Metropolitan Transportation Authority
State of New York

2005 Progress Report to Investors







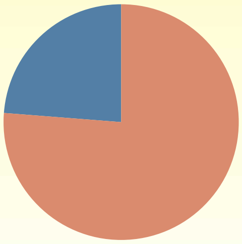
The rehabilitated Stillwell Avenue terminal at Coney Island.

In This Report

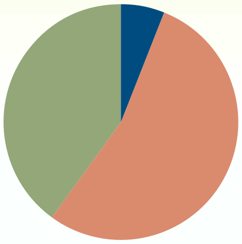
2004 Consolidated Financial Highlights

Assets and Liabilities

($ millions)



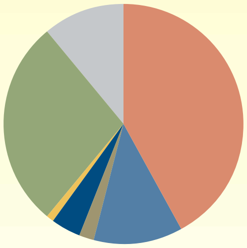
Assets	**$43,837**	**100.00%**
Capital assets, net	$33,654	76.77%
Other assets	10,183	23.23



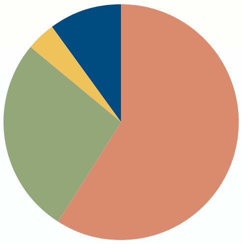
Liabilities and Net Assets	**$43,837**	**100.00%**
Current liabilities	$2,487	5.67%
Long-term liabilities	23,754	54.19
Net assets	17,596	40.14

Income and Expenses

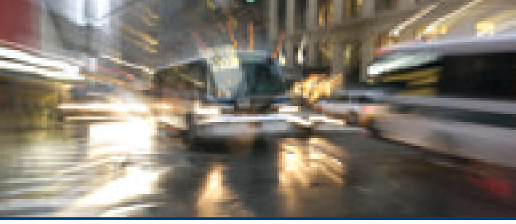
($ millions)



Income		
Fares and operating revenues, except tolls	$3,740	42.14%
Tolls	1,097	12.36
State subsidies	206	2.32
Local subsidies	317	3.57
Other subsidies	52	0.59
State/regional taxes	2,453	27.64
Other	1,010	11.38
Federal subsidies	0	0.00
Total	**$8,875**	**100.00%**



Expenses		
NYC buses and subways	$5,240	59.05%
Commuter rail, suburban buses, Staten Island Railway, and MTA headquarters	2,417	27.23
Bridges and tunnels	356	4.01
Debt service and other	862	9.71
Total	**$8,875**	**100.00%**



MTA at a Glance

MTA Agencies

MTA New York City Transit operates subways in four boroughs, buses in five boroughs, and the MTA Staten Island Railway. The system includes 6,255 subway cars, 4,682 buses, 28 subway lines, 490 subway stations, and 243 bus routes. NYC Transit's operating budget is $5.21 billion.

MTA Long Island Rail Road is the largest commuter railroad in America, with 1,142 rail cars and 124 rail stations on 11 rail lines with 594 miles of track. LIRR's operating budget is $1.12 billion.

MTA Long Island Bus operates 415 buses on 54 routes covering 950 route miles, the largest clean-fuel CNG bus fleet in North America. Its operating budget is $100.4 million.

MTA Metro-North Railroad includes six rail lines with 775 track miles and 120 stations. It owns 1,180 rail cars and has an operating budget of $866.0 million.

MTA Bridges and Tunnels operates two tunnels and seven bridges. Unique among MTA agencies, Bridges and Tunnels is self-funded through tolls and bonds. Its operating budget is $371.3 million and Bridges and Tunnels provided $690.0 million to support MTA mass transit operations.

MTA Capital Construction coordinates MTA's mega-projects. It is responsible for the Lower Manhattan mobility improvement projects—Fulton Street Transit Center and South Ferry Terminal; MTA expansion projects—the Second Avenue Subway, the 7 Line Extension, and East Side Access; and MTA security-related projects.

MTA Bus Company was established in 2004 to assume the operations of seven privately owned bus companies operating under franchises granted by New York City. These lines are being taken over in 2005 on a staggered schedule, and MTA Bus will consolidate and be responsible for their local and express bus operations.

The Metropolitan Transportation Authority is North America's largest transportation network, serving 14.6 million people across a 5,000-square-mile region. MTA subways, trains, buses, tunnels, and bridges carried an average of 7.6 million passengers per weekday in 2004. The system includes 8,259 rail and subway cars, 4,895 buses, 734 rail stations, 7 bridges, 2 tunnels, and 2,058 miles of track

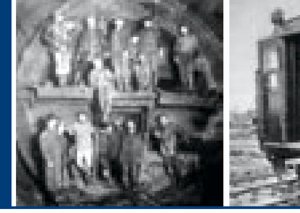
Organization and Capital Programs

A public-benefit corporation chartered in 1965, the MTA has an annual operating budget of almost $8 billion. It is governed by a 17-member board, each member nominated by the Governor and confirmed by the State Senate. The MTA consists of seven operating agencies: MTA New York City Transit, MTA Long Island Rail Road, MTA Long Island Bus, MTA Metro-North Railroad, MTA Bridges and Tunnels, MTA Capital Construction, and MTA Bus Company. The authority submits five-year Capital Programs for approval by the New York State Capital Program Review Board. The plans are typically funded through a combination of bond sales, sale and lease of assets, and federal, state, and local allocations. In 2002, the MTA undertook a major debt restructuring to streamline its financial operations and ensure efficient access to capital markets. It consolidated outstanding bonds into four principal credits. All MTA bonds issued under the four credits have been rated "A" or higher by the major bond rating services.

MTA subways move over 4.6 million people per day.

Letter to Investors

June 21, 2005



Katherine N. Lapp,
Executive Director

During this last year, I was proud to join thousands of New Yorkers and visitors at exhibits marking the 100th anniversary of the New York City subway.

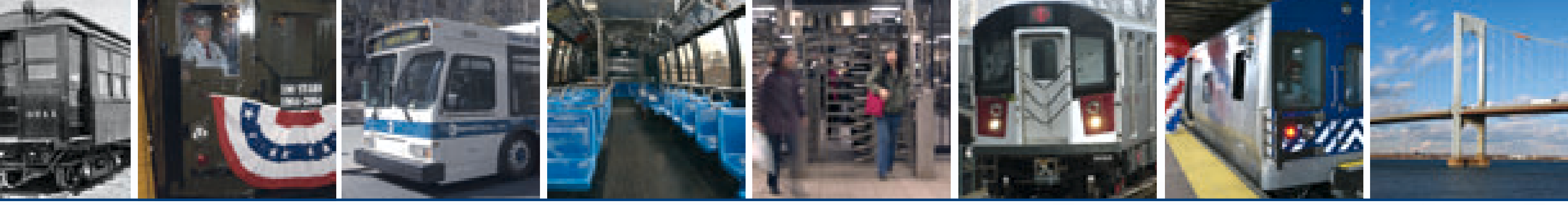
The first subway line was finally completed in 1904 after a number of false starts, repaying a visionary investment with incalculable reward. As it evolved, linking with rail and bus lines, the subway system helped transform New York from a traffic-choked, 19th-century city into a thriving economic region and the dynamic center of today's global economy.

The Centennial marked another juncture as well, as the MTA completed its ambitious 2000-2004 Capital Program and visibly transformed the system. By the end of 2004, over 95 percent of the $15.0 billion Core Capital Program investments in repairs, upgrades, and normal replacement was committed. More than 77 percent of the total $20.6 billion Capital Program, which includes system expansion and security projects, was committed in the five-year period. The major undertakings completed in 2004 include reconstruction of the Atlantic Avenue complex, the opening of the elegant Coney Island-Stillwell Avenue terminal, new steel decking on the Triborough Bridge, and dozens of other projects reviewed in this report. Fittingly, 2004 also saw the retirement of the last of the old Redbird subway cars, a major milestone in the modernization of our subway fleet.

Behind these high-profile accomplishments were many labors that go largely unseen. Maintaining and upgrading our immense infrastructure — from electrical systems to pumping stations — accounted for the lion's share of MTA's 2004 capital expenditures. Such work is the heart of good stewardship. It safeguards over two decades of struggle and investment that have transformed the MTA from a system near collapse into a powerful engine of economic growth.

The power of that engine can be quantified using a computer model developed for the MTA by the Port Authority to measure the larger economic impact of MTA capital expenditures. According to the model, the statewide "ripple effect" of the MTA 2000-04 Capital Program generated some $25.3 billion in economic activity, including $10.2 billion in wages and salaries, and $941 million in state and local taxes. As the history of the subway demonstrates, the MTA network is not only a facilitator, but a multiplier of jobs, business, and productivity.

Another ongoing task in 2004 was our aggressive effort to secure new revenues, cut costs, and streamline operations. Throughout the year, we combed the agencies for further



savings, placing non-critical hires and projects on hold. We continued to improve our financial reporting and transparency, introducing monthly budget updates and posting more financial information on our website. To strengthen our budget and financial management processes, we purchased a comprehensive software program for financial management, financial reporting, accounting, procurement, payroll, and human resources functions.

As we reported throughout the year, we continue to forecast out-year budget gaps. However, actions taken in 2003, including increases in fares and tolls, coupled with higher-than-expected income from dedicated real estate transfer taxes, allowed us to end 2004 with a significant cash surplus that will be used to reduce 2005 deficits and provide a reserve against a potential drop in real estate tax revenues.

The New York State 2005-2006 budget provides us with new or enhanced funding sources (described more fully on page 6), which will strengthen the MTA's long-term finances. As a result, we are projecting balanced budgets in both 2005 and 2006, and are turning our attention to the out-years of our financial plan to address potential deficits in 2007 and 2008.

Our improved budget outlook will help us avoid the disastrous results of underfunding and deferred maintenance that tipped our transit system into freefall in the 1970s. The MTA's spectacular comeback since that time demonstrates that a robust transit network can act as a powerful economic engine, helping New York recover from one of the hardest blows in its history. Intelligent investment — along with the kind of ongoing work reviewed in this 2005 report — is essential to keep that engine on track.

Katherine N. Lapp
Executive Director

Financial Progress

Narrowing the Budget Gap

Fiscal discipline begins with fiscal clarity, and in 2004 the MTA continued to improve its recently adopted budget practices. Agency budgets, now in a uniform format, were submitted for public review in July, five months prior to adoption, and issued in conjunction with a four-year Financial Plan Forecast. As promised, the MTA began publishing monthly budget updates, along with economic and performance indicators by agency, now accessible on the MTA website.

The MTA has implemented a host of internal cost-containment and revenue-enhancement strategies, such as pursuing the use of shared services among its operating agencies to reduce costs and aggressively considering sponsorship opportunities to expand advertising revenue. Belt-tightening measures are being made to hold the line on costs in order to moderate the effects of projected budget shortfalls in the years ahead.

Increased ridership and renovated facilities boost MTA lease opportunities.

For the first time since 2001, the city and region showed steady job gains for twelve straight months into the first quarter of 2005, which translated into increased ridership and revenue. The 2004 balance sheet also benefited from the 2003 fare and toll increases, continuing cost containment across the system, and a year of low interest rates that helped hold down debt service costs. The greatest financial boost in 2004 came from the surging real estate market, which delivered a sharp increase in real estate transfer taxes. Revenue from all tax subsidies was $2.45 billion in 2004, a 24.3 percent increase over 2003.

In 2004 and early 2005 the MTA worked closely with the Governor and State Legislature to develop funding sources that would address significant operating budget deficits projected to begin in 2006. Responding to those needs, the 2005-2006 State budget included three new or enhanced revenue sources for the MTA:

- An additional 0.125 percent (1/8 of 1 percent) regional sales tax throughout the New York State counties served by the MTA effective June 1, 2005, expected to generate approximately $110 million in 2005, approximately $202 million in 2006, and approximately $230 million annually beginning in 2007.
- An increase in the MRT-1 tax (mortgage recording tax) effective June 1, 2005, from 25 cents per $100 of recorded mortgage to 30 cents, expected to generate approximately $29 million in 2005 and approximately $50 million annually thereafter.
- Increases to certain motor vehicle fees effective January 1, 2006. The MTA will receive 34 percent of the increase, expected to generate approximately $61 million annually.

In July 2005 the MTA will issue a new Financial Plan with these measures in place.* The MTA will continue to work on cost reductions and other plans to address expected deficits in 2007 and 2008.

Finance and Bonding

In 2004 the MTA issued $2.2 billion in new fixed and variable rate bonds to continue financing the 2000-2004 Capital Program. The estimated average annual interest rate for these new money issues is 3.9 percent. In 2003, the MTA issued just over $1.97 billion in debt.

The authority's current outstanding debt is $18.9 billion. Of this amount, $12.6 billion is traditional fixed-rate debt, $3.9 billion is variable-rate, and $2.5 billion is synthetic fixed-rate. The MTA expects to issue $2.85 billion in bonds during 2005. Bond statements are shown beginning on page 16 of this report and the 2004 Combined Continuing Disclosure Filings can be found on the MTA website at www.mta.info.

2004 Ridership

Buoyed by the employment upswing, paid rides for the entire MTA system rose 2.3 percent in 2004 to a total of 2.35 billion, the highest in the system's history.

While system usage has historically risen or fallen with the job market, gains in MTA transit ridership since the introduction of MetroCard® have outperformed job growth, as they did again in 2004. This may be partly attributable to the continued popularity of MetroCard discounts, as well as to a sharp rise in the number of tourists and visitors, who increasingly explore New York on the city's rejuvenated transit system.

* This updated plan will likely reflect a surplus in 2005 that, when added to the new revenues and management initiatives, will result in a balanced budget in 2006.

The rehabilitated Atlantic Avenue complex.

Fare and Toll Revenue

With the fare increases enacted in 2003, combined fare and toll revenues for the entire MTA system reached a record $4.52 billion in 2004, up 4.4 percent over the previous year.

Ridership

(millions)	**2003**	**2004**	**% change**
New York City Transit			
Subway*	1,387.47	1,429.38	2.93%
Bus	727.61†	740.59	1.75%
Long Island Rail Road	80.92	79.25	-2.11%
Long Island Bus	30.43	30.59	0.52%
Metro-North Railroad	71.97†	72.37	0.55%
Bridges and Tunnels**	297.47†	302.90	1.79%
Total System (excluding Bridges and Tunnels)	**2,298.40**	**2,352.19**	**2.29%**

* Includes ridership of Staten Island Railway.
** Vehicle crossings.
† Restated from 2003 Annual Report.

Financial Progress

MTA New York City Transit led the rider increase for 2004, shaking off the effects of 2003 fare hikes and outperforming the city's job gains. Subway ridership jumped 2.9 percent to 1.43 billion paid rides for the year. City bus ridership increased by 1.8 percent to 741 million. The increased 2004 ridership pushed total NYC Transit fare revenues up 2.8 percent to $2.57 billion for the year.

LI Bus has seen modest but steady ridership growth of about half a percent annually over six of the last seven years. That trend continued in 2004 with paid rides increasing by 0.5 percent to 30.6 million.

The LIRR was the only MTA agency to experience a passenger decline during 2004. LIRR ridership for the year fell 2.1 percent, from 80.9 million in 2003 to 79.3 million in 2004. Despite the decline, fare increases enacted the previous year lifted LIRR fare revenue by 4.6 percent, from $393 million in 2003 to $411 million in 2004.

Metro-North ridership remained stable in 2004 despite the fare increases and a harsh winter. Overall ridership was up 0.6 percent in 2004 to 72.4 million for the year. Ridership declined slightly by 0.45 percent east of the Hudson, but rose 10.3 percent west of the Hudson. Metro-North's 2004 fare revenue rose by 6.6 percent, from $378 million in 2003 to $403 million in 2004.

Paid traffic volume on the MTA's seven bridges and two tunnels rose to a record high of 302.9 million vehicles in 2004, a 1.8 percent increase over the previous year and surpassing the previous record of just under 300 million in 2002. Toll revenue for the year rose by 7.3 percent to nearly $1.1 billion, out of which $690 million went to subsidize MTA mass transit and commuter rail operations.

The E-ZPass[SM] electronic collection system continued to improve operational efficiency. Comparing the current wait times with those measured before the E-ZPass system was installed shows that a typical driver saves an average of 40 hours in wait time annually. MTA Bridges and Tunnels currently services 3.1 million active E-ZPass accounts, representing approximately 72 percent of the 2004 traffic.

E-ZPass saves the typical driver 40 hours per year in waiting time.

Fare and Toll Revenue ($ millions)	2000	2001	2002	2003	2004
New York City Transit*	$2,225	$2,258	$2,258	$2,504	$2,573
Long Island Rail Road	355	360	352	393	411
Long Island Bus	30	31	31	35	37
Metro-North Railroad	333	339	339	378	403
Fare Revenue	**2,943**	**2,987**	**2,979**	**3,311**	**3,425**
Bridges and Tunnels	941	915	933	1,022	1,097
Total Revenue	**$6,827**	**$6,889**	**$6,891**	**$7,644**	**$7,946**

* Includes revenue of Staten Island Railway.

2005 Fare and Toll Increases

In 2004, the MTA Board approved fare and toll increases — effective during the first quarter of 2005 — to address impending deficits. The MetroCard base fare remains $2.00; 7-Day Unlimited Ride MetroCard rose from $21 to $24, while 30-Day Unlimited Ride MetroCard rose from $70 to $76. Increases on commuter rail tickets are expected to raise annual revenue by 5 percent. For Bridges and Tunnels, tolls rose by 50 cents on major crossings and 25 cents on minor crossings.

2005-2009 Capital Program

In April 2005 Governor George E. Pataki signed into law the 2005-2006 State budget, which included additional tax revenues for the MTA that, in combination with other fund sources, permits the MTA to move forward with plans for its 2005-2009 Capital Program of $21.15 billion, the largest in MTA history.

The Capital Program, which is currently awaiting formal approval by the New York State Capital Program Review Board (CPRB), includes $16.03 billion for the core program of system repairs, renovations, and improvements. Planned investments will enhance the reliability, quality, and security of transportation services through the ongoing repair, renewal, and improvement of the MTA's existing network. The Bridges and Tunnels portion of the Capital Program, which does not require CPRB approval, is $1.17 billion.

The funding plan includes $5.09 billion of federal money for the core program, an updated amount that reflects current expectation. Federal New Start funding assumes a 50 percent federal contribution to the revised scope of the expansion projects, and the MTA also assumes that its $495 million security program will be entirely funded by the federal government.

Included in the funding plan is an MTA proposal to secure up to $1.40 billion in asset sales and other non-bond sources and $4.22 billion in MTA bonds, as reflected in the current MTA financial plan. It also assumes a $400 million contribution from New York City and $1.99 billion in city funding for the 7 Line Extension. The 7 Line Extension project does not require CPRB approval.

The new or enhanced State taxes are expected to provide the MTA with approximately $350 million per year, which is expected to support approximately $5.10 billion of new bonds. The State budget includes a proposal for a State-wide Transportation Bond Act, to be presented to the voters in November 2005, which will provide $1.45 billion to the MTA.

2005–2009 Capital Program Funding Plan Summary

($ millions)

Program Elements	Proposed Amount
Core Capital Programs	
New York City Transit	$11,300.1
Long Island Rail Road	2,176.0
Metro-North Railroad	1,382.3
CPRB Core Subtotal	**14,858.4**
Bridges and Tunnels	1,167.9
Core Total	**16,026.3**
Security Program	495.0
Interagency	134.1
System Expansion Projects	
East Side Access, Second Avenue Subway, JFK Link	2,500.0
7 Line Extension	1,990.0
Expansion Total	**4,490.0**
Total 2005–2009 Capital Program	**$21,145.4**

2005–2009 Capital Program Funding Summary ($ millions)	
Funding Source	**Proposed Amount**
Federal Formula and Flexible Funds	$5,093.0
Federal New Start	1,000.0
Federal Government-Security Projects	495.0
New York City	400.0
New York City–7 Line Extension	1,990.0
Assest Sales, Carryover, and Program Income	1,400.0
New York State Transportation Bond Act	1,450.0
MTA Bonds (including TBTA bonds)	4,217.4
Bonds from New State Sources	5,100.0
Total 2005–2009 Capital Program	**21,145.4**
Less 7 Line Extension	-1,990.0
Less Bridges and Tunnels Expenditures	-1,167.9
Total CPRB Program	**$17,987.5**

The distribution of funds among the expansion projects will be determined through the CPRB process, further planning with federal funding partners, and resolution of the proposed New York State Transportation Bond Act of 2005.

Insurance Operations

In 2004 the MTA received a final payment of $20 million of a $378 million global settlement with insurers for September 11 losses, including $18.6 million from the Federal Emergency Management Agency. The payment covered physical damage, business interruption, and increased operating expenses. These included the collapse of the 1/9 tunnel, which disrupted service to South Ferry for more than a year, the temporary closures of the N/R Cortlandt Street station and the E World Trade Center station, and the closure of the Brooklyn Battery Tunnel to all but emergency vehicles for more than a month. The settlement was negotiated through the MTA's captive insurance company, First Mutual Transportation Assurance Company (FMTAC). Also in 2004, FMTAC established the new Master Builder's Risk Program to help the MTA contain costs on capital projects. Under the program, the MTA provides liability insurance directly to contractors and links premium incentives to job safety, reducing the pass-along insurance costs per project. In the past, contractors obtained coverage from outside insurance companies. The MTA self-insures projects to the first $100 million and buys additional insurance to cover catastrophic losses.

Retail leases on MTA properties contribute to revenue.

City bus ridership was up nearly two percent in 2004.

Real Estate and Advertising

Capitalizing on its valuable real estate and densely populated urban markets, the MTA continued to increase advertising and lease revenues in 2004. Total revenue from these operations reached $145.5 million, a 3.9 percent increase over 2003.

West Side Yards RFP

In 2005 the MTA issued a Request for Proposals for disposition of the western portion of the John D. Caemmerer Rail Yards on the West Side of Manhattan. After evaluating submitted proposals, in March 2005 the MTA Board authorized the MTA staff to open negotiations with Jets Development L.L.P. Negotiations were begun and a preliminary term sheet was executed in April. Because of the failure of the Public Authorities Control Board to approve certain aspects of this project, however, it is unclear at this time whether this transaction will close. Any proceeds from the disposition of development rights at the West Side yards will be used to fund components of the MTA 2005-09 Capital Program.

2004 Bond Issues

$250,000,000 Metropolitan Transportation Authority Dedicated Tax Fund Bonds, Series 2004A

Issue Date:	March 10
Purpose:	New Money for Transit and Commuter Capital Programs
Ratings:	AA-/A+ (uninsured) AAA/AAA (insured)
Senior Manager:	JPMorgan
Insurance:	FGIC and MBIA

$500,000,000 Metropolitan Transportation Authority Dedicated Tax Fund Variable Rate Bonds, Series 2004B

Issue Date:	March 10
Purpose:	New Money for Transit and Commuter Capital Programs
Ratings:	AAA/AAA (insured)
Senior Manager:	JPMorgan, Morgan Stanley and UBS Financial Services
Insurance:	Ambac, CIFG NA, FGIC and MBIA

$500,000,000 Metropolitan Transportation Authority Transportation Revenue Variable Rate Bonds, Series 2004A

Issue Date:	June 24
Purpose:	New Money for Transit and Commuter Capital Programs
Ratings:	Aaa/AAA/AAA (insured) VMIG 1/A-1+/F1+ (short term)
Senior Manager:	Bear Stearns, Merrill Lynch and Morgan Stanley
Insurance:	CIFG NA and XL Capital
Liquidity Facility:	SBPA with DEPFA Bank

$250,000,000 Triborough Bridge and Tunnel Authority Subordinate Revenue Variable Rate Bonds, Series 2004A

Issue Date:	August 12
Purpose:	New Money for Transit and Commuter Capital Programs
Ratings:	Aaa/AAA/AAA (insured)
Senior Manager:	Citigroup Global Markets and UBS Financial Services
Insurance:	CIFG NA and MBIA

$300,000,000 Metropolitan Transportation Authority Transportation Revenue Bond Anticipation Notes, Series CP-1 Credit Enhanced

Issue Date:	August 26
Purpose:	New Money for Transit and Commuter Capital Programs (addition to original issuance)
Ratings:	P-1/A-1+/F1+ (LoC)
Senior Manager:	Bear Stearns and Morgan Stanley
Insurance:	None
Letter of Credit:	ABN Amro Bank N.V.

$357,925,000 Metropolitan Transportation Authority, New York City Transit Authority and Triborough Bridge and Tunnel Authority Variable Rate Certificates of Participation, Series 2004A

Issue Date:	September 22
Purpose:	Refunding of Prior Certificates
Ratings:	Aaa/AAA/AAA (insured)
Senior Manager:	UBS Financial Services, Bear Stearns and Lehman Brothers
Insurance:	Ambac

$120,000,000 Metropolitan Transportation Authority Dedicated Tax Fund Bonds, Series 2004C

Issue Date:	December 21
Purpose:	New Money for Transit and Commuter Capital Programs
Ratings:	AA-/A+ (uninsured) AAA/AAA (insured)
Senior Manager:	Lehman Brothers
Insurance:	Ambac

$280,000,000 Metropolitan Transportation Authority Dedicated Tax Fund Variable Rate Bonds, Series 2004D

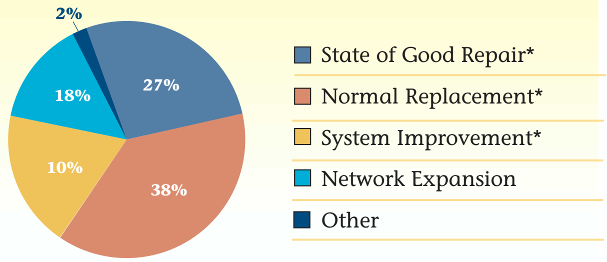
Issue Date:	December 21
Purpose:	New Money for Transit and Commuter Capital Programs
Ratings:	AAA/AAA (insured) A-1/F1 (short term)
Senior Manager:	Lehman Brothers and JPMorgan
Insurance:	Ambac
Liquidity Facility:	SBPA with Wachovia Bank

Capital Program Progress

Overview: Five-Year Program Ends with Milestone Projects

By the end of 2004, as the MTA's ambitious 2000-2004 Capital Program finished out its five-year calendar, 77 percent of the Capital Program's $20.6 billion and 95 percent of the $15 billion core program had been committed. In the program, 27 percent of funds went to maintaining a state of good repair, 38 percent went to normal replacement of system components, 10 percent went to system improvements, and 18 percent was allocated to major expansion projects.

Capital Program 2000–2004



* These categories make up the Core Capital Program.

Many major rehabilitation projects and rolling stock purchases were finalized during 2004. Over the course of the year, MTA agencies completed $2.85 billion in capital projects and committed another $1.76 billion. The greatest share of project funds went to MTA New York City Transit, which completed $1.54 billion in projects in 2004 and committed $876 million. In the MTA's commuter rail units, MTA Long Island Rail Road completed $471 million in projects and committed $137 million, while MTA Metro-North Railroad completed $447 million and committed $361 million. Bridges and Tunnels completed projects worth $328 million and committed $79 million. MTA Capital Construction completed $64 million, expended $295 million, and committed $245 million.

The 2000-04 Capital Program brought dramatic improvements for riders throughout the MTA network. In addition to extensive "behind the scenes" infrastructure work, the five-year program included major rehabilitations of 68 subway stations, 2 bridges, and 11 rail stations, along with purchases of 1,210 subway cars, 885 buses, 1,043 rail cars, and 9 locomotives, with well over half the rolling stock in service by the end of 2004.

Capital Program Progress, 1982–2004

($ millions)

	Commitments	Expenditures	Completions
MTA New York City Transit	33,836	29,675	26,282
MTA Long Island Rail Road	6,580	5,748	4,675
MTA Metro-North Railroad	4,815	4,207	3,309
MTA Bridges and Tunnels	2,067	1,685	1,478
MTA Capital Construction	1,407	977	98
MTA Total*†	**$49,039**	**$42,541**	**$36,024**

Capital Program Progress, 2004

($ millions)

	Commitments	Expenditures	Completions
MTA New York City Transit	876	1,923	1,540
MTA Long Island Rail Road	137	469	471
MTA Metro-North Railroad	361	393	447
MTA Bridges and Tunnels	79	198	328
MTA Capital Construction	245	295	64
MTA Total*	**$1,759**	**$3,355**	**$2,850**

* MTA totals include the following amounts:
World Trade Center recovery: Total commitments, $206 million; total expenditures, $200 million; total completions, $148 million; 2004 expenditures, $62 million.
Planning and Customer Service Projects: Total commitments, $67 million; total expenditures, $49 million; total completions, $34 million; 2004 expenditures, $15 million.
MTA Bus: Total and 2004 commitments: $61 million.

† Does not include $92 million of commuter rail project commitments made in the 1982–1991 Capital Program for projects that could not be assigned to either railroad since they benefited both.

Note: Because of rounding, totals may not add exactly.

Rolling Stock Replacements and Fleet Expansions

NYC Transit continued the improvement and expansion of its fleet, taking delivery of 50 new R-142 subway cars in 2004 and rolling 40 cars into service by year end. Another 30 cars were received in the first quarter of 2005. In bus operations, NYC Transit received 43 articulated buses in 2004, completing a $128.6 million purchase of 260 articulated buses for use on the city's busiest routes. In Queens and the Bronx, the agency placed 119 new Orion VII hybrid buses in service during 2004. The new diesel-electric hybrids reduce emissions on a par with compressed natural gas (CNG) buses while using 40 percent less fuel. NYC Transit closed out 2004 with orders for an additional 206 hybrids and 157 CNG buses.

The LIRR significantly upgraded its rolling stock in 2004, retiring 120 of its oldest cars and placing 142 new M-7 rail cars in service, bringing the number of M-7 cars in revenue service to 344. Eight times more reliable than the older stock, the M-7 cars average

Covered platforms at the Stillwell Avenue terminal at Coney Island.

nearly 250,000 miles without breakdowns, improving the LIRR's fleet mean distance between failures in 2004 by over 13 percent from 2003.

MTA Long Island Bus achieved one of the MTA's major "green" goals in 2004 when it received 58 new CNG buses and retired the last of its diesel buses to become the largest all-CNG transit fleet in North America. Begun in 1992, the historic transition from diesel to CNG entailed extensive infrastructure modifications, facility reconstructions, and training programs for bus operators and maintenance staff. The changeover has succeeded in lowering total non-methane hydrocarbon emissions by 51.4 percent and particulate emissions by 91.4 percent.

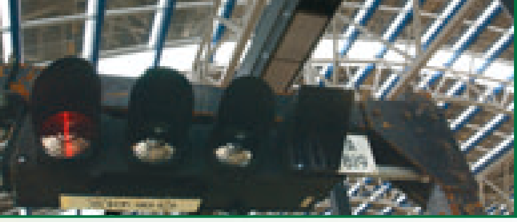
Metro-North Railroad purchased 120 additional M-7 cars in 2004.

Metro-North, which ordered 180 M-7 cars in 2002, exercised a contract option in 2004 to purchase an additional 120 cars, a purchase that will be attributed to the 2005-2009 Capital Program. By the end of the year, 126 of the new cars had been received for service; the remainder will be delivered in 2005. Metro-North also took delivery of 65 Comet V coaches in 2004, placing all 65 in service on its West-of-Hudson rail lines. In January 2005, Metro-North received the second of two F-30 locomotives ordered the previous year.

Rehabilitation and Improvement Projects

NYC Transit typically accounts for an estimated 75 percent of MTA rehabilitation projects. Major projects completed in 2004 include the $164 million rehabilitation of the Atlantic Avenue complex, one of the system's busiest hubs, linking ten subway lines, two subway stations, and an LIRR terminal. By interconnecting the station platforms with wider, accessible corridors, stairways, and elevators that meet the standards of the Americans with Disabilities Act, the redesigned complex now handles its high passenger volume with greater ease and efficiency. The redesigned complex features new flooring, lighting, turnstiles, signage, and many striking architectural enhancements.

Transit also reopened the Stillwell Avenue terminal at Coney Island in 2004, restoring service to three subway lines after a $321.2 million renovation project (N service was restored in May 2005). One of the MTA's showcase capital projects, the elegant new terminal design features arching glass canopies made up of hundreds of photovoltaic cells which generate the station's electricity. With more efficient service,



higher passenger capacity, and space for ten retail operations, the new terminal is helping revitalize business and tourism in the Coney Island area.

In addition, NYC Transit launched new rehabilitation projects at nine Brooklyn subway stations in 2004 and completed a $65-million rehabilitation of four Manhattan stations on the number 1 line.

While station reconstructions represent visible value for riders, the bulk of Transit's capital funds support crucial maintenance of the system's "invisible" infrastructure. Major infrastructure projects completed in 2004 include track reconfigurations on the L line in Brooklyn, rehabilitation of tunnels and lighting on the Flushing (7) line, new signals on the White Plains Road (2, 5) line, and two new fan plants in Lower Manhattan. NYC Transit also awarded several large infrastructure contracts in 2004, including $73 million for modernization of the interlockings at Queensboro Plaza; $129.2 million for rehabilitation of six ventilation plants in Queens and Brooklyn; and $86.7 million for installation of the fiber optic network at B division (lettered) subway stations. The new network, which will support automated train supervision and real-time service information, is an example of how the MTA is using new technology to expand capacity while holding down costs.

Fan plants are part of the invisible infrastructure improved by the Capital Program.

The LIRR wrapped up a series of station improvements in 2004, adding 170 parking spaces at Long Beach, refurbishing the Laurelton station building, and reconstructing exteriors and stairways at Amityville, Wantagh, and Bellmore. The LIRR also continued major construction at its Jamaica Station, opening new platform connections, escalators, and elevators to speed passenger flow and cut connection time between trains. At Atlantic Terminal, the LIRR opened its newly renovated terminal entryway, ticket office, and waiting area. Riders now enjoy improved rail access between Long Island and downtown Brooklyn, with improved links to ten subway lines through the refurbished complex.

Major LIRR infrastructure projects completed in 2004 include work on the Freeport interlocking, with improved signal and circuit technology, and a reconfiguration of the Long Beach rail yard, which increased yard capacity by 24 cars. The LIRR also continued work on its new audio-visual system for real-time service information. The system, which will be installed at 41 stations, went into operation in 2004 at the first five stations at Bayside, Freeport, Great Neck, Patchogue, and Ronkonkoma.

Metro-North closed out a number of major rehabilitation and construction projects in 2004. The largest was the $57 million Mid-Harlem Third Track Project begun in 2001. With new track, bridge spans, and signal systems, the 3.2 mile project laid the foundation for new economic growth across the region, linking growing job markets and business opportunities in Westchester, Putnam, and Dutchess counties with Manhattan and the Bronx by permitting additional reverse-peak service without reducing the number of peak trains heading toward Manhattan. Metro-North also continued work on Phase II of the Harmon Shop and Yard rehabilitation and signed off on blueprints for Phase III, which will include new coach and locomotive repair facilities. Other 2004 completions included Metro-North's West-of-Hudson parking project, which now facilitates increased commuter volume with more long-term parking at the Harriman, Campbell Hall, Otisville, Pearl River, and Nanuet stations.

In 2004 Bridges and Tunnels completed key phases of four major bridge projects. As part of its ten-year, $1.0 billion renovation of the Triborough Bridge, Bridges and Tunnels replaced the span's concrete highways with a lightweight steel deck, a $194 million stage of the ongoing rehabilitation. On the Bronx-Whitestone Bridge, aging trusses were replaced with a load-reducing fairing. At the Henry Hudson Bridge, it closed out a $33 million project removing lead paint and repainting the entire span. And at the Throgs Neck Bridge, a $32 million rehabilitation of the structural steel and drainage system was finished. Also in 2004, Bridges and Tunnels completed its $41.5 million reconstruction of the Battery Parking Garage, upgrading the lighting, electrical, and firefighting systems and adding a handsome new brick and louver façade, which garnered praise from architectural reviewers.

Network Expansion

One of the most important advances of the 2000-04 Capital Program was the creation of MTA Capital Construction Company, which in 2004 completed its first full year as manager of the MTA's expansion, Lower Manhattan mobility, and security-related projects.

Capital Construction contractors began rehabilitation of the 2/3 station at the Fulton Street Transit Center near the World Trade Center site, a centerpiece of the plan to improve mobility in Lower Manhattan. After winning key approvals from the Federal Transportation Administration, Capital Construction commenced design work on the rest of the transit center, which will connect nine subway lines, a new PATH station, and the new South Ferry terminal. Capital Construction also awarded the $298 million design-build contract for reconstruction of the South Ferry subway terminal in early 2005 and broke ground on this major project.

Expansion Projects Progress, 2000-2004

($ millions)

	Commitments	Expenditures	Completions*
East Side Access**	$902.77	$674.58	$106.49
Second Avenue Subway	296.90	209.44	—
7 Line Extension†	56.54	39.25	43.60
Fulton St. Transit Center	103.11	39.94	—
South Ferry Terminal	25.31	12.30	9.00

* Includes partial completions.
** East Side Access figures include amounts attributable to the 1995-1999 Capital Program.
† The MTA expects that construction of the 7 Line Extension will be fully funded by New York City.

Capital Construction also moved forward on its three system expansion projects. Crucial FTA approvals were obtained, and in 2004, the agency spent $87 million and committed $20 million on the Second Avenue Subway project. For East Side Access, which will bring the LIRR to Grand Central Terminal, Capital Construction committed $108 million and spent $140 million in 2004, completing the Arch Street Yard needed for related train maintenance. And on the 7 Line Extension, funded in full by New York City, Capital Construction committed $9.6 million, spent $43.6 million, and published the Final Generic Impact Statement.

Capital Construction also oversees security and antiterrorist projects for all MTA agencies, ensuring that security planning is an integral part of all capital projects. At present, $591 million has been earmarked for security, with the bulk of the funds allocated for projects to expand surveillance and harden the system against possible attack.

A steel deck replaced the concrete roadway on The Triborough Bridge in 2004.

Current Bond Statements

Notes to Credit Summaries

Debt Outstanding refers to bonds that have been issued but not yet matured, redeemed, or defeased.
Pledged Revenues are computed pursuant to the applicable bond resolution.

Bond Counsel
Hawkins, Delafield & Wood LLP, and Nixon Peabody LLP, are bond counsel to the MTA.

A Note on Legal Names

Although the MTA operating agencies adopted new popular names in 1993, the legal names remain unchanged and continue to be used in contracts, financial statements, legislation, and bond documents.

Legal Name	Popular Name
New York City Transit Authority	**MTA New York City Transit**
Staten Island Rapid Transit Operating Authority	**MTA Staten Island Railway**
The Long Island Rail Road Company	**MTA Long Island Rail Road**
Metropolitan Suburban Bus Authority	**MTA Long Island Bus**
Metro-North Commuter Railroad Company	**MTA Metro-North Railroad**
Triborough Bridge and Tunnel Authority	**MTA Bridges and Tunnels**
MTA Capital Construction Company	**MTA Capital Construction**
MTA Bus Company	**MTA Bus**

The Metropolitan Transportation Authority issues debt as efficiently as possible to provide the optimum economic benefit to the Capital Program and the riding public. Achieving this goal requires a strong legal framework and a commitment to the investment community. MTA bond resolutions provide bondholders with security in the form of a gross lien on transit and commuter railroad revenues under the Transportation Revenue Bond credit, a gross lien on certain taxes committed to the Dedicated Tax Fund credit, and a gross lien on state appropriations for the State Service Contract credit. In addition, the Triborough Bridge and Tunnel Authority resolution provides bondholders with a net lien on revenues of the bridges and tunnels — before surplus transfers are made to the transit and commuter systems.

Transportation Revenue Bonds

Resolution Dated

March 26, 2002

Uninsured Ratings

Moody's:	A2
Standard & Poor's:	A
Fitch Ratings:	A

Bonds Outstanding as of 5/15/2005

Series	Par	Structure	Final Maturity	Insurance
2002A	$2,854,090,000	Fixed Rate	Nov. 15, 2032	Partially insured
2002B	210,500,000	Auction Rate (7- and 28-Day)	Nov. 1, 2022	Fully insured
2002C	201,300,000	Federally Taxable Auction Rate (28-Day)	Nov. 1, 2012	Fully insured
2002D	400,000,000	Variable Rate (Weekly)	Nov. 1, 2029	Fully insured
2002E	391,980,000	Fixed Rate	Nov. 15, 2031	Partially insured
2002F	414,265,000	Fixed Rate	Nov. 15, 2031	Partially insured
2002G	400,000,000	Variable Rate (Weekly)	Nov. 1, 2026	Fully insured
2003A	458,485,000	Fixed Rate	Nov. 15, 2032	Partially insured
2003B	738,160,000	Fixed Rate	Nov. 15, 2032	Partially insured
2004A	500,000,000	Variable Rate (Weekly)	Nov. 1, 2034	Fully insured
2005A	650,000,000	Fixed Rate	Nov. 15, 2035	Partially insured
CP-1	720,000,000	Credit Enhanced Commercial Paper	270 day maximum	None
Total	**$7,938,780,000**			

Purpose

To finance certain capital costs to rehabilitate and improve transportation facilities of the MTA transit and commuter systems, which includes the New York City Transit Authority, Long Island Rail Road, Metro-North Commuter Railroad Company, Manhattan and Bronx Surface Transit Operating Authority, and the Staten Island Rapid Transit Operating Authority.

Security

MTA Transportation Revenue Bonds are MTA 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. Revenues securing the Transportation Revenue bonds include fares from the transit and commuter systems, and State and local governmental operating subsidies.

Future Bond Issuance

The MTA is permitted to issue additional Transportation Revenue bonds as long as it continues to meet the rate covenant contained in the resolution. The rate covenant stipulates that the 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;
- any parity debt;
- any subordinated indebtedness and amounts due on any subordinated contract obligations; and
- when due, all operating and maintenance expenses and other obligations of its transit and commuter affiliates and subsidiaries.

Trustee and Paying Agent

JPMorgan Chase Bank

Triborough Bridge and Tunnel Authority

(General Resolution)

Resolution Dated

March 26, 2002

Uninsured Ratings

Moody's: Aa2
Standard & Poor's: AA-
Fitch Ratings: AA

Bonds Outstanding as of 5/15/2005

Series	Par	Structure	Final Maturity	Insurance
EFC 1996A	$20,315,000	Fixed Rate	Jan. 1, 2018	None
2001A	1,125,720,000	Fixed Rate	Jan. 1, 2032	None
2001B	148,200,000	Variable Rate (Weekly)	Jan. 1, 2032	Fully insured
2001C	148,200,000	Variable Rate (Weekly)	Jan. 1, 2032	Fully insured
2002A	268,300,000	Fixed Rate	Jan. 1, 2032	None
2002B	2,119,075,000	Fixed Rate	Nov. 15, 2032	None
2002C	103,305,000	Variable Rate (Weekly)	Jan. 1, 2033	Fully insured
2002F	246,480,000	Variable Rate (Weekly)	Nov. 1, 2032	None
2003B	245,245,000	Variable Rate (Weekly)	Jan. 1, 2033	None
2005A	150,000,000	Variable Rate (Weekly)	Nov. 1, 2035	None
Total	**$4,574,840,000**			

Purpose

To fund the capital needs of the Triborough Bridge and Tunnel Authority (TBTA). In addition, TBTA securities may be issued for the purpose of financing capital projects of the MTA's transit or commuter rail systems.

Security

TBTA General Revenue Bonds are general obligations of TBTA payable solely from the trust estate pledged for the payment of the Bonds and Parity Debt pursuant to the terms of the TBTA Resolution, after the payment of Operating Expenses. The trust estate consists of facility revenues, proceeds from the sale of bonds, and all funds, accounts, and subaccounts established by the TBTA Resolution (except those established by a supplemental obligation resolution for variable interest rate obligations, put obligations, parity debt, subordinated contract obligations, or subordinated debt). TBTA receives its revenues from all tolls, rates, fees, charges, rents, proceeds of use, and occupancy insurance on any portion of its two tunnels, seven bridges, and other facilities, including the net revenues of the Battery Parking Garage, and TBTA's receipts from those sources, after payment of TBTA's operating expenses are pledged to the holders of the bonds for payment.

Future Bond Issuance

TBTA may issue additional bonds without satisfying any earnings or coverage test for the purpose of providing capital costs relating to TBTA facilities for the purpose of keeping such TBTA facilities in good operating condition or preventing a loss of revenue after payment of operating expenses.

TBTA may also, upon satisfaction of the additional bonds test, issue additional bonds to pay or provide for the payment of all or part of capital costs relating to any of the following purposes:

- TBTA transit and commuter projects,
- any additional TBTA projects (that do not become TBTA facilities), or
- any TBTA facilities other than for the purposes set forth in the preceding paragraph.

Trustee and Paying Agent

U.S. Bank Trust National Association

Triborough Bridge and Tunnel Authority

(Subordinate Resolution)

Resolution Dated

March 26, 2002

Uninsured Ratings

Moody's:	AA3
Standard & Poor's:	A+
Fitch Ratings:	AA-

Bonds Outstanding as of 5/15/2005

Series	Par	Structure	Final Maturity	Insurance
2000A	$ 160,000,000	Variable Rate (Weekly)	Jan. 1, 2031	Fully insured
2000B	63,900,000	Variable Rate (Weekly)	Jan. 1, 2031	Fully insured
2000C	138,810,000	Variable Rate (Weekly)	Jan. 1, 2031	Fully insured
2000D	85,090,000	Variable Rate (Weekly)	Jan. 1, 2031	Fully insured
2002D	261,700,000	Auction Rate (7- and 35-Day)	Nov. 1, 2032	Fully insured
2002E	756,095,000	Fixed Rate	Nov 15, 2032	Fully insured
2002G	181,025,000	Auction Rate (35-day)	Nov. 1, 2032	Fully insured
2003A	487,000,000	Fixed Rate	Nov. 15, 2032	Partially Insured
2004A	250,000,000	Auction Rate (7-Day)	Nov. 1, 2034	Fully insured
Total	**$2,383,620,000**			

Purpose

To fund the capital needs of the Triborough Bridge and Tunnel Authority's (TBTA) facilities for its capital programs. In addition, TBTA securities may be issued for the purpose of financing capital projects of the MTA's transit or commuter rail systems.

Security

TBTA Subordinate Revenue bonds are special obligations of TBTA payable solely from the trust estate pledged for the payment of such debt after the payment of operating expenses and after the payment of debt service as required by TBTA's senior resolution. The trust estate consists of facility revenues, proceeds from the sale of bonds, and all funds, accounts, and subaccounts established by the TBTA Resolution (except those established by a supplemental obligation resolution for variable interest rate obligations, put obligations, parity debt, subordinated contract obligations, or subordinated debt). TBTA receives its revenues from all tolls, rates, fees, charges, rents, proceeds of use and occupancy insurance on any portion of its two tunnels, seven bridges, and other facilities, including the net revenues of the Battery Parking Garage, and TBTA's receipts from those sources, after payment of TBTA's operating expenses are pledged to the holders of the bonds for payment.

Future Bond Issuance

TBTA may issue additional subordinate bonds to pay or provide for the payment of all or part of capital costs relating to any of the following purposes:

- TBTA facilities,
- TBTA transit and commuter project, or
- any additional subordinate TBTA project.

In addition to meeting certain other conditions, the issuance of additional TBTA subordinate indebtedness requires that the twelve-month period net revenues are at least equal to 1.10 times the combined maximum annual calculated debt service for all subordinate revenue obligations, parity debt, senior obligations, and senior parity debt.

Trustee and Paying Agent

The Bank of New York

MTA Dedicated Tax Fund

Resolution Dated

March 26, 2002

Uninsured Ratings

Standard & Poor's: AA-
Fitch Ratings: A+

Bonds Outstanding as of 5/15/2005

Series	Par	Structure	Final Maturity	Insurance
2001A	$ 210,690,000	Fixed Rate	Nov. 15, 2021	Partially insured
2002A	1,190,575,000	Fixed Rate	Nov. 15, 2032	Partially insured
2002B	440,000,000	Variable Rate (Weekly)	Nov. 1, 2022	Fully insured
2004A	250,000,000	Fixed Rate	Nov. 15, 2018	Partially insured
2004B	500,000,000	Auction Rate (7- and 28-Day)	Nov. 1, 2033	Fully insured
2004C	120,000,000	Fixed Rate	Nov. 15, 2018	Partially insured
2004D	280,000,000	Variable Rate (Weekly)	Nov. 1, 2034	Fully insured
2004D	350,000,000	Variable Rate (Weekly)	Nov. 1, 2031	Fully insured
Total	**$3,341,265,000**			

Purpose

To finance capital projects for the subway and bus operations of New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority, the Staten Island Rapid Transit Operating Authority (SIRTOA), and the commuter railroad operations of the Long Island Rail Road Company and Metro-North Commuter Railroad Company.

Security

The Dedicated Tax Fund Bonds are MTA special obligations payable as to principal, redemption premium, if any, and interest solely from the security, sources of payment, and funds specified in the MTA's "Dedicated Tax Fund Obligation Resolution," which includes the Standard Resolution Provisions, adopted on March 26, 2002. Payment of principal of or interest on the bonds may not be accelerated in the event of a default.

Bonds are secured by and payable from (1) Petroleum Business Tax revenues (PBT) and (2) certain other State special tax-supported subsidies levied by the State of New York and deposited to the MTA Dedicated Tax Fund. Such payments are first deposited in the Pledged Amounts Account to meet the requirements of the resolution. Thereafter, such payments are available to pay debt service on the MTA Transportation Revenue Bonds, and then any remaining amounts are available to be used to meet operating costs of the transit system, the commuter system, and SIRTOA.

Future Bond Issuance

The MTA may issue additional DTF bonds for the payment of capital costs, provided, in addition to satisfying certain other requirements, the MTA delivers a certificate that evidences the MTA's compliance with the additional bonds test set forth in the DTF Resolution.

Trustee and Paying Agent

The Bank of New York

MTA State Service Contract Obligation Bonds

Resolution Dated

March 26, 2002

Uninsured Ratings

Standard & Poor's:	AA-
Fitch Ratings:	A+

Bonds Outstanding as of 5/15/2005

Series	Par	Structure	Final Maturity	Insurance
2002A	$1,699,295,000	Fixed Rate	July 1, 2031	Partially insured
2002B	654,630,000	Fixed Rate	July 1, 2031	Partially insured
Total	**$2,353,925,000**			

Purpose

The MTA has entered into a service contract, called the "State Service Contract," with the State of New York. Under the State Service Contract, in consideration of the MTA's undertaking various transportation projects for the benefit of the people of the State, the State agrees to make annual payments to the MTA over a period of years, with the obligation of the State subject in each year to the making of annual appropriations by the State Legislature. State Service Contract Bonds may be used to finance and refinance transportation projects; to refund obligations issued by the MTA or any affiliate; and to refund obligations secured in whole or in part by any or all of the prior State service contracts authorized by the State Service Contract Legislation.

Security

Bonds are secured by a service contract dated May 15, 2002, between the MTA and the State of New York, pursuant to State Service Contract Legislation, comprising Section 16 of Chapter 314 of the Laws of 1981, Section 42 of Chapter 929 of the Laws of 1986, and Section 34 of Part O of Chapter 61 of the Laws of 2000.

Future Bond Issuance

The MTA may only issue State Service Contract Bonds subject to the following conditions and limitations:

- no State Service Contract Bond shall mature later than the expiration date of the State Service Contract, currently July 1, 2031;
- the aggregate amount of debt service on all State Service Contract Bonds (plus debt service amounts on all Old State Service Contract Bonds) shall not exceed, in any State fiscal year, $165,000,000; and
- no State Service Contract Bond (other than a refunding bond) shall be issued after March 31, 2003.

Trustee and Paying Agent

JPMorgan Chase Bank

Certificates of Participation
(2 Broadway Project)

Certificate Trust Agreement Dated
June 1999

Ratings
Moody's: Aaa (insured)
Standard & Poor's: AAA (insured)

Note: All of the certificates are insured by Ambac, which provides a "Aaa/AAA" (Moody's/S&P) rating.

Certificates Outstanding as of 5/15/2005

Series	Par	Structure	Final Maturity	Insurance
1999A	$61,385,000	Fixed Rate	Jan. 1, 2013	Fully insured
2000B	24,160,000	Fixed Rate	Jan. 1, 2014	Fully insured
2004A	357,925,000	Fixed Rate	Jan. 1, 2030	Fully insured
Total	**$443,470,000**			

Purpose
To finance certain building and tenant improvements to an office building occupied by New York City Transit Authority, Long Island Rail Road Company, Metro-North Commuter Railroad Company, and/or Triborough Bridge and Tunnel Authority (TBTA) located at 2 Broadway in New York City.

Security
The Certificates are several, but not joint, special obligations of the New York City Transit Authority, the Metropolitan Transportation Authority (on behalf of the Long Island Rail Road Company and Metro-North Commuter Railroad Company), and Triborough Bridge and Tunnel Authority in their respective Base Rent Proportionate Shares. The obligation of the New York City Transit Authority and the Metropolitan Transportation Authority to pay their respective Base Rent Proportionate Shares, are special obligations payable as operating and maintenance expenses from revenues subordinated to the payment of other obligations. The obligation of TBTA to pay its Base Rent Proportionate Share is a special obligation payable as a subordinated operating and maintenance expense of TBTA solely from revenues subordinated by agreement, to the payment of other operating and maintenance expenses and other obligations.

Reserves
A balance equal to one-half of the maximum Base Rent payable in the current or any future annual period must be maintained in the reserve fund.

Future Certificate Issuance
None currently contemplated or authorized, other than for refunding purposes if interest rates accommodate.

Trustee and Paying Agent
Bank of New York

Convention Center Project Bonds

Resolution Dated

July 1980

Uninsured Ratings

Moody's:	A2
Standard & Poor's:	AA-

Debt Outstanding as of 5/15/2005

Series E	$242,100,000

Purpose

To provide funds to finance and refinance the acquisition and construction of the Jacob K. Javits Convention Center of New York City.

Security

Bonds are secured by annual New York State General Fund appropriations. The Triborough Bridge and Tunnel Authority (TBTA) has leased the Convention Center to the State at rentals sufficient to pay debt service. The bonds are secured and payable solely from the State's rental payments; neither the TBTA's nor the Convention Center's operating revenues are pledged for debt service.

Reserves

A balance equal to one-half of the maximum debt service payable in the current or any future year must be maintained in the debt service reserve fund. JPMorgan Chase Bank has issued a letter of credit for deposit in the reserve fund to meet its requirements. Such facility has been extended and now expires in January 2006 unless terminated or extended by the bank.

Future Bond Issuance

None currently contemplated or authorized.

Trustee and Paying Agent

Deutsche Bank

Metropolitan Transportation Authority

New York City Transit
Long Island Rail Road
Long Island Bus
Metro-North Railroad
Bridges and Tunnels
Capital Construction
Bus Company

The renovated LIRR Jamaica station links passengers to Kennedy Airport.

Metropolitan Transportation Authority
State of New York

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