REMARKETING **BOOK-ENTRY-ONLY**

On March 28, 2019 (the Mandatory Tender Date), Metropolitan Transportation Authority (MTA) is effectuating a mandatory tender for the purchase and remarketing of the currently outstanding Transportation Revenue Bonds, Subseries 2012A-3 (SIFMA Floating Rate Tender Notes) (the Subseries 2012A-3 Bonds). On the Mandatory Tender Date, the Subseries 2012A-3 Bonds will (i) be subject to mandatory tender at a purchase price equal to the principal amount thereof and (ii) be remarketed at a price equal to the principal amount thereof bearing interest in the Term Rate Mode as further described herein. The Mandatory Tender Date is also an Interest Payment Date (as defined herein) for the Subseries 2012A-3 Bonds, and accrued interest to, but not including, the Mandatory Tender Date will be paid in accordance with customary procedures. See "REMARKETING PLAN" herein. For a discussion of certain federal and State income tax matters with respect to the Subseries 2012A-3 Bonds, see "TAX MATTERS" herein.

$50,000,000
METROPOLITAN TRANSPORTATION AUTHORITY
Transportation Revenue Bonds,
Subseries 2012A-3
(SIFMA Floating Rate Tender Notes)

Purchase Date	Interest Rate (variable)	Price	CUSIP Number*
March 1, 2022	SIFMA Rate plus 0.50%	100%	59261A YK7

Dated and accruing interest from: March 28, 2019 **Due: November 15, 2042**

The Subseries 2012A-3 Bonds —

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

MTA has no taxing power.

The Subseries 2012A-3 Bonds will bear interest in the Term Rate Mode at a variable rate equal to the Adjusted SIFMA Rate, as further described herein. The Adjusted SIFMA Rate for each Interest Rate Period of the Subseries 2012A-3 Bonds shall equal the SIFMA Rate plus the per annum spread set forth above. The Adjusted SIFMA Rate will be determined on Wednesday of each week, or if such day is not a U.S. Government Securities Business Day (as defined herein), the next succeeding U.S. Government Securities Business Day, and shall be effective each Thursday. See "DESCRIPTION OF SUBSERIES 2012A-3 BONDS – Determination of Interest Rates for the Subseries 2012A-3 Bonds" herein.

The Subseries 2012A-3 Bonds are subject to the Book-Entry-Only system through the facilities of The Depository Trust Company.

The Subseries 2012A-3 Bonds are subject to optional redemption and mandatory tender prior to the Purchase Date, as described herein.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Subseries 2012A-3 Bonds. Investors are advised to read the entire remarketing circular, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

March 20, 2019

* The CUSIP number has been assigned by an organization not affiliated with MTA and is included solely for the convenience of the holders of the Subseries 2012A-3 Bonds. MTA is not responsible for the selection or uses of the CUSIP number, nor is any representation made as to its correctness on the Subseries 2012A-3 Bonds or as indicated above. The CUSIP number is subject to being changed after the issuance of the Subseries 2012A-3 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Subseries 2012A-3 Bonds.

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

Fernando Ferrer.. Acting Chair*
Andrew B. Albert.. Non-Voting Member
Norman E. Brown.. Non-Voting Member
Sarah Feinberg.. Member
Randolph Glucksman.. Non-Voting Member
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Robert E. Foran.. Chief Financial Officer
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John N. Lieber.. Chief Development Officer
Thomas J. Quigley.. General Counsel
Helene Fromm.. Chief of Staff
Patrick J. McCoy.. Director, Finance

ORRICK, HERRINGTON & SUTCLIFFE LLP
New York, New York

BRYANT RABBINO LLP
New York, New York

Co-Bond Counsel

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

ROCKFLEET FINANCIAL SERVICES, INC.
New York, New York

Co-Financial Advisors

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

* 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 Subseries 2012A-3 Bonds following a remarketing as described herein under "REMARKETING PLAN". The information in this remarketing circular, including the materials filed with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA and to the Transportation Revenue Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Subseries 2012A-3 Bonds being remarketed.

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.
Bonds Being Remarketed	Transportation Revenue Bonds, Subseries 2012A-3 (SIFMA Floating Rate Tender Notes) (the Subseries 2012A-3 Bonds).
Maturity and Rate	The Subseries 2012A-3 Bonds mature on the date and bear interest at the rate shown on the cover page of this remarketing circular.
Denominations	Denominations of $5,000 or any integral multiple thereof.
Interest Payment Dates	The first Business Day of each month, commencing May 1, 2019.
Tender and Redemption	See "DESCRIPTION OF SUBSERIES 2012A-3 BONDS – Tender and Redemption Provisions" in **Part I**.
Sources of Payment and Security	MTA's pledged transportation revenues from Transit and Commuter System operations, MTA Bus operations, MTA Bridges and Tunnels operating surplus, subsidies from State and local governmental entities and certain other sources, all as described in **Part II**.
Registration of the Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.
Trustee, Paying Agent and Tender Agent	The Bank of New York Mellon, New York, New York.
Co-Bond Counsel	Orrick, Herrington & Sutcliffe LLP, New York, New York, and Bryant Rabbino LLP, New York, New York.
Special Disclosure Counsel	Hawkins Delafield & Wood LLP, New York, New York.
Tax Status	See "TAX MATTERS" in **Part III**.
Ratings	

Rating Agency	*Rating*	*Applicable Criteria/Methodology*
Fitch:	AA-	Public-Sector, Revenue-Supported Debt
KBRA:	AA+	U.S. Public Toll Roads, Bridges & Tunnels Revenue Bond Rating
Moody's:	A1	Mass Transit Enterprises
S&P:	A	Mass Transit Enterprise Ratings

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

Co-Financial Advisors	Public Resources Advisory Group, Inc., New York, New York, and Rockfleet Financial Services, Inc., New York, New York.
Purchase Price	See "REMARKETING" in **Part III**.

SUMMARY OF TERMS RELATING TO SUBSERIES 2012A-3 BONDS (SIFMA FLOATING RATE TENDER NOTES)*

INTEREST PAYMENT DATES AND CALCULATION PERIOD	First Business Day of each month, commencing May 1, 2019, based on actual days over a 365-day year (366 days in years when February has 29 days).
RECORD DATE	The Business Day preceding each Interest Payment Date.
OWNERS' RIGHTS TO TENDER	None.
MANDATORY TENDER FOR PURCHASE	• The Business Day after the last day of each Interest Rate Period (a Purchase Date). The Purchase Date for the Subseries 2012A-3 Bonds is March 1, 2022. • On any Business Day which is no earlier than the earliest Optional Purchase Date, at the option of MTA. The earliest Optional Purchase Date for the Subseries 2012A-3 Bonds is September 1, 2021.
OPTIONAL REDEMPTION	On any Business Day on or after September 1, 2021, at the option of MTA.
RATE DETERMINATION DATE	Each Wednesday, unless such Wednesday is not a U.S. Government Securities Business Day, in which case the rate shall be set on the U.S. Government Securities Business Day next succeeding such Wednesday.
RATE ADJUSTMENT DATE	Thursday of each week.
RATE FOLLOWING UNSUCCESSFUL REMARKETING	9% per annum.
MAXIMUM ADJUSTED SIFMA RATE	9% per annum.
CALCULATION AGENT	The Bank of New York Mellon, New York, New York.

* So long as the Subseries 2012A-3 Bonds are registered in the name of Cede & Co., as Owner and Securities Depository Nominee of DTC, mechanics for tender and redemption will be in accordance with procedures established by DTC.

- ***No Unauthorized Offer.*** **This remarketing circular is not an offer to sell, or the solicitation of an offer to buy, the Subseries 2012A-3 Bonds in any jurisdiction where that would be unlawful. MTA has not authorized any dealer, salesperson or any other person to give any information or make any representation in connection with the remarketing of the Subseries 2012A-3 Bonds, except as set forth in this remarketing circular. No other information or representations should be relied upon.**

- ***No Contract or Investment Advice.*** **This remarketing circular is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this remarketing circular, the Subseries 2012A-3 Bonds, and anything else related to this remarketing.**

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

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

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

- ***Independent Auditor.*** **Deloitte & Touche LLP, MTA's independent auditor, has not reviewed, commented on or approved, and is not associated with, this remarketing circular. The 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 remarketing circular. Deloitte & Touche LLP has performed a review of the consolidated interim financial information of MTA for the nine-month period ended September 30, 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 remarketing circular by specific cross-reference. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in this remarketing circular, since the date of such review report and has not been asked to consent to the inclusion, or incorporation by reference, of either its audit or review report in this remarketing circular.

- ***Website Addresses.*** **References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this remarketing circular for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.**

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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 remarketing circular, along with material that updates this remarketing circular and that is filed with EMMA prior to the delivery date of the Subseries 2012A-3 Bonds, together with any supplements or amendments thereto:

- **Part I** – MTA Annual Disclosure Statement (the **MTA Annual Disclosure Statement** or **ADS**)
- **Appendix B** – Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2017 and 2016

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

- Summary of Certain Provisions of the Transportation Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- Form of the Interagency Agreement
- MTA's Unaudited Consolidated Interim Financial Statements as of and for the Nine-Month Period Ended September 30, 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 remarketing circular)

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 remarketing circular, 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 remarketing circular, have been audited by Deloitte & Touche LLP, independent certified public accountants, as stated in their audit report appearing therein. Deloitte & Touche LLP has not reviewed, commented on or approved, and is not associated with, this remarketing circular. The audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 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 remarketing circular. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in, or incorporated by specific cross-reference in, this remarketing circular, since the date of such review report 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 remarketing circular.

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 remarketing circular.

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

Legal Name	Popular Name
Metropolitan Transportation Authority	MTA
New York City Transit Authority	MTA New York City Transit
Manhattan and Bronx Surface Transit Operating Authority	MaBSTOA
Staten Island Rapid Transit Operating Authority	MTA Staten Island Railway
MTA Bus Company	MTA Bus
The Long Island Rail Road Company	MTA Long Island Rail Road
Metro-North Commuter Railroad Company	MTA Metro-North Railroad
MTA 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 Transportation Resolution.

Information Provided in the MTA Annual Disclosure Statement

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

Where to Find Information

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

- This ***Introduction*** provides a general description of MTA, MTA Bridges and Tunnels and the other Related Entities.
- ***Part I*** provides specific information about the Subseries 2012A-3 Bonds.
- ***Part II*** describes the sources of payment and security for all Transportation Revenue Bonds, including the Subseries 2012A-3 Bonds.
- ***Part III*** provides miscellaneous information relating to the Subseries 2012A-3 Bonds.
- ***Attachment 1*** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Subseries 2012A-3 Bonds.
- ***Attachment 2*** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Subseries 2012A-3 Bonds.
- ***Attachment 3-1*** is the form of approving opinion of Nixon Peabody LLP, delivered on March 15, 2012, in connection with the issuance of the Subseries 2012A-3 Bonds.
- ***Attachment 3-2*** is the form of opinions of Co-Bond Counsel to be delivered in connection with the remarketing of the Subseries 2012A-3 Bonds.
- ***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 remarketing circular and identified under the caption "Information Included by Specific Cross-reference" following the Table of Contents may be obtained, as described below, from the MSRB and from MTA.

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

Information Included by Specific Cross-reference. The information listed under the caption "Information Included by Specific Cross-reference" following the Table of Contents, as filed with the MSRB through EMMA to date, is "included by specific cross-reference" in this remarketing circular. This means that important information is disclosed by referring to those documents and that the specified portions of those documents are considered to be part of this remarketing circular. **This remarketing circular, which includes the specified portions of those filings, should be read in its entirety in order to obtain essential information for making an informed decision in connection with the Subseries 2012A-3 Bonds.**

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

PART I. SUBSERIES 2012A-3 BONDS

Part I of this remarketing circular, together with the Summary of Terms, provides specific information about the Subseries 2012A-3 Bonds.

REMARKETING PLAN

On March 28, 2019 (the Mandatory Tender Date), (i) the Subseries 2012A-3 Bonds will be subject to mandatory tender for purchase at a purchase price equal to the principal amount thereof; (ii) MTA will amend and restate the Certificate of Determination relating to the Subseries 2012A-3 Bonds to reflect the terms and provisions of the Subseries 2012A-3 Bonds described herein; and (iii) the Subseries 2012A-3 Bonds will remain in the Term Rate Mode, bearing interest at the Adjusted SIFMA Rate. The Mandatory Tender Date is also an Interest Payment Date for the Subseries 2012A-3 Bonds, and accrued interest to, but not including, the Mandatory Tender Date will be paid in accordance with customary procedures.

By acceptance of a confirmation of purchase of the Subseries 2012A-3 Bonds, each beneficial owner will be deemed to have acknowledged that the amendments to the Certificate of Determination reflecting the terms and provisions of the Subseries 2012A-3 Bonds described herein will be applicable to the Subseries 2012A-3 Bonds.

MTA anticipates that the proceeds of the remarketing of the Subseries 2012A-3 Bonds, in the amount of $50,000,000, will be used to pay the Purchase Price of the currently outstanding Subseries 2012A-3 Bonds. The Remarketing Agent's compensation and certain financing and legal expenses will be paid by MTA at closing from other available funds.

DESCRIPTION OF SUBSERIES 2012A-3 BONDS

General

Multi-Modal Obligations. The Subseries 2012A-3 Bonds will bear interest at the Term Rate equal to the Adjusted SIFMA Rate from their Dated Date as set forth on the cover page hereof. MTA reserves the right to convert any of the Subseries 2012A-3 Bonds to a Commercial Paper Mode, Daily Mode, Weekly Mode, Fixed Rate Mode or another Term Rate Mode, and, in connection therewith, to change the principal amount of the Subseries 2012A-3 Bonds. The Subseries 2012A-3 Bonds are subject to mandatory tender for purchase in connection with any such conversion, which shall not occur before September 1, 2021, the earliest Optional Purchase Date, as described herein. **This remarketing circular is intended to provide disclosure only to the extent the Subseries 2012A-3 Bonds remain in the Term Rate Mode bearing interest at the Adjusted SIFMA Rate. In the event MTA elects to convert the Subseries 2012A-3 Bonds to a different Mode, it expects to circulate a revised disclosure document relating thereto.**

Record Date. The Record Date for the payment of principal of and interest on the Subseries 2012A-3 Bonds will be the first Business Day preceding each Interest Payment Date.

Book-Entry-Only System. The Subseries 2012A-3 Bonds will be registered in the name of The Depository Trust Company, New York, New York, or its nominee (together, DTC) which will act as securities depository for the Subseries 2012A-3 Bonds. Individual purchases of the Subseries 2012A-3 Bonds will be made in book-entry-only form, in denominations of $5,000 or any integral multiple thereof. So long as DTC is the registered owner of the Subseries 2012A-3 Bonds, all payments on the Subseries 2012A-3 Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – "Book-Entry-Only System."

Interest Payments. Interest on the Subseries 2012A-3 Bonds is payable on the first Business Day of each month, commencing May 1, 2019. So long as DTC is the sole registered owner of all of the Subseries

2012A-3 Bonds, all interest payments will be made to DTC by wire transfer of immediately available funds, and DTC's participants will be responsible for payment of interest to beneficial owners.

Transfers and Exchanges. So long as DTC is the securities depository for the Subseries 2012A-3 Bonds, it will be the sole registered owner of the Subseries 2012A-3 Bonds, and transfers of ownership interests in the Subseries 2012A-3 Bonds will occur through the DTC Book-Entry-Only System.

Trustee, Paying Agent and Tender Agent. The Bank of New York Mellon, New York, New York, is Trustee, Paying Agent, and Tender Agent with respect to the Subseries 2012A-3 Bonds.

Determination of Interest Rates for the Subseries 2012A-3 Bonds

The Subseries 2012A-3 Bonds will bear interest at the Adjusted SIFMA Rate. The Adjusted SIFMA Rate for the Subseries 2012A-3 Bonds will equal the sum of the SIFMA Rate, plus the per annum spread set forth on the cover page hereof. The Adjusted SIFMA Rate will be determined on Wednesday of each week, or if such day is not a U.S. Government Securities Business Day, the next succeeding U.S. Government Securities Business Day (each a Rate Determination Date), based upon changes in the SIFMA Rate, as further described below. Such Adjusted SIFMA Rate will be effective the immediately succeeding Thursday (the Rate Adjustment Date). Interest will be computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be. The Adjusted SIFMA Rate will never exceed an interest rate of 9% per annum.

The "SIFMA Rate" means for any day the level of the most recently effective index rate which is compiled from the weekly interest rate resets of tax-exempt variable rate issues included in a database maintained by Municipal Market Data which meet specific criteria established from time to time by the Securities Industry and Financial Markets Association (SIFMA) and is issued on Wednesday of each week, or if any Wednesday is not a U.S. Government Securities Business Day, the next succeeding U.S. Government Securities Business Day. If such index is no longer published or otherwise not available, the "SIFMA Rate" for any day will mean the level of the "S&P Municipal Bond 7 Day High Grade Index" maintained by Standard & Poor's Securities Evaluations Inc. for a 7-day maturity as published on the Rate Determination Date or most recently published prior to the Rate Adjustment Date. If neither such index is any longer available, the SIFMA Rate will be the prevailing rate on a Rate Determination Date determined by the Calculation Agent, in consultation with MTA, for tax-exempt state and local government bonds.

"U.S. Government Securities Business Day" is defined as any day other than (a) a Saturday, a Sunday, or (b) a day on which SIFMA recommends that the fixed income departments of its members be closed for the entire day for purposes of trading in U.S. government securities, or (c) a day on which the Calculation Agent is required or permitted by law to close.

The initial Adjusted SIFMA Rate will be determined by the Calculation Agent based on the SIFMA Rate published on Wednesday, March 27, 2019, with the effective date being Thursday, March 28, 2019. Subsequently, the Adjusted SIFMA Rate will adjust weekly on each Rate Adjustment Date, based upon the SIFMA Rate published on the Rate Determination Date for such week.

The Bank of New York Mellon is acting as the Calculation Agent with respect to the Subseries 2012A-3 Bonds. Upon determining the Adjusted SIFMA Rate for a given week, the Calculation Agent will notify MTA of such rate by electronic mail (e-mail) or by telephone or in such other manner as may be appropriate on the date of such determination, which notice, if provided by telephone, will be promptly confirmed in writing. Such notice will be provided by not later than 5:00 p.m. New York City time on the Rate Determination Date.

The determination of the Adjusted SIFMA Rate (absent manifest error) will be conclusive and binding upon MTA, the Owners of the Subseries 2012A-3 Bonds, the Trustee, the Tender Agent and the remarketing agent. If for any reason the Adjusted SIFMA Rate is not established, the Subseries 2012A-3 Bonds will bear interest at the Adjusted SIFMA Rate last in effect until such time as a new Adjusted SIFMA Rate is established.

Tender and Redemption Provisions

The Subseries 2012A-3 Bonds are subject to tender and redemption prior to maturity on such dates and at such prices as are set forth below. Unless otherwise specified herein, all times described herein are New York time.

Mandatory Tender for Purchase at End of the Term Rate Mode Interest Rate Period. The Subseries 2012A-3 Bonds are subject to mandatory tender for purchase on the Business Day after the last day of the initial Interest Rate Period (the Purchase Date) at the Purchase Price. The Purchase Date for the Subseries 2012A-3 Bonds is March 1, 2022.

Mandatory Tender for Purchase at the Option of the Issuer. The Subseries 2012A-3 Bonds are subject to mandatory tender for purchase at the option of MTA (an Optional Purchase) at the Purchase Price on any Business Day which Business Day is no earlier than September 1, 2021 (the Optional Purchase Date).

Mandatory Purchase Date and Purchase Price. The Purchase Date and the Optional Purchase Date are each referred to herein as a Mandatory Purchase Date. The Purchase Price to be paid for the Subseries 2012A-3 Bonds on any Mandatory Purchase Date will be the principal amount of such Subseries 2012A-3 Bonds. The Mandatory Purchase Date will also be an Interest Payment Date for the Subseries 2012A-3 Bonds and interest will be paid in accordance with customary procedures.

Optional Redemption. The Subseries 2012A-3 Bonds are subject to redemption prior to maturity on any Business Day on or after September 1, 2021, at the option of MTA, as a whole or in part (in accordance with the procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee deems proper) at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

State and City Redemption. Pursuant to the MTA Act, the State or the City, upon providing sufficient funds, may require MTA to redeem the Subseries 2012A-3 Bonds as a whole at the time and at the price and in accordance with the terms upon which such Subseries 2012A-3 Bonds are otherwise redeemable.

Notice of Mandatory Tender for Purchase. The Trustee will, at least fifteen (15) days prior to any Mandatory Purchase Date, give notice to the Owners of the mandatory tender for purchase of the Subseries 2012A-3 Bonds that is to occur on that date. So long as DTC is the Securities Depository for the Subseries 2012A-3 Bonds, such notice will be given to DTC. If the Subseries 2012A-3 Bonds are not held in book-entry-only form, such notice will be given directly to the bondholders.

Notice of any mandatory tender of the Subseries 2012A-3 Bonds will be provided by the Trustee by mailing a copy of the notice of mandatory tender by first-class mail to each Owner of such Subseries 2012A-3 Bonds at the respective addresses shown on the registry books. Each notice of mandatory tender for purchase will identify the reason for the mandatory tender for purchase and specify:

- the Mandatory Purchase Date,
- the Purchase Price,
- the place and manner of payment,
- that the Owner has no right to retain such Subseries 2012A-3 Bonds, and
- that no further interest will accrue from and after the Mandatory Purchase Date to such Owner.

Any notice mailed as described above will be conclusively presumed to have been duly given, whether or not the Owner of any Subseries 2012A-3 Bonds receives the notice, and the failure of that Owner to receive any such notice will not affect the validity of the action described in that notice. Failure by the Trustee to give a notice as provided under this caption will not affect the obligation of the Tender Agent to purchase the Subseries 2012A-3 Bonds subject to mandatory tender for purchase on the Mandatory Purchase Date.

Redemption Notices. So long as DTC is the securities depository for the Subseries 2012A-3 Bonds, the Trustee must mail redemption notices to DTC at least 20 days before the redemption date. If the Subseries 2012A-3 Bonds are not held in book-entry-only form, then the Trustee must mail redemption notices directly to bondholders within the same time frame. A redemption of the Subseries 2012A-3 Bonds is valid and effective even if DTC's procedures for notice should fail. Beneficial owners should consider arranging to receive redemption notices or other communications to DTC affecting them, including notice of interest payments through DTC participants. **Please note that all redemptions are final – even if beneficial owners did not receive their notice, and even if such notice had a defect.**

Redemption Process. If the Trustee gives notice of redemption, then on the redemption date the Subseries 2012A-3 Bonds called for redemption will become due and payable. After the redemption date, no interest will accrue on those Subseries 2012A-3 Bonds, and an Owner's only right will be to receive payment of the redemption price upon surrender of those Subseries 2012A-3 Bonds.

Future Remarketing of Subseries 2012A-3 Bonds

MTA currently plans to remarket the Subseries 2012A-3 Bonds on or before the Purchase Date, and apply the proceeds of such remarketing to pay the Purchase Price. The remarketing agent(s) to be appointed by MTA will offer for sale and use its best efforts to find purchasers for all Subseries 2012A-3 Bonds required to be tendered for purchase.

Source of Funds for Purchase of Subseries 2012A-3 Bonds

On or before 3:00 p.m. on the Mandatory Purchase Date, the Tender Agent will purchase the Subseries 2012A-3 Bonds from the Owners at the Purchase Price. Funds for the payment of such Purchase Price will be derived from immediately available funds transferred by the remarketing agent(s) to the Tender Agent derived from the remarketing of the Subseries 2012A-3 Bonds.

Notwithstanding the foregoing, MTA has the option, but will not be obligated, to transfer immediately available funds to the Tender Agent for the payment of the Purchase Price of any Subseries 2012A-3 Bonds tendered or deemed tendered as described in this remarketing circular and the Purchase Price of which is not paid on the Mandatory Purchase Date. None of MTA, the Trustee, the Tender Agent or any remarketing agent will have any liability or obligation to pay or, except from remarketing proceeds, make available such Purchase Price. The failure to pay such Purchase Price from any of the sources identified above will not constitute an Event of Default under the Transportation Resolution and in the case of such failure, none of such Subseries 2012A-3 Bonds will be purchased, and the Subseries 2012A-3 Bonds will remain in the Term Rate Mode and bear interest at 9% per annum. See "– Consequences of a Failed Remarketing."

Delivery of Remarketed Subseries 2012A-3 Bonds

Except as otherwise required or permitted by DTC's book-entry-only system, remarketed Subseries 2012A-3 Bonds sold by a remarketing agent will be delivered by the remarketing agent to the purchasers of those Subseries 2012A-3 Bonds by 3:00 p.m. on the Mandatory Purchase Date.

Delivery of and Payment for Purchased Subseries 2012A-3 Bonds; Undelivered Subseries 2012A-3 Bonds

Except as otherwise required or permitted by DTC's book-entry-only system, remarketed Subseries 2012A-3 Bonds purchased as set forth above will be delivered (with all necessary endorsements) at or before 12:00 noon on the Mandatory Purchase Date at the office of the Tender Agent in New York, New York; provided, however, that payment of the Purchase Price of any remarketed Subseries 2012A-3 Bonds purchased will be made only if such Subseries 2012A-3 Bonds so delivered to the Tender Agent conform in all respects to the description thereof in the notice of tender. Payment of the Purchase Price will be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the Mandatory Purchase Date or, if the bondholder has not provided or caused to be provided wire transfer instructions, by check mailed to the bondholder at the address appearing in the books required to be kept by the Trustee pursuant to the

Transportation Resolution. If Subseries 2012A-3 Bonds to be purchased are not delivered by the bondholders to the Tender Agent by 12:00 noon on the Mandatory Purchase Date, the Tender Agent will hold any funds received for the purchase of those Subseries 2012A-3 Bonds in trust in a separate account uninvested, and will pay such funds to the former bondholders upon presentation of Subseries 2012A-3 Bonds subject to tender. Undelivered Subseries 2012A-3 Bonds are deemed tendered and cease to accrue interest as to the former bondholders on the Mandatory Purchase Date if moneys representing the Purchase Price will be available against delivery of those Subseries 2012A-3 Bonds at the Principal Office of the Tender Agent; provided, however, that any funds so held by the Tender Agent that remain unclaimed by the former holder of any such Subseries 2012A-3 1 Bonds not presented for purchase for a period of two years after delivery of such funds to the Tender Agent will, to the extent permitted by law, upon request in writing by MTA and the furnishing of security or indemnity to the Tender Agent's satisfaction, be paid to MTA free of any trust or lien and thereafter the former holder of such Subseries 2012A-3 Bonds will look only to MTA and then only to the extent of the amounts so received by MTA without any interest thereon and the Tender Agent will have no further responsibility with respect to such moneys or payment of the Purchase Price of such Subseries 2012A-3 Bonds. The Tender Agent will authenticate replacement Subseries 2012A-3 Bonds for any undelivered Subseries 2012A-3 Bonds which may then be remarketed by the remarketing agent.

Consequences of a Failed Remarketing

In the event that remarketing proceeds are insufficient to pay the Purchase Price of all Outstanding Subseries 2012A-3 Bonds on the Mandatory Purchase Date, (1) no purchase will be consummated on the Mandatory Purchase Date and the Tender Agent will, after any applicable grace period, (a) return all tendered Subseries 2012A-3 Bonds to the registered owners thereof and (b) return all remarketing proceeds to the remarketing agent(s) for return to the persons providing such moneys; and (2) the Subseries 2012A-3 Bonds will bear interest at 9% per annum during the period of time from and including the Mandatory Purchase Date to (but not including) the date that all the Subseries 2012A-3 Bonds are successfully remarketed (the Delayed Remarketing Period).

On each Business Day following the failed remarketing on the Mandatory Purchase Date, MTA expects to continue to have the remarketing agent(s) use its best efforts to remarket the Subseries 2012A-3 Bonds into the Mode designated by the Trustee, at the direction of MTA (or such other Mode as the Trustee, at the direction of MTA, will thereafter designate to the remarketing agent(s) and the prospective owners thereof) or for an additional Interest Rate Period in the Term Rate Mode. Once the remarketing agent(s) has advised the Trustee that it has a good faith belief that it is able to remarket all of the Subseries 2012A-3 Bonds, the Trustee, at the direction of MTA, will give notice by mail to the registered owners of the Subseries 2012A-3 Bonds not later than five Business Days prior to the purchase date, which notice will state (1) that the interest rate on the Subseries 2012A-3 Bonds will continue to be a Term Rate or will be adjusted to a Daily Rate, Weekly Rate or Fixed Rate or to the interest rates and Interest Rate Periods applicable in the Commercial Paper Mode on and after the purchase date; (2) that the Subseries 2012A-3 Bonds will be subject to mandatory tender for purchase on the purchase date; (3) the procedures for such mandatory tender; (4) the purchase price of the Subseries 2012A-3 Bonds on the purchase date (expressed as a percentage of the principal amount thereof); and (5) the consequences of a failed remarketing.

During the Delayed Remarketing Period, the Trustee may, upon direction of MTA, apply available amounts to the redemption of the Subseries 2012A-3 Bonds as a whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notice of redemption will be provided at least five Business Days prior to the date fixed for redemption.

During the Delayed Remarketing Period, interest on the Subseries 2012A-3 Bonds will be paid to the registered owners thereof (i) on the first Business Day of each month occurring during the Delayed Remarketing Period and (ii) on the last day of the Delayed Remarketing Period. Payment of such interest will be made by the Trustee from the Debt Service Fund pursuant to the Transportation Resolution.

During any Delayed Remarketing Period, pursuant to its plan of financing, MTA currently expects to use its best efforts to cause the remarketing agent(s) to remarket the Subseries 2012A-3 Bonds, to convert the

Subseries 2012A-3 Bonds to another Mode or another Interest Rate Period or to refund the Subseries 2012A-3 Bonds.

Debt Service on the Bonds

Table 1 on the next page sets forth, on a cash basis (i) the debt service on the outstanding Transportation Revenue Bonds (other than the Subseries 2012A-3 Bonds), (ii) debt service on the Subseries 2012A-3 Bonds, and (iii) the aggregate debt service on all Transportation Revenue Bonds (including the Subseries 2012A-3 Bonds) outstanding as of the date of the remarketing of the Subseries 2012A-3 Bonds.

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

Year Ending December 31	Debt Service on Outstanding Bonds[2][3][4]	Subseries 2012A-3 Bonds			Aggregate Debt Service[5]
		Principal	Interest	Total	
2019	$ 1,595,956	-	$ 1,519	$ 1,519	$ 1,597,474
2020	1,592,878	-	2,250	2,250	1,595,128
2021	1,580,951	-	2,250	2,250	1,583,201
2022	1,564,310	-	2,250	2,250	1,566,560
2023	1,649,690	-	2,250	2,250	1,651,940
2024	1,641,088	-	2,250	2,250	1,643,338
2025	1,621,342	-	2,250	2,250	1,623,592
2026	1,664,015	-	2,250	2,250	1,666,265
2027	1,649,391	-	2,250	2,250	1,651,641
2028	1,643,888	-	2,250	2,250	1,646,138
2029	1,652,523	-	2,250	2,250	1,654,773
2030	1,638,171	-	2,250	2,250	1,640,421
2031	1,674,668	-	2,250	2,250	1,676,918
2032	1,676,496	-	2,250	2,250	1,678,746
2033	1,339,246	-	2,250	2,250	1,341,496
2034	1,293,826	-	2,250	2,250	1,296,076
2035	1,294,512	-	2,250	2,250	1,296,762
2036	1,105,724	-	2,250	2,250	1,107,974
2037	1,081,674	-	2,250	2,250	1,083,924
2038	1,009,343	-	2,250	2,250	1,011,593
2039	945,621	-	2,250	2,250	947,871
2040	844,474	-	2,250	2,250	846,724
2041	677,371	-	2,250	2,250	679,621
2042	574,635	$50,000	2,150	52,150	626,785
2043	484,885	-	-	-	484,885
2044	513,037	-	-	-	513,037
2045	406,467	-	-	-	406,467
2046	352,614	-	-	-	352,614
2047	322,806	-	-	-	322,806
2048	309,103	-	-	-	309,103
2049	108,965	-	-	-	108,965
2050	108,888	-	-	-	108,888
2051	79,397	-	-	-	79,397
2052	79,394	-	-	-	79,394
2053	79,398	-	-	-	79,398
2054	79,395	-	-	-	79,395
2055	79,395	-	-	-	79,395
2056	63,684	-	-	-	63,684
2057	10,483	-	-	-	10,483
Total	$36,089,703	$50,000	$53,169	$103,169	$36,192,872

(1) Totals may not add due to rounding.

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

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

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

(5) Figures reflect amounts outstanding as of the date of the remarketing of the Subseries 2012A-3 Bonds.

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this remarketing circular describes the sources of payment and security for all Transportation Revenue Bonds, including the Subseries 2012A-3 Bonds.

SOURCES OF PAYMENT

Pledged Transportation Revenues Gross Lien

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

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

Table 2a sets forth by general category the amount of pledged revenues, calculated in accordance with the Transportation Resolution, and the resulting debt service coverage for the five years ended December 31, 2017. A general description of the pledged revenues in the general categories referenced in **Table 2a** follows the table, and a more detailed description is set forth in Part 2 of the **ADS** under the heading "REVENUES OF THE RELATED ENTITIES."

Table 2a is a summary of historical revenues of MTA and its subsidiaries, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA on a cash basis. This information in **Table 2a** may not be indicative of future results of operations and financial condition. The information contained in **Table 2a** has been prepared by MTA management based upon the historical financial statements and the notes thereto.

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

	Years Ended December 31,				
	2013	2014	2015	2016	2017
Revenues from Systems Operations					
Fares from Transit System	$ 4,060	$ 4,195	$ 4,396	$ 4,414	$ 4,487
Fares from Commuter System	1,252	1,308	1,373	1,401	1,460
Fares from MTA Bus	219	225	223	233	236
Other Income(1)	230	270	248	248	256
Subtotal – Operating Revenues	**$5,762**	**$5,999**	**$6,240**	**$6,296**	**$6,439**
Revenues from MTA Bridges and Tunnels Surplus	**$606**	**$623**	**$740**	**$742**	**$731**
Revenues from Governmental Sources					
State and Local General Operating Subsidies	**$376**	**$376**	**$370**	**$378**	**$376**
Special Tax-Supported Operating Subsidies					
DTF Excess(2)	226	279	277	259	231
MMTOA Receipts	1,514	1,564	1,564	1,668	1,668
Urban Tax	595	806	941	811	585
Excess Mortgage Recording Taxes	25	25	25	25	25
MTA Aid Trust Account Receipts	303	313	285	300	306
Payroll Mobility Tax Receipts(3)	1,522	1,572	1,626	1,682	1,680
Subtotal Special Tax-Supported Operating Subsidies	**$4,185**	**$4,559**	**$4,718**	**$4,745**	**$4,495**
Station Maintenance and Service Reimbursements	**505**	**524**	**599**	**563**	**560**
City Subsidy for MTA Bus	**308**	**461**	**439**	**356**	**520**
Revenues from Investment of Capital Program Funds(4)	**7**	**7**	**8**	**13**	**24**
Subtotal – Non-Operating Revenues(5)	**$5,987**	**$6,550**	**$6,874**	**$6,797**	**$6,706**
Total Transportation Resolution Pledged Revenues	**$11,748**	**$12,549**	**$13,114**	**$13,093**	**$13,145**
Debt Service(6)	**$1,257**	**$1,332**	**$1,399**	**$1,381**	**$1,581**
Debt Service Coverage from Pledged Revenues	**9.3x**	**9.4x**	**9.4x**	**9.5x**	**8.3x**

(1) Other income in the case of the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income in the case of the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. Does not include Superstorm Sandy reimbursement funds.

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

(3) 2013, 2014, 2015, 2016 and 2017 Payroll Mobility Tax Receipts include PMT Revenue Offset of $307 million, $309 million, $309 million, $309 million and $244 million, respectively.

(4) Represents investment income on capital program funds held for the benefit of the Transit and Commuter Systems on an accrual basis.

(5) Sum of (a) Revenues from MTA Bridges and Tunnels Surplus, (b) Revenues from Governmental Sources (including State and Local General Operating Subsidies and Special Tax-Supported Operating Subsidies), (c) Station Maintenance and Service Reimbursements, (d) City Subsidy for MTA Bus and (e) Revenues from Investment of Capital Program Funds.

(6) Debt service was reduced by approximately $54 million in each of 2013, 2014, 2015, 2016 and 2017, to reflect Build America Bonds interest credit payments relating to certain outstanding bonds. Such payments do not constitute pledged revenues under the Transportation Resolution.

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

- In 2014 and 2015, there was an increase in DTF Excess due to higher MTTF Receipts. DTF Excess decreased in 2016 and 2017 because debt service on DTF bonds increased while MTTF Receipts remained primarily the same as the previous year.
- MTA receives monthly payments beginning in May of MMTOA Receipts, with the first quarter of the State's appropriation for the succeeding year advanced into the fourth quarter of MTA's calendar year. MTA continues to monitor the effect of not having MMTOA Receipts available during the first quarter of the calendar year to determine if working capital borrowings may be necessary for cash flow needs. In 2015, MMTOA Receipts remained at the same level as in 2014, because the State redirected a portion of MMTOA funds from the operating budget to the capital budget. In 2016, there was an increase from the lower 2015 levels of MMTOA Receipts, and in 2017, MMTOA Receipts remained at the same level as the prior year.
- "Urban Tax" collection reflects the activity level of certain commercial real estate transactions in the City. Urban Tax revenues declined in 2017 due to fewer significantly large transactions (valued over $100 million) as compared to 2015 and 2016.
- Mortgage recording taxes consist of two separate taxes: the MRT-1 Tax, which is imposed on borrowers of recorded mortgages of real property; and the MRT-2 Tax, which is a tax imposed on the institutional lender. These taxes are collected by the City and the seven other counties within MTA's service area. Mortgage recording taxes are used for Transit and Commuter Systems purposes after the payment of MTA Headquarters' expenses and MTA Bus debt service (beginning in 2009). Since 2009, due to declining mortgage recording tax receipts and increasing MTA Headquarters expenses, there have been no Excess Mortgage Recording Tax transfers to the Transit and Commuter Systems after payment of MTA Bus debt service of $25 million annually.
- City Subsidy for MTA Bus was higher in 2017 predominantly due to the timing of payments received, including one additional quarterly payment, which is usually reconciled in the following year, that was received in 2017, and an extra monthly payment made in 2017. There were only eleven (11) payments in 2016.
- Revenues from Investment of Capital Program Funds – substantially all of the investment income is generated from bond proceeds, such as funds held in anticipation of expenditure on project costs.
- 2013 Debt Service reflects a cash defeasance of $57.9 million completed in December 2013. In 2016, $45.3 million of revenues on deposit in the Transportation Revenue Bond debt service fund was replaced with proceeds of certain Transportation Revenue Bonds permitting such revenues to be used together with other available moneys to prepay outstanding 2 Broadway Certificates of Participation. As a result, 2016 Debt Service reported in the above table is lower by $45.3 million than it would have been if such transaction had not occurred.

Table 2b sets forth, by major category, for the five years ended December 31, 2017, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance. This information contained in **Table 2b** may not be indicative of future results of operations and financial condition. The information in **Table 2b** has been prepared by MTA management based on MTA financial plans.

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

Non-Reimbursable	Actual 2013	Actual 2014	Actual 2015	Actual 2016	Actual 2017
Operating Revenue					
Farebox Revenue	$5,501	$5,709	$5,961	$6,050	$6,170
Toll Revenue	1,645	1,676	1,809	1,870	1,912
Other Revenue	754	682	689	688	653
Capital and Other Reimbursements	0	0	0	0	0
Total Operating Revenue	**$7,900**	**$8,068**	**$8,459**	**$8,608**	**$8,735**
Operating Expense					
Labor Expenses:					
Payroll	$4,333	$4,672	$4,696	$4,839	$5,019
Overtime	621	730	755	771	934
Health & Welfare	896	962	1,050	1,172	1,209
OPEB Current Payment	473	479	502	562	564
Pensions	1,302	1,304	1,249	1,370	1,345
Other-Fringe Benefits	695	784	861	948	794
Reimbursable Overhead	(321)	(350)	(380)	(425)	(492)
Subtotal Labor Expenses	**$7,997**	**$8,582**	**$8,732**	**$9,238**	**$9,374**
Non-Labor Expenses:					
Electric Power	$493	$516	$474	$406	$430
Fuel	259	267	162	125	150
Insurance	39	51	57	(21)	(3)
Claims	300	269	331	464	515
Paratransit Service Contracts	367	366	379	384	393
Maintenance and Other Operating Contracts	497	549	579	631	692
Professional Service Contracts	297	283	380	401	506
Materials & Supplies	475	527	543	586	588
Other Business Expenses	167	180	196	193	217
Subtotal Non-Labor Expenses	**$2,894**	**$3,007**	**$3,101**	**$3,168**	**$3,488**
Other Expense Adjustments:					
Other	$46	$45	$37	$47	$49
General Reserve	0	0	0	0	0
Subtotal Other Expense Adjustments	**$46**	**$45**	**$37**	**$47**	**$49**
Total Operating Expense before Non-Cash Liability Adjustments	**$10,937**	**$11,634**	**$11,871**	**$12,454**	**$12,912**
Depreciation	$2,174	$2,266	$2,443	$2,443	$2,600
OPEB Liability Adjustment	1,920	2,035	1,490	1,562	1,548
GASB 68 Pension Expense Adjustment	0	0	(410)	(219)	(234)
Environmental Remediation	14	21	21	12	13
Total Operating Expense after Non-Cash Liability Adjustments	**$15,046**	**$15,956**	**$15,414**	**$16,252**	**$16,839**
Conversion to Cash Basis: Non-Cash Liability Adjustments	($4,109)	($4,322)	($3,543)	($3,798)	($3,927)
Debt Service (excludes Service Contract Bonds)	2,299	2,249	2,373	2,459	2,525
Total Operating Expense with Debt Service	**$13,237**	**$13,882**	**$14,244**	**$14,912**	**$15,437**
Dedicated Taxes and State/Local Subsidies	$5,893	$6,375	$6,595	$6,676	$6,429
Net Surplus/(Deficit) After Subsidies and Debt Service	**$557**	**$561**	**$810**	**$371**	**($273)**
Conversion to Cash Basis: GASB Account	(86)	(50)	0	0	0
Conversion to Cash Basis: All Other	(262)	(626)	(660)	(603)	129
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	**$209**	**($115)**	**$150**	**($232)**	**($144)**
ADJUSTMENTS	**0**	**0**	**0**	**0**	**17**
PRIOR-YEAR CARRYOVER	**235**	**445**	**330**	**480**	**248**
NET CASH BALANCE	**$445**	**$330**	**$480**	**$248**	**$121**

Table 3a sets forth the Summary of Final Estimate 2018 and Adopted Budget 2019 pledged revenues based on the MTA 2019 Adopted Budget February Financial Plan 2019-2022, presented to the Board of MTA on February 27, 2019. The information set forth in **Table 3a** is comparable to that set forth, with respect to the years 2013-2017, in **Table 2a**.

Table 3a

Summary of Final Estimate 2018 and Adopted Budget 2019 Pledged Revenues (Calculated in Accordance with the Transportation Resolution) ($ in millions) [(1)]

	Final Estimate 2018	Adopted Budget 2019
Revenues from Systems Operations		
Fares from Transit System	$4,439	$4,392
Fares from Commuter System	1,492	1,505
Fares from MTA Bus	219	221
Other Income [(2)]	287	270
Subtotal – Operating Revenues	**$6,437**	**$6,387**
Revenues from MTA Bridges and Tunnels Surplus	**$685**	**$592**
Revenues from State and Local Governmental Sources		
State and Local General Operating Subsidies	**$376**	**$376**
NYC Transportation Assistance Fund – General Transportation Account[(3)]	**$0**	**$0**
Special Tax-Supported Operating Subsidies		
DTF Excess [(4)]	239	249
MMTOA Receipts	1,687	1,778
Urban Tax	638	626
Excess Mortgage Recording Taxes	24	24
Aid Trust Account Receipts [(5)]	303	308
Payroll Mobility Tax Receipts [(5)]	1,771	1,839
Subtotal Special Tax-Supported Operating Subsidies	**$4,661**	**$4,824**
Station Maintenance and Service Reimbursements	**$540**	**$605**
City Subsidy for MTA Bus	**464**	**669**
Income from Investment of Capital Program Funds	**1**	**1**
Subtotal – Non-Operating Revenues	**$6,727**	**$7,067**
Total Transportation Resolution Pledged Revenues	**$13,164**	**$13,455**
Budgeted Debt Service [(6)]	**$1,509**	**$1,611**
Debt Service Coverage from Pledged Revenues	**8.7x**	**8.4x**

(1) Totals may not add due to rounding.

(2) Other income for the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income for the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. Includes MTA Bus Other Income.

(3) The 2018-2019 State Enacted Budget included a new revenue stream for MTA to provide a source of funding for the Subway Action Plan, outer borough transit improvements, and other MTA needs. Such new revenues consist of certain statutory surcharges and fines, including a surcharge beginning January 1, 2019, on for-hire vehicle trips entirely within the State that start or terminate in, or traverse, Manhattan below 96th Street. Revenues from this surcharge will be deposited into a new New York City Transportation Assistance Fund and disbursed to three sub-accounts established in such fund in the following order: a Subway Action Plan account, an Outer Borough Transportation account, and a General Transportation account. See "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – 2018 Additional Revenues". The zero amounts in the above table reflect lower collection of For-Hire Vehicle fees, which collections were delayed following the filing of a lawsuit and a temporary restraining order, which was lifted at the end of January 2019. See the Third Quarterly Update to the ADS **Attachment 4** hereto. See also "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – Legal Challenges to Certain Congestion Zone Surcharges" for a description of a lawsuit challenging the application of certain Congestion Zone Surcharges.

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

(5) See "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees" for a description of such additional revenues and MTA's current expectations for application of such revenues in the future.

(6) Net of annual Build America Bond interest credit payments on previously issued bonds of approximately $54.6 million in 2018 and $54.2 million in 2019. Such payments do not constitute pledged revenues under the Transportation Resolution.

Table 3b sets forth, by major category, for the Final Estimate 2018 and Adopted Budget 2019, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance as published in the MTA 2019 Adopted Budget February Financial Plan 2019-2022, presented to the Board of MTA on February 27, 2019. The information contained in **Table 3b** is comparable to that set forth, with respect to the years 2013-2017, in **Table 2b**.

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

Non-Reimbursable	Final Estimate 2018	Adopted Budget 2019
Operating Revenue		
Farebox Revenue	$6,153	$6,122
Toll Revenue	1,967	1,984
Other Revenue	662	705
Capital and Other Reimbursements	0	0
Total Operating Revenue	**$8,782**	**$8,810**
Operating Expense		
Labor Expenses:		
Payroll	$5,213	$5,399
Overtime	1,051	812
Health & Welfare	1,322	1,393
OPEB Current Payment	616	682
Pensions	1,333	1,354
Other-Fringe Benefits	880	857
Reimbursable Overhead	(494)	(457)
Subtotal Labor Expenses	**$9,920**	**$10,039**
Non-Labor Expenses:		
Electric Power	$475	$451
Fuel	186	190
Insurance	11	9
Claims	376	379
Paratransit Service Contracts	452	483
Maintenance and Other Operating Contracts	779	898
Professional Service Contracts	576	557
Materials & Supplies	668	687
Other Business Expenses	225	231
Subtotal Non-Labor Expenses	**$3,761**	**$3,884**
Other Expense Adjustments:		
Other	$134	$158
General Reserve	0	165
Subtotal Other Expense Adjustments	**$134**	**$323**
Total Operating Expense before Non-Cash Liability Adjustments	**$13,803**	**$14,246**
Depreciation	$2,697	$2,778
OPEB Liability Adjustment	1,809	1,514
GASB 68 Pension Expense Adjustment	(240)	(224)
Environmental Remediation	20	6
Total Operating Expense after Non-Cash Liability Adjustments	**$18,090**	**$18,319**
Conversion to Cash Basis: Non-Cash Liability Adjustments	($4,287)	($4,073)
Debt Service (excludes Service Contract Bonds)	2,559	2,692
Total Operating Expense with Debt Service	**$16,362**	**$16,938**
Dedicated Taxes and State/Local Subsidies	$7,242	$7,238
Net Surplus/(Deficit) After Subsidies and Debt Service	**($339)**	**($890)**
Conversion to Cash Basis: GASB Account	0	0
Conversion to Cash Basis: All Other	296	363
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	**($43)**	**($527)**
ADJUSTMENTS	**0**	**459**
PRIOR-YEAR CARRYOVER	**121**	**79**
NET CASH BALANCE	**$79**	**$11**

Description of Pledged Revenues

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

Revenues from Systems Operations.

- ***Fares from the Transit and Commuter Systems.*** The previously approved transit and commuter fare increases were implemented on March 19, 2017. At their February 27, 2019 meeting, the MTA Board approved transit and commuter fare increases, planned to take effect on April 21, 2019. For more information on these fare increases, see the Third Quarterly Update to the ADS attached hereto as **Attachment 4**.

  The base subway, local bus and paratransit fares remained unchanged at $2.75 per trip and the base express bus fare remained unchanged at $6.50 per trip. The Pay-Per-Ride MetroCard bonus decreased from 11% to 5%, and the minimum purchase price to receive the bonus remained at $5.50. Single ride subway and bus tickets remained unchanged at $3.00. MTA New York City Transit increased the cost of 30-day and calendar monthly unlimited ride MetroCards from $116.50 to $121, the cost of a 7-day unlimited ride MetroCard from $31 to $32, and the 7-day Express Bus Plus unlimited ride MetroCard from $57.25 to $59.50.

  At MTA Metro-North Railroad and MTA Long Island Rail Road, all weekly and monthly passes increased 3.75% or less, and monthly tickets no more than $15. One way tickets had a range of increases due to the need for fares to round to $0.25 increments. One-way fares into New York City had a range of increases up to 6.45%. Other ticket types such as intermediates, half fares and other discounted tickets had larger increases up to 10%, again due to the need to round to $0.25 increments on a low ticket price. For these one-way fares, any increase greater than 6.0% was not more than $0.50 per ride. Increased fares also apply to UniTickets and MTA Metro-North Railroad-managed connecting services. CityTicket remains unchanged at $4.25.

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

Revenues from MTA Bridges and Tunnels Surplus. MTA Bridges and Tunnels is required by law to transfer its annual operating surpluses (generally, tolls and other operating revenues from bridges and tunnels after payment of operating expenses and debt service costs) to MTA, and a statutory formula determines how MTA allocates that money between the Transit and Commuter Systems.

At their February 27, 2019 meeting, the MTA Board approved toll increases, planned to take effect on March 31, 2019. For more information on these toll increases, see the Third Quarterly Update to the ADS attached hereto as **Attachment 4.** The previously approved toll increases were implemented on March 19, 2017, as follows:

- ***Cash/Tolls by Mail for Passenger Vehicles.*** Toll rates for fare media other than New York Customer Service Center (NYCSC) E-ZPass (which includes cash, Tolls by Mail and non-NYCSC E-ZPass) were increased by $0.50 at the Robert F. Kennedy, Bronx-Whitestone and Throgs Neck Bridges and Queens Midtown and Hugh L. Carey Tunnels (the major facilities) to $8.50, by $1.00 at the Verrazano-Narrows Bridge (the VNB) (where tolls are collected in the westbound direction only) to $17.00, by $0.50 at the Henry Hudson Bridge to $6.00, and by $0.25 at the Marine Parkway-Gil Hodges and Cross Bay Veterans Memorial Bridges (the Rockaway Bridges) to $4.25. Commercial vehicle tolls also increased. Effective September 30, 2017, MTA Bridges and Tunnels completed full implementation of Cashless Tolling at all MTA Bridges and Tunnels Facilities.

- ***E-ZPass Tolls.*** E-ZPass tolls for passenger vehicles using tags issued by the NYCSC increased by $0.22 at major facilities, $0.44 at the VNB, $0.10 at the Henry Hudson Bridge and $0.08 at the Rockaway Bridges.

Revenues from State and Local Governmental Sources.

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

Additional Taxes and Fees.

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

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

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

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

Revenue from the PMT is not subject to appropriation, but is payable directly to MTA pursuant to an amendment in the 2015-2016 State Enacted Budget. The PMT Revenue Offset, however, is subject to appropriation.

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

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

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

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

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

Moneys in the Subway Action Plan Account may be used exclusively for funding the operating and capital costs of the Subway Action Plan (such plan developed by MTA New York City Transit and approved by the MTA Board). Moneys in the Outer Borough Transportation Account may be used exclusively for funding (1) the operating and capital costs of MTA facilities, equipment and services in the counties of Bronx, Kings, Queens and Richmond, and any projects improving transportation connections from such counties to Manhattan, or (2) a toll reduction program for any crossing under the jurisdiction of MTA or MTA Bridges and Tunnels. Moneys in the General Transportation Account may be used for funding the operating and capital costs of MTA. In each case, moneys may be used for pay-go or for debt service and reserve requirements.

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

- to the Subway Action Plan Account, without appropriation:
    - in calendar year 2019 – the first $362 million,
    - in calendar year 2020 – the first $301 million, and
    - in calendar year 2021 and thereafter – the first $300 million.
- to the Outer Borough Transportation Account, without appropriation, in each year the next $50 million; provided that any uncommitted balance at the end of each calendar year shall be transferred to the General Transportation Account (the use of any funds paid into the Outer Borough Transportation Account must be unanimously approved by the members of the MTA Capital Program Review Board appointed upon the recommendations of the Temporary President of the Senate and the Speaker of the Assembly and the member appointed by the Governor); and
- to the General Transportation Account, without appropriation, (1) all excess Congestion Zone Surcharges in each calendar year above the amounts required to be deposited to the Subway Action Plan Account and the Outer Borough Transportation Account, (2) the uncommitted balance at the end of each year in the Outer Borough Transportation Account, and (3) Rapid Transit Lane Fines, interest and penalties until expiration on September 20, 2020.

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

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

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

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

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

Expectations with Respect to Future Bonding. MTA currently anticipates establishing a new credit secured in whole or in part by the PMT Revenues and the Aid Trust Account Monies. Such pledge would reduce the amounts of PMT Revenues and Aid Trust Account Monies available to constitute Operating Subsidies.

MTA currently expects that, unless and until amounts constituting the PMT Revenue Offset are pledged as part of the security for the new credit secured in whole or in part by PMT Revenues, such amounts would be treated as "Operating Subsidies" pledged to the payment of principal and interest on the Transportation Revenue Bonds.

Legal Challenge to Certain 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.

Anti-Diversion Legislation. Effective December 28, 2018, the Executive Law of the State was amended to, among other things, prohibit, subject to limited exceptions requiring the adoption of future State legislation, any diversion of revenues derived from taxes and fees payable to MTA (including, but not limited to taxes and fees paid to the MTA Dedicated Tax Fund, the PMT and other taxes and fees imposed by the May

2009 Legislation, as amended) into the State's general fund or any other fund maintained for support of another governmental purpose.

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

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

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

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

Factors Affecting Revenues

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

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

Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses. The Transit, Commuter and MTA Bus Systems have depended, and are expected to continue to depend, upon government subsidies to meet capital and operating needs. Thus, although MTA is legally obligated by the Transportation Resolution's rate covenant to raise fares sufficiently to cover all capital and operating costs, there can be no assurance that there is any level at which Transit, Commuter and MTA Bus Systems fares alone would produce revenues sufficient to comply with the rate covenant, particularly if the current level (or the assumed level in the budget prepared in connection with 2019 and the forecasts prepared in connection with, 2020, 2021 and 2022) of collection of dedicated taxes, operating subsidies, and expense reimbursements were to be discontinued or substantially reduced.

Operating Results and Projections. Based upon the February Financial Plan 2019-2022, the budgets of the Related Entities are expected to be substantially in balance through 2019, but there are projected deficits in 2020, 2021 and 2022. Any of the Transit System, the Commuter System or MTA Bus System or all of them may be forced to institute additional cost reductions (which, in certain circumstances, could affect service which, in turn, could adversely affect revenues) or take other additional actions to close projected budget gaps, which could include additional fare increases.

Financial Plans. The February Financial Plan 2019-2022, the 2010-2014 Capital Program, the 2015-2019 Capital Program and prior and future Capital Programs are interrelated, and any failure to fully achieve the various components of these plans could have an adverse impact on one or more of the other proposals contained in the February Financial Plan 2019-2022, the 2010-2014 Capital Program, the 2015-2019 Capital Program and prior and future Capital Programs, as well as on pledged revenues.

MTA Bridges and Tunnels Operating Surplus. The amount of MTA Bridges and Tunnels operating surplus to be used for the Transit and Commuter Systems is affected by a number of factors, including traffic volume, the timing and amount of toll increases, the operating and capital costs of MTA Bridges and Tunnels Facilities, and the amount of debt service payable from its operating revenues, including debt service on obligations issued for the benefit of MTA's affiliates and subsidiaries and for MTA Bridges and Tunnels' own capital needs.

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

- Subsidy payments by the State may be made only if and to the extent that appropriations have been made by the Legislature and money is available to fund those appropriations.
- The Legislature may not bind or obligate itself to appropriate revenues during a future legislative session, and appropriations approved during a particular legislative session generally have no force or effect after the close of the State fiscal year for which the appropriations are made.
- The State is not bound or obligated to continue to pay operating subsidies to the Transit, Commuter or MTA Bus Systems or to continue to impose any of the taxes currently funding those subsidies.
- The financial condition of the State and the State of Connecticut, and the City and counties in the MCTD could affect the ability or willingness of the States and local governments to continue to provide general operating subsidies, the City and local governments to continue to provide reimbursements and station maintenance payments, and the State to continue to make special appropriations.
- Court challenges to the State taxes that are the sources of various State and City operating subsidies to MTA, if successful, could adversely affect the amount of pledged revenues generated by such State taxes.

Information Relating to the State. Information relating to the State, including the Annual Information Statement of the State, as amended or supplemented, is not a part of this remarketing circular. Such information is on file with MSRB through EMMA with which the State was required to file, and the State has committed to update that information to the holders of its general obligation bonds in the manner specified in Rule 15c2-12. Prospective purchasers of the Transportation Revenue 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 the Transportation Revenue Bonds, including the Subseries 2012A-3 Bonds. MTA makes no representations about State information or its continued availability.

SECURITY

General

The Transportation Revenue Bonds, including the Subseries 2012A-3 Bonds, are MTA's special obligations payable as to principal (including sinking fund installments), redemption premium, if any, and interest from the security, sources of payment, and funds specified in the Transportation Resolution.

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

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

Pledge Effected by the Resolution

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

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

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

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

Flow of Revenues

The Transportation Resolution creates the following funds and accounts:

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

The Transportation Resolution requires the Trustee, promptly upon receipt of the pledged revenues in the Revenue Fund, to deposit the revenues into the following funds and accounts, in the amounts and in the order of priority, as follows:

- to the debt service accounts, the net amount, if any, required to make the amount in the debt service accounts equal to the accrued debt service for Transportation Revenue Bonds and Parity Debt to the last day of the current calendar month;
- to pay, or accrue to pay, principal of and interest on any Subordinated Indebtedness or for payment of amounts due under any Subordinated Contract Obligation;
- to MTA for deposit in the Proceeds Fund, as directed by one of MTA's authorized officers, to fund Capital Costs of the Transit, Commuter and MTA Bus Systems; and
- to accounts held by MTA or any of the Related Transportation Entities for payment of operating expenses or any other authorized purpose.

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

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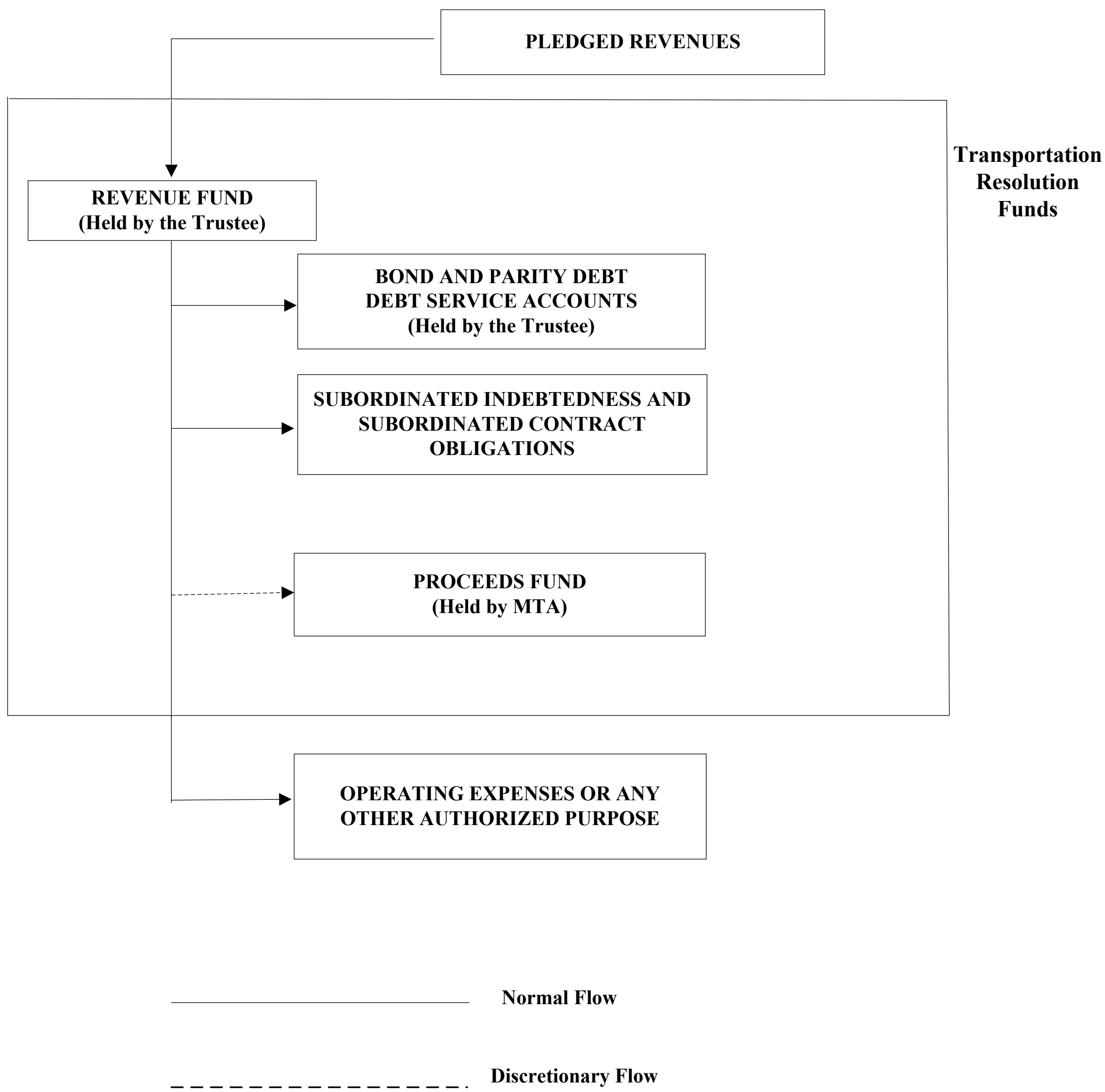
The following chart illustrates the basic elements of the flow of revenues described above:

TRANSPORTATION REVENUE OBLIGATIONS – FLOW OF PLEDGED REVENUES



Covenants

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

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

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

Operating and Maintenance Covenants.

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

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

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

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

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

No Bankruptcy. State law specifically prohibits MTA, its Transit System affiliates, its Commuter System subsidiaries or MTA Bus from filing a bankruptcy petition under Chapter 9 of the U.S. Federal

Bankruptcy Code. As long as any Transportation Revenue Bonds are outstanding, the State has covenanted not to change the law to permit MTA or its affiliates or subsidiaries to file such a petition. Chapter 9 does not provide authority for creditors to file involuntary bankruptcy proceedings against MTA or other Related Entities.

Parity Debt

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

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PART III. OTHER INFORMATION ABOUT THE SUBSERIES 2012A-3 BONDS

Part III of this remarketing circular provides miscellaneous additional information relating to the Subseries 2012A-3 Bonds.

TAX MATTERS

General

On March 15, 2012, Nixon Peabody LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-1** (the Approving Opinion) in connection with the original issuance of the Subseries 2012A-3 Bonds, which opinion speaks only as of its date, only as to the matters expressly stated therein and is not being reissued.

The Approving Opinion concluded that, under then existing law, as of its date, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, interest on the Subseries 2012A-3 Bonds was:

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

The Approving Opinion also concluded that, under then existing law, as of its date, interest on the Subseries 2012A-3 Bonds was exempt from personal income taxes of the State and any political subdivisions of the State, including the City.

On the Mandatory Tender Date, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, as Co-Bond Counsel to MTA for the remarketing of the Subseries 2012A-3 Bonds, will deliver opinions in the form set forth as **Attachment 3-2** that the mandatory tender and remarketing of the Subseries 2012A-3 Bonds will not, in and of themselves, adversely affect the exclusion of interest on the Subseries 2012A-3 Bonds from gross income for purposes of federal income taxation.

Neither current Co-Bond Counsel to MTA nor prior bond counsel is rendering an opinion on the current tax status of the Subseries 2012A-3 Bonds.

The Subseries 2012A-3 Bonds

The Internal Revenue Code of 1986 imposes requirements on the Subseries 2012A-3 Bonds that MTA must continue to meet after the Subseries 2012A-3 Bonds were issued (or reissued for federal tax purposes). These requirements generally involve the way that Subseries 2012A-3 Bond proceeds must be invested and ultimately used. If MTA does not meet these requirements, it is possible that an Owner may have to include interest on the Subseries 2012A-3 Bonds in its federal gross income on a retroactive basis to the date of issue. MTA has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code of 1986.

An Owner who is a particular kind of taxpayer may also have additional tax consequences from owning the Subseries 2012A-3 Bonds. This is possible if an Owner is

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

- 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 Subseries 2012A-3 Bonds.

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

Neither current Co-Bond Counsel to MTA nor prior bond counsel is responsible for updating their respective opinions after the respective dates such opinions were or will be provided. Although it is not possible to predict, as of the date of delivery of such opinions, it is possible that something may have happened or may happen in the future that could change the tax treatment of the interest on the Subseries 2012A-3 Bonds or affect the market price of the Subseries 2012A-3 Bonds.

Neither current Co-Bond Counsel to MTA nor prior bond counsel expresses any 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 Subseries 2012A-3 Bonds or under State, local or foreign tax law.

Bond Premium

If an Owner purchases a Subseries 2012A-3 Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Subseries 2012A-3 Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized, an Owner's tax basis in that Subseries 2012A-3 Bond will be reduced. The Owner of a Subseries 2012A-3 Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Subseries 2012A-3 Bond. An Owner in certain circumstances may realize a taxable gain upon the sale of a Subseries 2012A-3 Bond with bond premium, even though the Subseries 2012A-3 Bond is sold for an amount less than or equal to the Owner's original cost. If an Owner owns any Subseries 2012A-3 Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, such as the Subseries 2012A-3 Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the interest recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Internal Revenue Code of 1986. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing a Subseries 2012A-3 Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Subseries 2012A-3 Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Legislative or administrative actions and court decisions, at either the federal or state level, may cause interest on the Subseries 2012A-3 Bonds to be subject, directly or indirectly, in whole or in part, to federal, state or local income taxation, and thus have an adverse impact on the value or marketability of the Subseries 2012A-3 Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion or exemption of the interest on the Subseries 2012A-3 Bonds from gross income for federal or state income tax purposes, or otherwise. It is not possible to predict whether any legislative or administrative actions or court decisions having an impact on the federal or state income tax treatment of holders of the Subseries 2012A-3 Bonds may occur. Prospective purchasers of the Subseries 2012A-3 Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Subseries 2012A-3 Bonds. Co-Bond Counsel have not undertaken to advise in the future whether any events after the date of the remarketing of the Subseries 2012A-3 Bonds may affect the tax status of interest on the Subseries 2012A-3 Bonds.

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

LEGALITY FOR INVESTMENT

The MTA Act provides that the Subseries 2012A-3 Bonds are securities in which the following investors may properly and legally invest funds, including capital in their control or belonging to them:

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

Certain of those investors, however, may be subject to separate restrictions that limit or prevent their investment in the Subseries 2012A-3 Bonds.

LITIGATION

There is no pending litigation concerning the Subseries 2012A-3 Bonds except as described herein at "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues – Additional Taxes and Fees – Legal Challenges to Certain Congestion Zone Surcharges."

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 Subseries 2012A-3 Bonds. A summary of certain of these potentially material claims and actions is set forth in Part 6 of the **ADS** under the caption "LITIGATION," as that filing may be amended or supplemented to date.

CO-FINANCIAL ADVISORS

Public Resources Advisory Group, Inc. and Rockfleet Financial Services, Inc. are MTA's Co-Financial Advisors for the Subseries 2012A-3 Bonds. The Co-Financial Advisors have provided MTA advice on the remarketing plan and reviewed the competitive bidding of the Subseries 2012A-3 Bonds. The Co-Financial Advisors have not independently verified the information contained in this remarketing circular and do not assume responsibility for the accuracy, completeness or fairness of such information.

REMARKETING

After competitive bidding on March 20, 2019, the Subseries 2012A-3 Bonds were awarded to RBC Capital Markets, LLC (the Remarketing Agent) for a purchase price of 100% of the par amount of the Subseries 2012A-3 Bonds.

The Subseries 2012A-3 Bonds are being remarketed at a price not in excess of the price stated on the cover of this remarketing circular. The Remarketing Agent will be paid a fee of $65,000 for services rendered in connection with the remarketing of the Subseries 2012A-3 Bonds.

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

In the ordinary course of their various business activities, the Remarketing Agent and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of MTA. The Remarketing Agent and its 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 Subseries 2012A-3 Bonds. 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

Kroll Bond Ratings Agency, Inc.
805 Third Avenue, 29th Floor
New York, New York 10022
(212) 702-0707

Moody's Investors Service, Inc.
7 World Trade Center
New York, New York 10007
(212) 553-0300

S&P Global Ratings
55 Water Street
New York, New York 10041
(212) 438-2000

MTA has furnished information to each rating agency rating the Subseries 2012A-3 Bonds, including information not included in this remarketing circular, about MTA and the bonds. Generally, rating agencies base their ratings on that information and on independent investigations, studies and assumptions made by each rating agency. A securities rating is not a recommendation to buy, sell or hold securities. There can be no assurance that ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by a rating agency if, in the judgment of that rating agency, circumstances warrant the revision or withdrawal. Those circumstances may include, among other things, changes in or unavailability of information relating to MTA or the Subseries 2012A-3 Bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Subseries 2012A-3 Bonds.

LEGAL MATTERS

Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP are Co-Bond Counsel to MTA for the remarketing of the Subseries 2012A-3 Bonds. On March 15, 2012, Nixon Peabody LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-1** in connection with the original issuance of the Subseries 2012A-3 Bonds, which opinion speaks only as of its date, only as to the matters expressly stated therein and is not being reissued.

On the Mandatory Tender Date, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, as Co-Bond Counsel to MTA for the remarketing of the Subseries 2012A-3 Bonds, will deliver opinions in the form set forth as **Attachment 3-2**.

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 bonds or other material events affecting the tax status of the bonds;
- modifications to the rights of security holders, if material;
- bond calls, if material, and tender offers;
- defeasances;
- release, substitution, or sale of property securing repayment of the securities, 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.

FURTHER INFORMATION

MTA may place a copy of this remarketing circular 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

ATTACHMENT 1

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Subseries 2012A-3 Bonds. The Subseries 2012A-3 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Subseries 2012A-3 Bond will be issued for each maturity of the Subseries 2012A-3 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Subseries 2012A-3 Bonds exceeds $500 million, one Bond of such maturity will be issued with respect to each $500 million of principal amount, and an additional Bond will be issued with respect to any remaining principal amount of such maturity.

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

3. Purchases of Subseries 2012A-3 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Subseries 2012A-3 Bonds on DTC's records. The ownership interest of each actual purchaser of each Subseries 2012A-3 Bond (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Subseries 2012A-3 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Subseries 2012A-3 Bonds, except in the event that use of the book-entry-only system for the Subseries 2012A-3 Bonds is discontinued.

4. To facilitate subsequent transfers, all Subseries 2012A-3 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Subseries 2012A-3 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Subseries 2012A-3 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Subseries 2012A-3 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Subseries 2012A-3 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Subseries 2012A-3 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Subseries 2012A-3 Bond documents. For example, Beneficial Owners of the Subseries 2012A-3 Bonds may wish to ascertain that the nominee holding the Subseries 2012A-3 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Subseries 2012A-3 Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Subseries 2012A-3 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to MTA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Subseries 2012A-3 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds and principal and interest payments on the Subseries 2012A-3 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from MTA or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or MTA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of MTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

9. DTC may discontinue providing its services as depository with respect to the Subseries 2012A-3 Bonds at any time by giving reasonable notice to MTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Subseries 2012A-3 Bonds are required to be printed and delivered.

10. MTA may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, certificates for the Subseries 2012A-3 Bonds will be printed and delivered.

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

ATTACHMENT 2

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Remarketing Agent in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (Rule 15c2-12), MTA and the Trustee will enter into a written agreement (the Disclosure Agreement) for the benefit of holders of the Subseries 2012A-3 Bonds to provide continuing disclosure. MTA will undertake to provide certain financial information and operating data relating to the Related Transportation Entities (currently, MTA and its subsidiaries MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA) by no later than 120 days after the end of each MTA fiscal year, commencing with the fiscal year ending December 31, 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 Subseries 2012A-3 Bonds to provide or cause to be provided, either directly or through the Trustee, audited consolidated financial statements of MTA New York City Transit and the audited consolidated financial statements of MTA by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2019, when and if such audited financial statements become available and, if such audited financial statements of either MTA New York City Transit or MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA New York City Transit or MTA for such fiscal year. MTA New York City Transit's and MTA's annual financial statements will be filed by or on behalf of such parties by MTA with EMMA. In the event that such audited financial statements of MTA New York City Transit cease to be separately published, the obligation of MTA hereunder to provide such financial statements shall cease.

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

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

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

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

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

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

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

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

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

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

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

MTA will undertake, for the benefit of holders of the Subseries 2012A-3 Bonds, to provide or cause to be provided:

1. to EMMA, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the events listed under the caption “CONTINUING DISCLOSURE” in this remarketing circular with respect to the Subseries 2012A-3 Bonds, and

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

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Subseries 2012A-3 Bonds (which will include beneficial owners during any period that DTC acts as securities depository for, and DTC or its nominee is the registered owner of, the Subseries 2012A-3 Bonds) may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against such party and any of its officers, agents and employees, and may compel such party or any of its officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach under the undertaking is an action to compel specific performance, and no person or entity, including any holder of Subseries 2012A-3 Bonds, may recover monetary damages thereunder under any circumstances, and provided further that any challenge to the adequacy of any information under the undertaking may be brought only by the Trustee or the holders of 25 percent in aggregate principal amount of the Subseries 2012A-3 Bonds at the time Outstanding which are affected thereby. Each of MTA and the Trustee reserves the right, but shall not be obligated, to enforce the obligations of the others. Failure to comply with any provisions of the undertaking shall not constitute a default under the Transportation Resolution nor give right to the Trustee or any Owner to exercise any remedies under the Transportation Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the undertaking insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information shall no longer be required to be provided.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data, and where MTA's undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. MTA does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Subseries 2012A-3 Bonds have been paid in full or legally defeased pursuant to the Transportation Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of MTA.

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ATTACHMENT 3-1

FORM OF OPINION DELIVERED MARCH 15, 2012, BY NIXON PEABODY LLP IN CONNECTION WITH THE ISSUANCE OF THE SUBSERIES 2012A-3 BONDS

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

March 15, 2012

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

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority ("MTA") and other proofs submitted to us relative to the issuance of $150,000,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Bonds, Series 2012A (the "Series 2012A Bonds"), including $50,000,000 of such Bonds designated as Subseries A-1, $50,000,000 of such Bonds designated as Subseries A-2, $50,000,000, of such Bonds designated as Subseries A-3.

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

The Series 2012A Bonds 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 "General Resolution Authorizing Transportation Revenue Obligations," as supplemented by a resolution of said members adopted on January 25, 2012 (collectively, 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 2012A Bonds in order that interest on the Series 2012A Bonds be and remain excluded from gross income for Federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of MTA, 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 2012A Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2012A Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates MTA to take certain actions necessary to cause interest on the Series 2012A Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code could cause interest on the Series 2012A Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2012A Bonds from gross income for Federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed 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 2012A Bonds from gross income for Federal income tax purposes under 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 2012A Bonds of each Subseries as executed and, in our opinion, the form of said Series 2012A Bonds and their 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 2012A Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. MTA has no taxing power and the Series 2012A Bonds are not debts of the State or of any other political subdivision thereof. MTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2012A Bonds.

4. The MTA, the holders of the Series 2012A Bonds, or the holders of any evidence of indebtedness of the MTA do not and will not have a pledge of 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 2012A Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

6. Under existing statutes and court decisions (i) interest on the Series 2012A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2012A Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; however, we note that interest is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax.

7. Under existing statutes, interest on the Series 2012A Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof.

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

Except as stated in paragraphs 6 and 7, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Series 2012A Bonds. We express no opinion regarding the federal, state, local or foreign tax consequences of any action hereafter taken or not taken in reliance upon an opinion of other counsel with respect to the Series 2012A Bonds.

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 2012A Bonds.

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

Very truly yours,

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ATTACHMENT 3-2

FORM OF OPINIONS OF ORRICK, HERRINGTON & SUTCLIFFE LLP AND BRYANT RABBINO LLP EXPECTED TO BE DELIVERED ON THE DATE THE SUBSERIES 2012A-3 BONDS ARE REMARKETED

[Date of Remarketing]

Metropolitan Transportation Authority
2 Broadway
New York, New York 10004

Ladies and Gentlemen:

On March 15, 2012, Nixon Peabody LLP delivered its opinion as bond counsel to the Metropolitan Transportation Authority ("MTA") in connection with the issuance by MTA of $150,000,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Bonds, Series 2012A, including $50,000,000 of such Bonds designated as Subseries 2012A-1, $50,000,000 of such Bonds designated as Subseries 2012A-2, and $50,000,000 of such Bonds designated as Subseries 2012A-3 (the "Subseries 2012A-3 Bonds").

The Subseries 2012A-3 Bonds were issued pursuant to the MTA General Resolution Authorizing Transportation Revenue Obligations, adopted by the Board of MTA on March 26, 2002 (the "Original Resolution"), as amended and supplemented to the date of issuance thereof, including by the Series 2012A Transportation Revenue Bond Supplemental Resolution adopted on January 25, 2012 (collectively with the Original Resolution, the "Transportation Resolution"), along with the Certificate of Determination relating to the Subseries 2012A-3 Bonds, dated as of March 15, 2012, as subsequently amended as of May 15, 2013, May 15, 2014 and April 2, 2015, and as amended and restated as of May 16, 2016 (the "Certificate of Determination" and, collectively with the Transportation Resolution, the "Resolution").

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

On the date hereof, MTA intends to (i) effect the mandatory tender and remarketing of the Subseries 2012A-3 Bonds in a Term Rate Mode bearing interest at the Adjusted SIFMA Rate (the "Remarketing"), and (ii) further amend and restate the Certificate of Determination, to provide for, among other things, the Remarketing and the new pricing terms for the Subseries 2012A-3 Bonds.

In order to effect the Remarketing, MTA provided to the Trustee and certain other parties a Notice of Mandatory Tender relating to the Subseries 2012A-3 Bonds pursuant to Section A-407(a) of Appendix A-1 to the Certificate of Determination. In accordance with Section A-407(e) of Appendix A-1 to the Certificate of Determination, the Trustee disseminated a Notice of Mandatory Tender to the owners of the Subseries 2012A-3 Bonds at least fifteen days prior to the date hereof. Immediately prior to the Remarketing, the Subseries 2012A-3 Bonds will be subject to mandatory tender for purchase at a Purchase Price equal to the principal amount thereof. The date hereof is also an Interest Payment Date for the Subseries 2012A-3 Bonds, and accrued interest thereon to, but not including, the date hereof, will be paid in accordance with customary procedures.

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

Based on the foregoing, we are further of the opinion that the Remarketing and the amendment of the terms and provisions of the Subseries 2012A-3 Bonds to reflect the terms and provisions described herein will not, in and of themselves, adversely affect the exclusion of interest on the Subseries 2012A-3 Bonds from gross income for purposes of federal income taxation.

We have undertaken no investigation as to matters affecting the exclusion of interest on the Subseries 2012A-3 Bonds from gross income for federal income tax purposes since the date of their issuance. In delivering this opinion, we have assumed with respect to the Subseries 2012A-3 Bonds, without investigation, that MTA is in compliance with its covenants and agreements under the Resolution and that the proceeds of the Subseries 2012A-3 Bonds were applied in accordance with the Resolution and the tax certificate of MTA delivered in connection with the issuance of the Subseries 2012A-3 Bonds. Failure of MTA to have so complied or to have so applied the proceeds of the Subseries 2012A-3 Bonds, or to so comply, could adversely affect the exclusion of interest on the Subseries 2012A-3 Bonds from gross income for federal income tax purposes. No opinion is expressed herein as to whether interest on the Subseries 2012A-3 Bonds is excludable from gross income for federal income tax purposes or as to any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Subseries 2012A-3 Bonds. We are also expressing no opinion herein as to whether any matter, action, other than the actions described above, or omission subsequent to such date of issuance, may have adversely affected the exclusion of interest on the Subseries 2012A-3 Bonds from gross income for federal income tax purposes.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Subseries 2012A-3 Bonds. This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances or any changes in law, or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

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.

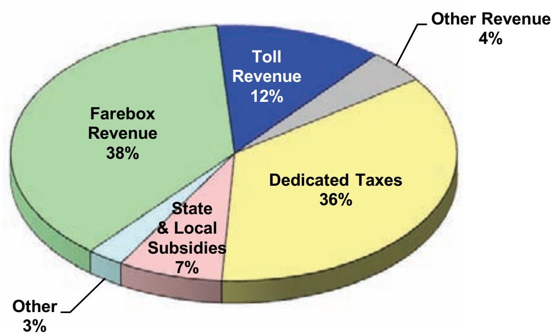
Attachment A to MTA Annual Disclosure Statement
Third Quarterly Update
March 5, 2019

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

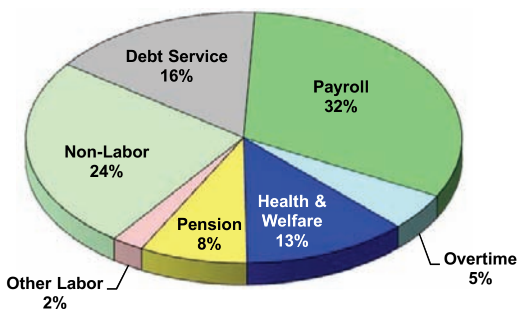
Where the Dollars Come From …



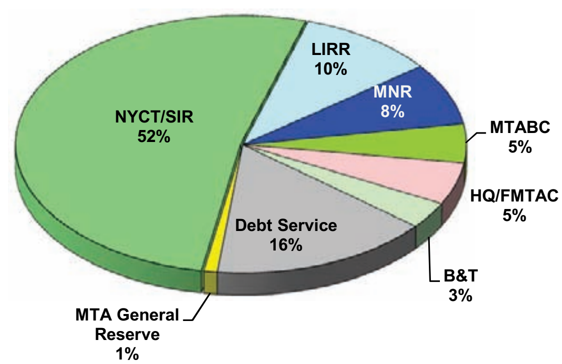
By Revenue Source ($ in millions)	
Farebox Revenue	$6,296
Toll Revenue	2,045
Other Revenue	705
Dedicated Taxes	5,973
State & Local Subsidies	1,265
Other [1]	441
Total [2]	**$16,725**

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
Non-Reimbursable							
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
<u>Cash Receipts and Expenditures</u>						
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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