REMARKETING CIRCULAR **BOOK-ENTRY-ONLY**

On March 18, 2021 (the Mandatory Tender Date), Metropolitan Transportation Authority (MTA) is effectuating a mandatory tender for the purchase and remarketing of the currently outstanding Dedicated Tax Fund Variable Rate Bonds, Subseries 20002B-1 (the Subseries 2002B-1 Bonds). On the Mandatory Tender Date, (i) the Subseries 2002B-1 Bonds will be subject to mandatory tender at a purchase price equal to the principal amount thereof; (ii) MTA will convert the Subseries 2002B-1 Bonds from the Weekly Rate Mode to the Fixed Rate Mode; (iii) the terms and provisions of the Subseries 2002B-1 Bonds will be amended and restated to reflect the terms and provisions described herein; and (iv) the Subseries 2002B-1 Bonds will be remarketed as described herein. The Mandatory Tender Date is also an Interest Payment Date (as defined herein) for the Subseries 2002B-1 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 2002B-1 Bonds, see "TAX MATTERS" herein.

$110,325,000
METROPOLITAN TRANSPORTATION AUTHORITY
Dedicated Tax Fund Bonds, Subseries 2002B-1

Dated and accruing interest from: March 18, 2021 **Due: as shown on the inside cover**

The Subseries 2002B-1 Bonds —

- are MTA's special, not general, obligations, payable solely from the State of New York (the State) taxes deposited into the Pledged Amounts Account of the Metropolitan Transportation Authority Dedicated Tax Fund as described herein, and

- are not a debt of the State or The City of New York or any other local government unit.

MTA has no taxing power.

The Subseries 2002B-1 Bonds will bear interest from and including March 18, 2021 at the rates set forth on the inside cover hereof.

The Subseries 2002B-1 Bonds are not subject to redemption prior to maturity.

The Subseries 2002B-1 Bonds are subject to the Book-Entry-Only system through the facilities of The Depository Trust Company.

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 2002B-1 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.

Ramirez & Co., Inc.

Drexel Hamilton, LLC Stern Brothers & Co.

March 10, 2021

$110,325,000
METROPOLITAN TRANSPORTATION AUTHORITY
Dedicated Tax Fund Bonds, Subseries 2002B-1

Maturity (November 1)	Principal Amount	Interest Rate	Yield	CUSIP Number (59260X)*
2021	$53,940,000	2.00%	0.11%	AF5
2022	56,385,000	3.00	0.16	AG3

The Subseries 2002B-1 Bonds are not subject to redemption prior to maturity.

---

* CUSIP numbers have been assigned by an organization not affiliated with MTA and are included solely for the convenience of the holders of the Subseries 2002B-1 Bonds. MTA is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Subseries 2002B-1 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the remarketing of the Subseries 2002B-1 Bonds as a result of various subsequent actions, including, but not limited to, a refunding in whole or in part of such maturity 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 certain maturities of the Subseries 2002B-1 Bonds.

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

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

BACKSTROM MCCARLEY BERRY & CO., LLC
San Francisco, California

Co-Financial Advisors

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

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Subseries 2002B-1 Bonds following a remarketing of such bonds as described herein under "REMARKETING PLAN". The information in this remarketing circular, including the materials filed with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA and to the Dedicated Tax Fund Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Subseries 2002B-1 Bonds.

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.
Bonds Being Remarketed	Dedicated Tax Fund Bonds, Subseries 2002B-1 (the Subseries 2002B-1 Bonds).
Maturities and Rate Mode	The Subseries 2002B-1 Bonds mature on the dates shown on the inside cover page of this remarketing circular. The Subseries 2002B-1 Bonds will bear interest in the Fixed Rate Mode as herein described, at the rates set forth on the inside cover page of this remarketing circular.
Denominations	$5,000 minimum and integral multiples of $5,000 in excess thereof.
Interest Payment Dates in Fixed Rate Mode	Each May 1 and November 1, commencing May 1, 2021.
Redemption	The Subseries 2002B-1 Bonds are not subject to optional or mandatory redemption prior to maturity.
Sources of Payment and Security	MTA's pledged State taxes, as described in **Part II**.
Impacts of the COVID-19 Pandemic	The impact of the COVID-19 pandemic on MTA revenues and operations has been severe. See "SOURCES OF PAYMENT – Factors Affecting Revenues – The COVID-19 Pandemic", for a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects' implementation.
Registration of the Subseries 2002B-1 Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.
Trustee and Paying 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	Ratings	Outlook
Fitch:	AA	Negative Outlook
S&P:	AA	Negative Outlook

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

Co-Financial Advisors	Public Resources Advisory Group, Inc., New York, New York, and Backstrom McCarley Berry & Co., LLC, San Francisco, California.
Remarketing Agents	See cover page.
Counsel to the Remarketing Agents	Cozen O'Connor, New York, New York.

- ***No Unauthorized Offer*. This remarketing circular is not an offer to sell, or the solicitation of an offer to buy, the Subseries 2002B-1 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 2002B-1 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 and the Subseries 2002B-1 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 the documents included by specific cross reference, that are not historical facts are forward-looking statements, which are based on MTA's beliefs, as well as assumptions made by, and information currently available to, the management and staff of MTA as of the date of this 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 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 other affiliates and subsidiaries as of the date of this remarketing circular, and the independent auditors assume no responsibility for its content.**

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

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

- ***No Guarantee of Information by Remarketing Agents*. The Remarketing Agents have provided the following sentences for inclusion in this remarketing circular: The Remarketing Agents have reviewed the information in this remarketing circular in accordance with, and as part of, their responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agents do not guarantee the accuracy or completeness of such information. The Remarketing Agents do not make any representation or warranty, express or implied, as to**
  - **the accuracy or completeness of information they have neither supplied nor verified,**
  - **the validity of the Subseries 2002B-1 Bonds, or**
  - **the tax-exempt status of the interest on the Subseries 2002B-1 Bonds.**
- ***Overallotment and Stabilization*. The Remarketing Agents may overallot or effect transactions that stabilize or maintain the market price of the Subseries 2002B-1 Bonds at a level above that which might otherwise prevail in the open market. The Remarketing Agents are not obligated to do this and are free to discontinue it at any time.**
- ***Website Addresses*. References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this remarketing circular for purposes of Rule 15c2-12 of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof.**

TABLE OF CONTENTS

Information Included by Specific Cross-reference. The following portions of MTA's 2020 Combined Continuing Disclosure Filings, dated April 29, 2020, as supplemented on May 1, 2020, May 19, 2020, May 27, 2020, June 3, 2020, June 25, 2020, July 17, 2020, and August 28, 2020, and as updated by a First Quarterly Update, dated August 3, 2020, a Second Quarterly Update, dated November 24, 2020, and a Third Quarterly Update, dated March 2, 2021, each filed with the Electronic Municipal Market Access system (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this remarketing circular, along with material that updates this remarketing circular and that is filed with EMMA prior to the delivery date of the Subseries 2002B-1 Bonds, together with any supplements or amendments thereto:

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

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

- Summary of Certain Provisions of the DTF Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- Form of the Interagency Agreement
- MTA's Unaudited Consolidated Interim Financial Statements as of and for the nine-month period ended September 30, 2020 (excluding the auditor's review report accompanying the interim financial information)

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

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

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

INTRODUCTION

MTA, MTA Bridges and Tunnels and Other Related Entities

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

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

Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels), another affiliate of MTA, is a public benefit corporation empowered to construct and operate toll bridges and tunnels and other public facilities in the City. MTA Bridges and Tunnels issues debt obligations to finance the capital costs of its facilities 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 each case secured by bridge and tunnel tolls. In the last ten years, MTA Bridges and Tunnels has not issued new money bonds secured by bridge and tunnel tolls to finance capital projects for the benefit of the Transit and Commuter Systems. MTA Bridges and Tunnels' surplus amounts are used to fund certain transit and commuter operations and capital projects.

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

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

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

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

Information Provided in the MTA Annual Disclosure Statement

From time to time, the Governor, the State Comptroller, the Mayor of the City, the City Comptroller, County Executives, State legislators, City Council members and other persons or groups may make public statements, issue reports, institute proceedings or take actions that contain predictions, projections or other information relating to the Related Entities or their financial condition, including potential operating results for the current fiscal year and projected baseline surpluses or gaps for future years, that may vary materially from, question or challenge the information provided in the **ADS**. Investors and other market participants should, however, refer to MTA's then current continuing disclosure filings, official statements, remarketing circulars and offering 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 2002B-1 Bonds.
- ***Part II*** describes the sources of payment and security for all Dedicated Tax Fund Bonds, including the Subseries 2002B-1 Bonds.
- ***Part III*** provides miscellaneous information relating to the Subseries 2002B-1 Bonds.
- ***Attachment 1*** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Subseries 2002B-1 Bonds.
- ***Attachment 2*** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Subseries 2002B-1 Bonds.
- ***Attachment 3-1*** is the form of opinion of Hawkins Delafield & Wood LLP delivered in connection with the original issuance of the Subseries 2002B-1 Bonds on September 5, 2002.
- ***Attachment 3-2*** is the form of opinion of Hawkins Delafield & Wood LLP delivered in connection with the remarketing and reissuance of the Subseries 2002B-1 Bonds on March 28, 2012.
- ***Attachment 3-3*** is the form of opinions of Co-Bond Counsel, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP delivered in connection with the remarketing of the Subseries 2002B-1 Bonds on March 23, 2016.
- ***Attachment 3-4*** is the form of opinions of Co-Bond Counsel, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, to be delivered in connection with the remarketing of the Subseries 2002B-1 Bonds.
- ***Attachment 4*** sets forth a copy of the Third Quarterly Update to the ADS, dated March 2, 2021.

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

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

Information Included by Specific Cross-reference. The information listed under the caption "Information Included by Specific Cross-reference" following the Table of Contents, as filed with the MSRB through EMMA to date, is "included by specific cross-reference" in this remarketing circular. This means that important information is disclosed by referring to those documents and that the specified portions of those documents are considered to be part of this remarketing circular. **This remarketing circular, which includes**

the specified portions of those filings, should be read in its entirety in order to obtain essential information for making an informed decision in connection with the Subseries 2002B-1 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**.

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

PART I. SUBSERIES 2002B-1 BONDS

Part I of this remarketing circular, together with the Summary of Terms, provides specific information about the Subseries 2002B-1 Bonds.

REMARKETING PLAN

On March 18, 2021 (the Mandatory Tender Date), MTA is effectuating a mandatory tender for the purchase and remarketing of the currently outstanding Subseries 2002B-1 Bonds. On the Mandatory Tender Date (i) the Subseries 2002B-1 Bonds will be subject to mandatory tender at a purchase price equal to the principal amount thereof; and (ii) MTA will convert the Subseries 2002B-1 Bonds from the Weekly Rate Mode to the Fixed Rate Mode. The Mandatory Tender Date is also an Interest Payment Date (as defined herein) for the Subseries 2002B-1 Bonds, and accrued interest to, but not including, the Mandatory Tender Date will be paid in accordance with customary procedures.

MTA is further amending and restating the Certificate of Determination delivered in connection with the issuance and subsequent remarketing of the Subseries 2002B-1 Bonds, pursuant to the supplemental resolution relating to the Subseries 2002B-1 Bonds, to modify the terms and provisions of the Subseries 2002B-1 Bonds to reflect the terms and provisions described herein. By acceptance of a confirmation of purchase of the Subseries 2002B-1 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 2002B-1 Bonds described herein will be applicable to the Subseries 2002B-1 Bonds on and after the Mandatory Tender Date.

MTA anticipates that the proceeds of the remarketing of the Subseries 2002B-1 Bonds (the principal amount thereof, plus premium of $3,219,193.95) in the total amount of $113,544,193.95, will be used as follows: (i) $113,000,000.00 to pay the Purchase Price of the currently outstanding Subseries 2002B-1 Bonds, and (ii) $544,193.95 to pay certain financing, legal and miscellaneous expenses of MTA.

DESCRIPTION OF THE SUBSERIES 2002B-1 BONDS

General

Record Date. The Record Date for the payment of principal of, and interest on, the Subseries 2002B-1 Bonds shall be the fifteenth day preceding each Interest Payment Date.

Book-Entry-Only System. The Subseries 2002B-1 Bonds will be registered in the name of The Depository Trust Company or its nominee (together, DTC), New York, New York, which will act as securities depository for the Subseries 2002B-1 Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or any integral multiple thereof. So long as DTC is the registered owner of the Subseries 2002B-1 Bonds, all payments on the Subseries 2002B-1 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."

Maturity. The Subseries 2002B-1 Bonds shall mature and be payable as to principal and interest accrued from the dated date, as set forth on the inside cover page of this remarketing circular.

Interest Payments. The Subseries 2002B-1 Bonds will bear interest at the per annum rates shown on the inside cover page of this remarketing circular. Interest will be paid semiannually on each May 1 and November 1, beginning May 1, 2021, calculated based on a 360-day year comprised of twelve 30-day months.

Transfers and Exchanges. So long as DTC is the securities depository for the Subseries 2002B-1 Bonds, it will be the sole registered owner of the Subseries 2002B-1 Bonds, and transfers of ownership interests in the Subseries 2002B-1 Bonds will occur through the DTC Book-Entry-Only System.

Trustee and Paying Agent. The Bank of New York Mellon, New York, New York, is Trustee and Paying Agent with respect to the Subseries 2002B-1 Bonds.

No Redemption Prior to Maturity

No Redemption. The Subseries 2002B-1 Bonds are not subject to optional or mandatory redemption prior to maturity.

DEBT SERVICE ON THE BONDS

Table 1 on the next page sets forth, on a cash basis (i) the debt service on the outstanding Dedicated Tax Fund Bonds (other than the Subseries 2002B-1 Bonds), (ii) debt service on the Subseries 2002B-1 Bonds, and (iii) the aggregate debt service on all Dedicated Tax Fund Bonds outstanding as of the date of remarketing of the Subseries 2002B-1 Bonds.

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

Table 1
Aggregate Debt Service
(in thousands) (1)

Year Ending December 31,	Debt Service on Outstanding Bonds(2)(3)(4)(5)	Debt Service on Subseries 2002B-1 Bonds			Aggregate Debt Service(6)
		Principal	Interest	Total	
2021	$ 354,486	$ 53,940	$1,716	$ 55,656	$ 410,142
2022	357,891	56,385	1,692	58,077	415,967
2023	417,697	-	-	-	417,697
2024	417,691	-	-	-	417,691
2025	413,236	-	-	-	413,236
2026	403,471	-	-	-	403,471
2027	411,457	-	-	-	411,457
2028	409,983	-	-	-	409,983
2029	419,417	-	-	-	419,417
2030	419,511	-	-	-	419,511
2031	403,939	-	-	-	403,939
2032	374,283	-	-	-	374,283
2033	382,965	-	-	-	382,965
2034	299,995	-	-	-	299,995
2035	300,009	-	-	-	300,009
2036	371,532	-	-	-	371,532
2037	394,327	-	-	-	394,327
2038	375,992	-	-	-	375,992
2039	357,651	-	-	-	357,651
2040	74,216	-	-	-	74,216
2041	38,171	-	-	-	38,171
2042	38,169	-	-	-	38,169
2043	38,170	-	-	-	38,170
2044	38,163	-	-	-	38,163
2045	38,171	-	-	-	38,171
2046	38,167	-	-	-	38,167
2047	38,167	-	-	-	38,167
2048	21,459	-	-	-	21,459
2049	21,456	-	-	-	21,456
2050	21,457	-	-	-	21,457
2051	21,460	-	-	-	21,460
2052	21,454	-	-	-	21,454
2053	21,448	-	-	-	21,448
2054	21,447	-	-	-	21,447
2055	21,451	-	-	-	21,451
2056	21,448	-	-	-	21,448
2057	13,425	-	-	-	13,425
Total	$7,833,431	$110,325	$3,408	$113,733	$7,947,164

(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.
(3) Excludes debt service on all outstanding Dedicated Tax Fund Bond Anticipation Notes.
(4) Debt service has not been reduced to reflect expected receipt of Build America Bond interest subsidies relating to certain Outstanding Bonds; such subsidies do not constitute pledged revenues under the DTF Resolution.
(5) Excludes debt service on the Subseries 2002B-1 Bonds.
(6) Figures reflect amounts outstanding as of the date of remarketing of the Subseries 2002B-1 Bonds.

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this remarketing circular describes the sources of payment and security for all Dedicated Tax Fund Bonds, including the Subseries 2002B-1 Bonds.

SOURCES OF PAYMENT

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

Revenues from Dedicated Taxes

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

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

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

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

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

MTA anticipates that the amount and timing of MTTF Receipts will be sufficient to make required principal and interest payments on the Dedicated Tax Fund Bonds, including the Subseries 2002B-1 Bonds.

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

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

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

Starting in 1980, in response to anticipated operating deficits of the State's mass transportation systems, the State Legislature enacted a series of taxes, portions of the proceeds of which have been and are to be deposited in a special State Fund — the Mass Transportation Operating Assistance Fund — to fund the operations of mass transportation systems. The Metropolitan Mass Transportation Operating Assistance Account, or MMTOA Account, was established in that State Fund to support operating expenses of transportation systems in the MCTD, including the MTA New York City Transit, MaBSTOA and the commuter railroads operated by MTA's subsidiaries, MTA Long Island Rail Road and MTA Metro-North Railroad. After payment of Section 18-b general operating assistance to the various transportation systems, MTA receives 84.9% of the moneys deposited into the MMTOA Account, with the remaining 15.1% available to other transportation properties within the MCTD, such as MTA Bus, which currently operates the routes formerly operated by the City private franchise bus lines.

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

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

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

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

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

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

The information in the following **Table 2** relating to MTTF Receipts and MMTOA Receipts was provided by the New York State Division of the Budget and the remaining information was provided by MTA. For a description of impacts of the COVID-19 pandemic upon MTA revenues, operations and timing of capital projects' implementation see "SOURCES OF PAYMENT – Factors Affecting Revenues from Dedicated Taxes – *The COVID-19 Pandemic*"; see also **Attachment 4** – "Third Quarterly Update to the ADS, dated March 2, 2021", the Second Quarterly Update to the ADS, dated November 24, 2020, the Supplement to the ADS, dated August 28, 2020 and the First Quarterly Update to the ADS, dated August 3, 2020.

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

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

Dedicated Taxes ($ millions)	Actual 2018	Actual 2019	Actual 2020	Projection[8] 2021	Projection[8] 2022
MTTF[1]					
PBT[2]	$ 326.5	$ 345.6	$ 343.9	$ 288.8	$ 315.5
Motor Fuel Tax	100.5	102.0	99.4	83.3	97.0
Motor Vehicle Fees[3]	132.5	130.7	131.9	117.6	132.4
Total Available	$ 559.5	$ 578.3	$ 575.2	$ 489.7	$ 544.9
MMTOA[1]					
PBT[2]	$ 70.8	$ 74.1	$ 74.1	$ 62.2	$ 67.5
District Sales Tax	942.0	963.1	1,049.1	873.0	938.7
Franchise Taxes[4]	37.2	41.3	39.3	29.7	37.8
Franchise Surcharges	1,087.4	1,169.1	1,392.4	1,235.0	1,290.0
Total Available	$ 2,137.4	$ 2,247.6	$ 2,554.9	$ 2,199.9	$ 2,334.0
Disbursements					
MTTF[3][5]	$ 623.4	$ 630.8	$ 642.5	$ 527.9	$ 579.9
MMTOA[6]	$ 1,668.0	$ 1,686.6	$ 1,829.7	$ 1,895.2	$ 1,764.0
Total Disbursed	$ 2,291.4	$ 2,317.4	$ 2,472.2	$ 2,423.1	$ 2,343.9
Debt Service[7]	$ 390.2	$ 383.0	$ 382.8	$ 388.6	$ 397.8
Debt Service Coverage Ratio – MTTF Receipts Only	1.60x	1.65x	1.68x	1.36x	1.46x
Debt Service Coverage Ratio – MTTF and MMTOA Receipts	5.87x	6.05x	6.46x	6.23x	5.89x

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

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

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

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

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

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

(7) Net of approximately $26.0 million of Build America Bond interest credit payments in each year. Projections for 2021 include actuals through January 2021 and budgeted amounts for remaining State Fiscal Year as budgeted in MTA 2021 Adopted Budget February Financial Plan 2021-2024. Projections for 2022 based on debt service as budgeted in the February Financial Plan.

(8) The State Fiscal Year 2020-2021 and 2021-2022 projections are based on the 2021-2022 30-Day Amendments to the Executive Budget Financial Plan.

Factors Affecting Revenues from Dedicated Taxes

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

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

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

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

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

- The State Legislature may not bind or obligate itself to appropriate revenues during a future legislative session, and appropriations approved during a particular legislative session generally have no force or effect after the close of the State fiscal year for which the appropriations are made. However, in the case of the PBT that is deposited as a portion of the MTTF Receipts, the State Legislature has expressed its intent in the State Finance Law to enact for each State fiscal year an appropriation for the current and the next year. See the heading "SECURITY – Appropriation by the State Legislature" below.
- The State is not bound or obligated to continue to pay operating subsidies to the transit or commuter systems or to continue to impose any of the taxes currently funding those subsidies.

The COVID-19 Pandemic. The State released its Fiscal Year 2022 Executive Budget Financial Plan (the State Fiscal Year 2022 Executive Financial Plan) on January 19, 2021, in connection with the State Fiscal Year 2021-2022 Executive Budget. While the State, in its Fiscal Year 2022 Executive Financial Plan, continues to caution that the wide-ranging economic, health and social disruptions caused by the COVID-19 pandemic are having an adverse impact on the State's finances as well as aid directed to State authorities and localities, including MTA and the City, the update to its Mid-Year Financial Plan reflects improvement due to stronger than expected tax receipts through December 2020 and for the first weeks of 2021. As part of a plan to address the financial impacts of the COVID-19 pandemic, the Mid-Year State Fiscal Year 2021 Financial Plan included $8.2 billion in recurring reductions in Aid-to-Locality disbursements. To reach this target by the end of its fiscal year, consistent with the Mid-Year Plan assumption, the State had commenced withholding 20 percent of most local aid payments. Due to the improved tax receipts, additional availability of COVID-19 pandemic relief resources and a temporarily higher federal matching rate for Medicaid, the State now expects to reduce most Aid-to-Locality disbursements by a total of 5 percent from the 2020-2021 State Enacted Budget estimates, rather than the 20 percent anticipated in the Mid-Year Update. The State plans to reconcile payments and withholdings to date, and to pay balances to the localities by the end of the final quarter of State Fiscal Year 2021. MTA expected to receive approximately $3.2 billion in Aid-to-Locality disbursements during the State's 2021 fiscal year, which fiscal year ends on March 31, 2021.

For further information related to the impact of the COVID-19 pandemic on government assistance and relating to the revenues and operations of MTA and its Related Entities, see "BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL

AND STATE RESPONSES" in Part 1 of the **ADS**; and see also **Attachment 4** – "Third Quarterly Update to the ADS, dated March 2, 2021", the Second Quarterly Update to the ADS, dated November 24, 2020, the Supplement to the ADS, dated August 28, 2020 and the First Quarterly Update to the ADS, dated August 3, 2020.

Information Relating to the State. Information relating to the State, including the Annual Information Statement of the State, as amended or supplemented, is not a part of this remarketing circular. Such information is on file with the MSRB through EMMA with which the State was required to file, and the State has committed to update that information to the holders of its general obligation bonds in the manner specified in Rule 15c2-12. Prospective purchasers of MTA's Dedicated Tax Fund Bonds wishing to obtain that information may refer to those filings regarding currently available information about the State. The State has not obligated itself to provide continuing disclosure in connection with the offering of MTA's Dedicated Tax Fund Bonds. MTA makes no representations about State information or its continued availability.

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

SECURITY

The Dedicated Tax Fund Bonds, including the Subseries 2002B-1 Bonds, are MTA's special obligations payable as to principal, redemption premium, if any, and interest solely from the security, sources of payment and funds specified in the DTF Resolution. Payment of principal of or interest on the Dedicated Tax Fund Bonds may not be accelerated in the event of a default.

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

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

The Dedicated Tax Fund Bonds are not a debt of the State or the City, or any other local governmental unit. MTA has no taxing power.

Summaries of certain provisions of the DTF Resolution and the Standard Resolution Provisions have been filed with EMMA and are available on MTA's website.

Pledge Effected by the DTF Resolution

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

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

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

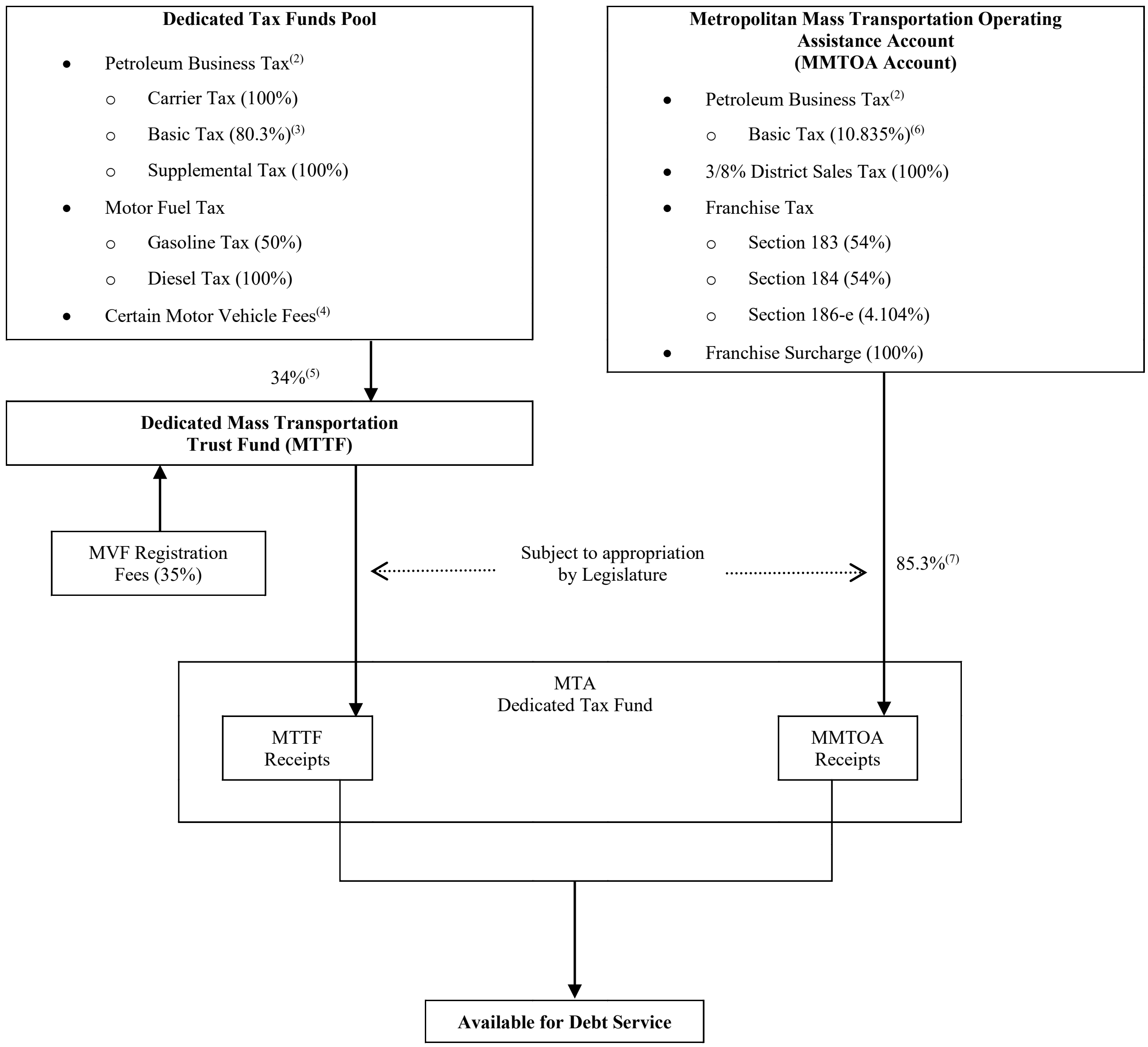
Flow of Funds

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

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

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

MTA DEDICATED TAX FUND BONDS SOURCES OF REVENUE
(Through March 31, 2021)[1]



Notes

(1) Parenthetical amounts and percentages, as well as flow of fund percentages, indicate the amount or percent of that tax or fund to be deposited for the year ending March 31, 2021 in the respective fund or account. The allocations shown may be changed at any time by the Legislature.

(2) Effective December 1, 2017, all receipts from aviation fuel are directed to an aviation purpose account, from which no revenue is directed to MTTF or MMTOA. However, beginning in Fiscal Year 2018-2019 the enacted statutory "hold-harmless" provision directs transfers from the State General Fund to MTTF and MMTOA. In 2019-2020, these transfers totaled $7.2 million of which $4.0 million flowed to the MTA Dedicated Tax Fund as MTTF Receipts and $1.6 million flowed to MMTOA for downstate transit systems including MTA.

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

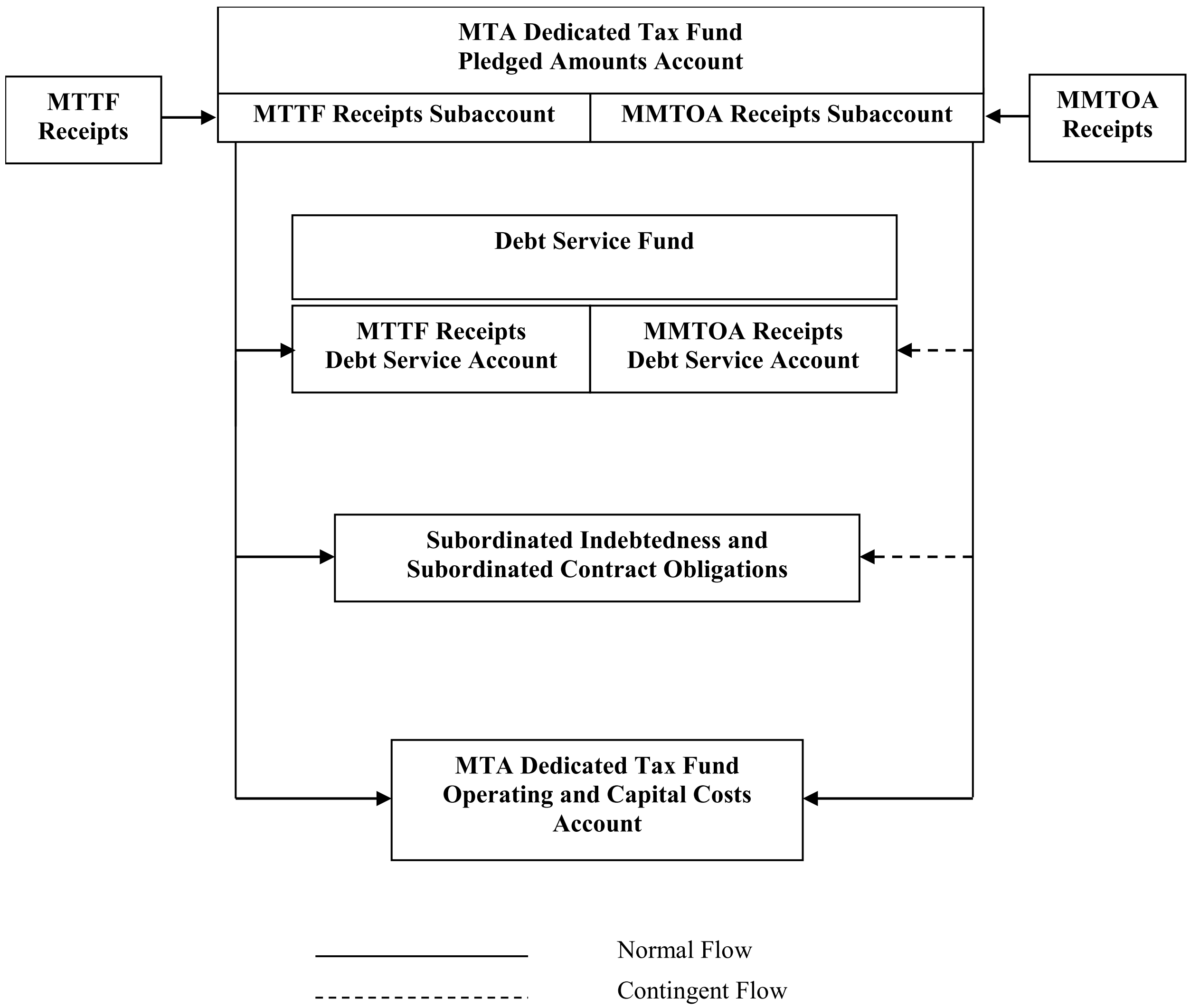
(4) Beginning with the State fiscal year 2014-2015, and each year thereafter, a portion of the State fiscal year 2013-2014 Motor Vehicle General Fund transfer of $169.4 million has been replaced with a direct transfer of $62.7 million from the State General Fund to the MTTF; $57.6 million of such amount flows to the MTA Dedicated Tax Fund as MTTF Receipts as defined in the DTF Resolution.

(5) Percentage of Dedicated Tax Funds Pool.

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

(7) Percentage based upon appropriations for State fiscal year 2020-2021, including Section 18-b assistance.

MTA DEDICATED TAX FUND BONDS – RESOLUTION FLOW OF FUNDS



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

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

Debt Service Fund

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

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

Covenants

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

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

Such certificate must set forth:

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

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

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

(y) that the sum of the MTTF Receipts, MMTOA Receipts and investment income set forth in clause (A) above is not less than 2.5 times the amount set forth in clause (B) above.

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

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

Parity Debt

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

Appropriation by the State Legislature

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

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

The State Fiscal Year 2019-2020 Enacted Budget included two appropriations from the MTTF to the MTA Dedicated Tax Fund. One such appropriation was for the State Fiscal Year that ended March 31, 2020, and the other such appropriation is for the succeeding State Fiscal Year that ends March 31, 2021. MTA has periodically availed itself of the latter appropriation to meet operating costs in response to delays in the adoption of the State budget in such years.

A budgetary imbalance in the present or any future State Fiscal Year could affect the ability and willingness of the Legislature to appropriate and the availability of moneys to make the payments from the MTTF and the MMTOA Account. However, MTA believes that any failure by the Legislature to make appropriations as contemplated would have a serious impact on the ability of the State and its public benefit corporations to raise funds in the public credit markets.

For information related to the impact of the COVID-19 pandemic on the finances and operations of MTA and its Related Entities, see "BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES" and "CERTAIN RISK FACTORS – *Respond to Developing Economic Environment*" in Part 1 of the **ADS**; see also **Attachment 4** – "Third Quarterly Update to the ADS, dated March 2, 2021", the Second Quarterly

Update to the ADS, dated November 24, 2020, the Supplement to the ADS, dated August 28, 2020 and the First Quarterly Update to the ADS, dated August 3, 2020.

Agreement of the State

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

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

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

PART III. OTHER INFORMATION ABOUT THE SUBSERIES 2002B-1 BONDS

Part III of this remarketing circular provides miscellaneous additional information relating to the Subseries 2002B-1 Bonds.

TAX MATTERS

General

On September 5, 2002, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-1** in connection with the original issuance of the Series 2002B Bonds. On March 28, 2012, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth in **Attachment 3-2** (the Reissuance Opinion), relating to the remarketing of the Subseries 2002B-1 Bonds, which remarketing was deemed a reissuance of the Subseries 2002B-1 Bonds for federal tax purposes. On March 23, 2016, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, as co-bond counsel to MTA, delivered the opinion set forth as **Attachment 3-3** (the Remarketing Opinion) in connection with the conversion and remarketing of the Subseries 2002B-1 Bonds. Each of the foregoing opinions (collectively referred to herein as the Prior Opinions) speaks only as of its date, only as to the matters expressly stated and is not being re-delivered.

The Reissuance 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 2002B-1 Bonds was:

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

The Reissuance Opinion also concluded that, under then existing law, as of its date, interest on the Subseries 2002B-1 Bonds was exempt from personal income taxes of the State and any political subdivisions of the State, including the City.

The Remarketing Opinion concluded that, under then existing law, as of its date, the mandatory tender of the Subseries 2002B-1 Bonds; the conversion of the Subseries 2002B-1 Bonds to a Weekly Rate Mode; the issuance of a direct-pay letter of credit; and the remarketing of the Subseries 2002B-1 Bonds would not, in and of themselves, adversely affect for federal and State income tax purposes the tax treatment on the Subseries 2002B-1 Bonds.

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 2002B-1 Bonds, will deliver opinions in the form set forth hereto as **Attachment 3-4** that the mandatory tender of the Subseries 2002B-1 Bonds, the conversion of the Subseries 2002B-1 Bonds to the Fixed Rate Mode, the amendment of the terms and provisions of the Subseries 2002B-1 Bonds as described herein and the remarketing of the Subseries 2002B-1 Bonds will not, in and of themselves, adversely affect the exclusion of interest on the Subseries 2002B-1 Bonds from gross income for purposes of federal income taxation.

---

* 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.

Neither current Co-Bond Counsel to MTA nor prior bond counsel is rendering an opinion on the current tax status of any of the Subseries 2002B-1 Bonds.

The Subseries 2002B-1 Bonds

The Internal Revenue Code of 1986 imposes requirements on the Subseries 2002B-1 Bonds that MTA must continue to meet after the Subseries 2002B-1 Bonds were issued (or reissued for federal tax purposes). These requirements generally involve the way that Subseries 2002B-1 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 2002B-1 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 2002B-1 Bonds. This is possible if an Owner is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Subseries 2002B-1 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 respective dates of delivery of such opinions, it is possible that something may have happened or may happen in the future that could change the tax treatment of the interest on the Subseries 2002B-1 Bonds or affect the market price of the Subseries 2002B-1 Bonds. See also "—Miscellaneous" below.

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 2002B-1 Bonds or under State, local or foreign tax law.

Bond Premium

If an Owner purchases a Subseries 2002B-1 Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Subseries 2002B-1 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 2002B-1 Bond will be reduced. The Owner of a Subseries 2002B-1 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 2002B-1 Bond. An Owner in certain circumstances may realize a taxable gain upon the sale of a Subseries 2002B-1 Bond with bond premium, even though the Subseries 2002B-1 Bond is sold for an amount less than or equal to the Owner's original cost. If an Owner owns any Subseries 2002B-1 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 2002B-1 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 2002B-1 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 2002B-1 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 2002B-1 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 2002B-1 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 2002B-1 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 2002B-1 Bonds may occur. Prospective purchasers of the Subseries 2002B-1 Bonds should consult their own tax advisors regarding the impact of any change in law or proposed change in law on the Subseries 2002B-1 Bonds. Co-Bond Counsel have not undertaken to advise in the future whether any events after the date of the remarketing of the Subseries 2002B-1 Bonds may affect the tax status of interest on the Subseries 2002B-1 Bonds.

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

LEGALITY FOR INVESTMENT

The MTA Act provides that the Subseries 2002B-1 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 2002B-1 Bonds.

LITIGATION

There is no pending litigation concerning the bonds being remarketed.

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 2002B-1 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 Backstrom McCarley Berry & Co., LLC are MTA's Co-Financial Advisors for the remarketing of the Subseries 2002B-1 Bonds. The Co-Financial Advisors have provided MTA advice on the remarketing plan and reviewed the pricing of the Subseries 2002B-1 Bonds. The Co-Financial Advisors have not independently verified the information contained in this remarketing circular and do not assume responsibility for the accuracy, completeness or fairness of such information.

REMARKETING

The Remarketing Agents for the Subseries 2002B-1 Bonds, acting through Ramirez & Co., Inc., as representative, have agreed, subject to certain conditions, to purchase from MTA the Subseries 2002B-1 Bonds described on the inside cover page of this remarketing circular at an aggregate purchase price of $113,315,788.63, reflecting a premium of $3,219,193.95 and a remarketing agents' discount of $228,405.32, and to reoffer such Subseries 2002B-1 Bonds at the public offering prices or yields set forth on the inside cover page.

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

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

RATINGS

MTA has applied to each of the credit rating agencies set forth below for the ratings to be assigned to the Subseries 2002B-1 Bonds. Upon the assignment of such ratings, MTA intends to supplement this remarketing circular to reflect the ratings assigned to the Subseries 2002B-1 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 Hearst Tower 300 W. 57th Street New York, New York 10019 (212) 908-0500	S&P Global Ratings 55 Water Street New York, New York 10041 (212) 438-2000

MTA has furnished information to each rating agency rating the bonds being offered, 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 bonds. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the bonds.

LEGAL MATTERS

Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP are Co-Bond Counsel to MTA for the remarketing of the Subseries 2002B-1 Bonds. On September 5, 2002, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth as **Attachment 3-1** in connection with the original issuance of the Series 2002B Bonds, including the Subseries 2002B-1 Bonds. On March 28, 2012, Hawkins Delafield & Wood LLP, as bond counsel to MTA, delivered the opinion set forth in **Attachment 3-2**, relating to the remarketing of the Subseries 2002B-1 Bonds, which remarketing was deemed a reissuance of the Subseries 2002B-1 Bonds for federal tax purposes. On March 23, 2016, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, as co-bond counsel to MTA, delivered opinions in the form set forth as **Attachment 3-3** in connection with the conversion and remarketing of the Subseries 2002B-1 Bonds. Each of the foregoing opinions speaks only as of its date, only as to the matters expressly stated and is not being re-delivered. On the date of the remarketing of the Subseries 2002B-1 Bonds, Orrick, Herrington & Sutcliffe LLP and Bryant Rabbino LLP, as Co-Bond Counsel, will deliver opinions in substantially the form set forth in **Attachment 3-4**.

The Remarketing Agents have appointed Cozen O'Connor as counsel to the Remarketing Agents in connection with the remarketing of the Subseries 2002B-1 Bonds, which firm will pass upon certain legal matters.

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

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

CONTINUING DISCLOSURE

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

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

- principal and interest payment delinquencies;
- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Subseries 2002B-1 Bonds or other material events affecting the tax status of the Subseries 2002B-1 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 Subseries 2002B-1 Bonds, if material;
- rating changes;
- bankruptcy, insolvency, receivership of MTA or similar event;
- consummation of a merger, consolidation or acquisition, involving an obligated person or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material;
- appointment of a successor or additional trustee or the change in name of a trustee, if material;
- incurrence of a financial obligation, as defined in Rule 15c2-12, of MTA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of MTA, any of which affect security holders, if material; and
- default, event of acceleration, termination event, modification of terms or other similar events under the terms of a financial obligation of MTA, any of which reflect financial difficulties.

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

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

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

FURTHER INFORMATION

MTA may place a copy of this remarketing circular on MTA's website at 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 2002B-1 Bonds. The Subseries 2002B-1 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 2002B-1 Bond will be issued for each maturity of the Subseries 2002B-1 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 2002B-1 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 its 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 2002B-1 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Subseries 2002B-1 Bonds on DTC's records. The ownership interest of each actual purchaser of each Subseries 2002B-1 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 2002B-1 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 2002B-1 Bonds, except in the event that use of the book-entry system for the Subseries 2002B-1 Bonds is discontinued.

4. To facilitate subsequent transfers, all Subseries 2002B-1 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 2002B-1 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 2002B-1 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Subseries 2002B-1 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 2002B-1 Bonds may wish to take certain steps to augment the

transmission to them of notices of significant events with respect to the Subseries 2002B-1 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Subseries 2002B-1 Bond documents. For example, Beneficial Owners of the Subseries 2002B-1 Bonds may wish to ascertain that the nominee holding the Subseries 2002B-1 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 2002B-1 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 2002B-1 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 2002B-1 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 2002B-1 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. A Beneficial Owner shall give notice to elect to have its Subseries 2002B-1 Bonds purchased or tendered, through its Participant, to the Remarketing Agent, and shall effect delivery of such Subseries 2002B-1 Bonds by causing the Direct Participant to transfer the Participant's interest in the Subseries 2002B-1 Bonds, on DTC's records, to the Remarketing Agent. The requirement for physical delivery of Subseries 2002B-1 Bonds in connection with an optional tender on a mandatory purchase will be deemed satisfied when the ownership rights in the Subseries 2002B-1 Bonds are transferred by the Direct Participants on DTC's records and followed by a book-entry credit of tendered Subseries 2002B-1 Bonds to the Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Subseries 2002B-1 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 2002B-1 Bonds are required to be printed and delivered.

11. 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 2002B-1 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 Underwriters in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (Rule 15c2-12), MTA and the Trustee will enter into a written agreement (the Disclosure Agreement) for the benefit of holders of the Subseries 2002B-1 Bonds to provide continuing disclosure. MTA will undertake to provide certain financial information and operating data relating to MTA by no later than 120 days after the end of each MTA fiscal year, commencing with the fiscal year ending December 31, 2021 (the Annual Information), and to provide notices of the occurrence of certain enumerated events. The Annual Information will be filed by or on behalf of MTA with the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (the MSRB). Notices of enumerated events will be filed by or on behalf of MTA with EMMA. The nature of the information to be provided in the Annual Information and the notices of material events is set forth below.

Pursuant to Rule 15c2-12, MTA will undertake for the benefit of holders of the Subseries 2002B-1 Bonds to provide or cause to be provided either directly or through the Trustee, audited combined financial statements of MTA by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2021, when and if such audited financial statements become available and, if such audited financial statements of MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA for such fiscal year.

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

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

6. material litigation related to any of the foregoing, and
7. such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning, and in judging the financial condition of, MTA.

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

MTA will undertake, for the benefit of holders of the Subseries 2002B-1 Bonds, to provide or cause to be provided:

1. to EMMA, in a timely manner not in excess of ten business days after the occurrence of the event, notice of any of the events listed under the caption "CONTINUING DISCLOSURE" in this remarketing circular with respect to the Subseries 2002B-1 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 MTA.

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Subseries 2002B-1 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 2002B-1 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 the Subseries 2002B-1 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 2002B-1 Bonds at the time outstanding which are affected thereby. MTA and the Trustee reserve the right, but shall not be obligated to, enforce the obligations of the others. Failure to comply with any provisions of the undertaking shall not constitute a default under the DTF Resolution nor give right to the Trustee or any Holder to exercise any remedies under the DTF Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the undertaking insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where MTA's undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. MTA does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Subseries 2002B-1 Bonds have been paid in full or legally defeased pursuant to the DTF Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of MTA.

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

ATTACHMENT 3-1

FORM OF OPINION OF HAWKINS DELAFIELD & WOOD LLP DELIVERED ON SEPTEMBER 5, 2002 IN CONNECTION WITH THE ORIGINAL ISSUANCE OF THE SERIES 2002B BONDS

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

September 5, 2002

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

Ladies and Gentlemen:

We have examined a certified copy of the record of proceedings of the Metropolitan Transportation Authority (the "Issuer") and other proofs submitted to us relative to the issuance of $440,000,000 aggregate principal amount of Metropolitan Transportation Authority Dedicated Tax Fund Variable Rate Bonds, Series 2002B (the "Series 2002B Bonds").

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

The Series 2002B 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 the Issuer duly taken, including a resolution adopted by the members of the Issuer on March 26, 2002 entitled "Dedicated Tax Fund Obligation Resolution", as supplemented by a resolution of said members adopted on June 26, 2002 (collectively, the "Resolution").

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

A portion of the proceeds of the Series 2002B Bonds is being used to refund certain of the outstanding bonds of the Issuer issued pursuant to the Dedicated Tax Fund Bond Resolution, adopted by the Issuer on July 31, 1996, as supplemented (the "Prior Resolution"), which bonds are described in the hereinafter defined Escrow Agreement as being refunded with proceeds of the Series 2002B Bonds (collectively, the "Refunded Bonds"). A portion of the proceeds of the Series 2002B Bonds together with any other amounts made available by the Issuer (collectively, the "Defeasance Deposit") has been used to purchase direct obligations of the United States of America in an aggregate amount sufficient, together with any amounts held uninvested, to pay when due the principal or applicable redemption price of and interest due and to become due on said Refunded Bonds (the "Defeasance Requirement"). Such Defeasance Deposit is being held in trust under an escrow agreement, dated September 5, 2002 (the "Escrow Agreement"), by and between the Issuer and The Bank of New York, as escrow agent thereunder and as successor trustee under the Prior Resolution (the "Prior Trustee"). The Issuer has given the Prior Trustee, in form satisfactory to it, irrevocable instructions to give notice in accordance with the Prior Resolution of the redemption of those Refunded Bonds being redeemed prior to maturity and the deposit of the Defeasance Deposit. Bond Logistix LLC has prepared a report stating that it has reviewed the accuracy of the mathematical computations of the adequacy of the Defeasance Deposit, as invested, to pay in full the Defeasance Requirement when due. We have undertaken no independent verification of the adequacy of the Defeasance Deposit.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2002B Bonds in order that interest on the Series 2002B Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the Issuer, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which the Issuer 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 2002B Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2002B Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates the Issuer to take certain actions necessary to cause interest on the Series 2002B 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 2002B Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The Issuer has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2002B 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 2002B Bonds from gross income for federal income tax purposes under Section 103 of the Code and compliance by the Issuer 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 2002B Bonds as executed and, in our opinion, the form of said Series 2002B Bond and its execution are regular and proper.

We are of the opinion that:

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

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

3. The Series 2002B 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 the Issuer, 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. The Issuer has no taxing power and the Series 2002B Bonds are not debts of the State or of any other political subdivision thereof. The Issuer 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 2002B Bonds.

4. The Issuer, the holders of the Series 2002B Bonds, or the holders of any evidence of indebtedness of the Issuer 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 mass transportation operating assistance account established in the mass transportation operating assistance fund pursuant to Section 88-a of the State Finance Law, or (iii) the taxes or moneys deposited therein.

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

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

8. The Escrow Agreement has been duly authorized, executed and delivered by the Issuer, and, assuming the due authorization, execution and delivery of by the Prior Trustee, the Escrow Agreement is a valid and binding obligation of the Issuer, enforceable in accordance with its terms. The Refunded Bonds have been paid within the meaning and with the effect expressed in the Prior Resolution, and the covenants, agreements and other obligations of the Issuer to the holders of the Refunded Bonds have been discharged and satisfied.

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 2002B Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2002B Bonds, or under state, local and foreign tax law.

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

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

Very truly yours,

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

ATTACHMENT 3-2

FORM OF OPINION OF HAWKINS DELAFIELD & WOOD LLP DELIVERED ON MARCH 28, 2012 IN CONNECTION WITH THE REISSUANCE OF THE SUBSERIES 2002B-1 BONDS ON THAT DATE

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

March 28, 2012

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

Ladies and Gentlemen:

On September 5, 2002, in connection with the issuance by Metropolitan Transportation Authority ("MTA") of $440,000,000 aggregate principal amount of its Metropolitan Transportation Authority Dedicated Tax Fund Variable Rate Bonds, Series 2002B (the "Original Series 2002B Bonds"), Hawkins Delafield & Wood LLP delivered their opinion as bond counsel for the MTA.

The Original Series 2002B-1 Bonds were issued pursuant to the MTA Dedicated Tax Fund Obligation Resolution, adopted by the Board of MTA on March 26, 2002 (the "Original DTF Resolution"), as amended and supplemented to the date of issuance thereof, including by a resolution adopted on June 26, 2002 (collectively with the Original DTF Resolution, the "DTF Resolution"), along with a Certificate of Determination relating to the Series 2002B Bonds (the "Original Certificate of Determination" and, collectively with the DTF Resolution, the "Resolution").

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

On the date hereof, MTA intends to (i) terminate the bond insurance policy issued by Financial Securities Assurance Inc. (now known as Assured Guaranty Municipal Corp.) with respect to the Original Series 2002B Bonds (the "FSA Insurance Policy"); (ii) substitute the Dexia Crédit Local, New York Branch, Standby Bond Purchase Agreement relating to the Original Series 2002B Bonds (the "Dexia Crédit Local, New York Branch, Standby Bond Purchase Agreement" or "Original Liquidity Facility") with an irrevocable direct-pay letter of credit relating to the Subseries 2002B-1 Bonds (hereinafter defined) issued by State Street Bank and Trust Company (the "Subseries 2002B-1 Substitute Liquidity Facility") and (iii) amend the Original Certificate of Determination (the "Amended Certificate of Determination"), to provide for, among other things, (x) the re-designation of the Original Series 2002B Bonds as three subseries consisting of Dedicated Tax Fund Variable Rate Bonds, Subseries 2002B-1 in the principal amount of $150,000,000 (the "Subseries 2002B-1 Bonds") and Dedicated Tax Fund Bonds, Subseries 2002B-2 in the principal amount of $116,050,000 (the "Subseries 2002B-2 Bonds") and Dedicated Tax Fund Variable Rate Bonds, Subseries 2002B-3 in the principal amount of $161,800,000 (the "Subseries 2002B-3 Bonds", and, together with the Subseries 2002B-2 Bonds, the "Subseries 2002B and 3 Bonds"), and (y) the further redesignation of the Subseries 2002B-3 Bonds as four subseries consisting of Subseries B-3a (Floating Rate Notes) (the "Subseries B-3a Bonds"), Subseries B-3b (Floating Rate Notes) (the "Subseries B-3b Bonds") Subseries B-3c (Floating Rate Notes) (the "Subseries B-3c Bonds") and Subseries B-3d (Floating Rate Notes) (the "Subseries B-3d Bonds"); (iv) convert the Subseries 2002B-2 Bonds from a Weekly Mode to a Fixed Rate Mode; and (v) convert the Subseries B-3 Bonds from a Weekly Mode to a Term Mode for an initial Interest Rate Period, each bearing interest at floating rates based on the Adjusted SIFMA Rate (as further described in the Amended Certificate of Determination).

In order for MTA to the substitute the Original Liquidity Facility with the Subseries 2002B-1 Substitute Liquidity Facility, MTA was required to provide to the Trustee a Mandatory Tender Notice pursuant to Section A-406 of Appendix A to the Original Certificate of Determination (the "Mandatory Tender Notice"). In accordance with such requirement, the Trustee disseminated the Mandatory Tender Notice to the owners of the Original Series 2002B Bonds at least fifteen days prior to the date hereof. Immediately prior to the substitution of the Original Liquidity Facility with the Subseries 2002B-1 Substitute Liquidity Facility, the Original Series 2002B Bonds will be subject to mandatory tender at a Purchase Price equal to the principal amount thereof.

Based on the foregoing, we are of the opinion that the mandatory tender and remarketing of the Subseries 2002B-1 Bonds; the termination of the FSA Insurance Policy and the Dexia Crédit Local, New York Branch, Standby Bond Purchase Agreement; the issuance of an irrevocable direct-pay letter of credit by State Street Bank and Trust Company relating to the Subseries 2002B-1 Bonds; and the amendment of the terms and provisions of the Subseries 2002B-1 Bonds to reflect the terms and provisions described herein, will result in a reissuance for tax purposes.

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 Subseries 2002B-1 Bonds in order that interest on the Subseries 2002B-1 Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the MTA, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which the MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Subseries 2002B-1 Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Subseries 2002B-1 Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates the MTA to take certain actions necessary to cause interest on the Subseries 2002B-1 Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code may cause interest on the Subseries 2002B-1 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Subseries 2002B-1 Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

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

We are further of the opinion that, under existing statutes and court decisions and assuming continued compliance with certain tax covenants described herein, (i) interest on the Subseries 2002B-1 Bonds, as reissued, is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Subseries 2002B-1 Bonds, as reissued, is not treated as a preference item in calculating the alternative minimum tax imposed on individual and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

In addition, we are of the opinion that interest on the Subseries 2002B-1 Bonds is exempt from personal income taxes imposed by the State of New York or any political subdivision thereof (including The City of New York).

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

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 2002B-1 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,

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

ATTACHMENT 3-3

FORM OF OPINION OF ORRICK, HERRINGTON & SUTCLIFFE LLP AND BRYANT RABBINO LLP DELIVERED ON MARCH 23, 2016 IN CONNECTION WITH THE REMARKETING OF THE SUBSERIES 2002B-1 BONDS ON THAT DATE

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

March 23, 2016

Metropolitan Transportation Authority
2 Broadway
New York, New York 10004

Ladies and Gentlemen:

On September 5, 2002, in connection with the issuance by Metropolitan Transportation Authority ("MTA") of $440,000,000 original aggregate principal amount of its Dedicated Tax Fund Variable Rate Bonds, Series 2002B (the "Series 2002B Bonds"), Hawkins Delafield & Wood LLP delivered its opinion as bond counsel for MTA. On March 28, 2012, in connection with the re-designation of the Series 2002B Bonds as three subseries and the remarketing by MTA of $150,000,000 aggregate principal amount of its Dedicated Tax Fund Variable Rate Bonds, Subseries 2002B-1 (the "Remarketed Bonds"), Hawkins Delafield & Wood LLP delivered its opinion as bond counsel for MTA.

The Remarketed Bonds were issued pursuant to the Dedicated Tax Fund Obligation Resolution, adopted by MTA on March 26, 2002 (the "Original Resolution"), as amended and supplemented to the date of issuance thereof, including by the Multiple Restructuring Series Dedicated Tax Fund Bond Supplemental Resolution adopted by MTA on June 26, 2002 (collectively with the Original Resolution, the "DTF Resolution"), along with the Certificate of Determination relating to the Remarketed Bonds, dated September 5, 2002, as subsequently amended on March 28, 2012 (the "Original Certificate of Determination") and amended and restated on March 23, 2016 (the "Certificate of Determination" and, collectively with the DTF 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, (i) MTA intends to remarket the Remarketed Bonds and (ii) The Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York Branch, intends to issue an irrevocable direct-pay letter of credit relating to the Remarketed Bonds (the "Alternate Credit Facility") in substitution for the existing Credit Facility relating to the Remarketed Bonds (the "Substitution"), and (iii) MTA intends to amend and restate the Original Certificate of Determination, to provide for, among other things, the remarketing of the Remarketed Bonds and the Substitution.

In order for MTA to effect the Substitution, MTA was required to provide to the Trustee a Mandatory Tender Notice to be given pursuant to Section A-406(d) of Appendix A to the Original Certificate of Determination (the "Mandatory Tender Notice"). In accordance with such requirement, the Trustee disseminated the Mandatory Tender Notice to the owners of the Remarketed Bonds at least fifteen days prior to the date hereof. Immediately prior to the Substitution, the Remarketed Bonds will be subject to mandatory tender for purchase at the Purchase Price.

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

Based on the foregoing, we are further of the opinion that the mandatory tender and remarketing of the Remarketed Bonds, the issuance of an irrevocable direct-pay letter of credit by The Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York Branch, and the amendment of the terms and provisions of the Remarketed Bonds to reflect the terms and provisions described herein will not, in and of themselves, adversely affect for Federal and State income tax purposes the tax treatment of the Remarketed Bonds.

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

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

Very truly yours,

ATTACHMENT 3-4

FORM OF OPINION OF ORRICK, HERRINGTON & SUTCLIFFE LLP AND BRYANT RABBINO LLP EXPECTED TO BE DELIVERED ON THE DATE THE SUBSERIES 2002B-1 BONDS ARE REMARKETED

[Date of Remarketing]

Metropolitan Transportation Authority
2 Broadway
New York, New York 10004

Ladies and Gentlemen:

On September 5, 2002, Metropolitan Transportation Authority ("MTA") issued $440,000,000 original aggregate principal amount of its Dedicated Tax Fund Variable Rate Bonds, Series 2002B (the "Series 2002B Bonds") pursuant to the Dedicated Tax Fund Obligation Resolution, adopted by MTA on March 26, 2002 (the "Original Resolution"), as amended and supplemented to the date of issuance thereof, including by the Multiple Restructuring Series Dedicated Tax Fund Bond Supplemental Resolution adopted by MTA on June 26, 2002 (collectively with the Original Resolution, the "DTF Resolution"), along with the Certificate of Determination relating to the Subseries 2002B-1 Bonds, dated September 5, 2002, as subsequently amended and restated (the "Certificate of Determination" and, collectively with the DTF Resolution, the "Resolution"). On March 28, 2012, MTA re-designated the Series 2002B Bonds as three subseries, including $150,000,000 aggregate principal amount of its Dedicated Tax Fund Variable Rate Bonds, Subseries 2002B-1 (the "Subseries 2002B-1 Bonds")

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

On the date hereof, MTA intends to (i) convert the Subseries 2002B-1 Bonds from the Weekly Rate Mode to the Fixed Rate Mode (the "Mode Change") and (ii) amend and restate the Certificate of Determination to provide for, among other things, the Mode Change and the remarketing of the Subseries 2002B-1 Bonds in the aggregate principal amount of $110,325,000.

In order to effect the Mode Change, MTA provided to the Trustee a Notice of Mandatory Tender and Notice of Intention to Change Mode relating to the Subseries 2002B-1 Bonds pursuant to Section A-208(b) of Appendix A-2 to the Certificate of Determination. In accordance with Section A-407(e) of Appendix A-2 to the Certificate of Determination, the Trustee disseminated a Notice of Mandatory Tender to the owners of the Subseries 2002B-1 Bonds at least fifteen days prior to the date hereof.

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

Based on the foregoing, we are further of the opinion that the Mode Change, the mandatory tender and remarketing of the Subseries 2002B-1 Bonds at a premium price and the amendment of the terms and provisions of the Subseries 2002B-1 Bonds to reflect the terms and provisions described herein will not, in and of themselves, adversely affect the exclusion of interest on the Subseries 2002B-1 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 2002B-1 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 2002B-1 Bonds, without investigation, that MTA is in compliance with its covenants and agreements under the Resolution and that the proceeds of the Subseries 2002B-1 Bonds were applied in accordance with the Resolution and the tax certificate of MTA delivered in connection with the issuance of the Subseries 2002B-1 Bonds. Failure of MTA to have so complied or to have so applied the proceeds of the Subseries 2002B-1 Bonds, or to so comply, could adversely affect the exclusion of interest on the Subseries 2002B-1 Bonds from gross income for federal income tax purposes. No opinion is expressed herein as to whether interest on the Subseries 2002B-1 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 2002B-1 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 2002B-1 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 2002B-1 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 2, 2021

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

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

The factors affecting MTA's financial condition are complex. This Third Quarterly Update contains forecasts, projections, and estimates that are based on expectations and assumptions that existed at the time they were prepared and contains statements relating to future results and economic performance that are "forward-looking statements", as such term is defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "calculate", "budget," "project," "forecast," "anticipate" or other similar words. The forward looking statements contained herein are based on MTA's expectations and are necessarily dependent upon assumptions, estimates and data that it believes are reasonable as of the date made but that may be incorrect, incomplete, imprecise or not reflective of future actual results. Forecasts, projections, calculations and estimates are not intended as representations of fact or guarantees of results. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to, general economic and business conditions; natural calamities; foreign hostilities or wars; domestic or foreign terrorism; changes in political, social, economic and environmental conditions including climate change and extreme weather events; severe epidemic or pandemic events; cybersecurity events; impediments to the regulations; litigation; actions by the federal government to reduce or disallow expected aid, including federal aid authorized or appropriated by Congress, but subject to sequestration, administrative actions, or other actions that would reduce aid to MTA; and various other events, conditions and circumstances. Many of these risks and uncertainties are beyond the control of MTA. Except as set forth in the preceding paragraph, MTA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events occur that change the conditions or circumstances on which such statements are based. Such forward-looking statements speak only as of the date of this Third Quarterly Update.

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

Introduction

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

In this Third Quarterly Update, readers will find:

1. A summary of recent events and changes to MTA's 2021-2024 Financial Plan released by MTA in November 2020 (the "November Plan") and previously revised by the December Financial Plan in December 2020 (the "December Plan"), to reflect provisions of the 2021 MTA February Financial Plan presented to the MTA Board on February 18, 2021 (the "February Plan"). The December Plan was approved by the MTA Board at its December 2020 meeting and can be found at https://new.mta.info/transparency/financial-information/financial-and-budget-statements under 2020: MTA 2021 Budget and 2021-2024 Financial Plan Adoption Materials. Additional information can be found in the November Plan under 2020: MTA 2021 Final Proposed Budget - November Financial Plan 2021-2024. The complete February Plan is posted on MTA's website: https://new.mta.info/transparency/financial-information/financial-and-budget-statements. No statement on MTA's website or any other website is included by specific cross-reference herein. The updated information reflected in the February Plan includes revised November Plan and December Plan projections for fiscal years 2021 through 2024, including the adopted budget for 2021.

2. **Attachment A** to this Third Quarterly Update, which presents the consolidated February Plan in tabular form and includes Financial Plan tables that summarize MTA's February Plan projected receipts and expenditures for fiscal years 2019 (actual), 2020 (final estimate), 2021 (adopted budget) through 2024, in each case prepared by MTA management.

Overview

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

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

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

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

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

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

The December Plan

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

The February Plan and Changes to the December Plan

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Summary of February Plan Conclusions

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

Challenges and Significant Risks Remain

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MTA Liquidity Resources.

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

[The Remainder of this Page is Intentionally Left Blank]

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

MTA February Financial Plan

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

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

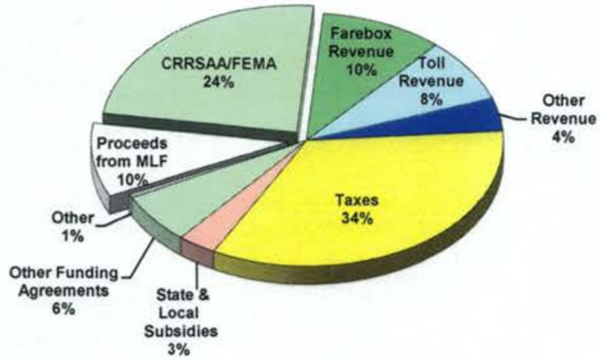
II. MTA Consolidated Financial Plan

MTA 2021 Adopted Budget

Baseline Revenues and Expenses After Below-the-Line (BTL) Adjustments

Non-Reimbursable

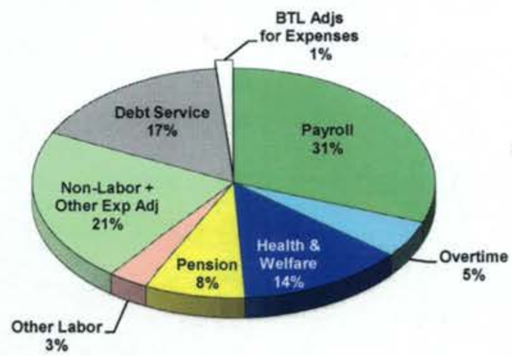
Where the Dollars Come From ...



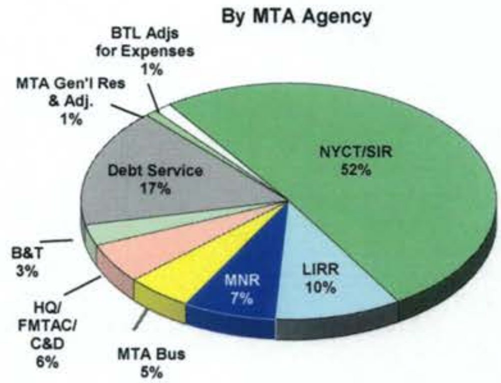
By Revenue Source ($ in millions)	
Farebox Revenue	$1,768
Toll Revenue	1,435
Other Revenue	736
Taxes	5,990
State and Local	558
Other Funding Agreements	1,139
Other [1]	88
Proceeds from MLF	1,650
CRRSAA/FEMA	4,215
Total [2]	$17,579

Where the Dollars Go ...

By Expense Category



By MTA Agency



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

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

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

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

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

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

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

[THIS PAGE INTENTIONALLY LEFT BLANK]

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

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

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

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

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

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

Note: * Excludes Debt Service

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

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

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

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

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2021-2024
MTA Consolidated February Financial Plan Compared with December Financial Plan
Cash Reconciliation after Below-the-Line Adjustments
($ in millions)

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

* *Totals may not add due to rounding*

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

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

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

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

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

FAREBOX RECOVERY RATIOS

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

FAREBOX OPERATING RATIOS

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

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

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

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

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

FAREBOX RECOVERY RATIOS

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

FAREBOX OPERATING RATIOS

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

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

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

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

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

[THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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

Printed by: ImageMaster, LLC
www.imagemaster.com