 that are projected to result in net savings of $37 million in 2020 and $41 million in 2021 and 2022, of which $10 million is for subway service and $31 million for bus; which is unchanged from the November Plan.

- *Additional Savings Actions* – The November Plan included additional reductions and re-estimates resulting in savings beyond those captured in the Related Entities baseline projections. These savings programs are expected to be implemented in time for inclusion within the Related Entities' baseline budget projections in the 2019 July Financial Plan.

The February Plan is projected to be balanced through 2019. Favorable impacts from Health and Welfare premium adjustments are being offset by an anticipated one-month delay in the implementation of fare and toll increases and a one-month delay in the collection of For-Hire Vehicle fees. The February Plan projects year-end cash balances of $79 million in 2018 and $11 million in 2019, with projected cash deficits of $467 million in 2020, $814 million in 2021, and $976 million in 2022. But see "Update Regarding Aspects of MTA Budgetary and Capital Spending Financial Status and State Funding, Governance and Oversight Proposals – Current Budget and Cashflow Situation" above for details on near-term cashflow challenges. *As emphasized in the November Plan, MTA requires new sources of sustainable recurring revenue to fund operations and capital needs, and without additional recurring revenue in the near-term, options to mitigate the cashflow shortfalls, close these structural deficits and achieve balanced budgets, will be service reductions, reductions in force, and/or additional fare and toll increases.*

Challenges and Risks Going Forward

There are a variety of challenges and risks affecting MTA and the implementation of its February Plan:

Secure New Sustainable Funding for Operations and Capital. While the February Plan is benefiting from years of MTA management non-recurring and annually recurring cost reductions, significant near term cashflow challenges exist and out-year operating budget deficits are still projected. In order to sustain operations and protect investments made to date and/or planned, MTA will need new sources of recurring funding. If new funding is not secured, MTA's options for achieving favorable cashflow and balanced budgets are service reductions, reductions in force, and/or additional fare and toll increases. If actions were limited to fare and toll increases, an additional 15% increase, on top of the 4% increases approved for 2019 and proposed for 2021, would be required to eliminate the projected deficits.

Implementation and Timing of State Funding, Governance and Oversight Initiatives. Each of the State legislative initiatives described above, including the enacted 2018 surcharges on For-Hire Vehicle trips in a designated congestion zone in Manhattan, the Executive Budget proposed congestion tolling program, expansion of design-build contracting powers, and imposition of the Mass Transit Expert Panel and related MTA governance proposals are complex and subject to both court challenge, in the case of the 2018 surcharge program, and executive/legislative negotiation.

Implementation of the new congestion tolling program in Manhattan, if enacted as proposed, could take two years or more. The MTA Transformation Plan proposals will need to be clarified and coordinated with the Executive Budget proposals and the product of such proposals will depend on legislative enactment. Projections of potential financial or operational and management benefits from each of the foregoing are uncertain and difficult to quantify as of the date of this Third Quarterly Update.

Implementation of Working Group Initiatives Without Sufficient Additional Recurring Revenues. In an effort to identify possible future initiatives to reduce capital costs and improve service and operational efficiencies, in December 2017, four working groups were established, consisting of MTA Board members and senior staff, to address four key areas: Construction Cost Containment; Procurement Reform; Paratransit/Access-a-Ride; and Station Accessibility.

Since the November Plan, the working groups have reported back to the full MTA Board. The working groups' findings and initiatives include initiatives to streamline existing processes, increase efficiencies in terms of dollars and time, and provide for collaborations with internal and external stakeholders to achieve system-wide improvement.

MTA management is committed to the implementation of the recommendations made by the working groups, and many of these initiatives are already being put into practice. As implementation results in cost savings and efficiencies, they will be captured in future financial plans.

Additional major challenges include:

Achievement of Increased Cost Reduction Targets. Unidentified savings targets of $123 million in 2019, $58 million in 2020, $82 million in 2021 and $86 million in 2022 remain. MTA recognizes the difficulty of achieving these savings, but MTA management is committed to meeting these goals. Failure to achieve these savings targets may create an operating deficit in 2019, and out-year deficits will be larger.

Implementation of Biennial Fare and Toll Increases That Net 4%. While MTA management works diligently to control costs, the reality is that combined fares and tolls only cover approximately half of operating costs ("Farebox Operating Ratio") and a little more than a third of total costs, including capital-related costs ("Farebox Recovery Ratio"). Moreover, many costs are dependent on pricing factors beyond MTA's direct control (e.g., energy, health & welfare and pensions). If projected fare and toll increases are not implemented, MTA's financial situation will quickly deteriorate as revenue will not be able to keep pace with inflation and other cost growth.

Increase Investments to Address Reliability and Service. MTA's challenge is to continue maintaining, improving and modernizing the operations of its aging infrastructure, including the 115-year old subway system. MTA is committed to finding more efficient ways to improve infrastructure, move customers, and enhance their experience.

Developing Economic Environment. The finances of MTA are highly influenced by economic factors. Passenger and toll revenues, dedicated taxes and subsidies (including real estate transaction 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 not realized, the February Plan projected results could be adversely affected.

Potential Impact of Changes in Federal Law. MTA's finances are also influenced by federal public transportation provisions, funding levels and by 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 beginning in 2018. The limitation of itemized deductions for state and local income and property taxes ("SALT") 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. While the February Plan includes interest rate assumptions in line with the Federal Open Markets Committee's ("FOMC") recent actions and policy statements on future actions, 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 which are higher than projected in the February Plan.

Additional Matters

Legal Challenge to Certain 2018 Enacted Congestion Zone Surcharges. On December 20, 2018, a group of taxi drivers and taxi medallion owners filed a suit in State Supreme Court in Manhattan against the State, the City and the City's Taxi and Limousine Commission, challenging the legality of the portion of the congestion zone surcharges that impose surcharges on the operation of taxis in the congestion zone (the area south of and excluding 96th Street in the Borough of Manhattan), pursuant to legislation enacted by the State in April, 2018. A temporary restraining order was granted by the Court in favor of the petitioners which was in effect until a hearing which took place on January 31, 2019. Following the hearing, the temporary restraining order was vacated and lifted by a Decision and Order of the court, dated January 31, 2019, and the City's motion to dismiss was granted. The State's motion to dismiss was denied, and the Court directed the State to file an answer to the amended petition within twenty days. The State has timely filed its answer. No preliminary injunction was granted, and collection of the congestion zone surcharges was able to commence.

Neither the MTA nor any Related Entities are party to the action. If a final court judgment in favor of the petitioners occurred, and such judgment is sustained on appeal, the portion of the congestion zone surcharges attributable to surcharges on taxicab and other for-hire transportation operations could be adversely affected. The outcome of this matter cannot be determined at this time. The revenue loss to MTA while the temporary restraining order was in place was approximately $1 million per day.

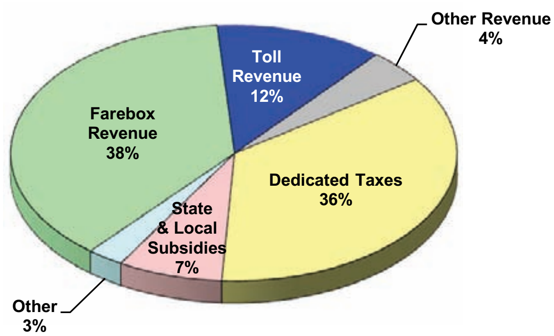
Attachment A to MTA Annual Disclosure Statement
Third Quarterly Update
March 5, 2019

MTA February Plan

This **Attachment A** to the 2018 Third Quarterly Update sets forth the February Plan in tabular form and includes Financial Plan tables that summarize MTA's February Plan for fiscal year 2017 (actual), Final Estimate for 2018 and projected receipts and disbursements for fiscal years 2019 (adopted budget) through 2022, in each case prepared by MTA management. The complete February Plan is posted on MTA's website under "MTA Info – Financial Information – Budget and Financial Statements" at www.mta.info. No statement on MTA's website or any other website is included by specific cross-reference herein.

MTA 2019 Adopted Budget
Baseline Expenses After Below-the-Line (BTL) Adjustments
Non-Reimbursable

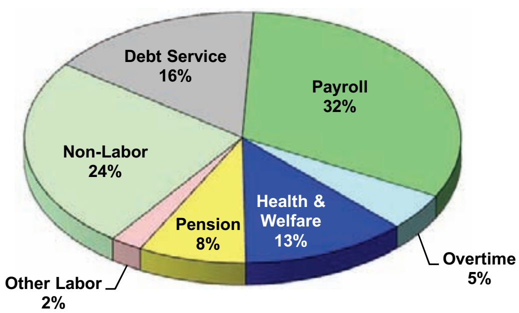
Where the Dollars Come From …



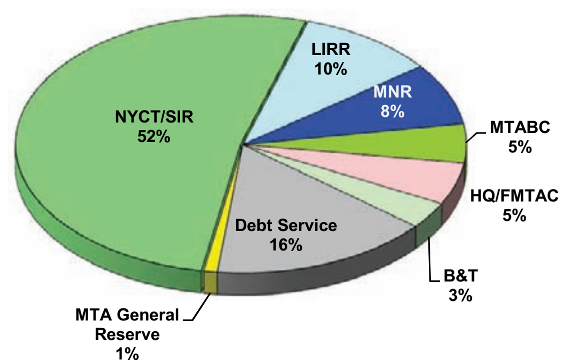
By Revenue Source ($ in millions)	
Farebox Revenue	$6,296
Toll Revenue	2,045
Other Revenue	705
Dedicated Taxes	5,973
State & Local Subsidies	1,265
Other [1]	441
Total [2]	**$16,725**

Where the Dollars Go …

By Expense Category



By MTA Agency



By Expense Category [3] includes below-the-line adjustments ($ in millions)	
Payroll	$5,399
Overtime	812
Health & Welfare	2,074
Pension	1,354
Other Labor	400
Total Labor	*$10,039*
Non-Labor	4,207
Debt Service	2,692
BTL Adjustments for Expenses [4]	(223)
Total [2]	**$16,714**

By MTA Agency [3] includes below-the-line adjustments ($ in millions)	
NYCT/SIR	$8,827
LIRR	1,687
MNR	1,322
MTABC	831
HQ/FMTAC	906
B&T	574
Debt Service	2,692
MTA General Reserve	165
BTL/Top-Side Adj for Expenses [4]	(289)
Total [2]	**$16,714**

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

[2] Totals may not add due to rounding.

[3] Expenses exclude Depreciation, OPEB Liability Adjustment, GASB 68 Pension Adjustment and Environmental Remediation. MTA Capital Construction is not included, as its budget contains reimbursable expenses only.

[4] These below-the-line adjustments impact expense dollars and have not been allocated to specific Agencies as yet.

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

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METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2019 - 2022
Accrual Statement of Operations By Category
($ in millions)

	Actual 2017	Final Estimate 2018	Adopted Budget 2019	2020	2021	2022
Non-Reimbursable						
Operating Revenues						
Farebox Revenue	$6,172	$6,153	$6,122	$6,144	$6,134	$6,144
Toll Revenue	1,912	1,967	1,984	1,990	1,998	1,998
Other Revenue	653	662	705	733	757	743
Capital and Other Reimbursements	0	0	0	0	0	0
Total Revenues	**$8,737**	**$8,782**	**$8,810**	**$8,867**	**$8,889**	**$8,886**
Operating Expenses						
Labor:						
Payroll	$5,021	$5,213	$5,399	$5,532	$5,647	$5,778
Overtime	934	1,051	812	825	852	865
Health and Welfare	1,209	1,322	1,393	1,530	1,622	1,730
OPEB Current Payments	564	616	682	744	812	886
Pension	1,345	1,333	1,354	1,332	1,317	1,266
Other Fringe Benefits	792	880	857	896	944	968
Reimbursable Overhead	(492)	(494)	(457)	(424)	(407)	(396)
Total Labor Expenses	***$9,373***	***$9,920***	***$10,039***	***$10,436***	***$10,787***	***$11,097***
Non-Labor:						
Electric Power	$430	$475	$451	$464	$483	$540
Fuel	150	186	190	188	183	181
Insurance	(3)	11	9	16	23	29
Claims	526	376	379	387	391	395
Paratransit Service Contracts	393	452	483	501	518	548
Maintenance and Other Operating Contracts	695	779	898	833	884	872
Professional Services Contracts	507	576	557	485	479	490
Materials and Supplies	588	668	687	688	692	697
Other Business Expenses	217	225	231	225	240	242
Total Non-Labor Expenses	***$3,505***	***$3,749***	***$3,884***	***$3,786***	***$3,894***	***$3,994***
Other Expense Adjustments:						
Other	$49	$134	$158	$84	$36	$22
General Reserve	0	0	165	170	175	180
Total Other Expense Adjustments	***$49***	***$134***	***$323***	***$254***	***$211***	***$202***
Total Expenses Before Non-Cash Liability Adjs.	**$12,927**	**$13,803**	**$14,246**	**$14,476**	**$14,891**	**$15,293**
Depreciation	$2,608	$2,697	$2,778	$2,844	$2,908	$2,968
OPEB Liability Adjustment	1,567	1,809	1,514	1,618	1,729	1,850
GASB 68 Pension Expense Adjustment	(168)	(240)	(224)	(289)	(324)	(307)
Environmental Remediation	13	20	6	6	6	6
Total Expenses After Non-Cash Liability Adjs.	**$16,948**	**$18,090**	**$18,319**	**$18,655**	**$19,210**	**$19,811**
Conversion to Cash Basis: Non-Cash Liability Adj.	($4,021)	($4,287)	($4,073)	($4,179)	($4,318)	($4,517)
Debt Service (excludes Service Contract Bonds)	2,525	2,559	2,692	2,840	3,080	3,223
Total Expenses with Debt Service	**$15,452**	**$16,362**	**$16,938**	**$17,316**	**$17,971**	**$18,516**
Dedicated Taxes and State/Local Subsidies	$6,416	$7,242	$7,238	$7,370	$7,576	$7,807
Net Surplus/(Deficit) After Subsidies and Debt Service	**($300)**	**($339)**	**($890)**	**($1,079)**	**($1,506)**	**($1,824)**
Conversion to Cash Basis: GASB Account	$0	$0	$0	($4)	$0	$0
Conversion to Cash Basis: All Other	174	296	363	192	(17)	88
Cash Balance Before Prior-Year Carryover	**($126)**	**($43)**	**($527)**	**($891)**	**($1,523)**	**($1,735)**
Adjustments	$0	$0	$459	$413	$709	$760
Prior Year Carryover Balance	248	121	79	11	0	0
Net Cash Balance	**$121**	**$79**	**$11**	**($467)**	**($814)**	**($976)**

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2019 - 2022
Plan Adjustments
($ in millions)

	Actual 2017	Final Estimate 2018	Adopted Budget 2019	2020	2021	2022
Cash Balance Before Prior-Year Carryover	**$(126)**	**($43)**	**($527)**	**($891)**	**($1,523)**	**($1,735)**
Fare and Toll Increases:						
Fare and Toll Increase on 3/1/19 (4% Yield)			*$269*	*$316*	*$316*	*$317*
One-Month Delay in 2019 Fare/Toll Increase			*(27)*	*0*	*0*	*0*
Fare and Toll Increase on 3/1/21 (4% Yield)			*0*	*0*	*280*	*329*
Subsidy Impacts of 2019/2021 Fare/Toll Increase			*(7)*	*(9)*	*(16)*	*(18)*
Subtotal			**$236**	**$308**	**$580**	**$627**
MTA Initiatives:						
MTA Efficiencies - Not Yet Implemented			*$123*	*$58*	*$82*	*$86*
Service Guideline Adjustments			*0*	*37*	*41*	*41*
Subtotal			**$123**	**$95**	**$122**	**$126**
MTA Re-Estimates						
Additional Savings Actions			*$101*	*$11*	*$6*	*$6*
Subtotal			**$101**	**$11**	**$6**	**$6**
TOTAL ADJUSTMENTS			**$459**	**$413**	**$709**	**$760**
Prior Year Carryover Balance	*$248*	*$121*	*$79*	*$11*	*$0*	*$0*
Net Cash Surplus/(Deficit)	**$121**	**$79**	**$11**	**($467)**	**($814)**	**($976)**

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2019 - 2022
Accrued Statement of Operations by Agency
($ in millions)

	Actual 2017	Final Estimate 2018	Adopted Budget 2019	2020	2021	2022
<u>Non-Reimbursable</u>						
Total Revenues						
New York City Transit	$4,912	$4,884	$4,871	$4,895	$4,898	$4,910
Long Island Rail Road	781	787	791	789	790	790
Metro-North Railroad	792	801	815	846	853	835
MTA Headquarters	56	54	58	53	55	58
First Mutual Transportation Assurance Company	18	21	21	22	22	23
MTA Bus Company	237	240	242	243	243	244
Staten Island Railway	9	9	10	10	10	10
Bridges and Tunnels	1,932	1,986	2,003	2,009	2,017	2,017
Total	**$8,737**	**$8,782**	**$8,810**	**$8,867**	**$8,889**	**$8,886**
Total Expenses before Non-Cash Liability Adjs.*						
New York City Transit	$8,131	$8,616	$8,733	$8,990	$9,236	$9,507
Long Island Rail Road	1,431	1,528	1,687	1,753	1,887	1,935
Metro-North Railroad	1,301	1,342	1,322	1,342	1,374	1,400
MTA Headquarters	667	772	748	721	734	750
First Mutual Transportation Assurance Company	15	(3)	0	4	2	(3)
MTA Bus Company	771	800	831	781	802	835
Staten Island Railway	71	61	65	60	59	60
Bridges and Tunnels	490	552	574	579	595	616
Other	49	134	287	246	202	193
Total	**$12,927**	**$13,803**	**$14,246**	**$14,476**	**$14,891**	**$15,293**
Depreciation						
New York City Transit	$1,682	$1,828	$1,878	$1,928	$1,978	$2,029
Long Island Rail Road	340	385	388	392	396	400
Metro-North Railroad	240	244	247	247	247	247
MTA Headquarters	36	36	50	53	50	43
First Mutual Transportation Assurance Company	0	0	0	0	0	0
MTA Bus Company	59	54	54	54	55	56
Staten Island Railway	10	12	12	12	12	12
Bridges and Tunnels	241	139	148	159	170	182
Total	**$2,608**	**$2,697**	**$2,778**	**$2,844**	**$2,908**	**$2,968**
OPEB Liability Adjustment						
New York City Transit	$1,103	$1,350	$1,041	$1,133	$1,231	$1,335
Long Island Rail Road	142	140	144	148	153	157
Metro-North Railroad	99	58	58	58	58	58
MTA Headquarters	83	89	96	100	105	111
First Mutual Transportation Assurance Company	0	0	0	0	0	0
MTA Bus Company	62	100	100	100	100	103
Staten Island Railway	7	8	8	8	8	8
Bridges and Tunnels	72	64	68	71	75	78
Total	**$1,567**	**$1,809**	**$1,514**	**$1,618**	**$1,729**	**$1,850**
GASB 68 Pension Expense Adjustment						
New York City Transit	($221)	($306)	($296)	($303)	($309)	($309)
Long Island Rail Road	(4)	0	0	0	0	0
Metro-North Railroad	(17)	12	(24)	(26)	(42)	(30)
MTA Headquarters	1	(3)	(3)	(3)	(8)	(3)
MTA Bus Company	66	46	86	28	19	19
Staten Island Railway	0	1	1	0	(1)	(1)
Bridges and Tunnels	6	10	13	15	16	17
Total	**($168)**	**($240)**	**($224)**	**($289)**	**($324)**	**($307)**
Environmental Remediation						
New York City Transit	$9	$0	$0	$0	$0	$0
Long Island Rail Road	3	2	2	2	2	2
Metro-North Railraod	1	18	4	4	4	4
MTA Bus Company	0	0	0	0	0	0
Bridges and Tunnels	0	0	0	0	0	0
Total	**$13**	**$20**	**$6**	**$6**	**$6**	**$6**
Net Surplus/(Deficit)						
New York City Transit	($5,792)	($6,604)	($6,485)	($6,852)	($7,237)	($7,652)
Long Island Rail Road	(1,132)	(1,268)	(1,430)	(1,506)	(1,648)	(1,704)
Metro-North Railroad	(833)	(872)	(792)	(779)	(787)	(843)
MTA Headquarters	(731)	(840)	(833)	(817)	(827)	(843)
First Mutual Transportation Assurance Company	4	23	21	17	20	26
MTA Bus Company	(721)	(761)	(829)	(721)	(733)	(771)
Staten Island Railway	(79)	(72)	(76)	(70)	(68)	(69)
Bridges and Tunnels	1,123	1,220	1,200	1,185	1,161	1,124
Other	(49)	(134)	(287)	(246)	(202)	(193)
Total	**($8,211)**	**($9,308)**	**($9,510)**	**($9,787)**	**($10,321)**	**($10,925)**

Note: * Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2019 - 2022
Cash Receipts and Expenditures
($ in millions)

	Actual 2017	Final Estimate 2018	Adopted Budget 2019	2020	2021	2022
Cash Receipts and Expenditures						
Receipts						
Farebox Revenue	$6,179	$6,157	$6,125	$6,147	$6,136	$6,147
Other Revenue	691	684	748	847	772	759
Capital and Other Reimbursements	2,057	2,437	2,463	2,109	1,970	1,932
Total Receipts	**$8,927**	**$9,278**	**$9,336**	**$9,103**	**$8,878**	**$8,838**
Expenditures						
Labor:						
Payroll	$5,491	$5,758	$6,056	$6,121	$6,164	$6,292
Overtime	1,166	1,296	977	971	990	1,006
Health and Welfare	1,270	1,361	1,445	1,575	1,668	1,776
OPEB Current Payments	553	606	671	733	800	873
Pension	1,393	1,399	1,424	1,395	1,377	1,324
Other Fringe Benefits	863	925	940	948	973	1,003
Contribution to GASB Fund	0	0	0	4	0	0
Reimbursable Overhead	0	0	0	0	0	0
Total Labor Expenditures	***$10,735***	***$11,345***	***$11,512***	***$11,746***	***$11,974***	***$12,274***
Non-Labor:						
Electric Power	$440	$473	$448	$460	$479	$536
Fuel	142	183	188	184	180	179
Insurance	12	9	10	17	20	25
Claims	286	281	249	254	260	265
Paratransit Service Contracts	390	450	481	499	516	546
Maintenance and Other Operating Contracts	631	771	880	778	776	739
Professional Services Contracts	487	688	629	512	476	474
Materials and Supplies	770	833	839	809	806	808
Other Business Expenses	198	203	219	195	207	209
Total Non-Labor Expenditures	***$3,357***	***$3,891***	***$3,942***	***$3,708***	***$3,719***	***$3,780***
Other Expenditure Adjustments:						
Other	$70	$107	$168	$158	$154	$177
General Reserve	0	0	165	170	175	180
Total Other Expenditure Adjustments	***$70***	***$107***	***$333***	***$328***	***$329***	***$357***
Total Expenditures	**$14,163**	**$15,344**	**$15,786**	**$15,782**	**$16,022**	**$16,411**
Net Cash Balance before Subsidies and Debt Service	**($5,236)**	**($6,066)**	**($6,450)**	**($6,679)**	**($7,144)**	**($7,573)**
Dedicated Taxes & State and Local Subsidies	$6,967	$7,914	$7,901	$7,892	$7,925	$8,270
Debt Service (excludes Service Contract Bonds)	(1,858)	(1,891)	(1,978)	(2,104)	(2,304)	(2,432)
Cash Balance Before Prior-Year Carryover	**($126)**	**($43)**	**($527)**	**($891)**	**($1,523)**	**($1,735)**
Adjustments	$0	$0	$459	$413	$709	$760
Prior-Year Carryover Balance	248	121	79	11	0	0
Net Cash Balance	**$121**	**$79**	**$11**	**($467)**	**($814)**	**($976)**

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2019 - 2022
Consolidated Cash Statement of Operations By Agency
($ in millions)

		Actual 2017	Final Estimate 2018	Adopted Budget 2019	2020	2021	2022
Total Receipts							
New York City Transit		$6,184	$6,188	$6,342	$6,150	$6,038	$6,025
Long Island Rail Road		1,096	1,290	1,149	1,084	1,072	1,068
Metro-North Railroad		1,030	1,141	1,151	1,126	1,126	1,092
MTA Headquarters		315	339	358	405	304	311
Capital Construction Company		29	40	48	47	48	50
First Mutual Transportation Assurance Company		18	21	21	22	22	23
MTA Bus Company		241	248	253	254	254	255
Staten Island Railway		12	12	14	14	14	14
	Total	**$8,927**	**$9,278**	**$9,336**	**$9,103**	**$8,878**	**$8,838**
Total Expenditures							
New York City Transit		$9,131	$9,766	$9,910	$10,025	$10,164	$10,443
Long Island Rail Road		1,836	1,978	2,083	2,065	2,195	2,238
Metro-North Railroad		1,580	1,709	1,774	1,728	1,672	1,666
MTA Headquarters		790	979	985	920	906	933
Capital Construction Company		29	40	48	47	48	50
First Mutual Transportation Assurance Company		18	21	21	22	22	23
MTA Bus Company		700	782	785	735	756	788
Staten Island Railway		76	66	70	64	64	64
Other		3	3	112	177	194	206
	Total	**$14,163**	**$15,344**	**$15,786**	**$15,782**	**$16,022**	**$16,411**
Net Operating Surplus/(Deficit)							
New York City Transit		($2,947)	($3,578)	($3,567)	($3,875)	($4,127)	($4,418)
Long Island Rail Road		(739)	(688)	(934)	(981)	(1,123)	(1,170)
Metro-North Railroad		(550)	(568)	(623)	(601)	(546)	(574)
MTA Headquarters		(474)	(640)	(626)	(515)	(602)	(622)
Capital Construction Company		0	0	0	0	0	0
First Mutual Transportation Assurance Company		0	0	0	0	0	0
MTA Bus Company		(459)	(534)	(532)	(481)	(502)	(533)
Staten Island Railway		(63)	(55)	(56)	(50)	(50)	(50)
Other		(3)	(3)	(112)	(177)	(194)	(206)
	Total	**($5,236)**	**($6,066)**	**($6,450)**	**($6,679)**	**($7,144)**	**($7,573)**

METROPOLITAN TRANSPORTATION AUTHORITY

February Financial Plan 2019-2022

MTA Consolidated February Financial Plan Compared with November Financial Plan

Cash Reconciliation after Below-the-Line Adjustments

($ in millions)

	Favorable/(Unfavorable)				
	2018	**2019**	**2020**	**2021**	**2022**
NOVEMBER FINANCIAL PLAN 2019-2022 NET CASH SURPLUS/(DEFICIT)	**$64**	**$18**	**($510)**	**($816)**	**($991)**
Agency Technical Adjustments	**$13**	**$41**	**$12**	**$12**	**$13**
Health & Welfare Premium Adjustment	-	57	6	6	7
Insurance Policy Renewal Cost Adjustments	-	8	8	8	9
Timing Adjustments/Other Baseline Re-estimates	13	(25)	(2)	(2)	(2)
General Reserve	**$160**	**$0**	**$0**	**$0**	**$0**
Subsidies (Cash)	**$0**	**($8)**	**$37**	**($12)**	**($0)**
City Subsidy for MTA Bus	-	(25)	37	(12)	(0)
Excess Fuel Hedge Collateral	-	40	-	-	-
Other Subsidies	0	(23)	0	0	0
Below-the-Line Adjustments	**($159)**	**($54)**	**$2**	**$2**	**$2**
One-Month Delay in 2019 Fare/Toll Increase	-	(27)	(0)	(0)	(0)
Policy Actions:					
Drawdown 2018 General Reserve	(160)	-	-	-	-
Excess Fuel Hedge Collateral	-	(40)	-	-	-
MTA Re-estimates	1	12	2	2	2
Prior Year Carryover	**($0)**	**$14**	**($8)**	**$0**	**$0**
FEBRUARY FINANCIAL PLAN 2019-2022 NET CASH SURPLUS/(DEFICIT)	**$79**	**$11**	**($467)**	**($814)**	**($976)**

* *Totals may not add due to rounding*

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2019 - 2022
Farebox Recovery and Operating Ratios

FAREBOX RECOVERY RATIOS

	Final Estimate 2018	Adopted Budget 2019	Plan 2020	Plan 2021	Plan 2022
New York City Transit	35.4%	35.3%	34.3%	33.1%	31.9%
Staten Island Railway	9.4%	8.9%	9.5%	9.6%	9.6%
Long Island Rail Road	30.3%	28.4%	27.7%	26.0%	25.3%
Metro-North Railroad	39.1%	41.2%	41.1%	40.5%	39.9%
MTA Bus Company	22.5%	21.2%	23.7%	23.3%	22.5%
MTA-Wide Farebox Recovery Ratio	**34.3%**	**33.9%**	**33.4%**	**32.1%**	**31.1%**

FAREBOX OPERATING RATIOS

	Final Estimate 2018	Adopted Budget 2019	Plan 2020	Plan 2021	Plan 2022
New York City Transit	52.5%	51.2%	49.9%	48.5%	47.1%
Staten Island Railway	14.4%	13.3%	14.7%	14.8%	14.6%
Long Island Rail Road	47.8%	43.4%	42.3%	39.3%	38.3%
Metro-North Railroad	54.2%	54.8%	54.9%	56.2%	56.4%
MTA Bus Company	29.2%	28.4%	30.3%	29.4%	28.3%
MTA-Wide Farebox Operating Ratio	**50.4%**	**48.9%**	**48.1%**	**46.7%**	**45.5%**

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.

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