Metropolitan Transportation Authority

2022
Combined Continuing Disclosure Filings

2022 COMBINED CONTINUING DISCLOSURE FILINGS
PURSUANT TO SEC RULE 15c2-12

relating to

METROPOLITAN TRANSPORTATION AUTHORITY

and

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(MTA BRIDGES AND TUNNELS)

Transportation Revenue Bonds
TBTA General Revenue Bonds
TBTA Subordinate Revenue Bonds
TBTA Second Subordinate Revenue Bond Anticipation Notes
Dedicated Tax Fund Bonds
Payroll Mobility Tax Obligations
Hudson Rail Yards Trust Obligations

Dated: April 29, 2022

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INTRODUCTION

This book contains the 2022 Combined Continuing Disclosure Filings prepared by Metropolitan Transportation Authority ("MTA") and Triborough Bridge and Tunnel Authority ("TBTA") pursuant to various written undertakings made to assist the underwriters in complying with their obligations in accordance with SEC Rule 15c2-12 in connection with the following credits:

- MTA Transportation Revenue Bonds,
- TBTA General Revenue Bonds,
- TBTA Subordinate Revenue Bonds,
- TBTA Second Subordinate Revenue Bond Anticipation Notes,
- MTA Dedicated Tax Fund Bonds,
- MTA/TBTA Payroll Mobility Tax Obligations, and
- MTA Hudson Rail Yards Trust Obligations.

A roadmap to the continuing disclosure information that MTA or TBTA has contractually agreed to update, in accordance with the respective continuing disclosure agreements in official statements, describing where the materials required may be found in MTA's Annual Disclosure Statement is set forth at the end of this Introduction**.** This Annual Information booklet contains the following information:

PART I contains the **MTA Annual Disclosure Statement** ("ADS"). The ADS describes the Related Entities, and includes the information necessary to meet the requirements of the continuing disclosure agreements under MTA and TBTA official statements, offering circulars and remarketing circulars, as applicable, for all credits.

PART II includes the following, which are also part of the Annual Continuing Disclosure Filings:

- **Tab 1** lists, by designation, the various issues of securities outstanding for all credits.
- **Tab 2** provides certain details of each series and subseries for MTA and TBTA credits, for the issues listed in Tab 1.
- **Tab 3a** lists any material events that have occurred within the past year for all credits.
- **Tab 3b** lists any voluntary disclosures that have been posted within the past year for all credits.

APPENDICES

- **Appendix A** — See Part I.
- **Appendix B** — Metropolitan Transportation Authority Consolidated Financial Statements.
- **Appendix C** — New York City Transit Authority Consolidated Financial Statements.
- **Appendix D** — Triborough Bridge and Tunnel Authority Financial Statements.
- **Appendix E** — History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Conditions of the Facilities of Triborough Bridge and Tunnel Authority.

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Roadmap for Continuing Disclosure to the Annual Information Statement

As part of all the official statements provided under all of the credits, the continuing disclosure agreements ("CDAs") require the filing of certain Annual Information with the Electronic Municipal Market Access System (EMMA). The following roadmap indicates where information under these CDAs may be found in this annual report, specifically in the **ADS.** There is additional information incorporated into the **ADS** that may not be reflected in the CDAs, so if it is not listed here, see the **ADS** Table of Contents for the detailed listing.

TRANSPORTATION REVENUE BONDS	**ADS Location**	
Continuing Disclosure Document	**Caption(s)**	**Heading(s)**
A. Description of the systems operated by the Related Transportation Entities and their operations.		
Related Transportation Entities	1. THE RELATED ENTITIES	All headings
Transit System	1. TRANSIT SYSTEM	All headings
Commuter System	1. COMMUTER SYSTEM	All headings
MTA Bus	1. MTA BUS COMPANY	All headings
B. Description of changes to the fares or fare structures charged to users of the systems operated by the Related Transportation Entities.		
Transit System	1. REVENUES OF THE RELATED ENTITIES	1. Fares and Tolls – *Transit System Fares*
Commuter System	1. REVENUES OF THE RELATED ENTITIES	1. Fares and Tolls – *Commuter System Fares*
MTA Bus	1. REVENUES OF THE RELATED ENTITIES	1. Fares and Tolls – *MTA Bus Fares*
C. Operating Data of the Related Transportation Entities.		
Transit System	1. TRANSIT SYSTEM	All headings
	2. RIDERSHIP AND FACILITIES USE	1. Transit System (MTA New York City Transit and MaBSTOA) Ridership
	3. EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS	1. MTA New York City Transit and MaBSTOA 2. MTA Bus 3. MTA Staten Island Railway
Commuter System	1. COMMUTER SYSTEM	All headings
	2. RIDERSHIP AND FACILITIES USE	1. Commuter System Ridership
	3. EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS	1. Commuter System
MTA Bus	1. EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS	1. MTA Bus
	2. RIDERSHIP AND FACILITIES USE	1. MTA Bus Ridership

D. Information regarding the Transit and Commuter Capital Programs.	1. FINANCIAL PLANS AND CAPITAL PROGRAMS	1. Capital Programs – Background and Development 2. Approved 2020-2024 Capital Program 3. MTA 2020-2024 Capital Program and December 2021 Amendment to that Program 4. 2015-2019 Capital Program 5. 2010-2014 Capital Program 6. 1992-2009 Transit Capital Programs Objectives 7. 1992-2009 Commuter Capital Programs Objectives 8. Climate Bond Standard and Certification Compliance
E. Presentation of changes to indebtedness issued by MTA under the Transportation Resolution, as well as information concerning changes to MTA's debt service requirements on such indebtedness payable from pledged revenues.	1. TRANSPORTATION REVENUE BONDS	1. TRB Table 1 2. TRB Table 2a 3. TRB Table 2b
F. Information concerning the amounts, sources, material changes in and material factors affecting pledged revenues and debt service incurred under the Transportation Resolution.	1. REVENUES OF THE RELATED ENTITIES	1. Fares and Tolls 2. State and Local General Operating Subsidies 3. State Special Tax Supported Operating Subsidies 4. MTA Financial Assistance Fund Receipts 5. MTA Bridges and Tunnels Surplus 6. Financial Assistance and Service Reimbursements from Local Municipalities 7. Miscellaneous Revenues 8. Urban Taxes for Transit System
G. Additional financial information.	See Items E and F above.	
H. Material litigation relating to any of the foregoing.	1. LITIGATION	1. MTA 2. Transit System 3. Commuter System 4. MTA Bus
TBTA GENERAL REVENUE BONDS	**ADS Location**	
Continuing Disclosure Document	**Caption(s)**	**Heading(s)**
A. Certain financial and operating data.	1. TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY	1. MTA Bridges and Tunnels Facilities 2. Authorized Projects of MTA Bridges and Tunnels
	2. RIDERSHIP AND FACILITIES USE	1. MTA Bridges and Tunnels - Total Revenue Vehicles 2. Toll Rates 3. Competing Facilities and Other Matters 4. E-ZPass
	3. EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS	1. MTA Bridges and Tunnels
B. Information regarding the TBTA, Transit and Commuter Capital Programs.		

TBTA, Transit and Commuter Systems	1. FINANCIAL PLANS AND CAPITAL PROGRAMS	1. Capital Programs – Background and Development 2. Approved 2020-2024 Capital Program 3. MTA 2020-2024 Capital Program and December 2021 Amendment to the Program 4. 2015-2019 Capital Program 5. 2010-2014 Capital Program 6. 1992-2009 Transit Capital Programs Objectives 7. 1992-2009 Commuter Capital Programs Objective 8. 1992-2009 MTA Bridges and Tunnels Capital Programs Objectives
C. Presentation of changes to indebtedness issued by TBTA under the TBTA Senior Resolution, as well as information concerning changes to TBTA's debt service requirements on such indebtedness payable from revenues.	1. MTA BRIDGES AND TUNNELS SENIOR REVENUE BONDS	1. MTA Bridges and Tunnels Senior Table 1 2. MTA Bridges and Tunnels Senior Table 2
D. Historical information concerning traffic, revenues, operating expenses, TBTA Senior Resolution debt service and debt service coverage	1. REVENUES OF THE RELATED ENTITIES	1. MTA Bridges and Tunnels Surplus
	2. RIDERSHIP AND FACILITIES USE	1. MTA Bridges and Tunnels - Total Revenue Vehicles
	3. MTA BRIDGES AND TUNNELS SENIOR REVENUE BONDS	1. MTA Bridges and Tunnels Senior Table 2
E. Material litigation relating to any of the foregoing.	1. LITIGATION	1. MTA Bridges and Tunnels
TBTA SUBORDINATE REVENUE BONDS	**ADS Location**	
Continuing Disclosure Document	**<u>Caption(s)</u>**	**<u>Heading(s)</u>**
A. Certain financial and operating data.	1. TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY	1. MTA Bridges and Tunnels Facilities 2. Authorized Projects of MTA Bridges and Tunnels
	2. RIDERSHIP AND FACILITIES USE	1. MTA Bridges and Tunnels - Total Revenue Vehicles 2. Toll Rates 3. Competing Facilities and Other Matters 4. E-ZPass
	3. EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS	1. MTA Bridges and Tunnels
B. Information regarding the TBTA, Transit and Commuter Capital Programs.		

TBTA, Transit and Commuter Systems	1. FINANCIAL PLANS AND CAPITAL PROGRAMS	1. Capital Programs – Background and Development 2. Approved 2020-2024 Capital Program 3. MTA 2020-2024 Capital Program and December 2021 Amendment to that Program 4. 2015-2019 Capital Program 5. 2010-2014 Capital Program 6. 1992-2009 Transit Capital Programs Objectives 7. 1992-2009 Commuter Capital Programs Objective 8. 1992-2009 MTA Bridges and Tunnels Capital Programs Objectives
C. Presentation of changes to indebtedness issued by TBTA under the TBTA Senior and Subordinate Resolutions, as well as information concerning changes to TBTA's debt service requirements on such indebtedness payable from revenues.	1. MTA BRIDGES AND TUNNELS SUBORDINATE REVENUE BONDS	1. MTA Bridges and Tunnels Subordinate Table 1 2. MTA Bridges and Tunnels Subordinate Table 2
D. Historical information concerning traffic, revenues, operating expenses, TBTA Subordinate Resolution debt service and debt service coverage	1. REVENUES OF THE RELATED ENTITIES	1. MTA Bridges and Tunnels Surplus
	2. RIDERSHIP AND FACILITIES USE	1. MTA Bridges and Tunnels - Total Revenue Vehicles
	3. MTA BRIDGES AND TUNNELS SUBORDINATE REVENUE BONDS	1. MTA Bridges and Tunnels Subordinate Table 2
E. Material litigation relating to any of the foregoing.	1. LITIGATION	1. MTA Bridges and Tunnels
TBTA SECOND SUBORDINATE REVENUE BOND ANTICIPATION NOTES	**ADS Location**	
Continuing Disclosure Document	**Caption(s)**	**Heading(s)**
A. Certain financial and operating data.	1. TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY	1. MTA Bridges and Tunnels Facilities 2. Authorized Projects of MTA Bridges and Tunnels
	2. RIDERSHIP AND FACILITIES USE	1. MTA Bridges and Tunnels - Total Revenue Vehicles 2. Toll Rates 3. Competing Facilities and Other Matters 4. E-ZPass
	3. EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS	1. MTA Bridges and Tunnels
B. Information regarding the TBTA, Transit and Commuter Capital Programs.		

TBTA, Transit and Commuter Systems	1. FINANCIAL PLANS AND CAPITAL PROGRAMS	1. Capital Programs – Background and Development 2. Approved 2020-2024 Capital Program 3. MTA 2020-2024 Capital Program and December 2021 Amendment to that Program 4. 2015-2019 Capital Program 5. 2010-2014 Capital Program 6. 1992-2009 Transit Capital Programs Objectives 7. 1992-2009 Commuter Capital Programs Objective 8. 1992-2009 MTA Bridges and Tunnels Capital Programs Objectives
C. Description of changes to indebtedness issued by TBTA under the TBTA Senior and Subordinate Resolutions, as well as information concerning changes to TBTA's debt service requirements on such indebtedness payable from revenues.	1. SECOND SUBORDINATE BOND ANTICIPATION NOTES (CBDTP)	1. Pledge Affected by the CBDTP Second Subordinate Resolution 2. Revenues and Additional Subordinate MTA Bridges and Tunnels Projects –Flow of Revenues
D. Historical information concerning traffic, revenues, operating expenses, TBTA Subordinate Resolution debt service and debt service coverage	1. REVENUES OF THE RELATED ENTITIES	1. MTA Bridges and Tunnels Surplus
	2. RIDERSHIP AND FACILITIES USE	1. MTA Bridges and Tunnels - Total Revenue Vehicles
E. Material litigation relating to any of the foregoing.	1. LITIGATION	1. MTA Bridges and Tunnels
DEDICATED TAX FUND BONDS	**ADS Location**	
Continuing Disclosure Document	**Caption(s)**	**Heading(s)**
A. Description of the Transit and Commuter Systems operated by MTA and its affiliates and subsidiaries and their operation.	1. THE RELATED ENTITIES 2. TRANSIT SYSTEM 3. COMMUTER SYSTEM	All headings
	4. RIDERSHIP AND FACILITIES USE	1. Transit System (MTA New York City Transit and MaBSTOA) Ridership 2. Commuter System Ridership
	5. FEDERAL AND STATE LAWS	1. Transit System 2. Commuter System
	6. EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS	1. MTA New York City Transit and MaBSTOA 2. MTA Bus 3. MTA Staten Island Railway 4. Commuter System
B. Information regarding the Transit and Commuter Capital Programs.	1. FINANCIAL PLANS AND CAPITAL PROGRAMS	1. Capital Programs – Background and Development 2. Approved 2020-2024 Capital Program 3. MTA 2020-2024 Capital Program and December 2021 Amendment to that Program 4. 2015-2019 Capital Program 5. 2010-2014 Capital Program 6. 1992-2009 Transit Capital Programs Objectives 7. 1992-2009 Commuter Capital Programs Objectives

C. 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.	1. DEDICATED TAX FUND BONDS	1. DTF Table 1 2. DTF Table 2
D. Financial information and operating data, including information relating to the following:	1. FINANCIAL PLANS AND CAPITAL PROGRAMS	1. 2022-2025 Financial Plan (The "2022 February Plan")
Description of how the State allocates taxes to the MTA Dedicated Tax Fund.	1. DEDICATED TAX FUND BONDS	1. Sources of Payment – Revenues from Dedicated Taxes 2. DTF Table 2
Description of the material taxes allocated to the MTA Dedicated Tax Fund, together with a description of the tax rate, the tax base and the composition and collection of such taxes by the State.	1. DEDICATED TAX FUND BONDS	1. Sources of Payment – Revenues from Dedicated Taxes 2. DTF Table 2 3. MTTF Receipts – Dedicated Petroleum Business Tax
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.	1. DEDICATED TAX FUND BONDS	1. MTTF Receipts – Dedicated Petroleum Business Tax 2. MTTF Receipts – Motor Fuel Tax 3. MTTF Receipts – Motor Vehicle Fees 4. MMTOA Account – Special Tax Supported Operating Subsidies
E. Information concerning the amounts, sources, material changes in and material factors affecting DTF Revenues and debt service incurred under the DTF Resolution.	See Items C and D above.	
F. Material litigation relating to any of the foregoing.	1. LITIGATION	1. MTA 2. Transit System 3. Commuter System
PAYROLL MOBILITY TAX OBLIGATIONS	**ADS Location**	
Continuing Disclosure Document	Caption(s)	Heading(s)
A. Presentation of changes to indebtedness issued by MTA and TBTA, respectively, under the MTA PMT Resolution and the TBTA PMT Resolution, as well as information concerning changes to TBTA's and MTA's debt service requirements on such indebtedness payable from PMT Receipts.	1. PAYROLL MOBILITY TAX OBLIGATIONS	
B. Financial information and operating data, including information relating to the following:		
Description of the taxes and fees allocated to the Financing Agreement, currently Mobility Tax Receipts and ATA Receipts.		
For the taxes and fees then constituting sources of revenue for the PMT Indebtedness, an historical summary of such revenues, if available, together with an explanation of the factors affecting collection levels, for a period of at least the three most recent completed fiscal years then available.	1. PAYROLL MOBILITY TAX OBLIGATIONS	1. PMT Receipts
	2. REVENUES OF THE RELATED ENTITIES	2. All headings

C. Information concerning the amounts, sources, material changes in and material factors affecting DTF Revenues and debt service incurred under the DTF Resolution.	See Items A and B above.	
D. Material litigation relating to any of the foregoing.	1. LITIGATION	1. MTA 2. Transit System 3. Commuter System 4. MTA Bridges and Tunnels
HUDSON RAIL YARDS TRUST OBLIGATIONS	**ADS Location**	
Continuing Disclosure Document	Caption(s)	Heading(s)
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B. Presentation of changes to indebtedness issued by MTA under the Transportation Revenue Bond Resolution, as well as information concerning changes to MTA's debt service requirements on such indebtedness payable from pledged revenues	1. TRANSPORTATION REVENUE BONDS	1. TRB Table 1 2. TRB Table 2a 3. TRB Table 2b
C. Information concerning the amounts, sources, material changes in and material factors affecting pledged revenues and debt service incurred under the Transportation Revenue Bond Resolution.	1. REVENUES OF THE RELATED ENTITIES	1. Fares and Tolls 2. State and Local General Operating Subsidies 3. State Special Tax Supported Operating Subsidies 4. MTA Financial Assistance Fund Receipts 6. MTA Bridges and Tunnels Surplus 7. Financial Assistance and Service Reimbursements from Local Municipalities 8. Miscellaneous Revenues 9. Urban Taxes for Transit System
D. Financial information of the type included in TRB Table 2	1. TRANSPORTATION REVENUE BONDS	1. TRB Table 2a 2. TRB Table 2b
E. Material litigation related to any of the foregoing	1. LITIGATION	1. MTA 2. Transit System 3. Commuter System 4. MTA Bus
F. A summary presentation of the current status of development of the ERY and WRY components of the Hudson Rail Yards Project	1. FINANCIAL PLANS AND CAPITAL PROGRAMS	1. Non-Capital Program Projects - Hudson Yards Development and Financing
G. Updated Schedule 1 to the Financing Agreement	See item F above.	

CUSIP numbers used herein have been assigned by an organization not affiliated with MTA or TBTA and are included solely for the convenience of the holders of the securities listed. Neither MTA nor TBTA is responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the securities or as indicated herein.

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Q Line Service near Coney Island

MTA ANNUAL DISCLOSURE STATEMENT

This Metropolitan Transportation Authority ("MTA") Annual Disclosure Statement ("ADS") is dated April 29, 2022, as supplemented on June 22, 2022, to (i) update certain information relating to the continuing impact of the COVID-19 Pandemic, (ii) update certain information relating to the congestion pricing, (iii) replace the lead in paragraph and chart under the heading "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS –TRANSPORTATION REVENUE BONDS – Pledged Transportation Revenues Gross Lien and Rate Covenant", titled TRB Table 2a, (iv) replace the lead in paragraph and chart under the heading "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – TRANSPORTATION REVENUE BONDS – Pledged Transportation Revenues Gross Lien and Rate Covenant", titled TRB Table 2b, (v) replace the chart under the heading "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS –DEDICATED TAX FUND BONDS – Sources of Payment-Revenues from Dedicated Taxes", titled DTF Table 2, (vi) reflect the inclusion of updated information relating to MTA's Property Insurance Program, as effective May 1, 2022, in the section captioned "REGULATORY, EMPLOYMENT, INSURANCE AND LITIGATION MATTERS – INSURANCE – Property Insurance Program", (vii) reflect the inclusion of updated information relating to FMTAC Excess Loss Fund in the section captioned "PART 6. REGULATORY, EMPLOYMENT, INSURANCE AND LITIGATION MATTERS – INSURANCE – FMTAC Excess Loss Fund", (viii) reflect the inclusion of updated information relating to litigation in the section captioned "PART 6. REGULATORY, EMPLOYMENT, INSURANCE AND LITIGATION MATTERS – LITIGATION – Commuter System", (ix) incorporate by specific cross-reference the audited Consolidated Financial Statements for the years ended December 31, 2021 and 2020 of each of MTA, New York City Transit, and Triborough Bridge and Tunnel Authority, which financial statements were filed with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system ("EMMA"), and (x) change references to the unaudited financial statements to audited financial statements, and contains information only through that date (or the specific earlier dates noted herein, such as year-end December 31, 2021 financial and statistical information). MTA intends to update and supplement specific information contained herein (1) through additional updated Continuing Disclosure Filings, (2) on a periodic basis, generally corresponding to its July, November and February financial plan updates and (3) by periodic supplement, as appropriate, in connection with its periodic issuance of bonds, notes and other obligations, or otherwise. MTA expects to file such updated and supplemental information with the Electronic Municipal Market Access system ("EMMA") and may incorporate such information herein by specific cross-reference. Such information is also posted on the MTA website under "MTA Info – Financial Information" at https://new.mta.info/investor-info/disclosure-filings for convenience. Such information is accurate as of its date. MTA retains the right to update and supplement specific information contained herein as events warrant. This ADS may contain information not required by the terms of the various continuing disclosure undertakings made by MTA and MTA Bridges and Tunnels. Inclusion of such information is for the convenience of the reader, and none of MTA, the Related Entities (as defined herein), and MTA Bridges and Tunnels have any obligation under the terms of such continuing disclosure undertakings to update any such information or to include it in any future ADS filings.

The factors affecting MTA's financial condition are complex. This ADS contains forecasts, projections, and estimates that are based on expectations and assumptions, which existed at the time they were prepared, and contains statements relating to future results and economic performance that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as "plan", "expect", "estimate", "budget", "project", "forecast", "anticipate" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the captions "PART 1 BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES", "PART 2 FINANCIAL INFORMATION – FINANCIAL PLANS AND CAPITAL PROGRAMS" and "PART 3 PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS". 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 actual results. Forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the preceding paragraph, MTA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events occur that change the conditions or circumstances on which such statements are based. Forward-looking statements in this ADS speak only as of the date of this ADS.

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PART 1. BUSINESS

THE RELATED ENTITIES

Legal Status and Public Purpose

The Metropolitan Transportation Authority ("MTA") was created by New York State legislation in 1965 (the Metropolitan Transportation Authority Act, New York Public Authorities Law, Title 11, Section 1260, et seq.), as a public benefit corporation. MTA is a corporate entity separate and apart from the State of New York (the "State"), without any power of taxation – frequently called a "public authority". MTA has the responsibility for developing and implementing a unified mass transportation policy for The City of New York (the "City") and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties (collectively with the City, the "MTA Commuter Transportation District").

MTA carries out these responsibilities directly and through its subsidiaries and affiliates, which are also public benefit corporations. The following entities, listed by their legal names, are subsidiaries* of MTA:

- The Long Island Rail Road Company;
- Metro-North Commuter Railroad Company;
- Staten Island Rapid Transit Operating Authority;
- MTA Bus Company;
- MTA Construction and Development Company (formerly MTA Capital Construction Company); and
- MTA Grand Central Madison Concourse Operating Company.

The following entities, listed by their legal names, are affiliates of MTA:

- Triborough Bridge and Tunnel Authority; and
- New York City Transit Authority, and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority.

MTA and the foregoing subsidiaries and affiliates are collectively referred to herein, from time to time, as the "Related Entities". Throughout this ADS, the Related Entities are referred to by their popular names, which are listed below under "– Use of Popular Names".

Certain insurance coverage for the Related Entities is provided by a State-licensed captive insurance public benefit corporation subsidiary of MTA, First Mutual Transportation Assurance Company ("FMTAC"). See "PART 6. REGULATORY, EMPLOYMENT, INSURANCE AND LITIGATION MATTERS – INSURANCE".

MTA and its subsidiaries are generally governed by the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the New York Public Authorities Law, as from time to time amended (the "MTA Act").

Triborough Bridge and Tunnel Authority is generally governed by the Triborough Bridge and Tunnel Authority Act, being Title 3 of Article 3 of the New York Public Authorities Law, as from time to time amended (the "MTA Bridges and Tunnels Act").

New York City Transit Authority and its subsidiary, the Manhattan and Bronx Surface Transit Operating Authority, are generally governed by the New York City Transit Authority Act, being Title 9 of Article 5 of the New York Public Authorities Law, as from time to time amended (the "MTA New York City Transit Act").

Due to the interrelationship of the Related Entities, certain provisions contained in these three acts (the MTA Act, the MTA Bridges and Tunnels Act and the MTA New York City Transit Act) relate to some or all of the other Related Entities.

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* The MTA subsidiary Metropolitan Suburban Bus Authority discontinued its provision of transportation services at the end of 2011. Its activities are limited to the winding up of its affairs.

Use of Popular Names

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

Legal Name	Popular Name
Metropolitan Transportation Authority	MTA (also referred to as "MTA Headquarters")
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
MTA Grand Central Madison Concourse Operating Company	MTA GCMC
Triborough Bridge and Tunnel Authority	MTA Bridges and Tunnels

Governance

MTA's Board consists of a Chairman and 16 other voting Members, two non-voting Members and four alternate non-voting Members, all of whom are appointed by the Governor with the advice and consent of the State Senate. Of the voting Members, four Members must reside in Dutchess, Orange, Putnam and Rockland counties, respectively, and cast one collective vote. The other voting Members, including the Chairman, cast one vote each (except that in the event of a tie vote, the Chairman shall cast one additional vote). Members of MTA are, *ex officio*, the Members or Directors of the other Related Entities and FMTAC. The Chairman is by statute also the Chief Executive Officer ("CEO") of MTA and is responsible for the discharge of the executive and administrative functions and powers of the Related Entities. The Chairman and CEO of MTA is, *ex officio*, the Chairman and CEO of the other Related Entities.

Facilities and Operations

The following is a summary of the facilities and operations presently conducted by the Related Entities.

MTA Headquarters. MTA Headquarters includes the executive staff of MTA, as well as a number of departments that perform largely all-agency functions, including the Business Service Center ("BSC"), information technology, security, audit, budget and financial management, capital programs management, finance, governmental relations, insurance and risk management, legal, planning, procurement, real estate, corporate compliance and ethics, information technology, and treasury. In addition, MTA maintains its own Police Department ("MTA Police Department") with non-exclusive jurisdiction over all facilities of the Related Entities and is responsible for the costs and expenses of such police department.

Transit System. MTA New York City Transit and its subsidiary MaBSTOA operate all subway transportation and most of the public bus transportation within the City (the "Transit System"). Throughout this ADS, unless otherwise noted, the term "Transit System" includes only the operations of MTA New York City Transit and its subsidiary MaBSTOA, and does not include the operations of MTA Staten Island Railway (except for certain capital projects included in the Transit Capital Program (as defined below under "*–Capital Programs*")), or MTA Bus.

Commuter System. MTA Long Island Rail Road and MTA Metro-North Railroad operate commuter rail services in the MTA Commuter Transportation District (the "Commuter System").

- MTA Long Island Rail Road operates commuter rail service between the City and Nassau County and Suffolk County in Long Island and within Nassau County and Suffolk County in Long Island.
- MTA Metro-North Railroad operates commuter rail service between the City and the northern suburban counties of Westchester, Putnam and Dutchess; from the City through the southern portion of the State of

* MTA formed the MTA Construction and Development Company in 2020 to replace MTA Capital Construction Company. This entity oversees the integration of all MTA capital planning, development and project delivery by planning and prioritizing capital projects across the MTA service region.

Connecticut ("Connecticut"); through an arrangement with New Jersey Transit Rail Operations, Inc. ("NJ Transit"), the Port Jervis and Pascack Valley commuter rail services to Orange and Rockland Counties; and within such counties and Connecticut.

MTA Bus. MTA Bus operates certain bus routes in the City formerly served by seven private bus operators pursuant to franchises granted by the City (the "MTA Bus System"). Under an agreement between MTA and the City, the City is responsible for paying MTA Bus the difference between the actual cost of operation and all revenues and subsidies received by MTA Bus and allocable to the operation of the routes. Certain portions of the MTA Bus Capital Program (as defined below) are included in the capital programs approved by the Metropolitan Transportation Authority Capital Program Review Board ("CPRB"). The City is not responsible for paying debt service on bonds issued by MTA for the benefit of MTA Bus in connection with the 2005-2009 Capital Program and later Capital Programs described below. The expense of debt service on bonds issued by MTA for the benefit of MTA Bus in connection with the 2010-2014, 2015-2019 and 2020-2024 Capital Programs described below is submitted to the City for reimbursement. MTA Bus is an "Additional Related Transportation Entity" within the meaning of the Transportation Resolution (as hereinafter defined), which allows MTA Bus to finance its capital projects with Transportation Revenue Bonds. See "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – TRANSPORTATION REVENUE BONDS".

MTA Staten Island Railway. MTA Staten Island Railway operates a single rapid transit line extending from the Staten Island Ferry Terminal at St. George to the southern tip of Staten Island. The City pays the operating expenses of MTA Staten Island Railway not covered by fares, State and local subsidies, and other amounts. Capital needs of MTA Staten Island Railway are financed under Transit Capital Programs.

MTA Bridges and Tunnels. MTA Bridges and Tunnels operates all nine of the intra-State toll bridges and tunnels in the City (the "MTA Bridges and Tunnels Facilities").

- MTA Bridges and Tunnels is authorized to issue its own obligations to finance the cost of capital costs and projects of its own facilities, including the Central Business District tolling program (the "CBD Tolling Program"), and of the Transit and Commuter Systems.
- MTA Bridges and Tunnels' annual operating surplus from the MTA Bridges and Tunnels Facilities, after meeting its own expenses and after payment of debt service on its own obligations, is used to fund the operating expenses of the Transit System and the Commuter System and/or to finance the cost of certain capital costs and projects of the Transit System and the Commuter System, including payment of debt service on obligations of MTA issued to finance such costs and projects.
- MTA Bridges and Tunnels' annual surplus investment income from the MTA Bridges and Tunnels Facilities, after meeting its own expenses and after payment of debt service on its own obligations, is used at the MTA Board's discretion to fund the operating or capital expenses of any of the Related Entities.

As more fully described herein under "PART 2. FINANCIAL INFORMATION – REVENUES OF THE RELATED ENTITIES – Capital Program Funding Sources", and "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE – Central Business District Tolling Program", MTA Bridges and Tunnels will also operate the CBD Tolling Program.

MTA Construction and Development. MTA Construction and Development (formerly MTA Capital Construction) is responsible for the planning, design and construction of major MTA system expansion projects for the other Related Entities, currently including East Side Access (bringing MTA Long Island Rail Road into Grand Central Terminal) ("East Side Access"), the Second Avenue Subway, the MTA Long Island Rail Road Mainline Expansion Project, Penn Station Access and system-wide capital security projects.

Capital Programs. MTA is required to prepare and submit for approval to the CPRB successive five-year capital programs for (1) the Transit System and MTA Staten Island Railway and (2) the Commuter System. MTA Bridges and Tunnels and MTA Bus undertake their own capital planning that is not subject to CPRB approval; however, certain security projects of MTA Bridges and Tunnels and certain capital projects of MTA Bus have been included in CPRB-approved MTA Capital Programs (as defined below).

Capital program documents are distributed to certain elected officials and posted on MTA's website for review by the public. These documents are not a part of this ADS and are not filed on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access System ("EMMA"). They are not prepared with a view to providing disclosure to investors in the securities of MTA or any of the Related Entities, and, accordingly, should not be relied upon by an investor in making an investment decision.

As used in this ADS, the following terms shall have the following definitions:

- The term “Capital Program”, as used in connection with any five-year period, shall refer to the combined “MTA Capital Program” and “MTA Bridges and Tunnels Capital Program” for that period. For example, the term “2020-2024 Capital Program“ shall refer to the combined “2020-2024 MTA Capital Program” and the “2020-2024 MTA Bridges and Tunnels Capital Program”.
- The term “MTA Capital Program” as used in connection with any five-year period, shall refer to the combined “Transit Capital Program” and “Commuter Capital Program” for that period. For example, the term “2020-2024 MTA Capital Program“ shall refer to the combined “2020-2024 Transit Capital Program“ and the “2020-2024 Commuter Capital Program”. As described herein, 2020-2024 MTA Capital Program currently consists of the following components: New York City Transit Core Capital Program, Long Island Rail Road Core Capital Program, Metro-North Railroad Core Capital Program, MTA Bus Core Capital Program, MTA Interagency Core Capital Program and MTA Construction and Development Company Capital Program.
- The term “Transit Capital Program”, as used in connection with any five-year period, shall refer to the capital program for MTA New York City Transit, MaBSTOA and MTA Staten Island Railway that is approved by the CPRB for that five-year period.
- The term “Commuter Capital Program”, as used in connection with any five-year period, shall refer to the capital program for MTA Long Island Rail Road and MTA Metro-North Railroad that is approved by the CPRB for that five-year period.
- The term “MTA Bridges and Tunnels Capital Program”, as used in connection with any five-year period, shall refer to the capital program for MTA Bridges and Tunnels that is adopted by the MTA Board, but that does not need the approval of the CPRB to become effective.

MTA-Wide Security

Physical Security

Mission. The MTA Office of Security works to achieve a secure environment for its customers, ridership, and employees, as well as securing the MTA’s transportation hubs, infrastructure assets, facilities and rolling stock.

Management. The MTA Office of Security under the supervision of the Deputy Chief of Security Management and Deputy Chief of Security Operations, reports to the MTA Chief Safety Officer.

General. The MTA Office of Security is pledged to the protection of life and property by adopting and incorporating contemporary technology and best practices in its operations and management based on current intelligence and evolving threat scenarios. The MTA Office of Security:

- Assesses risks and vulnerabilities associated with terrorist threats, traditional crime and quality of life issues, develops mitigation strategies to protect ridership, employees and infrastructure;
- Collects intelligence and provides analysis and investigation to counter terrorism or criminal threats;
- Plans, coordinates and manages security mitigation strategies for all MTA physical assets;
- Manages and coordinates emergency planning and response with local, state and federal agencies;
- Develops training initiatives derived from intelligence information collected in coordination with the MTA Police and other law enforcement agencies;
- Maintains strategic partnerships with city, state and federal agencies and not-for-profit organizations; collaborating and coordinating regarding evolving security needs.

Cybersecurity. MTA maintains a cybersecurity division within its Information Technology department lead by the MTA Chief Information 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. The 2022 MTA operating budget provided $58 million for cybersecurity, and an additional $237.5 million has been allocated over MTA's financial plan period through 2027 to strengthen cybersecurity defenses at MTA and its Related Entities.

MTA Information Technology implements a robust information security program to contend with constantly changing technology, compliance requirements, increasing complexity of information security and evolving threats. MTA Information Technology's security activities involve:

- Recommending necessary changes in controls, policies, or procedures;
- Maintaining an ongoing risk assessment process with respect to rapidly changing technology and the emergence of new threats;
- Making risk management practices an integral part of doing business;
- Revisiting information security efforts as needed to maintain their relevance to changes in MTA's mission, operational requirements, threats, environment, or deterioration in the degree of compliance;
- Aligning MTA's Cyber Security Program to applicable laws, regulations, standards, and policies and ensuring compliance therewith;
- Achieving industry standard best practices to reduce cyber risk to MTA;
- Improving cyber resilience for all MTA critical infrastructure systems in order to protect them from cyber breaches and attacks; and
- Assessing the adequacy of cyber security controls to protect MTA's critical infrastructure.

Financial Operations

MTA's fiscal year begins on January 1. The MTA Board has adopted financial planning and budgeting practices for the Related Entities that require the preparation of four-year financial plans covering the existing and three future fiscal years. The preparation of the financial plans of the Related Entities includes provision for capital spending (including debt service) authorized by the Capital Programs of the Related Entities, including those Capital Programs approved by the CPRB as described above.

The implementation of the financial plans, as adopted from time to time, and the Capital Programs, as submitted and amended from time to time, are interrelated and complex. Any failure to implement an important component of one can adversely affect the implementation of the other. See generally "PART 2. FINANCIAL PLANS AND CAPITAL PROGRAMS".

Financial Plans and Budgetary Practices.

- The MTA Board's financial planning and budgeting practices for the Related Entities require the following in each year:
    - In July of each year, MTA management will submit to the MTA Board a revised forecast of the current year's finances, a preliminary budget for the next year and an update to the four-year financial plan (which includes the next year and the three years thereafter) (referred to as the "July Plan").
    - In September, the MTA Board and the operating committees of the MTA Board will include the July preliminary budget and financial plan on their agendas. Public comments will be solicited at the September meeting.
    - In November, a revised forecast of the current year's finances and a final proposed budget for the next fiscal year, together with a revised four-year financial plan, will be submitted to the MTA Board (referred to as the "November Plan").

- A final budget for the next fiscal year, following public comment, will be adopted by the MTA Board by no later than December 31.
- No later than February of the following year, MTA Budget will issue a plan book containing the financial tables and supporting schedules for the current year's budget, as well as the financial plan for the next three years, as adopted by the MTA Board the preceding December (referred to as the "February Plan"). The February Plan incorporates applicable below-the-line policies and includes necessary technical adjustments to the financial plan. The budget is allocated over the 12-month period and becomes the basis on which monthly results are compared.
- Consistent with the MTA budget process, the financial plans highlight certain policy actions and other adjustments for the benefit of the MTA Board and financial stakeholders. Until these items have been approved by the MTA Board, MTA excludes their financial impact from the "Statement of Operations" (also referred to as the "baseline"). Instead, these items are captured individually, and in total, on the "Plan Adjustments". Such Plan Adjustments are also referred to as being "below-the-baseline".

- Budget and financial plan documents are distributed to certain elected officials and posted on MTA's website for review by the public. (These documents are not a part of this ADS and are not filed on EMMA. They are not prepared with a view to providing disclosure to investors in the securities of MTA or any of the Related Entities, and, accordingly, should not be relied upon by an investor in making an investment decision).
- The Related Entities (other than MTA Bridges and Tunnels) are each required by law to adopt an annual budget that is self-sustaining on a cash basis, including self-generated fares and other revenues, as well as operating subsidies of various types from numerous sources, including the State and local governments. In 2020, MTA was authorized to issue notes, bonds or other obligations through 2022 to offset decreases in revenue including, but not limited to, lost taxes, fees, charges, fares and tolls, or increases in operating costs of the Related Entities due in whole or in part to the State disaster emergency caused by the COVID-19 pandemic. MTA issued approximately $2.9 billion in notes for such purposes in December 2020. To date, MTA has not drawn down any of the moneys borrowed for such purposes. See "Part 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – MTA Capital Program Bonds – MTA Core Credits - *MTA Transportation Revenue Bond Anticipation Notes*" for a description of the notes so issued. See also "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES". MTA Bridges and Tunnels transfers surplus funds (which do not include moneys deposited into the CBD Tolling Capital Lockbox Fund as described under "PART 2. FINANCIAL INFORMATION – REVENUES OF THE RELATED ENTITIES – Capital Program Funding Sources") to finance the Transit and Commuter Systems.
- MTA is required by law each year to update and submit to the Governor a five-year strategic operation plan (that extends by one year the period covered by the four-year financial plan referenced above) that includes not only estimated operating and capital cost information, but also long-range goals and objectives, planned service and performance standards, and strategies to improve productivity.
- The State Comptroller has promulgated regulations that require the Related Entities to follow certain guidelines in reporting certain budget and financial plan information.
- MTA uses a common chart of accounts to present standardized financial reporting among all of the Related Entities.
- MTA prepares quarterly unaudited consolidated financial statements on behalf of the Related Entities as described below under "*–Quarterly Financial Statement Reports*" and files them on EMMA.

Five-Year Capital Programs.

- The MTA Act requires the preparation of five-year capital programs for (1) the Transit System and MTA Staten Island Railway and (2) the Commuter System. MTA has included funding for the MTA Bus Capital Program in approved Capital Programs as well as certain MTA Bridges and Tunnels security projects which are similarly included in a broader list of security projects in approved Capital Programs.
- Though not required by law, MTA Bridges and Tunnels prepares its own capital program that covers the same time period as the MTA Capital Programs.

- MTA Bus has identified capital projects (the "MTA Bus Capital Program") that are funded through the overall MTA Capital Program approved by the CPRB.
- The capital programs of MTA Bridges and Tunnels and MTA Bus are not required to be approved by the CPRB.
- For information relating to the most recent Capital Programs, see "PART 2. FINANCIAL PLANS AND CAPITAL PROGRAMS".

Quarterly Financial Statement Reports. MTA issues unaudited quarterly financial statement reports for the Related Entities on a consolidated basis. The reports are filed with EMMA and are posted on MTA's website. The review of the quarterly financial statements is conducted in accordance with the standards established by the American Institute of Certified Public Accountants.

Interagency Loans. The Related Entities are authorized to transfer their revenues, subsidies and other moneys or securities to another Related Entity for use by such other Related Entity, provided at the time of such transfer it is reasonably anticipated that the moneys and securities so transferred will be reimbursed, repaid or otherwise provided for by the end of the next succeeding calendar year. The use of such interagency loans allows for cash flow management on a more efficient MTA-wide basis and allows the Related Entities to meet their operating needs and other periodic financial commitments generally reducing the need for public or private cash flow borrowings. There are currently no interagency loans outstanding among the Related Entities.

Public Statements and Reports by Others. 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 herein or in budgets or financial plans prepared by MTA. While MTA may not directly respond to each such statement or action, MTA intends to update and supplement specific information contained herein and to prepare the quarterly financial statement reports and financial plan updates described above. Investors and other market participants should refer to MTA's filings on EMMA, from time to time, for information regarding the Related Entities and their financial condition.

Management

- The Chairman and Members of MTA, by statute, are also the Chairman and Members of the other Related Entities.
- The Chairman of MTA by statute is the CEO of MTA, who is responsible for the discharge of the executive and administrative functions and powers of the Related Entities. The CEO of MTA is, *ex officio*, the CEO of the other Related Entities.
- Each of the Related Entities has its own management that is responsible for its day-to-day operations.

The following are brief biographies of certain MTA senior officers.

John N. "Janno" Lieber was confirmed as Chairman and Chief Executive Officer of MTA on January 20, 2022, following his nomination to that position by Gov. Kathy Hochul. Mr. Lieber previously served as President of MTA Construction & Development, the organization responsible for planning, developing, and delivering capital projects across MTA. In that position, he led the creation and implementation of MTA's $51.5 billion 2020-2024 Capital Program. He also managed the integration and transformation of construction and development management practice at MTA. Prior to joining MTA, Mr. Lieber served as President of World Trade Center Properties for 14 years. Before that, he served as Senior Vice President of Lawrence Ruben Company and as Deputy Assistant Secretary for Policy for the U.S. Department of Transportation under President William Clinton. Earlier in his career, Mr. Lieber practiced law at a private law firm and served as a transportation policy advisor in the office of New York City Mayor Ed Koch. He is a graduate of Harvard University and New York University Law School.

Kevin Willens was appointed MTA's Chief Financial Officer on January 20, 2022. In that capacity, Mr. Willens is responsible for managing MTA's budget and finances and accountable for developing the agency's annual budget and four-year financial plan. Mr. Willens has more than 35 years of experience in public finance, having served most recently as Managing Director and Co-head of US Public Finance at Goldman Sachs. Mr. Willens has provided investment banking expertise to MTA for more than 30 years, including serving as MTA's financial advisor for 10 years. From the private sector, Mr. Willens worked with MTA on developing many of its current financing credits, including the development of new revenue sources, such as the regional mobility tax in 2009. He has also executed complex real estate transactions, such as the Hudson Rail Yards financing. Mr. Willens also served as a Board Member of the Municipal Securities Rulemaking Board from 2009 to 2012. He earned his B.A. in Economics and Computer Studies from Northwestern University.

Paige Graves was appointed MTA's General Counsel on January 20, 2022. In that capacity, Ms. Graves is responsible for developing high-level legal and policy strategies for the MTA and senior staff regarding key MTA initiatives and priorities and overseeing a law department of more than 350 attorneys and staff. Ms. Graves previously served for nearly two years as Vice President and General Counsel of MTA Long Island Rail Road, four years as Vice President and General Counsel of MTA Bus Company and four years in the MTA New York City Transit Law Department. Ms. Graves has over 25 years of legal experience. Prior to joining MTA in 2012, Ms. Graves started her legal career as a prosecutor in the Manhattan District Attorney's Office, before working in the Forensic Litigation Group at KPMG providing investigative and integrity advisory services, and as senior counsel for an insurance defense firm handling complex litigation matters. She holds a B.S. in Economics from the Wharton School of the University of Pennsylvania and a Juris Doctorate degree from Hofstra University.

Biographies of other members of MTA's executive leadership can be found on MTA's website. No portion of MTA's website is included by cross-reference into this ADS.

ENVIRONMENTAL FACTORS

Resilience and Climate Change Adaptation

Due to the location of certain of its facilities in areas at risk of flooding, and the increased frequency and severity of storms, MTA and its Related Entities are vulnerable to the effects of climate change.

In September 2007, MTA appointed a commission charged with developing sustainability-related recommendations for the MTA and in 2009, the results of the commission's work was published as the "Final Report of the Blue Ribbon Commission on Sustainability and the MTA". The recommendations aim to expand the greening power of public transit to more riders and communities, while managing and reducing MTA's per-rider energy consumption and environmental footprint.

MTA Headquarters Department of Environmental Sustainability & Compliance is currently comprised of three groups. The Environmental Group oversees environmental compliance, policies, projects and initiatives; the Energy Group oversees energy compliance policies, projects and initiatives; and the Climate Adaptation Task Force oversees climate change adaptation initiatives, and resiliency policy, projects and initiatives.

Certain Environmental Sustainability Initiatives

MTA is engaged in numerous sustainability efforts. Certain of those efforts are described below.

In November 2019, MTA joined the Science Based Targets initiative ("SBTi") to reduce greenhouse gas emissions in line with the Paris Climate Agreement. Through the SBTi, which is a joint partnership between the U.N. Global Compact, CDP, the World Resources Institute, and the World Wide Fund for Nature, MTA has committed to setting a science-based carbon emissions target to help keep the global temperature well below 2°C compared to pre-industrial levels. In November 2021, the SBTi approved MTA's target of reducing greenhouse gas emissions from non-revenue activities by 38% and from revenue activities by 51% by 2030, using 2015 as the base year.

MTA is a founding member of The Climate Registry and has voluntarily reported its greenhouse gas emissions with The Climate Registry since 2008.

In 2018, MTA Metro-North Railroad became the first railroad in North America to receive ISO-50001 certification and successfully completed the third-year surveillance audit in the ISO-50001 Energy Management System framework.

MTA participates in national and international benchmarking and knowledge-sharing efforts with organizations including UITP (L'Union Internationale des Transports Publics), APTA (American Public Transit Association), COMET (Community of Metros) at Imperial College of London, IBBG (International Bus Benchmarking Group), and ISBeRG (International Suburban Rail Benchmarking Group).

In July 2020, MTA entered into a multi-year contract for the supply of approximately 25 million gallons of renewable natural gas to fuel all 800 Compressed Natural Gas buses. The 2020-2024 Capital Program contains funding to add 45 electric buses to the fleet in Phase 1. MTA Bus has committed to transitioning to a zero-emissions all-electric fleet by 2040 with its last order for non-electric buses in 2029.

No portion of the websites of the SBTi, The Climate Registry, the ISO, or the benchmarking and knowledge-sharing organizations referenced above are incorporated into this ADS. Such websites were not prepared with the intent to provide disclosure to investors in the securities of MTA or any of the Related Entities, and, accordingly, should not be relied upon by an investor in making an investment decision.

For a description of MTA's Climate Bonds program, see "PART 2. FINANCIAL INFORMATION – FINANCIAL PLANS AND CAPITAL PROGRAMS – Climate Bond Standard and Certification Compliance".

THE MTA TRANSFORMATION PLAN

The 2019-2020 State Enacted Budget required a series of MTA reforms, including the mandate to develop an organizational restructuring plan with the goal of streamlining the organization, reducing fixed costs and providing safe and reliable service. To that end, MTA procured the services of a management consulting firm that provided a report to MTA (the "Transformation Plan"). The Transformation Plan was approved as a blueprint plan by the MTA Board at its July 24, 2019 meeting.

The Transformation Management Office, which was charged with implementing the Transformation Plan, has ceased operations, as the transformation initiative has accomplished significant goals since its inception. These accomplishments include bridging strategic and core support functions across MTA and creating a foundation for central departments to better serve agency operations, as well as providing significant vacancy savings. The focus of transformation is now shifting to the newly created consolidated functional organizations to develop additional efficiencies across the organization. With this shifted focus, the remaining $25 million in unidentified 2021 transformation savings was removed from the 2021 November Plan replaced by anticipated annual savings of $150 million from new efforts that will be spearheaded by the consolidated functional organizations.

UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES

Background Relating to the Global Coronavirus Pandemic. The coronavirus ("COVID-19") outbreak continues to have an adverse and severe impact on MTA's financial condition and operating results. On March 12, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. The COVID-19 pandemic has dramatically altered the behavior of businesses and people in a manner that continues to have negative effects on global and local economies. On March 7, 2020 the Governor declared a Disaster Emergency in the State and on March 13, 2020 the President declared a national state of emergency as a result of the COVID-19 pandemic. The State's NY Forward guidelines promulgated in May 2020 established metrics to implement a staged reopening of the State and progress has been made, particularly with increased availability of vaccines. As of April 5, 2022, Governor Hochul reported that 70,340 deaths had been reported by the State Department of Health and NYC to the Centers for Disease Control and Prevention (the "CDC") and over 37.5 million vaccines doses have been administered in the State with 73.8 percent of New Yorkers completing their vaccine series.

MTA is employing its pandemic plan, which is updated regularly, and serves as a blueprint guiding MTA's response in accordance with federal, State and local authorities. The MTA COVID-19 Employee Resource Center provides resources related to testing and vaccinations as well as informational resources. MTA continues to work closely with the CDC, the State Department of Health, and other government agencies.

MTA's current action plan (the "MTA Action Plan") for a safe return to the public transportation services of MTA New York City Transit, MTA Bus, MTA Metro-North Railroad and MTA Long Island Rail Road are embodied in a 13-point outline that can be found on the MTA website. The MTA Action Plan, is focused on elements such as efficiency, safety and cleanliness, continuing to move essential workers, welcoming back riders and investing in the future of the system.

Recent Ridership and Traffic Data. Substantial declines in ridership and traffic in response to the COVID-19 pandemic have continued. MTA noted the following declines based upon preliminary numbers as of March 31, 2022 with respect to MTA New York City Transit, MTA Bus and MTA Bridges and Tunnels and as of February 28, 2022 with respect to MTA Metro-North Railroad and MTA Long Island Rail Road. Percentage ridership and traffic declines by agency from the comparable date in 2019 are:

	% Decline in Ridership/Traffic
Subways	55.1
Bus	44.4
Metro North Railroad	44.0
Long Island Rail Road	46.0
MTA Bridges and Tunnels (Preliminary Traffic Count)	3.5

Currently Adopted Federal Legislative and Administrative Actions. Three major pieces of federal COVID-19 relief legislation have allocated a cumulative total of $15 billion of incremental aid to MTA for operating expenses. The first was the "Coronavirus Aid, Relief and Economic Security Act" or "CARES Act", which was signed into law on March 27, 2020. The CARES Act, through the Federal Transit Administration's ("FTA") formula funding provisions, provided $4 billion to MTA. Funding is provided at a 100% federal share, with no local match required. The CARES Act was available to support operating, capital and other expenses generally eligible under those programs and incurred beginning on January 20, 2020, to prevent, prepare for, and respond to the COVID-19 pandemic, including operating service for essential workers, such as medical personnel and first responders though MTA used those funds exclusively for operating expenses. The second major COVID-19 pandemic aid bill was the "Coronavirus Response and Relief Supplemental Appropriations Act" ("CRRSAA"), which became law in December 2020. The MTA received $4.1 billion in operating aid from the CRRSAA. The $1.9 trillion "American Rescue Plan Act of 2021" ("ARPA") was signed into law by President Biden on March 11, 2021, and will provide an additional $7 billion in federal operating aid for MTA (in addition to $70 million in capital aid for the East Side Access project). CARES Act funds were fully received in 2020, CRRSAA funds were fully received in early 2022, and ARPA funds are currently being received over time.

MTA is also eligible for FEMA payments in addition to the CARES Act, CRRSAA and ARPA funding. FEMA payments are expected to cover expenses related to the COVID-19 pandemic, over and above normal emergency costs that are not covered by other federal funding. Such expenses include sanitizing, disinfecting of MTA facilities, transportation equipment along with safety precautions at job sites to include PPE and ensure COVID-19 regulations are being adhered to.

There is no assurance that the full level of support and financial assistance will be received from the federal programs. MTA does not believe that it could sustain its level of operations due to the ongoing impact of the COVID-19 crisis without receiving the full levels of authorized federal aid discussed above. The status of MTA and its Related Entities operations and finances have become dire, and it remains extremely difficult to predict the course of these impacts due to the dynamic nature of the COVID-19 pandemic, including, but not limited to, uncertainties relating to the duration of the pandemic and the emergence of variants, as well as with regard to actions that may be taken by other governmental authorities and health care providers to contain or mitigate its impact.

Updated Assessment of Impacts of the COVID-19 Pandemic and Economic Study Analysis. The 2022 February Plan, as with prior financial plans since the onset of the COVID-19 pandemic, reflects the impact the COVID-19 pandemic and the ensuing effect that the COVID-19 pandemic has had on the MTA's service area, with focus on MTA's financial survival as it strives to provide essential regional service. Based on information available to MTA management, the COVID-19 pandemic can be expected to have an extended impact over the entire financial plan period through 2025. In April 2020, MTA hired McKinsey & Company ("McKinsey") to develop an initial financial impact assessment from the COVID-19 pandemic. McKinsey reviewed MTA farebox and toll revenues, along with subsidy receipts and developed forecasts consistent with the likely effect the COVID-19 pandemic would have on the regional and national economies. The results of the initial McKinsey analysis were a baseline scenario ("earlier containment and recovery"), where ridership and traffic were to begin to return in June 2020, but with a resurgence in cases in the fall of 2020, and an alternative scenario ("delayed containment and recovery"), where the initial return would be slower, due to countervailing factors such as personal preferences to avoid public transit and continued remote working, followed by a resurgence of the COVID-19 pandemic more severe than the base scenario. In the July 2020 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 2020 Plan and the February 2021 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. A second McKinsey analysis was performed in 2021. Based upon that analysis, MTA revised its utilization projections for the July 2021 Plan. MTA Bridges and Tunnels traffic projections were based on McKinsey's "best case" scenario, ridership projections for all other agencies other than MTA Staten Island Railway were based on the midpoint of McKinsey's "best case" and "worst case" scenarios, and MTA Staten Island Railway ridership projections remained at McKinsey's "worst case" scenario. In April 2022, MTA retained McKinsey to develop an updated financial impact assessment from the COVID-19 pandemic. The results of the updated McKinsey analysis are expected to be incorporated in the July 2022 Plan. See discussion below relating to McKinsey's projections under "— CERTAIN RISK FACTORS – Aligning Service with "New Normal" Ridership Levels to Address MTA Existing and Future Structural Fiscal Imbalance". MTA is currently reassessing its revenue projections included in the current February Financial Plan in light of the continuing impact of the COVID-19 pandemic as well as economic and social factors on its ridership levels. Farebox revenue for the first four months of 2022 has been below budget, reflecting lower ridership than was assumed in the February Financial Plan. MTA plans to include revised ridership projections in the July Financial Plan that is likely to show lower farebox revenue than that forecast in the current February Financial Plan.

MTA intends to continue to provide regular updates on EMMA and MTA's website of the continued impacts of the COVID-19 pandemic on MTA, particularly on its operations and finances.

MTA Liquidity Resources. As of April 18, 2022, MTA had liquidity resources in the approximate amount of \$11.771 billion, consisting of a current running cash balance of \$1.392 billion, internal available flexible funds totaling \$2.483 billion, MTA PMT BANs for working capital, plus interest, totaling \$2.907 billion, and applicable undrawn commercial bank lines of credit totaling approximately \$1.2 billion, and available ARPA receipts of approximately \$3.788 billion. *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.*

CERTAIN RISK FACTORS

This caption discusses certain risks associated with the investment in or ownership of the public debt securities and other financial instruments of MTA and MTA Bridges and Tunnels (collectively, "bonds" in this caption), but is not intended to be a dispositive, comprehensive or definitive listing of all risks associated with investment in the bonds. Prospective investors in the bonds should carefully consider the following risks and those risks described elsewhere in this ADS and in any related offering document before making an investment decision.

If any of the following events or circumstances identified as risks actually occur or materialize, an investor's or prospective investor's investment could be materially and adversely affected. Additional risks and uncertainties not presently known to MTA or MTA Bridges and Tunnels, or that are currently deemed immaterial, could also adversely affect MTA and MTA Bridges and Tunnels operations and financial results, and may also impair such investor's investment. The order in which the following information is presented is not intended to reflect the relative importance of any such risks.

Although the various risks discussed in this ADS are generally described separately, prospective investors in bonds of MTA or MTA Bridges and Tunnels should consider the potential effects of the interplay of multiple risk factors. Where more than one significant risk factor is present, the risk of loss to an investor may be significantly increased. In addition, certain risks described herein can have multiple effects that are not necessarily limited to the heading or caption under which the risk is described. Prospective investors should consider the full potential effect of each risk.

This ADS also contains forward-looking statements that involve risks and uncertainties. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the risks described in greater detail below and elsewhere in this ADS.

When making an investment decision with respect to bonds, a prospective investor can have no assurance, based on the information contained herein, that MTA or its Related Entities will have the capability to meet their respective financial obligations under the agreements or instruments to which it is a party.

Continued Severe Impacts from Coronavirus Pandemic and Public Health Threats. An outbreak of disease or similar public health threat, such as the COVID-19 pandemic, or fear of such an event, could have an adverse impact on MTA's and its Related Entities' financial condition and operating results. For a more detailed discussion of the continuing impact on MTA and the Related Entities of the COVID-19 pandemic, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES" in this ADS.

The continued impact of the COVID-19 pandemic on the operations and finances of MTA and its Related Entities is extremely difficult to predict due to the dynamic nature of the COVID-19 pandemic, including, but not limited to, uncertainties relating to its duration and the emergence of dangerous variants, as well as with regard to actions that may be taken by various governmental authorities and health care providers to contain or mitigate its impact.

Aligning Service with "New Normal" Ridership Levels to Address MTA's Existing and Future Structural Fiscal Imbalance. McKinsey's second analysis projected that MTA's overall ridership may only recover to 82% to 91% of the pre-pandemic levels by the mid-2020s. This projection considered changes in travel behavior, due to the continuation of hybrid work schedules, increased online shopping, slower return of tourism, and increases in alternative travel, such as walking and bicycling. McKinsey's updated 2022 analysis is expected to provide revised projections based upon the trends which have developed during 2021 as a result of the ongoing effects of the pandemic as well as the evolving nature of COVID-19. MTA continues to face the challenge of providing a level of service to match the current needs of customers while introducing an appropriate level of service as ridership returns. Simply returning to a pre-pandemic service structure and service levels, without appropriately matching service with "new normal" demand, would continue the unsustainable structural fiscal imbalances that must be addressed and corrected.

Additional Federal Aid. MTA's financial health through the course of the COVID-19 pandemic is heavily reliant on receipt of the Congressionally authorized funding, described under "UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES "– *Currently Adopted Federal Legislative and Administrative Actions"*. Any failure of Congressional appropriation or USDOT payment of such remaining aid, or the inability of MTA to qualify for such funding, would have a significant adverse impact on MTA finances and operations.

Implementation and Timing of State Funding, Governance, Management Changes and Transformation Plan Related Initiatives. Each of the State legislative initiatives described in this ADS, including funding set forth in the State Fiscal Year 2022-2023 Enacted Budget, the CBD Tolling Program, expansion of design-build contracting powers, and implementation of the Mass Transit Expert Panel (for the purposes of the CBD Tolling Program) and related MTA governance proposals are complex and require time to implement. Without the savings from the newly created consolidated functional organizations created pursuant to the Transformation Plan, MTA financial plan results would worsen by an estimated $150 million on an annual basis over the course of the financial plan period, through 2025. Projections of potential financial or operational and management benefits from each of the foregoing are uncertain and difficult to quantify as of the date of this ADS. There can be no assurance that the projected management and Transformation Plan related budgetary gains or operational efficiencies will be achieved in whole or in part during the financial plan period (through 2025). See "UPDATE REGARDING IMPACT FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

Implementation of the Four Percent Fare/Toll Yield Increases. Many costs are dependent on pricing factors outside MTA's direct control (e.g., energy, health and welfare and pensions), and MTA relies, in part, on regularly recurring fare and toll rate increases to help cover these increasing expenses. MTA's current financial plan through 2025 assumes a combined $795 million in additional fare and toll revenue from the projected 2021, 2023 and 2025 increases. There is no assurance that such fare and tolls increase will be implemented as and when included in the financial plan, or, if implemented will generate the estimated revenue increases described in this ADS.

The November Plan deferred the proposed 2021 fare increase to take place in mid-2022. The 2022 February Plan removed the proposed mid-2022 fare increase. The 2023 farebox and toll increases, yielding a 4% overall increase in farebox and toll revenues, are projected to yield an additional $251 million in 2023, $298 million in 2024, and $299 million in 2025. Factoring in MTA Bus, MTA Staten Island Railway and MTA Bridges and Tunnels adjustments (such MTA Bus and MTA Staten Island Railway adjustments relate to changes in City contributions covering deficit operations, and MTA Bridges and Tunnels adjustments are attributable to timing of payments and surplus calculations), the net increase to MTA is estimated to be $239 million in 2023, $289 million in 2024, and $291 million in 2025. Compared with the November Plan, net projections are lower by $7 million in 2023, and lower by $8 million in 2024 and 2025; these changes from the November Plan reflect the lost compounding effect due to the elimination of the 2022 fare increase.

The 2025 farebox and toll increases, yielding a 4% overall increase in farebox and toll revenues, are projected to yield an additional $265 million in 2025. Factoring in MTA Bus, MTA Staten Island Railway and MTA Bridges and Tunnels adjustments (such MTA Bus and MTA Staten Island Railway adjustments relate to changes in City contributions covering deficit operations, and MTA Bridges and Tunnels adjustments are attributable to timing of payments and surplus calculations), the net increase to MTA is estimated to be $252 million in 2025. Compared with the November Plan, net projections are lower by $7 million in 2025; this change from the November Plan reflect the lost compounding effect due to the elimination of the 2022 fare increase.

If projected fare and toll increases are not implemented or realized, MTA's financial situation will deteriorate, as revenue will not be able to keep pace with inflation and other cost growth.

Maintain Fiscal Discipline over Controllable Overtime. While overtime can be a cost-effective and efficient means for addressing certain assignments, a consistent approach to managing and overseeing overtime usage is necessary. Reports from both the MTA Inspector General and special outside counsel, Morrison and Foerster, emphasized specific recommendations to address existing deficiencies. MTA, through its Overtime Task Force, put those recommendations into effect with certain overtime savings expectations. However, those savings are unlikely to be realized as a result of necessary extra labor costs needed to address the COVID-19 pandemic impact.

MTA's Annual Overtime Report 2021 Results (the "Overtime Report"), released on April 18, 2022, concluded that MTA successfully reduced its overtime spending in 2021, when compared to pre-pandemic levels. Overtime spending was $217 million less than in 2018 and $94 million less than in 2019 – reductions of 16% and 8%, respectively. However, in the face of the COVID-19 pandemic, the Overtime Report concluded that MTA-wide, overtime spending increased slightly in 2021 versus 2020, by 3% or $37 million, from $1.13 billion to $1.16 billion. The full Overtime Report is available on MTA's website, but is not incorporated by cross-reference into this ADS.

Continuation of the Negotiation of Affordable Labor Contracts. In January 2020, the MTA Board approved the agreement between New York City Transit and the Transport Workers Union, Local 100 ("TWU"). The term of the agreement is May 2019 through May 2023. Consistent with previous bargaining rounds, MTA fully expected to commence negotiations with its remaining bargaining units to reach pattern-based settlements that are consistent with the TWU agreement; however, the pandemic's impact on MTA's financial outlook resulted in a pause in bargaining. In early 2021, MTA resumed bargaining with its unions. Since the resumption of collective bargaining, MTA has settled numerous two-year agreements covering varying 24-month periods between 2019 and 2021. These agreements cover more than 90% of represented employees at MTA Long Island Rail Road and more than 50% at MTA Metro-North Railroad. These agreements are consistent with the first two years of the TWU Agreement in terms of net cost.

While negotiations also resumed with three locals of the Amalgamated Transit Union at New York City Transit and MTA Bus, the parties were unable to reach an agreement, and those unions subsequently filed for impasse. The Impasse Arbitrator rendered a decision in December 2021. Under the arbitration decision, the arbitrator set terms that mirror the TWU contract in terms of net costs, while also directing MTA and the unions to bargain over certain outstanding issues, a process which is ongoing. Once the Amalgamated Transit Union agreements are settled, new negotiations for the remaining unions at the MTA operating under expired contracts are expected to commence pursuant to terms that will mirror the net costs of the four year TWU agreement. With regard to the LIRR and MNR unions that settled contracts covering the first two years of the TWU pattern, it is expected that the parties will reach agreement consistent with the final two years of the pattern. The remaining unions will proceed to collective bargaining under the terms of the full four year TWU pattern.

In the final quarter of 2021, MTA also reached a first agreement with the United Transit Leadership Organization. This union represents first line managers at New York City Transit and MTA Bus and was a non-TWU pattern agreement.

System Security. Ridership on the Transit and Commuter Systems is affected by serious incidents of crime and the public's perception of security and order in the systems. High profile events, such as the April 2022 subway shooting and incidents of passengers being pushed onto subway tracks, can also have an effect on public perception. See "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE – Transit System (MTA New York City Transit)", "– Commuter System Ridership", and "– MTA Bus Ridership" in this ADS for a discussion of system security and its impact upon ridership.

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, MTA and its Related Facilities' information technology and infrastructure have been and may still be subject to attacks by hackers or other breaches, including as a result of error, malfeasance or other disruptions or failures. Any such breach, disruption or other failure could compromise 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. Furthermore, the tactics, techniques and procedures used by malicious actors to obtain unauthorized access to information technology systems and networks change frequently and often are not recognized until launched against a target. Accordingly, MTA and its Related Entities may be unable to anticipate these techniques or implement adequate preventative measures. It is possible that MTA and its Related Entities may in the future suffer a criminal attack whereby unauthorized parties gain access to MTA and its Related Entities' information technology networks and systems, including sensitive or confidential financial or operational data, and MTA and its Related Entities may not be able to identify and respond to such an incident in a timely manner.

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. See "PART 1. BUSINESS – THE RELATED ENTITIES – MTA-Wide Security".

Responding to Developing Economic Environment. MTA's finances are highly influenced by economic factors. Passenger and toll revenues, dedicated taxes and subsidies (including real estate transaction revenue), debt service, pensions and energy costs are all impacted by the health of the MTA region, State and national economies. If the economic and other assumptions reflected in MTA's current financial plan are unrealized, particularly in the face of the continuing impacts of the COVID-19 pandemic (notwithstanding more widespread availability of vaccines and other treatments, a gradual recovery and substantial federal aid), inflation, or the conflict in Ukraine, the financial plan's projected results could be materially adversely affected. Each MTA financial plan update will reflect the updated impacts of the COVID-19 pandemic on operations and finances.

Funding of Capital Programs and Operations. MTA and MTA Bridges and Tunnel's funding of their Capital Programs are subject to available funding sources and access to the financial markets. See "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES" in this ADS for a description of the severe impact on Capital Program implementation, including MTA Construction and Development's temporary suspension of the award of new Capital Program construction or consulting contracts and related implementation delays. MTA and MTA Bridges and Tunnels will continue to adjust capital program spending as necessary to finance the program consistent with available resources and operating needs.

Risks Associated with Federal Funding Plans. The receipt of capital grants by MTA from the FTA is not assured and is subject to approval by the FTA, the Secretary of Transportation and Office of Management and Budget, as well as appropriation by the U.S. Congress, to the allocation and delivery procedures of the U.S. Department of Transportation ("USDOT") and the FTA, and to compliance by MTA with conditions required by the grants. If federal funding for transit programs is reduced, whether as a result of sequestration or for other reasons, MTA's receipt of FTA grant funding, as well as MTA's substantial recurring revenue from the FTA, could be delayed, not approved or cancelled.

Climate Change. Potential hazards relating to climate change include sea level rise, more severe coastal flooding and erosion hazards and severe storm and wind, all of which may have adverse effects on economic activity. Any such events, if unmitigated, may also have major impacts to the Related Entities' stations, trackway, traction power, train control and maintenance yard/shops, rail tunnels, wayside facilities and bridge and tunnel crossings. The impacts may directly impact patron safety and cause service disruptions and require prolonged recovery.

MTA and the Related Entities are responding to climate change impacts through developing adaption strategies and hardening their infrastructure against such potential hazards. Current efforts include water intrusion mitigation, erosion control, storm drainage treatment, power redundancy, fire suppression, and seismic event mitigation. MTA and the Related Entities are also working with regional partners of MTA and its Related Entities to plan for regional adaptation needs. No assurance can be given that such measures will be sufficient to protect against all impacts of climate change. See "PART 1. BUSINESS – Environmental Factors".

Other Force Majeure Events. Operations of MTA and its Related Entities' transportation facilities, and the amount of fare and toll revenues and the availability of State, City and other subsidies are also at risk from other events of force majeure, such as damaging storms, winds and floods, fires and explosions, spills of hazardous substances, pandemic outbreaks, strikes and lockouts, sabotage, wars, terrorism, blockades and riots. MTA cannot predict the potential impact of such events on the financial condition of MTA and its Related Entities at this time or the degree to which financial losses or costs of remediation could exceed available insurance coverage or federal disaster assistance.

Potential Impact of Changes in Federal Law. MTA's finances are also influenced by federal public transportation provisions, funding levels and federal tax law. For a description of certain federal legislative and administrative actions taken to help MTA address the impact of the COVID-19 pandemic, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES" in this ADS.

Potential Impediments to Access to Capital Markets or Higher Interest Rates Than Forecasted. Adverse national and regional economic conditions and MTA financial performance could result in negative ratings actions and constrained access to capital markets, whether from the impacts of the COVID-19 pandemic, economic recession or otherwise. The current MTA financial plan includes interest rate assumptions consistent with assumptions of the Federal Open Markets Committee ("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. Either of the foregoing could lead to an increase in interest rates for MTA capital or cash-flow borrowings which are higher than projected in the current MTA financial plan. See "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES" in this ADS.

Legislative Action. Legislation is introduced from time to time in the State Legislature which, if adopted, may affect MTA and its Related Entities. MTA cannot predict whether or not these bills will be enacted into law or how such legislation may affect the finances, Capital Programs or operations of MTA and its Related Entities. Under the MTA Act, the State has agreed with the holders of the bonds, notes or other obligations of MTA or the Related Entities, among other things, that it will not limit or alter the rights and powers vested by the MTA Act in MTA and its Related Entities to fulfill the terms of any agreements made by any of them with the holders thereof, or in any way impair the rights and remedies of such holders until such notes, bonds or other obligations are fully met and discharged.

Litigation Risks. Certain current litigation involving MTA and its Related Entities is described in "PART 6. – REGULATORY, EMPLOYMENT, INSURANCE AND LITIGATION MATTERS-LITIGATION". No assurance can be given that such litigation or future litigation or legal claims involving MTA or the Related Entities will not arise, that such litigation would not have an adverse effect on the ability of MTA or the Related Entities to perform their respective obligations under applicable agreements to which they are a party, or result in substantial monetary judgments against, or impose burdensome requirements on, MTA or its Related Entities.

PART 2. FINANCIAL INFORMATION

REVENUES OF THE RELATED ENTITIES

The following is a general description of certain revenues generated by the Related Entities. While it is not a complete list of all revenues available, it does cover substantially all of the revenues pledged to pay any one or more of the securities described under "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS". Each MTA or MTA Bridges and Tunnels credit is supported by specific revenue streams. Reference is made to the audited financial statements of the various entities for more information relating thereto. The information in the audited financial statements may differ from the information set forth below in certain respects due to the classification of revenues or timing of receipt thereof. For example, while the Related Entities use a calendar year as their fiscal year, the State has a fiscal year that begins on April 1. Some of the information set forth below and under the caption "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS" and "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – PAYROLL MOBILITY TAX OBLIGATIONS" relating to the State subsidies reflects revenues received during the State's fiscal year.

Collections of the different sources of revenues available to the Related Entities have varied, in some cases substantially, for a variety of reasons over the last ten years. Most of the revenues (including fares and tolls, dedicated taxes and miscellaneous concession and other revenues) are affected by general and local economic factors, including population and employment levels, stock market valuations, motor fuel prices and general economic activity, such as retail sales. The real estate-based revenues (i.e., the mortgage recording taxes, the urban taxes for the Transit System and the City "mansion tax"), which are equal to set percentages of the valuations of taxed transactions, are affected by a varying level of commercial and residential real property transactions, as well as, during certain periods, a generally lower value of real estate. In addition, the State's and the City's fiscal condition could affect their ability to subsidize the Related Entities and could affect their willingness to continue to provide revenues at prior or forecasted levels.

The projections provided in this ADS reflect the effects of the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "– UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

Fares and Tolls

Ridership and Use of Bridges and Tunnels. The level of fare revenues depends to a large extent on ridership levels on the Transit System, Commuter System and MTA Bus System. Similarly, the level of toll revenues depends to a large extent on use levels on its bridges and tunnels. The ridership and use levels are affected by a range of factors, including, without limitation, the safety, quality and efficiency of systems operations and financial and economic conditions in the New York metropolitan area.

Fare and Toll Policy. MTA determines the fares charged to users of the Commuter System and the MTA Bus System; MTA New York City Transit and MaBSTOA, together with MTA, determine the fares for the Transit System; and MTA Bridges and Tunnels determines the tolls for the MTA Bridges and Tunnels Facilities. After adopting operating expense budgets and assessing the availability of governmental subsidies (other than in the case of MTA Bridges and Tunnels), each makes a determination of fares necessary to operate on a self-sustaining cash basis in compliance with State law and covenants in the relevant bond resolutions. After taking into consideration the impact of increased fares on riders and increased tolls on bridge and tunnel users and of both on the regional economy, MTA may attempt to reduce costs or obtain additional revenues from other sources, mainly governmental sources, before increasing fares and/or tolls. As a result, even though MTA does not generally need other governmental approvals before setting fares and MTA Bridges and Tunnels does not generally need other governmental approvals before setting tolls, the amount and timing of fare and toll increases may be affected by the federal, State and local government financial conditions, as well as by budgetary and legislative processes, including the required holding of public hearings. In the case of the New Haven Line, MTA's ability to change fares is subject to the approval of the Connecticut Department of Transportation ("CDOT") pursuant to the terms of the joint service agreement among MTA, MTA Metro-North Railroad and CDOT. At the present time, MTA is exempt from all federal requirements relating to fares charged on interstate travel on the New Haven Line. MTA's obligation to obtain approval of fare increases on the New Haven line from CDOT can also affect the amount and timing of fare increases.

Methods of Payment and Collection. MTA New York City Transit employs an Automated Fare Collection ("AFC") system that utilizes MetroCard payments, as more fully described under "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE – Transit System (MTA New York City Transit and MaBSTOA) Ridership – *Automated Fare Collection*". In addition to in-system sales at station booths and through vending machines, MetroCards are presently sold through out-of-system vendors by MTA Long Island Rail Road, MTA

Metro-North Railroad, other entities that use MetroCard, and directly to businesses. In connection with certain of these sales, a sales commission is netted out of the amounts paid to MTA New York City Transit.

MTA New York City Transit offers an Easy Pay Express pre-payment program wherein customers pay for their rides automatically by linking their MetroCard to a credit card or debit card. MTA New York City Transit also has a program for senior citizens wherein their MetroCard usage is determined at the end of the month and they are retroactively charged the least cost based upon their usage.

MTA New York City Transit has integrated its MetroCard system with MTA Bus, NICE Bus (Nassau County), PATH (PANYNJ), JFK Air Train (PANYNJ), Westchester County Bee Line, and Roosevelt Island Tram (Roosevelt Island Operating Corporation of the State of New York).

Several ticket purchase options are available to MTA Long Island Rail Road and MTA Metro-North Railroad customers. Payment methods accepted for ticket purchases at station windows include cash, checks, credit/debit cards and vouchers. Ticket vending machines accept cash and credit and debit cards for the purchase of tickets. MTA's website allows customers from both MTA Long Island Rail Road and MTA Metro-North Railroad to establish individual Mail-and-Ride accounts for the purchase of monthly tickets, which are mailed just prior to the beginning of each month. In 2016, MTA Long Island Rail Road and MTA Metro-North Railroad introduced a mobile ticketing option (eTix^{TM}), which allows customers to establish accounts with credit cards, purchase electronic tickets using their mobile devices and display onboard to train personnel for validation.

MTA Long Island Rail Road and MTA Metro-North Railroad customers may purchase one-way tickets onboard all trains using cash, credit cards and pin-less debit cards.

In May 2019, MTA began the roll out of the "OMNY" (One Metro New York) fare payment system at select subway stations and on all Staten Island buses. Between December 2019 and December 2020, the remainder of the subway system, all buses, and MTA Staten Island Railway were made accessible through OMNY payment, and in 2021 MTA Long Island Rail Road and MTA Metro-North Railroad are expected to begin accepting OMNY for fare payment. Throughout the expansion, the only fare product to be offered through OMNY is the full fare, pay per ride. OMNY is a design/build project that is expected to be fully functional and complete in 2024. In the interim, additional features will be introduced and layered onto the system, including the introduction of new fare products; new self-service online sales channels; an OMNY Card; and a mobile app with mobile ticketing for MTA Long Island Rail Road and MTA Metro-North Railroad customers. It is expected that MetroCard, along with other legacy MTA Long Island Rail Road and MTA Metro-North Railroad fare payment systems, will be fully decommissioned in 2025.

MTA Bridges and Tunnels employs an electronic toll collection system ("E-ZPass") at all of its bridges and tunnels. Historically, MTA Bridges and Tunnels' E-ZPass program generally required prepayment on behalf of the customers. Substantially all of the E-ZPass users prepaid with credit cards or checks. As more fully described herein under "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE – Cashless Open Road Tolling ("Cashless Tolling")", MTA Bridges and Tunnels has converted to a cashless open road tolling system. MTA Bridges and Tunnels launched its "MTA Reload Card" pilot program on February 23, 2012. This program allows customers who wish to replenish their accounts with cash to receive an MTA Reload Card that is directly linked to their E-ZPass accounts. MTA Bridges and Tunnels also offers E-ZPass customers a "Pay per Trip" plan, which enables customers to set up an E-ZPass account without a pre-paid balance. Those interested in this program pay for their tolls each day through Automated Clearing House deductions from their checking accounts. For Cashless Tolling, MTA Bridges and Tunnels introduced a Tolls by Mail program, which covers anyone crossing an MTA Bridges and Tunnels facility without an E-ZPass. Customers who do not have E-ZPass are sent a toll bill which can be paid by cash, check or credit/debit card.

Payment by means other than cash (1) creates potential collection risk and (2) could delay the timing of the actual receipt of payment by the providers. Following the standard industry practice for credit and debit cards, fare and toll payments made by those means will produce cash receipts to the applicable authority and trustee which are net of standard discounts and transaction fees to the merchant processors, card associations and card issuers. Further, (a) the collection of fares and tolls by other governmental entities using an integrated payment system, such as MetroCard or E-ZPass, whereby a customer can purchase a card or pass from any of the entities for use on all of the systems, and (b) the use of the Related Entities' electronic media at commercial establishments, may subject the amounts due to MTA New York City Transit, MTA Bus and MTA Bridges and Tunnels to multiple liens and claims prior to the time that the fares or tolls are actually earned through use of the applicable facilities. The payment of fares and tolls by non-cash methods, including checks and credit and debit cards, is subject to, among other things, collection risk, including, without limitation, bankruptcy, insolvency and other creditor and debtor rights involving both the user of the facilities and the collection and processing entities.

Historical Fare and Toll Increases. Fares on the commuter rail, subway and bus systems did not increase between 1995 and 2003 and tolls did not increase between 1996 and 2003, both among the longest periods of time without an increase in the history of the systems. During this period, the State increased certain special tax supported operating subsidies and fees in order to assist in the funding of operations and the approved capital programs. Due to general national and regional economic conditions since 2001, fares and tolls have been increased at various times. While ridership of the Transit and Commuter Systems and use of the MTA Bridges and Tunnels Facilities have fluctuated, fare and toll increases have allowed the revenues derived from such sources to generally increase during the last decade. MTA fares and tolls were increased effective in 2009, 2010, 2013, 2015, 2017 and 2019. In February 2021, a toll increase was approved, effective April 11, 2021. In the case of MTA Metro-North Railroad's New Haven line, Connecticut also increased fares for travel between stations in Connecticut and the State, effective 2003, 2005, in each year from 2012-2016, and in 2018. Ridership and fares are more fully described under the captions "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE": "– Transit System (MTA New York City Transit and MaBSTOA) Ridership – *Fares*", "– Commuter System Ridership – *Fares*", "– MTA Bus Ridership – *Fares*", and "- MTA Bridges and Tunnels – Total Revenue Vehicles".

Transit System Fares. Revenues are derived from fares charged to users of the Transit System. Fare revenues on an accrual basis (not including school, elderly and paratransit reimbursement described below) for the past ten years are as follows:

Year	Fare Revenues (in millions)	Year	Fare Revenues (in millions)
2012	$3,723.0	2017	$4,486.8
2013	4,051.8	2018	4,446.5
2014	4,191.0	2019	4,593.8
2015	4,371.4	2020	2,011.5
2016	4,415.0	2021	2,320.0

Transit System revenues dropped dramatically during 2020 and 2021 due to the impacts of the COVID-19 pandemic.

The 2022 projected fare revenue, on an accrual basis, as reported in the 2022 Adopted Budget (as defined below under "– 2022-2025 Financial Plan (the "February Plan")", is $3,602.8 million. This does not include a scheduled fare increase that was cancelled in the 2022 February Plan.

The 2022 projected fare revenue, on a cash basis, as reported in the 2022 Adopted Budget, is $3,603.0 million.

The projections provided in this ADS reflect the effects of the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

The current fare schedule includes a basic bus and subway fare of $2.75, as well as a variety of discounted fare arrangements (as described in the next paragraph) covering the majority of passenger trips. Special fares are available for senior citizens, persons with disabilities, school children and on certain special services. For a description of historical fare levels and payment and collection methods and discount programs, see "RIDERSHIP AND FACILITIES USE – Transit System (MTA New York City Transit and MaBSTOA) Ridership – *Fares*" and "RIDERSHIP AND FACILITIES USE – Transit System (MTA New York City Transit and MaBSTOA) Ridership – *Automated Fare Collection*".

For MetroCard users only, MTA has continued the elimination of two-fare zones, provision of unlimited-ride 7-day and 30-day subway and bus passes and unlimited-ride 7-day combined express bus and regular bus/subway passes. MTA also offers a program for unlimited-ride 30-day and 7-day express pass holders that enables the holder to replace his or her lost pass at no cost (limit of two per calendar year per holder) if the pass was paid for by credit or debit card. Although these programs decrease revenues per trip, MTA currently projects that, over the next few years, revenues derived from fares charged to users of the Transit System will increase. This is due to MTA following a pattern of 4% biennial fare and toll increases, which is laid out in the 2022-2025 Financial Plan. In 2013, MTA implemented a $1.00 "green" fee for each new MetroCard bought in the subway system in an effort to reduce the cost attributable to the high volume of MetroCards produced and discarded. See "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND

FACILITIES USE – Transit System (MTA New York City Transit and MaBSTOA) Ridership – *Automated Fare Collection*".

MTA New York City Transit may fix and adjust Transit System fares without the approval or consent of any other body or entity. However, as a recipient of federal funding, MTA New York City Transit is obligated to receive public comment prior to raising fares.

Transit System Fare Reimbursements from the City and State. MTA New York City Transit and MaBSTOA are required by law to permit, upon the request of the Mayor of the City, free or reduced fares for one or more classes of users of their facilities upon the agreement of the City to assume the burden of the resulting differential in fares and the associated administrative costs. Pursuant to an ongoing request of the Mayor, MTA New York City Transit and MaBSTOA have instituted free fare programs for certain school children and, as a requirement for obtaining grants from the federal government, have continued a half-fare program for senior citizens and have instituted a half-fare program for eligible disabled persons.

Beginning in 1996, the State and the City each began paying $45 million annually to MTA toward the cost of the free program for students. In 2009, the State reduced its reimbursement from $45 million to $6.3 million but subsequently increased it to $25.3 million in 2010. The 2010 reimbursement levels were maintained through 2019 by both the State and City with some timing impacts in 2020. These annual reimbursements from the City and the State covered approximately 31% of the cost of the 2019 program. In 2020, support from the City and State covered all program costs. In 2021, reimbursements from the City and State covered approximately 82% of program costs.

MTA Bus Fares. Revenues are derived from fares charged to users of the MTA Bus System that are the equivalent of fares charged on the bus systems operated by MTA New York City Transit. Fare revenues on an accrual basis (not including school and elderly reimbursement) for the past ten years are as follows:

Year	Fare Revenues (in millions)	Year	Fare Revenues (in millions)
2012	$181.9	2017	$217.2
2013	193.0	2018	220.5
2014	203.6	2019	224.8
2015	210.3	2020	93.7
2016	212.5	2021	140.2

MTA Bus revenues dropped dramatically during 2020 and 2021 due to the impacts of the COVID-19 pandemic.

The 2022 projected fare revenue, on an accrual basis, as reported in the 2022 Adopted Budget is $179.0 million. This does not include a scheduled fare increase that was cancelled in the 2022 February Plan.

The 2022 projected fare revenue, on a cash basis, as reported in the 2022 Adopted Budget, is $179.0 million.

These projections reflect the effects of the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

Commuter System Fares. Revenues, on an accrual basis, are derived from fares charged to users of the Commuter System. Fare revenues on an accrual basis for the past ten years are as follows:

Year	Fare Revenues (in millions)	Year	Fare Revenues (in millions)
2012	$1,168.9	2017	$1,461.0
2013	1,250.9	2018	1,480.8
2014	1,308.7	2019	1,525.4
2015	1,373.0	2020	515.9
2016	1,416.1	2021	558.4*

* Includes $262.7 million for MTA Metro-North Railroad and $295.7 million for MTA Long Island Rail Road.

Commuter rail revenues dropped dramatically during 2020 and 2021 due to the impacts of the COVID-19 pandemic.

The 2022 projected fare revenue, on an accrual basis, as reported in the 2022 Adopted Budget is $1,069.8 million. This does not include a scheduled fare increase that was cancelled in the 2022 February Plan.

The 2022 projected fare revenue, on a cash basis, as reported in the 2022 Adopted Budget is $1,070.0 million.

These projections reflect the effects of the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

Fares are set in accordance with complicated formulae and vary in relation to the distance traveled. Discounts are generally available for travel during off-peak hours, for senior citizens, children and persons with disabilities, and for the purchase of weekly or monthly tickets by commuters. Mail and Ride monthly ticket customers can also receive an additional 2% discount for purchasing a joint 30-day unlimited-ride MetroCard with their monthly commuter ticket.

MTA Bridges and Tunnels Toll Revenues. Revenues are derived from tolls at the MTA Bridges and Tunnels Facilities. Toll revenues on an accrual basis for the past ten years are as follows:

Year	Toll Revenues (in millions)	Year	Toll Revenues (in millions)
2012	$1,491.0	2017	$1,911.9
2013	1,645.2	2018	1,975.7
2014	1,676.4	2019	2,071.4
2015	1,808.9	2020	1,639.8
2016	1,869.7	2021	2,169.9

Toll revenues dropped dramatically during 2020 due to the impacts of the COVID-19 pandemic.

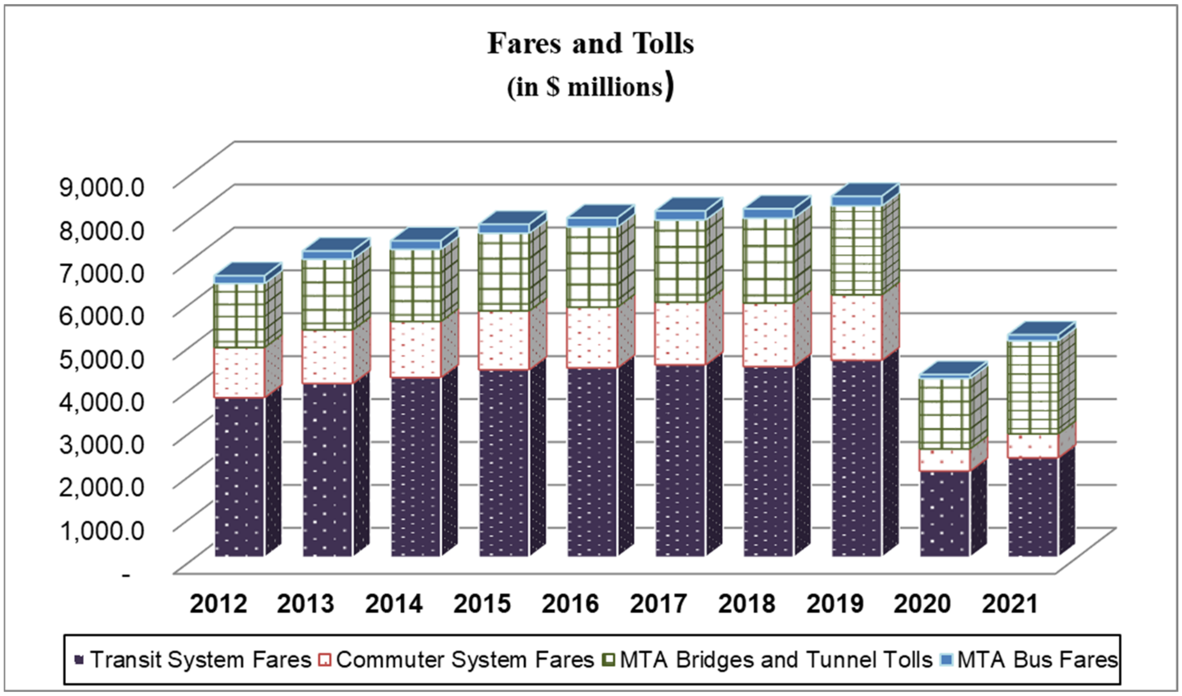
The 2022 projected toll revenue, on an accrual basis, as reported in the 2022 Adopted Budget, is $2,257.0 million. The 2021 results include a toll increase that was approved by the MTA Board in February 2021 and became effective on April 11, 2021.

These projections were based on the April 2020 McKinsey COVID-19 assumptions and reflect the effects of the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

The average toll in 2021 was $6.99, which was $0.52 higher than the average toll of $6.46 in 2020. The increase was primarily due to the toll increase implemented on April 11, 2021.

For more information relating to MTA Bridges and Tunnels' tolls, see "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE – Toll Rates". See also the section in the Stantec Report entitled "TOLL COLLECTION ON THE TBTA FACILITIES".

Combined Transit System, MTA Bus System, Commuter System and MTA Bridges and Tunnels Facilities Fares and Tolls. The following bar chart shows the level of combined Transit System, MTA Bus System, Commuter System and MTA Bridges and Tunnels Facilities fare and toll revenues for the past ten years.



State and Local General Operating Subsidies

Section 18-b Program. The Section 18-b Program, a statewide mass transportation operating assistance program, is administered by the State Commissioner of Transportation (the "Section 18-b Program"). Section 18-b Program payments to MTA for the Transit System and Commuter System are made quarterly on the basis of specific annual appropriations by the Legislature, rather than pursuant to the formula set forth in the statute that is applicable to other transportation systems throughout the State. The City and the counties served by the Commuter System are required to make matching payments. The level of general operating subsidies paid annually to the Related Entities is not dependent on the level of collection of certain taxes or fees or any statutory formula. Consequently, the amount paid to the Related Entities under the Section 18-b Program is dependent on the willingness and the overall financial ability of the State, the City and such counties to make such payments.

Section 18-b Program payments, on an accrual basis, for the past ten years are as follows:

Year	Section 18-b Program Payments (in millions)	Year	Section 18-b Program Payments (in millions)
2012	$375.8	2017	$375.8
2013	375.8	2018	375.8
2014	375.8	2019	375.8
2015	375.8	2020	375.8
2016	375.8	2021	375.8

The 2022 projected Section 18-b Program revenue, on an accrual basis, as reported in the 2022 Adopted Budget, is $375.8 million.

The 2022 projected Section 18-b Program revenue, on a cash basis, as reported in the 2021 Adopted Budget, is $375.8 million.

The State appropriates substantially all of such Section 18-b Program payments from a separate account (the "Transportation District Account") in a special State fund, the Mass Transportation Operating Assistance Fund (the "MTOA Fund"), the revenues of which are derived from the special taxes described below under "State Special Tax Supported Operating Subsidies". The remainder of such payments is appropriated from the State's General Fund. Appropriation from the Transportation District Account reduces the amount that would otherwise be available to be appropriated to (1) MTA New York City Transit and MaBSTOA and (2) MTA for the Commuter System, from such Account, as described below under "State Special Tax Supported Operating Subsidies — *MTTF Receipts and MMTOA Receipts*".

Under the Section 18-b Program:

- Whenever MTA New York City Transit or MaBSTOA receives a Section 18-b Program payment from the State, the City is required to make a matching payment in accordance with amounts established by the Legislature. In the event the City fails to make any required payment, the State Comptroller is authorized to withhold an equivalent amount from certain State aid to the City and to pay such amount directly to MTA New York City Transit or MaBSTOA.
- Whenever MTA receives a Section 18-b Program payment from the State for the Commuter System, the City and counties served by the Commuter System are required to make a matching payment in accordance with amounts established by the Legislature. In the event the City and counties fail to make any required payment, the State Comptroller is authorized to withhold an equivalent amount from certain State aid to the City and counties and to pay such amount directly to MTA for the Commuter System.

State Special Tax Supported Operating Subsidies

MTTF Receipts and MMTOA Receipts. 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 mass transportation systems in the State has led the State to supplement the general operating subsidies with additional operating subsidies supported by State special taxes.

Since 1980, in response to anticipated operating deficits of State mass transit systems, the State has enacted legislation dedicating to the Related Entities specified portions of statewide and regional taxes and fees. Currently, subject to annual appropriation, a specified share of the following revenues is paid to the Related Entities:

- The Mass Transportation Trust Fund Receipts (the "MTTF Receipts") represent the portion of the funds deposited in the State's dedicated mass transportation trust fund that are subsequently paid to MTA by deposit into an MTA dedicated tax fund (the "Dedicated Tax Fund"). The MTTF Receipts are derived from:
    - certain business privilege taxes imposed by the State on petroleum businesses (the "PBT");
    - a portion of the motor fuel tax on gasoline and diesel fuel; and
    - certain motor vehicle fees, including both registration and non-registration fees.
- The Metropolitan Mass Transportation Operating Assistance Account Receipts (the "MMTOA Receipts") represent the portion of the funds in the State's MMTOA Account (hereinafter defined) that are subsequently paid to MTA by deposit into the Dedicated Tax Fund. Any MMTOA Receipts for MTA Staten Island Railway and MTA Bus are allocated directly to the City, which is responsible for the MTA Staten Island Railway and MTA Bus deficits. The MMTOA Receipts are derived from:
    - a 3/8 of one percent regional sales tax and compensating use tax within the MCTD;
    - a regional franchise tax surcharge on certain businesses;
    - taxes on certain transportation and transmission companies;
    - an additional portion of the business privilege tax imposed on petroleum businesses; and
    - a portion of the amounts collected by the City for the benefit of the Transit System from certain mortgage transfer and recording taxes (the Urban Taxes).

See "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS – MTTF Receipts – Dedicated Petroleum Business Tax" and " – Motor Fuel Tax" for a more detailed description of the MTTF Receipts.

See "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS – MMTOA Account – Special Tax Supported Operating Subsidies" for a more detailed description of the MMTOA Receipts.

The following table sets forth the amount of MTTF Receipts and MMTOA Receipts received by MTA on an accrual basis in each of the past ten years.

Year	MTTF Receipts (in millions)	MMTOA Receipts* (in millions)	Total† (in millions)
2012	$600.2	$1,351.1	$1,951.3
2013	589.8	1,514.7	2,104.5
2014	659.4	1,560.3	2,219.7
2015	616.6	1,560.2	2,176.8
2016	634.1	1,664.0	2,298.1
2017	606.0	1,664.0	2,270.0
2018	632.8	1,682.5	2,315.3
2019	649.1	1,819.0	2,468.1
2020	603.4	1,560.2	2,163.6
2021	525.7	2,242.0	2,767.6

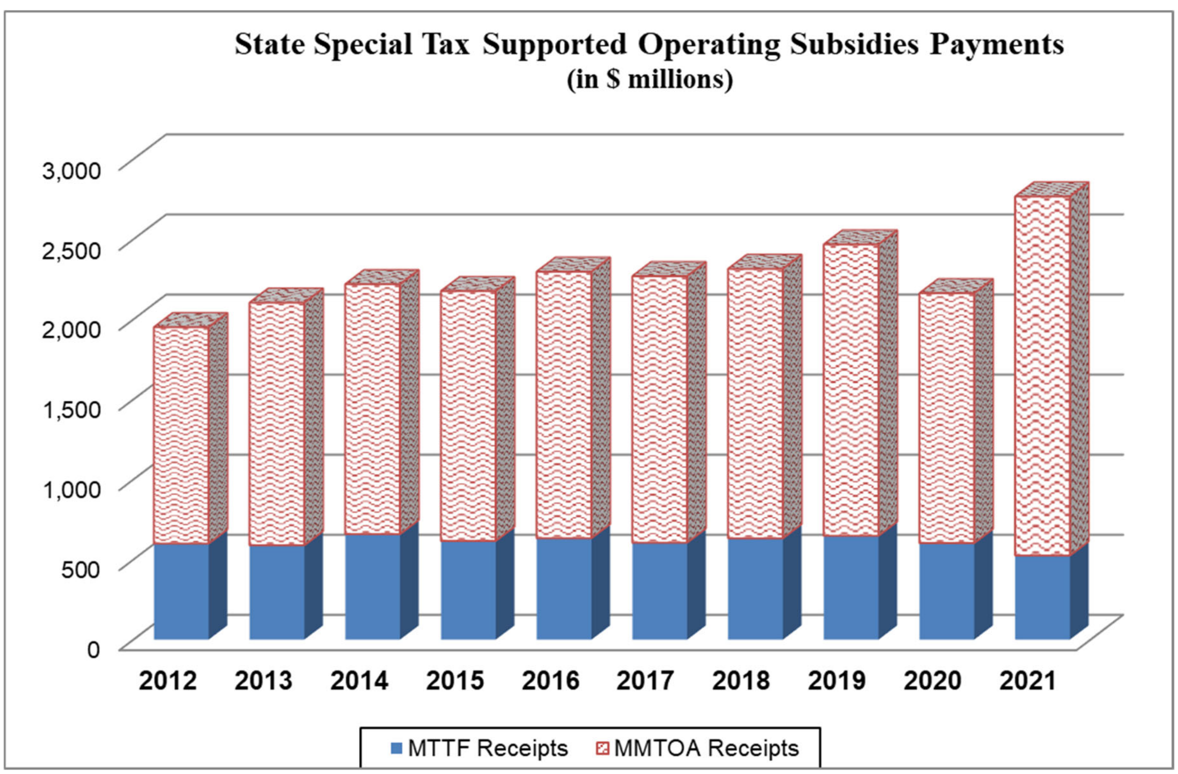
* Excludes MMTOA share for MTA Staten Island Railway.
† Totals may not add due to rounding.

The 2022 projected MTTF Receipts are $618.7 million and projected MMTOA Receipts are $2,601.0 million, on an accrual basis, as reported in the 2022 Adopted Budget.

The 2022 projected MTTF Receipts are $618.7 million and projected MMTOA Receipts are $2,601.0 million, on a cash basis, as reported in the 2022 Adopted Budget.

These projections reflect the effects of the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see “PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES”.

The following bar chart shows the level of State special tax supported operating subsidies payments for the past ten years.



Use of MTTF Receipts and MMTOA Receipts. MTTF Receipts are used first to pay debt service on the Dedicated Tax Fund Bonds described under "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS". To the extent that MTTF Receipts are insufficient, MMTOA Receipts are used to pay the remainder of the debt service on the Dedicated Tax Fund Bonds. After the payment of debt service on the Dedicated Tax Fund Bonds, all MTTF Receipts and MMTOA Receipts are pledged to the payment of debt service on the Transportation Revenue Bonds. All remaining MTTF Receipts and MMTOA Receipts are then allocated to the Transit System and the Commuter System in accordance with the formula provided by statute (85% to the Transit System and MTA Staten Island Railway and 15% to the Commuter System in the case of MTTF Receipts; the relative percentage of that year's State appropriation to the Transit System and the Commuter System, respectively, in the case of MMTOA Receipts; in each case, in order to establish compliance with the statutory formulae, payments allocated to the Transit System and the Commuter System are adjusted to take into account the respective amounts used to pay debt service on Dedicated Tax Fund Bonds and Transportation Revenue Bonds, if necessary, issued for the Transit System and the Commuter System, respectively).

Collections of each of the above-referenced subsidies vary depending on the level of business activity, either statewide or regionally. In addition, all of these subsidies are subject to State appropriation. Beginning in its State Fiscal Year 2011-2012 Enacted Budget, the State transferred unappropriated Metropolitan Mass Transportation Operating Assistance ("MMTOA") funds to the State General Debt Service Fund to cover State Service Contract Bonds associated with MTA. This amount was $165 million in 2011-2012, $20 million in 2013-2014 and 2015-2016, and $30 million in 2014-2015. There were no transfers made after 2014-2015, and there are no transfers scheduled for future years. There are currently no State Service Contract Bonds outstanding.

Fuel Tax Holiday. In order to address the impact on consumers from the sharp increase in the cost of fuel in the State resulting from recent geopolitical events, the State Fiscal Year 2022-2023 Enacted Budget includes a suspension of the State sales tax imposed on fuel, the motor fuel tax and the MCTD sales tax imposed in respect of the sale of gasoline and highway diesel fuel from June 1, 2022 through December 31, 2022 (the "Fuel Tax Holiday"). A portion of MTA's revenues, which are pledged to secure its Transportation Revenue Bonds and Dedicated Tax Fund Bonds, consist of special tax-supported operating subsidies derived from the collection of such taxes, including MTTF revenues and MMTOA taxes. MTA estimates that the Fuel Tax Holiday will result in lost tax revenue to MTA of approximately $75 million. In order to hold MTA harmless and offset any lost revenue resulting from the Fuel Tax Holiday, the State will make monthly transfers from its General Fund to the MTTF and the MMTOA Account for subsequent transfer to MTA in amounts equal to the tax revenue that would have been distributed to such funds had the Fuel Tax Holiday not been implemented. Such transfers from the MTTF and the MMTOA Account to MTA are subject to appropriation from the State's General Fund, and the State Fiscal Year 2022-2023 Enacted Budget includes appropriations for such transfers. No further legislative authorization or approval is required in connection with the transfer of funds from the State's General Fund for such purposes. Consequently, MTA does not expect the Fuel Tax Holiday to have a material adverse impact on either the operations of MTA or the pledged revenues securing its Transportation Revenue Bonds and Dedicated Tax Fund Bonds.

MTA Financial Assistance Fund Receipts

Mobility Tax Trust Account Receipts. In May 2009, Governor Paterson signed legislation (the "May 2009 Legislation") imposing a new payroll mobility tax (the "Payroll Mobility Tax" or "PMT") within the MTA Commuter Transportation District. The tax, which became effective in 2009, was imposed on the payroll expense of every employer who engages in business within the MTA Commuter Transportation District and the net self-employment earnings of individuals that are attributable to the MTA Commuter Transportation District. Revenue from the PMT is payable twice a month directly to MTA, without appropriation, for deposit in the Metropolitan Transportation Authority Financial Fund (the "MTA Financial Fund") created pursuant to the MTA Act.

In December 2011, Governor Cuomo signed legislation that made the following significant changes to the PMT (the "December 2011 Legislation"), effective April 1, 2012:

- employers with payroll expense less than or equal to $312,500 in any calendar quarter; any public school district, a board of cooperative educational services, a public elementary or secondary school, a school serving students with disabilities of school age and any nonpublic elementary or secondary school that provides instruction in grade one or above; federal, international, and interstate agencies; and individuals with net earnings from self-employment attributable to the MTA Commuter Transportation District that do not exceed $50,000 for the tax year were no longer subject to the tax;
- reduced the PMT from 0.34% imposed within the MTA Commuter Transportation District for certain taxpayers as follows: employers with payroll expense greater than $312,500 but not greater than $375,000

in any calendar quarter are subject to a reduced tax rate of 0.11%; employers with payroll expense greater than $375,000 but not greater than $437,500 in any calendar quarter are subject to a reduced tax rate of 0.23%. Employers with payroll expense in excess of $437,500 in any calendar quarter continue to pay a tax rate of 0.34%.

The December 2011 Legislation further expressly provided that any reductions in aid to MTA attributable to these reductions in the PMT "shall be offset through alternative sources that will be included in the state budget" (the "PMT Revenue Offset"). Unlike the revenue from the PMT, the PMT Revenue Offset is subject to appropriation by the State and deposited into the Mobility Tax Trust Account of the Metropolitan Transportation Authority Financial Assistance Fund (the "MTA Financial Assistance Fund") created under the State Finance Law. Revenues in the Mobility Tax Trust Account are transferred monthly to the MTA Financial Fund.

The State Fiscal Year 2015-2016 Enacted Budget included an amendment to the PMT legislation to eliminate the PMT for all public library systems as well as public and free association libraries for taxable periods beginning on or after January 1, 2016.

In addition to the reduction itemized in the previous paragraph, the State Fiscal Year 2017-2018 Enacted Budget also lowered the PMT Revenue Offset appropriation by $65 million for MTA's 2017 fiscal year. This resulted in an appropriation for the PMT Revenue Offset of $244.3 million to MTA beginning in 2017 and continuing through future years.

The PMT and PMT Revenue Offset funds in the MTA Financial Fund can be (1) pledged by MTA to secure and be applied to the payment of bonds to be issued in the future to fund capital projects of the Related Entities, or (2) used by MTA to pay capital costs, including debt service of the Related Entities. As more fully described herein under "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS - PAYROLL MOBILITY TAX OBLIGATIONS", MTA and MTA Bridges and Tunnels authorized the issuance of bonds, notes and other obligations secured by the PMT, but not the PMT Revenue Offset, and the MTA Aid Trust Account Receipts (as hereinafter defined) under separate bond resolutions in 2021. Following application under the MTA and MTA Bridges and Tunnels PMT bond resolutions, the PMT, together with the PMT Revenue Offset, are pledged to the payment of debt service on the Transportation Revenue Bonds. Subject to the provisions of such pledges, the PMT and the PMT Revenue Offset can be used by MTA to pay for costs, including operating costs of the Related Entities.

The following table sets forth the amount of PMT Receipts on a cash basis for the past ten years.

Year	PMT Receipts (in millions)
2012*	$1,265.3
2013*	1,215.3
2014	1,262.6
2015	1,316.9
2016	1,372.8
2017	1,435.6
2018	1,482.9
2019	1,560.5
2020	1,560.8
2021	1,713.2

* The decline in PMT in calendar years 2012 and 2013 was attributed to revisions to the PMT statute effective April 1, 2012, which exempted certain taxpayers and lowered the rate paid by others.

There was no noticeable impact to Mobility Tax Receipts resulting from the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

On a cash basis, the 2022 projected Payroll Mobility Tax, as reported in the 2022 Adopted Budget, are $1,741.1 million.

As mentioned above, the Mobility Tax Receipts along with MTA Aid Trust Account Receipts (collectively, the "PMT Receipts") are part of the pledged revenues for the PMT Resolutions. The PMT Revenue Offset is not pledged under these resolutions and continues to flow through the Transportation Revenue credit to be available for capital and operations.

The following table sets forth the amount of PMT Revenue Offset on a cash basis for the past ten years.

Year	PMT Revenue Offset (in millions)
2012	$254.9
2013	307.2
2014	309.3
2015	309.3
2016	309.3
2017	244.3
2018	244.3
2019	244.3
2020	195.4
2021	293.1

On a cash basis, the 2022 projected PMT Revenue Offset, as reported in the 2022 Adopted Budget, is $244.3 million.

The foregoing projections reflect the effects of the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

MTA Aid Trust Account Receipts. The May 2009 Legislation also imposed the following four new taxes and fees (the "MTA Aid Trust Account Receipts" or "ATA Receipts"):

- in the Metropolitan Commuter Transportation District ("MCTD"), a supplemental motor vehicle license fee of a dollar per six-month interval (effective September 1, 2009);
- in the MCTD, a supplemental motor vehicle registration fee of $25 for each year that the registration is valid (effective September 1, 2009);
- a tax of fifty cents on hailed vehicle trips that originate in the City and terminate anywhere within the territorial boundaries of the MCTD (effective November 1, 2009); and
- a supplemental tax of 6% on passenger car rentals in the MCTD; this was originally 5% but was changed to 6% effective June 1, 2019.

The MTA Aid Trust Account Receipts are payable quarterly directly to MTA, without appropriation, for deposit in the Corporate Transportation Account (the "Corporate Transportation Account") of the Metropolitan Transportation Authority Special Assistance Fund created pursuant to the MTA Act.

The MTA Aid Trust Account Receipts may be pledged by MTA or pledged to MTA Bridges and Tunnels to secure debt of MTA or MTA Bridges and Tunnels. The MTA Aid Trust Account Receipts have been pledged, together with the PMT, but not the PMT Revenue Offset, under the MTA and MTA Bridges and Tunnels PMT Bond resolutions. Subject to the provisions of such pledge, such MTA Aid Trust Account Receipts can be used by MTA for the payment of operating and capital costs of the Related Entities. Because the MTA Aid Trust Account Receipts are not "Operating Subsidies" under the Transportation Resolution, they are not pledged to the payment of Transportation Revenue Bonds, but MTA may use the MTA Aid Trust Account Receipts, in its discretion, to make such debt service payments if it so chooses. For further information related to PMT credit, see "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS - PAYROLL MOBILITY TAX OBLIGATIONS".

The following table provides historical information relating to the collection of MTA Aid Trust Account Receipts based on the calendar year for the past nine years:

MTA Aid Trust Account Receipts Collections* **(in millions)**

Calendar Year	Supplemental License Fees and Registration Fees**	Taxicab Tax	Supplemental Auto Rental Tax	Total
2013	$175.9	$82.1	$43.5	$301.6
2014	171.7	84.9	44.6	301.2
2015	176.5	74.8	46.0	297.3
2016	179.1	66.7	56.8	302.6
2017	189.3	56.9	45.2	291.4
2018	192.5	53.1	50.8	296.4
2019	195.3	47.5	53.1	295.9
2020	184.6	18.6	43.5	246.7
2021	196.1	14.9	57.4	268.4

* Collection totals may differ from actual receipts (in table below) due to timing of transfers from the State to MTA.

** Supplemental License and Supplemental Registration Fees are provided by the State as a combined number.

Source: New York State Division of the Budget.

The following table provides historical information relating to MTA Aid Trust Account Receipts, as received by MTA, on a cash basis for calendar years for the past ten years:

Historical Annual MTA Aid Trust Account Receipts

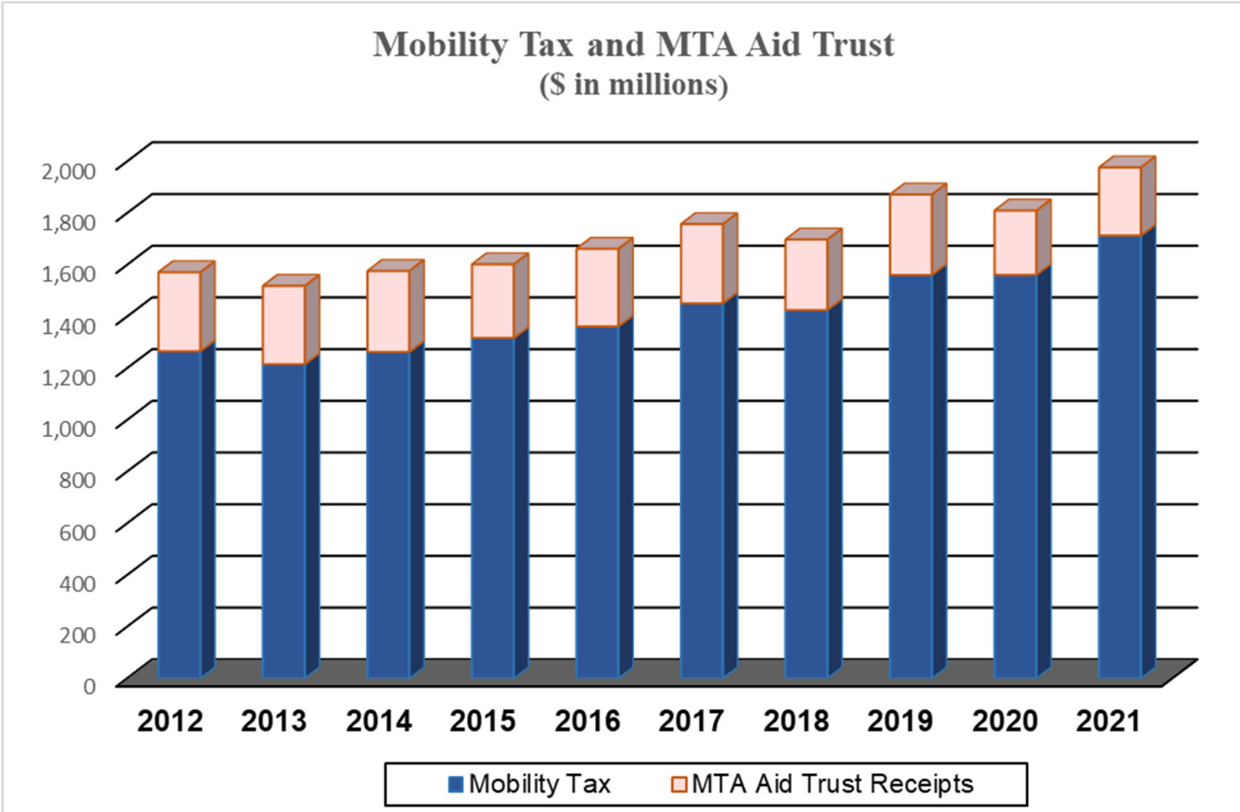
Calendar Year	ATA Receipts ($ in millions)
2012	$305.6
2013	302.9
2014	313.2
2015*	284.8
2016	300.3
2017	306.2
2018*	272.6
2019	311.0
2020	248.8
2021	263.3

* The decline in MTA Aid Trust Account Receipts from 2014-2015 reflected a decline in taxicab surcharge receipts due to a reduction in pickups by yellow and green-metered taxicabs, which are subject to the taxicab surcharge. This was a result of an increase in the market share of smartphone app-driven providers into the area, such as Uber and Lyft, which are not subject to the $0.50 taxicab surcharge. The change in 2017-2018 reflects an expansion of For-Hire Vehicle trips (from providers such as Uber and Lyft) taken as acceptance of these providers grew.

MTA Aid Trust Account Receipts dropped dramatically during 2020 and 2021 due to the impacts of the COVID-19 pandemic.

The 2022 projected MTA Aid Trust Account Receipts, on a cash basis, as reported in the 2022 Adopted Budget, are $305.0 million.

The following bar chart shows the level of Mobility Tax Receipts and MTA Aid Trust Account Receipts for the past ten years per calendar year on a cash basis.



These projections reflect the effects of the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

Congestion Zone Surcharges

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

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

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

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

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

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

In connection with the enactment of the State Fiscal Year 2019-2020 Enacted Budget, moneys from the Outer Borough Transportation Account were earmarked to establish two additional rebate programs. See "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE – Toll Rates – *Additional Outer Borough Transportation Account Funded Toll Rebate Programs*".

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

- to the Subway Action Plan Account, without appropriation the first $300 million;
- to the Outer Borough Transportation Account, without appropriation, in each year the next $50 million; provided that any uncommitted balance at the end of each calendar year shall be transferred to the General Transportation Account (the use of any funds paid into the Outer Borough Transportation Account must be unanimously approved by the members of the MTA Capital Program Review Board appointed upon the recommendations of the Temporary President of the Senate and the Speaker of the Assembly and the member appointed by the Governor); and
- to the General Transportation Account, without appropriation, (1) all excess Congestion Zone Surcharges in each calendar year above the amounts required to be deposited to the Subway Action Plan Account and the Outer Borough Transportation Account, (2) the uncommitted balance at the end of each year in the Outer Borough Transportation Account, and (3) Rapid Transit Lane Fines, interest and penalties until expiration on September 20, 2025.

Revenues from Rapid Transit Lane Fines bypass the Subway Action Plan Account and the Outer Borough Transportation Account and flow directly into the General Transportation Account. These funds are to be remitted by the City to MTA on a quarterly basis.

The following table provides information relating to Congestion Zone Surcharge Receipts on an accrual basis since the onset of the surcharge in 2019:

Congestion Zone Surcharge
(in millions)

Year	Subway Action Plan Account*	Outer Borough Transportation Account*	General Transportation Account†
2019	$336.4	$0	$0
2020	223.2	0	0
2021	235.8	0	2.3**

* Set by statute.
† Remainder after deposits to Subway Action Plan Account and Outer Borough Transportation Account.
** Received for Bus Lane Violations.

The 2022 projected For-Hire Transportation Surcharges, on an accrual basis, as reported in the 2022 Adopted Budget, is $354.2 million, with $300.0 million for the Subway Action Plan, $50 million for Outerborough Transportation and $54 million for General Transportation, which includes bus lane violations.

The 2022 projected For-Hire Transportation Surcharges, on a cash basis, as reported in the 2022 Adopted Budget, is $354.2 million, with $300.0 million for the Subway Action Plan, $50 million for Outerborough Transportation and $54 million for General Transportation, which includes bus lane violations.

These projections reflect the effects of the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

MTA Bridges and Tunnels Surplus

General. MTA Bridges and Tunnels provides capital and operating assistance to the Transit and Commuter Systems from the tolls collected on the MTA Bridges and Tunnels Facilities in three important ways:

- it pays debt service on bonds that were issued to finance Transit and Commuter System capital projects;
- it generates annual MTA Bridges and Tunnels Operating Surplus, as described below, that is distributed to MTA New York City Transit and to MTA for the Commuter System in accordance with a statutorily mandated formula; and
- it generates an annual MTA Bridges and Tunnels Surplus Investment Income, as described below, that is distributed at the discretion of the MTA Board.

Since 2008, MTA Bridges and Tunnels has not issued new money bonds secured by tolls to finance capital projects for the benefit of the Transit and Commuter Systems. MTA Bridges and Tunnels also provides capital assistance to the Transit and Commuter Systems through the CBD Tolling Program, as more fully described herein.

The following table sets forth for the past ten years MTA Bridges and Tunnels' total support to the Transit and Commuter Systems from the tolls collected on the MTA Bridges and Tunnels Facilities, consisting of (a) the debt service paid on bonds issued for Transit and Commuter System capital projects, (b) the MTA Bridges and Tunnels Operating Surplus and (c) the MTA Bridges and Tunnels Surplus Investment Income.

Year	Total Support to Transit and Commuter Systems (in millions)
2012	$ 892.7
2013	1,004.6
2014	992.8
2015	1,124.9
2016	1,126.1
2017	1,122.6
2018	1,090.0
2019	1,138.7
2020	830.2
2021	1,390.1

MTA Bridges and Tunnels Operating Surplus. Section 569-c of the MTA Bridges and Tunnels Act and Section 1219-a of the MTA New York City Transit Act require MTA Bridges and Tunnels to transfer, subject to the pledge in favor of the holders of the Transportation Revenue Bonds, its operating surplus ("MTA Bridges and Tunnels Operating Surplus") to MTA New York City Transit and to MTA for the benefit of the Commuter System in accordance with a statutorily mandated formula hereinafter described.

The MTA Bridges and Tunnels Operating Surplus subject to such transfer is the amount remaining from all tolls and other operating revenues derived from the MTA Bridges and Tunnels Facilities after (1) payment of (a) operating, administrative and other expenses of MTA Bridges and Tunnels properly chargeable to such Facilities, and (b) principal of and sinking fund installments and interest on its bonds, including bonds issued under the MTA Bridges and Tunnels Senior Resolution and the MTA Bridges and Tunnels Subordinate Resolution (as defined under "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS", and any other bond resolutions established from time to time to finance additional authorized projects of MTA Bridges and Tunnels, including the CBD Tolling Program, to the extent, if any, paid from such sources, and (2) provision for (x) reserves and for all contract provisions with respect to any such bonds and (y) other obligations, including certain swap payments (both regularly scheduled payments and termination payments), incurred in connection with any of its authorized projects). See "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS". Monies deposited into the CBD Tolling Capital Lockbox Fund (as defined below) are not taken into consideration in the calculation of MTA Bridges and Tunnels Operating Surplus.

The first $24 million of MTA Bridges and Tunnels Operating Surplus must be allocated to MTA New York City Transit, and any excess is divided equally between MTA New York City Transit and the Commuter System. The foregoing allocations are adjusted to take into account the proportional amounts of MTA Bridges and Tunnels' debt service reasonably attributable to the bond proceeds used for their respective benefit.

The MTA Chairman is authorized in his discretion to advance to MTA and MTA New York City Transit monthly, from available funds, an aggregate amount not to exceed 90% of the Chairman's estimate of the sum which that month's operations will contribute to the MTA Bridges and Tunnels Operating Surplus that he anticipates will or may be certified and transferred for the fiscal year in which such month falls.

As set forth below in the "MTA Bridges and Tunnels Combined Surplus" chart, the MTA Bridges and Tunnels Operating Surplus has fluctuated in amount over the past ten years. In 2012 and 2014, the decrease in MTA Bridges and Tunnels Operating Surplus was primarily the result of higher operating expenses and, in 2012, an increase in the funding of the Necessary Reconstruction Reserve, a reserve established by MTA Bridges and Tunnels primarily for its own capital projects (the "Necessary Reconstruction Reserve"). The balances for the Necessary Reconstruction Reserve were $374.2 million in 2015, $421.6 million in 2016, $416.8 million in 2017, $410.6 million in 2018, $411.5 million in 2019, $398.3 million in 2020 and $387.6 million in 2021. In 2013, the MTA Bridges and Tunnels Operating Surplus increased primarily due to increased operating revenues. A toll increase became effective on March 3, 2013, and there was a 0.6% increase in traffic as compared to 2012 levels. In 2014, the MTA Bridges and Tunnels Operating Surplus increased primarily due to increased operating revenues and decreased debt service costs. In 2015 and 2016, the MTA Bridges and Tunnels Operating Surplus increased primarily due to additional toll revenues generated by a 4% growth in traffic volume in 2015, in addition to a toll increase implemented on March 22, 2015, and a 3% growth in traffic volume in 2016. In 2017 and 2018, the MTA Bridges and Tunnels Operating Surplus declined due to increased operating and debt service costs in 2017 and a contribution to the MTA Bridges and Tunnels Capital Program in 2018. In 2019, the MTA Bridges and Tunnels Operating Surplus increased due to higher operating revenue, which was a result of higher traffic volume and a toll increase implemented on March 31, 2019. In 2020, the MTA Bridges and Tunnels Operating Surplus declined mainly due to the impact caused by COVID-19, which contributed to a decrease in toll revenues of $431.7 million. In 2021, the MTA Bridges and Tunnels Operating Surplus increased by $564.3 million mainly due to higher traffic volume and a toll increase implemented on April 11, 2021.

MTA Bridges and Tunnels Surplus Investment Income. MTA Bridges and Tunnels generates investment income on funds held by it (the "MTA Bridges and Tunnels Surplus Investment Income"), principally from the debt service funds and operating and capital reserves (including the Necessary Reconstruction Reserve) held by MTA Bridges and Tunnels.

Combined Surplus Amounts. The MTA Bridges and Tunnels Operating Surplus and the MTA Bridges and Tunnels Surplus Investment Income (together, the "MTA Bridges and Tunnels Combined Surplus") are used to fund the operating expenses of the Transit System and the Commuter System and/or to finance the cost of certain capital costs and projects of the Transit System and the Commuter System, including payment of debt service on obligations of MTA issued to finance such costs and projects. As more fully described above, MTA Bridges and Tunnels Operating Surplus is, subject to the pledge in favor of the holders of the Transportation Revenue Bonds, distributed to MTA New York City Transit and MTA for the benefit of the Commuter System in accordance with a statutory formula. The MTA Bridges and Tunnels Surplus Investment Income is not subject to the pledge in favor of the holders of the Transportation Revenue Bonds, and is distributed at the MTA Board's discretion.

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The MTA Bridges and Tunnels Combined Surplus amounts transferred for each of the past ten years on an accrual basis, set forth in the table below, are net of amounts paid for debt service and other obligations described above.

MTA Bridges and Tunnels Combined Surplus

Fiscal Year		MTA New York City Transit Share	MTA Share (Commuter System)	MTA Bridges and Tunnels Combined Surplus
2012				
Operating Surplus		$189,218,474	$308,424,309	$497,642,783
Investment Income		-0-	136,889	136,889
	Total	$189,218,474	$308,561,198	$497,779,672
2013				
Operating Surplus		$246,901,830	$367,308,419	$614,210,249
Investment Income		-0-	131,302	131,302
	Total	$246,901,830	$367,439,721	$614,341,551
2014				
Operating Surplus		$265,569,841	$371,984,103	$637,553,944
Investment Income		-0-	136,988	136,988
	Total	$265,569,841	$372,121,091	$637,690,932
2015				
Operating Surplus		$318,434,758	$432,281,958	$750,716,715
Investment Income		-0-	182,604	182,604
	Total	$318,434,758	$432,464,562	$750,899,319
2016				
Operating Surplus		$312,901,028	$430,007,919	$742,908,948
Investment Income		-0-	634,951	634,951
	Total	$612,901,028	$430,642,870	$743,543,899
2017				
Operating Surplus		$310,366,954	$429,776,887	$740,143,841
Investment Income		-0-	1,476,772	1,476,772
	Total	$310,366,954	$431,253,659	$741,620,613
2018				
Operating Surplus		$290,134,527	$411,821,544	$701,956,071
Investment Income		-0-	2,602,773	2,602,773
	Total	$290,134,527	$414,424,317	$704,558,844
2019				
Operating Surplus		$334,064,042	$445,011,233	$779,075,275
Investment Income		-0-	3,688,754	3,688,754
	Total	$334,064,042	$448,699,987	$782,764,029
2020				
Operating Surplus		$180,670,716	$292,083,816	$472,754,532
Investment Income		-0-	763,475	763,475
	Total	$180,670,716	$292,847,291	$473,518,007
2021				
Operating Surplus		$463,826,536	$573,208,103	$1,037,034,639
Investment Income		-0-	94,397	94,397
	Total	$463,826,536	$573,302,500	$1,037,129,036

The operating surplus for 2020 was significantly lower as it was impacted by the COVID-19 pandemic. See "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

Financial Assistance and Service Reimbursements from Local Municipalities

Commuter System Station Maintenance Payments. The City and each of the seven counties in the MTA Commuter Transportation District outside the City are billed an amount fixed by statute for the operation, maintenance and use of Commuter System passenger stations within the City and each county. The amount is adjusted each year for increases or decreases in the consumer price index for wage earners and clerical workers in the New York, Northeastern-

New Jersey Consolidated Metropolitan Statistical Area. The Legislature has not made any changes in the base amounts since 2000. Further modifications may be made by the Legislature. In the event the City or any of the counties do not make their payments on a timely basis, the statute provides a mechanism whereby the State Comptroller can withhold certain other payments in order to satisfy the payments to MTA. Consequently, the Commuter System station maintenance payments are stable and generally grow gradually with corresponding annual inflation.

The following table sets forth the station maintenance, operation and use assessments received by MTA on an accrual basis in each of the last ten years:

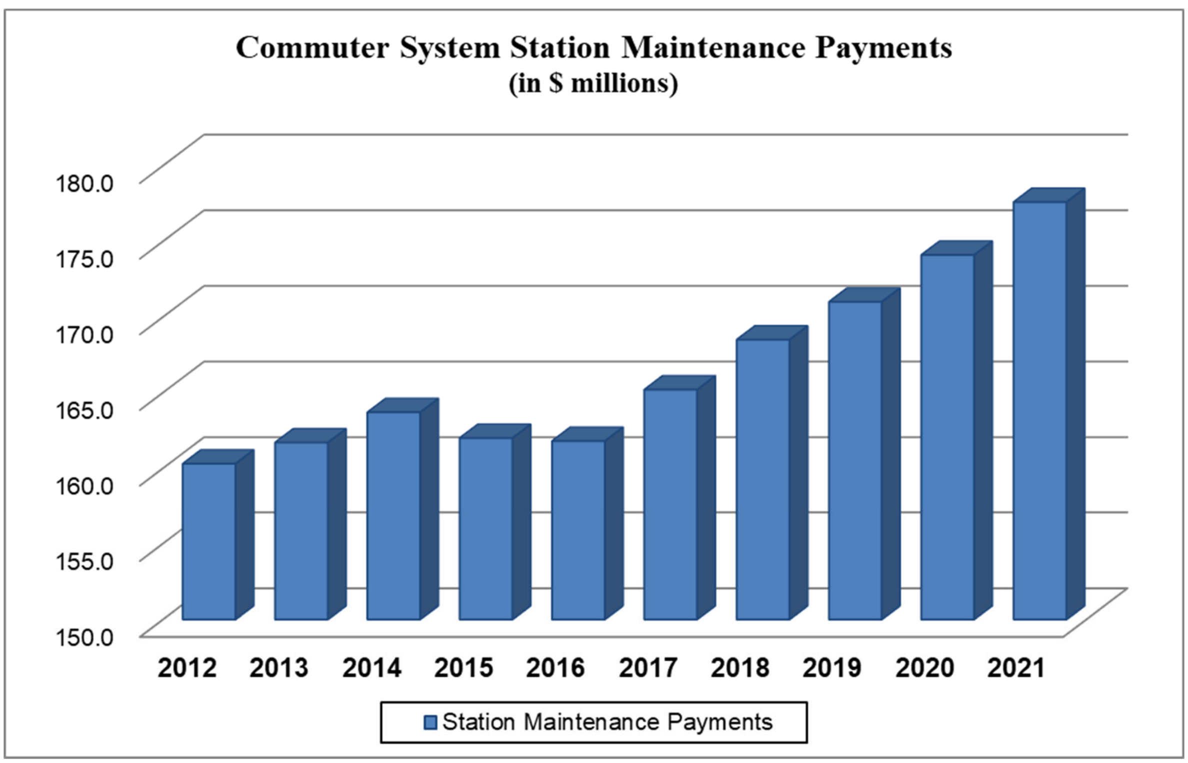
Year	Payments (in millions)	Year	Payments (in millions)
2012	$160.3	2017	$165.2
2013	161.7	2018	168.5
2014	163.7	2019	171.0
2015	162.0	2020	174.1
2016	161.8	2021	177.6

There was no noticeable impact to Commuter System Station Maintenance payments resulting from the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

The 2022 projected Commuter System Station Maintenance payments, on an accrual basis, are $183.6 million, as reported in the 2022 Adopted Budget.

The 2022 projected Commuter System Station Maintenance payments, on a cash basis, are $181.0 million, as reported in the 2022 Adopted Budget.

The following bar chart shows the level of Commuter System station maintenance payments made in the past ten years.



Transit System Service Reimbursements from the City. Policing of the Transit System is being carried out by the New York City Police Department at the City's expense. MTA New York City Transit is responsible for certain capital costs and support services related to such police activities, a small portion of which is reimbursed by the City.

MTA Bus Reimbursements from the City. The City has agreed to reimburse MTA Bus the difference between the actual cost of operation of the City Bus Routes (other than certain capital costs) and all revenues and subsidies received by MTA Bus and allocable to the operation of the City Bus Routes. The annual amounts payable by the City to MTA Bus are subject to review by the City. The amount and timing of payments received from the City could be affected by the financial condition of the City.

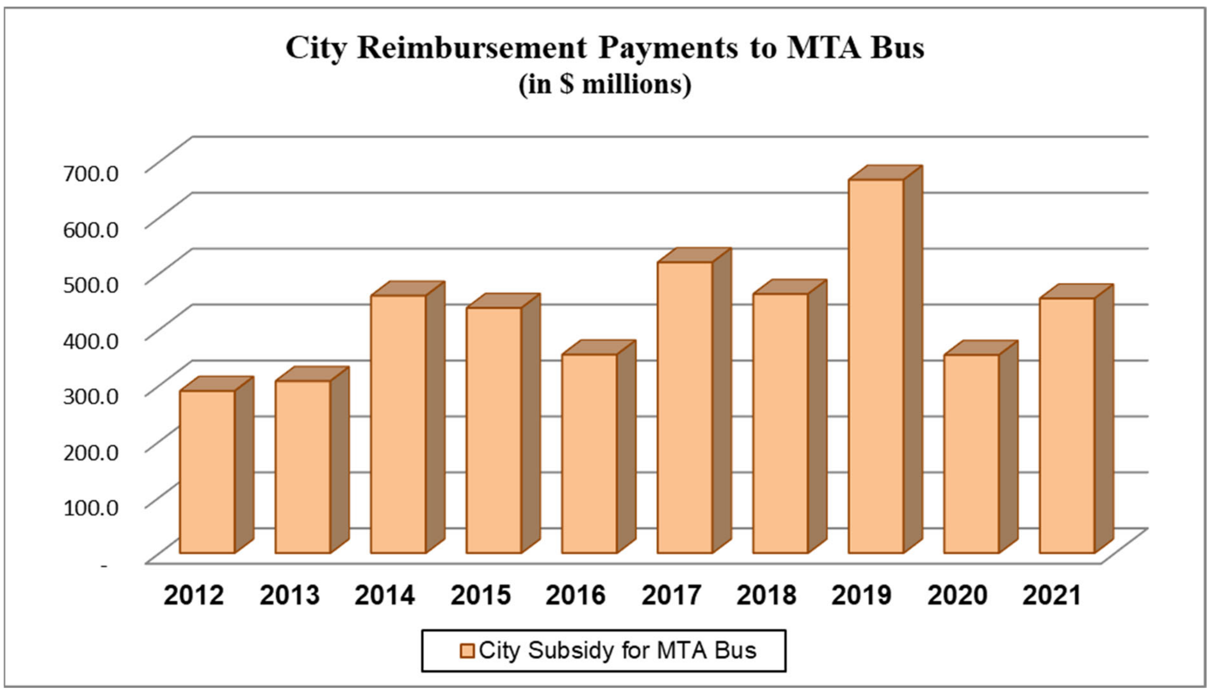
As opposed to other revenues and subsidies discussed herein, the MTA Bus reimbursements from the City are reported on a cash basis rather than on an accrual basis. See "PART 4. OPERATIONS – MTA BUS COMPANY".

The following table sets forth the amounts reimbursed by the City for MTA Bus operational costs on a cash basis in each of the past ten years:

Year	Payments (in millions)	Year	Payments (in millions)
2012	$290.0	2017	$519.9
2013	307.5	2018	463.2
2014	460.2	2019	667.6
2015	438.3	2020	354.2*
2016	355.0	2021	455.3

* The data provided is the net reimbursement from the City of New York. This includes the impact from CARES Act Funding received and applied to MTA Bus in 2020 and from CRRSAA Federal Aid in 2021.

The following bar chart shows the level of City reimbursement payments to MTA Bus for the past ten years.



Paratransit. Under an agreement with MTA, the City contributes an operating subsidy to support MTA New York City Transit paratransit services. Prior to July 1, 2020, the City contributed the lesser of (1) 33% through June 30, 2020, revised to 50% on July 1, 2020, of the operating deficit, calculated after taking into account paratransit passenger revenue, certain Urban Tax revenues (as defined below under "—Urban Taxes for Transit System"), and MTA New York City Transit eligible administrative expenses or (2) an amount that is 20% greater than the amount required to be paid by the City for the preceding calendar year. Any remaining operating deficit is funded by MTA New York City Transit. See "PART 4. OPERATIONS – TRANSIT SYSTEM – Description of the Transit System – *Paratransit*".

Beginning on July 1, 2020, the City contributes 50% of MTA's net paratransit operating eligible expenses for four years: 2020 (capped at $215 million), 2021 (capped at $277 million), 2022 (capped at $290 million), and 2023 (capped at $310 million), and provides a statutory mechanism to intercept funds otherwise available to the City to insure payment of the City's share, if necessary.

The following table sets forth the amount of the paratransit system cost that the City funded on an accrual basis in each of the last ten years pursuant to the Paratransit Agreement between the City and MTA dated May 28, 1993.

Year	New York City Contribution (in millions)	Year	New York City Contribution (in millions)
2012	$106.2	2017	$134.1
2013	127.5	2018	150.0
2014	129.0	2019	170.4
2015	126.1	2020	151.4
2016	133.3	2021	177.1

Miscellaneous Revenues

Transit System and MTA Bus. MTA New York City Transit, MaBSTOA and MTA Bus receive revenues from concessions granted to vendors, revenues from advertising and other space rented in transit vehicles and facilities, and fines collected by the Transit Adjudication Bureau.

The following table sets forth the miscellaneous revenues received by MTA New York City Transit, MaBSTOA and, beginning in 2014, MTA Bus, on an accrual basis in each of the last ten years:

Year	Miscellaneous Revenues (in millions)	Year	Miscellaneous Revenues (in millions)
2012	$108.4	2017	$153.9*
2013	116.3	2018	141.6*
2014	133.6	2019	144.7*
2015	159.3	2020	101.3*†
2016	159.6*	2021	160.2*†

* Miscellaneous revenues for the Transit System include MTA Bus which consists of $6.1 million of advertising revenues for 2016, $4.1 million for 2017, $3.4 million for 2018, $2.8 million for 2019, $0.9 million for 2020 and $3.6 million for 2021.

† Note: The 2020 Miscellaneous Revenues exclude FTA CARES Act Funding. The 2021 Miscellaneous Revenues excludes CRRSAA Federal Aid.

Commuter System. MTA Long Island Rail Road and MTA Metro-North Railroad receive revenues from concessions granted to vendors, advertising and other space rented in Commuter System vehicles and facilities, the sale of power and other sundry revenue.

The following table sets forth the miscellaneous revenues (other than rental and concession revenues from Penn Station and Grand Central Terminal, which are not pledged under the Transportation Resolution) received by MTA Long Island Rail Road and MTA Metro-North Railroad on an accrual basis in each of the last ten years:

Year	Miscellaneous Revenues (in millions)	Year	Miscellaneous Revenues (in millions)
2012	$86.5	2017	$64.2
2013	64.1	2018	60.1
2014	69.0	2019	54.3
2015	74.2	2020	45.1*
2016	73.4	2021	36.8*

* Includes $29.2 million for MTA Long Island Rail Road and $7.6 million for MTA Metro-North Railroad. The 2020 Miscellaneous Revenues exclude FTA CARES Act Funding. The 2021 Miscellaneous Revenues exclude CRRSAA Federal Aid.

Mortgage Recording Taxes

The mortgage recording taxes (MRT-1 and MRT-2) are described below.

General. Certain moneys paid to MTA by the City and counties in the MTA Commuter Transportation District pursuant to certain mortgage recording taxes may be used for the operating and capital costs, including debt service and reserve requirements, of or for MTA, MTA New York City Transit and their subsidiaries. Such taxes do not secure any outstanding MTA or MTA Bridges and Tunnels bonds, provided, however, the MTA Board, in its sole discretion may determine from time to time that specific amounts of mortgage recording taxes be applied to the payment of debt service for specific periods of time. Subject to the preceding sentence, neither MTA nor MTA Bridges and Tunnels currently expects to secure future bonds with mortgage recording taxes.

MRT-1 Receipts. Pursuant to Section 253(2)(a) of the New York Tax Law (the "Tax Law"), a tax is imposed (the "MRT-1 Tax") on recorded mortgages of real property situated within the State, subject to certain exclusions (such net MRT-1 Tax collections remitted to MTA are referred to as the "MRT-1 Receipts"). The tax is currently 30 cents per $100 of mortgage recorded. The MRT-1 Tax is paid by the property owner taking out the mortgage loan.

MRT-1 Receipts must be applied by MTA:

- first, to meet MTA Headquarters Expenses (as hereinafter defined), and
- second, to make deposits into the Transit Account (55% of the remaining amount) and the Commuter Railroad Account (45% of the remaining amount) of the Special Assistance Fund.

Moneys in the Transit Account are required to be used to pay operating and capital costs of MTA New York City Transit, its subsidiaries, and MTA Staten Island Railway, and moneys in the Commuter Railroad Account, after first making the transfers described below under "*Transfers to State Suburban Transportation Fund from MRT-1 Receipts*", are required to be used to pay operating and capital costs of the commuter railroad operations of MTA, other than MTA Staten Island Railway.

MRT-2 Receipts. Pursuant to Section 253(1-a) of the Tax Law, an additional tax is imposed (the "MRT-2 Tax") on recorded mortgages of real property situated within the State, subject to certain exclusions. The MRT-2 Tax is paid by the institution (or other persons) making the mortgage loan to the property owner(s). The Tax Law requires that the portion of the MRT-2 Tax collected on certain residential dwelling units be remitted to MTA for deposit into the Corporate Transportation Account of the Special Assistance Fund (such net MRT-2 Tax collections remitted to MTA are referred to as the "MRT-2 Receipts").

Moneys deposited into the Corporate Transportation Account from the MRT-2 Tax are applied as follows:

- first, to make deposits into the Dutchess, Orange and Rockland Payment Subaccount described below under "*Transfers to Counties from MRT-2 Receipts*", and
- second, to make deposits into the Corporate Purposes Subaccount to be used to pay operating and capital costs, including debt service and debt service reserve requirements, if any, of, or incurred for the benefit of, MTA, MTA New York City Transit and their respective subsidiaries.

MRT-1 and MRT-2 Receipts. Under existing law, no further action on the part of the Legislature is necessary for MTA to continue to receive such moneys (i.e., the State is not required to appropriate the moneys to MTA, so the moneys continue to be paid to MTA whether or not the State budget has been adopted). However, the State is not obligated to impose, or to impose at current levels, the MRT-1 Tax or the MRT-2 Tax or to direct the proceeds to MTA as presently provided.

MRT-1 Receipts and MRT-2 Receipts (collectively, "MRT Receipts") are subject to significant volatility from year-to-year. This volatility reflects the discretionary nature of the transactions that lead to the collection of the tax.

The following charts show the historical annual MRT Receipts, on an accrual basis, available for operations and capital costs for the past ten years.

Year	MRT-1 Receipts (in millions)	Increase/ (Decrease)	Year	MRT-1 Receipts (in millions)	Increase/ (Decrease)
2012	$194.0	20%	2017	$314.4	(5)%
2013	255.8	32	2018	316.6	0.7
2014	271.9	6	2019	332.0	5
2015	320.6	18	2020	303.4	(9)
2016	330.1	3	2021	419.3	38

Year	MRT-2 Receipts (in millions)	Increase/ (Decrease)	Year	MRT-2 Receipts (in millions)	Increase/ (Decrease)
2012	$ 93.6	11%	2017	$138.3	6%
2013	109.7	17	2018	131.2	(3)
2014	94.7	(14)	2019	135.6	3
2015	113.5	20	2020	161.2	19
2016	130.0	15	2021	238.2	48

Deductions for Headquarters Expenses. The general, administrative and operating expenses of MTA, net of reimbursements, recoveries and adjustments ("MTA Headquarters Expenses"), to the extent not paid from other sources, are required to be paid from MRT-1 Receipts prior to making any deposits to the Transit Account or the Commuter Railroad Account. MTA Headquarters Expenses do not include capital expenditures for headquarters operations. Among other uses, MTA pays the following annual amounts as MTA Headquarters Expenses:

- expenses of operating MTA Headquarters, including MTA Police Department, and
- an amount paid to MTA Bridges and Tunnels to fund a toll rebate program for residents of Broad Channel and the Rockaway Peninsula when using E-ZPass on the Cross Bay Veterans Memorial Bridge.

The amount of MTA Headquarters Expenses in any year is neither contractually nor statutorily limited. The amount of MTA Headquarters Expenses in future years may be affected by inflation, expansion or contraction of activities the expenses for which are not reimbursable, non-recurring expense items and other circumstances including changes in MTA's reimbursement practices with respect to the other Related Entities. The amount of MRT-1 Receipts received by MTA each month that is required to be applied to MTA Headquarters Expenses may vary widely based on MTA's cash flow requirements and the timing of reimbursements from the other Related Entities.

Transfers to State Suburban Transportation Fund from MRT-1 Receipts. State law requires MTA in each year to transfer up to $20 million of MRT-1 Receipts (in equal quarterly installments of $5 million) deposited in the Commuter Railroad Account to the State Suburban Transportation Fund to pay for or finance certain types of highway capital projects in certain areas of the MTA Commuter Transportation District. In the event the transfer would result in an operating deficit, the amount of the deficit is appropriated to MTA for commuter railroad operating purposes. Due to such a deficit, no transfers have been made since 2008.

Transfers to Counties from MRT-2 Receipts. MTA is required to transfer, in equal quarterly installments, in each year from the MRT-2 Tax in the Corporate Transportation Account to the Metropolitan Transportation Authority Dutchess, Orange and Rockland Fund an annual amount of $1.5 million for each of the counties of Dutchess and Orange, and $2.0 million for the county of Rockland. Additionally, MTA must transfer from that Account to such fund for each of these three counties, respectively, an amount equal to the product of (1) the percentage by which such county's mortgage recording tax payment to MTA in the preceding calendar year (calculated as if the 2005 increase in the MRT-1 Tax from 25 cents per $100 to 30 cents per $100 did not occur) increased over such payment in calendar year 1989 and (2) $1.5 million each for Dutchess and Orange Counties and $2.0 million for Rockland County.

The following table shows the amounts transferred to the counties for the past ten years:

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Year	County	Additional Amounts
2012	Dutchess	$ 2,198,169
	Orange	2,000,394
	Rockland	2,703,568
		$ 6,902,131
2013	Dutchess	$ 2,027,838
	Orange	2,357,214
	Rockland	3,459,238
		$ 7,844,290
2014	Dutchess	$ 1,842,282
	Orange	1,703,155
	Rockland	2,637,400
		$ 6,182,837
2015	Dutchess	$ 2,183,911
	Orange	1,997,223
	Rockland	3,253,259
		$ 7,434,395
2016	Dutchess	$ 2,402,397
	Orange	2,348,958
	Rockland	3,872,577
		$ 8,623,933
2017	Dutchess	$ 2,502,821
	Orange	2,854,947
	Rockland	4,032,653
		$ 9,390,421
2018	Dutchess	$ 2,545,853
	Orange	2,900,396
	Rockland	3,949,750
		$ 9,395,989
2019	Dutchess	$ 2,708,474
	Orange	3,288,965
	Rockland	4,315,857
		$ 10,313,296
2020	Dutchess	$ 2,263,755
	Orange	2,689,069
	Rockland	3,381,523
		$ 8,334,347
2021	Dutchess	$ 3,040,404
	Orange	3,225,309
	Rockland	4,964,880
		$ 11,230,593

For further information related to the impact of the COVID-19 pandemic on the finances and operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

Urban Taxes for Transit System

In addition to the special tax supported subsidies described above under "State Special Tax Supported Operating Subsidies", a portion of the amounts collected by the City from certain mortgage recording and real property transfer taxes with respect to certain real property located within the City (collectively, the "Urban Taxes") are, as required by State statute, paid by the City's Commissioner of Finance directly to MTA New York City Transit on a monthly basis. As in the case of mortgage recording taxes described above, the Urban Taxes can change dramatically from year-to-year depending on the level of real estate activity.

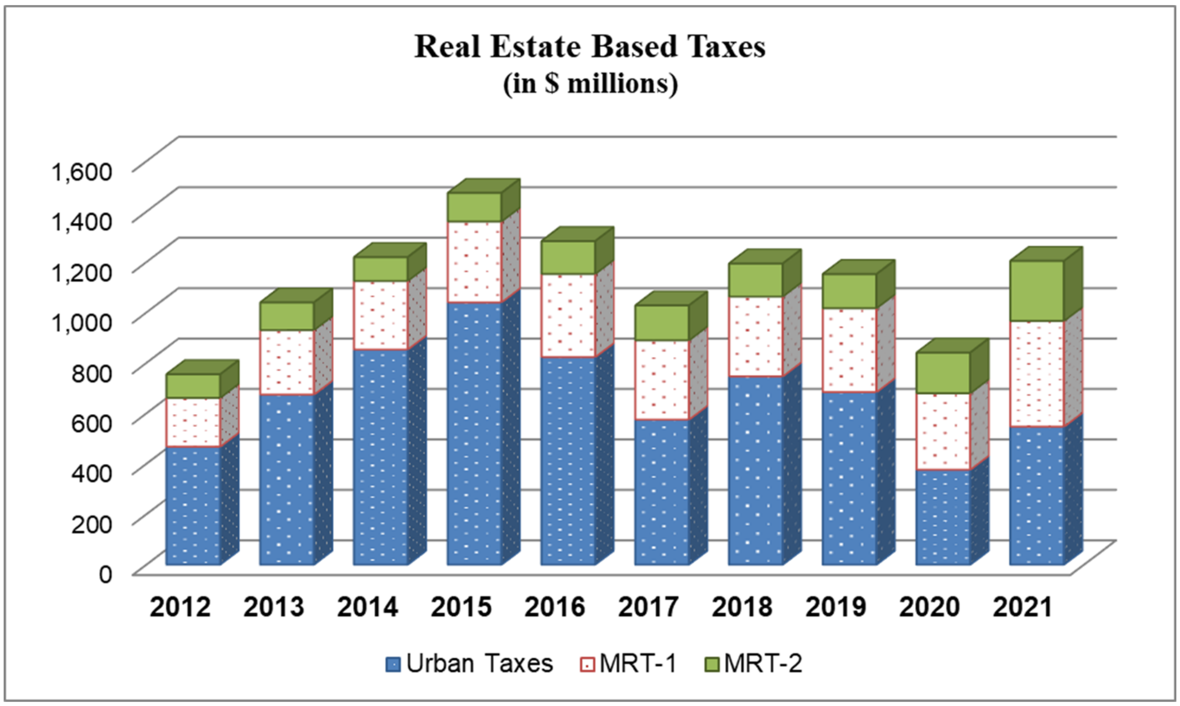
The following table sets forth the amount of Urban Taxes received by MTA New York City Transit on an accrual basis in each of the last ten years.

Year	Urban Taxes (in millions)	Year	Urban Taxes (in millions)
2012	$467.4	2017	$575.1
2013	674.2	2018	746.4
2014	852.9	2019	684.1
2015	1,040.0	2020	376.2
2016	822.9	2021	546.9

The 2022 projected Urban Tax revenue, on an accrual basis, as reported in the 2022 Adopted Budget, is $496.3 million.

The 2022 projected Urban Tax revenue, on a cash basis, as reported in the 2022 Adopted Budget, is $457.9 million.

The following bar chart shows the amount of real estate-based taxes received by MTA on an accrual basis for the past ten years. This includes mortgage recording taxes (both MRT-1 and MRT-2) and Urban Taxes received directly by MTA New York City Transit.



Capital Program Funding Sources

The State Fiscal Year 2019-2020 Enacted Budget established new dedicated revenue streams for MTA that included a new Real Property Transfer Tax Surcharge (sometimes referred to as the "Mansion Tax"), effective July 1, 2019, which increases the transfer tax on a sliding scale by one-quarter of one percent of consideration of at least $2 million, with a combined top rate of 4.15% on the sale of City residential properties valued at $25 million or above. The State Fiscal Year 2019-2020 Enacted Budget also eliminated the tax loophole that exempted third-party internet marketplace providers from collecting and remitting State sales taxes on transactions conducted on their sites. Sales and compensation use taxes are a large component of the operating subsidies for MTA. In addition to the general Sales and Compensating Use Taxes of 4% collected statewide and the Sales and Use Taxes imposed by each county within New York State of between 3% and 4.5%, counties in the MCTD also collect sales and use taxes at a rate of 0.375% (three-eighths of one percent). This applies to all taxable sales within the counties of Bronx, Kings (Brooklyn), New York (Manhattan), Queens, Richmond (Staten Island), Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester. The Sales and Compensating Use Taxes are the second largest component of the MMTOA Account (defined below), which provides general operating subsidies for MTA and other downstate transportation systems. Sales and use taxes accounted for approximately 42% of the total MMTOA revenues in 2021. See "State Special Tax Supported Operating Subsidies — MTTF Receipts and MMTOA Receipts" .

The State and City Sales tax components are MTA Bridges and Tunnels' allocated portion of the State and City sales taxes. State law specifies the annual amounts of State and City sales tax receipts that are allocable to MTA Bridges and Tunnels, as follows:

(i) from State sales tax receipts collected by the State Department of Taxation and Finance, the following amounts will be deposited monthly by the State Comptroller in a new State-held fund, the New York Central Business District Trust Fund, and thereafter, subject to appropriation, such funds have been and will be paid into the CBD Tolling Capital Lockbox Fund (as defined below):

- State FY 2020-2021 (ended March 31, 2021) --$150 million
- State FY 2021-2022 and every year after—an amount equal to 101% of the amount deposited the previous year.

(ii) the State Comptroller has and will withhold from the City, sales tax revenue from the sales tax imposed by the City and deposit such revenues monthly, without appropriation, into the CBD Tolling Capital Lockbox Fund the following amounts:

- FY 2020-2021 (ended March 31, 2021) --$170 million
- FY 2021-2022 and every year thereafter--an amount equal to 101% of the amount deposited the year before.

The proceeds from these new streams are deposited into MTA's Central Business District Tolling Program capital lockbox (the "CBD Tolling Capital Lockbox Fund") and are used to finance infrastructure and operating costs of the CBD Tolling Program and to support financing for the 2020-2024 Capital Program and later capital programs. The comprehensive package of new resources for the MTA Capital Program also includes a Central Business District Tolling Program. See "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE – Central Business District Tolling Program".

Monies in the CBD Tolling Capital Lockbox Fund cannot be commingled with any other MTA Bridges and Tunnel monies and will be held free and clear of claims arising under the CBD Tolling Program. The following revenues will be deposited into the CBD Tolling Capital Lockbox Fund:

(i) all monies MTA Bridges and Tunnels receives from the CBD Tolling Program;

(ii) revenues of the Mansion Tax; and

(iii) statutory allocation of State and City sales tax revenues.

Funds on deposit in the CBD Tolling Capital Lockbox Fund shall be applied to:

(i) operating, administration and other necessary expenses relating to the CBD Tolling Program, including to NYCDOT pursuant a Memorandum of Understanding; and

(ii) costs of MTA capital projects included in the 2020-2024 Capital Program or any successor capital program.

Such funds in the CBD Tolling Capital Lockbox Fund may be:

(i) pledged by MTA Bridges and Tunnels to pay any bonds issued by MTA Bridges and Tunnels to finance (a) costs of the CBD Tolling Program, including the tolling infrastructure, CBD tolling collection system and CBD tolling customer service center and (b) the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program; or

(ii) used by MTA Bridges and Tunnels to pay capital costs of the CBD Tolling Program and the costs of any MTA capital projects in the 2020-2024 Capital Program or later capital program on a pay-go basis; or

(iii) transferred to MTA and either (x) pledged by MTA to pay MTA bonds issued to pay for costs of MTA capital projects in the 2020-2024 Capital Program or later capital program, or (y) used by MTA to pay costs of MTA capital projects in the 2020-2024 Capital Program or later capital program on a pay-go basis.

The State Fiscal Year 2019-2020 Enacted Budget further provided that capital project costs paid from the CBD Tolling Capital Lockbox Fund are subject to the following revenue split:

- 80% for MTA New York City Transit, MaBSTOA, MTA Staten Island Railway and MTA Bus capital project costs, with priority given to subway system, new signaling, new subway cars, track and car repair, accessibility, buses and bus system improvements and further investments in expanding transit availability in the outer boroughs;
- 10% for MTA Long Island Rail Road capital projects, including parking facilities, rolling stock, capacity enhancements, accessibility and expanding transit availability; and
- 10% for MTA Metro-North Railroad capital projects including parking facilities, rolling stock, capacity enhancements, accessibility and expanding transit availability.

The State Fiscal Year 2020-2021 Enacted Budget amended existing law to allow MTA to use monies in the CBD Capital Tolling Lockbox Fund for two years (2020 and 2021) to offset decreases in revenue (i.e., lost taxes, fees, charges, fares and tolls) or increases in operating costs due in whole or in part to the State emergency disaster caused by the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the operations of MTA and its Related Entities, see "Part 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

The following table provides information relating to Mansion Tax and statutory allocations of State and City sales tax revenues receipts on an accrual basis since 2019:

Capital Program Funding Sources

Year	Real Property Transfer Tax (Mansion Tax)	Statutory Allocation of State and City Sales Tax Revenues	Transfer to Capital Program
2019	$73.8	$85.1*	$159.0
2020	176.5	260.0	63.5†
2021	305.8	343.5	644.0

* The 2019 statutory allocation of State and City sales tax revenues consisted only of the City collections and remittances to MTA. The State portion was not transmitted to MTA in 2019 because the State portion is subject to appropriation by the State Legislature, which did not appropriate the funds in the State Fiscal Year 2019-2020 Enacted Budget. The State appropriated $150 million in the State Fiscal Year 2020-2021 Enacted Budget.

† 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. Currently, receipts from the Real Property Transfer Tax Surcharge and the statutory allocation of State and City sales taxes are deposited in the lockbox. In 2021, $499.9 million of revenue deposited in the lockbox was transferred to the operating budget to fund revenue declines and operating expense increases from the COVID-19 pandemic. MTA is required to repay the lockbox if it receives sufficient funds from the federal government or from 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 2022 projected Capital Program Funding Sources on both an accrual basis and a cash basis, as reported in the 2022 Adopted Budget, is $626.4 million before the transfer of $568.8 million to the capital program.

These projections reflect the effects of the COVID-19 pandemic. For further information related to the impact of the COVID-19 pandemic on the finances and operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

Operating Funding for the Transit and Commuter Systems

The chart on the following page shows the types of revenues and relative percentages of revenue streams that are currently available and required to be used to fund the Transit System (MTA New York City Transit and MaBSTOA) and the Commuter System (MTA Long Island Rail Road and MTA Metro-North Railroad). From time to time, MTA may, in its discretion, additionally subsidize the Transit System and Commuter System operations, or the operations of the other Related Entities, from other available excess moneys, including MTA Aid Trust Account Receipts, MTA Bridges and

Tunnels Surplus Investment Income, moneys on deposit in the Subway Action Plan Account, the Outer Borough Transportation Account and the General Transportation Account and mortgage recording taxes. All of the revenues listed on the following chart are revenues that are pledged for the payment of Transportation Revenue Bonds (as described in "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – TRANSPORTATION REVENUE BONDS"), with the exception of (1) mortgage recording taxes that do not become pledged revenues (by direction of the MTA Board) until, in the case of MRT-1, after the payment of MTA Headquarters Expenses, and (2) concession revenues at Penn Station and Grand Central Terminal. This chart does not include revenues from the PMT, taxes and fees deposited in the MTA Aid Trust Account and moneys on deposit in the Subway Action Plan Account, the Outer Borough Transportation Account and the General Transportation Account which may be applied to fund operating and capital needs of the Transit System and Commuter System in amounts and relative percentages determined by MTA consistent with the applicable statues; to the extent such PMT and General Transportation Account amounts are available to be applied to operating needs of the Transit System and the Commuter System, they constitute revenues that are pledged for the payment of Transportation Revenue Bonds. This chart also does not include revenues deposited into the CBD Tolling Capital Lockbox Fund, none of which moneys can be applied to fund operating needs of the Transit System and the Commuter System.

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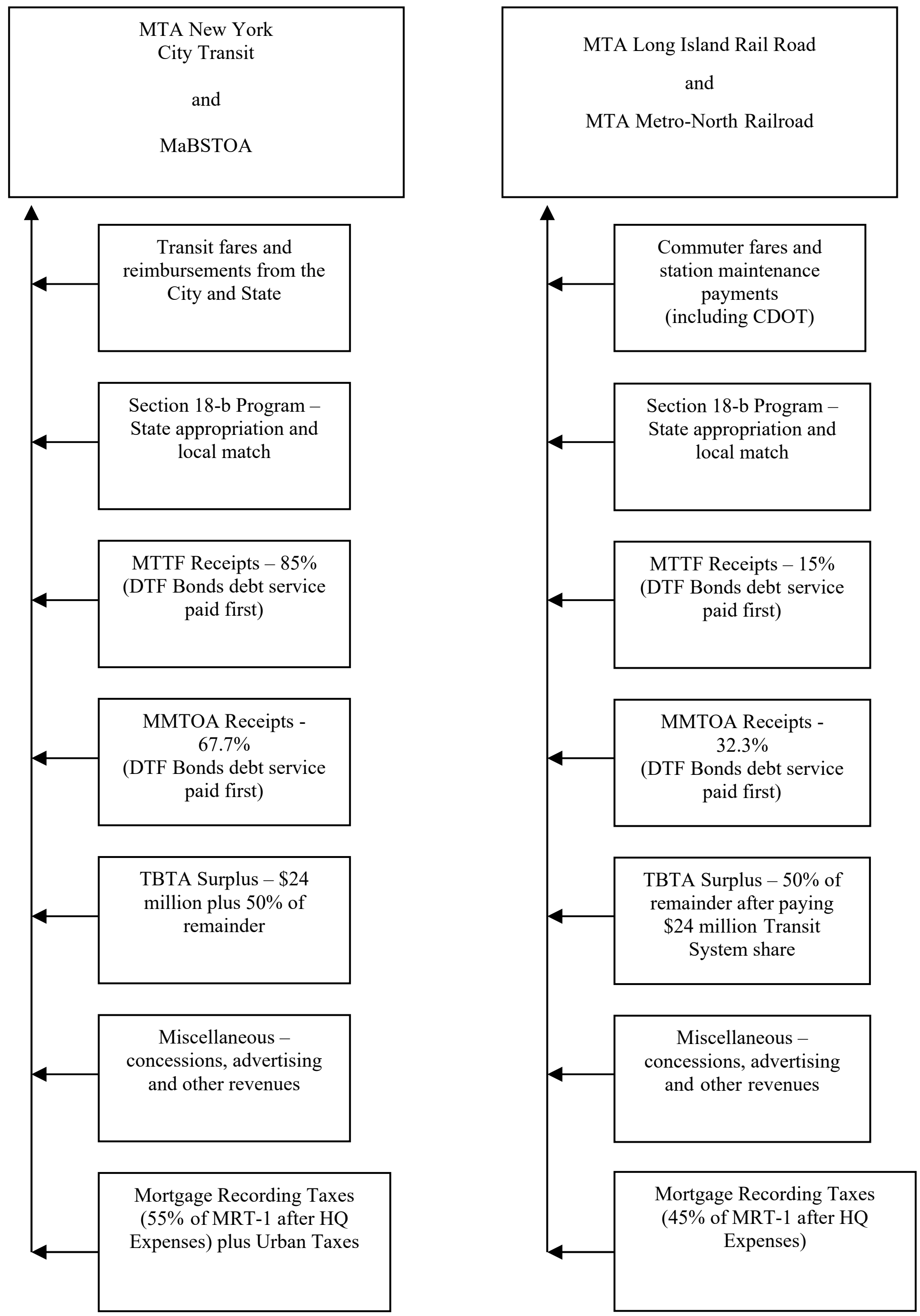
The percentages of MMTOA Receipts reflected below for the Transit and Commuter Systems are based upon the State Fiscal Year 2020-2021 Enacted Budget.



FINANCIAL PLANS AND CAPITAL PROGRAMS

2022-2025 Financial Plan (The "2022 February Plan")

Overview

The purpose of the 2022 February Plan is to incorporate Board-approved MTA adjustments that were captured "below-the-line" and on a consolidated basis in the 2021 November 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 proposed actions that require future Board approval (such as fare and toll increases); or (iii) they are actions which have yet to be allocated to each Related Entity (such as yet unidentified non-personnel savings from the Transformation Plan). The 2022-2025 Financial Plan (the "2022 February Plan") also established a 12-month allocation of the 2022 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 2022 February Plan, unlike the 2021 July Plan and 2021 November Plan, typically does not include new proposals or programs.

The November Plan

The 2021 November Plan, which the Board approved in December 2021, projected a continued budget balance through 2025. This balancing, however, was only achieved with the receipt of $10.5 billion in federal aid—from CRRSAA and ARPA, which is on top of the $4 billion received and fully expended in 2020 from the CARES Act—the implementation of fare and toll rate increases proposed for 2022, 2023, and 2025, and the use of $1.4 billion in deficit borrowing proceeds. The federal funding, however, masks the structural imbalance in MTA's finances. Without the fare and toll increases, ARPA, and the use of deficit borrowing proceeds, 2025 would be $3.2 billion out of balance, and the full implementation of fare and toll increases in 2022, 2023 and 2025 would only reduce the 2025 imbalance to $2.4 billion without ARPA and deficit borrowing. With federal funding to be exhausted in 2025 and only $1.5 billion remaining in deficit borrowing proceeds, 2026 will likely be significantly out of balance without actions to address the MTA's financial structural imbalance.

Changes to the November Plan

The 2022 February Plan incorporates into MTA baseline several Board-approved policies and other items that were captured "below-the-line" in the 2021 November Plan. Additionally, significant changes to the 2022 Adopted Budget and the 2022 February Financial Plan are included:

- **New York State Subsidies**. The 2022-2023 Executive Budget appropriation provides favorable changes of $337 million in 2022 appropriated MMTOA and PBT subsidies for MTA. Out-year projections of subsidies for 2023 through 2025, based on estimates provided by the State, are also expected to be favorable when compared with the 2021 November Plan, by $481 million in 2023, $544 million in 2024 and $565 million in 2025. Over the 2022 February Plan period, these State subsidies are expected to surpass the 2021 November Plan projections by $1.9 billion.
- **2022 Fare Increase**. With the appropriation of additional subsidy revenue, the proposed mid-2022 four percent fare rate increase is no longer being considered. This increase was initially proposed for implementation in March 2021 and deferred in prior financial plans. This action will reduce fare revenue by $717 million over the 2022 February Plan period.
- **CRRSAA Federal Aid**. Federal CRRSAA aid was anticipated in the 2021 November Plan to total $4.0 billion, but receipts have been favorable, totaling $4.1 billion, and are reflected in the Related Entities' baseline financials as "Other Operating Revenue". Total expected federal aid from CRRSAA and ARPA remain unchanged at $10.5 billion and, as a result, ARPA receipts are now projected to be $6.4 billion, down from $6.5 billion projected in the November Plan.
- **East Side Access**. A portion of the costs associated with the operations and maintenance of the East Side Access terminal and right-of-way that was below-the-line in the November Plan have been incorporated into MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Headquarters' baselines. A portion of East Side Access expenses remains below-the-line in the 2022 February Plan: $19 million in 2022, $32

million in 2023, $32 million in 2024 and $33 million in 2025. These expenses are expected to be allocated into the Related Entities' baselines in the 2022 July Plan.

- **MTA Consolidated Call Center**. Expenses associated with the MTA Consolidated Call Center, designed to improve operations by simplifying workstreams, reducing redundancies and standardizing processes and allowing MTA to deliver a clear, high quality and consistent "One MTA" customer experience, has been incorporated into the Related Entities' baselines. Over the course of the 2022 February Plan, there is no change from the 2021 November Plan, although $3 million in expenses anticipated in 2021 have been shifted to 2022, for an initial net investment of $4 million in 2022, followed by savings efficiencies from attrition resulting in net savings of $1 million in 2023, $2 million in 2024 and $4 million in 2025.

The 2022 February Plan incorporates minor technical adjustments to agency financials that total $1.8 million in favorable change over the 2022 to 2025 plan period. Additionally, the 2022 February Plan includes adjustments to the City Subsidy for MTA Bus and the City Subsidy for MTA Staten Island Railway to reflect revised Related Entities' financial results used to estimate the distribution of CRRSAA and ARPA funding to each operating agency. These adjustments reduce City Subsidy by a combined $341 million over the 2022 February Plan period.

Several items remain below the line in the 2022 February Plan:

- **Fare and Toll Increase in 2023**. An increase in fares and tolls in-line with inflation, yielding a 4% overall increase in farebox and toll revenues, is assumed for implementation in March 2023 and is projected to generate a $294 million annualized increase in MTA consolidated farebox and toll revenues, with consolidated farebox and toll revenues expected to increase by $251 million in 2023, $298 million in 2024 and $299 million in 2025. Factoring in the MTA Bus, MTA Staten Island Railway and MTA Bridges and Tunnels adjustments included in "Subsidy Impacts from Fare/Toll Increases" (10% of all MTA Bridges and Tunnels surplus toll revenues are delayed for distribution to MTA New York City Transit, MTA Long-Island Rail Road and MTA Metro-North Railroad, per MTA Board policy, until MTA Bridges and Tunnels results are audited), the net increase to the MTA is $239 million in 2023, $289 million in 2024 and $291 million in 2025. Compared with the 2021 November Plan, net projections are lower by $7 million in 2023, and lower by $8 million in 2024 and 2025; these changes from the 2021 November Plan reflect the lost compounding effect due to the elimination of the 2022 fare increase.

- **Fare and Toll Increase in 2025**. An increase in fares and tolls in-line with inflation, yielding a 4% overall increase in farebox and toll revenues, is assumed for implementation in March 2025 and is projected to generate a $310 million annualized increase in MTA consolidated farebox and toll revenues, with consolidated farebox and toll revenues expected to increase by $265 million in 2025. Factoring in the MTA Bus, MTA Staten Island Railway and MTA Bridges and Tunnels adjustments included in "Subsidy Impacts from Fare/Toll Increases", the net increase to MTA is $252 million in 2025. Compared with the 2021 November Plan, net projections are lower by $7 million in 2025; this change from the 2021 November Plan reflect the lost compounding effect due to the elimination of the 2022 fare increase.

- **Transformation Savings**. The 2022 February Plan maintains the expectation of achieving annual savings of $150 million from new efforts across the organization that will be spearheaded by the consolidated functional organizations that were created under the Transformation Plan.

- **East Side Access**. As noted above, the costs associated with certain maintenance and operations of the East Side Access terminal, tunnels and Mid-Day Storage Yard not otherwise the responsibility of the MTA Long Island Rail Road that were not moved into baselines of the Related Entities remain below-the-line in the 2022 February Plan: $19 million in 2022, $32 million in 2023, $32 million in 2024 and $33 million in 2025. These expenses are expected to be allocated into Related Entities' baselines in the 2022 July Plan.

- **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 remains below the line at $37 million in 2022 and $38 million each year thereafter.

- **Repayment of Revolving Bank Line of Credit**. The 2022 February Plan maintains the 2022 payment of the line of credit that was drawn on in 2020 to provide liquidity.

- **FEMA Reimbursement**. The 2022 February Plan maintains the expectation of FEMA reimbursement for direct COVID-related expenses of $330 million in 2022 and $165 million in 2023.

- **ARPA Federal Aid**. As noted above, anticipated ARPA federal aid is projected to total $6.4 billion, down from $6.5 billion projected in the 2021 November Plan. With the other changes from the 2021 November Plan outlined above, use of ARPA funds to close annual deficit is lower in 2022 through 2024, resulting in a larger remaining balance in 2025. In the 2021 November Plan, ARPA funds of $1.849 billion in 2022, $1.554 billion in 2023, $2.018 billion in 2024 and $1.080 billion in 2025 were applied to close annual budget gaps. In the 2022 February Plan, ARPA funds of $1.544 billion in 2022, $1.377 billion in 2023, $1.790 billion in 2024 and $1.676 billion in 2025 are being applied to close budget gaps.

- **Proceeds of MLF Deficit Bonding**. To cover budget deficits, MTA was granted the authority by the 2020-2021 State Enacted Budget to borrow up to $10 billion in deficit financing through December 2022. The Municipal Liquidity Facility ("MLF") was established by the Federal Reserve 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. MTA utilized the MLF to borrow the maximum $2.9 billion allowed under the program before the lending window closed at the end of 2020. The MLF loan is due for repayment in 2023, and MTA expects to issue long-term bonds in 2023 to repay the Federal Reserve. In the 2021 November Plan, it was anticipated MTA would use $1.367 billion of MLF deficit financing proceeds in 2025 to balance the budget. To balance 2025 in this February Plan, $499 million of proceeds from deficit financing will be necessary.

In total, annual balanced budgets are maintained through 2025, consistent with the 2021 November Plan. This balancing is only achieved with the receipt of $10.5 billion in federal aid from CRRSAA and ARPA, which is in addition to the $4 billion received in 2020 from the CARES Act, the implementation of the fare and toll rate increases proposed for 2023 and 2025, and the use of $499 million in deficit borrowing proceeds. As noted above, the federal funding, however, masks the structural imbalance in MTA's finances. Without the fare and toll increases, ARPA and the use of deficit borrowing proceeds, 2025 would be $2.7 billion out of balance. Even if the fare and toll increases were to be implemented, 2025 would still be out of balance by $2.2 billion without federal funding and the deficit borrowing proceeds. With federal funding exhausted in 2025 and only $2.4 billion remaining in deficit borrowing proceeds, significant budget deficits loom beyond 2025 if actions to address the structural imbalance are not implemented.

Challenges to be Addressed

There are numerous challenges facing MTA over the course of the 2022 February Plan:

- **Returning Ridership** – MTA has seen ridership steadily improve since the depths of the pandemic in 2020. But the surge from the Omicron variant in mid-December has slowed ridership growth which had previously held close to the mid-point between the McKinsey "best case" and "worst case" scenarios. Should ridership growth not reach the anticipated "new normal" level, farebox revenue will not meet forecasts and alternative actions will be necessary to address shortfalls.
- **Implementation of the biennial fare and toll increases in 2023 and 2025** – 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) and many costs are increasing at a rate above the assumed annual increase in fares and tolls of approximately 2 percent. Through 2025, the 2022 February Plan assumes a combined $1.07 billion in additional fare and toll revenue from the projected 2023 and 2025 fare and toll increases.
- **Finding and implementing innovative savings actions** – MTA will need to find additional savings throughout the organization as part of a multifaceted approach to address MTA's structural imbalance. With centralized departments in place to better serve agency operations, the focus of transformation has shifted to developing additional efficiencies across the organization, with further savings of $600 million through 2025 targeted in the 2022 February Plan.
- **Achieving affordable wage settlements** – MTA is committed to honoring the terms of its existing contracts and remains committed to negotiating affordable wage settlements with its unions.
- **Aligning Service to match Board-adopted service guidelines** – MTA will continue to match service with ridership demand, based on long-established, Board-adopted service guidelines while ensuring service availability is flexible to meet the region's transportation needs as the MTA region continues to emerge from the COVID-19 pandemic.
- **Working with MTA's funding partners to identify new recurring and sustainable funding sources** – With expense growth, particularly labor expenses, consistently outpacing the additional revenue expected from proposed biennial fare and toll increases that average two percent per year, new and sustainable funding sources will be critical to surmounting MTA's fiscal structural imbalance.

For a broad description of risk factors to MTA's finances and operations, see "PART 1. BUSINESS – CERTAIN RISK FACTORS".

Subsequent Developments

2021 Actual Cash Results and Cash Balance Projections. MTA's 2021 preliminary closing net cash balance is $1,167 million, which includes a $499 million carryover from 2020. There was a favorable variance of $1,163 million from the final estimate of $3 million that was stated in the 2022 February Plan. The 2021 year-end balance includes favorable results of $889 million from operations and debt service. Approximately $355 million (still preliminary) is favorable net cash timing variances that are projected to have an unfavorable impact in 2022. Excluding these timing variances, "real" preliminary operating results were $531 million. Favorable results of $278 million from subsidies are mostly real variances, mostly from higher real estate revenues, surplus transfers from MTA Bridges and Tunnels and PMT receipts. See "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

Capital Programs – Background and Development

Transit and Commuter Systems. The MTA Act requires MTA to submit to CPRB, for its approval, successive five-year capital programs; one for the Transit System and MTA Staten Island Railway and another for the Commuter System. The CPRB approved capital programs for the Transit System and MTA Staten Island Railway and the Commuter System for the five-year periods beginning in the years 1982, 1987, 1992, 1995, 2000 and 2005. The projects included in the 1982-2009 MTA Capital Programs have been substantially completed.

MTA and the CPRB have also approved separate five-year MTA Capital Programs covering the periods 2010-2014, 2015-2019 and most recently 2020-2024. These Capital Programs are described in detail below. The 2020-2024 Capital Programs for both MTA and MTA Bridges and Tunnels were presented to the MTA Board and approved September 2019. The MTA Capital Program was proposed to the CPRB on October 1, 2019, as required by law. The CPRB approved the MTA 2020-2024 Capital Program in January 2020. Since approval of the new 2020-2024 Capital Program and the amendments to the prior two programs, there was an amendment to the 2020-2024 Capital Program that was approved by both the Board and CPRB in December 2021.

Funding for the MTA Capital Programs comes from a variety of sources, including bonds, pay-as-you-go monies ("PAYGO"), State, City and MTA Bridges and Tunnels assistance, and federal funds. The federal government supplied approximately 33% of the funds required for the 1982-2009 Capital Programs. Bonds issued to finance the MTA Capital Programs are subject to a statutory ceiling, as further described in "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS".

There can be no assurance that all the necessary governmental actions to implement any MTA Capital Program will be taken, that funding sources currently proposed or assumed will be available in the amounts or at the times projected, or that the projects included in any MTA Capital Program, or parts thereof, will not be delayed or reduced. MTA regularly evaluates the status of all funding sources and projects and may, from time to time, submit amendments to an MTA Capital Program needed to bring funding sources and expected project costs into balance. If the implementation of an MTA Capital Program or any modification thereof is significantly delayed, MTA's efforts to bring the entire Transit System and Commuter System to a state of good repair and to prevent deterioration of portions of the Transit System and the Commuter System that have already reached a state of good repair may be impeded, with potential negative effects on ridership and fare revenues. See "PART 1. BUSINESS – CERTAIN RISK FACTORS – *Funding of Capital Programs and Operations*".

MTA Bridges and Tunnels Facilities. Beginning in 1989, MTA Bridges and Tunnels undertook its first multi-year capital program totaling $160 million for the three-year period 1989-1991. The funds for the program were raised from revenues deposited in its own capital reserve fund and the proceeds of MTA Bridges and Tunnels bonds.

Since then, while not required to do so by statute, MTA Bridges and Tunnels has developed its own five-year capital programs covering the same periods as the MTA Capital Programs to enable MTA Bridges and Tunnels to keep its own facilities in good operating condition while also maintaining its role in MTA's unified transportation policy. The MTA Bridges and Tunnels Capital Programs are not subject to approval by the CPRB and bonds issued to finance MTA Bridges and Tunnels Facilities and the CBD Tolling Program are not subject to a statutory ceiling.

Although substantial annual investments in major maintenance have regularly been made and additional expenditures are planned, MTA Bridges and Tunnels expects that capital investments in the rehabilitation or reconstruction and painting of its facilities will continue to be necessary as components approach the end of their respective useful lives and require normal replacement.

Approved 2020-2024 Capital Program

At its September 25, 2019 meeting, the MTA Board reviewed and authorized a submission to the CPRB of the MTA 2020-2024 Capital Program totaling approximately $51.5 billion, as well as a five-year capital program for MTA Bridges and Tunnels for the years 2020-2024 (the "2020-2024 MTA Bridges and Tunnels Capital Program") totaling approximately $3.3 billion, along with revised 2015-2019 and 2010-2014 MTA Capital Programs, which were not required to be submitted to the CPRB for approval.

The MTA 2020-2024 Capital Program was proposed to the CPRB on October 1, 2019, as required by law. The CPRB approved the MTA 2020-2024 Capital Program in January 2020.

Changes to MTA's Capital Planning. Since 2019, a few important changes to MTA's overall capital program occurred:

- The State Fiscal Year 2019-2020 Enacted Budget required that, among other things, MTA use a design-build methodology for all contracts over $25 million. The State Fiscal Year 2022-2023 Enacted Budget increased the threshold from $25 million for all contracts to $200 million for new construction contracts and $400 million for contracts predominantly relating to rehabilitation or replacement of existing assets. Any deviations to this will require a formal waiver from the State Division of Budget.

- The State Fiscal Year 2019-2020 Enacted Budget further required MTA to engage in a full capital program audit which it did by procuring the services of the audit firm Crowe LLP. A briefing was provided to the MTA Board and the public at MTA's December Board meeting and a final report was made available to the public in early January 2020.

Effect of COVID-19 Pandemic. Since early March 2020, the COVID-19 pandemic has severely impacted the New York City Metropolitan region, affecting the operations of MTA and its Related Entities, the various revenue streams that support them and the delivery of their respective capital programs. Service has been temporarily reduced, and passenger volume and revenue had dramatically fallen in 2020 and 2021. Although passenger volume and service is on the path to recovery, the full effects of the COVID-19 pandemic on the ability of MTA to support its full MTA 2020-2024 Capital Program has not yet been determined. Additionally, the State Fiscal Year 2020-2021 Enacted Budget permits MTA to use monies in the CBD Tolling Capital Lockbox Fund for two years (2020 and 2021) to offset decreases in revenue (i.e., lost taxes, fees, charges, fares and tolls) or increases in operating costs due in whole or in part to the State emergency disaster caused by the COVID-19 pandemic. See "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC" for additional detail on impacts on capital program implementation, including, particularly, "*– Capital Program Procurement and Construction Contract Delays*".

Federal Infrastructure Funding. In 2021, a federal infrastructure bill was passed by Congress. MTA anticipates that it will benefit from this new funding. At this time, the potential impacts are not fully known and the current capital program does not assume any new funding.

MTA 2020-2024 Capital Program and December 2021 Amendment to that Program

The MTA's 2020-2024 Capital Program was amended in December 2021 with both MTA Board and New York State CPRB approvals coming in the next calendar year. The amendment increased the total funding from $54.799 billion to $55.334 billion. Changes to the capital program address the following: (a) budget adjustments in the MTA New York City Transit program for a track and structures project; (b) increases to the sizes of the MTA Long Island Rail Road and MTA Metro-North Railroad programs; (c) two new MTA Interagency elements required to help administer the capital program; (d) budget adjustments within and to the MTA Network Expansion program to support the Penn Station Access (PSA) project; and (e) elements with 10% increases which require CPRB approval.

CPRB Core Program: $43.391 billion. Agencies continue to make investments that renew and enhance the networks of MTA New York City Transit, the MTA Long Island Rail Road, MTA Metro-North Railroad, the MTA Bus Company and MTA Interagency. The Core Program increases from $43.674 billion to $43.391 billion, and reflects the following notable changes:

- MTA New York City Transit has proposed internal budget adjustments to support its Direct Fixation Track Replacement project for the 63rd Street and Jamaica lines with no change to the overall MTA New York City Transit funding envelope. These $206.1 million in budget adjustments impact several capital program elements including Track, Power, Line Structures and Miscellaneous portions of the capital program.
- The MTA Long Island Rail Road funding envelope has an increase of $15.0 million reflecting additional FRA grant funding that was secured for the 2020-2024 Capital Program after its approval. This funding supports work at Penn Station. This increase exceeds the current 10% element allowance and requires a 10% CPRB approval.
- The MTA Long Island Rail Road has also proposed making internal budget adjustments within its approved program to reflect additional $74.0 million in needs for fully wrapping up the Positive Train Control ("PTC") effort with no change to the MTA Long Island Rail Road funding envelope. This includes $33 million for ESA commitments and $41 million for PTC on the existing MTA Long Island Rail Road Right of Way. As a result of this overall increase, the budget exceeds the current 10% element allowance and requires a 10% CPRB approval.
- MTA Metro-North Railroad is adding $20.1 million in administrative assets to the 2020-2024 Capital Program to represent investment shares owed to MTA by the Connecticut Department of Transportation.
- A new $18.8 million MTA Interagency element and project have been established to help administer MTA Construction & Development activities needed to administer the capital program. This $18.8 million was established with transfers into the element from the MTA New York City Transit, the MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bus and MTA Expansion. This new element requires a 10% CPRB approval.
- Consistent with practices in prior MTA capital programs, a new Small Business Development Program administrative element and project have been established in MTA Interagency. $4.2 million of transfers have been made into this element including $3.8 million from CPRB agency sources (MTA New York City Transit, the MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Expansion) and a separate $0.4 million for MTA Bridges and Tunnels, which does not require CPRB approval. This creation of a new core SBMP administrative element requires a 10% CPRB approval.
- $23.0 million in transfers to the two new MTA Interagency elements came from the agencies' Miscellaneous budget portions of the capital program with no change in the overall size of the 2020-2024 Capital Program.
- A decrease to the core capital programs by $321 million to loan to MTA Expansion from various projects in MTA New York City Transit, MTA Long Island Rail Road and Metro North whose design and delivery schedules do not require said funds until after the anticipated repayment through federal infrastructure funds.

MTA Expansion Program: $8.619 billion. The MTA Expansion program has been altered to reflect budget revisions for the PSA project and the addition of $500 million to the overall size of the MTA Expansion Program's 2020-2024 capital program.

The originally approved MTA 2020-2024 Capital Program includes $1.131 billion for PSA. An additional $452 million is included in the approved MTA 2015-2019 Capital Program for a total current combined budget of $1.583 billion.

Based on bids, the anticipated fully loaded cost for PSA is $2.867 billion. After adjustments to the budget to reflect deferral of $460 million of activities until a future date, the total initial cost is anticipated to be $2.407 billion. The elements deferred include a portion of contingencies and support cost as well as the delay of the option for the New Rochelle Yard.

As a result, this amendment will increase the overall PSA budget by $921 million, from $1.561 billion to $2.482 billion, across both the 2015-2019 and the 2020-2024 programs. This increase is a result of recent bids received, extended project schedule due to limitations on track outages and labor support committed to Amtrak, and additional Amtrak scope (fourth track, expanded power and communication upgrades), as well as market price increases in labor and construction materials. The proposed amendment impacts only the 2020-2024 Capital Program and immediately increases the funding for the PSA project in that program by $921 million from $1.131 billion to $2.052 billion. There is no change to PSA in the 2015-2019 Capital Program.

The sources for this $921 million increase are both from within the MTA 2020-2024 Capital Program's Expansion program as well as from a regional partner:

- A $100 million transfer of surplus budget from the MTA Long Island Rail Road Expansion Project within the MTA Expansion Program;
- An addition to the Expansion Program of $500 million in anticipated Amtrak funds; and
- An addition of $321 million to the Expansion Capital Program comprised of $241 million from MTA New York City Transit, $40.1 million from the MTA Long Island Rail Road and $40.1 million from MTA Metro-North Railroad. The full budgets for MTA New York City Transit, MTA Long Island Rail Road and MTA Metro-North Railroad capital plans are anticipated to be restored in either the 2020-2024 capital program or added into the 2025-2029 capital program using future federal infrastructure funds.

The increase of $921 million to the 2020-2024 Penn Station Access element budget exceeds the current 10% CPRB allowance and required a 10% CPRB approval.

MTA 2020-2024 Capital Program All-Agency Summary
($ in millions)

	2020-2024 Capital Program Amount (in millions)
MTA New York City Transit, MaBSTOA and MTA Staten Island Railway	$35,133
MTA Long Island Rail Road	3,710
MTA Metro-North Railroad	3,536
MTA Bus	871
MTA Interagency Program	142
MTA Network Expansion	8,616
Total*	$52,007
MTA Bridges and Tunnels (including the CBD Tolling Program)	$ 3,327
Total Capital Program*	$55,334

* Totals may not total due to rounding

2020-2024 Capital Program Funding. The combined funding sources for the 2020-2024 Capital Program include, as subsequently approved by the CPRB in January 2020, $15 billion in capital from CBD Tolling Program sources, $10 billion in capital from new revenue sources (State and City sales taxes and Mansion Tax), $9.792 billion in MTA bonds and PAYGO, $3 billion in funding from the State, $3 billion in funding from the City, $7.500 billion in federal formula funding, $2.905 billion in federal New Start funding for Second Avenue Subway Phase Two, $0.275 billion in federal flexible funding, $0.015 billion in federal Railroad Administration funding for Penn Station platform project, $0.500 billion from Amtrak for Penn Station Access, $0.020 billion from Connecticut DOT for administrative assets, and $3.327 billion in MTA Bridges and Tunnels self-funded dedicated funds.

	2020-2024 Capital Program Amount (in millions)
Capital from Central Business District Tolling Sources	$15,000
Capital from New Revenue Sources	10,000
MTA Bonds & PAYGO	9,792
Federal Formula*	7,500
State of New York Capital	3,000
City of New York Capital	3,000
Federal New Starts (Second Avenue Subway, Phase Two)*	2,905
AMTRAK	500
Federal Flexible	275
Other	20
Federal Other	15
CPRB Program Subtotal†	$52,007
MTA Bridges and Tunnels (Self -Funded)	3,327
Total†	$55,334

* Subject to future federal appropriation and guidance.

† As of December 31, 2021. Totals may not add due to rounding.

The following table shows, for each of the Related Entities or programs in the 2020-2024 Capital Program, the totals and the amounts budgeted, committed, expended and completed as of December 31, 2021:

As of December 31, 2021 (in billions)

Agency	Total	Committed	Expended	Completed
MTA New York City Transit and MTA Staten Island Railway	$35.132	$3.619	$0.695	$0.202
MTA Metro-North Railroad and MTA Long Island Rail Road	7.246	1.164	0.344	0.099
MTA Network Expansion	8.616	2.362	0.219	0.000
MTA Bus	0.870	0.080	0.000	0.000
MTA Bridges and Tunnels	2.824	0.277	0.060	0.019
MTA Interagency Program	0.142	0.011	0.005	0.000
CBD Tolling Program	0.503	0.344	0.150	0.000

2020-2024 Transit Core Program. This 2020-2024 Capital Program totaling $35.389 billion embodies the major capital investment strategies and priorities of the program:

- Accelerated investments in state-of-the-art signal systems, and associated fleets and infrastructure, to transform the reliability and capacity of the subway system;
- Accelerated investments in accessibility for customers with disabilities;
- Accelerated state of good repair investments in critical subway infrastructure and stations; and
- An enhanced, zero-emission bus fleet to serve a reimagined route network.

The following table represents the capital program, as approved, by category of work for the New York City Transit System and MTA Staten Island Railway under the 2020-2024 Transit Capital Program.

	Transit Authority 2020-2024 Transit Core Program (in millions)*
Subway Cars	$5,816
Buses	1,816
Passenger Stations	9,153
Track	2,559
Line Equipment	375
Line Structures	2,392
Signals & Communications	6,921
Power	2,601
Shops & Yards	530
Depots	817
Service Vehicles	354
Miscellaneous/Emergency	1,426
MTA Staten Island Railway	373
Total†	$35,133

* Does not include MTA Network Expansion Projects related to the Transit System, which are described below under the "MTA Network Expansion" section.

† Total may not add due to rounding.

Among the projects included in the Transit Core component of the 2020-2024 MTA Capital Program, as approved, are the following:

Subway Cars - $5,816 million. For the B Division, MTA New York City Transit will purchase 640 cars to complete the replacement of the R46 fleet, and purchase an additional 437 cars for fleet growth, including for the Second Avenue Subway Phase Two. These cars will be purchased via options to the ongoing R211 contract. These investments will provide a sufficient number of railcars compatible with new signal technology. For the A Division, car investments need to be accelerated to align with signal modernization that is planned for the 2020-2029 period. MTA New York City Transit will purchase approximately 900 cars to replace a portion of the R62/62A fleet (36-39 years old). The purchases will be coordinated to support the rollout of advanced signal technology on the A Division. Production of the new cars is anticipated to extend into the 2025-2029 capital program.

Buses - $1,816 million. MTA New York City Transit is purchasing 1,548 buses, including 1,088 standard buses, 345 articulated buses, and 115 express buses. 1,454 of the buses to be purchased will replace buses that have reached the end of their useful life, and the other 94 buses will provide fleet growth. 375 of the standard buses and 100 of the articulated buses will feature all-electric propulsion. These purchases, in concert with the electric buses purchased under the MTA Bus program, are projected to yield an annual reduction of over 37,000 tons of carbon emissions.

Passenger Stations - $9,153 million. Overall, the 2020-2024 Capital Program will perform component or renewal work at approximately 175 stations, representing over 35% of all stations in the system, with a total investment of $2.6 billion. The program addresses the most significant component repairs to ensure a safe, reliable environment, and renewing stations where the approach is cost-effective. An additional $1.4 billion will be devoted to elevator and escalator replacement, because elevators and escalators are essential part of accessing transit for many customers.

Additional ancillary investments in stations include:

- The construction of a new customer connection between Livonia Avenue station on the Canarsie (L) line and Junius Street station on the New Lots (3) line, to be coordinated with ADA investments;
- Purchase of turnstiles and other fare collection equipment, including wider turnstiles/gates for improved access for customers with disabilities; and
- Water condition remediation and other miscellaneous station investments.

The 2020-2024 Capital Program's plan for MTA New York City Transit and MTA Staten Island Railway includes accessibility investments at up to 70 selected subway stations, including any stations accelerated into earlier programs, for a total commitment not to exceed $5.2 billion in the 2020-2024 Capital Program. These projects will increase the percentage of total stations that are accessible to approximately 43%.

Track - The 2020-2024 Capital Program includes:

- Replacement of nearly 60 miles of mainline track to maintain a state of good repair, largely consistent with prior programs;
- Replacement of approximately 250 mainline switches, accelerated to coordinate with signal modernization; and
- New investments in continuously welded rails.

Line Equipment - $375 million. MTA New York City Transit will undertake upgrades up to tunnel lighting to meet current standards, replacement fan components at various locations, rehabilitation pump rooms at various locations, and back-flushing of deep wells on up to 3 lines.

Line Structures - $2,392 million. MTA New York City Transit will undertake the following projects:

- Subway component repairs, to be focused on locations with the highest concentrations of priority defects;
- Extensive rehabilitation or replacement of elevated structures on up to five subway lines, to address priority conditions identified by MTA New York City Transit engineering assessments;
- Continue the installation of netting beneath elevated structures;
- Paint more than 16 miles of elevated structure on various elevated lines; and
- Over $50 million for emergency exit rehabilitation.

Signals & Communications - $6.921 billion. MTA New York City Transit plans to spend $5.730 billion on Signal projects and $1.191 billion on communications projects.

Signal projects will include:

- Contracts to install modernized signals on segments of six lines, covering approximately 133 track miles and 33 interlockings;
- All railcars purchased in the 2020-2024 Capital Program will be provided with necessary equipment to operate in upgraded territories. Funding is also included to provide compatible equipment for work train locomotives; and
- Various system-wide signal component upgrades and other investments to improve the reliability of existing signals.

Communications projects will include:

- Public Address ("PA") and Customer Information System upgrades at approximately 76 stations on the B Division. New state-of-the-art PA and Customer Information System systems with clearer audio, digital signage, and remote announcement capabilities will improve communication with customers, under both normal operations and in the event of a service disruption;
- Various network investments, including the completion of Connection-Oriented Ethernet, which has been prioritized in coordination with security projects that require additional bandwidth;
- Upgrades to the LiftNet elevator and escalator monitoring system to provide customers and maintenance personnel with more reliable and timely notification of outages;
- System-wide rollout of passenger identification closed circuit television at stations that do not already have the technology, and security enhancements in under-river tunnels and other strategic locations; and
- Normal replacement of selected phone and radio system equipment and communications cables, to address known failures and operational liabilities.

Power - $2,601 million. MTA New York City Transit expects to spend $2,601 million on for normal replacement and state of good repair investments in traction power, including comprehensive renewals of up to six substations, targeted component repairs or replacement of equipment at various substations, rehabilitation of up to 11 circuit breaker houses, upgrades to power cables and related assets system-wide, and power improvements on up to seven lines to improve reliability and support higher train throughput made possible by signal modernization.

Shops and Yards - $530 million. MTA New York City Transit expects to spend $530 million on repair projects to address deficient shop components at various Department of Car Equipment ("DCE") maintenance and Maintenance of Way support shops, as well as both DCE overhaul facilities; larger-scale investments at the Livonia Maintenance Shop and the Atlantic Avenue Power Cable Shop; replacement of more than two miles of yard and non-revenue track and more than 15 yard switches; and upgrades to fencing and lighting at one yard.

Depots - $817 million. MTA New York City Transit will undertake projects benefitting bus depots, including modifications necessary to accommodate an electric bus fleet, repairs to address deficient shop components, the reconstruction of the Jamaica Bus Depot, modifications necessary to accommodate the ongoing rollout of Automated Bus Lane Enforcement, and continued investment in miscellaneous depot equipment, including bus lifts and facility elevators.

Service Vehicles - $354 million. MTA New York City Transit plans to purchase locomotives and flat cars to replace older models; selected other classes of work train cars, such as tampers, crane cars, signal supply cars, and a track geometry car; and approximately 200 rubber-tire vehicles.

Miscellaneous/Emergency - $1.426 billion. The Miscellaneous/Emergency category includes:

- employee facility repairs at various locations;
- investments to support the implementation of the 2020-2024 Capital Program, including funding for environmental remediation, Enterprise Asset Management consultant support services, insurance, and scope development and design for future projects;
- funding for environmental remediation, consultant support services, insurance, and scope development and design for future projects;
- investments in information technology and fire safety systems;
- environmental and system safety items, engineering services, insurance; and
- other program reserves and miscellaneous investments to support the entire 2020-2024 Capital Program.

MTA Staten Island Railway - $373 million. As part of the total investment in accessibility of up to 70 stations, up to three MTA Staten Island Railway stations will be made accessible to customers with disabilities, with elevators and/or ramps providing stair-free access to station platforms, to fulfil the goal of ensuring that no customer is more than two stations away from an accessible station. Repairs will be made at up to eight stations, to address specific stairs and platform and mezzanine components system-wide. Mainline track and switch replacement will be made at locations system-wide. MTA New York City Transit will also undertake comprehensive rehabilitation of up to two elevated structures and overcoat painting at up to six additional bridges.

2020-2024 Commuter Core Program. MTA Long Island Rail Road and MTA Metro-North Railroad together constitute the MTA's Commuter Core program. Each railroad's 2020-2024 capital program is discussed separately below. MTA Network Expansion projects that might benefit each railroad are discussed separately in the MTA Network Expansion section below.

The following table represents the capital program by agency and category of work for the Commuter System under the 2020-2024 MTA Capital Program, as approved.

MTA Long Island Rail Road	2020-2024 Commuter Core Program (in millions)*
Rolling Stock	$ 242
Stations	869
Track	1,020
Line Structures	330
Communications and Signals	413
Shops and Yards	182
Power	426
Miscellaneous	228
Total†	$3,709
MTA Metro-North Railroad	
Rolling Stock	$ 853
Grand Central Terminal, Stations and Parking	1,138
Track and Structures	1,029
Communications and Signals	187
Power	171
Shops and Yards	17
Miscellaneous	143
Total†	$3,536

* Does not include MTA Network Expansion Projects related to the Commuter System which are described below under the "MTA Network Expansion" section.

† Total may not add due to rounding.

MTA Long Island Rail Road

Among the projects included in the Commuter Core Program component of the 2020-2024 MTA Capital Program are the following projects for MTA Long Island Rail Road:

Rolling Stock - This program will purchase 12 revenue locomotives and 17 coaches to support service to MTA Long Island Rail Road's non-electrified territory and address peak period service demands. In addition to the major rolling stock purchases, the MTA Long Island Rail Road is purchasing eight new "green" work locomotives, which will replace older technology locomotives with the latest environmentally-friendly models.

Stations - The program focuses investment on those stations with the worst rated platforms. Replacement of platforms will be paired with platform extensions where applicable and with ADA elevators, tactile strips and braille signage. In addition, replacement and upgrade of the MTA Long Island Rail Road's Mets-Willets Point Station will include platform, track and station infrastructure upgrades, including new elevators and possible access to a proposed LaGuardia AirTrain Station, to support full-time service. The Mets-Willets Point Station project is currently under review.

Stations with concentrations of poorly rated components will be identified for the 2020-2024 Capital Program which will renew station buildings and replace platform signage, shelters sheds, pedestrian overpasses, railings and lighting. In addition, elevators and escalators reaching the end of their useful life will be replaced and ticket vending machines and ticket selling equipment will be upgraded as part of the overall MTA-wide OMNY new fare payment program as discussed herein.

Penn Station and Grand Central Terminal. Platform level renewal and upgrade for Penn Station will include staircase replacement, platform surface and tactile renewal, architectural column cladding and ceiling treatments, upgraded LED lighting, new signage, and other targeted investments. Also planned for Penn Station is the replacement of aging air handlers for the HVAC system, upgrades to the radio antenna system, and targeted replacement/upgrade of the complex's various building systems. The 2015-2019 Capital Program began elements of this overall renovation process.

With completion of East Side Access bringing MTA Long Island Rail Road into Grand Central Terminal, an allowance has been identified to address various needs of the new MTA Long Island Rail Road section of Grand Central Terminal. This includes elements such as back of house fit-outs, safety and security equipment, and other station components.

Track - Annual Track Rehabilitation Program. This portion of the track program will include replacement of and upgrades to up to 32 miles of wood ties with new concrete ties, along the busiest segments of the network, including segments of the Main Line, Atlantic Branch, Port Washington Branch, Port Jefferson Branch, the Queens Interlocking, and the Babylon Branch. Right of Way investments will include addressing various culvert, drainage, track stability, and retaining wall state of good repair needs, along with the installation of high security fencing. Rehabilitation of yard track systems, including the installation of switch heaters, rehabilitation of walkways, replacement of switches, as well as other track work, will also be included. Finally, this portion of the program includes equipment to be purchased to support the delivery of the Track Rehabilitation Program, such as new ballast cars, a crane, a tamper, and a new track geometry car.

Other Track Improvements. In support of anticipated service demand following the opening of East Side Access, the MTA Long Island Rail Road continues to undertake a multi-phase effort to modernize and improve the infrastructure in Jamaica. The 2020-2024 program will focus on replacing, upgrading and modernizing the signal system which serves the Jamaica area. In addition, the Jamaica E Yard Extension will construct a new closed-deck rail bridge over 150th Street to allow for increased train capacity in the Jamaica Complex.

Finally, Amtrak Territory Investments provides funding for MTA Long Island Rail Road's Baseline Capital Contribution to the Northeast Corridor pursuant to the Passenger Rail Investment and Improvement Act and other major investments in the Penn Station and East River Tunnel including the continuation of the total track replacement work in the East River Tunnels.

Line Structures - Bridge rehabilitation and bridge replacement will include rehabilitation or replacement of up to ten bridges which address both railroad bridge and highway bridge investment needs, including replacement of the Cherry Valley Road Bridge and the Webster Avenue Highway Bridge. MTA Long Island Rail Road also will rehabilitate three bridges located in Brooklyn and five bridges in Nassau and Suffolk counties.

MTA Long Island Rail Road will consider undertaking a system-wide viaduct condition assessment by third party structural engineers, followed by renewal and replacement of selected viaducts, based upon structural condition prioritization. A similar system-wide bridge assessment will be undertaken for all MTA Long Island Rail Road-owned bridges and associated line structures.

MTA Long Island Rail Road will continue the bridge painting program established in the 2005-2009 program and will continue with drainage improvements and waterproofing projects.

The MTA Long Island Rail Road also plans to demolish abandoned and out-of-service structures, including the Main Line Cut-Off and Montauk Cut-Off structures, as well as Cabin M Bridge, all in Long Island City.

Tunnels - The 2020-2024 Capital Program will continue structural renewal and improvements on the Atlantic Branch in Brooklyn and Queens by addressing structural components of the Atlantic Avenue Tunnels, including completing tunnel hatchway work, progressing reconstruction of deteriorated tunnel floor beams, and rehabilitating the Bedford Avenue Tunnel Portal. Also included are tunnel systems replacement and upgrades to include waterproofing, drainage, and lighting, as well as fire life safety systems.

Communications and Signals

Communications - The Communications program includes upgrading fiber optic network, cyclical replacement of communication pole lines and other communications components, replacement and upgrades to radio system components, and improving radio coverage in-line with regulatory mandates. Also included is the roll-out of Help Points at MTA Long Island Rail Road branch line stations and terminals, implementing new communications system technology, as well as station technology upgrades and the installation of new cameras at MTA Long Island Rail Road grade crossings. Finally, a new Customer Information Technology project has also been established.

Signals - Signals projects will modernize and upgrade segments of MTA Long Island Rail Road's signal systems. Including:

- Replacement of and upgrades to aging signal equipment near Babylon Station, including switches, signals, cables and other signal system components;
- Construction of a new signal system between Hunt to Post on the Port Jefferson Branch, including two new signal system designs;

- Upgrades to and modernization of the signal system within the Babylon to Patchogue segment of the Montauk Branch;
- The implementation of centralized train control, which will enable the MTA Long Island Rail Road to monitor all trains from a centralized location improving operations, communications and the ability to respond to service disruptions;
- A design effort for new interlockings and strategic sidings on the Montauk Branch;
- Signal improvements to Divide Interlocking in Hicksville;
- A significant signal replacement program in the 2020-2024 Capital Program, which targets relays, cables, batteries, switch machines, huts, and signals for replacement and upgrading; and
- Additional Positive Train Control requirements for traditional as well as new East Side Access territory.

Shops and Yards - Shops and Yards investments will support future service increases and planned fleet growth, while upgrading the facilities for undertaking critical fleet inspections, repairs, maintenance and cleaning, and thus supporting fleet reliability and maintaining interior and exterior fleet appearance, including in Morris Park, Ronkonkoma, Hillside and West Side Shop. Also included is the second phase of enhancing Maintenance of Equipment facilities at Mid-Suffolk Yard in Ronkonkoma and progressing an environmental review for a new East End Maintenance Shop.

Additional Shops and Yards investments include Port Washington Track extensions, as well as design the replacement of the Morris Park Turntable. Mentor contracts will be awarded through the small business development program ("SBDP") supporting execution of Shops and Yards projects.

Investments will be made to employee facilities to enhance the operational facilities for the MTA Long Island Rail Road's Engineering, Maintenance of Equipment, Stations, Transportation, and Training facilities, address various structural, mechanical, electrical, plumbing and other systems within these employee facilities. The investments include rehabilitation of the Atlantic Terminal facilities, systems renewal at the Jamaica Corporate Building, continued upgrades to fire protection systems at the Hillside Support Facility, component renewal at numerous employee facilities in Nassau, Suffolk and Queens counties, and paving work at various locations targeting parking lots, sidewalks and roadways. This program will also include renewal of the Boland's Landing platform which is located at an employee-only station. Finally, construction fit-out of a new consolidated employee facility along with construction of improved space for signal employee training operations has also been included. Employee Facilities also includes an allowance towards third party contracts awarded under the SBDP.

Power - The 2020-2024 Capital Program will replace as many as five traction power substations in Queens and Nassau County. In addition to replacing substations and substation components, MTA Long Island Rail Road will also target various traction power components for replacement and upgrade. Also, yard lighting and amenities will be addressed at Hillside Yard and other priority locations.

Power investments also include completing the final phase of the Atlantic Avenue Tunnel Lighting replacement and upgrade between Dunton and Woodhaven and the replacement of station and building electrical systems and platform lighting.

The electrification of the Central Branch is also included in the 2020-2024 Capital Program.

Miscellaneous - The Miscellaneous category includes security investments (security camera replacement system-wide, improvements to access control and physical perimeter hardening at key locations, upgrades for three security command centers, a modern centralized video storage solution system, a physical assessment of right-of-way to enhance security, and a project to enhance security in the Atlantic Avenue Tunnels in Brooklyn and Queens), an allowance for future environmental remediation, along with projects for program administration, insurance, Enterprise Asset Management, program development, the MTA Long Island Rail Road's contribution to the MTA's Independent Engineer and administration of the SBDP.

MTA Metro-North Railroad

Among the projects included in the Commuter Core Program component of the 2020-2024 MTA Capital Program are the following projects for MTA Metro-North Railroad:

Rolling Stock – In the 2020-2024 Capital Program, MTA Metro-North Railroad will replace the worst-performing M-3 railcars and continue in the next capital program to replace the remainder of the existing M-3 fleet, and provide for growth, and will complete the replacement of the Genesis dual-mode locomotive fleet, which provides East of Hudson service.

Grand Central Terminal, Stations & Parking.

Grand Central Terminal Renewal Projects. The 2020-2024 MTA Capital Program includes priority repairs to the Grand Central Terminal trainshed to preserve safe operations, as well as initial phases of trainshed replacement, with critical construction work undertaken in the first section while design work prepares MTA Metro-North Railroad for construction of the next section to be completed as part of the 2025-2029 Capital Program. The Park Avenue Tunnel project will construct four additional emergency exits in two new locations, improving egress from six to ten exits along in this critical tunnel running under the streets of Manhattan.

Additional repairs to Grand Central Terminal building will include completing escalator replacement, replacing a key freight elevator in the terminal, replacing fire and sprinkler standpipe infrastructure, repairing leaks in the terminal building, renewing elements of the vast systems of utilities in Grand Central Terminal and allocating funds for the SBDP.

Outlying Stations Projects. Station upgrades may include new platforms, new lighting, improved customer information systems, new platform canopies, modernized passenger waiting areas, and improved mobility access for customers. Upgrades may include new elevators and/or ramps. Priority component repairs at select stations along the Upper Hudson and Upper Harlem Lines will improve the condition of these stations and provide an enhanced customer experience, including station repairs such as platforms and edges, railings, and stairs.

In cooperation with its Related Entities, MTA is developing OMNY, an MTA-wide, integrated fare payment system. As part of this effort, the machines and equipment serving MTA Metro-North Railroad's current ticket selling system, which has surpassed its useful life, will be replaced as part of the New Fare Payment Equipment project. Component investments in stations are also planned to be undertaken as part of the SBDP.

Parking Projects. The Southeast Parking project includes upgrading and expanding the existing parking to a new parking structure east of the existing station.

Track and Structures

Track. Track investments provide for the replacement of ties and rail along with cyclical rail surfacing on the Hudson, Harlem and New York portion of the New Haven Lines, the replacement of interlocking switches and turnouts, the cyclical replacement of switches and stick/jointed rail in the platform areas, the multi-phased rock slope remediation program to stabilize rock slope at priority locations, the phased rebuild of the retaining wall near the Marble Hill Station.

Structures. The Structures program includes the start of the multi-program, multi-phased replacement of the deteriorated Park Avenue Viaduct. The 2020-2024 Capital Program will advance the first phase to replace critical sections of the existing viaduct that will improve its reliability and lower the risk of service disruptions. Investments in undergrade and overhead bridges on all three East of Hudson lines also continue in this program. The Undergrade Bridge Program includes the design and/or repair or replacement of undergrade bridges at priority locations on the Hudson, Harlem and New Haven Lines. The bridge program includes the design and/or repair or replacement of bridges at priority locations primarily sited on the New Haven Lines in the State.

Other structure improvement projects include Railtop Culverts, Bridge Walkways, Replace Timbers on Undergrade Bridges, Hudson Line Tunnels Inspection, and Right-of-Way Fencing. Component investments in structures are also planned to be undertaken as part of the SBDP.

West of Hudson Infrastructure. West of Hudson projects include repairs to both Moodna and Woodbury viaducts, evaluation of potential ways of improving service for West of Hudson customers, such as the use of passing sidings and a new midpoint yard to provide capacity improvements on the Port Jervis Line. Phased investments will support future additional off-peak and reverse peak passenger service on the line. Projects in this program will include the design and construction of a new passing siding near Tuxedo. At the same time, MTA Metro-North Railroad continues to make state of good repair investments to address the deteriorated West of Hudson infrastructure, including the cyclical program to maintain track assets, undergrade bridge repairs and rock slope remediation. Component investments in structures are also planned to be undertaken as part of the SBDP.

Communications and Signals - The 2020-2024 Capital Program includes replacement of the existing wayside signal and communication systems and infrastructure between Croton-Harmon and Poughkeepsie Signal System. In addition, priority component investments will address needs and obsolescence in MTA Metro-North Railroad's Communications Infrastructure System.

Other communications and signals projects include Private Branch Exchange ("PBX") Replacement, Voice Recorder Replacement, Station PA System, Radio Systems, Fire Alarm and Suppression Systems, CCTV, Grade Crossing Improvements, Hot Box and Dragging Equipment, Replace High Cycle Relays, and Track Circuit Reliability.

Power - Power investments in this program include constructing two new power substations and design for three additional substations on the Harlem Line. New Haven Line power investments include construction of a permanent substation at Pelham and replacement of two traction power substations. On the Hudson Line, an allowance is included for the preliminary estimate to electrify portions of Track 1 on the Hudson Line. The program to replace motor-alternator sets at all six sites with a signal substation continues as well with one site to be designed and constructed.

Power investments also include replacement of deteriorated components. Other projects include replacement of motor-alternator power supplies for signal power, substation rehabilitation, upgrade of New Haven Line power feeders, replacement of signal power transformers and section switches and transformer rehabilitation work.

Shops and Yards - In this program, MTA Metro-North Railroad will replace and upgrade the aged, deteriorated Automotive Fuel Systems located at Harmon, North White Plains, and Brewster. Planning work needed for a new yard on the New Haven Line to support existing non-Penn Station Access New Haven Line service and operational needs is also scheduled to begin in this program. Component shops and yards investments are also planned to be undertaken as part of the SBDP.

Miscellaneous - MTA Metro-North Railroad has included allocations in this category to support two MTA-wide initiatives: administration and support for the SBDP Program and support for the MTA-wide Enterprise Asset Management initiative. Projects are included to support MTA managed insurance coverage for Railroad Protective Liability insurance and Owner Controlled Insurance, as well as MTA Metro-North Railroad scope development and program management and implementation costs.

MTA Bus

The MTA Bus 2020-2024 Capital Program totals $870 million and includes the purchase of 887 buses, including 545 standard buses, 92 articulated buses, and 250 express buses. Deficient components at up to five MTA Bus depots will be addressed, targeting structural elements, heating/ventilation, and electrical systems. Continued investment will be made in miscellaneous depot equipment, including bus lifts. The first MTA Bus depot will be modified to support an electric fleet with power upgrades, the chargers, and other improvements necessary to maintain this fleet. Overall, MTA Bus will invest $870 million.

MTA Interagency. The total for the MTA Interagency Program budget is $141 million.

MTA Police Department - $39 million. MTA Police Department's investment strategy remains consistent with past capital programs with one deviation: this capital program does not include an allocation for the dedicated MTA Police Department public safety radio system. That project is funded in prior capital programs and is well into construction. Investments in the 2020-2024 Capital Program focus on long-standing goals of achieving a state of good repair at the various district offices. In addition to facility needs there are allocations to provide for the normal replacement of communications equipment and systems as they reach the end of their useful lives. Equipment will be upgraded or replaced in-kind depending on the requirements and evolution of technologies. Finally, the program includes an allocation to address several smaller needs in the areas of other facility requirements, large vehicle replacements (not including patrol cars) and program administration.

MTA Planning Initiatives - $80 million. Projects in Core and Corridor planning and other Capital Planning initiatives areas directly provide for the activities needed to support efforts required to invest in the future. Specific activities funded in these projects include:

- Upgrade MTA ridership and transportation models to identify current and future regional mobility needs and to evaluate impacts of transit network disruptions and closures;

- Update regional travel surveys to understand our customers' uses of the system, remain eligible for New Starts funding, and inform the Capital Programming process; and
- Strategic planning evaluations responding to short- and long-term policy questions, such as data informing the impacts of possible fare policy revisions and analyses of regional demographic, economic, and travel trends.

Improvements to capital program planning will emphasize enhanced operational safety MTA-wide for customers and employees. Additionally, MTA will develop pilot studies in support of these and additional strategic initiatives.

As part of the December 2021 program amendment, new elements and projects for the MTA Mentoring Program Administration ($4 million) and MTA Construction and Development Administration ($19 million) were created. These projects will centralize common administrative efforts with contributions from agency budgets which were transferred into these new projects. Both projects are expected to grow during the progression of the 2020-2024 Capital Program as annual needs are transferred from the agencies' budgets into these administrative projects.

MTA Network Expansion

The total Network Expansion budget is $8.616 billion, allocated to East Side Access, Penn Station Access, Second Avenue Subway Phase Two, the MTA Long Island Rail Road Mainline Expansion Project, Regional Investments and Miscellaneous projects.

Current MTA Network Expansion Projects	Funding in Prior Capital Program(s)*	Funding in 2020-2024 Capital Program*	Project Total*
East Side Access	$10,335	$798	$11,133
Regional Investments	601	540	1,141
Penn Station Access	431	2,052	2,483
Second Avenue Subway, Phase Two	1,735	4,555	6,290
MTA Long Island Rail Road Mainline Expansion (3rd Track)	2,050	439	2,489
Miscellaneous	280	232	512
Total	$15,432	$8,616	$24,048

* Totals may not total due to rounding.

Note: Previously completed expansion projects such as the #7 Line Extension, Fulton Transit Center and Second Avenue Subway, Phase One are not included in the above table

East Side Access - $798 million. The 2020-2024 MTA Capital Program will fund $798 million to complete East Side Access and begin revenue service by December 2022. Key initiatives to control both cost and schedule have been implemented to deliver this critical regional asset.

For a description of the East Side Access Project, see "PART 4. OPERATIONS – MTA CONSTRUCTION AND DEVELOPMENT COMPANY (formerly known as MTA CAPITAL CONSTRUCTION COMPANY) – East Side Access".

Second Avenue Subway, Phase Two - $4,555 million. The 2020-2024 Capital Program budgets $4.555 billion for Second Avenue Subway, Phase Two. This includes $1,650 million in MTA local funding and $2,905 million in potential federal New Starts funding, noting that the federal application process is still ongoing. Combined with the $1,735 million programmed in the 2015-2019 Capital Program, the budget brings MTA's total proposal for Phase Two to $6,290 million. Project costs are to be shared approximately 50/50 between federal and local sources. Any potential Full Funding Grant Agreement approval or funding is, however, subject to further discussion with the FTA.

Implementation of the full Second Avenue Subway Phase Two will span several capital programs. The 2020-2024 Capital Program includes budgets for elements supporting Second Avenue Subway Phase Two: additional construction reserves - $3,700 million; and additional reserves for Program Management, Construction Management, Project Support and Real Estate - $855 million.

For a description of the Second Avenue Subway project, see "PART 4. OPERATIONS – MTA CONSTRUCTION AND DEVELOPMENT COMPANY (formerly known as MTA CAPITAL CONSTRUCTION COMPANY) – Second Avenue Subway".

Penn Station Access - $2.052 billion. After entering into a Memorandum of Understanding with Amtrak in February 2019, allowing MTA to advance design, construct and run service on the Hell Gate Line, a Notice to Proceed was issued to the General Engineering Consultant on February 12, 2019.

The project achieved a significant milestone in December 2021 when MTA awarded a design-build contract for this project. The award required a capital program amendment which increased the size of the project. The budget in the 2020-2024 program increased from $1.131 billion to $2.052 billion as a result.

Funds totaling $431 million were previously allocated in MTA's 2015-2019 Capital Program. The balance of funds required to complete the project is included in this program. $21 million of the former $452 million 2015-2019 program budget for Penn Access was removed from the project to support other MTA needs.

For a description of the Penn Station Access project, see "PART 4. OPERATIONS – MTA CONSTRUCTION AND DEVELOPMENT COMPANY (formerly known as MTA CAPITAL CONSTRUCTION COMPANY) – Penn Station Access".

MTA Long Island Rail Road Expansion Project - $438 million.

The MTA Long Island Rail Road Expansion Project entails the following major components, which will be performed across both the 2015-2019 Capital Program as well as the 2020-2024 Capital Program:

- Installation of a third Main Line track from the Floral Park to Hicksville stations;
- Elimination of seven grade crossings to provide grade-separated crossings or, in two cases, full closures to vehicular traffic;
- Modification of overpasses, signal systems, substations, culverts, interlockings, crossovers, sidings, track bed, power systems, communications and signals;
- Construction of retaining walls along portions of the corridor;
- Installation of sound attenuation walls along portions of the corridor;
- Relocation of utilities including electric, signal, communications, gas, water, and sewer systems;
- Modification of/improvement to passenger rail stations, platforms, overpasses, ramps, and parking, including ADA enhancements and construction of new parking facilities at selected stations;
- Construction of new pedestrian overpasses with elevators and ADA-compliant pedestrian underpasses; and
- As part of the December 2021 capital program amendment, $100 million was removed from the project's 2020-2024 budget as project savings had been identified.

The total project budget is now $2.489 billion. Completion of the Design-Build contract remains scheduled for 2023. The $438.5 million included in the 2020-2024 Capital Program will fully fund completion of the MTA Long Island Rail Road Expansion Project.

Regional Investment - $540 million.

Regional Investments include work at Harold Interlocking. The introduction of East Side Access service will result in an additional 24 trains in the peak hour traveling through this already busy interlocking. The work includes MTA Metro-North Railroad bringing trains from the Hudson Valley and Connecticut through Harold Interlocking and Sunnyside Yard to Penn Station. Recognizing the long-term regional benefit of building an operationally "robust" complex through Harold Interlocking that would accommodate the future needs of the MTA Long Island Rail Road, Amtrak, NJ Transit and MTA Metro-North Railroad, Regional Investments will provide critical operational flexibility for all the railroads to meet their long-term service plans. The investments include: an East Bound Re-route, which eliminates existing train conflicts between Amtrak and MTA Long Island Rail Road and increases speeds heading east and north; a Westbound Bypass, which will allow Amtrak and MTA Metro-North Railroad to travel through the Harold complex without conflicting with trains heading into or out of Penn Station; and a Loop Track Interlocking, which allows flexibility for access to both Penn Station and the Mid-day Storage yard and increases capacity and speeds for Amtrak and NJ Transit entering Sunnyside Yard.

Regional Investments also include the purchase of a small number of MTA Long Island Rail Road cars to support East Side Access growth.

The 2020-2024 Capital Program restores work which had been rescheduled as part of the 2015-2019 Capital Program amendment approved in May 2018. These include the following:

- Work included as part of FRA's High Speed Intercity Passenger Rail Program grant, including allocations for the Westbound Bypass, construction of the Eastbound Re-route, associated force account as well as ongoing Loop & T Interlocking force account; and
- Purchase of a small number of MTA Long Island Rail Road cars to support East Side Access growth.

Eastbound Re-route work will be completed in advance of the rehabilitation of the East River Tunnel #2. The completion of the Westbound Bypass would then follow during the rehabilitation of East River Tunnel #2. This is the optimal sequence to reduce the overall Regional Investments schedule, provide the operational flexibility benefits necessary in Harold Interlocking and avoid further cost increases.

All elements of project management, design, construction management, and insurance necessary to support construction are also funded.

The scope of the Regional Investments project remains unchanged. Funds totaling $600.7 million have been allocated in MTA's 2010-2014, and 2015-2019 Capital Programs. The additional $540.5 million included in the 2020-2024 Capital Program would complete the Eastbound Re-route and Westbound Bypass, as well as restore Rolling Stock funds for the M-9As. The Amtrak Car Washer and balance of Loop & T Interlocking work is anticipated to be included in a future 2025-2029 Capital Program.

<u>Miscellaneous</u> - $232 million.

The 2020-2024 Capital Program includes $135 million to manage MTA Construction and Development's 2020-2024 Capital Program.

This budget will support the following:

- MTA Network Expansion-wide personnel (including integrated consultant staff), including Legal, Procurement, Program Controls, Finance and Human Resources;
- MTA Network Expansion's share of 2 Broadway occupancy costs;
- Allocations for MTA consolidated services;
- MTA New York City Transit procurement and capital payments staff supporting MTA Construction and Development projects;
- Other personnel and office related costs;
- Incidental project costs not eligible for federal reimbursement;
- Independent Engineering Oversight services; and
- Additional Program Support.

MTA Bridges and Tunnels

2020-2024 MTA Bridges and Tunnels Capital Program. This investment program provides for $3.327 billion in capital commitments, which is expected to be financed with MTA Bridges and Tunnels bonds and PAYGO.

Category of Project	2020-2024 Capital Program (in millions)
Structures	$1,017
Roadway & Decks	834
Transportation Systems Management Operations	65
Utilities	207
Building & Sites	91
Miscellaneous	210
Structural Painting	400
Sub-total	$2,824
Central Business District Tolling Program	$ 503
Total*	$3,327

* As of December 31, 2021. The total may not add due to rounding.

Among the major MTA Bridges and Tunnels projects included are the following:

- Verrazzano-Narrows Bridge ("VNB") - $670 million. Brooklyn approach ramps will be reconstructed while reconfiguring the non-standard left-exit Belt Parkway off ramps into right-hand exits with shoulders meeting current design standards which will improve traffic flow and traffic safety. The Belt Parkway will be widened between its east-bound VNB merge ramp and the Bay 8th Street exit to eliminate its substandard traffic merge, thereby reducing traffic congestion and improving motorist safety. In addition, a safety fence is being installed on the upper and lower level suspended spans, and the lower level suspended span deck will be rehabilitated to extend its service life and maintain a state of good repair.
- Robert F. Kennedy Bridge - $576 million. The next phase of work includes suspended span structural repairs and upgrades to address flagged conditions, meet modern load criteria for trucks, meet seismic standards, and eliminate wind vulnerabilities, painting of the suspended spans, structural upgrades at the anchorages, the construction of new Randall's Island access ramps to improve traffic flow within the Randall's Island Interchange, and upgrades to the fender protection system at the Harlem River Lift Span. In addition, the south-bound FDR from the Robert F. Kennedy Bridge to 116th street will be widened to improve traffic flow just downstream of the Robert F. Kennedy Bridge which will improve traffic flow and enhance safety on the bridge.
- Henry Hudson Bridge - $50 million. The substations at the Henry Hudson Bridge are being replaced and upgraded to meet current codes and ensure full reliability and redundancy of the Henry Hudson Bridge electrical distribution system.
- Throgs Neck Bridge - $167 million. Work focuses on providing fenders to protect the bridge towers and anchorages from accidental marine vessel collisions as well as marine security threats. Structural painting and elevator rehabilitation of the suspended span towers will also be performed.
- Bronx-Whitestone Bridge – $93 million. Work will address the electric service reliability and redundancy issues at the Bronx-Whitestone Bridge facility by replacing electrical system components and upgrading the power distribution system including interconnecting the electric power distribution system of the Bronx-Whitestone Bridge Service Building with the bridge service feeds, along with a corresponding upgrade of the standby generator to provide reliable backup power for the entire Bronx-Whitestone Bridge facility and tolling equipment. In addition, miscellaneous structural rehabilitation and painting is being performed.
- Marine Parkway Bridge - $51 million. The tower elevators are being replaced to ensure they meet current codes and improve their reliability. In addition, miscellaneous steel repairs and painting of the lift span steel is being performed.
- Cross Bay Bridge - $58 million. Work will address the structural strengthening of the navigation spans as well as miscellaneous structural repairs to the approach spans.
- Hugh L. Carey and Queens Midtown Tunnels - $36 million. These facilities underwent considerable restoration following Superstorm Sandy. The current work will reconfigure the electrical and fueling facilities at the Queens Midtown Tunnel and rehabilitate the ventilation building at the Hugh L. Carey Tunnel.
- CBD Tolling Program - $503 million. On April 11, 2019, legislation was signed into law enabling MTA Bridges and Tunnels to implement the nation's first ever CBD Tolling Program as part of the State Fiscal

Year 2019-2020 Enacted Budget. The planning, design, construction, operations and maintenance of the CBD Tolling Program is the responsibility of MTA Bridges and Tunnels though it requires the involvement of several local and regional agencies and stakeholders. Further, it also requires authorization by the U.S. Department of Transportation Federal Highway Administration; to that end, an Environmental Assessment is currently underway. The CBD Tolling Program will reduce congestion and enhance mobility in Manhattan's Central Business District (south of and inclusive of 60th street), while minimizing the footprint of the new system while making the technology/infrastructure "fit" within the urban landscape. The construction and implementation costs for the CBD Tolling Program are being funded through a variety of distinct financing sources all of which will eventually be reimbursed through operating revenues generated through the program when it is operational. MTA anticipates federal approval and the start of construction in the first quarter of 2023.

For further discussion of the physical condition of MTA Bridges and Tunnels facilities, see the Stantec Report, which is attached to the Continued Disclosure Filings and, for convenience, has also been posted on the MTA website under "About the MTA – Financial Information – Investor Information" at https://new.mta.info/investor-info. The Stantec Report is incorporated by specific cross-reference herein.

2015-2019 Capital Program

General. The five-year capital program for the Transit and Commuter Systems, MTA Staten Island Railway, MTA Bus and MTA Bridges and Tunnels for the 2015-2019 period as amended to date (the "2015-2019 Capital Program") totals approximately $33.940 billion. This program has not been amended since 2019.

The 2015-2019 Capital Program consists of the following components:

- Transit Core Program;
- Commuter Core Program;
- MTA Bus Capital Program;
- MTA Network Expansion;
- MTA Interagency Program; and
- MTA Bridges and Tunnels Program.

Funding. The combined funding sources for the last MTA Board approved 2015-2019 Capital Program include $8.474 billion in MTA bonds, $2.942 billion in MTA Bridges and Tunnels dedicated funds, $9.091 billion in funding from the State, $7.422 billion in federal funds, $2.667 billion in funding from the City, $2.156 billion in PAYGO capital, and $1.216 billion from other sources.

	2015-2019 Capital Program Amount (in millions)
Federal Formula, Flexible, Misc.*	$ 6,681
Federal Core Capacity*	100
Federal New Starts*	500
Federal High Speed Rail	122
Federal security	18
City of New York Capital	2,667
State of New York Capital	9,091
MTA Bonds (Not including MTA Bridges and Tunnels)	8,474
PAYGO	2,156
Asset Sales / Leases	943
Other MTA Sources	273
MTA Bridges and Tunnels Bonds & PAYGO	2,935
Total†	$33,969

* Subject to future federal appropriation and guidance.

† As of December 31, 2021. Totals may not add due to rounding.

The following table shows, for each of the Related Entities or programs in the 2015-2019 Capital Program, the totals and the amounts committed, expended and completed:

As of December 31, 2021 (in billions)

Agency	Total	Committed	Expended	Completed
MTA New York City Transit. and MTA Staten Island Railway	$16.749	$15.117	$9.618	$6.928
MTA Metro-North Railroad and MTA Long Island Rail Road	6.142	5.467	3.996	2.684
MTA Network Expansion	7.506	5.701	4.725	1.586
MTA Bus	0.376	0.318	0.143	0.057
MTA Bridges and Tunnels	2.935	2.523	1.976	1.802
MTA Interagency Program	0.258	0.125	0.092	0.081

2015-2019 Transit Core Program. The following table represents the capital program by category of work for the Transit System and MTA Staten Island Railway under the 2015-2019 Transit Core Capital Program:

	Transit Authority 2015-2019 Transit Core Program (in millions)*
Subway Cars	$ 1,486
Buses	1,199
Passenger Stations	4,860
Track	1,827
Line Equipment	180
Line Structures	877
Signals & Communications	2,967
Power	727
Shops & Yards	371
Depots	280
Service Vehicles	380
Miscellaneous	1,117
MTA Staten Island Railway	474
Total†	$16,749

* Does not include MTA Network Expansion Projects related to the Transit System, which are described below under the "*MTA Network Expansion*" section.

† Total may not add due to rounding.

2015-2019 Commuter Core Program. The following table represents the capital program by agency and category of work for MTA Long Island Rail Road and MTA Metro-North Railroad under the 2015-2019 MTA Commuter Core Capital Program:

MTA Long Island Rail Road	2015-2019 Commuter Core Program (in millions)*	MTA Metro-North Railroad	2015-2019 Commuter Core Program (in millions)*
Rolling Stock	$ 612	Rolling Stock	$ 381
Stations	1,231	Stations	480
Track	817	Track and Structures	435
Line Structures	128	Communications and Signals	344
Communications and Signals	363	Shops and Yards	473
Shops and Yards	224	Power	95
Power	134	Miscellaneous	259
Miscellaneous	170	Total†	$2,467
Total†	$3,679		

* Does not include MTA Network Expansion Projects related to the Commuter System which are described below under the "*MTA Network Expansion*" section.

† Total may not add due to rounding.

MTA Bus

The 2015-2019 MTA Capital Program of $376 million includes allocations for bus purchases, facility and equipment projects, and program administration and engineering support.

MTA Interagency

The total for the MTA Interagency Program budget is $258 million. This element now includes an administrative project for MTA C&D which was populated by a $1 million transfer from MTA Bridges and Tunnels 2015-2019 Capital Program.

MTA Network Expansion

The current total Network Expansion budget is $7.507 billion, allocated to East Side Access, Penn Station Access, Second Avenue Subway Phase Two, the MTA Long Island Rail Road Mainline Expansion Project, Regional Investments and program support. For more information regarding the status of certain of the Network Expansion projects, see "PART 4. – OPERATIONS – MTA CONSTRUCTION AND DEVELOPMENT".

See "PART 1. BUSINESS – CERTAIN RISK FACTORS – *Respond to Developing Economic Environment - Funding of Capital Programs and Operations*".

MTA Bridges and Tunnels

2015-2019 MTA Bridges and Tunnels Capital Program. This investment program provides for $2.935 billion in capital commitments, which is expected to be financed with MTA Bridges and Tunnels bonds and PAYGO.

Category of Project	2015-2019 Capital Program (in millions)
Structures	$ 876
Roadways & Decks	748
Toll Plazas & Traffic Mgmt.	653
Utilities	401
Buildings & Sites	33
Miscellaneous	65
Structural Painting	160
Total*	$2,935

* As of December 31, 2021. The total may not add due to rounding.

2010-2014 Capital Program

General. The current five-year capital program for the Transit and Commuter Systems, MTA Staten Island Railway, MTA Bus and MTA Bridges and Tunnels for the 2010-2014 period as amended to date (the "2010-2014 Capital Program") totals approximately $31.685 billion. The 2010-2014 Capital Program includes amendments made to add projects for the repair and restoration of MTA agency assets damaged as a result of Superstorm Sandy, which struck the region on October 29, 2012, as well as to include new storm-related resilience/mitigation initiatives.

The 2010-2014 Capital Program consists of the following components:

- Transit Core Program;
- Commuter Core Program;
- MTA Bus Capital Program;
- MTA Network Expansion Program;
- MTA-Wide Security/Disaster Recovery Program (including Bridges and Tunnels);
- MTA Interagency Program; and
- MTA Bridges and Tunnels Program.

Funding. The combined funding sources for the last MTA Board approved 2010-2014 Capital Program includes \$11.625 billion in MTA Bonds, \$2.022 billion in MTA Bridges and Tunnels dedicated funds, \$7.401 billion in federal funds, \$0.132 billion in MTA Bus Federal and City Match, \$0.719 billion from the City, \$1.270 billion from other sources (including \$0.250 billion from disposition of real estate assets) and \$0.770 billion in state assistance.

The 2010-2014 Capital Program funding strategy for Superstorm Sandy repair, restoration and resiliency initiatives assumes \$6.697 billion in insurance and federal reimbursement proceeds (including interim borrowing by MTA to cover delays in the receipt of such proceeds), \$171 million in pay-as-you-go capital, supplemented, to the extent necessary, by external borrowing of up to \$889 million in additional MTA and MTA Bridges and Tunnels bonds. Given the 2010-2014 Capital Program's predominant reliance on federal governmental programs as the funding source for Superstorm Sandy mitigation efforts, MTA's ability to carry out specific Superstorm Sandy initiatives will depend upon the future award of federal grants to provide funding for proposed repair and resiliency projects.

	2010-2014 Capital Program Amount (in millions)
Federal Formula, Flexible, Misc.	\$ 5,862
Federal Security	89
Federal High Speed Rail	173
Federal New Start	1,278
City	719
MTA Bus Federal and City Match	132
State Assistance	770
MTA Bonds (not including MTA Bridges and Tunnels)	11,625
Other	1,270
MTA Bridges and Tunnels	2,022
Superstorm Sandy Recovery Funds	
• Federal Reimbursement/Insurance Proceeds*	6,697
• Pay-as-you-go capital/Cash	171
• MTA Bonds (including MTA Bridges and Tunnels)	889
Total†	\$31,696

* Subject to future federal appropriation and guidance.
† As of December 31, 2021. Totals may not add due to rounding.

The following table shows, for each of the Related Entities or programs in the 2010-2014 Capital Program, the totals and the amounts committed, expended and completed:

As of December 31, 2021 (in billions)

Agency	Total	Committed	Expended	Completed
MTA New York City Transit and MTA Staten Island Railway	\$11.370	\$11.262	\$10.768	\$10.303
MTA Metro-North Railroad and MTA Long Island Rail Road	3.917	3.826	3.632	2.860
MTA Network Expansion	5.861	5.274	5.131	4.417
MTA Bus	0.297	0.286	0.265	0.208
MTA Bridges and Tunnels	2.022	1.957	1.918	1.951
MTA-Wide Security Program	0.256	0.244	0.225	0.226
MTA-Wide Superstorm Sandy Repair/Mitigation Program	7.757	5.861	4.805	3.515
MTA Interagency Program	0.216	0.212	0.203	0.192

2010-2014 Transit Core Program. The following table represents the capital program by category of work for the Transit System and MTA Staten Island Railway under the 2010-2014 Transit Core Capital Program:

MTA New York City Transit	2010-2014 Transit Core Program (in millions)
Subway Cars	$ 1,028
Buses	1,362
Passenger Stations	2,264
Track	1,485
Line Equipment	279
Line Structures	423
Signals & Communications	2,656
Power	167
Shops & Yards	229
Depots	491
Service Vehicles	137
Miscellaneous	752
MTA Staten Island Railway	96
Total*	$11,371

* As of December 31, 2021. The total may not add due to rounding.

2010-2014 Commuter Core Program. The following table represents the capital program by category of work for MTA Long Island Rail Road and MTA Metro-North Railroad under the 2010-2014 Commuter Core Capital Program:

MTA Long Island Rail Road	2010-2014 Commuter Core Program (in millions)	MTA Metro-North Railroad	2010-2014 Commuter Core Program (in millions)
Rolling Stock	$ 390	Rolling Stock	$ 242
Passenger Stations	102	Passenger Stations	187
Track	882	Track & Structures	301
Line Structures	132	Communications & Signals	307
Communications & Signals	413	Power	116
Shops & Yards	125	Shops & Yards	323
Power	148	Miscellaneous	84
Miscellaneous	164	Total*	$1,989
Total*	$2,266		

* As of December 31, 2021. The total may not add due to rounding.

2010-2014 MTA Bus Program. The primary focus of MTA Bus's $296 million 2010-2014 Capital Program is meeting the needs of the bus fleet and depots, the core of its service. The 2010-2014 Capital Program includes the purchase of 288 new buses consisting of 75 articulated buses and 213 standard buses. The agency is also continuing the process of providing real-time customer information for its routes.

2010-2014 MTA Network Expansion Projects. The $5.861 billion 2010-2014 Capital Program includes funding for Phase One of the Second Avenue Subway, the East Side Access Project, and Regional Investments to support the East Side Access Project improvements and to enhance travel quality. For more information regarding the status of certain of the Network Expansion projects, see "PART 4. – OPERATIONS – MTA CONSTRUCTION AND DEVELOPMENT".

2010-2014 MTA-Wide Security/Sandy Disaster Recovery Program. In the wake of the September 11, 2001 attacks, MTA initiated a comprehensive security review of its infrastructure. Security experts defined critical vulnerabilities and better strategies to protect people and infrastructure. Capital investments included hardening assets and implementing the networks and equipment necessary to conduct targeted surveillance, control access, stop intrusion and provide command and control systems to support incident response. MTA began implementing these investments in the 2000-2004 and 2005-2009 Capital Programs. The 2010-2014 Capital Program continues this commitment.

Amendments to the 2010-2014 Capital Program added projects to repair and restore MTA assets of all the Related Entities damaged by Superstorm Sandy, as well as projects meant to harden the system against future storms or other catastrophic damage.

2010-2014 Interagency Program. The MTA Interagency section of the 2010-2014 Capital Program includes several categories of investment related to the MTA Business Service Center initiative and other facilities, a small business development program, a new initiative to install communications equipment and planning studies to support MTA's Capital Program.

2010-2014 MTA Bridges and Tunnels Capital Program. Following the September 25, 2019, amendments approved by the MTA Board, this investment program provides for $2.022 billion in capital commitments, which is expected to be financed with MTA Bridges and Tunnels bonds.

Category of Project	2010-2014 Capital Program (in millions)
Structures	$ 407
Roadways & Decks	1,167
Toll Plazas & Traffic Mgmt.	27
Utilities	202
Buildings & Sites	13
Miscellaneous	37
Structural Painting	170
Total*	$2,022

* As of December 31, 2021. The total may not add due to rounding.

All of the major projects included in the currently approved 2010-2014 MTA Bridges and Tunnels Capital Program have been completed.

1992-2009 Transit Capital Programs Objectives

Highlights of the investments funded in the 1992-2009 Transit Capital Programs include the purchase or remanufacture of 5,865 buses; the purchase of 1,387 new paratransit vehicles; the purchase of 1,025 subway cars; rehabilitation and upgrade of 122 subway stations and three subway station complexes, including the addition of elevators and escalators at several of these stations to make them accessible for the elderly and disabled; construction of a Rail Control Center; modernization of signal systems on six subway lines and the Williamsburg Bridge; development of CBTC; construction of two bus maintenance facilities and reconstruction and maintenance at several other facilities; new cranes at the 207th Street Overhaul Shop and rehabilitation of the 38th Street Yard Shop; and the completion of the 63rd Street connector project designed to significantly relieve overcrowding on the Queens Boulevard line. The 1992-2004 Transit Capital Programs also included investments to modernize the MTA New York City Transit's electrical power system, reconstruct the Franklin Avenue shuttle, reconstruct a section of the Lenox Avenue Line, and replace signals and repair bridges on the MTA Staten Island Railway.

The projects included in the 1992-1999 Transit Capital Program have been substantially completed. As of December 31, 2021, $10.413 billion of the $10.427 billion for MTA New York City Transit, MaBSTOA and MTA Staten Island Railway projects included in the 2000-2004 Transit Capital Program have been committed, $10.353 billion have been expended and $10.374 billion of projects have been completed, and $11.476 billion of the $11.515 billion for MTA New York City Transit, MaBSTOA and MTA Staten Island Railway projects included in the 2005-2009 Transit Capital Program have been committed, $11.359 billion have been expended and $11.262 billion of projects have been completed.

1992-2009 Commuter Capital Programs Objectives

Highlights of key investments funded under the 1992-2009 Commuter Capital Programs for MTA Long Island Rail Road included replacement of MTA Long Island Rail Road's diesel fleet of coaches and locomotives, the purchase of electric cars to replace a portion of its electric fleet, completion of normal life cycle replacement of M-1 electric cars, conversion of diesel territory station platforms to high level platforms, extension of platform 11 at Penn Station, start of preliminary engineering for the Network Expansion project East Side Access, and rehabilitation of stations system-wide, including installation of additional ticket vending machines and elevator replacement and upgrades. MTA Metro-North Railroad's key investments included the purchase of diesel coaches and dual-mode locomotives for replacement of a portion of its electric fleet, purchase of new electric cars as part of its continued fleet modernization, extensive infrastructure renovations at Grand Central Terminal, station and platform improvements, installation of concrete ties, construction of a third track on the Mid-Harlem line, and the extension of service from Dover Plains to Wassaic.

The projects included in the 1992-1999 Commuter Capital Program, the 2000-2004 Commuter Capital Program and the 2005-2009 Commuter Program have been mostly substantially completed. The 2000-2004 Commuter Capital

Program included a Commuter Rail Rolling Stock allocation separately budgeted from the MTA Long Island Rail Road and the MTA Metro-North Railroad.

2005-2009 MTA Network Expansion Objectives

MTA Network Expansion's 2005-2009 Capital Program included the start of construction of East Side Access, the Second Avenue Subway and the No. 7 subway line extension.

The total approved budget in the 2005-2009 MTA Capital Program for expansion projects was $4.808 billion. The No. 7 subway line extension project was funded almost entirely by the City. A total of $53 million in preliminary design included in the 2000-2004 Capital Program was locally funded.

1992-2009 MTA Bridges and Tunnels Capital Programs Objectives

Highlights of key investments funded in the 1992-2009 MTA Bridges and Tunnels Capital Programs included rehabilitation of approaches, roadways and decks at the Bronx-Whitestone Bridge, the Robert F. Kennedy Bridge, the Henry Hudson Bridge, the Throgs Neck Bridge, Cross Bay Veterans' Memorial Bridge, the VNB and the Marine Parkway-Gil Hodges Memorial Bridge and rehabilitation of roadways and drainage systems at the Henry Hudson Bridge; rehabilitation of the Randall's Island Junction Structure, the Harlem River lift span, anchorages and suspension cables at the Robert F. Kennedy Bridge and walls and ceilings at the Queens Midtown Tunnel; replacement of exhaust fans at the Hugh L. Carey Tunnel and rehabilitation of bridge electrical substations and power feeders at the Throgs Neck Bridge; expansion of the service building at the Bronx-Whitestone Bridge, structural rehabilitation and repairs at the ventilation building and overpasses of the Queens Midtown Tunnel; and rehabilitation of toll plazas, including electronic toll collection systems.

The projects included in the 1992-1999, 2000-2004 and 2005-2009 MTA Bridges and Tunnels Capital Program have been substantially completed.

Oversight and Review of Administration of Capital Programs

A committee on capital program oversight (which by charter consists of at least six members, including the Chair of the MTA Board and the Chairs of each of the MTA Board operating committees), monitors various capital program actions and activities, including:

- current and future funding availability;
- contract awards;
- program expenditures; and
- timely progress of projects within the programs.

The legislation establishing the committee also requires MTA to submit a five-year strategic operations plan to the Governor and to amend such plan at least annually. Such plan must include, among other things, planned service and performance standards and the projected fare levels for each year covered by the plan and an analysis of the relationship between planned capital elements and the achievement of planned service and performance standards. MTA communicates with the State officials responsible for monitoring the strategic operations plan in order to keep them informed of such matters.

Non-Capital Program Projects - Hudson Yards Development and Financing

Hudson Yards Development and Financing. MTA owns the land in Manhattan generally bounded by West 30th Street on the south, West 33rd Street on the north, 10th Avenue on the east and 12th Avenue on the west (and including rights to operate under 11th Avenue), on which MTA Long Island Rail Road operates its layup and maintenance yard (the "West Side Yard") for trains not in service pending travel from Penn Station, its Manhattan hub. The Eastern Rail Yard ("ERY") portion of the West Side Yard, located between 10th and 11th Avenues, was rezoned by the City in 2005 and the Western Rail Yard ("WRY") portion of the West Side Yard, located between 11th and 12th Avenues, was rezoned by the City in December 2009. The zoning on these sites permits extensive mixed-use development.

In July of 2007, MTA issued two separate Requests for Proposals for the sale of and/or long-term leasing of air space and related real property interests for development at the ERY and the WRY, respectively. In 2010, the MTA

Board adopted environmental findings with respect to the development and MTA entered into agreements to enter into leases for the WRY and ERY, respectively, with a joint venture of The Related Companies L.P. and its joint venture partner, Oxford Properties Group, Inc., a subsidiary of the Ontario Municipal Employees Retirement System (together, "Related-Oxford"). The closing with respect to the ERY lease occurred on April 10, 2013, with retroactive effect to December 3, 2012 and the closing with respect to the WRY occurred on April 10, 2014. As noted in the next succeeding paragraph, as Related-Oxford proceeded with the entire project, it was projected that the leases and related purchase options relating to the ERY and WRY would provide a net present value which could, if monetized, guarantee approximately $1 billion to support the 2005-2009 and the 2010-2014 MTA Capital Programs.

On September 22, 2016, MTA successfully monetized its interest in the remaining leases and related purchase options by issuing $1,057,430,000 Hudson Rail Yards Trust Obligations, Series 2016A (the "HY Trust Obligations"). The proceeds of the HY Trust Obligations were used to finance and refinance approved capital program transit and commuter projects for the Related Entities.

Construction on the platform over the ERY was completed in 2020. The following is a description of the ERY severed parcels:

- Tower C (also known as 10 Hudson Yards or the Coach Building) is a 1,421,776 zoning square foot office building that was substantially completed in 2016. The purchase option for 10 Hudson Yards was exercised by Legacy Yards Tenant LP in July 2016, and thus it is not a source of payment or security for the HY Trust Obligations.
- Tower A (also known as 30 Hudson Yards) is a 2,069,217 zoning square foot office building with WarnerMedia as an anchor tenant. Tower A was completed in 2019. As of April 25, 2022, six commercial condominiums have completed fee purchase options, and there remains 88,975 zoning square foot of Tower A for which ground rent is still in effect.
- The Retail Podium is a 983,881 zoning square foot retail mall with converted office space. It opened in March 2019.
- Tower D (also known as 15 Hudson Yards) is a 737,779 zoning square foot residential condominium building that was substantially completed in 2019. The first residential closings began in the first quarter of 2019. As of April 25, 2022, 228 residential condominiums have completed fee purchase options, and there remains 206,009 zoning square foot of Tower D for which ground rent is still in effect.
- The Culture Shed, a 100,000 zoning square foot cultural center, was completed in April 2019.
- Tower E (also known as 35 Hudson Yards) is an 846,547 zoning square foot mixed use building with residential, office and hotel components that was completed in 2020. The first residential closings began in the third quarter of 2020.
- The Retail Pavilion is a 10,800 zoning square foot facility incorporated into the public open space that was opened in 2020.

Design is underway on the platform above the WRY. Construction work has not yet started on the WRY platform.

For a detailed description of the HY Trust Obligations see "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – HUDSON RAIL YARDS TRUST OBLIGATIONS" and Part II – Tab 2 – "Details of Each Issue of Obligations – Hudson Rail Yards Trust Obligations (Schedule 1 to Financing Agreement)" of MTA's 2022 Combined Continuing Disclosure Filings.

Climate Bond Standard and Certification Compliance

In early 2016, MTA requested, and the Climate Bonds Standard Board approved, the designation of MTA's Transportation Revenue Bonds, Series 2016A Bonds as "Climate Bond Certified" pursuant to the Low Carbon Transport criteria (the "Climate Criteria") under the Climate Bonds Standard 2.0. As part of the certification requirement, MTA engaged Sustainalytics as an independent verifier to review MTA's 2010-2014 Capital Program to identify projects with expenditures that met the Climate Criteria. Sustainalytics reviewed $12.6 billion of spending and concluded that projects totaling $11.3 billion, or 89.7%, qualified under the Climate Criteria, making them eligible projects for Climate Bonds Initiative ("CBI") certification. CBI and MTA agreed that while MTA's pooled funding of its capital projects makes tracking proceeds to specific bond transactions prior to issuance impractical, the inherent benefit of MTA's Transit and

Commuter Systems and the ongoing support and maintenance of them are compatible with an emissions trajectory consistent with the principles underlying the Climate Criteria. Due to the size and complexity of MTA's Capital Program and difficulty in tracking proceeds to specific projects, it is possible that MTA CBI certified bonds may fund or refund projects not specifically identified by the independent verifier but essential to MTA's core mission. Additionally, some of these projects may have been funded by other pooled resources available for MTA's Capital Programs. After an analysis of MTA's Capital Program elements, CBI agreed to certify any bonds issued by MTA for credits that fund the Transit and Commuter Systems portion of its Capital Programs up to a maximum of $11.3 billion (the "CBI Programmatic Approach Certification").

In January 2017, the CBI implemented the Climate Bonds Standard 2.1, which created a programmatic approach specifying the ability to identify projects as a pool, similar to the approach MTA has taken since its inaugural issuance in 2016. MTA has issued CBI certified bonds pursuant to both standards and continues to issue bonds pursuant to the 2.1 standard.

In March 2021, MTA reached the maximum of $11.3 billion in issuance of CBI certified bonds pursuant to the CBI Programmatic Approach Certification. CBI certified bonds previously issued pursuant to the CBI Programmatic Approach Certification continue to carry the CBI certification, and MTA will continue to adhere to existing CBI requirements applicable to those bonds.

MTA has engaged First Environment, Inc. as an independent verifier to review MTA's 2015-2019 Capital Program and is currently seeking a new programmatic certification for future issuance of CBI certified bonds pursuant to the Climate Bonds Standard 3.0 and the sector eligibility requirements of Land Transport Criteria Version 2. First Environment, Inc.'s review of MTA's 2015-2019 Capital Program is expected to conclude that 93.2% of the projects, totaling $28.7 billion, qualify as eligible projects for CBI certification.

In light of various investor interest in "Green Bonds" and specifically what constitutes a "Green Bond" MTA asserts the following with regard to its issuances of CBI certified bonds:

- MTA follows a programmatic approach in connection with its MTA CBI certified bond issuances that complies with CBI standards and has been approved by CBI.
- Any certified MTA CBI bond/bond issuance is not tracked on a project specific basis nor is it tied to specific projects but rather to the CBI Programmatic Approach Certification.
- MTA has engaged an independent verifier to identify and to annually re-verify the total amount of Climate Criteria eligible transit and commuter projects under its Capital Programs.
- MTA has issued in aggregate a total par amount of bonds with the CBI certification that is less than the amount of eligible projects verified.

Commencing in 2017 and consistent with the requirements of the Climate Bonds Standard and Certification Process, MTA has undertaken as part of its continuing disclosure filing obligation with respect to Climate Bond Certified bonds to file with EMMA:

- annually, until the maturity or prior redemption of the Climate Bond Certified bonds, a post-issuance compliance certificate as required by the certification process;
- any event of material non-conformance with the certification process and the action MTA is taking or expecting to take to bring the projects and/or assets into conformance; and
- any revocation of the Climate Bond Certification by the Climate Bonds Standard Board.

MTA expects to file with EMMA a copy of its annual compliance certificate pursuant to the Climate Bonds Standard and Certification Process described above on or about the date hereof.

FUTURE CAPITAL NEEDS

MTA periodically updates its capital needs assessment which revisits its asset inventory, assesses the conditions of those assets and identifies the long-term investment schedules required to maintain a state of good repair. Long-term investments that improve and expand the system to meet operating goals and strategies are also identified. This long-term planning provides the basis for sizing and configuring the successive five-year Capital Programs and establishes the rationale for the funding levels that are requested to support the program. The MTA Act requires submission of its five-year capital programs (for transit and commuter systems) to the CPRB. The next submission will be the 2025-2029 Capital Program, which is anticipated to be proposed by October 1, 2023. See "PART 1 – CERTAIN RISK FACTORS – *Funding of Capital Programs and Operations*".

No assurances can be given that MTA will be able to identify and secure sufficient sources to fully pay for current and future capital needs or that, if identified, those funding sources will be received. Some of the prospective funding sources, such as federal, City and State funds, are not within the control of MTA and the receipt of such funding is contingent, among other things, upon the ability and willingness of such entities to provide such funding. If MTA does not receive sufficient moneys to fund current and future capital needs, the improvements to the Transit System, MTA Staten Island Railway, the Commuter System, and the MTA Bus System, state of good repair achieved through implementation of previous capital programs could erode.

INVESTMENT POLICY

MTA's Treasury Division is responsible for the investment management of the funds of the Related Entities. The investment activity covers all operating and capital funds, including bond proceeds, and the activity is governed by State statutes, bond resolutions and the MTA Board-adopted investment guidelines (the "Investment Guidelines"). The MTA Act currently permits the Related Entities to invest in the following general types of obligations:

- obligations of the State or the United States Government;
- obligations the principal and interest of which are guaranteed by the State or the United States Government;
- obligations issued or guaranteed by certain federal agencies;
- repurchase agreements fully collateralized by the obligations of the foregoing United States Government and federal agencies;
- certain certificates of deposit of banks or trust companies in the State;
- certain banker's acceptances with a maturity of 90 days or less;
- certain commercial paper;
- certain municipal obligations; and
- certain mutual funds up to $10 million in the aggregate.

Investment obligations and collateral are held by one of MTA's custodians or trustees.

As of December 31, 2021, $2.435 billion non-bond capital funds were invested in approximately 1% repurchase agreements, 47% commercial paper and 52% United States Treasury obligations.

As of December 31, 2021, the operating and working capital of the Related Entities (including Payroll Mobility Tax receipts) amounted to $2.732 billion. Investments included 2% repurchase agreements, 17% commercial paper and 81% United States Treasury obligations.

A copy of the current Investment Guidelines is posted, for informational purposes only, on MTA's website under "MTA Info – Investor Information".

See "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – GENERAL – Swap Agreements Relating to Synthetic Fixed Rate Debt" for a discussion of current guidelines relating to the use of swap contracts.

PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS

GENERAL

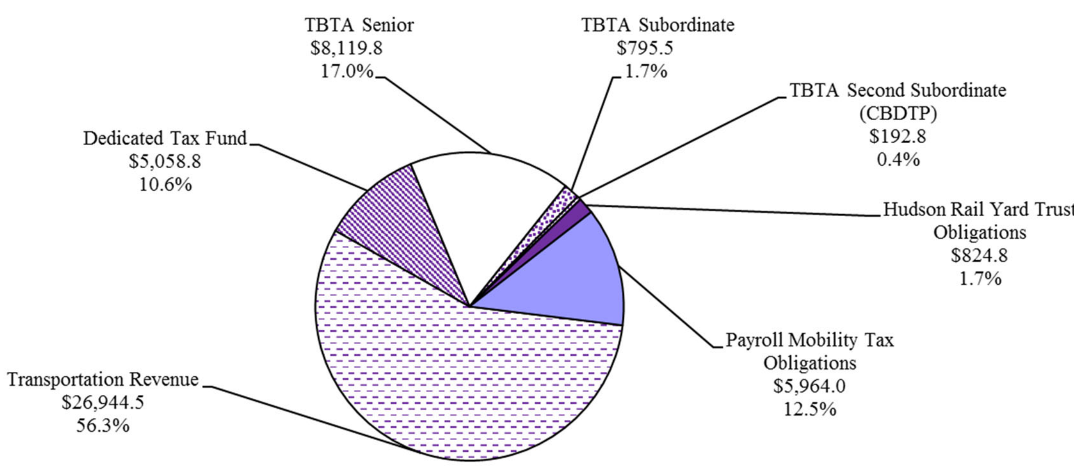
Financing of Capital Projects and Statutory Ceiling

Financing of Capital Projects. Some of the Related Entities are authorized to issue bonds, notes and other obligations to finance capital projects as well as for other purposes. All bonds, notes and other obligations are expected to be issued through either MTA or MTA Bridges and Tunnels. Such obligations are secured by and payable from the revenues and other receipts specified in the bond resolution, indenture or other document authorizing the issuance of such obligations. Generally, bonds, notes and other obligations issued to finance capital projects included in MTA Capital Programs have in the past been, and are currently, subject to a statutory limitation on the principal amount of such obligations (referred to herein as the statutory ceiling). It is anticipated that obligations issued to finance future MTA Capital Programs will also be subject to a statutory ceiling imposed by the Legislature. Obligations issued by MTA Bridges and Tunnels to fund capital projects relating to its seven bridges and two tunnels, the MTA Bridges and Tunnels Facilities, and the CBD Tolling Program, and obligations issued by the Related Entities for purposes other than to finance projects in the MTA Capital Programs, including for working capital purposes, are not subject to the statutory ceiling. In addition, the HY Trust Obligations are not subject to the statutory ceiling.

Reflecting the statutory debt ceiling increase passed by the Legislature on April 3, 2020, for the MTA Capital Programs for the years 1992-2024, the MTA Act permits MTA, MTA Bridges and Tunnels and MTA New York City Transit, collectively, to issue on or after January 1, 1993 an aggregate of $90.1 billion of bonds, notes and other obligations (net of certain statutory exclusions, including refunding bonds). As of April 29, 2022, MTA and MTA Bridges and Tunnels have issued approximately $41.452 billion of bonds (not including $6.1 billion of bond anticipation notes ("BANs") net of such statutory exclusions under the current statutory ceiling. MTA expects that the current statutory ceiling will allow it to fulfill the bonding requirements of all MTA Capital Programs approved by the CPRB to date, including the 2010-2014 MTA Capital Program, as amended, the 2015-2019 MTA Capital Program, as amended, and the 2020-2024 MTA Capital Program. Set forth below under "MTA Capital Program Bonds" is a brief summary of the types of obligations issued by the Related Entities to finance or refinance the MTA Capital Programs that are governed by past and current statutory ceilings. Only a portion of the MTA Bridges and Tunnels Senior Revenue Bonds and MTA Bridges and Tunnels Subordinate Revenue Bonds (as each is described below) were issued to finance or refinance Transit and Commuter projects in such MTA Capital Programs and, consequently, were subject to the statutory ceiling; the remainder were issued to finance capital costs of the MTA Bridges and Tunnels Facilities that are not subject to the statutory ceiling.

The following pie chart shows, by percentages, the amount of all debt MTA and MTA Bridges and Tunnels have outstanding as of April 29, 2022, under the various bond resolutions of its core credits, inclusive of BANs, as well as HY Trust Obligations (including HY Refunding Trust Obligations), all as described below.

All Debt by Resolution
($ in millions)



MTA Capital Program Bonds

MTA's Core Credits.

MTA Transportation Revenue Bonds. Bonds referred to as "Transportation Revenue Bonds" are issued pursuant to the General Resolution Authorizing Transportation Revenue Obligations of MTA, adopted on March 26, 2002 (the "Transportation Resolution"), and are payable solely from and secured by a gross lien on the items pledged under such bond resolution, which include amounts derived from: fares received for the use of the subway and bus systems operated by MTA New York City Transit and MaBSTOA, the commuter railroads operated by MTA Long Island Rail Road and MTA Metro-North Railroad and buses operated by MTA Bus; certain concession revenues; and operating subsidies, including expense reimbursement payments, from the State, the City, and MTA Bridges and Tunnels surplus. The proceeds from the sale of such bonds are used solely to finance capital projects set forth in the MTA Capital Programs and certain additional MTA Bus capital projects. MTA is authorized to issue revenue anticipation notes for working capital purposes that are secured by a lien on a portion of the revenues that secure the Transportation Revenue Bonds (referred to as "Operating Subsidies" under the Transportation Resolution), which is senior to the lien on such Operating Subsidies in favor of the owners of the Transportation Revenue Bonds. See "-*Revolving Credit Agreements*" and "TRANSPORTATION REVENUE BONDS – Revenue Anticipation Notes Authorized by the Resolution" below. For more information on the Transportation Revenue Bonds, see "TRANSPORTATION REVENUE BONDS" below.

MTA Transportation Revenue Bond Anticipation Notes. Bond anticipation notes referred to as "Transportation Revenue Bond Anticipation Notes" are issued pursuant to the Transportation Resolution and are payable solely from the proceeds of other Transportation Revenue Bond Anticipation Notes or Transportation Revenue Bonds, and though not pledged therefor, notes or other evidences of indebtedness or any other amounts, in each case if and to the extent such amounts may lawfully be used to make such payments. In 2019 and early 2020, a portion of the Transportation Revenue BANs were issued in anticipation of the State commitment of $7.3 billion for the 2015-2019 Capital Program, but as of the 2021 November Financial Plan, it was assumed that all future obligations associated with the $7.3 billion commitment will be directly funded by the State. On February 2, 2022, the State retired the $700 million of the outstanding Transportation Revenue BANs, which were issued in anticipation of this commitment, with proceeds from State issued bonds. On August 26, 2020, MTA completed a direct placement of $450.72 million Transportation Revenue BANs, Series 2020B to the Federal Reserve Bank of New York's Municipal Liquidity Facility LLC ("MLF") via a competitive bid process (see additional discussion regarding the MLF below). These BANs were retired on March 1, 2022 with long-term Dedicated Tax Fund Bonds, Series 2022A, prior to the August 1, 2023 maturity date.

As of April 29, 2022, $3.0 billion of MTA Transportation Revenue BANs are outstanding:

Bond Anticipation Notes Series	Principal Amount Outstanding ($ in millions)	Maturity Date
TRB 2019B-1 BANs	1,000.00	5/15/2022
TRB 2019D-1 BANs	1,000.00	9/1/2022
TRB 2019F BANs	200.00	11/15/2022
TRB 2020A-1 BANs	800.00	2/1/2023

Railroad Rehabilitation and Improvement Financing Program ("RRIF") Loan. On May 5, 2015, MTA entered into a Financing Agreement (the "RRIF Financing Agreement") with the United States of America, represented by the Secretary of Transportation, acting through the FRA in connection with a Railroad Rehabilitation and Improvement Financing loan in an amount not to exceed $967,100,000, to finance the positive train control project for MTA Long Island Rail Road and MTA Metro-North Railroad (the "RRIF Loan"). As evidence of its obligation to repay the RRIF Loan, MTA delivered to FRA its Transportation Revenue Bonds, Series 2015X (RRIF Loan – Positive Train Control Project) (the "RRIF Bond"). The RRIF Bond constituted a parity obligation under the Transportation Resolution. Pursuant to a statutory exclusion, the principal amount of the RRIF Bond was not taken into account for purposes of calculating the statutory debt ceiling referred to above. The principal amount of the RRIF Bond was increased upon each advance made under the RRIF Loan for eligible expenditures in accordance with the requirements of the RRIF Financing Agreement. The RRIF Loan was scheduled to mature November 15, 2037, was federally taxable and had an interest of 2.38%. MTA was able to prepay the RRIF Bond in whole or in part at any time, without penalty or premium. On September 20, 2016, MTA made a draw of $146.5 million (TRB Subseries 2015X-1); on May 1, 2019, MTA made a draw of $300.0 million (TRB Subseries 2015X-2); and, on April 20, 2020, MTA made a draw of $244.4 million (TRB Subseries 2015X-3), for a total of $690.9 million drawn in the form of the RRIF Bond. On May 5, 2021, MTA voluntarily prepaid the outstanding obligation in full, terminated all commitments under the Financing Agreement, and cancelled the RRIF Bond.

Federal Reserve Bank of New York's Municipal Liquidity Facility LLC. Due to the COVID-19 pandemic, the Federal Reserve established the MLF in April 2020 as a source of emergency financing by being available to purchase up to $500 billion of short-term notes from state and local governments and certain public entities to ensure they had access to credit during the COVID-19 pandemic. MTA was able to utilize the MLF twice before the MLF window closed at the end of December 2020. On August 26, 2020, MTA directly placed with the MLF $450.72 million Transportation Revenue BANs, Series 2020B, which were issued to retire existing Transportation Revenue BANs maturing on September 1, 2020. As noted above, the 2020B BAN was retired on March 1, 2022. MTA utilized the MLF a second time by directly placing $2.907 billion Payroll Mobility Tax BANs (the "MLF BAN") issued for working capital on December 17, 2020. For additional information on the MLF BAN, see "- *MTA Payroll Mobility Tax Bond Anticipation Notes*" below. For additional discussion regarding the Payroll Mobility Tax credit see "PAYROLL MOBILITY TAX OBLIGATIONS" below.

MTA Dedicated Tax Fund Bonds. Bonds referred to as "Dedicated Tax Fund Bonds" are issued pursuant to the Dedicated Tax Fund Obligation Resolution of MTA, adopted on March 26, 2002 (the "DTF Resolution"), and are payable solely from and secured by the MTTF Receipts and the MMTOA Receipts described below under "DEDICATED TAX FUND BONDS – Sources of Payment – Revenues from Dedicated Taxes", subject to appropriation by the Legislature. The proceeds from the sale of such bonds are used solely to finance capital projects of the MTA Capital Programs. For more information on the Dedicated Tax Fund Bonds, see "DEDICATED TAX FUND BONDS" below.

MTA Dedicated Tax Fund Bond Anticipation Notes. Bond anticipation notes referred to as "Dedicated Tax Fund Bond Anticipation Notes" are issued pursuant to the Dedicated Tax Fund Resolution and are payable solely from the proceeds of other Dedicated Tax Fund Bond Anticipation Notes or Dedicated Tax Fund Revenue Bonds, and though not pledged therefor, notes or other evidences of indebtedness or any other amounts, in each case if and to the extent such amounts may lawfully be used to make such payments. As of April 29, 2022, there are no outstanding DTF BANs.

MTA Bridges and Tunnels Senior Revenue Bonds. Bonds referred to as "General Revenue Bonds" are issued pursuant to the General Resolution Authorizing General Revenue Obligations of MTA Bridges and Tunnels, adopted on March 26, 2002 (the "MTA Bridges and Tunnels Senior Resolution"), and are payable from the net revenues collected on the MTA Bridges and Tunnels Facilities described under "PART 4. OPERATIONS – TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY – MTA Bridges and Tunnels Facilities" after the payment of operating expenses. The proceeds from the sale of such bonds are used to finance capital projects relating to the MTA Bridges and Tunnels Facilities and the MTA Capital Programs (i.e., the Transit System, MTA Bus, MTA Staten Island Railway and the Commuter System), as described herein under "PART 4. OPERATIONS – TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY – Authorized Projects of MTA Bridges and Tunnels". Only that portion of any such bonds issued to finance capital projects of the MTA Capital Programs is subject to the current statutory ceiling. For more information on the MTA Bridges and Tunnels Senior Revenue Bonds, see "MTA BRIDGES AND TUNNELS SENIOR REVENUE BONDS" below.

MTA Bridges and Tunnels Senior Revenue Bond Anticipation Notes. Bond anticipation notes referred to as "General Revenue Bond Anticipation Notes" are issued pursuant to the MTA Bridges and Tunnels Senior Resolution and are payable solely from the proceeds of other General Revenue Bond Anticipation Notes or General Revenue Bonds, and though not pledged therefor, notes or other evidences of indebtedness or any other amounts, in each case if and to the extent such amounts may lawfully be used to make such payments. As of April 29, 2022, there are no outstanding MTA bridges and Tunnels General Revenue BANs outstanding.

MTA Bridges and Tunnels Subordinate Revenue Bonds. Bonds referred to as "Subordinate Revenue Bonds" are issued pursuant to the 2001 Subordinate Revenue Resolution Authorizing Subordinate Revenue Obligations of MTA Bridges and Tunnels, adopted on March 26, 2002 (the "MTA Bridges and Tunnels Subordinate Resolution"), and are payable from the net revenues collected on the MTA Bridges and Tunnels Facilities after the payment of operating expenses and debt service as required by the MTA Bridges and Tunnels Senior Resolution. The proceeds from the sale of such bonds are used to finance capital projects relating to the MTA Bridges and Tunnels Facilities and MTA Capital Programs. Only that portion of any such bonds issued to finance capital projects of the MTA Capital Programs is subject to the current statutory debt ceiling. For more information on the MTA Bridges and Tunnels Subordinate Revenue Bonds, see "MTA BRIDGES AND TUNNELS SUBORDINATE REVENUE BONDS" below.

MTA Bridges and Tunnels Second Subordinate Revenue Bond Anticipation Notes ("CBDTP"). Bond anticipation notes referred to as "Second Subordinate Revenue Bond Anticipation Notes" are issued in accordance with the terms and provisions of the CBDTP Second Subordinate Revenue Resolution authorizing CBDTP Second Subordinate Revenue Obligations adopted on December 18, 2019 (the "CBDTP Second Subordinate Resolution"), as supplemented on February 18, 2021. Principal and interest on the Second Subordinate Revenue Bond Anticipation Notes is payable from the proceeds of other BANs or bonds, and interest is payable from the net MTA Bridges and Tunnels revenues after the payment of operating expenses and debt service as required by the MTA Bridges and Tunnels Senior and Subordinate Resolutions. The purpose of the issuance of BANs and Bonds under the CBDTP Second Subordinate Revenue Resolution, in one or more series from time to time, is to provide funds in an amount not to exceed $506 million to finance costs of the CBD Tolling Program infrastructure, tolling systems and allowable implementation expenses or to retire any such BANS when due, plus to finance any accrued interest, capitalized interest, applicable issuance costs and any original issue discount. While the BANs are payable from MTA Bridges and Tunnels revenues, it is anticipated that the BANs will be retired with debt secured by CBDTP revenues. As of April 29, 2022, there are $192.8 million of Second Subordinate Revenue BANs outstanding, and as budgeted in the 2022 February Plan, these BANs are expected to be retired by bonds secured by CBDTP revenues in 2025. Also, as budgeted in the 2022 February Plan, an additional issuance of approximately $258 million of Second Subordinate Revenue BANs is anticipated for 2022.

As of April 29, 2022, $192.84 million of MTA Bridges and Tunnels Second Subordinate Revenue Bond Anticipation Notes are outstanding:

Bond Anticipation Notes Series	**Principal Amount Outstanding ($ in millions)**	**Maturity Date**
TBTA Second Subordinate 2021A BAN	$192.84	11/1/2025

TBTA Payroll Mobility Tax Senior Lien Obligations. Bonds referred to as "TBTA Payroll Mobility Tax Senior Lien Bonds" are issued pursuant to the TBTA PMT Resolution, adopted by the Board on March 17, 2021. Each of the TBTA PMT Senior Lien Obligations and any MTA PMT Senior Lien Obligations issued pursuant to the MTA PMT Resolution, adopted by the Board on November 18, 2020, are secured by a first lien on, and parity pledge of, the PMT Receipts, consisting of two distinct revenue streams: Mobility Tax Receipts and MTA Aid Trust Account Receipts (also referred to as "ATA Receipts"). MTA and MTA Bridges and Tunnels have entered into the Financing Agreement, dated as of April 9, 2021, to provide the mechanism by which MTA and MTA Bridges and Tunnels share PMT Receipts on a parity basis (i) first with respect to the PMT Senior Lien and then (ii) with respect to PMT Second Lien. For more information regarding the MTA and TBTA PMT Obligations see "PAYROLL MOBILITY TAX OBLIGATIONS" below.

MTA Payroll Mobility Tax Bond Anticipation Notes. Bond anticipation notes referred to as "MTA Payroll Mobility Tax Bond Anticipation Notes" are issued pursuant to the MTA PMT Resolution. On December 17, 2020 MTA utilized the MLF by directly placing the MLF BAN issued for working capital. Principal of and interest on the MLF BAN may be paid from: (i) the proceeds of rollover bond anticipation notes issued under the MTA PMT Resolution, (ii) take-out bonds issued under the MTA PMT Resolution, and\or (iii) the proceeds of notes or other evidences of indebtedness or any other amounts (which other amounts are not otherwise pledged to the payment of the MLF BAN), in each case if and to the extent such amounts may lawfully be used to make such payments. The payment of principal on the MLF BAN is not secured by revenues under the MTA PMT Resolution. The payment of interest on the MLF BAN, all of which is due at maturity, is payable on a subordinate basis to senior lien obligations and parity obligations that may be issued under the MTA PMT Resolution and the TBTA PMT Resolution (collectively, the "PMT Resolutions"). For more information regarding the MTA and TBTA PMT Obligations see "PAYROLL MOBILITY TAX OBLIGATIONS" below.

As of April 29, 2022, $2.907 billion of MTA Payroll Mobility Tax Bond Anticipation Notes are outstanding:

Bond Anticipation Notes Series	**Principal Amount Outstanding ($ in millions)**	**Maturity Date**
PMT 2020A BANs	$2,907.28	12/15/2023

MTA Grant Anticipation Notes (Fully Appropriated COVID Operating Grants - Federally Taxable). The Grant Anticipation Notes, Series 2021A (GANs) were issued in accordance with the terms and provisions of the Trust Indenture, dated as of November 1, 2021, as supplemented by a First Supplemental Trust Indenture, dated as of December 1, 2021, each between MTA and the trustee thereunder. The GANs were issued to reimburse MTA and its Related Entities for certain operating expenses and lost revenues since January 20, 2020, due to the COVID-19 public health emergency, and pay certain financing, legal and miscellaneous expenses. In December 2021, MTA issued $4 billion of GANs with a maturity of November 15, 2022 to bridge the operating cash flow until CRRSAA and ARPA funds could be drawn. MTA retired the GANs on February 10, 2022 with CRRSAA funds that were drawn. As of April 29, 2022, there are no outstanding GANs.

Other Credits.

MTA Hudson Rail Yards Trust Obligations and Hudson Rail Yard Refunding Trust Obligations. The Hudson Rail Yard Trust Obligations and Hudson Rail Yard Refunding Trust Obligations (together, the "HY Trust Obligations") were issued pursuant to the MTA Hudson Rail Yards Trust Agreement, dated as of September 1, 2016 (the "Original HY Trust Agreement"), as supplemented by the MTA Hudson Rail Yards First Supplemental Trust Agreement, dated as of March 1, 2020 (the "Supplemental HY Trust Agreement" and, together with the Original HY Trust Agreement, the "HY Trust Agreement"), each by and between MTA and Wells Fargo Bank, National Association, as trustee (the "HY Trustee"). The HY Trust Obligations are payable solely from and secured by certain payments made by MTA under the Financing Agreement referred to in the HY Trust Agreement. The proceeds from the sale of such obligations were used solely to finance capital projects of the MTA Capital Programs. Other than refunding bonds, MTA does not expect to issue additional bonds under the HY Trust Agreement. For more information on the HY Trust Obligations see "HUDSON RAIL YARD TRUST OBLIGATIONS" below.

Expectations with Respect to Future Capital Program Bonds.

On July 23, 2021, MTA submitted to the CPRB a proposed MTA Bridges and Tunnels Special Obligation Resolution Authorizing Sales Tax Revenue Obligations (TBTA Capital Lockbox – City Sales Tax) (the MTA Bridges and Tunnels Sales Tax Revenue Obligation Resolution) for review and approval. The MTA Bridges and Tunnels Sales Tax Revenue Obligation Resolution was deemed approved on August 9, 2021, upon completion of the statutory 15-day review period following such submission. MTA received MTA Bridges and Tunnels Board ratification of the MTA Bridges and Tunnels Sales Tax Revenue Obligation Resolution at its September 2021 meeting. Proceeds from the issuances of Sales Tax Revenue Obligations must be used for transit and commuter projects included in the 2020-2024 Capital Program or any successor capital program as follows: 80% for transit projects, 10% for projects of MTA Long Island Rail Road and 10% for projects of MTA Metro-North Railroad. MTA anticipates the inaugural issue of obligations under this new credit in the late spring or summer of 2022.

Non-Capital Program Securities

The Related Entities have also issued other obligations that are not subject to the current or any prior statutory ceiling and that were issued for projects that are not part of the Capital Programs, as follows:

Revenue Anticipation Notes. MTA and MTA New York City Transit have in the past and may, from time to time in the future, issue revenue anticipation notes ("RANs") for their working capital needs and the needs of their respective affiliates and subsidiaries occasioned by delays in the receipt of subsidies or other irregularities in the timing of receipt of revenues.

RANs issued under the Transportation Resolution are secured by a lien on Operating Subsidies (as defined in the Transportation Resolution) prior to the lien in favor of the owners of Transportation Revenue Bonds. The maturity on such RANs may not exceed 18 months. While such notes can be rolled over, the final maturity cannot exceed five years from the date of their original issuance. See "TRANSPORTATION REVENUE BONDS – Revenue Anticipation Notes Authorized by the Resolution" below.

Revolving Credit Agreements. As of April 29, 2022, MTA has two available commercial lines of credit totaling $1.2 billion, both of which are taxable revolving credit agreements. The agreements were entered into pursuant to the Transportation Revenue Anticipation Note Resolution, approved by the MTA Board on July 24, 2013, and amended and restated through May 20, 2020. Draws under the credit agreements will be evidenced by RANs.

1. On August 24, 2017, MTA entered into a taxable revolving credit agreement with JPMorgan Chase Bank, National Association ("JPMorgan Chase Agreement") that is active through August 24, 2022, has been amended twice (on August 14, 2018 and August 16, 2019), for a total available credit of $800 million.

2. On August 16, 2019, MTA entered into a $200 million taxable revolving credit agreement with Bank of America, National Association (the "BANA Agreement") that is active through August 24, 2022. The BANA Agreement was amended on April 6, 2020, increasing the line of credit to $400 million.

Draws under the foregoing agreements are evidenced by Revenue Anticipation Notes issued under the Transportation Resolution. The Revenue Anticipation Notes evidencing draws under the JPMorgan Chase Agreement and the BANA Agreement are additionally secured by the MTA Aid Trust Account Receipts. For additional information regarding the pledge of security under the Transportation Resolution, see "TRANSPORTATION REVENUE BONDS – Revenue Anticipation Notes Authorized by the Resolution" below. Funds may be used for operational or capital purposes.

The MTA Board adopted a resolution authorizing the renewal or replacement of the existing revolving credit agreements under similar terms at its April 2022 meeting. The Board action also provided for the public issuance of working capital obligations.

The following table shows the draws and repayments that have been made on the lines of credit: When draws are repaid, it is noted on the MTA investor website under menu item "Financing Agreements – Lines of Credit". As of April 29, 2022, there are no outstanding draws on the lines of credit.

RAN Series	Bank	Draw Date	Draw Amount	Repayment Dates	Amount Repaid	Balance Drawn
2017A	JP Morgan	8/24/2017	$ 3,500,000	2/19/2019	$ 3,500,000	$0
2018A	JP Morgan	8/14/2018	3,500,000	6/24/2019	3,500,000	0
2019A	JP Morgan	1/18/2019	300,000,000	2/15/2019	300,000,000	0
2019B	JP Morgan	2/19/2019	3,500,000	5/30/2019	3,500,000	0
2019C	JP Morgan	3/29/2019	10,000,000	5/30/2019	10,000,000	0
2019D	JP Morgan	4/16/2019	10,000,000	6/17/2019	10,000,000	0
2019E	JP Morgan	5/14/2019	45,000,000	6/14/2019 & 11/13/2020	38,000,000 & 7,000,000	0
2019F	JP Morgan	8/16/2019	1,000,000	2/1/2021	1,000,000	0
2020A	JP Morgan	3/20/2020	792,000,000	7/23/2020 & 9/7/2021	413,517,318 & 378,482,682	0
2020B	BANA	3/20/2020	200,000,000	7/23/2020	104,671,571 & 95,328,429	0
2020C	BANA	4/22/2020	2,500,000	9/1/2021	2,5000.00	0
2021A	BANA	4/16/2021	300,000,000	3/31/2022	300,000.00	0
2021B	JP Morgan	4/16/2021	420,000,000	3/24/2022	420,000.00	0
2021C	BANA	8/31/2021	95,328,429	3/31/2022	95,328,429	0
2021D	BANA	9/1/2021	2,500,000	4/1/2022	2,500,000	0
2021E	JP Morgan	9/7/2021	378,482,682	4/11/2022	378,482,682	0

Term Credit Agreement. On May 22, 2020, MTA entered into a taxable term credit agreement with JPMorgan Chase Bank National Association, as administrative agent, and Industrial and Commercial Bank of China Limited, New York Branch, and Bank of China, New York Branch, collectively as lenders, for a line of credit of $950 million with a commitment termination date of May 22, 2022. No draws were made on this agreement, and the $950 million syndicated taxable Term Credit Agreement was terminated on May 21, 2021, in accordance with its provisions.

Moynihan Station Development Project Financial Guarantee. On May 22, 2017, the MTA Board approved entering into various agreements necessary to effectuate Phase Two of the Moynihan Station Development, which project entailed the redevelopment of the James A. Farley Post Office Building adjacent to Penn Station to include a new train hall, to be shared by Amtrak, MTA Long Island Rail Road and MTA Metro-North Railroad (the "Train Hall"), as well as providing retail and commercial space.

On July 21, 2017, New York State Urban Development Corporation d/b/a Empire State Development ("ESD") executed a TIFIA Loan Agreement with the U.S. Department of Transportation in an amount of up to $526 million (the "TIFIA Loan"), the proceeds of which were used to pay for costs of construction of the Train Hall. The TIFIA Loan was secured primarily by payments in lieu of taxes ("PILOTs") to be made by certain future retail and commercial tenants of the Train Hall, a debt service reserve account (the "TIFIA Debt Service Reserve Account") and a mortgage (the "Train Hall Mortgage") on the Train Hall property.

Simultaneously with the execution of the TIFIA Loan Agreement, a Joint Services Agreement (the "JSA") was entered into among MTA, the U.S. Department of Transportation, ESD, and Manufacturers and Traders Trust Company (as PILOT trustee). Under the JSA, MTA is obligated to satisfy deficiencies, if any, in the TIFIA Debt Service Reserve Account. The JSA remains in effect until the earliest to occur of (i) the "MTA JSA Release Date" (as defined in the JSA and summarized below), (ii) the date on which the TIFIA Loan has been paid in full, or (iii) foreclosure by the U.S.

Department of Transportation under the Train Hall Mortgage. Pursuant to the JSA, the MTA JSA Release Date is the date on which each of the following conditions have been satisfied: (a) substantial completion of (i) the Train Hall and initiation by MTA Long Island Rail Road and Amtrak of transportation service therein, and (ii) the occupancy rate on the retail and commercial units is at least 80%; (b) discharge or settlement of all material construction claims; (c) Debt Service Coverage ratios in three consecutive PILOT years meet levels as provided in the TIFIA Loan Agreement; (d) certain designated defaults or events of default under the TIFIA Loan Agreement have not occurred and are continuing; and (e) two rating agencies have assigned a public rating of at least "A- ". Upon execution of the JSA, MTA set aside $20 million in the event it is obligated to make deficiency payments to the TIFIA Debt Service Reserve Account. The MTA JSA Release Date is not expected to occur prior to June 30, 2033.

On June 12, 2017, MTA entered into a Memorandum of Understanding with ESD and DOB whereby DOB agreed that, subject to certain conditions, in the event in any given year during the term of the JSA MTA is required to make a deficiency payment to the TIFIA Debt Service Reserve Account, DOB will consider entering into an agreement with MTA that will provide for a reduction in the cost recovery assessment otherwise payable under State law to the State.

On November 18, 2021, ESD and the TIFIA Lender entered into an Amended and Restated TIFIA Loan Agreement (the "Amended and Restated Moynihan TIFIA Loan Agreement") in an amount of up to $607 million that, among other things, lowered the interest rate on the loan under the Original Moynihan TIFIA Loan Agreement and provided additional capital financing for the project. In connection therewith, MTA confirmed its agreements under the JSA with respect to the Amended and Restated Moynihan TIFIA Loan Agreement. It is not expected that the Amended and Restated Moynihan TIFIA Loan Agreement will result in a material increase, if any, in MTA's obligations under the JSA. ESD and New York State Department of the Budget also entered into a new Memorandum of Understanding similar to the one entered into in connection with the Original Moynihan TIFIA Loan Agreement. As of April 29, 2022, MTA has not been required in make any deficiency payments to the TIFIA Debt Service Reserve Account.

Interagency Loans

The Related Entities are authorized to transfer their revenues, subsidies and other moneys or securities to another Related Entity for use by that other Related Entity, provided at the time of the transfer it is reasonably anticipated that the moneys and securities so transferred will be reimbursed, repaid or otherwise provided for by the end of the next succeeding calendar year.

Leasing

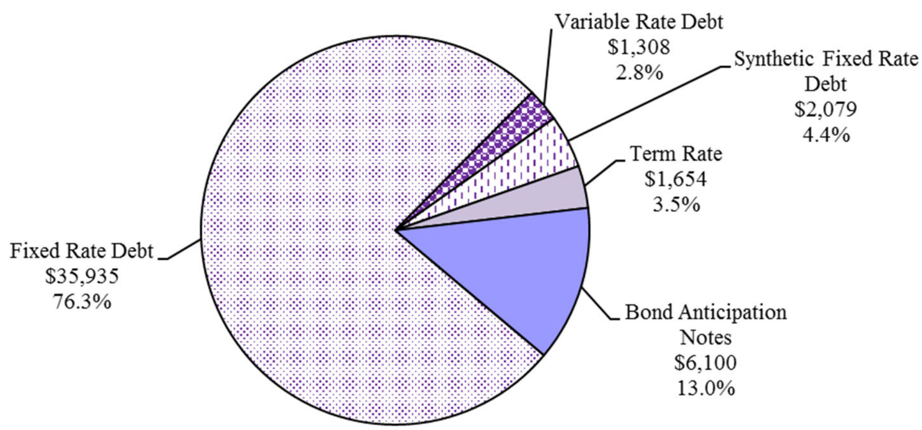
The Related Entities lease real property, facilities, equipment and other personal property in the normal course of business. In addition, the Related Entities had entered into sale-leaseback and lease-leaseback arrangements, pursuant to which existing assets were sold or leased to other parties and leased or subleased back by the Related Entities. Only four such transactions currently remain outstanding. The basic rent payment obligation of the Related Entities under such leases and subleases, together with a purchase option, was economically defeased by a pledge of financial obligations and/or securities of other entities, including, in certain cases, United States government obligations. The expected economic result of such transactions was the receipt by the Related Entities of a net up-front payment, while pursuant to the agreement, the relevant operating agency retained full use of the facility or equipment. If a defeasance obligor were to default on its financial obligations under its respective defeasance instrument, it is possible that the applicable Related Entity would be required to pay the related rent obligations or purchase option amounts from other sources. In addition, the event of loss, default, indemnification, and guaranty provisions of these transactions could create substantial undefeased financial obligations of the Related Entities in the unlikely event that they were triggered; if those financial obligations were, in turn, not timely met, the relevant operating agency could lose use of the leased facilities or equipment. For all of the lease transactions entered into after 1996, MTA has covenanted that all rent and supplemental rent obligations under such lease transactions which are not paid by defeasance obligors shall be paid from those "Revenues" (as defined in the Transportation Resolution) available for release from the lien of the Transportation Resolution in accordance with Section 504(d) of the Transportation Resolution, immediately following all transfers pursuant to Section 504(a), (b) and (c) of the Transportation Resolution, on a pari passu basis among all such lease transactions and prior to the transfer or use of any such amounts for any other purpose, including the payment of operating and maintenance expenses. The payment obligations of the Related Entities under such leases and subleases are generally subordinate to the payment of debt service on the bonds of the agency obligated to make the payments, but to the extent the undefeased financial obligations were obligations (including guaranties) of MTA Bridges and Tunnels, a reduction in the amount of operating surplus transferred from MTA Bridges and Tunnels could result.

For more information with respect to certain of these leasing and other financial transactions, reference is made to the footnotes in the financial statements of the Related Entities which contain a summary of certain capital lease obligations. See, in particular, Footnote 8 to the audited Combined Financial Statements of MTA for the years ended December 31, 2021 and 2020, Footnote 5 to the audited Consolidated Financial Statements of MTA New York City Transit for the years ended December 31, 2021 and 2020, and Footnote 14 to the audited Financial Statements of MTA Bridges and Tunnels for the years ended December 31, 2021 and 2020.

Types of Debt Outstanding

The following pie chart shows on an aggregate basis, by percentages, the types of debt MTA and MTA Bridges and Tunnels have outstanding under the resolutions relating to MTA's core credits, which include MTA Transportation Revenue Bonds, MTA Dedicated Tax Fund Bonds, MTA Bridges and Tunnels Senior Revenue Bonds, MTA Bridges and Tunnels Subordinate Revenue Bonds, MTA Bridges and Tunnels Second Subordinate Bond Anticipation Notes, and MTA and MTA Bridges and Tunnels Payroll Mobility Tax Obligations as of April 29, 2022.

MTA Debt by Type on Core Credits
($ in millions)



Swap Agreements Relating to Synthetic Fixed Rate Debt

Board-adopted Guidelines. The Related Entities adopted guidelines governing the use of swap contracts on March 26, 2002. The guidelines were amended and approved by the MTA Board on March 13, 2013. The guidelines establish limits on the amount of interest rate derivatives that may be outstanding and specific requirements that must be satisfied for a Related Entity to enter into a swap contract, such as suggested swap terms and objectives, retention of a swap advisor or qualified independent representative, credit ratings of the counterparties, collateralization requirements and reporting requirements.

Objectives of Synthetic Fixed Rate Debt. To achieve cash flow savings through a synthetic fixed rate, MTA and MTA Bridges and Tunnels have entered into separate pay-fixed, receive-variable interest rate swaps at a cost anticipated to be less than what MTA and MTA Bridges and Tunnels would have paid to issue fixed-rate debt, and in some cases where federal tax law prohibits an advance refunding to synthetically refund debt on a forward basis.

Fair Value and Mid-Market Value. Fair value for the swaps is calculated in accordance with GASB Statement No. 72, utilizing the income approach and Level 2 inputs. It incorporates the mid-market valuation, nonperformance risk of either MTA/MTA Bridges and Tunnels or the counterparty, as well as bid/offer. The fair values were estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

A negative mid-market value means that MTA and/or MTA Bridges and Tunnels would have to pay the counterparty that approximate amount to terminate the swap. If a swap has a positive mid-market value, in the event of a termination, MTA and/or MTA Bridges and Tunnels would be entitled to receive a termination payment from the counterparty. Consequently, MTA and/or MTA Bridges and Tunnels would be exposed to the credit risk of the counterparty when a swap has a positive mid-market value.

Terms and Fair Values. The terms, fair values and counterparties of the outstanding swaps of MTA and MTA Bridges and Tunnels are reflected in the following tables (as of March 31, 2022).

Metropolitan Transportation Authority						
Related Bonds	**Notional Amount as of 3/31/22 ($ in millions)**	**Effective Date**	**Maturity Date**	**Terms**	**Counterparty and Ratings (S&P / Moody's / Fitch)**	**Fair Value as of 3/31/22 ($ in millions)**
TRB 2002D-2	$200.000	01/01/07	11/01/32	Pay 4.45%; receive 69% 1M LIBOR	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	$(48.406)
TRB 2005D & 2005E	238.245	11/02/05	11/01/35	Pay 3.561%; receive 67% 1M LIBOR	UBS AG (A+ / Aa3 / AA-)	(32.613)
TRB 2005E	79.415	11/02/05	11/01/35	Pay 3.561%; receive 67% 1M LIBOR	AIG Financial Products* (BBB+ / Baa1 / BBB+)	(10.871)
TRB 2012G	355.525	11/15/12	11/01/32	Pay 3.563%; receive 67% 1M LIBOR	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	(60.248)
DTF 2008A	281.450	03/24/05	11/01/31	Pay 3.3156%; receive 67% 1M LIBOR	Bank of New York Mellon (AA- / Aa2 / AA)	(25.526)
Total	**$1,154.635**					**$(177.663)**

* Guarantor: American International Group, Inc., parent of AIG Financial Products.

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MTA Bridges and Tunnels						
Related Bonds	**Notional Amount as of 3/31/21 ($ in millions)**	**Effective Date**	**Maturity Date**	**Terms**	**Counterparty and Ratings (S&P / Moody's / Fitch)**	**Fair Value as of 3/31/21 ($ in millions)**
TBTA 2018E & 2003B(3)	$186.100	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	Citibank, N.A. (A+ / Aa3 / A+)	$(21.134)
TBTA 2005B-2	186.100	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	JPMorgan Chase Bank, NA (A+ / Aa2 / AA)	(21.134)
TBTA 2005B-3	186.100	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	BNP Paribas US Wholesale Holdings, Corp. (A+ / Aa3 / AA-)	(21.134)
TBTA 2005B-4	186.100	07/07/05	01/01/32	Pay 3.076%; receive 67% 1M LIBOR	UBS AG (A+ / Aa3 / AA-)	(21.134)
TRB 2002G-1 & 2011B, TBTA 2001C(1) & 2005A	89.863	04/01/16	01/01/30	Pay 3.52%; receive 67% 1M LIBOR	U.S. Bank N.A. (AA- / A1 / AA-)	(6.956)(2)
TRB 2002G-1 & 2011B, TBTA 2001C(1) & 2005A	89.863	04/01/16	01/01/30	Pay 3.52%; receive 67% 1M LIBOR	Wells Fargo Bank, N.A. (A+ / Aa2 / AA-)	(6.956)(2)
Total	$924.125					$ (98.450)

(1) Between November 22, 2016 and December 5, 2016, the Variable Rate Certificates of Participation, Series 2004A were redeemed. Corresponding notional amounts from the Series 2004A COPs were reassigned to MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2001C.

(2) MTA Bridges and Tunnels' obligation to make both its regularly scheduled and termination payments under these swap agreements is subordinate to its obligation to pay debt service on MTA Bridges and Tunnels Subordinate Revenue Bonds and from the same revenues that are available to pay termination payments on the other MTA Bridges and Tunnels swap agreements. Pursuant to an Interagency Agreement (following novations from UBS in April 2016), MTA New York City Transit is responsible for 68.7%, MTA is responsible for 21.0%, and MTA Bridges and Tunnels is responsible for 10.3% of the transaction.

(3) On October 27, 2021 the 2002F bonds were changed to fixed-rate mode and a portion of the Citi swap was reassigned to the 2018E bonds.

LIBOR: London Interbank Offered Rate
TRB: Transportation Revenue Bonds
DTF: Dedicated Tax Fund Bonds
TBTA: Triborough Bridge and Tunnel Authority General Revenue Bonds

Risks Associated with the Swap Agreements

From MTA's and MTA Bridges and Tunnels' perspective, the following risks are generally associated with swap agreements:

- Credit Risk – The risk that a counterparty becomes insolvent or is otherwise not able to perform its financial obligations. To mitigate the exposure to credit risk, the swap agreements include collateral provisions in the event of downgrades to the swap counterparties' credit ratings. Generally, MTA's and MTA Bridges and Tunnels' swap agreements contain netting provisions under which transactions executed with a single counterparty are netted to determine collateral amounts. Collateral may be posted with a third-party custodian in the form of cash, U.S. Treasury securities, or certain federal agency securities. MTA and MTA Bridges and Tunnels require their counterparties to fully collateralize if ratings fall below certain levels (in general, at the Baa1/BBB+ or Baa2/BBB levels), with partial posting requirements at higher rating levels (details on collateral posting discussed further under "*Collateralization/Contingencies*" below). As of March 31, 2021, all of the valuations were in liability positions to MTA and MTA Bridges and Tunnels; accordingly, no collateral was posted by any of the counterparties.

  The following table shows, as of March 31, 2022, the diversification, by percentage of total notional amount, among the various counterparties that have entered into ISDA Master Agreements with MTA and/or MTA Bridges and Tunnels. The notional amount totals below include all swaps.

Counterparty	S&P	Moody's	Fitch	Notional Amount (in millions)	% of Total Notional Amount
JPMorgan Chase Bank, NA	A+	Aa2	AA	$741.625	35.68%
UBS AG	A+	Aa3	AA-	424.345	20.41
The Bank of New York Mellon	AA-	Aa2	AA	281.450	13.54
Citibank, N.A.	A+	Aa3	A+	186.100	8.95
BNP US Wholesale Holdings, Corp.	A+	Aa3	AA-	186.100	8.95
U.S. Bank National Association	AA-	A1	AA-	89.863	4.32
Wells Fargo Bank, N.A.	A+	Aa2	AA-	89.863	4.32
AIG Financial Products Corp.	BBB+	Baa2	BBB+	79.415	3.82
Total				**$2,078.760**	**100.00%**

- Interest Rate Risk – MTA and MTA Bridges and Tunnels are exposed to interest rate risk on the interest rate swaps. On the pay-fixed, receive-variable interest rate swaps, as LIBOR decreases, MTA and MTA Bridges and Tunnels' net payments on the swaps increase. To address the LIBOR cessation occurring in 2023, MTA has adhered to the ISDA 2020 IBOR Fallback Protocol.
- Basis Risk – The risk that the variable rate of interest paid by the counterparty under the swap and the variable interest rate paid by MTA or MTA Bridges and Tunnels on the associated bonds may not be the same. If the counterparty's rate under the swap is lower than the bond interest rate, then the counterparty's payment under the swap agreement does not fully reimburse MTA or MTA Bridges and Tunnels for their interest payment on the associated bonds. Conversely, if the bond interest rate is lower than the counterparty's rate on the swap, there is a net benefit to MTA or MTA Bridges and Tunnels.
- Termination Risk – The risk that a swap agreement will be terminated and MTA or MTA Bridges and Tunnels will be required to make a swap termination payment to the counterparty and, in the case of a swap agreement which was entered into for the purpose of creating a synthetic fixed rate for an advance refunding transaction may also be required to take action to protect the tax-exempt status of the related refunding bonds.

  The ISDA Master Agreement sets forth certain termination events applicable to all swaps entered into by the parties to that ISDA Master Agreement. MTA and MTA Bridges and Tunnels have entered into separate ISDA Master Agreements with each counterparty that govern the terms of each swap with that counterparty, subject to individual terms negotiated in a confirmation. MTA and MTA Bridges and Tunnels are each subject to termination risk if its credit ratings fall below certain specified thresholds or if it commits a specified event of default or other specified event of termination. If, at the time of termination, a swap was in a liability position to MTA or MTA Bridges and Tunnels, a termination payment would be owed by MTA or MTA Bridges and Tunnels to the counterparty, subject to applicable netting arrangements.

  The following tables set forth the Additional Termination Events for MTA/MTA Bridges and Tunnels and its counterparties.

MTA Transportation Revenue		
Counterparty Name	**MTA**	**Counterparty**
AIG Financial Products Corp.; JPMorgan Chase Bank, NA; UBS AG	Below Baa3 (Moody's) or BBB- (S&P)*†	Below Baa3 (Moody's) or BBB- (S&P)* †‡

* Equivalent Fitch rating is replacement for Moody's or S&P.

† The Additional Termination Event is also triggered if a relevant rating is withdrawn or no rating exists from Moody's and S&P.

‡ In all cases except JPMorgan Chase Bank, N.A. counterparty thresholds, Fitch rating is replacement for either Moody's or S&P, at which point threshold is based on lowest rating.

MTA Dedicated Tax Fund		
Counterparty Name	**MTA**	**Counterparty**
Bank of New York Mellon	Below BBB (S&P) or BBB (Fitch)*	Below A3 (Moody's) or A- (S&P) †

* Equivalent Moody's rating is replacement for S&P or Fitch. The Additional Termination Event is also triggered if a relevant rating is withdrawn for credit-related reasons or no rating exists from S&P and Fitch.

† Equivalent Fitch rating is replacement for Moody's or S&P. The Additional Termination Event is also triggered if a relevant rating is withdrawn for credit-related reasons or no rating exists from Moody's and S&P.

MTA Bridges and Tunnels Senior Lien		
Counterparty Name	**MTA Bridges and Tunnels**	**Counterparty**
BNP Paribas US Wholesale Holdings, Corp.; Citibank, N.A.; JPMorgan Chase Bank, NA; UBS AG	Below Baa2 (Moody's) or BBB (S&P)*	Below Baa1 (Moody's) or BBB+ (S&P)*

* Equivalent Fitch rating is replacement for Moody's or S&P. The Additional Termination Event is also triggered if a relevant rating is withdrawn or no rating exists from Moody's and S&P.

MTA Bridges and Tunnels Subordinate Lien		
Counterparty Name	**MTA Bridges and Tunnels**	**Counterparty**
U.S. Bank National Association; Wells Fargo Bank, N.A.	Below Baa2 (Moody's) or BBB (S&P)*	Below Baa2 (Moody's) or BBB (S&P) †

* Equivalent Fitch rating is replacement for Moody's or S&P. If not below investment grade, MTA Bridges and Tunnels may cure such Termination Event by posting collateral at a zero threshold. The Additional Termination Event is also triggered if a relevant rating is withdrawn for credit-related reasons or no rating exists from Moody's and S&P.

† Equivalent Fitch rating is replacement for Moody's or S&P. The Additional Termination Event is also triggered if a relevant rating is withdrawn for credit-related reasons or no rating exists from Moody's and S&P.

- MTA and MTA Bridges and Tunnels' ISDA Master Agreements provide that the payments under one transaction will be netted against other transactions entered into under the same ISDA Master Agreement. Under the terms of these agreements, should one party become insolvent or otherwise default on its obligations, close-out netting provisions permit the non-defaulting party to accelerate and terminate all outstanding transactions and net the amounts so that a single sum will be owed by, or owed to, the non-defaulting party.
- Rollover Risk – The risk that the swap agreement matures or may be terminated prior to the final maturity of the associated bonds on a variable rate bond issuance, and MTA or MTA Bridges and Tunnels may be exposed to then market rates and cease to receive the benefit of the synthetic fixed rate for the duration of the bond issue. The following debt is exposed to rollover risk:

Associated Bond Issue	Bond Maturity Date	Swap Termination Date
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2001C (swaps with U.S. Bank/Wells Fargo)	January 1, 2032	January 1, 2030
MTA Bridges and Tunnels General Revenue Variable Rate Refunding Bonds, Series 2018F (swap with Citibank, N.A.)	November 1, 2032	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2003B (swap with Citibank, N.A.)	January 1, 2033	January 1, 2032
MTA Bridges and Tunnels General Revenue Variable Rate Bonds, Series 2005A (swaps with U.S. Bank/Wells Fargo and Citibank, N.A.)	November 1, 2041	January 1, 2030 (U.S. Bank/Wells Fargo) January 1, 2032 (Citibank)
MTA Transportation Revenue Variable Rate Bonds, Series 2011B (swaps with U.S. Bank/Wells Fargo)	November 1, 2041	January 1, 2030

Collateralization/Contingencies. Under the majority of the swap agreements, MTA and/or MTA Bridges and Tunnels is required to post collateral in the event its credit rating falls below certain specified levels. The collateral posted is to be in the form of cash, U.S. Treasury securities, or certain federal agency securities, based on the valuations of the swap agreements in liability positions and net of the effect of applicable netting arrangements. If MTA and/or MTA Bridges and Tunnels do not post collateral, the swap(s) may be terminated by the counterparty(ies).

As of March 31, 2022, the aggregate mid-market valuation of MTA's swaps subject to collateral posting agreements was ($163.314) million; as of this date, MTA was not subject to collateral posting based on its credit ratings (see further details below).

As of March 31, 2022, the aggregate mid-market valuation of MTA Bridges and Tunnels' swaps subject to collateral posting agreements was ($99.664) million; as of this date, MTA Bridges and Tunnels was not subject to collateral posting based on its credit ratings (see further details below).

The following tables set forth the ratings criteria and threshold amounts applicable to MTA/MTA Bridges and Tunnels and its counterparties.

MTA Transportation Revenue		
Counterparty	**MTA Collateral Thresholds (based on highest rating)**	**Counterparty Collateral Thresholds (based on highest rating)**
AIG Financial Products Corp.; JPMorgan Chase Bank, NA; UBS AG	Baa1/BBB+: $10 million Baa2/BBB & below: Zero	Baa1/BBB+: $10 million Baa2/BBB & below: Zero

Note: Based on Moody's and S&P ratings. In all cases except JPMorgan Chase Bank, N.A. counterparty thresholds, Fitch rating is replacement for either Moody's or S&P, at which point threshold is based on lowest rating.

MTA Dedicated Tax Fund		
Counterparty	**MTA Collateral Thresholds**	**Counterparty Collateral Thresholds (based on lowest rating)**
Bank of New York Mellon	N/A – MTA does not post collateral	Aa3/AA- & above: $10 million A1/A+: $5 million A2/A: $2 million A3/A-: $1 million Baa1/BBB+ & below: Zero

Note: Counterparty thresholds based on Moody's and S&P ratings. Fitch rating is replacement for either Moody's or S&P.

MTA Bridges and Tunnels Senior Lien		
Counterparty	**MTA Bridges and Tunnels Collateral Thresholds (based on highest rating)**	**Counterparty Collateral Thresholds (based on highest rating)**
BNP Paribas US Wholesale Holdings, Corp.; Citibank, N.A.; JPMorgan Chase Bank, NA; UBS AG	Baa1/BBB+: $30 million Baa2/BBB: $15 million Baa3/BBB- & below: Zero	A3/A-: $10 million Baa1/BBB+ & below: Zero

Note: MTA Bridges and Tunnels thresholds based on Moody's, S&P, and Fitch ratings. Counterparty thresholds based on Moody's and S&P ratings; Fitch rating is replacement for Moody's or S&P.

MTA Bridges and Tunnels Subordinate Lien		
Counterparty	**MTA Bridges and Tunnels Collateral Thresholds (based on lowest rating)**	**Counterparty Collateral Thresholds (based on lowest rating)**
U.S. Bank National Association; Wells Fargo Bank, N.A.	Baa3/BBB- & below: Zero *(note: only applicable as cure for Termination Event)*	Aa3/AA- & above: $15 million A1/A+ to A3/A-: $5 million Baa1/BBB+ & below: Zero

Note: Thresholds based on Moody's and S&P ratings. Fitch rating is replacement for Moody's or S&P.

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TRANSPORTATION REVENUE BONDS

General

There is $23,944,520,000 aggregate principal amount of outstanding Transportation Revenue Bonds as of April 29, 2022. In addition, and not included in the above amount, MTA has outstanding $3,000,000,000 aggregate principal amount of bond anticipation notes issued under the Transportation Resolution. The following **TRB Table 1** sets forth, on a cash basis, the debt service on outstanding MTA Transportation Revenue Bonds as of April 29, 2022.

TRB Table 1 -- Aggregate Debt Service
($ in thousands)

Year Ending December 31	Aggregate Debt Service(1)(2)(3)(4)(5)
2022	$ 1,718,823
2023	1,832,827
2024	1,824,288
2025	1,804,593
2026	1,824,438
2027	1,669,092
2028	1,775,679
2029	1,806,363
2030	1,805,529
2031	1,854,702
2032	1,815,924
2033	1,552,929
2034	1,539,247
2035	1,469,633
2036	1,309,273
2037	1,294,145
2038	1,322,049
2039	1,258,334
2040	1,202,316
2041	1,100,964
2042	1,048,477
2043	1,006,564
2044	1,019,976
2045	908,476
2046	997,300
2047	1,015,188
2048	986,640
2049	827,052
2050	564,263
2051	282,567
2052	282,812
2053	233,445
2054	233,687
2055	171,225
2056	63,684
2057	10,483
Total	$41,432,990

(1) Totals may not add due to rounding.

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

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

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

(5) Figures include debt service on certain Transportation Revenue Bonds expected to be refunded with proceeds of the MTA Bridges and Tunnels Payroll Mobility Tax Senior Lien Refunding Bonds, Series 2022B (the "Forward Delivery Refunding Bonds"). The settlement date for the Forward Delivery Refunding Bonds is on or about August 18, 2022.

Under State law, the Transportation Revenue Bonds are MTA's special obligations, which means that they are payable solely from a gross lien on the money pledged for payment under the Transportation Resolution. They are not MTA's general obligations.

Summaries of certain provisions of the Transportation Resolution, including certain defined terms used therein, and the form of the Interagency Agreement relating thereto have been filed with the MSRB through EMMA, all of which are incorporated by specific cross-reference herein. In addition, for convenience, copies of the summaries and the Interagency Agreement can be obtained at no cost on MTA's investor website under "Debt Portfolio Information – Bond Resolutions and Interagency Agreements" at https://new.mta.info/investors.

Capitalized terms used under this caption "TRANSPORTATION REVENUE BONDS" not otherwise defined herein have the meanings set forth in the Transportation Resolution.

Pledged Transportation Revenues Gross Lien and Rate Covenant

MTA receives "transportation revenues" directly and through certain subsidiaries (currently, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus) and affiliates (currently, MTA New York City Transit and MaBSTOA), and its receipts from many of these sources are pledged for the payment of Transportation Revenue Bonds. MTA and its subsidiaries and affiliates also receive operating subsidies from MTA Bridges and Tunnels and a number of other governmental sources. The Transportation Resolution provides that bondholders are to be paid from pledged revenues prior to the payment of operating or other expenses and as described in more detail below. The Transportation Resolution permits MTA to issue revenue anticipation notes that are secured by Operating Subsidies prior to the payment of debt service on the Transportation Revenue Bonds. See "TRANSPORTATION REVENUE BONDS – Revenue Anticipation Notes Authorized by the Resolution" below.

MTA has covenanted to impose fares and other charges so that pledged revenues, together with other available moneys, will be sufficient to cover all debt service and operating and capital costs of the systems.

TRB Table 2a sets forth by general category the amount of pledged revenues, calculated in accordance with the Transportation Resolution, and the resulting debt service coverage for the five years ended December 31, 2021. A general description of the pledged revenues in the general categories referenced in **TRB Table 2a** follows the table, and a more detailed description is set forth under the heading "PART 2. FINANCIAL INFORMATION – REVENUES OF THE RELATED ENTITIES".

For the years 2017-2021, **TRB Table 2a** is based on the historical audited financial statements of MTA and its subsidiaries, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA, on a cash basis. The audited financial statements for MTA and MTA New York City Transit covered by **TRB Table 2a** are included herein by specific cross-reference and should be read in connection with this information. The information in **TRB Table 2a** may not be indicative of future results of operations and financial condition. The information contained in the table has been prepared by MTA management based upon the historical financial statements and the notes thereto.

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TRB Table 2a
Summary of Pledged Revenues (Calculated in Accordance with the Transportation Resolution)
Historical Cash Basis ($ in millions)[1]

	2017	2018	2019	2020	2021
Revenues from Systems Operations					
Fares from Transit System	$ 4,487	$ 4,454	$ 4,592	$ 1,939	$2,332
Fares from Commuter System	1,460	1,481	1,526	517	557
Fares from MTA Bus	236	242	245	100	144
Other Income[2]	256	280	278	207	197
Subtotal – Operating Revenues	**$6,439**	**$6,457**	**$6,641**	**$2,763**	**$3,230**
Non-Operating Revenues[3]					
Revenues from MTA Bridges and Tunnels Surplus	$731	$692	$788	$495	$928
State and Local General Operating Subsidies[4]	$376	$375	$340	$365	$408
NYC Transportation Assistance Fund - General Transportation Account[5]	-	-	0	2	2
Special Tax-Supported Operating Subsidies					
DTF Excess[6]	231	250	268	180	198
MMTOA Receipts	1,668	1,687	1,824	1,564	2,247
Urban Tax	585	656	668	377	429
Excess Mortgage Recording Taxes	25	25	12	12	12
MTA Aid Trust Account Receipts[7]	306	273	311	249	263
Payroll Mobility Tax Receipts[7]	1,436	1,483	1,561	1,561	1,668
Payroll Mobility Revenue Offset Funds[8]	244	244	244	195	293
Subtotal Special Tax-Supported Operating Subsidies	$4,495	$4,617	$4,888	$4,139	$5,111
Station Maintenance and Service Reimbursements	560	530	647	637	795
City Subsidy for MTA Bus	520	464	669	355	456
Income from Investments[9]	24	55	50	22	4
Subtotal – Non-Operating Revenues	**$6,706**	**$6,734**	**$7,382**	**$6,015**	**$7,704**
Total Transportation Resolution Pledged Revenues	**$13,145**	**$13,190**	**$14,023**	**$8,778**	**$10,934**
Debt Service[10]	**$1,581**	**$1,457**	**$1,751**	**$1,989**	**$1,852**
Debt Service Coverage from Pledged Revenues	**8.3x**	**9.1x**	**8.0x**	**4.4x**	**5.9x**

(1) Totals may not add due to rounding

(2) Other income in the case of the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income in the case of the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Penn Station concessions), rental income and miscellaneous. Other income does not include Superstorm Sandy reimbursement funds. See additional information regarding 2020 in the notes following the table.

(3) The Transportation Resolution permits MTA to issue revenue anticipation notes that are secured by operating subsidies prior to the payment of debt service on the Bonds. See discussion under "*Revenue Anticipation Notes Authorized by the Resolution*" later in this "TRANSPORTATION REVENUE BONDS section".

(4) State and Local General Operating Subsidies are lower in 2019 due to delay in receipt of the City's December 18-b payment.

(5) The 2018-2019 State Enacted Budget included a new revenue stream for MTA to provide a source of funding for the Subway Action Plan, outer borough transit improvements, and other MTA needs. Such new revenues consist of certain statutory surcharges and fines, including a surcharge beginning January 1, 2019, on for-hire vehicle trips entirely within the State that start or terminate in, or traverse, Manhattan below 96th Street. Revenues from this surcharge will be deposited into a New York City Transportation Assistance Fund and disbursed to three sub-accounts established in such fund in the following order: a Subway Action Plan account, an Outer Borough Transportation account, and the General Transportation account.

(6) Calculated by subtracting the debt service payments on the Dedicated Tax Fund Bonds from the MTTF Receipts described under the caption "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – DEDICATED TAX FUND BONDS".

(7) Calculated by subtracting the debt service payments on Payroll Mobility Tax Resolution Obligations from the combined PMT and MTA Aid Trust Account Receipts, which are pledged revenues for the Payroll Mobility Tax Resolution Obligations described under the caption "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS – PAYROLL MOBILITY TAX OBLIGATIONS".

(8) In prior Annual Disclosure Statements, Payroll Mobility Tax Revenue Offset funds were included in the PMT Receipts. Beginning with the 2021 Annual Disclosure Statement, PMT Revenue Offset revenues are presented separately because such revenues do not constitute pledged revenues under the PMT Resolutions.

(9) Consists of investment income on capital program funds held for the benefit of the Transit and Commuter Systems on an accrual basis, and also investment income earned on subsidy accounts.

(10) Debt service was reduced by approximately $54 million in each year of 2017 through 2020 and $49 million in 2021 to reflect Build America Bonds interest credit payments relating to certain outstanding bonds. Such payments do not constitute Pledged Revenues under the Transportation Resolution. Debt service includes payments of interest on bond anticipation notes, including, $13.5 million in 2017, $101.5 million in 2018, $188.6 million in 2019, $344.5 million in 2020, and $253.4 million in 2021.

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

- Overall, pledged operating revenues in 2021 were slightly higher by $0.5 billion, compared to 2020, but still significantly lower than 2019 and prior years due to the decline in transit system, commuter rail and MTA Bus ridership during the COVID-19 pandemic, and total pledged revenues in 2020 were lower by $5.2 billion as compared to 2019.

- CARES Act receipts are included in *Other Revenue* under **Table 2b** for 2020, and are not included in "Other Income" in **Table 2a** because they do not constitute pledged revenues under the Transportation Resolution. Additionally, while Internet Sales Tax and Mansion Tax receipts were made available as a resource for operating expenses for two years during the COVID-19 pandemic, they do not constitute pledged revenues under the Transportation Resolution and are not included in the table above.

- MTA receives monthly payments beginning in May of MMTOA Receipts, with the first quarter of the State's appropriation for the succeeding year advanced into the fourth quarter of MTA's calendar year. MTA continues to monitor the effect of not having MMTOA Receipts available during the first quarter of the calendar year to determine if working capital borrowings may be necessary for cash flow needs.

- "Urban Tax" collection reflects the activity level of certain commercial real estate transactions in the City. In 2018 and 2019, MTA saw an increase in Urban Tax revenues from the prior year, as a result of both an overall stronger commercial real estate economy and an uptick in the value of significantly large transactions (valued over $100 million). In 2020, Urban Tax revenues declined significantly due to lower value of commercial real estate transactions and mortgages during the COVID-19 pandemic. In 2021, Urban Tax revenues rose, but were still below, prior levels as workers returned to office and commercial real estate regained some of its lost value as transactions rose.

- Mortgage recording taxes consist of two separate taxes: the MRT-1 Tax, which is imposed on borrowers of recorded mortgages of real property; and the MRT-2 Tax, which is a tax imposed on the institutional lender. These taxes are collected by the City and the seven other counties within MTA's service area. Mortgage recording taxes are used for Transit and Commuter Systems purposes after the payment of MTA Headquarters' expenses and MTA Bus debt service. Since 2009, even though mortgage recording tax receipts have grown in seven out of the last eight years, MTA Headquarters expenses and MTA Bus debt service expenses have continued to exceed MRT receipts, resulting in no Excess Mortgage Recording Tax transfers to the Transit and Commuter Systems.

- City Subsidy for MTA Bus was higher in 2017 predominantly due to the timing of payments received. MTA received one extra monthly payment made in 2017 and an additional quarterly payment, which is usually reconciled in the following year. In 2018, there was a decrease in receipts for MTA Bus, resulting from the additional quarterly payment that was made in 2017. In 2019, the increase in receipts for MTA Bus is the result of higher monthly fixed payments and an additional quarterly payment made in 2019. In 2020, MTA Bus ridership and revenue experienced significant declines due to the COVID-19 pandemic, resulting in the 2020 City Subsidy for MTA Bus being lower by $314 million as compared to the amount received in 2019. The 2021 City Subsidy was 29% higher than 2020 due to the timing of federal subsidy receipts related to COVID-19. In 2020 MTA Bus received eight City subsidy payments as CARES Act funds were received early in the year. In 2021 MTA Bus received nine monthly payments from the City, as well as two quarterly payments, because CRRSAA funds were not received until the end of 2021.

TRB Table 2b is the MTA Consolidated Statement of Operations by Category. It sets forth, by major category, for the five years ended December 31, 2021, all of the system operating revenues, expenses, adjustments, prior-year carryover and net cash balance. The information in the table has been prepared by MTA management based on MTA financial plans. The amounts indicated in the "Actual" columns for 2017 to 2021 reflect actual information based on the historical audited financial statements of MTA and its subsidiaries. The information in **TRB Table 2b** may not be indicative of future results of operations and financial condition.

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

Non-Reimbursable	Actual 2017	Actual 2018	Actual 2019	Actual 2020	Actual 2021
Operating Revenue					
Farebox Revenue	$6,172	$6,155	$6,351	$2,625	$3,048
Toll Revenue	1,912	1,976	2,071	1,640	2,170
Other Revenue	653	643	706	4,571	4,706
Capital and Other Reimbursements	0	0	0	0	0
Total Operating Revenue	**$8,737**	**$8,774**	**$9,128**	**$8,836**	**$9,924**
Operating Expense					
Labor Expenses:					
Payroll	$5,021	$5,211	$5,311	$5,308	$5,214
Overtime	934	1,066	974	910	965
Health & Welfare	1,209	1,230	1,339	1,298	1,405
OPEB Current Payment	564	604	666	633	722
Pensions	1,345	1,336	1,493	1,510	1,410
Other-Fringe Benefits	792	881	848	789	818
Reimbursable Overhead	(492)	(528)	(470)	(380)	(372)
Subtotal Labor Expenses	**$9,373**	**$9,799**	**$10,161**	**$10,068**	**$10,161**
Non-Labor Expenses:					
Electric Power	$430	$482	$444	$385	$430
Fuel	150	185	174	103	163
Insurance	(3)	(29)	2	(5)	26
Claims	526	438	495	237	426
Paratransit Service Contracts	393	478	477	326	346
Maintenance and Other Operating Contracts	695	678	731	773	750
Professional Service Contracts	507	544	442	446	499
Materials & Supplies	588	637	647	543	486
Other Business Expenses	217	221	231	152	199
Subtotal Non-Labor Expenses	**$3,505**	**$3,611**	**$3,642**	**$2,961**	**$3,326**
Other Expense Adjustments:					
Other	$49	$129	$149	$80	$21
General Reserve	0	0	0	335	(335)
Subtotal Other Expense Adjustments	**$49**	**$129**	**$149**	**$415**	**($314)**
Total Operating Expense before Non-Cash Liability Adj.	**$12,927**	**$13,539**	**$13,952**	**$13,443**	**$13,173**
Depreciation	$2,608	$2,805	$2,869	$3,010	$3,156
OPEB Liability Adjustment	1,567	1,048			
GASB 75 OPEB Expense Adjustment			895	978	1,083
GASB 68 Pension Expense Adjustment	(168)	(373)	13	(77)	(917)
Environmental Remediation	13	105	42	123	37
Total Operating Expense after Non-Cash Liability Adj.	**$16,948**	**$17,124**	**$17,771**	**$17,477**	**$16,532**
Conversion to Cash Basis: Non-Cash Liability Adjs.	($4,021)	($3,585)	($3,801)	($4,034)	($3,359)
Debt Service (excludes Service Contract Bonds)	2,525	2,541	2,630	2,703	2,787
Total Operating Expense with Debt Service	**$15,452**	**$16,079**	**$16,582**	**$16,146**	**$15,960**
Dedicated Taxes and State/Local Subsidies	$6,416	$7,177	$7,376	$6,678	$7,677
Net Surplus/(Deficit) After Subsidies and Debt Service	**($300)**	**($128)**	**($79)**	**($632)**	**$1,640**
Conversion to Cash Basis: GASB Account	0	0	0	0	0
Conversion to Cash Basis: All Other	174	379	192	646	(973)
CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER	**($126)**	**$251**	**$113**	**$148**	**$668**
ADJUSTMENTS	**0**	**0**	**0**	**0**	**0**
PRIOR-YEAR CARRYOVER	**248**	**121**	**372**	**485**	**499**
NET CASH BALANCE	**$121**	**$372**	**$485**	**$499**	**$1,166**

Description of Pledged Revenues

Each of the following pledged revenues is described in more detail under the caption "PART 2. FINANCIAL INFORMATION – REVENUES OF THE RELATED ENTITIES":

- Fares and Tolls – Transit System Fares;
- Fares and Tolls – Transit System Fare Reimbursements from the City;
- Fares and Tolls – Commuter System Fares;
- Fares and Tolls – MTA Bus Fares;
- State and Local General Operating Subsidies;
- State Special Tax Supported Operating Subsidies;
- Congestion Zone Surcharges deposited into the General Transportation Account and the Rapid Transit Lane Fines;
- Metropolitan Transportation Authority Financial Assistance Fund Receipts;
- Urban Taxes for Transit System;
- MTA Bridges and Tunnels Surplus;
- Financial Assistance and Service Reimbursements from Local Municipalities; and
- Miscellaneous Revenues.

Pledged revenues also include payments made by the City under its agreement with MTA Bus to reimburse MTA Bus the difference between the actual cost of operation of the City Bus Routes (other than certain capital costs) and all revenues and subsidies received by MTA Bus and allocable to the operation of the City Bus Routes, as further described under the caption "PART 4. OPERATIONS – MTA BUS COMPANY".

Factors Affecting Revenues

The following is a general discussion of factors affecting MTA's revenues. In addition to the factors listed below, the COVID-19 pandemic has had and continues to have an impact on MTA's operations and revenues, the full extent of which is still being evaluated. For further information related to the impact of the COVID-19 pandemic on the finances and operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

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

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

Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses. The Transit, Commuter and MTA Bus Systems have depended, and are expected to continue to depend, upon government subsidies to meet capital and operating needs. Thus, although MTA is legally obligated by the Transportation Resolution's rate covenant to raise fares sufficient to cover all capital and operating costs together with other available monies, there can be no assurance that there is any level at which Transit, Commuter and MTA Bus Systems fares alone would produce revenues sufficient to comply with the rate covenant, particularly if the current level (or the assumed level in the budget prepared in connection with 2020 and the forecasts prepared in connection with 2021, 2022 and 2023) of collection of dedicated taxes, operating subsidies, and expense reimbursements were to be discontinued or substantially reduced.

Operating Results and Projections. Based upon, and at the time of, the adoption of the 2022 February Plan, the budgets of the Related Entities were projected to be in balance through 2025 assuming $499 million of deficit financing in 2025.

2022-2025 Financial Plans. The 2022 February Plan, 2020-2024 Capital Program and prior and future Capital Programs are interrelated, and any failure to fully achieve the various components of these plans could have an adverse impact on one or more of the other proposals contained in the Financial Plans and Capital Programs, as well as on pledged revenues. See "PART 2. FINANCIAL PLANS AND CAPITAL PROGRAMS".

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

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

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

Security

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

The payment of principal (including sinking fund installments, if any), redemption premium, if any, and interest on the Transportation Revenue Bonds is secured by, among other sources described below, the transportation revenues discussed in the preceding section which are, together with certain other revenues, referred to as "pledged revenues".

Summaries of certain provisions of the Transportation Resolution, including certain defined terms used therein, have been filed with the MSRB through EMMA, all of which are incorporated by specific cross-reference herein. In addition, for convenience, copies of the summaries and the Interagency Agreement can be obtained at no cost on MTA's investor website under "Debt Portfolio Information –Bond Resolutions and Interagency Agreements" at https://new.mta.info/investors.

Holders of Transportation Revenue Bonds are to be paid from pledged revenues after the payment of debt service on revenue anticipation notes and prior to the payment of operating or other expenses of MTA, MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, but subordinate to the payment of Revenue Anticipation Notes. However, MTA's ability to generate major portions of the pledged revenues depends upon its payment of operating and other expenses.

MTA Transportation Revenue Bonds are not a debt of the State or the City, or any other local governmental unit. MTA has no taxing power.

Revenue Anticipation Notes Authorized by the Resolution

MTA and MTA New York City Transit have in the past and may, from time to time, in the future issue RANs for their working capital needs and the needs of their respective affiliates and subsidiaries occasioned by delays in the receipt of subsidies or other irregularities in the timing of receipt of revenues. RANs issued under the Transportation Resolution are secured by a lien on Operating Subsidies prior to the lien in favor of the owners of Transportation Revenue Bonds.

Owners of MTA Transportation Revenue Bonds retain a first lien on the other Pledged Revenues, including fares. The maturity date for such RANs may not exceed 18 months. While such notes can be rolled, the final maturity of the notes cannot exceed five years from the date of their original issuance.

Operating Subsidies include general operating subsidies from the State and local governments under the State's Section 18-b program; special tax-supported operating subsidies (the MTTF Receipts and MMTOA Receipts) after the payment of debt service and certain other obligations relating to MTA's Dedicated Tax Fund senior and subordinated bonds; PMT Revenues after the payment of debt service and certain other obligations relating to senior and subordinated bonds issued under the PMT Resolutions; MTA Bridges and Tunnels operating surplus; Commuter System station maintenance payments; the Urban Taxes; and Congestion Zone Surcharges and Rapid Transit Lane Fines deposited into the General Transportation Account.

For a detailed discussion on outstanding RANs see "NON-CAPITAL PROGRAM SECURITIES" above.

Pledge Effected by the Resolution

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

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

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

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

Flow of Revenues

The Transportation Resolution creates the following funds and accounts:

- Revenue Fund (held by the Trustee);

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

Subject to the payment from the operating subsidies of debt service on RANs, the Transportation Resolution requires the Trustee, promptly upon receipt of the pledged revenues in the Revenue Fund, to deposit the revenues into the following funds and accounts, in the amounts and in the order of priority, as follows:

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

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

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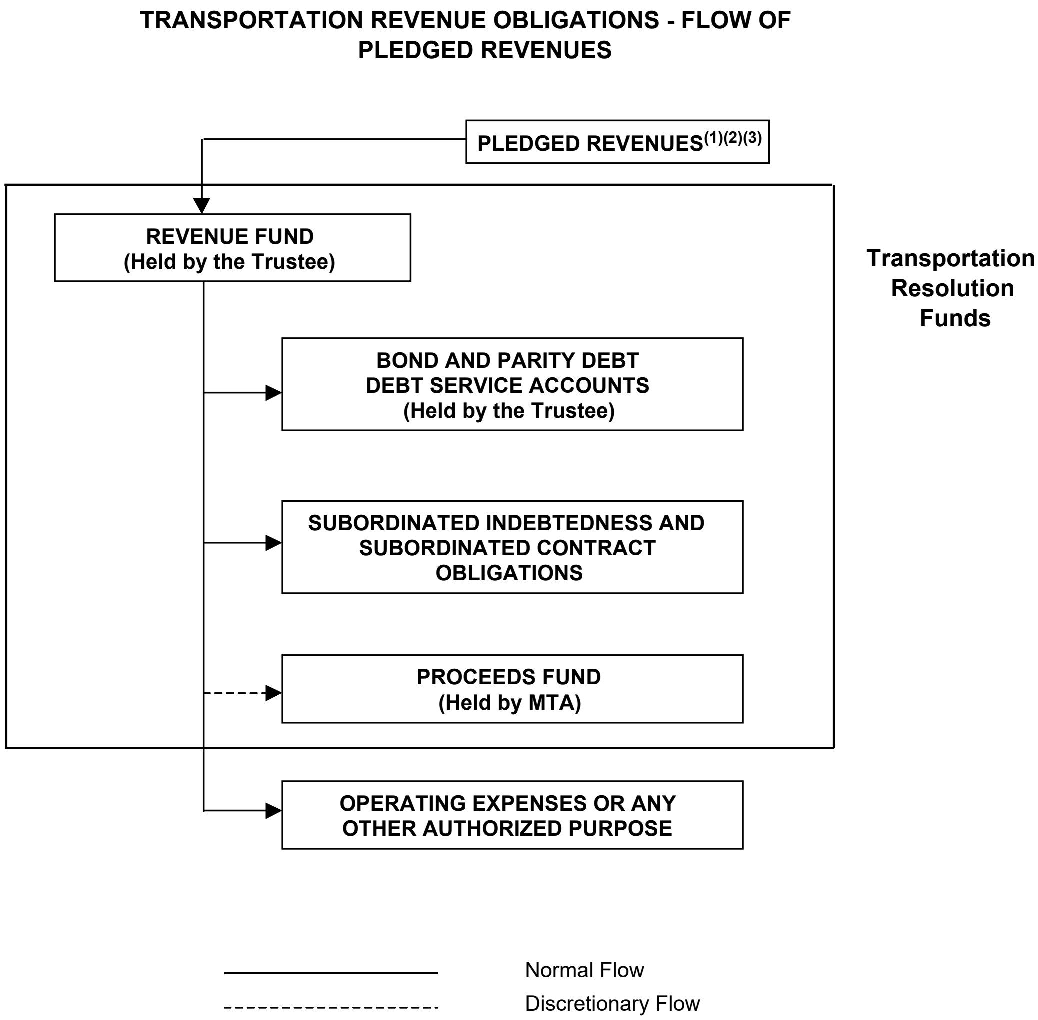
The following chart illustrates the basic elements of the flow of revenues described above:



(1) Includes "Operating Subsidies" pledged to the payment of RANs prior to the payment of principal and interest on Transportation Revenue Bonds.

(2) MTA issued the PMT BAN under the MTA PMT Bond Resolution and expects that it may continue to issue additional obligations secured by the PMT (but not the PMT Revenue Offset) and the Aid Trust Account Monies. MTA Bridges and Tunnels has also issued multiple series of TBTA PMT Bonds under the TBTA PMT Bond Resolution which are likewise secured by the PMT (but not the PMT Offset) and the Aid Trust Account Monies on a parity basis with MTA's obligations under the MTA PMT Bond Resolution and expects that it may continue to issue additional obligations secured by such sources of payment in the future.

(3) MTA is authorized to issue deficit obligations payable from numerous sources, including PMT Revenues.

Covenants

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

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

Operating and Maintenance Covenants.

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

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

There is no covenant with bondholders limiting the aggregate principal amount of Revenue Anticipation Notes or additional Transportation Revenue Bonds or Parity Debt that MTA may issue. There is a limit under current State law that covers the Transportation Revenue Bonds and certain other securities. See "PART 3. PUBLIC DEBT SECURITIES AND OTHER FINANCIAL INSTRUMENTS—GENERAL—Financing of Capital Projects and Statutory Ceiling" above for a description of the current statutory ceiling.

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

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

No Bankruptcy. State law specifically prohibits MTA or the other Related Entities from filing a voluntary bankruptcy petition under Chapter 9 of the Federal Bankruptcy Code, so long as any Transportation Revenue Bonds are outstanding. The State has covenanted not to change the law to permit MTA or its affiliates or subsidiaries to file such a petition. Chapter 9 does not provide authority for creditors to file involuntary bankruptcy proceedings against MTA or other Related Entities.

Parity Debt

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

MTA BRIDGES AND TUNNELS SENIOR REVENUE BONDS

There is $8,119,790,000 aggregate principal amount of outstanding MTA Bridges and Tunnels Senior Revenue Bonds as of April 29, 2022. The following **MTA Bridges and Tunnels Senior Table 1** sets forth, on a cash basis, the debt service on the outstanding MTA Bridges and Tunnels Senior Revenue Bonds as of April 29, 2022.

MTA Bridges and Tunnels Senior Table 1
Aggregate Senior Lien Debt Service
($ in thousands)

Year Ending December 31	Aggregate Debt Service[(1)(2)(3)]
2022	$554,017
2023	622,245
2024	642,719
2025	640,353
2026	655,247
2027	654,204
2028	661,580
2029	663,140
2030	656,539
2031	664,504
2032	706,678
2033	417,272
2034	415,655
2035	423,237
2036	430,225
2037	430,409
2038	429,986
2039	297,621
2040	275,529
2041	366,705
2042	259,887
2043	240,595
2044	313,717
2045	259,311
2046	282,455
2047	262,413
2048	242,410
2049	148,521
2050	127,495
2051	113,766
2052	113,765
2053	113,945
2054	114,140
2055	47,728
2056	47,933
Total	$13,295,944

(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. Series 2001C Bonds and a portion of Series 2005A Bonds at an assumed rate of 4.0%, interest paid monthly, calculated on the basis of a 360-day year consisting of twelve 30-day months.

(3) Debt service has not been reduced to reflect expected receipt of Build America Bond interest subsidies relating to certain Outstanding Bonds; such subsidies do not constitute pledged revenues under the MTA Bridges and Tunnels Senior Resolution.

Sources of Payment

MTA Bridges and Tunnels generates its revenues from all tolls, revenues, rates, fees, charges, rents, and proceeds of use and occupancy insurance on any portion of its tunnels, bridges and other facilities, including the net revenues of the Battery Parking Garage, and of any other insurance which insures against loss of revenues therefrom payable to or for the account of MTA Bridges and Tunnels, and MTA Bridges and Tunnels' receipts from those sources, after payment of MTA Bridges and Tunnels' operating expenses, are pledged to the holders of the MTA Bridges and Tunnels Senior Revenue Bonds for payment, as described below.

MTA Bridges and Tunnels is required to fix and collect tolls for the MTA Bridges and Tunnels Facilities, and MTA Bridges and Tunnels' power to establish toll rates is not subject to the approval of any governmental entity. For more information relating to MTA Bridges and Tunnels' power to establish tolls, see "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE – Toll Rates".

MTA Bridges and Tunnels Senior Table 2 sets forth, by MTA Bridges and Tunnels facility, the amount of revenues for each of the last five years, as well as operating expenses. The audited financial statements for MTA and MTA Bridges and Tunnels for the years 2021 and 2020 covered by **MTA Bridges and Tunnels Senior Table 2** are included herein by specific cross-reference and should be read in connection with this information. The information in **MTA Bridges and Tunnels Senior Table 2** may not be indicative of future results of operations and financial condition. The information contained in the table has been prepared by MTA management based upon the historical financial statements and notes.

MTA Bridges and Tunnels Senior Table 2
Historical Revenues, Operating Expenses and Senior Lien Debt Service
($ in thousands)

Bridge and Tunnel Revenues:	2017	2018	2019	2020	2021
Robert F. Kennedy Bridge	$437,735	$449,086	$463,134	$355,004	$466,908
Verrazzano-Narrows Bridge	416,312	434,963	453,343	386,978	515,132
Bronx Whitestone Bridge	327,812	334,325	352,093	282,204	379,286
Throgs Neck Bridge	345,556	345,992	356,078	293,274	348,927
Henry Hudson Bridge	84,479	84,422	88,568	59,958	91,874
Marine Parkway Gil Hodges Memorial Bridge	18,182	17,526	18,507	16,560	20,381
Cross Bay Veterans' Memorial Bridge	18,662	18,647	19,543	17,741	21,392
Queens Midtown Tunnel	157,443	175,919	198,866	134,251	192,306
Hugh L. Carey Tunnel	105,677	114,783	121,279	93,783	133,671
Total Bridge and Tunnel Revenues:	$1,911,858	$1,975,663	$2,071,411	$1,639,753	$2,169,877
Investment Income and Other[1]	23,425	30,106	31,921	22,716	24,726
Total Revenues	**$1,935,283**	**$2,005,769**	**$2,103,332**	**$1,662,469**	**$2,194,603**
Operating Expenses[2]					
Personnel Costs	$254,621	$275,410	$286,792	$254,547	$234,823
Maintenance and Other Operating Expenses	241,838	256,210	257,028	212,188	227,203
Total Operating Expenses	**$496,459**	**$531,620**	**$543,820**	**$466,735**	**$462,026**
Net Revenues Available for Debt Service[3]	**$1,438,824**	**$1,474,149**	**$1,559,512**	**$1,195,734**	**$1,732,577**
MTA Bridges and Tunnels Senior Lien Debt Service[3]	**$528,327**	**$551,552**	**$558,253**	**$564,261**	**$586,373**
Senior Lien Coverage	**2.72x**	**2.67x**	**2.79x**	**2.12x**	**2.95x**

(1) Includes the net revenues from the Battery Parking Garage, as well as E-ZPass administrative fees and miscellaneous other revenues. Investment earnings include interest earned on bond funds, including debt service funds that were applied to the payment of debt service as follows for the years 2017 through 2021, respectively (in thousands); $1,824, $3,582, $4,793, $970 and $116. The amounts set forth in this footnote are derived from MTA Bridges and Tunnels' audited financial statements for the years 2017 through 2021.

(2) Excludes depreciation, other post-employment benefits other than pensions and asset impairment due to Superstorm Sandy.

(3) Net of Build America Bond interest subsidies of, $8.1 million in 2017, $8.5 million in 2018, $8.4 million in 2019, $8.6 million in 2020 and $8.5 million in 2021.

The following should be noted in **MTA Bridges and Tunnels Senior Table 2**:

- Bridge and Tunnel Revenues – Traffic in 2021 increased compared to 2020, the height of the COVID-19 pandemic. Vehicle crossings were 307.3 million, an increase of 21.4% from 2020. In addition to the traffic recovery from the prior year, a toll increase was implemented in April 2021.

- Operating Expenses - Personnel Costs – In 2017, the increase was primarily due to wage and fringe benefits inflation for both contractually represented and non-represented employees. The increase in 2018 was mainly due to the recent changes to accounting for Other Post Employment Benefit ("OPEB") plans under GASB 75, a new accounting standard. The increase in 2019 was primarily due to an increase in retirement and other employee benefits. The decrease in 2020 was primarily due to a decrease in salaries and benefits and other post-employment benefits. The decrease in 2021 was also primarily due to a decrease in salaries and benefits and other post-employment benefits as a result of lower headcount.

- Operating Expenses - Maintenance and Other Operating Expenses – In 2017, most of the increase in non-labor expenses was due to implementation costs for Cashless Tolling and back-office costs for administering the Tolls by Mail program. In 2018, the increase in non-labor expenses was mainly due to higher costs relating to a full year of Cashless Tolling and additional major maintenance projects. In 2019, there was a slight increase in non-labor expenses mainly due to higher credit card fees associated with the toll increase implemented on March 31, 2019 and general inflationary adjustments across a variety of areas. The decrease in 2020 is mainly due to lower major maintenance and bridge painting costs, lower legal expense and lower credit card fees. The increase in 2021 is mainly due to higher legal expenses, credit card fees and insurance, offset by lower major maintenance and bridge painting costs.

Security

MTA Bridges and Tunnels Senior Revenue Bonds are general obligations of MTA Bridges and Tunnels payable solely from the trust estate (described below) pledged for the payment of the Bonds and Parity Debt pursuant to the terms of the MTA Bridges and Tunnels Senior Resolution, after the payment of Operating Expenses.

Summaries of certain provisions of the MTA Bridges and Tunnels Senior Resolution, including certain defined terms used therein, have been filed with the MSRB through EMMA, all of which are incorporated by specific cross-reference herein. In addition, for convenience, copies of the summaries can be obtained at no cost on MTA's investor website under "Debt Portfolio Information –Bond Resolutions and Interagency Agreements" at https://new.mta.info/investors.

Capitalized terms used under this caption "MTA BRIDGES AND TUNNELS SENIOR REVENUE BONDS" not otherwise defined herein have the meanings set forth in the MTA Bridges and Tunnels Senior Resolution, except that the term "MTA Bridges and Tunnels" is used herein in place of the defined term "TBTA". So, for example, the term "MTA Bridges and Tunnels Facilities" as used herein is referred to in the MTA Bridges and Tunnels Senior Resolution and in the summaries thereof as "TBTA Facilities".

MTA Bridges and Tunnels Senior Revenue Bonds are not a debt of the State or the City, or any other local governmental unit. MTA Bridges and Tunnels has no taxing power.

Pledge Effected by the MTA Bridges and Tunnels Senior Resolution

The Bonds and Parity Debt issued in accordance with the MTA Bridges and Tunnels Senior Resolution are secured by a net pledge of Revenues after the payment of Operating Expenses.

Pursuant to, and in accordance with, the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels has pledged to the holders of the MTA Bridges and Tunnels Senior Revenue Bonds a "trust estate", which consists of:

- Revenues;

- the proceeds from the sale of the MTA Bridges and Tunnels Senior Revenue Bonds; and

- all funds, accounts and subaccounts established by the MTA Bridges and Tunnels Senior Resolution (except those established pursuant to a related supplemental resolution, and excluded by such supplemental resolution from the Trust Estate as security for all MTA Bridges and Tunnels Senior Revenue Bonds in connection with variable interest rate obligations, put obligations, parity debt, subordinated contract obligations or subordinated debt).

Revenues and Additional MTA Bridges and Tunnels Projects

Revenues from MTA Bridges and Tunnels Facilities. For purposes of the pledge under the MTA Bridges and Tunnels Senior Resolution, Revenues of MTA Bridges and Tunnels generally include all tolls, revenues, rates, fees, charges, rents, proceeds of use and occupancy insurance on any portion of the MTA Bridges and Tunnels Facilities (including net revenues derived from the Battery Parking Garage) and of any other insurance which insures against loss of revenues therefrom payable to or for the account of MTA Bridges and Tunnels, and other income and receipts, as received by MTA Bridges and Tunnels directly or indirectly from any of MTA Bridges and Tunnels' operations, including the ownership or operation of any MTA Bridges and Tunnels Facilities, subject to certain exceptions.

MTA Bridges and Tunnels does not currently derive any significant recurring Revenues from any sources other than the MTA Bridges and Tunnels Facilities and investment income. Income from capital projects for the Transit and Commuter Systems, MTA Bus and MTA Staten Island Railway financed by MTA Bridges and Tunnels is not derived by or for the account of MTA Bridges and Tunnels; consequently, no revenues from any portion of the capital projects for the Transit and Commuter Systems, MTA Bus and MTA Staten Island Railway financed by MTA Bridges and Tunnels are pledged to the payment of debt service on the MTA Bridges and Tunnels Senior Revenue Bonds.

CBD Tolling Capital Lockbox Fund. Moneys deposited into the CBD Tolling Capital Lockbox Fund include tolls from the CBD Tolling Program (anticipated beginning in the fourth quarter of 2023), certain State and City sales taxes and the Mansion Tax. Except as permitted for operating purposes during 2020 and 2021 due to the COVID-19 pandemic, such moneys are required to be applied to CBD Tolling Program operating and infrastructure costs and capital projects in the 2020-2024 and later MTA Capital Programs. The CBD Tolling Program is an MTA Bridges and Tunnel project for which revenues generated by the MTA Bridges and Tunnels Facilities may be spent, but it is not currently an Additional MTA Bridges and Tunnel Facility for which proceeds of bonds issued under the MTA Bridges and Tunnels Senior or Subordinate Resolution may be spent.

Additional MTA Bridges and Tunnels Projects That Can Become MTA Bridges and Tunnels Facilities. If MTA Bridges and Tunnels is authorized to undertake another project, whether a bridge or tunnel or the CBD Tolling Program, that project can become an MTA Bridges and Tunnels Facility for purposes of the MTA Bridges and Tunnels Senior Resolution if it is designated as such by MTA Bridges and Tunnels and it satisfies certain conditions more fully described under "SUMMARY OF CERTAIN PROVISIONS OF THE TBTA RESOLUTION – Additional TBTA Facilities" in the summaries of documents.

Flow of Revenues

The MTA Bridges and Tunnels Senior Resolution establishes the following funds and accounts, each held by MTA Bridges and Tunnels:

- Revenue Fund;
- Proceeds Fund;
- Debt Service Fund; and
- General Fund.

Under the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels is required to pay into the Revenue Fund all Revenues as and when received and available for deposit.

MTA Bridges and Tunnels is required to pay out from the Revenue Fund, on or before the 25th day of each calendar month, the following amounts in the following order of priority:

- payment of reasonable and necessary Operating Expenses or accumulation in the Revenue Fund as a reserve (1) for working capital, (2) for such Operating Expenses the payment of which is not immediately required, including amounts determined by MTA Bridges and Tunnels to be required as an operating reserve, or (3) deemed necessary or desirable by MTA Bridges and Tunnels to comply with orders or rulings of an agency or regulatory body having lawful jurisdiction;

- transfer to the Debt Service Fund, the amount, if any, required so that the balance in the fund is equal to Accrued Debt Service to the last day of the current calendar month; provided, however, that in no event shall the amount to be so transferred be less than the amount required for all payment dates occurring prior to the 25th day of the next succeeding calendar month;
- transfer to another person for payment of, or accrual for payment of, principal of and interest on any Subordinated Indebtedness or for payment of amounts due under any Subordinated Contract Obligations; and
- transfer to the General Fund any remaining amount.

All amounts paid out by MTA Bridges and Tunnels for an authorized purpose (excluding transfers to any other pledged Fund or Account), or withdrawn from the General Fund in accordance with the MTA Bridges and Tunnels Senior Resolution, are free and clear of the lien and pledge created by the MTA Bridges and Tunnels Senior Resolution.

Under the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels is required to use amounts in the General Fund to make up deficiencies in the Debt Service Fund and the Revenue Fund, in that order. Subject to the preceding sentence and any lien or pledge securing Subordinated Indebtedness, the MTA Bridges and Tunnels Senior Resolution authorizes MTA Bridges and Tunnels to release amounts in the General Fund to be paid to MTA Bridges and Tunnels free and clear of the lien and pledge created by the MTA Bridges and Tunnels Senior Resolution.

MTA Bridges and Tunnels is required by law to transfer amounts released from the General Fund to MTA as operating surplus, and a statutory formula determines how MTA allocates that money between the Transit and Commuter Systems.

Rate Covenant

Under the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels is required at all times to establish, levy, maintain and collect, or cause to be established, levied, maintained and collected, such tolls, rentals and other charges in connection with the MTA Bridges and Tunnels Facilities as shall always be sufficient, together with other money available therefor (including the anticipated receipt of proceeds of the sale of Obligations or other bonds, notes or evidences of indebtedness of MTA Bridges and Tunnels that will be used to pay the principal of Obligations issued in anticipation of such receipt, *but not including* any anticipated or actual proceeds from the sale of MTA Bridges and Tunnels Facilities), to equal or exceed in each calendar year *the greater of*:

- an amount equal to the sum of amounts necessary in such calendar year:
  - to pay all Operating Expenses of MTA Bridges and Tunnels, plus
  - to pay Calculated Debt Service, as well as the debt service on all Subordinated Indebtedness and all Subordinated Contract Obligations, plus
  - to maintain any reserve established by MTA Bridges and Tunnels pursuant to the MTA Bridges and Tunnels Senior Resolution, in such amount as may be determined from time to time by MTA Bridges and Tunnels in its judgment, or
- an amount such that Revenues less Operating Expenses shall equal at least 1.25 times Calculated Debt Service on all senior lien Bonds for such calendar year.

For a more complete description of the rate covenant and a description of the minimum tolls that can be charged at the MTA Bridges and Tunnels Facilities, see "SUMMARY OF CERTAIN PROVISIONS OF THE TBTA RESOLUTION – Rates and Fees" in the summaries of documents.

Additional Bonds

Under the provisions of the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels may issue one or more series of Additional Bonds on a parity with the outstanding MTA Bridges and Tunnels Senior Revenue Bonds to provide for Capital Costs.

Certain Additional Bonds for MTA Bridges and Tunnels Facilities. MTA Bridges and Tunnels may issue Additional Bonds without satisfying any earnings or coverage test for the purpose of providing for Capital Costs relating to MTA Bridges and Tunnels Facilities for the purpose of keeping such MTA Bridges and Tunnels Facilities in good operating condition or preventing a loss of Revenues or Revenues after payment of Operating Expenses derived from such MTA Bridges and Tunnels Facilities.

Additional Bonds for Other Purposes. MTA Bridges and Tunnels may issue Additional Bonds to pay or provide for the payment of all or part of Capital Costs (including payment when due on any obligation of MTA Bridges and Tunnels or any other Related Entity) relating to any of the following purposes:

- capital projects of the Transit and Commuter Systems, MTA Bus and MTA Staten Island Railway;
- any Additional MTA Bridges and Tunnels Project (that does not become an MTA Bridges and Tunnels Facility); or
- any MTA Bridges and Tunnels Facilities other than for the purposes set forth in the preceding paragraph.

In the case of Additional Bonds issued other than for the improvement, reconstruction or rehabilitation of MTA Bridges and Tunnels Facilities as described under the preceding heading, in addition to meeting certain other conditions, all as more fully described in "SUMMARY OF CERTAIN PROVISIONS OF THE TBTA RESOLUTION – Special Provisions for Capital Cost Obligations" in the summaries of documents, an Authorized Officer must certify that the historical Twelve Month Period Net Revenues are at least equal to 1.40 times the Maximum Annual Calculated Debt Service on all MTA Bridges and Tunnels Senior Revenue Bonds, including debt service on the MTA Bridges and Tunnels Senior Revenue Bonds to be issued.

Refunding Bonds

MTA Bridges and Tunnels Senior Revenue Bonds may be issued for the purpose of refunding MTA Bridges and Tunnels Senior Revenue Bonds or Parity Debt if (a) the Maximum Annual Calculated Debt Service (including the refunding MTA Bridges and Tunnels Senior Revenue Bonds then proposed to be issued but not including the MTA Bridges and Tunnels Senior Revenue Bonds to be refunded) is equal to or less than the Maximum Annual Calculated Debt Service on the MTA Bridges and Tunnels Senior Revenue Bonds as calculated immediately prior to the refunding (including the refunded MTA Bridges and Tunnels Senior Revenue Bonds but not including the refunding MTA Bridges and Tunnels Senior Revenue Bonds) or (b) the conditions referred to above under Additional Bonds for the category of MTA Bridges and Tunnels Senior Revenue Bonds being refunded are satisfied.

For a more complete description of the conditions that must be satisfied before issuing refunding Bonds, see "SUMMARY OF CERTAIN PROVISIONS OF THE TBTA RESOLUTION – Refunding Obligations" in the summaries of documents.

Parity Debt

MTA Bridges and Tunnels may incur Parity Debt pursuant to the terms of the MTA Bridges and Tunnels Senior 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 MTA Bridges and Tunnels Senior Resolution with respect to MTA Bridges and Tunnels Senior Revenue Bonds. Parity Debt may be incurred in the form of a Parity Reimbursement Obligation, a Parity Swap Obligation or any other contract, agreement or other obligation of MTA Bridges and Tunnels designated as constituting "Parity Debt" in a certificate of an Authorized Officer delivered to the Trustee.

Subordinate Obligations

The MTA Bridges and Tunnels Senior Resolution authorizes the issuance or incurrence of subordinate obligations. See "MTA BRIDGES AND TUNNELS SUBORDINATE REVENUE BONDS" below.

MTA BRIDGES AND TUNNELS SUBORDINATE REVENUE BONDS

There is $795,520,000 aggregate principal amount of outstanding MTA Bridges and Tunnels Subordinate Revenue Bonds as of April 29, 2022. The following **MTA Bridges and Tunnels Subordinate Table 1** sets forth, on a cash basis, the debt service thereon and on the MTA Bridges and Tunnels Senior Revenue Bonds as of April 29, 2022.

MTA Bridges and Tunnels Subordinate Table 1
Aggregate Senior and Subordinate Debt Service[(1)]
($ in thousands)

Year Ending December 31	MTA Bridges and Tunnels Senior Revenue Bonds Debt Service[(2)(3)]	MTA Bridges and Tunnels Subordinate Revenue Bonds Debt Service	MTA Bridges and Tunnels Aggregate Debt Service[(2)(3)]
2022	$554,017	$103,148	$657,165
2023	622,245	104,445	726,689
2024	642,719	93,656	736,375
2025	640,353	94,084	734,436
2026	655,247	75,670	730,916
2027	654,204	75,952	730,155
2028	661,580	76,146	737,726
2029	663,140	76,198	739,338
2030	656,539	76,408	732,947
2031	664,504	75,713	740,216
2032	706,678	62,484	769,162
2033	417,272	-	417,272
2034	415,655	-	415,655
2035	423,237	-	423,237
2036	430,225	-	430,225
2037	430,409	-	430,409
2038	429,986	-	429,986
2039	297,621	-	297,621
2040	275,529	-	275,529
2041	366,705	-	366,705
2042	259,887	-	259,887
2043	240,595	-	240,595
2044	313,717	-	313,717
2045	259,311	-	259,311
2046	282,455	-	282,455
2047	262,413	-	262,413
2048	242,410	-	242,410
2049	148,521	-	148,521
2050	127,495	-	127,495
2051	113,766	-	113,766
2052	113,765	-	113,765
2053	113,945	-	113,945
2054	114,140	-	114,140
2055	47,728	-	47,728
2056	47,933	-	47,933
Total	$13,295,944	$913,901	$14,209,845

(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, MTA Bridges and Tunnels Senior Revenue Bonds, Series 2001C and a portion of MTA Bridges and Tunnels Senior Revenue Bonds, Series 2005A at an assumed rate of 4.0%; interest paid monthly, calculated on the basis of a 360-day year consisting of twelve 30-day months.

(3) Debt service has not been reduced to reflect expected receipt of Build America Bond interest subsidies relating to certain Outstanding Bonds; such subsidies do not constitute pledged revenues under the MTA Bridges and Tunnels Senior Resolution.

Sources of Payment

The revenues that are pledged to pay the MTA Bridges and Tunnels Subordinate Revenue Bonds are the same as the revenues that are pledged to pay the MTA Bridges and Tunnels Senior Revenue Bonds. See "MTA BRIDGES AND TUNNELS SENIOR REVENUE BONDS – Sources of Payment" above.

MTA Bridges and Tunnels Subordinate Table 2 sets forth, by MTA Bridges and Tunnels facility, the amount of revenues for each of the last five years, as well as operating expenses. The audited financial statements for MTA and MTA Bridges and Tunnels for 2021 and 2020 covered by **MTA Bridges and Tunnels Subordinate Table 2** are included herein by specific cross-reference and should be read in connection with this information. This information in **MTA Bridges and Tunnels Subordinate Table 2** may not be indicative of future results of operations and financial condition. The information contained in the table has been prepared by MTA management based upon the historical financial statements and notes.

MTA Bridges and Tunnels Subordinate Table 2
Historical Revenues, Operating Expenses and Senior and Subordinate Debt Service
(in thousands)

Bridge and Tunnel Revenues:	2017	2018	2019	2020	2021
Robert F. Kennedy Bridge	$ 437,735	$ 449,086	$ 463,134	$ 355,004	$ 466,908
Verrazzano-Narrows Bridge	416,312	434,963	453,434	386,978	515,132
Bronx-Whitestone Bridge	327,812	334,325	352,093	282,204	379,286
Throgs Neck Bridge	345,556	345,992	356,078	293,274	348,927
Henry Hudson Bridge	84,479	84,422	88,568	59,958	91,874
Marine Parkway Gil Hodges Memorial Bridge	18,182	17,526	18,507	16,560	20,381
Cross Bay Veterans' Memorial Bridge	18,662	18,647	19,543	17,741	21,392
Queens Midtown Tunnel	157,443	175,919	198,866	134,251	192,306
Hugh L. Carey Tunnel	105,677	114,783	121,279	93,783	133,671
Total Bridge and Tunnel Revenues:	$ 1,911,858	$ 1,975,663	$ 2,071,411	$ 1,639,753	$ 2,169,877
Investment Income and Other(1)	23,425	30,106	31,921	22,716	24,726
Total Revenues	**$ 1,935,283**	**$ 2,005,769**	**$ 2,103,332**	**$ 1,662,469**	**$ 2,194,603**
Operating Expenses(2)					
Personnel Costs	$ 254,621	$ 275,410	$ 286,792	$ 254,547	$ 234,823
Maintenance and Other Operating Expenses	241,838	256,210	257,028	212,188	227,203
Total Operating Expenses	**$ 496,459**	**$ 531,620**	**$ 543,820**	**$ 466,735**	**$ 462,026**
Net Revenues Available for Debt Service(3)	**$ 1,438,824**	**$ 1,474,149**	**$ 1,559,512**	**$ 1,195,734**	**$ 1,732,577**
MTA Bridges and Tunnels Senior Lien Debt Service(3)	**$ 528,327**	**$ 551,552**	**$ 558,253**	**$ 564,261**	**$ 586,373**
Subordinate Bond Fund Investment Earnings	**$ 412**	**$ 819**	**$ 938**	**$ 165**	**$ 14**
Net Revenues Available for Subordinate Debt Service	**$ 910,909**	**$ 923,416**	**$ 1,002,197**	**$ 631,638**	**$ 1,146,204**
Debt Service on Subordinate Revenue Bonds	**$ 125,384**	**$ 120,076**	**$ 102,721**	**$ 102,234**	**$ 102,115**
Total Debt Service (Senior and Subordinate)	**$ 653,711**	**$ 671,628**	**$ 660,974**	**$ 666,495**	**$ 688,488**
Combined Debt Service Coverage Ratio	**2.20x**	**2.19x**	**2.36x**	**1.79x**	**2.52x**

(1) Includes the net revenues from the Battery Parking Garage, as well as E-ZPass administrative fees and miscellaneous other revenues. Investment earnings include interest earned on bond funds, including debt service funds that were applied to the payment of debt service as follows for the years 2017 through 2021, respectively (in thousands); $1,824, $3,582, $4,793, $970 and $116. The amounts set forth in this footnote are derived from MTA Bridges and Tunnels' audited financial statements for the years 2017 through 2021.
(2) Excludes depreciation, other post-employment benefits other than pensions and asset impairment due to Superstorm Sandy.
(3) Net of Build America Bond interest subsidies of $8.1 million in 2017, $8.5 million in 2018, $8.4 million in 2019, $8.6 million in 2020 and $8.5 million in 2021.

The following should be noted in **MTA Bridges and Tunnels Subordinate Table 2**:

- Bridge and Tunnel Revenues – Traffic in 2021 increased compared to the height of the COVID-19 pandemic in 2020. Vehicle crossings were 307.3 million, an increase of 21.4% from 2020. In addition to the traffic recovery from the prior year, a toll increase was implemented in April 2021.

- Operating Expenses - Personnel Costs – In 2017, the increase was primarily due to wage and fringe benefits inflation for both contractually represented and non-represented employees. The increase in 2018 was mainly due to the recent changes to accounting for OPEB plans under GASB 75, a new accounting standard. The increase in 2019 was primarily due to an increase in retirement and other employee benefits. The decrease in 2020 was primarily due to a decrease in salaries and benefits and other post-employment benefits. The decrease in 2021 was also primarily due to a decrease in salaries and benefits and other post-employment benefits as a result of lower headcount.

- Operating Expenses - Maintenance and Other Operating Expenses – In 2017, most of the increase in non-labor expenses was due to implementation costs for Cashless Tolling and back-office costs for administering the Tolls by Mail program. In 2018, the increase in non-labor expenses was mainly due to higher costs relating to a full year of Cashless Tolling and additional major maintenance projects. In 2019, there was a slight increase in non-labor expenses mainly due to higher credit card fees associated with the toll increase implemented on March 31, 2019 and general inflationary adjustments across a variety of areas. The decrease in 2020 is mainly due to lower major maintenance and bridge painting costs, lower legal expense and lower credit card fees. The increase in 2021 is mainly due to higher legal expenses, credit card fees and insurance, offset by lower major maintenance and bridge painting costs.

Security

MTA Bridges and Tunnels Subordinate Revenue Bonds are special obligations of MTA Bridges and Tunnels payable solely from the trust estate (described below) pledged for the payment of the MTA Bridges and Tunnels Subordinate Revenue Bonds and subordinate parity debt pursuant to the terms of the MTA Bridges and Tunnels Subordinate Resolution, after the payment of Operating Expenses and after payment of debt service as required by the MTA Bridges and Tunnels Senior Resolution.

Summaries of certain provisions of the MTA Bridges and Tunnels Subordinate Resolution, including certain defined terms used therein, have been filed with the MSRB through EMMA, all of which are incorporated by specific cross-reference herein. In addition, for convenience, copies of the summaries and the Interagency Agreement can be obtained at no cost on MTA's investor website under "Debt Portfolio Information –Bond Resolutions and Interagency Agreements" at https://new.mta.info/investors.

Capitalized terms used under this caption "MTA BRIDGES AND TUNNELS SUBORDINATE REVENUE BONDS" not otherwise defined herein have the meanings set forth in the MTA Bridges and Tunnels Subordinate Resolution, except that the term "MTA Bridges and Tunnels" is used herein in place of the defined term "TBTA". So, for example, the term "MTA Bridges and Tunnels Facilities" as used herein is referred to in the MTA Bridges and Tunnels Subordinate Resolution and in the summaries thereof as "TBTA Facilities".

MTA Bridges and Tunnels Subordinate Revenue Bonds are not a debt of the State or the City or any local governmental unit. MTA Bridges and Tunnels has no taxing power.

Pledge Effected by the MTA Bridges and Tunnels Subordinate Resolution

The lien on the trust estate described below created by the MTA Bridges and Tunnels Subordinate Resolution is subordinate to the lien created by the MTA Bridges and Tunnels Senior Resolution.

Pursuant to, and in accordance with, the MTA Bridges and Tunnels Subordinate Resolution, MTA Bridges and Tunnels has pledged to the holders of the MTA Bridges and Tunnels Subordinate Revenue Bonds a "trust estate", which consists of:

- Revenues (after the application of those Revenues as required by the MTA Bridges and Tunnels Senior Resolution, including the payment of Operating Expenses and MTA Bridges and Tunnels Senior Resolution debt service);
- the proceeds from the sale of the MTA Bridges and Tunnels Subordinate Revenue Bonds; and
- all funds, accounts and subaccounts established by the MTA Bridges and Tunnels Subordinate Resolution (except those established pursuant to a related supplemental resolution, and excluded by such supplemental resolution from the Trust Estate as security for all MTA Bridges and Tunnels Subordinate Revenue Bonds in connection with variable interest rate obligations, put obligations, parity debt, subordinated contract obligations or subordinated debt).

Revenues and Additional Subordinate MTA Bridges and Tunnels Projects

Revenues from MTA Bridges and Tunnels Facilities. MTA Bridges and Tunnels does not currently derive any significant recurring Revenues from any sources other than the MTA Bridges and Tunnels Facilities and investment income. Income from capital projects for the Transit and Commuter Systems, MTA Bus and MTA Staten Island Railway financed by MTA Bridges and Tunnels is not derived by or for the account of MTA Bridges and Tunnels; consequently, no revenues from any portion of the capital projects for the Transit and Commuter Systems, MTA Bus and MTA Staten Island Railway financed by MTA Bridges and Tunnels are pledged to the payment of debt service on the MTA Bridges and Tunnels Subordinate Revenue Bonds.

For a discussion of other projects that MTA Bridges and Tunnels is authorized to undertake, see "TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY – Authorized Projects of MTA Bridges and Tunnels".

Additional Subordinate MTA Bridges and Tunnels Projects. One or more projects owned or to be owned by MTA Bridges and Tunnels or another Related Entity may become an Additional Subordinate MTA Bridges and Tunnels Project without satisfying any earnings or coverage test if MTA Bridges and Tunnels is authorized to undertake that project, including the CBD Tolling Program, and the project is designated by MTA Bridges and Tunnels to be an Additional Subordinate MTA Bridges and Tunnels Project.

Upon satisfaction of certain conditions, MTA Bridges and Tunnels is authorized to issue Subordinate Revenue Bonds to fund the Capital Costs of Additional Subordinate MTA Bridges and Tunnels Projects. See "—Additional Subordinate Revenue Bonds" below.

Flow of Revenues

The MTA Bridges and Tunnels Subordinate Resolution establishes the following funds and accounts, each held by MTA Bridges and Tunnels:

- Proceeds Fund; and
- Debt Service Fund.

MTA Bridges and Tunnels is required to transfer to the Debt Service Fund under the MTA Bridges and Tunnels Subordinate Resolution, from time to time, but no less frequently than on or before the 25th day of each calendar month, from amounts as shall from time to time be available for transfer from the Revenue Fund under the MTA Bridges and Tunnels Senior Resolution, free and clear of the lien of the MTA Bridges and Tunnels Senior Resolution, the amount, if any, required so that the balance in the fund is equal to Accrued Debt Service to the last day of the current calendar month; provided, however, that in no event shall the amount to be so transferred be less than the amount required for all payment dates occurring prior to the 25th day of the next succeeding calendar month.

Rate Covenant

MTA Bridges and Tunnels is required at all times to establish, levy, maintain and collect, or cause to be established, levied, maintained and collected, such tolls, rentals and other charges in connection with the MTA Bridges and Tunnels Facilities as shall always be sufficient, together with other money available therefor (including the anticipated receipt of proceeds of the sale of Obligations or other bonds, notes or other obligations or evidences of indebtedness of MTA Bridges and Tunnels that will be used to pay the principal of Obligations issued in anticipation of such receipt, but not including any anticipated or actual proceeds from the sale of MTA Bridges and Tunnels Facilities), to equal or exceed in each calendar year the greater of:

- an amount equal to the sum of amounts necessary in that calendar year:
    - to pay all Operating Expenses of MTA Bridges and Tunnels, plus
    - to pay Calculated Debt Service on all senior lien and subordinate lien bonds and parity debt, plus
    - to maintain any reserve established by MTA Bridges and Tunnels pursuant to the MTA Bridges and Tunnels Senior Resolution, in such amount as may be determined from time to time by MTA Bridges and Tunnels in its judgment, or
- an amount such that Revenues less Operating Expenses shall equal at least 1.10 times Calculated Debt Service on all senior lien and subordinate lien bonds and parity debt for such calendar year.

For a more complete description of the rate covenant and a description of the minimum tolls that can be charged at the MTA Bridges and Tunnels Facilities, see "SUMMARY OF CERTAIN PROVISIONS OF THE TBTA RESOLUTION – Rates and Fees" and "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE REVENUE RESOLUTION — Additional Provisions Relating to the Series 2002D and Series 2002E Bonds—*Rate Covenant*" in the summaries of documents.

Additional Subordinate Revenue Bonds

Under the provisions of the MTA Bridges and Tunnels Subordinate Resolution, MTA Bridges and Tunnels may issue one or more series of Additional Subordinate Revenue Bonds to pay or provide for the payment of all or part of Capital Costs relating to any of the following purposes:

- MTA Bridges and Tunnels Facilities;
- capital projects of the Transit and Commuter Systems, MTA Bus and MTA Staten Island Railway; or
- any Additional Subordinate MTA Bridges and Tunnels Project.

In addition to meeting certain other conditions, all as more fully described in "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE REVENUE RESOLUTION – Special Provisions for Capital Cost Obligations" in the summaries of documents, an Authorized Officer must certify that the historical Twelve Month Period Net Revenues are at least equal to 1.10 times the Combined Maximum Annual Calculated Debt Service for all MTA Bridges and Tunnels Subordinate Revenue Obligations, subordinate parity debt, MTA Bridges and Tunnels Senior Obligations and senior parity debt.

In addition, MTA Bridges and Tunnels covenants that, prior to the issuance of MTA Bridges and Tunnels Senior Revenue Bonds, an Authorized Officer must certify that the historical Twelve Month Period Net Revenues are at least equal to 1.10 times the Combined Maximum Annual Calculated Debt Service for all MTA Bridges and Tunnels Subordinate Revenue Obligations, subordinate parity debt, MTA Bridges and Tunnels Senior Obligations and senior parity debt. See "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE REVENUE RESOLUTION — Additional Provisions Relating to the Series 2002D and Series 2002E Bonds—*Covenant Regarding Senior Resolution*" in the summaries of documents.

Refunding Subordinate Revenue Bonds

MTA Bridges and Tunnels Subordinate Revenue Bonds may be issued for the purpose of refunding MTA Bridges and Tunnels Subordinate Revenue Bonds, subordinate parity debt, MTA Bridges and Tunnels Senior Revenue Bonds or senior parity debt if:

- the Combined Maximum Annual Calculated Debt Service (including the refunding MTA Bridges and Tunnels Subordinate Revenue Bonds then proposed to be issued, but not including the MTA Bridges and Tunnels Subordinate Revenue Bonds, subordinate parity debt, MTA Bridges and Tunnels Senior Revenue Bonds or senior parity debt to be refunded) is equal to or less than the Combined Maximum Annual Calculated Debt Service as calculated immediately prior to the refunding (including the refunded MTA Bridges and Tunnels Subordinate Revenue Bonds, subordinate parity debt, MTA Bridges and Tunnels Senior Revenue Bonds or senior parity debt, but not including the refunding MTA Bridges and Tunnels Subordinate Revenue Bonds), or
- the conditions referred to above under "— Additional Subordinate Revenue Bonds" are satisfied.

For a more complete description of the conditions that must be satisfied before issuing refunding MTA Bridges and Tunnels Subordinate Revenue Bonds, see "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATE RESOLUTION – Refunding Subordinate Revenue Obligations" in the summaries of documents.

Subordinate Parity Debt

MTA Bridges and Tunnels may incur subordinate parity debt pursuant to the terms of the MTA Bridges and Tunnels Subordinate 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 MTA Bridges and Tunnels Subordinate Resolution with respect to MTA Bridges and Tunnels Subordinate Revenue Bonds. Such subordinate 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 Bridges and Tunnels designated as constituting "Parity Debt" under the MTA Bridges and Tunnels Subordinate Resolution in a certificate of an Authorized Officer delivered to the Trustee.

SECOND SUBORDINATE REVENUE BOND ANTICIPATION NOTES (CBDTP)

The Central Business District Tolling Program ("CBD Tolling Program" or "CBDTP") was established pursuant to legislation, known as the MTA Reform and Traffic Mobility Act (the "Traffic Mobility Act"), as part of the State budget for Fiscal Year 2019-2020, adopted on April 1, 2019. Pursuant to Public Authorities Law section 553-J that was created by the Traffic Mobility Act, monies in the Central Business District Tolling Capital Lockbox Fund can be used to pay expenses of the Authority "including the planning, designing, constructing, installing or maintaining of the central business district tolling program, including, without limitation, the central business district tolling infrastructure, the central business district tolling collection system and the central business district tolling customer service center". See "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE – Central Business District Tolling Program". Monies deposited into this fund from the operations of the CBDTP are expected to be sufficient to reimburse any capital outlays by MTA Bridges and Tunnels, adjusted for any alternative reimbursements, if any, for the successful implementation of congestion tolling program. It is anticipated that all capital costs for the infrastructure necessary for the operation of the CBDTP will initially be paid from the proceeds of MTA Bridges and Tunnels' Second Subordinate Revenue BAN proceeds.

On February 18, 2021, the MTA Bridges and Tunnels Board authorized the Second Subordinate Revenue Resolution and related documents to fund costs in an amount not to exceed $506 million related to the design, build, and installation of infrastructure, tolling systems and allowable implementation expenses necessary for the operation of CBDTP plus an amount necessary to fund certain financing costs. In June 2021, MTA Bridges and Tunnels issued an initial amount of $192.84 million of Second Subordinate Revenue BANs, Series 2021A (the "Series 2021A BANs") for such purposes.

The Series 2021A BANs are payable upon maturity on November 1, 2025. MTA Bridges and Tunnels expects to reimburse itself from the lockbox amounts sufficient to repay or refinance the Second Subordinate Revenue BANs. As of April 29, 2022, there are $192.8 million of Series 2021A BANs outstanding, and as budgeted in the 2022 February Plan, these Series 2021A BANs are expected to be retired by bonds secured by CBDTP revenues in 2025. Also, as budgeted in the 2022 February Plan, an additional issuance of approximately $258 million of Second Subordinate Revenue BANs is anticipated in 2022.

MTA Bridges and Tunnels Second Subordinate Revenue Bonds, issued under the CBDTP Second Subordinate Resolution will, when and if issued, be payable after the payment of debt service on obligations issued under the existing MTA Bridges and Tunnels Senior Resolution and MTA Bridges and Tunnels Subordinate Resolution. The financing of CBDTP costs is not currently authorized under MTA Bridges and Tunnel's Senior Resolution or under the MTA Bridges and Tunnels Subordinate Resolution. The Series 2021A BANs constitute CBDTP Second Subordinate Obligation Anticipation Notes under the CBDTP Second Subordinate Resolution, and unlike the Bridges and Tunnels Second Subordinate Revenue Bonds, are not secured or payable from the trust estate described below. See " – MTA Capital Program Bonds – *MTA Bridges and Tunnels Second Subordinate Revenue Bond Anticipation Notes (CBDTP)"*.

MTA Bridges and Tunnels Second Subordinate Revenue Bonds are special obligations of MTA Bridges and Tunnels payable solely from the trust estate (described below) pledged for the payment of the Second Subordinate Revenue Bonds, after the payment of Operating Expenses, and payment of debt service as required by the MTA Bridges and Tunnels Senior Resolution and the MTA Bridges and Tunnels Subordinate Resolution. The payment of principal of and interest on the Second Subordinate Revenue Bonds is prior to the payment of termination payments on certain derivatives entered into by MTA Bridges and Tunnels in connection with obligations issued under the MTA Bridges and Tunnels Senior Resolution and the MTA Bridges and Tunnels Subordinate Resolution.

The Series 2021A BANs and the Second Subordinate Revenue Bonds, are not a debt of the State or the City or any local governmental unit. MTA Bridges and Tunnels has no taxing power.

Pledge Effected by the CBDTP Second Subordinate Resolution

The lien on the trust estate described below created by the CBTDP Second Subordinate Resolution is subordinate to the lien created by the MTA Bridges and Tunnels Senior Resolution and the MTA Bridges and Tunnels Subordinate Resolution.

Pursuant to, and in accordance with, the CBDTP Second Subordinate Resolution, MTA Bridges and Tunnels has pledged to the holders of the MTA Bridges and Tunnels Second Subordinate Revenue Bonds a "trust estate", which consists of:

- Revenues (after the application of those Revenues as required by the MTA Bridges and Tunnels Senior Resolution, first to the payment of Operating Expenses, and secondly to MTA Bridges and Tunnels Senior Resolution debt service and MTA Bridges and Tunnels Subordinate Resolution debt service);
- the proceeds from the sale of the Second Subordinate Revenue Bonds; and
- all funds, accounts and subaccounts established by the CBDTP Second Subordinate Resolution (except those established pursuant to a related supplemental resolution, and excluded by such supplemental resolution from the Trust Estate as security for all Second Subordinate Revenue Bonds in connection with variable interest rate obligations, put obligations, parity debt, subordinated contract obligations or subordinated debt).

Revenues and Additional Subordinate MTA Bridges and Tunnels Projects

Revenues from MTA Bridges and Tunnels Facilities. For purposes of the pledge under the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels Subordinate Resolution and CBDTP Second Subordinate Resolution, Revenues of MTA Bridges and Tunnels generally include all tolls, revenues, rates, fees, charges, rents, proceeds of use and occupancy insurance on any portion of the MTA Bridges and Tunnels Facilities (including net revenues derived from the Battery Parking Garage) and of any other insurance which insures against loss of revenues therefrom payable to or for the account of MTA Bridges and Tunnels, and other income and receipts, as received by MTA Bridges and Tunnels directly or indirectly from any of MTA Bridges and Tunnels' operations, including the ownership or operation of any MTA Bridges and Tunnels Facilities, subject to certain exceptions.

MTA Bridges and Tunnels does not currently derive any significant recurring Revenues from any sources other than the MTA Bridges and Tunnels Facilities and investment income. Income from capital projects for the Transit and Commuter Systems, MTA Bus and MTA Staten Island Railway financed by MTA Bridges and Tunnels is not derived by or for the account of MTA Bridges and Tunnels; consequently, no revenues from any portion of the capital projects for the Transit and Commuter Systems, MTA Bus and MTA Staten Island Railway financed by MTA Bridges and Tunnels are pledged to the payment of debt service on the Second Subordinate Revenue Bonds.

For a discussion of other projects that MTA Bridges and Tunnels is authorized to undertake, see "Part 4. OPERATIONS – TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY – Authorized Projects of MTA Bridges and Tunnels".

Flow of Revenues

The CBDTP Second Subordinate Resolution establishes the following funds and accounts, each held by MTA Bridges and Tunnels:

- Proceeds Fund; and
- Debt Service Fund.

Under the CBDTP Second Subordinate Resolution, MTA Bridges and Tunnels is required to transfer to the Debt Service Fund, from time to time, but no less frequently than on or before the 25th day of each calendar month, from amounts as shall from time to time be available for transfer from the Revenue Fund under the MTA Bridges and Tunnels Senior Resolution, free and clear of the lien of the MTA Bridges and Tunnels Senior Resolution and the MTA Bridges and Tunnels Subordinate Resolution, the amount, if any, required so that the balance in the Debt Service Fund is equal to Accrued Debt Service to the last day of the current calendar month; provided, however, that in no event shall the amount to be so transferred be less than the amount required for all payment dates occurring prior to the 25th day of the next succeeding calendar month.

Rate Covenant

The rate covenant contained in MTA Bridges and Tunnels Senior Resolution is incorporated by reference in the CBDTP Second Subordinate Resolution, such that MTA Bridges and Tunnels is required at all times to establish, levy, maintain and collect, or cause to be established, levied, maintained and collected, such tolls, rentals and other charges in connection with the MTA Bridges and Tunnels Facilities as shall always be sufficient, together with other money available therefor (including the anticipated receipt of proceeds of the sale of Obligations or other bonds, notes or other obligations or evidences of indebtedness of MTA Bridges and Tunnels that will be used to pay the principal of

Obligations issued in anticipation of such receipt, but not including any anticipated or actual proceeds from the sale of MTA Bridges and Tunnels Facilities), to equal or exceed in each calendar year the greater of:

- an amount equal to the sum of amounts necessary in that calendar year
    - to pay all Operating Expenses of MTA Bridges and Tunnels, plus
    - to pay Calculated Debt Service on all senior lien, subordinate lien and second subordinate lien bonds and related parity debt, plus
    - to maintain any reserve established by MTA Bridges and Tunnels pursuant to the MTA Bridges and Tunnels Senior Resolution, in such amount as may be determined from time to time by MTA Bridges and Tunnels in its judgment, or
- an amount such that Revenues less Operating Expenses shall equal at least 1.10 times Calculated Debt Service on all senior lien and subordinate lien bonds and parity debt for such calendar year.

Additional Second Subordinate Revenue Bonds

Under the provisions of the CBDTP Second Subordinate Resolution, MTA Bridges and Tunnels may issue one or more series of Additional Second Subordinate Revenue Bonds to pay or provide for the payment of all or part of Capital Costs relating to the CBDTP.

In addition to meeting certain other conditions, all as more fully described under the section "Special Provisions for Issuance of Capital Cost CBDTP Second Subordinate Revenue Obligations" in the CBDTP Second Subordinate Resolution included by specific cross-reference herein, an Authorized Officer must certify that the aggregate principal amount of all Second Subordinate Revenue Bonds and second subordinate parity debt of all series to be outstanding immediately after such authentication and delivery shall not exceed five hundred and six million dollars.

Refunding Second Subordinate Revenue Bonds

MTA Bridges and Tunnels Second Subordinate Revenue Bonds may be issued for the purpose of refunding MTA Bridges and Tunnels Second Subordinate Revenue Bonds if:

- Calculated Debt Service (including the refunding Second Subordinate Revenue Bonds then proposed to be issued but not including the Second Subordinate Revenue Bonds or second subordinate parity debt to be refunded) in each year that the Second Subordinate Revenue Bonds or second subordinate parity debt to be refunded were Outstanding following the refunding is less than before the refunding, or
- the conditions referred to above under "— Additional Second Subordinate Revenue Bonds" are satisfied.

For a more complete description of the conditions that must be satisfied before issuing refunding MTA Bridges and Tunnels Second Subordinate Revenue Bonds, see the section "Refunding CBDTP Second Subordinate Revenue Obligations" in the CBDTP Second Subordinate Resolution included by specific cross-reference herein.

Second Subordinate Parity Debt

MTA Bridges and Tunnels may incur second subordinate parity debt pursuant to the terms of the CBDTP Second Subordinate 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 CBDTP Second Subordinate Resolution with respect to MTA Bridges and Tunnels Second Subordinate Revenue Bonds. Such second subordinate 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 Bridges and Tunnels designated as constituting "Parity Debt" under the CBDTP Second Subordinate Resolution in a certificate of an Authorized Officer delivered to the Trustee.

DEDICATED TAX FUND BONDS

There is $5,058,835,000 aggregate principal amount of outstanding Dedicated Tax Fund Bonds as of April 29, 2022. The following **DTF Table 1** sets forth, on a cash basis, the debt service thereon as of April 29, 2022.

DTF Table 1 – Aggregate Debt Service
($ in thousands)

Year Ending December 31	Aggregate Debt Service(1)(2)(3)
2022	$423,565
2023	434,835
2024	434,829
2025	430,373
2026	420,609
2027	428,594
2028	427,120
2029	436,555
2030	436,648
2031	421,077
2032	402,436
2033	411,117
2034	328,143
2035	328,161
2036	399,681
2037	422,477
2038	404,144
2039	385,803
2040	102,369
2041	66,320
2042	66,319
2043	66,319
2044	66,314
2045	66,324
2046	66,319
2047	66,320
2048	49,610
2049	49,608
2050	49,607
2051	49,609
2052	49,607
2053	21,448
2054	21,447
2055	21,451
2056	21,448
2057	13,425
Total	$8,290,030

(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; interest paid monthly, calculated on the basis of a 360-day year consisting of twelve 30-day months.
(3) Debt service has not been reduced to reflect expected receipt of Build America Bond interest subsidies relating to certain Outstanding Bonds; such subsidies do not constitute pledged revenues under the DTF Resolution.

Sources of Payment – Revenues from Dedicated Taxes

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

MTA Revenues from 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 Legislature established a State fund, called the Dedicated Tax Funds Pool, from which money is apportioned by statutory allocation under current 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 ("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 (excluding receipts from aviation fuel, which are deposited in an aviation purpose account from which no receipts are directed to MTTF) 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 and diesel fuel.
- Certain motor vehicle fees administered by the State Department of Motor Vehicles ("DMV"), 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 Legislature, money in the MTTF is required by law to be transferred to MTA's Dedicated Tax Fund, held by MTA. Amounts transferred from the MTTF to MTA's Dedicated Tax Fund constitute MTTF Receipts.

A more detailed description of the MTTF Receipts is set forth below under the following headings below:

- 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). Starting in 1980, in response to anticipated operating deficits of State mass transportation systems, the 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 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 84.6% of the moneys deposited into the MMTOA Account, with the remaining 15.4% available to other transportation properties within the MTA Commuter Transportation District, 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 are deposited in the MMTOA Account (excluding receipts from aviation fuel, which are deposited in an aviation purpose account from which no receipts are directed to MMTOA).
- *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 MTA Commuter Transportation District.
- *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 (Section 183);

- an annual franchise tax on the taxpayer's gross earnings (Section 184) from all sources calculated to have been generated statewide pursuant to statutory formulae; and
- an additional excise tax (Section 186-e) 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 MTA Commuter Transportation District. In accordance with the 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 below under the heading "– MMTOA Account – Special Tax Supported Operating Subsidies".

Five-Year Summary of MTTF Receipts and MMTOA Receipts. **DTF 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 MTA's 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.

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The information in the following **DTF 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.

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

Dedicated Taxes ($ millions)	Actual 2019	Actual 2020	Actual 2021	Actual 2022	Projection[8] 2023
MTTF[2]					
PBT	$ 345.6	$ 343.9	$ 281.6	$ 306.9	$ 328.2
Motor Fuel Tax	102.0	99.4	83.4	97.0	39.2[9]
Motor Vehicle Fees[3]	130.7	131.9	119.1	128.9	128.9
Total Available	$ 578.3	$ 575.2	$ 484.1	$ 532.8	$ 496.3
MMTOA[2]					
PBT	$ 74.1	$ 74.1	$ 60.4	$ 66.0	$ 70.3
District Sales Tax	963.1	1,049.1	873.0	1,089.0	1,134.0[9]
Franchise Taxes[4]	41.3	39.3	27.5	25.3	32.4
Franchise Surcharges	1,169.1	1,392.4	1,379.1	1,733.6	2,069.0
Total Available	$ 2,247.6	$ 2,554.9	$ 2,340.0	$ 2,913.9	$ 3,305.7
Disbursements					
MTTF[3][5]	$ 630.8	$ 642.5	$ 527.9	$ 624.3	$ 616.8
MMTOA[6]	$ 1,686.6	$ 1,829.7	$ 1,895.2	$ 1,922.8	$ 2,601.0
Total Disbursed	$ 2,317.4	$ 2,472.2	$ 2,423.1	$ 2,547.1	$ 3,217.8
Debt Service[7]	$ 383.0	$ 382.8	$ 385.8	$ 394.8	$ 387.9
Debt Service Coverage Ratio – MTTF Receipts Only	1.65x	1.68x	1.37x	1.58x	1.59x
Debt Service Coverage Ratio – MTTF and MMTOA Receipts	6.05x	6.46x	6.28x	6.45x	8.30x

(1) Totals may not add due to rounding.
(2) As used in this Table, MTTF Receipts and MMTOA Receipts have the meaning given such terms in the DTF Resolution.
(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 and $57.6 million of such amount flows to MTA's 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 MTA's 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 MTA's 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 under the caption "PART 2. PUBLIC DEBT SECURITIES – REVENUES OF THE RELATED ENTITIES – State and Local General Operating Subsidies".
(7) Net of approximately $26.0 million of Build America Bond interest subsidies in each year. Actuals are budgeted actuals calculated for the State fiscal year. Projections for State Fiscal Year 2023 are based on projections in the February Financial Plan 2022-2025.
(8) The State Fiscal Year 2022-2023 projections are based on the State Fiscal Year 2022-2023 Enacted Budget Financial Plan.
(9) The State Fiscal Year 2022-2023 Enacted Budget suspended the State and MCTD sales taxes imposed on gasoline and diesel motor fuel, as well as the motor fuel tax, from June 1, 2022, through December 31, 2022. Additionally, a "hold harmless" General Fund transfer provision was included to transfer the projected revenue amounts that would have been distributed to the MTTF component of the Motor Fuel Tax ($58.2 million) and the MMTOA component of the District Sales Tax ($15.0 million) as though the suspension of such taxes was not in effect. The referenced estimates in the table above do not reflect the noted "hold harmless" General Fund transfer amounts.

Factors Affecting Revenues from Dedicated Taxes

Legislative Changes.

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 MTA Dedicated Tax Fund Bonds.

Appropriation Risk. The Legislature may not bind or obligate itself to appropriate revenues during a future legislative session, and appropriations approved during a particular legislative session generally have no force or effect after the close of the State fiscal year for which the appropriations are made. The requirement that the State pay the MTA Dedicated Tax Fund Revenues to MTA's Dedicated Tax Fund is subject to and dependent upon annual appropriations being made by the Legislature for such purpose and the availability of moneys to fund such appropriations. The Legislature is not obligated to make appropriations to fund MTA's Dedicated Tax Fund, and there can be no assurance that the Legislature will make any such appropriation. However, in the case of the PBT that is deposited as a portion of the MTTF Receipts, the 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.

Fuel Tax Holiday in 2022. In order to address the rising cost of fuel in the State, the Fiscal Year 2023 Enacted Budget includes a suspension of the State sales tax imposed on fuel, the motor fuel tax and the MCTD sales tax imposed on the sale of gasoline and highway diesel fuel from June 1, 2022 through December 31, 2022 (the "Fuel Tax Holiday"). A portion of MTA's revenues, which are pledged first to secure its Dedicated Tax Fund Bonds with any residual amounts pledged to Transportation Revenue Bonds, consist of special tax-supported operating subsidies derived from the collection of such taxes, including MTTF revenues and MMTOA taxes. In order to hold MTA harmless and offset any revenue losses resulting from the Fuel Tax Holiday, the State will transfer to MTA from its General Fund an amount equal to MTA's estimated lost revenue. Such transfer will be subject to appropriation by the State Legislature. Consequently, MTA does not expect the Fuel Tax Holiday to have a material adverse impact on the operations of MTA or the pledged revenues securing its Transportation Revenue Bonds and Dedicated Tax Fund Bonds. See "Part 2. FINANCIAL INFORMATION – REVENUES OF THE RELATED ENTITIES – State Special Tax Supported Operating Subsidies".

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 MTA Commuter Transportation District, 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 different factors, including the following:

- The State is not bound or obligated to continue to pay operating subsidies to the Transit or Commuter System or to continue to impose any of the taxes currently funding those subsidies.
- For information related to the impact of the COVID-19 pandemic on the finances and operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES". See also "PART 1 – CERTAIN RISK FACTORS – *Respond to Developing Economic Environment*".

Security

The Dedicated Tax Fund 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.

Dedicated Tax Fund Bonds are secured primarily by the Sources of Payment described above, 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, including certain defined terms used therein, have been filed with the MSRB through EMMA, all of which are incorporated by specific cross-reference herein. In addition, for convenience, copies of the summaries and the Interagency Agreement can be obtained at no cost on MTA's investor website under "Debt Portfolio Information –Bond Resolutions and Interagency Agreements" at https://new.mta.info/investors.

Capitalized terms used under this caption "DEDICATED TAX FUND BONDS" not otherwise defined herein have the meanings set forth in the DTF Resolution.

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 MTA's 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.

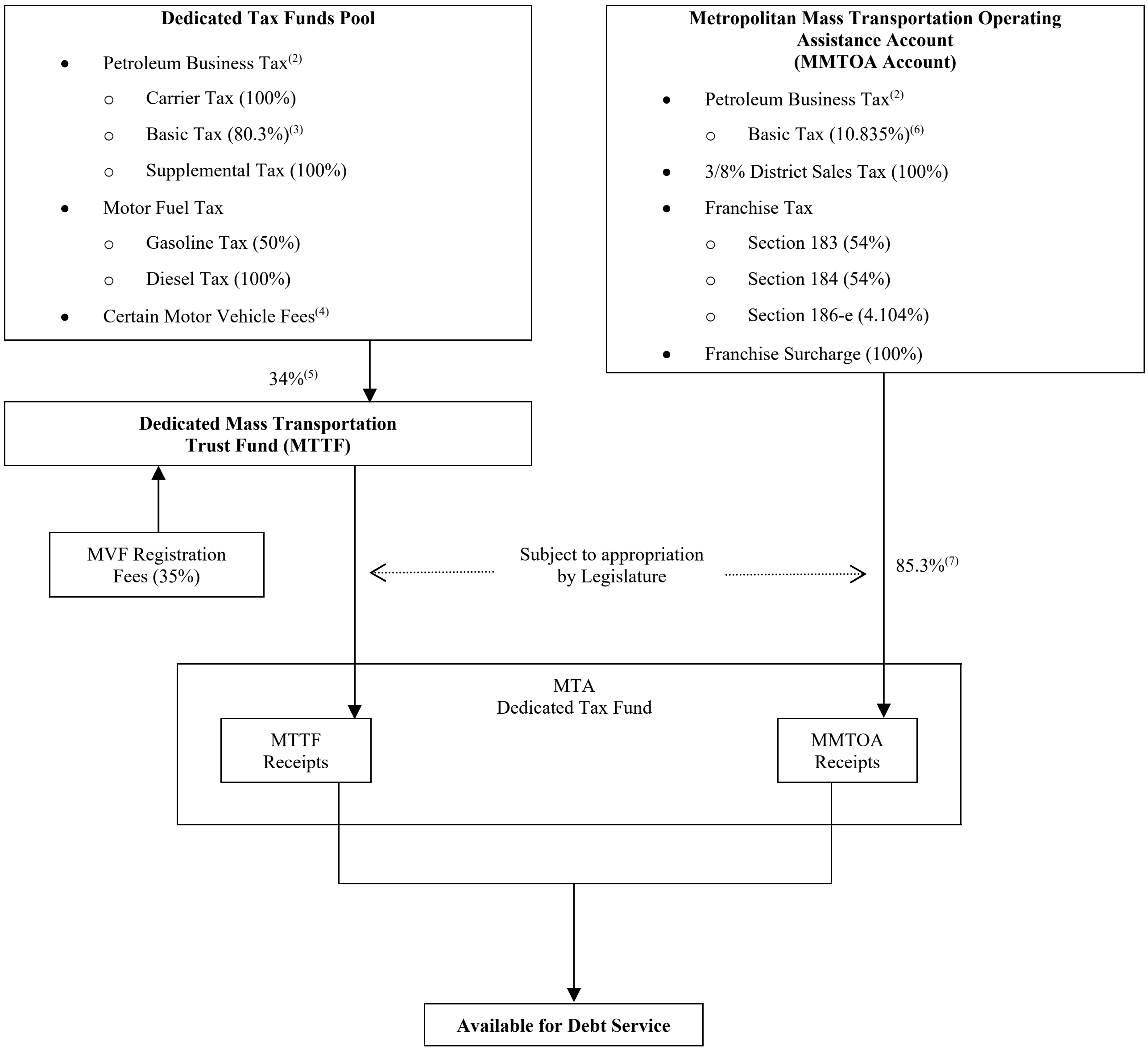
The DTF Resolution provides that the Trust Estate is and will be free and clear of any pledge, lien, charge or encumbrance thereon or with respect thereto prior to, or of equal rank with, the pledge created by the DTF Resolution, and all corporate action on the part of MTA to that end has been duly and 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 the summaries of documents 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 (1) the flow of taxes into MTA's Dedicated Tax Fund, and (2) the flow of MTA Dedicated Tax Fund Revenues through MTA's Dedicated Tax Fund and the Funds and Accounts established under the DTF Resolution.

MTA DEDICATED TAX FUND BONDS SOURCES OF REVENUE
(Through March 31, 2023)[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, 2022 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 2021-2022, these transfers totaled $4.4 million of which $2.4 million flowed to MTA's Dedicated Tax Fund as MTTF Receipts and $1.0 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.

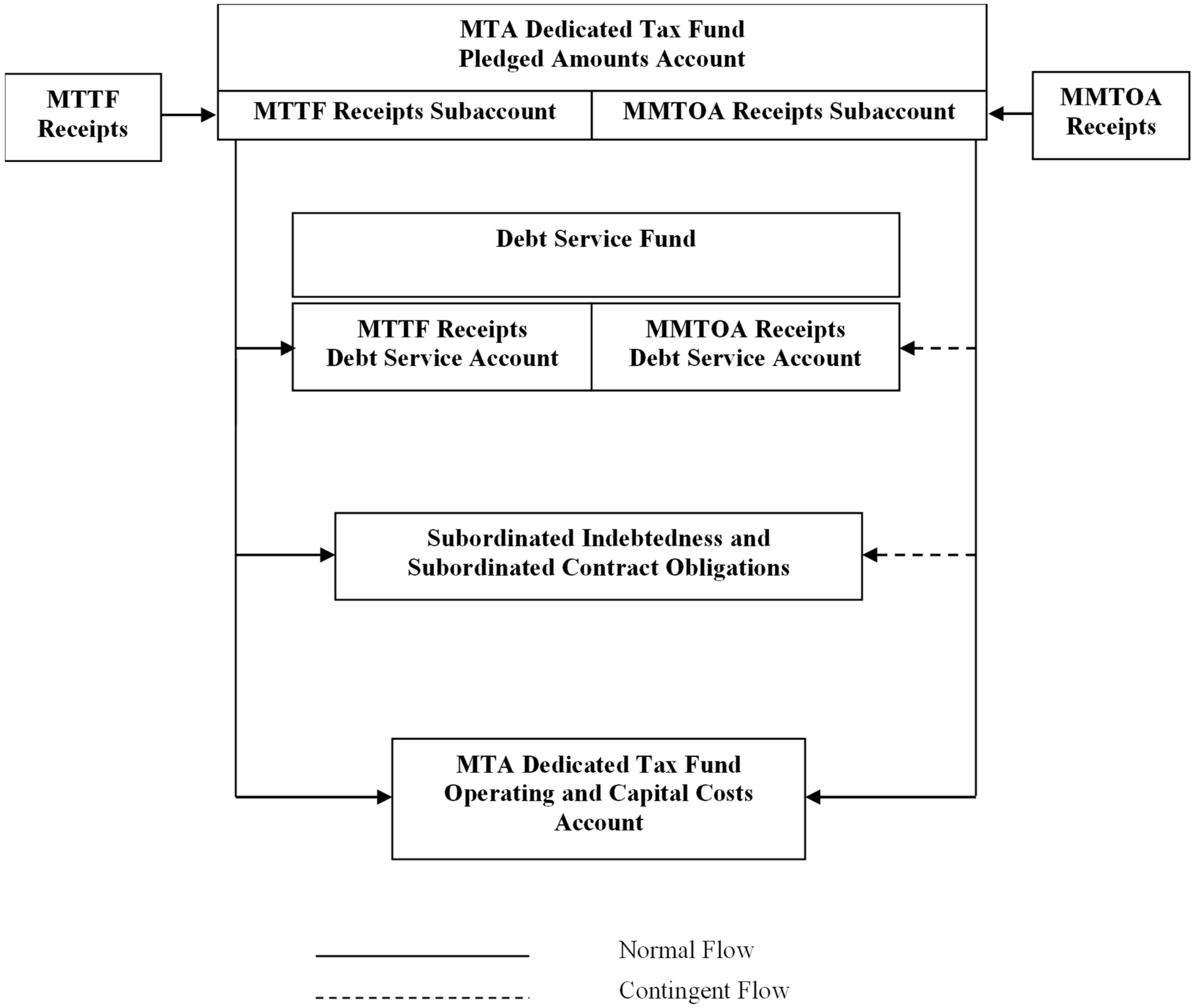
(4) Beginning with the State Fiscal Year 2014-2015, and each year thereafter, a portion of the State Fiscal Year 2013-2014 Motor Vehicle General Fund transfer of $169.4 million has been replaced with a direct transfer of $62.7 million from the State General Fund to the MTTF; $57.6 million of such amount flows to MTA's 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 2022-2023, 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" in the summaries of documents.

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 Dedicated Tax Fund Bonds from time to time to pay or provide for the payment of Capital Costs and to refund outstanding Dedicated Tax Fund Bonds.

Under the DTF Resolution, MTA may issue one or more Series of Dedicated Tax Fund 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 Dedicated Tax Fund 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" in the summaries of documents for a description of further provisions which apply to the additional bonds test if the percentage of available existing taxes deposited into MTA's 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 Dedicated Tax Fund Bonds, see "SUMMARY OF CERTAIN PROVISIONS OF THE DTF RESOLUTION—Special Provisions for Refunding Obligations" in the summaries of documents.

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 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 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 MTA's 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 MTA's 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 MTA's 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 MTA's Dedicated Tax Fund from such prior year appropriation prior to May 1st of the current State Fiscal Year.

The State Fiscal Year 2021-22 Enacted Budget included two appropriations from the MTTF to the MTA Dedicated Tax Fund. One such appropriation is for the State Fiscal Year that ends March 31, 2022, and the other such appropriation is for the succeeding State Fiscal Year that ends March 31, 2023. MTA may avail 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 upon MTA revenues and operations. See "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES". See also "PART 1. – CERTAIN RISK FACTORS – *Respond to Developing Economic Environment*".

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.

MTTF Receipts – Dedicated Petroleum Business Tax

General. The PBT is the business privilege tax, which includes both a base tax and a supplemental tax, imposed on petroleum businesses operating in the State. The base of the PBT is the quantity of various petroleum products refined or sold in the State or imported into the State for sale or use therein.

<u>Tax Rates</u>. The basic and supplemental PBT tax rates are subject to separately computed annual adjustments on January 1 of each year, to reflect the change in the Producer Price Index ("PPI") for refined petroleum products for the 12 months ended August 31 of the immediately preceding year. The tax rates, therefore, increase as prices rise and decrease as prices fall. Current legislation provides that the PBT rates will be adjusted annually subject to a maximum change of plus or minus 5% of the current rate in any year. In addition to the 5% cap on rate changes, the statute also requires basic and supplemental rates to be rounded to the nearest tenth of one cent. Subsequent legislation provided that diesel rates be rounded to the nearest hundredth of one cent. As a result, the tax rates usually do not change by the full 5% allowed under the statutory formula.

The table below shows the changes in the PPI for refined petroleum products and the capped PBT index change over the last ten years.

Petroleum Business Tax Index Change (percent)

Year for PPI Change (September 1 to August 31)	PPI for Refined Petroleum Products Change	Year for PBT Index	PBT Index Change (January 1)
2011-12	9.2	2013	5.0
2012-13	-0.8	2014	-0.8
2013-14	-3.2	2015	-3.2
2014-15	-29.1	2016	-5.0
2015-16	-30.4	2017	-5.0
2016-17	13.3	2018	5.0
2017-18	26.1	2019	5.0
2018-19	-2.0	2020	-2.0
2019-20	-21.8	2021	-5.0
2020-21	27.8	2022	5.0

Source: New York State Division of the Budget.

The table below shows the rates per gallon for the PBT in effect for 2020, 2021, and 2022 respectively.

PETROLEUM BUSINESS TAX RATES FOR 2020, 2021, and 2022* **(cents per gallon)**

	2020			2021			2022		
Petroleum Product	Base	Supp	Total	Base	Supp	Total	Base	Supp	Total
Automotive fuel									
Gasoline & other non-diesel	10.4	7.0	**17.4**	9.9	6.7	**16.6**	10.3	7.0	**17.3**
Diesel	10.4	5.25	**15.65**	9.9	4.95	**14.85**	10.3	5.25	**15.55**
Aviation gasoline or Kero-Jet fuel	7.0	0.0	**7.0**	6.7	0.0	**6.7**	7.0	0.0	**7.0**
Non-automotive diesel fuels									
Commercial gallonage	9.5	0.0	**9.5**	9.1	0.0	**9.1**	9.5	0.0	**9.5**
Nonresidential heating	5.1	0.0	**5.1**	4.9	0.0	**4.9**	5.1	0.0	**5.1**
Residual petroleum products									
Commercial gallonage	7.3	0.0	**7.3**	7.0	0.0	**7.0**	7.3	0.0	**7.3**
Nonresidential heating	3.9	0.0	**3.9**	3.8	0.0	**3.8**	3.9	0.0	**3.9**
Railroad diesel fuel	9.1	0.0	**9.1**	8.6	0.0	**8.6**	9.0	0.0	**9.0**

* The Tax Rates are the net tax rate after credits.

Tax Base. Generally, transactions that are excluded from the basic PBT base are also excluded from the supplemental tax base. Exemptions include sales for export from the State, sales of fuel oil for residential heating purposes and manufacturing use, and sales to government entities when such entities buy petroleum for their own use. Sales of kerosene (other than kero-jet fuel) and liquefied petroleum gas and sales of residual fuel oil used as bunker fuel also are exempted. Regulated electric utilities that use petroleum to generate electricity obtain credits or reimbursements to offset a portion of the basic tax. These utilities receive no credit or reimbursement with respect to the supplemental tax.

The State also imposes a petroleum business carrier tax under the PBT on fuel purchased by motor carriers outside the State but consumed within the State. The carrier tax rates are the same as the PBT automotive gasoline and diesel rates listed above.

Legislative Changes. The Legislature has, from time to time, changed the percentage of the PBT basic tax which is available for distribution to the Dedicated Tax Funds Pool. The percentage of the Dedicated Tax Funds Pool which is, subject to appropriation, deposited in MTA's Dedicated Tax Fund has remained constant at 34%. The changes in the percentage of the PBT basic tax which is available for distribution to the Dedicated Tax Funds Pool have been designed to be, and were, revenue neutral to the Dedicated Tax Funds Pool.

Legislation adopted with the State Fiscal Year 2016-2017 Enacted Budget extended the alternative fuels exemption for five years, conformed the State Tax Law to Federal Aviation Administration regulations regarding taxes on aviation fuel, and required motor fuel wholesalers to register and file informational returns with the State to increase the effectiveness of fuel tax evasion auditing.

Legislation adopted with the State Fiscal Year 2021-2022 Enacted Budget extended the alternative fuels exemption for five years.

Tax Imposition and Payment. Imposition of the tax occurs at different points in the distribution chain, depending upon the type of product. The tax is imposed on motor fuels at the same time as the eight-cent-per-gallon motor fuel tax. Gasoline, which represents the preponderance of automotive fuel sales in the State, is taxed upon importation into the State for sale or upon manufacture in the State. Other non-diesel automotive fuels such as compressed natural gas, methanol and ethanol become subject to the tax on their first sale as motor fuel in the State. Automotive diesel motor fuel is taxed when it leaves a fuel terminal below the rack. Nonautomotive diesel fuel (such as No. 2 fuel oil used for commercial heating) and residual fuel usually become taxable on the sale to the consumer or upon use of the product in the State.

Most petroleum businesses remit this tax on a monthly basis. Taxpayers with yearly motor fuel tax and PBT liability totaling more than $5 million now remit tax for the first 22 days of the month by electronic funds transfer by the third business day thereafter. Tax for the balance of the month is paid with the monthly returns filed by the 20th of the following month. The Department of Taxation and Finance advises that, in State Fiscal Year 2020-2021, 35 taxpayers, accounting for 95% of all PBT receipts, participated in the electronic funds transfer program.

Historical Summary of PBT Revenue. The following table provides historical information for the last ten years on the basic PBT and the supplemental PBT, the major funding source for the MTTF.

Basic and Supplemental PBT Collections
(in millions)

State Fiscal Year	Basic PBT	Supplemental PBT
2012-13	$688.4	$430.2
2013-14	704.4	428.6
2014-15	700.4	435.9
2015-16	677.2	426.3
2016-17	682.3	423.1
2017-18	663.7	412.9
2018-19	705.3	443.5
2019-20	705.5	436.9
2020-21	568.8	358.0
2021-22	625.6	391.5

Source: New York State Department of Taxation and Finance.

Receipts for State Fiscal Year 2012-2013 reflect the 5% increases in PBT rates effective January 1, 2012 and January 1, 2013, offset by a decline in taxable gallonage. In addition to basic tax and supplemental tax receipts, total PBT collections also include $21.0 million from the carrier tax.

Receipts for State Fiscal Year 2013-2014 reflect the 5% increases in PBT rates effective January 1, 2013 and a 0.8% decrease effective January 1, 2014. In addition to basic tax and supplemental tax receipts, total PBT collections also include $21.0 million from the carrier tax.

Receipts for State Fiscal Year 2014-2015 reflect the 0.8% decrease in PBT rates effective January 1, 2014 and a 3.2% decrease effective January 1, 2015, offset by slight growth in taxable gallonage. In addition to basic tax and supplemental tax receipts, total PBT collections also include $21.0 million from the carrier tax.

Receipts for State Fiscal Year 2015-2016 reflect the 3.2% decrease in PBT rates effective January 1, 2015 and a 5.0% decrease effective January 1, 2016. In addition to basic tax and supplemental tax receipts, total PBT collections also include $20.3 million from the carrier tax.

Receipts for State Fiscal Year 2016-2017 reflect the 5.0% decrease in PBT rates effective January 1, 2016 and a 5.0% decrease effective January 1, 2017. In addition to basic tax and supplemental tax receipts, total PBT collections also include $18.3 million from the carrier tax.

Receipts for State Fiscal Year 2017-2018 reflect the 5.0% decrease in PBT rates effective January 1, 2017 and a 5.0% increase effective January 1, 2018. In addition to basic tax and supplemental tax receipts, total PBT collections also include $15.5 million from the carrier tax.

Receipts for State Fiscal Year 2018-2019 reflect the 5.0% increase in PBT rates effective January 1, 2018 and a 5.0% increase effective January 1, 2019. In addition to the basic tax and supplemental tax receipts, total PBT collections also include $16.3 million from the carrier tax.

Receipts for State Fiscal Year 2019-2020 reflect the 5.0% increase in PBT rates effective January 1, 2019 and a 2.0% decrease effective January 1, 2020. In addition to the basic tax and supplemental tax receipts, total PBT collections also include $18.3 million from the carrier tax.

Receipts for State Fiscal Year 2020-2021 reflect the 2.0% decrease in PBT rates effective January 1, 2020 and a 5.0% decrease effective January 1, 2021. In addition to the basic tax and supplemental tax receipts, total PBT collections also include $15.2 million from the carrier tax.

Receipts for State Fiscal Year 2021-2022 reflect the 5.0% decrease in PBT rates effective January 1, 2021 and a 5.0% increase effective January 1, 2022. In addition to the basic tax and supplemental tax receipts, total PBT collections also include $14.5 million from the carrier tax.

Historical Summary of Dedicated PBT. The following table provides historical information relating to PBT receipts for the last ten years.

MTTF Revenues from Petroleum Business Taxes
(in millions)

State Fiscal Year	Dedicated Tax Funds Pool	MTTF Total[1]	MTA's Share of MTTF[2]
2012-13	$1,005.7	$372.1	$341.9
2013-14	1,017.3	376.4	345.8
2014-15	1,021.9	378.1	347.4
2015-16	991.9	367.0	337.2
2016-17	990.8	366.6	336.9
2017-18	960.3	355.3	326.5
2018-19	1,016.4	376.1	345.6
2019-20	1,011.5	374.3	343.9
2020-21	828.3	306.5	281.6
2021-22	902.7	334.0	306.9

(1) Represents 37% of the Dedicated Tax Funds Pool.
(2) Represents 34% of the Dedicated Tax Funds Pool.
Source: New York State Division of the Budget.

MTTF Receipts – Motor Fuel Tax

General. Motor fuel and diesel motor fuel taxes ("MFT") are derived from an eight-cent-per-gallon excise tax levied with respect to gasoline and diesel motor fuels, generally for highway use. The aggregate rate of tax on gasoline was last changed on February 1, 1972, when it was increased from seven cents to eight cents per gallon. The aggregate rate of tax on diesel motor fuel was last changed on January 1, 1996, when it decreased from ten cents per gallon to eight cents per gallon.

Effective April 1, 2003, 4 cents of the gasoline MFT and 8 cents of the diesel MFT are deposited to the Dedicated Tax Funds Pool, of which 34% is deposited in MTA's Dedicated Tax Fund.

Tax Imposition and Payment. The tax on motor fuel is payable by distributors registered with the State. The gasoline motor fuel tax is imposed when gasoline is imported (or caused to be imported) into the State for sale or use in the State, or manufactured in the State. Generally, the tax on other nondiesel motor fuels earmarked to the Dedicated Tax Funds Pool (such as compressed natural gas, propane, methanol and ethanol) is remitted by the dealer selling them as motor fuels. The tax on diesel motor fuel is imposed on the first non-exempt sale of diesel in the State.

Most petroleum businesses remit these taxes on a monthly basis. Businesses with yearly MFT and PBT liability totaling more than $5 million remit the PBT and MFT for the first 22 days of the month by electronic funds transfer by the third business day thereafter. Tax for the balance of the month is paid with the monthly returns filed by the 20th of the following month. In State Fiscal Year 2020-2021, 34 taxpayers, accounting for 96% of all motor fuel tax receipts, participated in the electronic funds transfer program.

Although the tax is remitted by distributors, the incidence of the tax falls primarily on final users of the fuel on the highways and waterways of the State. Governmental purchases are exempt from the tax. Fuel purchased for certain road vehicles (such as fire trucks, buses used in local transit, taxicabs and ambulances), upon which the tax has been paid, may be eligible for full or partial reimbursement of the MFT. Reimbursement of the tax is also available for fuel not used on the highways (e.g., fuel used in farming).

Historical Summary of Dedicated Motor Fuel Tax. The following table provides historical information relating to Motor Fuel Tax receipts for the last ten years.

MTTF Revenues from Motor Fuel Tax
(in millions)

State Fiscal Year	MTTF Portion of Gasoline MFT	MTTF portion of Diesel MFT	MTTF Total[1]	MTA's Share of MTTF[2]
2012-13	$79.0	$24.2	$103.2	$94.8
2013-14	76.4	22.3	98.7	90.7
2014-15	79.3	21.6	100.9	92.7
2015-16	81.1	23.9	105.0	96.5
2016-17	82.7	26.7	109.4	100.5
2017-18	80.2	29.1	109.3	100.4
2018-19	84.4	26.6	111.0	102.0
2019-20	81.2	27.0	108.2	99.4
2020-21	66.5	24.2	90.7	83.4
2021-22	77.6	28.0	105.6	97.0

(1) Represents 37% of the Dedicated Tax Funds Pool.
(2) Represents 34% of the Dedicated Tax Funds Pool.
Source: New York State Division of the Budget.

MTTF Receipts – Motor Vehicle Fees

General. Motor vehicle fees are derived from a variety of sources, but consist mainly of vehicle registration and driver license fees. A percentage of State motor vehicle registration fees is earmarked to MTA's Dedicated Tax Fund. These motor vehicle fees derive from the registration of passenger vehicles, trucks, vans, motorcycles, trailers, semitrailers, buses and other types of vehicles operating on the public highways of the State.

The DMV administers motor vehicle registration provisions of the State Vehicle and Traffic Law. County clerks in most counties act as agents for the State in administering the issuance of most types of motor vehicle registration. Motor vehicle registration renewals generally are accomplished by mail.

With the exception of buses, which are charged according to seating capacity, and semitrailers, which are registered at a flat fee, motor vehicle registration fees in the State are based on vehicle weight.

Legislation enacted in 1989 mandated biennial registration of all motor vehicles weighing less than 18,000 pounds. Thus, most motor vehicle registrations are issued and renewed for two-year periods. Motor vehicle registrations are staggered evenly throughout the months to ensure an even workload for the DMV.

In the State Fiscal Year 2009-2010 Enacted Budget, fees for licenses and most registrations were increased by 25%. The revenues from this increase were directed to the Dedicated Highway and Bridge Trust Fund. In addition, the fee for plate issuance was increased from $15 to $25. The revenues from this increase were included as part of the non-dedicated fees, of which $169.4 million were transferred to the Dedicated Tax Funds.

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 MTTF; $57.6 million of such amount flows to MTA's Dedicated Tax Fund as MTTF Receipts, and the remainder flows to other transportation systems.

To reduce the overall number of funds and improve programmatic efficiencies, legislation enacted in the State Fiscal Year 2016-2017 Enacted Budget dedicated several categories of motor vehicle fees to the Dedicated Highway and Bridge Trust Fund that had previously flowed to four Special Revenue Funds ("SROs"). The SROs include DMV Compulsory Insurance, DMV Seized Assets, Motorcycle Safety, and the Accident Prevention Course Program.

Historical Summary of Dedicated Motor Vehicle Fees. The following table provides historical information relating to Motor Vehicle Fee receipts for the last ten years.

MTTF Revenues from Motor Vehicle Fees
(in millions)

State Fiscal Year	MTTF Total[1]	MTA's Share of MTTF[2]
2012-13	$168.2	$154.7
2013-14	197.7	181.6
2014-15	131.3	120.7
2015-16	138.7	127.4
2016-17	140.1	128.7
2017-18	144.2	132.5
2018-19	142.3	130.7
2019-20	143.6	131.9
2020-21	129.6	119.1
2021-22	140.2	128.9

(1) Represents 37% of the Dedicated Tax Funds Pool. Does not include SRF Motor Vehicle Fees.
(2) Represents 34% of the Dedicated Tax Funds Pool. Does not include SRF Motor Vehicle Fees.
Source: New York State Division of the Budget

MMTOA Account – Special Tax Supported Operating Subsidies

General. 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 State 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 State mass transportation systems, the 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 MTOA Fund, to fund the operations of mass transportation systems. The MMTOA Account was established in the MTOA Fund to fund the operating expenses of transportation systems in the MTA Commuter Transportation District, including MTA New York City Transit, MaBSTOA and the commuter railroads operated by MTA Long Island Rail Road and MTA Metro-North Railroad. Payments from this Account are made to MTA and its affiliates periodically to the extent that: (1) appropriations are made by the Legislature, (2) the State Director of the Budget certifies that the MMTOA Account contains sufficient funds to make such payments, and (3) State officials determine that the funds are necessary to finance operations of MTA and its affiliates and subsidiaries. Such payments are allocated among the various public transportation systems within the MTA Commuter Transportation District in accordance with schedules as specified by such appropriations. Such payments to MTA are first deposited in the Pledged Amounts Account of MTA's Dedicated Tax Fund to meet the requirements of the DTF Resolution and then any remaining amounts are transferred to the Operating and Capital Costs Account to be used to meet operating costs of the Transit System and MTA Staten Island Railway and the Commuter System.

The table below summarizes the historical amounts appropriated and paid to MTA from the MMTOA Account (including investment income) for the last ten years.

MMTOA Account
($ in millions)

State Fiscal Year	Appropriations to MTA[1]	Payments to MTA
2012-13	$1,343.5	$1,343.5
2013-14	1,518.2	1,518.2
2014-15	1,563.9	1,563.9
2015-16	1,563.9	1,563.9
2016-17	1,668.0	1,668.0
2017-18	1,668.0	1,668.0
2018-19	1,686.6	1,686.6
2019-20	1,823.7	1,829.7[2]
2020-21	2,143.5	1,895.2[3]
2021-22	1,856.5	1,922.8[4]

(1) Does not include $182.1 million in State Fiscal Years 2015-2016 through 2020-2021 through the Section 18-b program.

(2) MMTOA appropriations for MTA for State Fiscal Year 2019-2020 amounted to $1.834 billion, but an additional $6 million was paid to MTA utilizing existing supplemental MMTOA reappropriations. This payment brought the total MMTOA receipts to $1.830 billion.

(3) MMTOA appropriations for MTA for State Fiscal Year 2020-2021 amounted to $2.144.6 billion, but revenue loss in the fund due to the economic effects of COVID-19 reduced payments to $1.895 billion which includes an additional $1.5 million paid to MTA utilizing existing supplemental MMTOA reappropriations.

(4) MMTOA appropriations for MTA for State Fiscal Year 2021-2022 amounted to $1.857 billion, but spending of $1.923 billion included an additional $61.8 million of April payments related to the prior year's appropriations and $5 million paid to MTA utilizing existing supplemental MMTOA reappropriations.

Source: New York State Division of the Budget.

Although a variety of taxes have been used to fund the special tax supported operating subsidies, the taxes levied for this purpose currently include the MMTOA PBT, the District Sales Tax, the Franchise Taxes and the Franchise Surcharge (“MMTOA Taxes”), all described in more detail below. State law gives State officials the authority to disburse funds to MTA from the MMTOA Account to the extent such officials determine that the funds are necessary to finance operations of the Transit System and MTA Staten Island Railway and the Commuter System. Fluctuations in the economic and demographic conditions of the MTA Commuter Transportation District are directly related to the growth of economically sensitive taxes, including the District Sales Tax and the Franchise Surcharge. Therefore, there can be no assurance that such taxes will generate tax receipts at current levels. If shortfalls are experienced in the collection of MMTOA Taxes, the Commissioner of Transportation is authorized to reduce each recipient’s payment from the MTOA Fund proportionately. MTA has historically received approximately 86% of such amounts deposited in the MMTOA Account. However, starting in 2012 a split in the Franchise Taxes component of the MMTOA taxes between the upstate Public Transportation Systems Operating Assistance Account (“PTOA Account”) and the MMTOA account diverted 26% of the transportation and transmission taxes that were allotted previously to MMTOA to the upstate PTOA Account.

MMTOA PBT.

General. The products that are subject to the tax, the tax rates and the transactions excluded from such tax are identical to the basic PBT as described above under “MTTF Receipts – Dedicated Petroleum Business Tax” which is dedicated to the MTTF.

As of April 1, 2001, the share of the PBT basic tax earmarked to the MMTOA Account is 10.835%.

As described above in “MTTF Receipts ─ Dedicated Petroleum Business Tax”, aspects relating to the imposition and collection of the MMTOA PBT have from time to time been and may continue to be the subject of administrative claims and litigation by taxpayers.

Historical Summary of MMTOA PBT. The following table provides historical information relating to MMTOA PBT receipts deposited into the MMTOA Account for the last ten years.

MMTOA Petroleum Business Taxes

State Fiscal Year	Net Receipts (in millions)
2012-13	$73.8
2013-14	75.5
2014-15	75.1
2015-16	72.6
2016-17	73.1
2017-18	70.8
2018-19	74.1
2019-20	74.1
2020-21	60.4
2021-22	66.0

Source: New York State Division of the Budget.

District Sales Tax.

General. 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 MTA Commuter Transportation District.

District Sales Tax receipts have been a significant source of tax receipts deposited in the MMTOA Account. The level of District Sales Tax receipts is necessarily dependent upon economic and demographic conditions in the MTA Commuter Transportation District, and therefore there can be no assurance that historical data with respect to collections of the District Sales Tax will be indicative of future receipts.

The base of the District Sales Tax is identical to the base of the State's 4% sales and compensating use tax. The tax now applies to (1) sales and use of most tangible personal property; (2) certain utility service billings; and (3) charges for restaurant meals, hotel and motel occupancy, and for specified admissions and services. The base of the tax has been amended periodically by the Legislature to exempt various purchases.

Clothing and footwear costing less than $110 were permanently exempted from State sales tax on April 1, 2006. Localities have an option to also offer this exemption. Pursuant to Tax Law, localities opting to remove their tax must reimburse MTA for one-half of the foregone District Sales Tax revenue, while the State will provide the other half, but these reimbursements are paid to MTA and such reimbursements are not deposited into the MMTOA.

On June 1, 2006, the State placed a cap on the amount of State sales tax collected on motor fuel and diesel motor fuel at eight cents per gallon. Localities have an option to continue to use the percentage rate method or to change to a cents-per-gallon method of computing sales tax. Pursuant to the Tax Law, the State must reimburse MTA for the entire foregone District Sales Tax revenue, but these reimbursements are paid from the State General Fund to MTA and such reimbursements are not deposited into the MMTOA.

MTA is held harmless from the impact of the clothing and footwear exemption and the cap on motor fuel and diesel motor fuel. This entire held harmless amount is reflected in the following table, but such amounts are not deposited into the MMTOA.

In order to address the impact on consumers from the sharp increase in the cost of fuel in the State resulting from recent geopolitical events, the State Fiscal Year 2022-2023 Enacted Budget includes a suspension of the State sales tax imposed on fuel, the motor fuel tax and the MCTD sales tax imposed on the sale of gasoline and highway diesel fuel from June 1, 2022 through December 31, 2022. A portion of MTA's revenues, which are pledged to secure its Transportation Revenue Bonds or Dedicated Tax Fund Bonds, consist of special tax-supported operating subsidies derived from the collection of such taxes, including MTTF revenues and MMTOA taxes. In order to hold MTA harmless and offset any lost revenue resulting from the suspension of such taxes, the State will make monthly transfers from its General Fund to the MTTF and MMTOA Account for subsequent transfer to MTA in amounts equal to the tax revenue that would have been distributed to such funds had such suspension not been implemented. Such transfers from the MTTF and the MMTOA Account to MTA are subject to appropriation from the State's General Fund, and the State Fiscal Year 2022-2023 Enacted Budget includes appropriations for such transfers. No further legislative authorization or approval is required in connection with the transfer of funds from the State's General Fund for such purposes. See "Part 2.

FINANCIAL INFORMATION – REVENUES OF THE RELATED ENTITIES – State Special Tax Supported Operating Subsidies – *Fuel Tax Holiday*".

Historical Summary of District Sales Tax. The following table provides historical information relating to District Sales Tax receipts deposited into the MMTOA Account for the last ten years.

District Sales Tax
($ in millions)

State Fiscal Year	Net Receipts	Held Harmless Amount[1]	Total
2012-13	$757.5	$54.6[2]	$812.1
2013-14	801.7	52.6[3]	854.3
2014-15	854.0	50.7[4]	904.7
2015-16	874.2	39.2[5]	913.4
2016-17	903.0	35.9[6]	$938.9
2017-18	942.0	38.4[7]	980.4
2018-19	963.1	41.9[8]	1,005.0
2019-20	1,049.1	38.4[9]	1,087.5
2020-21	873.0	22.4[10]	895.4
2021-22	1,089.0	40.8[11]	1,129.8

(1) This amount includes moneys paid by both the State and the localities. Such amounts are not deposited into the MMTOA.
(2) Includes $34.7 million from the State and localities for the clothing exemption and $19.9 million from the State for the cap on motor fuel and diesel fuel.
(3) Includes $36.6 million from the State and localities for the clothing exemption and $16 million from the State for the cap on motor fuel and diesel fuel.
(4) Includes an estimated $34.7 million from the State and localities for the clothing exemption and $16 million from the State for the cap on motor fuel and diesel fuel.
(5) Includes an estimated $34.1 million from the State and localities for the clothing exemption and $5.1 million from the State for the cap on motor fuel and diesel fuel.
(6) Includes an estimated $34.4 million from the State and localities for the clothing exemption and $1.5 million from the State for the cap on motor fuel and diesel fuel.
(7) Includes an estimated $34.9 million from the State and localities for the clothing exemption and $3.5 million from the State for the cap on motor fuel and diesel fuel.
(8) Includes an estimated $35.6 million from the State and localities for the clothing exemption and $6.3 million from the State for the cap on motor fuel and diesel fuel.
(9) Includes an estimated $33.4 million from the State and localities for the clothing exemption and $5.0 million from the State for the cap on motor fuel and diesel fuel.
(10) Includes an estimated $22.3 million from the State and localities for the clothing exemption and $0.1 million from the State for the cap on motor fuel and diesel fuel.
(11) Includes an estimated $30.9 million from the State and localities for the clothing exemption and $9.9 million from the State for the cap on motor fuel and diesel fuel.
Source: New York State Division of the Budget and New York State Department of Taxation and Finance.

Franchise Taxes.

General. A legislatively allocated portion of two taxes imposed on certain transportation and transmission companies (such as trucking, telegraph and local telephone companies), consisting of (a) an annual franchise tax based on the amount of the taxpayer's issued capital stock, and (b) an annual franchise tax on the taxpayer's gross earnings from all sources calculated to be in the State pursuant to statutory formulae are deposited in the MMTOA Account.

In addition to the two taxes described in the previous paragraph, effective May 1, 2015, Section 186-e was amended to include an additional excise tax of 0.4% (2.9% vs. 2.5%) that is imposed on the sale of mobile communication services. The receipts from the additional excise tax are deposited in the MMTOA Account using the same statutory formulae as the two franchise taxes described in the previous paragraph. Previously, mobile communication providers were taxed under (b) above.

The percentage of franchise receipts required to be deposited in the MMTOA Account has been modified from time-to-time. At present, this percentage is 54%. These changes were made to preserve the dedicated funds revenue flow subsequent to changes enacted in prior years reducing the base of the gross earnings tax and/or reducing the tax rates.

Historical Summary of the Franchise Taxes. The following table provides historical information relating to the portion of Franchise Tax receipts deposited into the MMTOA Account for the last ten years. A one-time election to remain under the taxes imposed on trucking and railroad companies was enacted in 1996 for elections made before March 15, 1998. Companies not electing to remain under Sections 183 and 184 were taxed under the general corporate franchise tax. As part of the same legislation, the Section 184 rate was reduced from 0.75% to 0.6% on gross earnings. The MMTOA revenue distribution was held harmless. Additional rate reductions occurred beginning in 1998 that do not affect MMTOA. Effective State Fiscal Year 2012-2013, the distribution to MMTOA was changed from 80% to 54% of the Franchise Taxes. The remaining 26% is distributed to the Public Transportation Systems Operating Assistance PTOA Account.

The following table provides historical information relating to Franchise Tax receipts deposited into the MMTOA Account for the last ten years.

Franchise Taxes
(in millions)

State Fiscal Year	Net Receipts
2012-13	$39.5
2013-14	36.5
2014-15	25.7
2015-16	39.4
2016-17	41.4
2017-18	37.2
2018-19	41.3
2019-20	39.3
2020-21	27.5
2021-22	25.3

Source: New York State Division of the Budget.

Franchise Surcharge.

General. This surcharge, originally imposed in 1982, was extended by the Legislature in March 2013 and was made permanent in the State Fiscal Year 2014-2015 Enacted Budget. The Franchise Surcharge is imposed on the portion of the franchise and other taxes of certain corporations, insurance, utility, and transportation and transmission companies attributable (according to various complex formulae) to business activity carried on within the MTA Commuter Transportation District. The MTA surcharge rate for Tax Year 2015 was 25.6%. Since 2015, the Tax Department has determined the surcharge tax rate needed to maintain revenue neutrality. Revenue neutrality is defined as the rate necessary to achieve the MTA surcharge revenue for the Article 9A franchise tax published in the State Fiscal Year 2014-2015 Enacted Budget. This calculation is repeated annually at a similar time. Determination of an annual rate is necessary because certain tax reform provisions took effect with tax year 2016 that lower State Article 9A receipts. These reforms will be fully implemented in tax year 2021.

For tax year 2022, the surcharge rate for corporate franchise taxpayers is 30.0%. Part G of the State Fiscal Year 2022-2023 Executive Budget Revenue Bill proposes to permanently set the surcharge rate for corporate franchise taxpayers at 30.0% beginning with tax year 2023. Insurance (Article 33) and corporate and utility (Article 9) taxpayers continue to pay a 17% surcharge rate and be subject to the 1997 Tax Law calculation since they were not part of corporate tax reform. Effective May 1, 2015, an additional surcharge rate of 0.721% (17.721% vs. 17.0%) is imposed on the sale of mobile communication services (this corresponds to the higher excise tax rate described in the Franchise Taxes section). In accordance with Section 171-a of the Tax Law, the tax revenue generated under these provisions, after the deduction of administrative costs, is to be deposited to the MMTOA Account, as such taxes are received.

Aspects relating to the imposition and collection of the Franchise Surcharge have from time to time been, are currently and may continue to be, the subject of administrative claims and litigation by taxpayers. The financial impact of such challenges commenced to date has not been and is not expected to be material.

Historical Summary of the Franchise Surcharge. The following table provides historical information relating to the Franchise Surcharge receipts deposited into the MMTOA Account for the last ten years.

Franchise Surcharges
($ in millions)

State Fiscal Year	Net Receipts
2012-13	$997.9
2013-14	989.9
2014-15	1,032.0
2015-16	1,039.7
2016-17	1,017.1
2017-18	1,087.4
2018-19	1,169.1
2019-20	1,392.4
2020-21	1,379.1
2021-22	1,733.6

Source: New York State Division of the Budget.

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PAYROLL MOBILITY TAX OBLIGATIONS

General

There is $3,056,670,000* aggregate principal amount of outstanding PMT Senior Lien Indebtedness for bonds issued by MTA Bridges and Tunnels as of April 29, 2022. In addition, and not included in the above amount, MTA has outstanding $2,907,280,000 aggregate principal amount of bond anticipation notes issued under the MTA Payroll Mobility Tax Obligation Resolution.

Under State law, the MTA PMT Senior Lien Indebtedness and the MTA Bridges and Tunnels PMT Senior Lien Indebtedness are special obligations of MTA and MTA Bridges and Tunnels, respectively, which means that they are payable solely from a gross lien on the money pledged for payment under the MTA Payroll Mobility Tax Obligation Resolution (the "MTA PMT Resolution") and the MTA Bridges and Tunnels Payroll Mobility Tax Obligation Resolution (the "TBTA PMT Resolution"). Such bonds are not general obligations of MTA or MTA Bridges and Tunnels.

The MTA PMT Bonds are special obligations of MTA payable from and secured by the revenues described below (1) on a parity basis with the obligation of MTA Bridges and Tunnels to pay debt service on senior lien bonds, other obligations and parity debt ("TBTA PMT Senior Lien Indebtedness") issued under the TBTA PMT Resolution, and (2) senior to the obligations of MTA or MTA Bridges and Tunnels to pay debt service on second lien bonds and second lien parity debt ("MTA PMT Second Lien Indebtedness" or "TBTA PMT Second Lien Indebtedness" and, collectively, "PMT Second Lien Indebtedness") issued under the MTA PMT Resolution or the TBTA PMT Resolution, respectively. The TBTA PMT Bonds are special obligations of MTA Bridges and Tunnels payable from and secured by the revenues described below (1) on a parity basis with the obligation of MTA to pay debt service on senior lien bonds, other obligations and parity debt ("MTA PMT Senior Lien Indebtedness") issued under the MTA PMT Resolution, and (2) senior to PMT Second Lien Indebtedness issued under the TBTA PMT Resolution or the MTA PMT Resolution.

Copies of the TBTA PMT Resolution, the MTA PMT Resolution and the executed Financing Agreement have each been filed with the MSRB through EMMA, all of which are incorporated by specific cross-reference herein. In addition, for convenience, copies of the TBTA PMT Resolution, the MTA PMT Resolution and the Financing Agreement can be obtained at no cost on MTA's investor website under "Bond Resolutions and Interagency Agreements" at https://new.mta.info/investor-info/bond-resolutions-interagency-agreements or from the MTA Finance Department at 2 Broadway, New York, New York 10004.

Capitalized terms used under this caption "PAYROLL MOBILITY TAX OBLIGATIONS" not otherwise defined herein have the meanings set forth in the MTA PMT Resolution or the TBTA PMT Resolution, as applicable.

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* Figures exclude debt service on the MTA Bridges and Tunnels Payroll Mobility Tax Senior Lien Refunding Bonds, Series 2022B (the "Forward Delivery Refunding Bonds"). The settlement date for the Forward Delivery Refunding Bonds is on or about August 18, 2022

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

Year Ending December 31	Aggregate Debt Service [1][2][3][4]
2022	$ 125,039
2023	149,025
2024	122,879
2025	137,128
2026	132,006
2027	132,005
2028	131,964
2029	118,947
2030	118,947
2031	124,363
2032	152,065
2033	184,266
2034	163,429
2035	166,632
2036	165,626
2037	172,150
2038	134,683
2039	137,844
2040	239,595
2041	233,942
2042	234,139
2043	234,069
2044	234,018
2045	233,974
2046	233,925
2047	286,449
2048	286,382
2049	286,089
2050	285,894
2051	284,227
2052	175,180
2053	54,401
2054	54,327
2055	54,250
2056	54,180
2057	22,550
Total	$6,056,588

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(1) Totals may not add due to rounding.
(2) Includes the following assumption for debt service: fixed rate mandatory tender bonds bear interest at their respective fixed interest rates prior to the mandatory tender date, until the final maturity date.
(3) Excludes debt service on the outstanding MLF BAN, the principal of which is not secured by PMT Receipts and interest on which is secured by PMT Receipts on a subordinate basis to PMT Senior Lien Indebtedness.
(4) Figures exclude debt service on the MTA Bridges and Tunnels Payroll Mobility Tax Senior Lien Refunding Bonds, Series 2022B (the "Forward Delivery Refunding Bonds"). The settlement date for the Forward Delivery Refunding Bonds is on or about August 18, 2022.

PMT Receipts

Under State law, TBTA PMT Bonds are MTA Bridges and Tunnels' special obligations, which means that they are payable solely from monies pledged therefor ("PMT Receipts") in the Obligations Trust Estate under the TBTA PMT Resolution. TBTA PMT Bonds are not MTA Bridges and Tunnels' general obligations. PMT Receipts are comprised of Mobility Tax Receipts and ATA Receipts.

Mobility Tax Receipts

The Payroll Mobility Tax. The Payroll Mobility Tax ("PMT") is a tax imposed on certain employers and individuals engaging in business in the Metropolitan Commuter Transportation District ("MCTD"). The MCTD, which is subject to the imposition of the PMT, includes New York City (the counties of New York (Manhattan), Bronx, Kings (Brooklyn), Queens, Richmond (Staten Island)) and the counties of Rockland, Nassau, Suffolk, Orange, Putnam, Dutchess, and Westchester. The PMT is administered by the State Department of Taxation and Finance and collected by the Commissioner of Taxation and Finance. The proceeds from the PMT are distributed, without appropriation, to MTA.

Legislation was enacted in the State in 2009 (the "May 2009 Legislation"), providing additional sources of revenues, in the form of taxes, fees and surcharges, to address the financial needs of MTA. The PMT on payroll expenses and net earnings from self-employment within the MCTD initially imposed a 0.34% tax collected from private (for-profit and not-for-profit) and public sector employers in the MCTD.

The PMT was modified in 2011 to exempt certain taxpayers from paying the PMT and decrease rates paid by others. The PMT currently excludes federal, international, interstate agencies, certain eligible educational institutions, and certain small businesses. Additional amendments made in 2011 to the May 2009 Legislation further provided that any reductions in aid to MTA attributable to the 2011 statutory reductions in the PMT "shall be offset through alternative sources that will be included in the state budget" ("PMT Revenue Offset Receipts"). The PMT Revenue Offset Receipts are not pledged to the payment of TBTA PMT Indebtedness or MTA PMT Indebtedness.

MTA, along with the State and various officials of the State, successfully defended several actions challenging the constitutionality of the legislation that enacted the Payroll Mobility Tax (Chapter 25 of the Laws of 2009). These cases were conclusively resolved in 2014 when the New York Court of Appeals declined to hear an appeal of the appellate court decision, thereby confirming that the PMT is constitutional.

Legislation enacted in 2018 removed the legislative appropriation requirement for Mobility Tax Receipts and established that MTA receives Mobility Tax Receipts directly. See "Method of Payments of the PMT" below.

Current Payroll Mobility Tax Rates. The PMT is imposed on the total payroll expense for all covered employees for each calendar quarter at the following rates:

Payroll Expense for Calendar Quarter	Tax Rate on Payroll Expense
Under $312,500	Not subject to PMT
Over $312,500 but not over $375,000	0.11%
Over $375,000 but not over $437,500	0.23%
Over $437,500	0.34%

Payroll expenses subject to the PMT includes all wages or compensation (as defined under sections 3121 or 3231 of the Internal Revenue Code), including back pay, sick pay, deferred compensation, and bonuses if the payroll payment is attributable to services performed while the employee is or was a covered employee (described below). Section 3121 of the Internal Revenue Code defines wages and compensation as those subject to federal social security taxes and section 3231 of the Internal Revenue Code defines wages and compensation as those subject to the federal railroad retirement tax. However, in computing payroll expense subject to the PMT, the caps on wages subject to either social security taxes or railroad retirement taxes do not apply. Accordingly, for most employers, payroll expense is the amount of the employee wages or other compensation that is subject to the Medicare portion of the federal social security taxes.

Employers Subject to the Payroll Mobility Tax. The PMT is imposed on certain employers within the MCTD, as described below. Subject to the exemptions described below, an employer engaging in business within the MCTD is subject to the PMT for each calendar quarter they are required to withhold New York State income tax from wages paid to employees and their payroll expense for all covered employees exceeds $312,500 for that calendar quarter. An employer whose payroll expense does not exceed $312,500 for that calendar quarter is not subject to the PMT for that calendar quarter.

Employers Exempt from the Payroll Mobility Tax. The following employers are exempt from the PMT: agencies and instrumentalities of the United States; the United Nations; interstate agencies and public corporations created pursuant to an agreement or compact with another state or Canada (such as The Port Authority of New York and New Jersey). The following educational institutions are also exempt from the PMT: any public school district; a board of cooperative educational services; a public elementary or secondary school; schools which serve students with disabilities of school age; and nonpublic elementary or secondary school that provides instruction in grade one or above.

Covered Employees Subject to Payroll Mobility Tax. An employee is considered to be a covered employee (whose wages are then subject to the PMT) if the employee's services are allocated to the MCTD. An employee's services are allocated to the MCTD if any one of the following are true:

1) *Localization* - If an employee's services are either (a) performed entirely within the MCTD or (b) performed both inside and outside the MCTD, but the services performed outside the MCTD are incidental (i.e., temporary or transitory or consist of isolated transactions).

2) *Base of Operations* - If the employee's base of operations is in the MCTD. Base of operations generally means where the employee customarily starts out to perform his or her functions within or outside the MCTD or where the employee customarily returns to receive instruction, replenish stock and materials, repair equipment, or perform any other necessary function. This test is not applied if an employee has no base of operations or has more than one base of operations.

3) *Place of Direction and Control* – If the employee's direction and control emanates only from within the MCTD, and the employee performs some services within the MCTD.

4) *Residence* – If the employee resides in the MCTD and performs some services in the MCTD.

If an employee is considered a covered employee based on any one of these tests, then all of payroll expense for that employee is included in the payroll expense for purposes of the PMT.

Individuals with Net Earnings from Self-Employment. Individuals who have net earnings from self-employment allocated to the MCTD are also subject to the PMT. However, if total net earnings from self-employment allocated to the MCTD are $50,000 or less for the tax year, no PMT is due. Net earnings from self-employment subject to the PMT are taxed at a flat rate of 0.34% of total net earnings allocated to the MCTD (subject to the minimum $50,000 annual earnings threshold described in the preceding sentence). Self-employed individuals which may be subject to the PMT include sole proprietors, partners in partnerships, members of limited liability companies (LLCs) treated as partnerships for federal income tax purposes and certain single-member LLCs. Certain church employees, members of the clergy and Christian Science practitioners (those who are not subject to federal self-employment taxes) are also not subject to the PMT.

Net earnings from self-employment allocated to the MCTD means net earnings from self-employment that are attributable to a business carried on within the MCTD. Business activity is considered carried on in the MCTD for purposes of the PMT if an individual maintains, operates, or occupies desk space, an office, a shop, a store, a warehouse, a factory, an agency, or other place located in the MCTD where the individual's business matters are systematically and regularly carried on.

If a self-employed individual carries on business both in and outside the MCTD, only a portion of the individual's self-employed earnings are allocated to the MCTD, and thus subject to the PMT. Allocation for PMT purposes is required to be done using the same rules that apply for purposes of the allocation of business income in and out of New York State under the personal income tax rules.

Method of Payments of the PMT. The PMT is paid concurrently with regular periodic payroll by large employers required to use the State's prompt payment system (payrolls in excess of $100,000) and quarterly by sole proprietors and other smaller employers. The PMT is audited and enforced by the State Department of Taxation and Finance and collected by the Commissioner of Taxation and Finance for the sole benefit of MTA and deposited to a segregated account held in trust by the State Comptroller for MTA.

Certain MCTD Employment and Wage Base Information

The PMT and the collection thereof are related to, among other things, employment and wages in the MCTD.

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The following **Table 2** sets forth estimated employment in the MCTD (by place of work) since 2012, the percentage change in employment from the preceding calendar year, and employment in the MCTD as a percent of New York statewide employment.

Table 2
Historical MCTD and Statewide Full-Time and Part-Time Employment

Calendar Year	MCTD Employment[(1)]	% Change from Previous Year	NY Statewide Employment[(1)]	MCTD Employment as a % of NY Statewide Employment
2012	7,949,987	-	11,432,840	69.5%
2013	8,122,572	2.2%	11,619,137	69.9
2014	8,350,135	2.8	11,865,518	70.4
2015	8,561,903	2.5	12,099,185	70.8
2016	8,707,305	1.7	12,259,144	71.0
2017	8,825,507	1.4	12,389,041	71.2
2018	9,057,133	2.6	12,652,841	71.6
2019	9,156,134	1.1	12,743,035	71.9
2020	8,280,973	-9.6	11,581,930	71.5

Source: U.S. Bureau of Economic Analysis (U.S. BEA)
(1) Employment estimates based on data last updated by U.S. BEA on November 16, 2021.

The employment numbers in **Table 2** include all employment reported by the U.S. BEA and does not exclude any employees that may be exempt from the PMT and, therefore, is provided only as a proxy of the gross employment base which may be subject to the PMT.

The following **Table 3** sets forth estimated wages, salaries and proprietors' income in the MCTD (by place of work) since 2012, the percentage change from the preceding calendar year, and the MCTD's wages, salaries and proprietors' income as a percent of New York statewide wages, salaries and proprietors' income.

Table 3
Historical MCTD and Statewide Wages, Salaries and Proprietors' Income

Calendar Year	MCTD Wages, Salaries and Proprietors' Income ($ in millions) [(1)]	% Change from Previous Year	MCTD as a % of NY Statewide Wages and Salaries and Proprietors' Income
2012	$524,684	-	78.8%
2013	535,817	2.1%	79.0
2014	561,187	4.7	79.4
2015	581,258	3.6	79.6
2016	607,251	4.5	80.0
2017	646,557	6.5	80.3
2018	679,976	5.2	80.6
2019	701,501	3.2	80.6
2020	691,890	-1.4	80.4

Source: U.S. BEA
(1) Wages, salaries and proprietor's income estimates: based on data last updated by U.S. BEA on November 16, 2021, Proprietors' income includes the inventory valuation adjustment and capital consumption adjustment.

The wages, salaries and proprietors' income in **Table 3** include all wages, salaries and proprietors' income reported by the U.S. BEA and does not exclude any wages, salaries and proprietors' income that may be exempt from the PMT, and therefore, is provided only as a proxy of the gross wages, salaries and proprietors' income base, which may be subject to the PMT.

Statistical information and calculations contained in **Table 2** and **Table 3** are based on data obtained from the U.S. BEA. Although MTA and MTA Bridges and Tunnels believe such sources and information obtained therefrom to be reliable as of the date presented, neither MTA nor MTA Bridges and Tunnels can guarantee the accuracy of such information, assure its completeness or warrant that such information will not be changed, modified or otherwise revised subsequent to the date thereof. Neither MTA nor MTA Bridges and Tunnels has any obligation to update any or all of such information nor does MTA or MTA Bridges and Tunnels make any express or implied warranties or representations as to its accuracy or completeness.

Historical Mobility Tax Receipts

The following **Table 4** sets forth, on a cash basis, MTA's total annual Mobility Tax Receipts since 2012, as well as the percentage change from the preceding calendar year:

Table 4
Historical Annual Mobility Tax Receipts

Calendar Year	**Mobility Tax Receipts ($ in millions)**	**% Change from Previous Year**
2012[1]	$1,265.3	-
2013[1]	1,215.3	-4.0%
2014	1,262.6	3.9
2015	1,316.9	4.3
2016	1,372.8	4.2
2017	1,435.6	4.6
2018	1,482.9	3.3
2019	1,560.5	5.2
2020	1,560.8	0.0
2021	1,713.2	9.8

Source: MTA Management
[1] The decline in Mobility Tax Receipts in calendar years 2012 and 2013 was attributed to revisions to the PMT statute effective April 1, 2012 which exempted certain taxpayers and lowered the rate paid by others, as described herein.

ATA Receipts

The ATA Receipts. The May 2009 Legislation also provided additional support for MTA in the form of revenues comprised of the supplemental fee on learner's permits and driver's licenses, supplemental fees on the registration and renewal of motor vehicles, the taxicab surcharge, and the supplemental tax on auto rentals, collectively referred to as the "ATA Receipts". The ATA Receipts are collected by the Commissioner of Taxation and Finance or the Commissioner of Motor Vehicles, as applicable, on behalf of MTA, and deposited to the segregated account held in trust by the State Comptroller for MTA. Revenue from the ATA Receipts is not subject to appropriation, and is payable quarterly directly to MTA.

ATA Receipts are derived from activities conducted in the MCTD at the collection rates listed in the table below. For State Fiscal Year 2020 (ending March 31, 2020), 66.0% of MTA's ATA Receipts were generated from driver's license fees and auto registration fees, with the remaining 34.0% from the taxicab surcharge and auto rental tax. In comparison, for State Fiscal Year 2021 (ended March 31, 2021), driver's license fees and auto registration fees represented 77.7% of total ATA Receipts while the taxicab surcharge and auto rental tax constituted 22.3% of total ATA Receipts.

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Source	Collection Rate	Collection Area
Driver's License Fee	$1.00 per 6 months[(1)]	MCTD
Auto Registration Fee	$25 every year[(2)]	MCTD
Taxicab Surcharge	$0.50 per ride	Any taxi ride starting in NYC and ending within the MCTD
Auto Rental Tax	6% of the cost of the rental[(3)]	MCTD

Source: MTA, State Department of Taxation and Finance, State Division of the Budget
(1) Collected as a $16 surcharge on an 8-year license.
(2) Collected as a $50 surcharge on a 2-year vehicle registration.
(3) Raised from 5% in 2019.

Historical ATA Receipts

The following **Table 5** sets forth, on a cash basis, MTA's total annual ATA Receipts since 2012, as well as the percentage change from the preceding calendar year.

Table 5
Historical Annual ATA Receipts

Calendar Year	ATA Receipts ($ in millions)	% Change from Previous Year
2012	$305.6	-
2013	302.9	-0.9%
2014	313.2	3.4
2015[(1)]	284.8	-9.1
2016	300.3	5.5
2017	306.2	2.0
2018[(1)]	272.6	-11.0
2019	311.0	14.1
2020[(1)]	248.8	-20.0
2021	263.3	5.8

Source: MTA Management
(1) The decline in ATA receipts from 2014-2015 reflected a decline in taxicab surcharge receipts due to a reduction in pickups by yellow and green-metered taxicabs, which are subject to the taxicab surcharge. This was a result of an increase in the market share of smartphone app-driven providers into the area, such as Uber and Lyft, which are not subject to the $0.50 taxicab surcharge. The change in 2017-2018 reflects an expansion of For-Hire Vehicle trips (from providers such as Uber and Lyft) taken as acceptance of these providers grew. The change from 2019 to 2020 reflects the impacts of the COVID-19 pandemic.

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Historical PMT Receipts

The following **Table 6** sets forth, on a cash basis, annual combined Mobility Tax Receipts and ATA Receipts (collectively, "PMT Receipts") since 2012, and the percentage change in total PMT Receipts from the preceding calendar year.

Table 6
Historical Annual Combined Mobility Tax Receipts and ATA Receipts
(PMT Receipts)[1]

Calendar Year	Mobility Tax Receipts ($ in millions)	ATA Receipts ($ in millions)	PMT Receipts ($ in millions)	% Change PMT Receipts from Previous Year
2012[2]	$1,265.3	$305.6	$1,570.9	-
2013[2]	1,215.3	302.9	1,518.1	-3.4%
2014	1,262.6	313.2	1,575.8	3.8
2015	1,316.9	284.8	1,601.7	1.6
2016	1,372.8	300.3	1,673.1	4.5
2017	1,435.6	306.2	1,741.8	4.1
2018	1,482.9	272.6	1,755.5	0.8
2019	1,560.5	311.0	1,871.5	6.6
2020[2]	1,560.8	248.8	1,809.7	-3.3
2021	1,713.2	263.3	1,976.6	9.2

Source: MTA Management
(1) Numbers may not total due to rounding.
(2) The decline in Mobility Tax Receipts in calendar years 2012 and 2013 was attributed to revisions to the PMT statute effective April 1, 2012, which exempted certain taxpayers and lowered the rate paid by others, as described herein. The change from 2019 to 2020 reflects the impacts of the COVID-19 pandemic.

Factors Affecting Revenues

*The COVID-19 Pandemic***.** While the COVID-19 pandemic has had a substantially adverse impact on MTA revenues and operations, annual Mobility Tax Receipts and ATA Receipts shown in Tables 4, 5 and 6 demonstrate the relative resilience of the broad-based PMT Receipts. PMT Receipts were down 3.3% for calendar year 2020, compared to 2019, and for calendar year 2021, PMT Receipts were 9.2% higher than in 2020 and 5.6% higher than in 2019. Mobility Tax Receipts were essentially the same for calendar year 2020 compared to 2019, and for calendar year 2021, Mobility Tax Receipts were 9.8% higher than in 2020 and 2019. ATA Receipts were down 20.0% for calendar year 2020, compared to 2019, and for calendar year 2021, ATA Receipts were 5.8% higher than in 2020, but 15.3% lower than in 2019. For further information related to the impact of the COVID-19 pandemic more generally on MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES".

For the 2022 Adopted Budget, the 2022 February Plan reflects $1.741 billion in Mobility Tax Receipts and $305.0 million in ATA Receipts, both of which are unchanged from the 2022 Final Proposed Budget in the 2021 November Financial Plan.

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Mobility Tax Receipts received by MTA tend to be higher in the month of December, followed by lower Mobility Tax Receipts in the month of January, due to a statutory provision which requires the State Comptroller to transfer to MTA by the final business day in December all then collected Mobility Tax Receipts.

Legislative Changes. The State is not restricted in its right to amend, repeal, modify or otherwise alter statutes imposing or relating to the sources of PMT Receipts or the taxes that are the source of such PMT Receipts. However, the State has authorized MTA and MTA Bridges and Tunnels to include in their respective PMT Resolutions, for the benefit of the holders of the their respective bonds, its agreement that the State will not limit or alter the rights vested in MTA or MTA Bridges and Tunnels to fulfill the terms of any agreements made by MTA or MTA Bridges and Tunnels with the holders of its notes, bonds and lease obligations, including the MTA Bridges and Tunnels PMT Bonds and the MTA PMT Bonds, or in any way impair the rights and remedies of such holders. See "SECURITY - Agreements of the State" below.

Economic Conditions. Each of the sources of PMT Receipts 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 PMT Receipts will be indicative of future receipts, either during the pendency of the COVID-19 pandemic or thereafter.

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 official statement. Such information is on file with MSRB through EMMA with which the State was required to file, and the State has committed to update that information to the holders of its general obligation bonds and State-supported bonds, in the manner specified in Rule 15c2-12. Prospective purchasers of TBTA PMT 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 TBTA PMT Bonds, including the Series 2021A Bonds. MTA and MTA Bridges and Tunnels makes no representations about State information or its continued availability.

Pledge Effected by the MTA PMT Resolution and the TBTA PMT Resolution

Trust Estate. The MTA PMT Resolution and the TBTA PMT Resolution each provide that there are pledged to the payment of principal and redemption premium of, interest on, and sinking fund installments for, the PMT Senior Lien Obligations, in accordance with their terms and the provisions of the MTA PMT Resolution and the TBTA PMT Resolution, as applicable, subject only to the provisions permitting the application of that money for the purposes and on the terms and conditions permitted in the MTA PMT Resolution and the TBTA PMT Resolution, the following, referred to as the "Trust Estate":

(i) the proceeds of the sale of the MTA PMT Bonds and the TBTA PMT Bonds;

(ii) all right, title and interest of MTA and MTA Bridges and Tunnels in, to and under the Financing Agreement;

(iii) the ATA Receipts and the Mobility Tax Receipts and the funds and accounts established under the Financing Agreement into which the ATA Receipts and PMT Receipts are deposited;

(iv) the Obligations Proceeds Fund and the Senior Debt Service Fund, any money on deposit therein and any money received and held by MTA and MTA Bridges and Tunnels required to be deposited therein;

(v) all funds, accounts and subaccounts established by the MTA PMT Resolution and the TBTA PMT Resolution, as applicable (other than (a) the Second Lien Obligations Proceeds Fund and the Second Lien Debt Service Fund, and any accounts and subaccounts therein and (b) funds and any accounts and subaccounts therein established pursuant to a supplemental resolution in connection with Variable Interest Rate Obligations, Put Obligations or Parity Debt; provided, however, that, in the case of funds described in clause (b) hereof, such funds, accounts and subaccounts are specifically excepted from the Obligations Trust Estate by the Supplemental Resolution authorizing such Variable Interest Rate Obligations, Put Obligations or Parity Debt), including the investments, if any, thereof; and

(vi) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, that may from time to time be conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the MTA PMT Resolution and the TBTA PMT Resolution for the PMT Senior Obligations by MTA or MTA Bridges and Tunnels, or by anyone on their behalf, or with its written consent, to the applicable trustee.

The MTA PMT Resolution and the TBTA PMT Resolution each provide that the respective 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 MTA PMT Resolution and TBTA PMT Resolution, respectively, other than the PMT Senior Obligations, and all corporate action on the part of MTA and MTA Bridges and Tunnels to that end have been duly and validly taken.

Flow of PMT Receipts

MTA and MTA Bridges and Tunnels entered into the Financing Agreement to provide the mechanism by which MTA and MTA Bridges and Tunnels share PMT Receipts on a parity basis. As described below, the statutes providing for the imposition and collection of the PMT Receipts, together with the Financing Agreement and the PMT Resolutions provide the procedures for the deposit and transfer of amounts constituting PMT Receipts to ensure that sufficient amounts will be available for MTA to (i) provide MTA Bridges and Tunnels, or the Trustee on behalf of MTA Bridges and Tunnels, with the PMT Receipts necessary for MTA Bridges and Tunnels to timely perform its obligations under the TBTA PMT Resolution, and (ii) retain, or provide to the trustee under the MTA PMT Resolution on its own behalf, the PMT Receipts necessary for MTA to timely perform its obligations under the MTA PMT Resolution, in each case on the terms and conditions and in the priority set forth in the applicable statutes and financing documents.

Deposit and Application of PMT Receipts Required by Statute

Mobility Tax Receipts. The Mobility Tax Receipts collected or received by the Commissioner of Taxation and Finance on behalf of MTA are deposited daily into a segregated account held in trust by the State Comptroller for the credit of MTA. Mobility Tax Receipts are <u>not</u> subject to appropriation, and are payable twice a month (on the 15th and the final business day of each month) by the State Comptroller directly to MTA for deposit in the MTA Finance Fund held by MTA in accordance with each of Section 805(b) of the State Tax Law and Section 1270-h of the MTA Act. Immediately upon their receipt, MTA transfers the Mobility Tax Receipts to the Mobility Tax Receipts Subaccount in accordance with the terms of the Financing Agreement described below.

ATA Receipts. The ATA Receipts are collected or received by the Commissioner of Taxation and Finance or the Commissioner of Motor Vehicles, as applicable, on behalf of MTA and are deposited daily into a segregated account held in trust by the State Comptroller for the credit of MTA. ATA Receipts are <u>not</u> subject to appropriation, and are payable quarterly (by the 15th day of the last month of each calendar quarter) by the State Comptroller directly to MTA for deposit in the Corporate Transportation Account within the Special Assistance Fund held by MTA for application in accordance with Section 1270-a of the MTA Act. Immediately upon their receipt, MTA transfers the ATA Receipts to the ATA Receipts Subaccount in accordance with the terms of the Financing Agreement described below.

Deposit and Application of PMT Receipts Under Financing Agreement

The statutory lien in favor of the holders of PMT Indebtedness is effective immediately upon receipt by MTA of the Mobility Tax Receipts and the ATA Receipts, prior to the deposit of such moneys into the Mobility Tax Receipts Subaccount and the ATA Receipts Subaccount, respectively. All PMT Receipts received by MTA are required to be immediately deposited into the applicable Subaccount established under the Financing Agreement. Such Subaccounts are separate bank accounts established for the purpose of segregating and investing the receipts deposited therein prior to transfer to the respective Trustee under the MTA PMT Resolution and the TBTA PMT Resolution, as described below. Amounts held at any time by MTA in the Mobility Tax Receipts Subaccount and the ATA Receipts Subaccount are held in trust separate and apart from all other funds of MTA for the benefit of holders of PMT Indebtedness.

MTA Bridges and Tunnels and MTA have entered into the Financing Agreement for the purposes of establishing the procedures pursuant to which MTA will deposit, allocate and transfer the PMT Receipts in order to ensure the parity allocation of such PMT Receipts between the TBTA PMT Resolution and the MTA PMT Resolution.

- In every month, at such time or times as MTA in its discretion shall determine (but in no event later than the last Business Day of every month), MTA shall transfer PMT Receipts from the Mobility Tax Receipts Subaccount or the ATA Receipts Subaccount or both (as determined by MTA) in the following order of priority and to the extent available for application, as follows:
- *first*, to the applicable Trustee for deposit in the applicable Senior Lien Debt Service Fund, an amount equal to the applicable Monthly Senior Lien Deposit Requirement (generally, one-fifth (1/5th) of the interest due and payable on the next interest payment date and one-tenth (1/10th) of the next Principal Installment) plus an amount equal to the amount required to cure any deficiency in prior transfers made; *provided, however*, if on the date of any such transfer the amount of PMT Receipts available for transfer is less than the amount

required to be transferred, the amount actually available shall be transferred, first, on a *pro rata* basis (in proportion to the amount of any deficiencies relative to each other) to each applicable Trustee to cure any deficiencies in prior deposits or transfers, and then, on a *pro rata* basis to each applicable Trustee in proportion to the amount of the respective current applicable Monthly Senior Lien Debt Service Requirement; and

- *second*, to the applicable Trustee for deposit in the applicable Second Lien Debt Service Fund, an amount equal to the applicable Monthly Second Lien Deposit Requirement plus an amount equal to the amount required to cure any deficiency in prior transfers made; *provided, however*, if on the date of any such transfer the amount of PMT Receipts available for transfer is less than the amount required to be so transferred, the amount actually available shall be transferred, first, on a *pro rata* basis (in proportion to the amount of any deficiencies relative to each other) to each applicable Trustee to cure any deficiencies in prior deposits or transfers, and then, on a *pro rata* basis to each applicable Trustee in proportion to the amount of the respective current applicable Monthly Second Lien Deposit Requirement; and
- *third*, to the applicable Trustee or another Person, the amount necessary for the payment of Other Subordinated Obligations or obligations payable from PMT Receipts in the priority set forth in the applicable PMT Resolution or other authorizing document for such obligations; and
- *fourth*, to the applicable Trustee or another Person, for the payment of fees and expenses due and payable under the related PMT Indebtedness and PMT Resolutions, to the extent payable from PMT Receipts in the priority set forth in the applicable authorizing document; and
- *fifth*, after the amounts actually transferred under clauses *first* through *fourth* above equal the amounts required to have been so transferred on a cumulative basis as of the end of each month, to MTA or for expenditure by MTA, PMT Receipts and investment income, if any, on deposit in the PMT Receipts Subaccounts free and clear of any lien, pledge or claim of the TBTA PMT Resolution and the MTA PMT Resolution, to be applied by MTA as provided in the MTA Act.

If, after the date or dates of any transfers made by MTA in a particular month described above, there continues to be a deficiency in the cumulative amounts required to be transferred and MTA receives additional PMT Receipts later in such month, MTA will apply those additional PMT Receipts as soon as practicable (but no later than the last Business Day of such month) in the same priority as set forth above to cure such deficiencies to the greatest extent possible.

If on any Business Day no later than two Business Days preceding any Applicable Debt Service Payment Date, MTA receives notice from an applicable Trustee that there are insufficient funds on deposit to pay Debt Service on PMT Indebtedness on such payment date, MTA shall transfer, to the extent moneys are available, any or all PMT Receipts on deposit in the Subaccounts in the amount necessary to cure such deficiency. Amounts so transferred shall be applied in the same priority as set forth above; *provided, however*, that no transfers shall be made to an applicable Second Lien Trustee if there is a deficiency that has not been cured in the amounts transferred for the payment of Senior Lien Debt Service.

For a more detailed description of the flow of funds, see the Financing Agreement, a copy of which is available on MTA's website at https://new.mta.info/investor-info/bond-resolutions-interagency-agreements.

Pledge Effected by the TBTA PMT Resolution

Application of PMT Receipts Under TBTA PMT Resolution

The TBTA PMT Resolution establishes an Obligations Proceeds Fund held by MTA Bridges and Tunnels and a Senior Lien Debt Service Fund held by the Trustee. A copy of the TBTA PMT Resolution may be found on MTA's website (https://new.mta.info/investor-info/bond-resolutions-interagency-agreements) "TBTA Payroll Mobility Tax Obligation Resolution", included herein by specific cross-reference for TBTA PMT Resolution provisions governing the deposits to and withdrawals from the Funds and Accounts. Amounts held by MTA Bridges and Tunnels 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 TBTA PMT Resolution or any Supplemental Resolution thereto.

Obligations Trust Estate. The TBTA PMT Resolution provides that there are pledged to the payment of principal and redemption premium of, interest on, and sinking fund installments for, the TBTA PMT Bonds, and other Obligations and Parity Debt, in accordance with their terms and the provisions of the TBTA PMT Resolution, subject only to the provisions permitting the application of that money for the purposes and on the terms and conditions permitted in the TBTA PMT Resolution, and subject also to the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the PMT Receipts as described in "—Agreements of the State" below, the following, referred to as the "Obligations Trust Estate":

(i) the proceeds of the sale of the TBTA PMT Bonds, until those proceeds are paid out for an authorized purpose;

(ii) all right, title and interest of MTA Bridges and Tunnels in (x) the Financing Agreement, including the right of MTA Bridges and Tunnels to receive the PMT Receipts thereunder and (y) the funds and accounts established under the Financing Agreement into which the PMT Receipts are to be deposited; provided, however, that, that all right, title and interest of MTA Bridges and Tunnels in and to the Financing Agreement and receipt of amounts payable thereunder for the benefit of TBTA PMT Bonds, other Obligations and Parity Debt is of equal rank with the all right, title and interest of MTA in and to the Financing Agreement and receipt of amounts payable thereunder for the benefit of MTA PMT Bonds, other Obligations and Parity Debt;

(iii) the Obligations Proceeds Fund and the Senior Lien Debt Service Fund, any money on deposit therein and any money received and held by MTA Bridges and Tunnels which is required to be deposited therein;

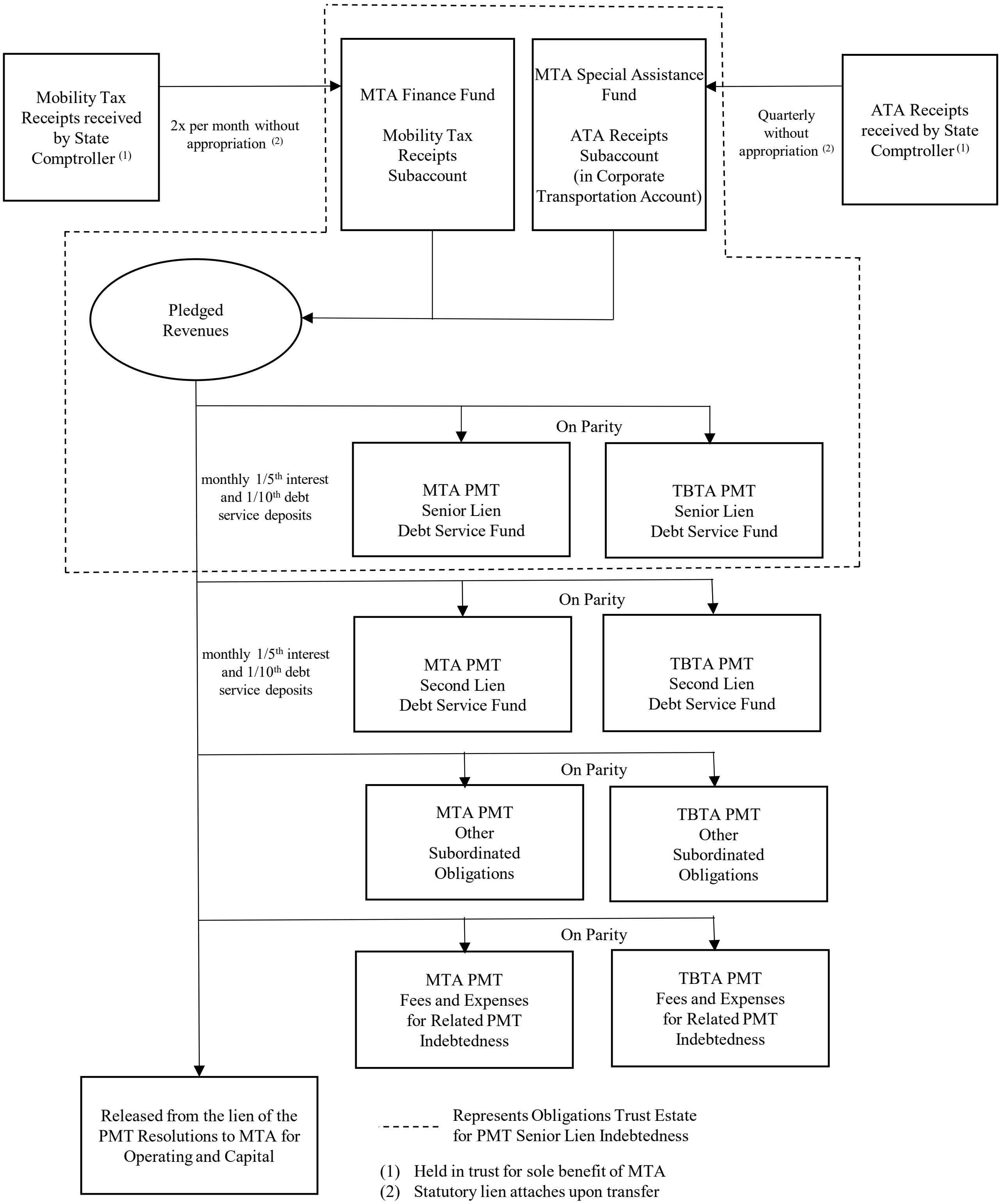
(iv) all Funds, Accounts and Subaccounts established by the TBTA PMT Resolution (other than (a) the Second Lien Obligations Proceeds Fund and the Second Lien Debt Service Fund, and any accounts and subaccounts therein and (b) funds and any accounts and subaccounts therein established pursuant to a Supplemental Resolution in connection with Variable Interest Rate Obligations, Put Obligations or Parity Debt; provided, however, that, in the case of funds described in clause (b) hereof, such funds, accounts and subaccounts are specifically excepted from the Obligations Trust Estate by the Supplemental Resolution authorizing such Variable Interest Rate Obligations, Put Obligations or Parity Debt), including the investments, if any, thereof; and

(v) all funds, moneys and securities and any and all other rights and interests in property, whether tangible or intangible, from time to time hereafter by delivery or by writing of any kind conveyed, mortgaged, pledged, assigned or transferred as and for additional security under the TBTA PMT Resolution for the TBTA PMT Bonds by MTA Bridges and Tunnels, or by anyone on its behalf, or with its written consent, to the Trustee, which is authorized to receive any and all such property at any and all times, and to hold and apply the same subject to the terms of the TBTA PMT Resolution.

The TBTA PMT Resolution provides that the Obligations 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 TBTA PMT Resolution, other than the TBTA PMT Senior Lien Indebtedness, and all corporate action on the part of MTA Bridges and Tunnels to that end has been duly and validly taken.

The following chart summarizes (i) the flow of taxes, fees and surcharges into the MTA Finance Fund and the MTA Special Assistance Fund, and (ii) the flow of the PMT Receipts pursuant to the terms of the Financing Agreement through the Funds and Accounts established under the TBTA PMT Resolution and the MTA PMT Resolution.

SOURCES OF REVENUE AND FLOW OF FUNDS



Debt Service Fund

Pursuant to the TBTA PMT Resolution, the Trustee holds the Senior Lien Debt Service Fund. Moneys deposited in the Senior Lien Debt Service Fund are applied by the Trustee to the payment of Debt Service on the TBTA PMT Bonds in the manner, and from the accounts and subaccounts, more fully described under the heading "Senior Lien Debt Service Fund" in the TBTA PMT Resolution included herein by specific cross-reference.

MTA is required under the Financing Agreement to make transfers no less frequently than monthly to the Trustee for deposit in the appropriate account of the Senior Lien Debt Service Fund of interest (1/5th of the next semiannual payment) and principal (1/10th of the next annual payment) from PMT Receipts. See "— Flow of PMT Receipts — *Deposit and Application of PMT Receipts Under Financing Agreement"* above.

Covenants

Additional PMT Senior Lien Indebtedness including Parity Debt. The TBTA PMT Resolution permits the issuance or incurrence of additional Senior Lien Indebtedness from time to time to pay or provide for payment of Capital Costs for any Transportation District Project that may be financed with obligations the payment of which may be secured by and paid from the PMT Receipts and to refund Outstanding TBTA PMT Bonds.

Additional PMT Senior Lien Indebtedness, including additional Series of TBTA PMT Bonds, may be issued provided that, in addition to satisfying certain other requirements, MTA Bridges and Tunnels delivers a certificate that evidences MTA Bridges and Tunnels' compliance with the additional bonds test set forth in the TBTA PMT Resolution. The additional bonds test for either the issuance of TBTA PMT Senior Lien Indebtedness or MTA PMT Senior Lien Indebtedness requires that the amount of PMT Receipts (Mobility Tax Receipts and ATA Receipts) for any 12 consecutive calendar months ended not more than six months prior to the date of such calculation, as set forth in a certificate of an Authorized Officer, is at least 2.25 times the combined maximum annual Calculated Debt Service (as defined in the TBTA PMT Resolution) on all Outstanding TBTA PMT Senior Lien Indebtedness and MTA PMT Senior Lien Indebtedness then outstanding (including the TBTA or MTA PMT Senior Lien Indebtedness then proposed to be issued).

Each of the TBTA PMT Resolution and the MTA PMT Resolution also provides that additional PMT Senior Lien Indebtedness may be issued to refund Outstanding PMT Senior Lien Indebtedness, either by meeting the additional bonds test described above, or, in the alternative, by demonstrating that (1) combined maximum annual Calculated Debt Service on all PMT Senior Lien Indebtedness for any future debt service year, and (2) combined maximum annual (a) Calculated Debt Service on all PMT Senior Lien Indebtedness and (b) Calculated Second Lien Debt Service on all PMT Second Lien Indebtedness for any future debt service year, will not increase as a result of such refunding.

For the requirements relating to the issuance of Refunding Bonds under the TBTA PMT Resolution and under the MTA PMT Resolution, see "— Special Provisions for Refunding Obligations" in "ANNEX C" to the TBTA PMT Resolution included herein by specific cross-reference.

Parity Debt

Subject to compliance with the additional bonds test for PMT Senior Lien Indebtedness described above, MTA Bridges and Tunnels and MTA may incur Parity Debt pursuant to the terms of the respective PMT Resolution. Such PMT Senior Lien Indebtedness would, subject to certain exceptions, be secured by a pledge of, and a lien on, the Obligations Trust Estate on a parity with the lien created by the applicable PMT Resolution. 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 Bridges and Tunnels designated as constituting "Parity Debt" in a certificate of an Authorized Officer delivered to the applicable Trustee.

Subordinate Obligations

The TBTA PMT Resolution and the MTA PMT Resolution each authorize the issuance or incurrence of subordinate obligations, including PMT Second Lien Indebtedness.

Agreements of the State

The MTA Act provides that, so long as MTA has outstanding any bonds, notes or other obligations, none of MTA, MTA Bridges and Tunnels or any of the other Related Entities has the authority to file a voluntary petition under

Chapter 9 of the Federal Bankruptcy Code, and neither any public officer nor any organization, entity or other person shall authorize MTA, MTA Bridges and Tunnels or any of the other Related Entities to be or become a debtor under Chapter 9 during any such period. In addition, under the MTA Act, the State pledges and agrees that it will not limit or alter the denial of authority to file a voluntary petition under Chapter 9 as provided in the preceding sentence during any such period. The Financing Agreement is an MTA obligation that extends the protections of this provision through the final maturity of PMT Senior Lien Indebtedness.

Chapter 9 does not provide authority for creditors to file involuntary bankruptcy proceedings against MTA, MTA Bridges and Tunnels or the other Related Entities.

Under the MTA Act and the MTA Bridges and Tunnels Act, the State pledges to and agrees with the holders of any notes, bonds or lease obligations issued or incurred by MTA and MTA Bridges and Tunnels, including the MTA PMT Bonds and the TBTA PMT Bonds, that the State will not limit or alter the rights vested in MTA or MTA Bridges and Tunnels to fulfill the terms of any agreements made with the holders of their respective notes, bonds and lease obligations, or in any way impair the rights and remedies of such holders. Notwithstanding the foregoing, in accordance with State law and the MTA PMT Resolution and the TBTA PMT Resolution, nothing in the MTA PMT Resolution or the TBTA PMT Resolution restricts the right of the State to amend, repeal, modify or otherwise alter statutes imposing or relating to the taxes, fees or appropriations which are the source of PMT Receipts. No default under the MTA PMT Resolution or the TBTA PMT Resolution would occur solely as a result of the State exercising its right to amend, repeal, modify or otherwise alter such taxes, fees or appropriations.

HUDSON RAIL YARDS TRUST OBLIGATIONS

Hudson Rail Yards Trust Obligations

On September 22, 2016, $1,057.43 million MTA Hudson Rail Yards Trust Obligations, Series 2016A were issued to finance and refinance approved capital program transit and commuter projects for the Related Entities. The HY Trust Obligations are payable in part by amounts due under the Ground Leases described below. There are $824,830,000 aggregate principal amount of outstanding HY Trust Obligations as of April 29, 2022.

During 2019 and 2020, several early mandatory redemptions occurred in connection with Fee Purchase Payments on commercial units in 30 Hudson Yards (Tower A) and a portion of residential condominiums in 15 Hudson Yards (Tower D). The redemptions were on the earliest maturity of the Series 2016A Obligations, the 2046 maturity. A total of $212,340,000 was redeemed via early mandatory redemptions on the Series 2016A as follows:

- May 15, 2019, $105,500,000;
- July 15, 2019, $67,960,000;
- November 15, 2019, $12,225,000; and
- February 15, 2020, $26,655,000.

On March 27, 2020, the remaining principal amount of the 2046 maturity of the Series 2016A Obligations, $162,660,000, was redeemed via an optional redemption. In conjunction with the redemption, the Trustee (Wells Fargo Bank, N.A.) issued $162,660,000 principal amount of MTA Hudson Rail Yards Refunding Trust Obligations, Series 2020A, with the same maturity date and bearing the same interest rate as the Series 2016A Obligations maturing on November 15, 2046, and delivered the Series 2020A Obligations to MTA in return for MTA providing sufficient moneys to redeem the 2046 maturity of the Series 2016A Obligations.

Early mandatory redemptions continue on the earliest maturity of the aggregate HY Obligations, therefore on HY Refunding Trust Obligations, Series 2020A. The following early mandatory redemptions have been made on the Series 2020A as follows:

- February 16, 2021, $8,430,000;
- August 15, 2021, $6,830,000; and
- February 15, 2022, $5,000,000.

For additional information on MTA's HY Trust Obligations see "PART 2. FINANCIAL INFORMATION – FINANCIAL PLANS AND CAPITAL PROGRAMS – Non-Capital Program Projects - Hudson Yards Development and Financing" and Part II – Tab 2 – "Details of Each Issue of Obligations – Hudson Rail Yards Trust Obligations (Schedule 1 to Financing Agreement)" of MTA's 2022 Combined Continuing Disclosure Filings.

Security

The HY Trust Obligations are MTA's special limited obligations, payable solely from the trust estate (the "HY Trust Estate") established under the HY Trust Agreement. The HY Trust Estate consists principally of (i) monthly Ground Lease rent payments (the "Monthly Ground Rent") to be paid by any tenants of Ground Leases (the "Ground Lease Tenants") of certain parcels being developed on and above the Eastern Rail Yard and Western Rail Yard portions of the John D. Caemmerer West Side Yards ("Hudson Rail Yards") currently operated by MTA Long Island Rail Road, (ii) monthly scheduled transfers from the capitalized interest fund established by the HY Trust Agreement (the "Capitalized Interest Fund") during the limited period that the Monthly Ground Rent is abated under the applicable Ground Lease, (iii) payments made by the Ground Lease Tenants if they elect to exercise their option to purchase the fee interest in such parcels ("Fee Purchase Payments"), (iv) certain Contingent Support Payments (as discussed below) made by MTA, (v) rights of MTA to exercise certain remedies under the Ground Leases and (vi) rights of the HY Trustee to exercise certain remedies under the Ground Leases and the separate fee mortgages (the "Fee Mortgages") from MTA in favor of the HY Trustee. Pursuant to the HY Trust Agreement, MTA has unconditionally and irrevocably assigned and transferred to the HY Trustee its rights in the HY Trust Estate and the HY Trustee has agreed to execute and deliver HY Trust Obligations, each evidencing the interests of the Owners thereof in the MTA Financing Agreement Amount (consisting of the principal components (the "Principal Components") and the interest components (the "Interest Components") of the MTA Financing Agreement Amount payable by MTA pursuant to the Interagency Financing Agreement dated as of September 1, 2016 (the "Financing Agreement"), by and among MTA, MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad, and MTA Bus (collectively, the "HY Related Transportation Entities") and the HY Trustee).

Overview of the Ground Leases

Both the Eastern Rail Yard ("ERY") and Western Rail Yard ("WRY") are ground leased for 99 years by MTA to limited liability entities controlled by Related-Oxford (collectively, the "Ground Lease"). The property that is ground leased by MTA consists of the airspace above a limiting plane above the tracks (from 31st to 33rd Streets) and the area where there are no rail tracks (from 30th to 31st Streets) within the boundary of the Hudson Rail Yards (collectively, the "Ground Leased Property"). The commencement date of the ERY Original Ground Lease was December 3, 2012 and the expiration date is December 2, 2111*. The commencement date of the WRY Original Ground Lease was December 3, 2013 and the expiration date is December 2, 2112. Five of the eight individual ground-leased parcels (each, a "Severed Parcel Ground Lease") on the ERY (and on the WRY, when entered into) have the same commencement date, expiration date and rent adjustment dates as the respective ERY and WRY Original Ground Lease. Each Ground Lease Tenant has the option to purchase fee title to the Ground Leased Property at any time following completion of construction of the building on the Ground Leased Property.

The Ground Leases do not encumber the railroad tracks, which will continue to be used for transportation purposes. Related-Oxford, or a limited liability development entity created by them for developing an individual parcel, is responsible for constructing a platform over the railroad tracks and improvements on, in and under such platform, and for the development of buildings on the Ground Leased Property, including designing, financing, constructing, leasing, selling, and operating such buildings.

The primary sources of revenue available for the payment of the Principal Components and Interest Components represented by the HY Trust Obligations will be the Monthly Ground Rent and any Fee Purchase Payments payable by the Ground Lease Tenants under the Ground Leases. These Ground Lease revenues are being pledged to the HY Trustee by MTA under the Financing Agreement and the HY Trust Agreement, and Ground Lease Tenants are directed to pay the revenues directly to the Depositary (as defined under "–Flow of Funds" below) for deposit into a deposit account with the HY Trustee (the "Dedicated Deposit Account"). Such payments are then transferred daily from the Depositary to the HY Trustee for deposit into the rent payment fund established under the HY Trust Agreement (the "Rent Payment Fund").

Monthly Ground Rent under the Ground Leases

Monthly Ground Rent is due on the first day of each month from each of the Ground Lease Tenants. A failure to timely pay Monthly Ground Rent following the applicable notice and grace period is an event of default under the

* The ERY Original Ground Lease has since been terminated and substituted with separate Severed Parcel Ground Leases.

affected Ground Lease (a "Ground Lease Payment Event of Default"). The amount of Monthly Ground Rent due under each Ground Lease is a fixed dollar amount established in each Ground Lease, subject to a 10% escalation every five years, except for the 30th, 55th and 80th years when the escalations will be based on fair market value (but no less than a 0% increase and no greater than a 20% increase from the previous year's amount). The timing of each escalation is calculated from the commencement date for the Original Ground Lease.

Fee Purchase Payments

Under each Severed Parcel Ground Lease, following substantial completion of construction of the building on the Ground Leased Property, a Ground Lease Tenant has the option to (a) continue to pay Monthly Ground Rent due on a monthly basis or (b) at any time, purchase the fee interest in its Ground Leased Property (and thus terminate its Ground Lease) by exercising its option to purchase the fee interest in its Severed Parcel and related improvements upon substantial completion thereof (a "Fee Conversion Option") and making the required Fee Purchase Payment under its applicable Ground Lease. The required Fee Purchase Payment under each Ground Lease is equal to (a) the present value to the purchase date of all remaining Monthly Ground Rent due for the 99-year ground lease term, including escalations, plus (b) the present value to the purchase date of a pre-established reversionary value of the property after the 99th year. The calculation of the required Fee Purchase Payment is set forth in each Ground Lease. The required Fee Purchase Payments set forth by the terms of the Ground Leases increase approximately 2.2% per year for at least the first 30 years of each Ground Lease. The receipt of a Fee Purchase Payment will result in a redemption of the HY Trust Obligations. In addition, upon MTA's receipt of a Fee Purchase Payment, the fee interest purchased by the Ground Lease Tenant will be released from the applicable Fee Mortgage.

Ground Lease Tenants are not obligated to exercise their Fee Conversion Options but can instead continue to pay Monthly Ground Rent for the full 99-year ground lease term.

All Fee Purchase Payments received are pledged by MTA and directed to be paid to the Depositary and are required to be applied by the HY Trustee on a no less than quarterly basis to redeem Principal Components of HY Trust Obligations at the then applicable redemption price plus accrued interest. The aggregate par amount of HY Trust Obligations issued is limited such that at any time after issuance there is calculated to be sufficient funds (assuming Ground Lease Tenants meet all their obligations) to redeem prior to the scheduled maturity dates all outstanding Principal Components of HY Trust Obligations at the applicable redemption price plus accrued interest in the event all Ground Lease Tenants decide to exercise their respective Fee Conversion Options and pay their required Fee Purchase Payments.

Limitations on Related Entities' Obligations

Neither MTA nor any of the other HY Related Transportation Entities are obligated to make any payment with respect to the MTA Financing Agreement Amount or the HY Trust Obligations (and the related Principal Components and Interest Components) from any source other than the HY Trust Estate (which includes the Financing Agreement Payments) and Contingent Support Payments. Contingent Support Payments consist of Interest Reserve Advances and Direct Cost Rent Credit Payments. Under the Financing Agreement, MTA has an obligation to make advances to replenish the Interest Reserve Fund (an "Interest Reserve Advance") upon the occurrence of a Ground Lease Payment Event of Default, which obligation is generally limited to seven years after the Ground Lease Payment Event of Default. "Direct Cost Rent Credit Payments" are made upon determination that the Ground Lease Tenant is entitled to a Direct Cost Rent Credit (a partial credit against Monthly Ground Rent under certain limited circumstances as a result of an action or failure to take certain action by MTA or MTA Long Island Rail Road). Contingent Support Payments are subordinate to debt service on MTA's Transportation Revenue Bonds and payable from the same pool of revenues that are available to pay operating and maintenance expenses of the Related Entities.

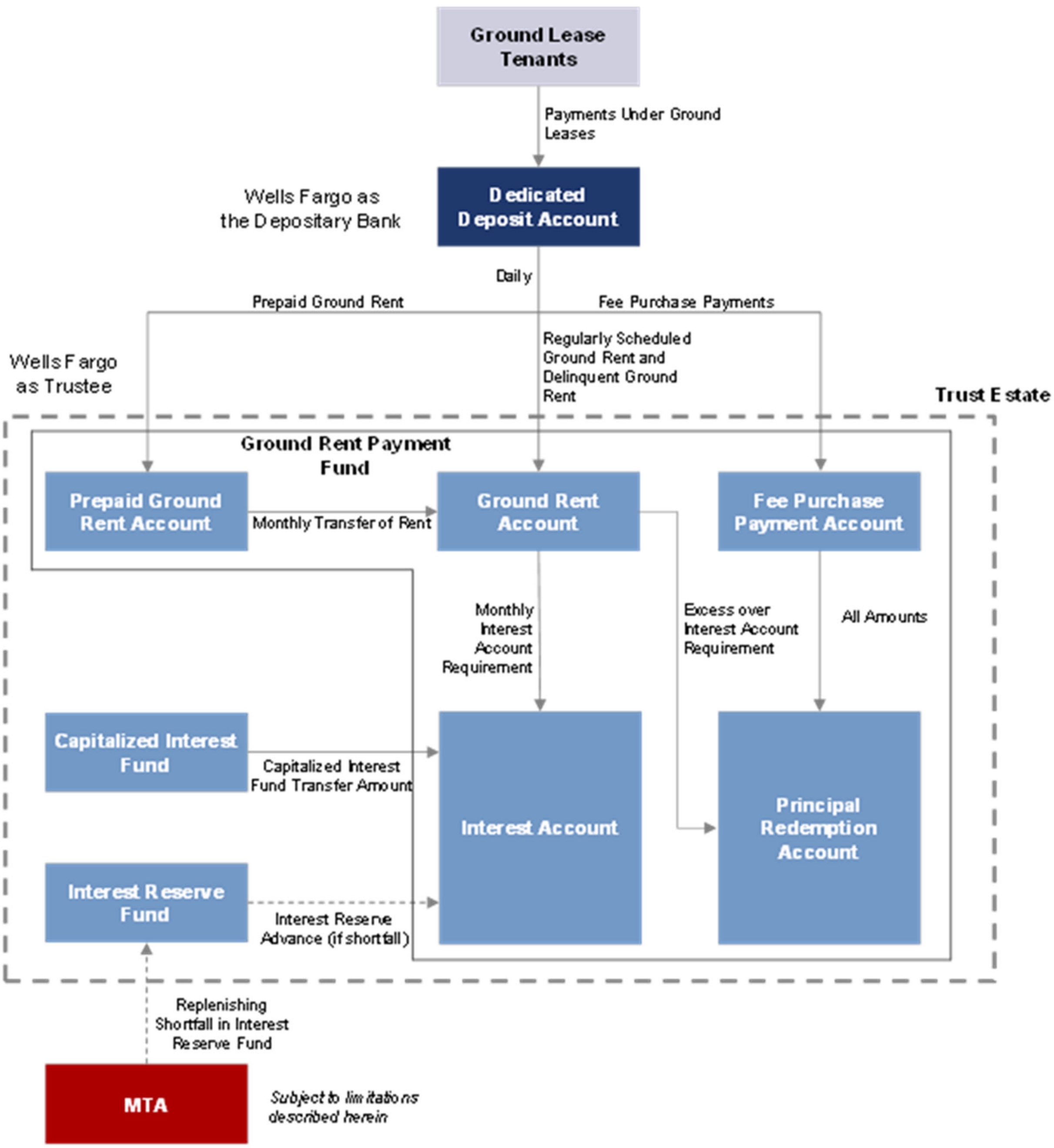
Flow of Funds

MTA has established a deposit account with the HY Trustee, as depositary (the "Depositary"), and MTA has directed all Ground Lease Tenants to make Monthly Ground Rent and Fee Purchase Payments directly to the Depositary, which deposits will be transferred daily to the Trustee.

The chart which follows describes the flow of funds from the payments by Ground Lease Tenants of Monthly Ground Rent and Fee Purchase Payments to the Depositary for deposit to the Dedicated Deposit Account to the account and fund flow under the HY Trust Agreement for payment of the Principal Components and Interest Components relating to the HY Trust Obligations.

MTA Hudson Rail Yards Trust Obligations

Illustrative Flow of Funds



Covenants of MTA with respect to the HY Trust Obligations

MTA has undertaken, among others, the following covenants and agreements in the HY Trust Agreement:

- MTA covenants and agrees, on behalf of itself and the other HY Related Transportation Entities, with the Owners of the HY Trust Obligations to perform all obligations and duties imposed on them, as applicable, under the HY Trust Agreement, the Financing Agreement, certain instructions requiring the Depositary to transfer the amounts deposited into the Dedicated Deposit Account to the HY Trustee, the Fee Mortgages and the Ground Leases.
- MTA covenants and agrees that it shall use commercially reasonable efforts to timely pursue any and all actions to enforce its rights to collect (or to direct the payment to the Depositary of) all amounts due under the Ground Leases, the completion guaranties (the "Completion Guaranties") and the payment guaranties (the "Payment Guaranties") described in the Ground Leases.
- MTA covenants and agrees that it shall not take any action and will use its best efforts not to permit any action to be taken by others under the Ground Leases, the Completion Guaranties, the Payment Guaranties and the Fee Mortgages that would result in a Prohibited Modification.

Prohibited Modifications means (i) any modification to the Ground Leases or to the Severed Parcel Pro Forma Rent Schedule attached to a Ground Lease which reduces the annual base rent payable thereunder, (ii) any modification to the Ground Leases which reduces the Fee Purchase Payments and/or the Residential Unit Purchase Price payable in connection with a Fee Purchase Payment, (iii) any modification to the Ground Leases which increases or extends abatements set forth in the Ground Leases, (iv) any waiver of a Ground Lease Tenant's obligation to make payments of Annual Base Rent and/or the Fee Purchase Payments in the amounts and at the times due as set forth in the Ground Leases, (v) any acceleration of a Ground Lease Tenant's right to exercise the Fee Conversion Option earlier than the Fee Conversion Closing Date set forth in the Ground Leases, (vi) any modification of the Ground Leases which would grant a Ground Lease Tenant an express right to deduction, counterclaim, set-off or offset against the Annual Base Rent, or constitute a Ground Lease not to be a "triple net lease" as set forth in the Ground Leases, (vii) any modification to the application of funds to be used to restore the premises following a casualty pursuant to the Ground Leases, (viii) any modification to the apportionment or application of condemnation proceeds pursuant to the Ground Leases, and (ix) any modification to the Ground Leases with respect to Ground Lease Tenant Events of Default (as further described in the Ground Leases) and landlord remedies relating thereto.

PART 4. OPERATIONS

TRANSIT SYSTEM

(popular names – MTA New York City Transit and MaBSTOA)

Legal Status and Public Purpose

MTA New York City Transit was created in 1953 pursuant to the MTA New York City Transit Act for the purposes of acquiring the transit facilities then operated by the City and operating them for the convenience and safety of the public.

MaBSTOA was created as a public benefit corporation in 1962 as a statutory subsidiary of MTA New York City Transit to operate the bus routes that had been operated by Surface Transit, Inc. and Fifth Avenue Coach Lines, Inc. prior to their acquisition by the City.

Pursuant to the MTA New York City Transit Act, MTA New York City Transit and the City entered into an agreement of lease, dated June 1, 1953, providing for the lease to MTA New York City Transit of the transit facilities then owned or thereafter to be acquired or constructed by the City for use in the fulfillment of MTA New York City Transit's corporate purposes. In connection with the creation of MaBSTOA, MTA New York City Transit agreed that bus lines acquired by the City would be leased to MaBSTOA by the City for operation and maintenance by MaBSTOA. Such lease with MaBSTOA was entered into on March 20, 1962.

MTA New York City Transit became an affiliate of MTA in 1968. The Chairman and Members of MTA, by statute, are also the Chairman and Members of MTA New York City Transit and Directors of MaBSTOA, and the CEO of MTA is, *ex officio*, CEO of MTA New York City Transit. The CEO is responsible for the discharge of the executive and administrative functions and powers of MTA New York City Transit. The President of MTA New York City Transit is primarily responsible for the general management and operation of MTA New York City Transit. The executive personnel of MTA New York City Transit and MaBSTOA report to the President of MTA New York City Transit.

Management

The following are brief biographies of MTA New York City Transit's senior officers, who also serve as MaBSTOA's senior officers.

Craig Cipriano, Interim President of MTA New York City Transit since July 2021. As Interim President of MTA New York City Transit, Mr. Cipriano is responsible for the general management and operation of North America's largest mass transit system. Mr. Cipriano has more than 30 years of public transit experience. Before assuming the role of Interim President, Mr. Cipriano served as Senior Vice President, Department of Buses and President of the MTA Bus Company from 2019 – 2021; Executive Vice President of the Department of Buses and Executive Vice President of MTA Bus Company from 2014-2019; and Vice President, Business Strategies and Operations Support, MTA New York City Transit from 2011-2014. Prior to these roles, Mr. Cipriano held positions of increasing responsibility involving subway and bus operations. He holds a bachelor's degree in Mechanical Engineering from Stony Brook University and a master's degree in City and Regional Planning from Rutgers University.

History of the Transit System

General. Mass transit has played a vital role in the development of the City from its earliest days. It continues to be essential to the economic life of the metropolitan area and for a substantial portion of the population of the metropolitan area it represents the principal means of transportation within the City and to and from places of employment. The intense concentration of commercial, financial, cultural, industrial and residential development that exists in the 22 square miles comprising the Borough of Manhattan, particularly its central business district, would not be feasible without an extensive system of mass transit.

Subway System. Construction of the first subway in the City began in 1900 and was completed in 1904. Although built with City funds, it was leased to and operated by a private company, the IRT. A major expansion of the subway system was completed in various stages between 1918 and 1922. A portion of the expanded system was incorporated into the IRT and the remainder was leased to another private company, the BMT. In 1924, the City Board of Transportation was created to plan, construct and operate a third subway system, the IND. That system was completed in various stages between 1932 and 1940.

In 1940, the City acquired the franchise rights and properties of the IRT and BMT from the private companies that had operated those lines and that were then in reorganization. The entire subway system was placed under the control of the City Board of Transportation. In 1953, the subway system was leased to the then newly-formed New York City Transit Authority, which later became an affiliate of MTA in 1968.

Although a number of changes have been made to the fixed physical plant of the subway system since 1940, such as the closing of the oldest elevated lines and the integration of the several systems, there were no significant alterations of the basic physical configuration of the subway network since that time until MTA New York City Transit opened the Archer Avenue Line extension and the 63rd Street Tunnel in 1988 and 1989, respectively, along with three new subway stations along each of these routes.

More recently, MTA has developed new expansions and improvements to the Transit System. These include the extension of the No. 7 subway line from Times Square south to 34th Street and 11th Avenue in Manhattan and the opening of the Lower Manhattan Fulton Center. In December of 2016, installation of the first phase of the Second Avenue Subway was completed. The Second Avenue Subway began service on January 1, 2017, with Q train service running from 96th Street, 86th Street, 72nd Street, and 63rd Street, and continuing through Manhattan and into Brooklyn, to Coney Island. For more information about these projects, see "MTA CONSTRUCTION AND DEVELOPMENT COMPANY" below.

Bus System. During the 1940s and 1950s, the City acquired the properties and franchises of a number of private bus companies operating within the City, all of which were leased to MTA New York City Transit at the time of its creation. MaBSTOA was created in 1962 to operate the bus lines formerly operated by Fifth Avenue Coach Lines, Inc. and Surface Transit, Inc. Both MTA New York City Transit and MaBSTOA have since assumed the operation of additional franchises and routes.

Most bus service within the City is operated by MTA New York City Transit, MaBSTOA and MTA Bus. MTA Bus is currently operating the bus routes formerly operated by seven former franchise private bus companies, and only a very small number of private bus companies continue to operate local service within the City or between the outer boroughs and the Manhattan central business district. See "MTA BUS COMPANY" below.

Description of the Transit System

Subway System. The City's rapid transit system is by far the largest in the nation. Few cities in the world have a subway system comparable in physical size and ridership. The subway system has over 665 miles of mainline track extending 248 route miles. Prior to May 5, 2020, the subway system operated 24 hours a day, all year with certain lines not in service the entire day and frequency of service varying by route and time of day. Due to the COVID-19 pandemic, intensive cleaning and disinfecting efforts required the subway system to shut down between the hours of 1 AM to 4 AM daily from May 5, 2020 through February 22, 2021 when the shut-down was adjusted to 2 AM to 4 AM. On May 17, 2021 full overnight subway service was restored. In calendar year 2021, 760 million revenue passengers used the subway. It currently has a fleet of 6,483 subway cars, two major subway car overhaul shops, 14 maintenance shops, 24 subway car storage yards and 472 active passenger stations. As of December 31, 2021, MTA New York City Transit employed 27,176 full-time workers in rapid transit.

Bus System. MTA New York City Transit and MaBSTOA presently operate bus service on 237 local, select bus service and express routes throughout the City. The majority of bus routes are designed to serve passengers traveling within a particular borough or to serve as feeders to the subway system. In calendar year 2021, 312 million revenue passengers used the bus system. The bus system operates on a continuous basis, although certain bus routes are not in service the entire day and frequency of service varies by route and time of day. As of December 31, 2021, the bus system employed 14,219 full-time persons and operated 4,540 buses, including 25 all-electric buses (10 of which are leased).

Paratransit. On July 1, 1993, MTA New York City Transit assumed responsibility from the City for the Access-A-Ride paratransit service, in order to increase the efficiency of providing such services by vesting responsibility in a single entity. Access-A-Ride service is provided by private vendors under contract with MTA New York City Transit. Paratransit fares are currently equivalent to the regular undiscounted passenger fare rate of $2.75. Paratransit operations are also supported by 6% of the revenue from the Urban Tax (a portion of a mortgage recording tax and a portion of a property transfer tax imposed upon commercial property in the City). Prior to July 1, 2020, the City contributed an operating subsidy to support paratransit, equal to the lesser of (1) one-third of the operating deficit, calculated after deducting paratransit passenger revenue, the above-described Urban Tax revenue, and MTA New York City Transit administrative expenses, or (2) an amount that is 20% greater than the amount required to be paid by the City for the preceding calendar year. After July 1, 2020, the City contributes an operating subsidy to support paratransit of 50% of eligible expenses. Any remaining operating deficit is funded by MTA New York City Transit.

Relationships with the State, the City and the Federal Government

State and City. MTA New York City Transit and MaBSTOA receive substantial amounts of funding for the operating costs of the Transit System from subsidies provided by the State and the City. In the calendar year 2020, State and City operating assistance, special tax supported subsidies and reimbursements for the Transit System constituted, on a cash basis, approximately 57.2% of the total pledged revenues of MTA New York City Transit and MaBSTOA; up from 45.8% in 2019, due to significant changes in farebox revenue between periods, which was largely offset by CARES Act in 2020 and CRRSAA federal subsidies in 2021. See "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES". To the extent that future operating assistance from the State and City are subject to their receipt of tax revenues, the level of such funding may be affected by the general economic conditions in, and the financial condition of, the State and City.

In addition to the operating and capital assistance received by MTA New York City Transit and MaBSTOA from the City, MTA New York City Transit and MaBSTOA are dependent upon the City for the maintenance and repair of City-maintained bridges, streets and other infrastructure necessary for the operation of the Transit System. Water main breaks and other infrastructure problems, including problems on bridges, have in the past and may in the future cause service disruptions.

City infrastructure problems that restrict or preclude service on the Transit System could decrease ridership and revenue levels of the Transit System. The materiality of any such decrease would depend on the nature, severity and duration of the service interruptions.

Federal. MTA New York City Transit and MaBSTOA also receive substantial amounts of funding for the capital costs of the Transit System from grants provided by the federal government. The federal government also supplied substantial capital funds for prior Transit Capital Programs. Federal operating assistance is not currently authorized by federal law for mass transit operations, including the Transit System, with pandemic exceptions being the series of Federal COVID-19 relief acts beginning in 2020 with the CARES Act and continuing in 2021 with CRRSAA and ARPA federal aid.

Other. Officials of the State, City and federal governments and the Inspector General of MTA periodically conduct audits and reviews of the operations of MTA New York City Transit and MaBSTOA. Officers of MTA New York City Transit and MaBSTOA respond to these reports and adopt some of the recommendations made therein or take other appropriate remedial actions.

MTA New York City Transit and MaBSTOA are subject to regulation by federal and State agencies with responsibilities for safety. In general, they must maintain and equip their tracks and rolling stock in compliance with minimum standards, file reports with respect to certain accidents and incidents and respond to recommendations for improving transit system safety.

MTA BUS COMPANY

(popular name – MTA Bus)

Legal Status and Public Purpose

MTA Bus was created as a public benefit corporation subsidiary of MTA in 2004. At its meeting in December 2004, the MTA Board approved a letter agreement with the City with respect to MTA Bus's establishment and operation of certain bus routes (the "City Bus Routes") in areas then served by seven private bus companies pursuant to franchises granted by the City. The letter agreement with the City provides for the following:

- A lease by the City to MTA Bus of the bus assets to operate the City Bus Routes;
- The City pays MTA Bus the difference between the actual cost of operation of the City Bus Routes (other than certain capital costs) and all revenues and subsidies received by MTA Bus and allocable to the operation of the City Bus Routes; and

- If the City fails to timely pay any of the subsidy amounts due for a period of 30 days, MTA Bus has the right, after an additional 10 days, to curtail, suspend or eliminate service and may elect to terminate the agreement. The City can terminate the agreement on one year's notice.

MTA Bus completed the consolidation of the seven bus lines in the first quarter of 2006. As discussed under "PART 2. FINANCIAL INFORMATION – FINANCIAL PLANS AND CAPITAL PROGRAMS", the CPRB and MTA have included certain capital funding for MTA Bus in the 2000-2004 and subsequent MTA Capital Programs.

Effective as of April 1, 2006, MTA Bus pledged its operating revenues to the Trustee under the Transportation Resolution and became a signatory to the Interagency Agreement securing the Transportation Revenue Bonds. All or a portion of MTA Bus's capital needs may be financed from the proceeds of the Transportation Revenue Bonds. The City is not responsible for paying debt service on bonds issued by MTA for the benefit of MTA Bus in connection with the 2000-2004 and 2005-2009 MTA Capital Programs. However, the debt service expense associated with bonds issued by MTA for the benefit of MTA Bus in connection with the 2010-2014 and 2015-2019 Capital Programs is billable to the City. In addition, debt service expenses relating to the approved 2020-2024 Capital Program will be submitted to the City for reimbursement to MTA Bus and MTA.

Description of the MTA Bus System

MTA Bus presently operates bus service on 44 local routes in the Bronx, Brooklyn and Queens, 43 express routes between Manhattan and the Bronx, Brooklyn and Queens and three Select Bus Service routes in Queens. In calendar year 2021, over 71 million revenue passengers used the MTA Bus System. As of December 31, 2021, the MTA Bus System employed 3,699 persons and operated 1,322 buses. The MTA Bus System operates on a continuous basis, although certain bus routes are not in service the entire day and frequency of service varies by route and time of day.

Management

Frank Annicaro, Acting Senior Vice President, MTA New York City Transit Department of Buses, is also the Acting President of MTA Bus.

STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY

(popular name – MTA Staten Island Railway)

Legal Status and Public Purpose

MTA Staten Island Railway was created as a public benefit corporation subsidiary of MTA in 1970. MTA Staten Island Railway is responsible for the operation of a rapid transit railroad system on Staten Island pursuant to a lease and operating agreement with the City.

MTA Staten Island Railway service runs 24 hours daily between the St. George and Tottenville stations. At the St. George station, customers can make connections with Staten Island Ferry service. Fares are charged only to customers exiting at the St. George or Tompkinsville stations. Farebox revenue was $4,300,489 for 2019, $1,425,632 for 2020, and $2,375,948 in 2021. MTA Staten Island Railway's capital needs are funded as a part of the Transit Capital Program approved by the CPRB and its operating losses are funded by the City and/or MTA.

Management

Craig Cipriano, the Interim President of MTA New York City Transit, is also the Interim President of MTA Staten Island Railway.

COMMUTER SYSTEM

(popular names – MTA Long Island Rail Road and MTA Metro-North Railroad)

Legal Status and Public Purpose

MTA Long Island Rail Road. Through MTA Long Island Rail Road, MTA operates commuter railroad service between the City and Long Island and within Long Island (the "MTA Long Island Rail Road Commuter Service").

MTA Long Island Rail Road was incorporated as a privately-held railroad company in 1834. In 1966, MTA acquired all of the capital stock of MTA Long Island Rail Road from its parent, the Pennsylvania Railroad Company. In February 1980, MTA Long Island Rail Road's Certificate of Incorporation was amended to convert it into a subsidiary public benefit corporation of MTA. MTA Long Island Rail Road owns, leases or has easements or other rights to the rolling stock, physical plant and equipment material to its operations. It is noted that the lease between the Atlantic Avenue Railroad Company of Brooklyn and MTA Long Island Rail Road, dated March 26, 1877 (the "Atlantic Avenue Lease") expired by its terms in 2000 and has not been renewed. MTA Long Island Rail Road continues to operate service on the tracks covered by the Atlantic Avenue Lease.

MTA Metro-North Railroad. Through MTA Metro-North Railroad, MTA operates the New Haven Line (pursuant to a joint service agreement with CDOT) and the Harlem and Hudson commuter rail services (collectively, the "MTA Metro-North Commuter Service") and subsidizes and performs certain other services relating to the State portion of the Port Jervis and Pascack Valley Lines operated, pursuant to a joint service agreement, by NJ Transit. The MTA Metro-North Commuter Service provides service between the City and the northern New York suburban counties of Westchester, Putnam and Dutchess and from the City through New Haven and Fairfield Counties in the southern portion of Connecticut to New Haven, Connecticut. The Port Jervis and Pascack Valley Lines provide service from the northern New York suburban counties of Orange and Rockland to northern New Jersey and the City (known as "West of Hudson" service). MTA Metro-North Railroad also contracts out ferry services connecting to Rockland County and Orange County.

MTA Metro-North Railroad was incorporated on September 22, 1982 as a subsidiary public benefit corporation of MTA. MTA or MTA Metro-North Railroad owns, leases or has easements or other rights to the rolling stock, physical plant and equipment material to the operation of the Harlem and Hudson Lines, and to the physical plant and equipment material to the operation of the State portion of the New Haven Line. On February 28, 2020, MTA closed on the purchase of Grand Central Terminal, and the Harlem and Hudson railroad lines for approximately $33 million. These properties were formerly held under a long-term lease. With respect to the New Haven Line, MTA or MTA Metro-North Railroad owns approximately 35% of the non-diesel rolling stock and CDOT owns the remainder.

The New Haven Line is operated by MTA Metro-North Railroad pursuant to the terms of an Amended and Restated Service Agreement dated as of June 21, 1985, among Connecticut (by CDOT), MTA and MTA Metro-North Railroad (the "ARSA"). Under the provisions of the ARSA, at the expiration of each term, it is automatically extended for five years, subject to the right of CDOT or MTA to terminate the ARSA on 18 months' written notice. The current term of the ARSA expires December 31, 2024.

The Port Jervis and Pascack Valley Lines are operated by NJ Transit pursuant to the terms of an Agreement for Operation dated as of July 27, 2006, and amended as of February 8, 2022, between NJ Transit and MTA Metro-North Railroad (the "AFO"), the initial term of which expired on June 30, 2012. Under the provisions of the AFO, at the expiration of each term, it is automatically extended for an additional year, subject to the right of NJ Transit or MTA Metro-North Railroad to terminate the AFO by no later than March 15, in which case the AFO will terminate on June 30 of that same year.

Management

The following is a brief biography of the interim president of MTA Long Island Rail Road and president of MTA Metro-North Railroad.

Catherine A. Rinaldi currently serves as Interim President of MTA Long Island Rail Road and President of MTA Metro-North Railroad. Ms. Rinaldi was named Interim President of the MTA Long Island Rail Road in February 2022 and was named President of MTA Metro-North Railroad in February 2018, after serving as Acting President following the retirement of Joseph J. Giulietti in 2017. Ms. Rinaldi joined MTA Metro-North Railroad in 2015 as Executive Vice President, overseeing the railroad's Strategic Planning Initiatives as well as its Capital Programs, Customer Service and Stations, Planning, Corporate and Public Affairs, Procurement, and Human Resources departments. Prior to that, Ms. Rinaldi was named MTA's Chief of Staff in 2011. She has also served as Vice President and General Counsel at MTA Long Island Rail Road. She joined MTA as Deputy Executive Director and General Counsel in 2003. Ms. Rinaldi is a *summa cum laude* graduate of Yale College and received her law degree from the University of Virginia School of Law.

Description of the Commuter System

MTA Long Island Rail Road Commuter Service and MTA Metro-North Commuter Service are the two largest commuter railroad services in the nation. MTA Long Island Rail Road uses 19 yards, two major repair shops and one support facility which have staff. In providing the Metro-North Commuter Railroad Service, MTA Metro-North Railroad uses 10 yards, Grand Central Terminal, two major repair shops and four support facilities. The commuter services operate every day of the year, although frequency of service varies by route, day of the week and time of day. The following table further details the MTA Long Island Rail Road Commuter Service and the MTA Metro-North Commuter Service.

MTA Long Island Rail Road and MTA Metro-North Commuter Service as of December 31, 2021[(1)]

	Revenue Passengers (in thousands)[(2)]	Stations	Actual Route Miles	Main Line Track Miles	Passenger Cars
MTA Long Island Rail Road	35,037	124	336.1	702.0[(3)]	1,126[(4)]
MTA Metro-North Railroad	30,102	112	285.5	708.0[(5)]	1,084
Totals	65,139	236	621.6	1,410.0	2,210

(1) Certain of the stations, track and passenger cars are not owned by MTA, MTA Long Island Rail Road or MTA Metro-North Railroad.

(2) The number of revenue passengers is determined in part by ascribing an assumed frequency of use to holders of weekly and monthly commutation tickets. MTA Metro-North Railroad's numbers do not include West of Hudson service.

(3) MTA Long Island Rail Road track miles total includes MTA Long Island Rail Road yards and sidings as well as track that is owned by Amtrak or maintained by New York and Atlantic Railway.

(4) The number of MTA Long Island Rail Road passenger cars includes 10 M-7's that are not usable.

(5) Includes 40.96 miles along the Beacon Line, which is not in regular revenue service.

Relationships with the State, Certain Local Governments and the Federal Government

State and Local Governments. MTA receives substantial amounts of funding for the operating and capital costs of the Commuter System from appropriations and subsidies provided by the State and certain local governments; typically, that support provides between 45% – 49% of the Commuter System's revenues. To the extent that future operating assistance and the funding of the capital costs of subsequent capital programs projected to be funded by the State are subject to its receipt of tax revenues and the making of annual appropriations, the level of such funding may be affected by the current economic conditions in, and the financial condition of, the State.

Federal. MTA also receives substantial amounts of funding for the capital costs of the Commuter System from grants provided by the federal government.

Other. Officials of the State, City and federal governments and the Inspector General of MTA periodically conduct audits and reviews of the operations of MTA Long Island Rail Road and MTA Metro-North Railroad. Officers of MTA Long Island Rail Road and MTA Metro-North Railroad respond to these reports and adopt some of the recommendations made therein or take other appropriate remedial actions.

MTA Long Island Rail Road and MTA Metro-North Railroad are subject to regulation by federal and State agencies. In general, they must maintain and equip their roadbed and rolling stock in compliance with minimum standards, file reports with respect to certain accidents and incidents and respond to recommendations for improving Commuter System safety.

Safety Initiatives

In 2021, MTA Metro-North Railroad continued to implement safety initiatives to enhance its efforts to ensure a safe work environment. MTA Metro-North Railroad's goal is a 100% incident-free operation, and it focuses on continuous safety improvement to achieve this through its System Safety Program Plan. Examples of safety initiatives at MTA Metro-North Railroad include:

- Cameras on Rolling Stock: On-board camera systems have capacity for 30 days of continuous recording. The on-board cameras assist MTA Metro-North Railroad in accident/incident investigation and are also used by management in carrying out efficiency testing and system-wide performance monitoring programs.
- Confidential Close Call Reporting System (C3RS): MTA Metro-North Railroad has fully implemented C3RS, an industry-leading initiative. It is designed to encourage employees to report any potential safety hazard or breach of procedures that they may observe by providing them with a convenient, non-confrontational and anonymous method to do so. It is a partnership between the National Aeronautics and

Space Administration (NASA) and the FRA, in conjunction with MTA Metro-North Railroad and its labor organizations.

- Positive Train Control (PTC): PTC enhances train safety by eliminating the potential for human error to contribute to train-to-train collisions, injuries stemming from trains traveling into zones where MTA Metro-North Railroad employees are working on tracks, or derailments caused by a train traveling too fast into a curve or into a misaligned switch. PTC was fully implemented throughout MTA Metro-North Railroad's system by the federal deadline of December 31, 2020.

- Enhanced Employee Protection System: This in-house developed system provides protection for Maintenance of Way employees by placing a blocking device on the track that can be removed only after Rail Traffic Controllers are provided a unique release code by the protected worker.

- First Responder Training: The program teaches first responders how to respond to incidents involving MTA Metro-North Railroad and provides guidance on safe operations around railroad equipment and the right-of-way. In 2021, 1,571 first responders were trained in Passenger Train Emergency Response procedures.

- Obstructive Sleep Apnea: MTA Metro-North Railroad has continued its Obstructive Sleep Apnea (OSA) program, which began in 2015 with the screening of all of MTA Metro-North Railroad's locomotive engineers. Locomotive Engineers are screened for OSA as part of their pre-employment physical as well as their annual physical. OSA screening for conductors began in 2017. During 2021, 385 Locomotive Engineers were screened and 112 enrolled in the OSA monitoring program. For Conductors, 857 were screened and 98 enrolled in the OSA monitoring program.

- Public Safety Outreach: MTA Metro-North Railroad continued its ongoing public safety outreach efforts. TRACKS (Together Railroads and Communities Keeping Safe) is a community outreach program focused on educating people about safety on and near railroad grade crossings and tracks. It includes delivery of programs on-site (to schools, community groups, etc.), communications campaigns, and provision of materials/resources through the TRACKS website. During 2021, the program emphasized virtual outreach because of the COVID-19 pandemic. In 2021, MTA Metro-North Railroad made over 233,000 contacts through in-person TRACKS events, virtual presentations, the TRACKS website, and social media.

- Safety Focus Week: MTA Metro-North Railroad holds a quarterly Safety Focus Week at work locations throughout the railroad. These events provide opportunities for employees to discuss relevant safety topics with supervision and provide feedback and safety concerns. Safety concerns raised in the discussions are reported and tracked, and corrective actions are developed as necessary.

- Safety Leadership Structure: Safety Committees covering all six districts throughout MTA Metro-North Railroad's territory ensure continuity of communication from the district level to the local level. The overall goal is to ensure communication and safety awareness at all levels of MTA Metro-North Railroad, from the President to front-line employees.

- Safety Training: The New Employee Safety Orientation (NESO) training introduces new and promoted employees to safe work practices on the railroad and includes time in the field to ensure all employees are safe while working on the railroad. Supervising for Safety (SFS) is an in-depth training program for all employees in a supervisory or management role. SFS is a full-day course that provides supervisors, foremen, and managers the tools needed to identify risks, mitigate hazards, and provide employees with a safe working environment.

- Suicide Prevention Programs: MTA Metro-North Railroad continued its suicide prevention programs in 2021, including the following. Delivery of QPR (Question, Persuade, Refer) Gatekeeper Training: This training teaches frontline employees to recognize the warning signs of someone in a mental health crisis or who is contemplating suicide, as well as how to approach the individual, bring them to safety, and get them the help they need. Partnerships with the National Suicide Prevention Lifeline and Crisis Text Line: The telephone hotline and mobile text option are advertised through poster campaigns on social media, the MTA Metro-North Railroad TRACKS website, and in rotation on LCD monitors on station platforms. The Crisis Text Line partnership includes a unique keyword for MTA Metro-North Railroad, so that any commuter who is experiencing a mental health crisis can text NEXT2U to 741741 and instantly connect with a trained Crisis Counselor to get the help they need.

- Safety Enterprise System Application: MTA Metro-North Railroad utilizes a Safety Enterprise System Application to proactively manage compliance requirements, manage/track incidents, identify problem areas, and monitor performance.

- Incident Investigations: MTA Metro-North Railroad's Field Safety Operations and Investigations team conducts investigations of major incidents in an objective manner, making recommendations for corrective actions, ensuring their implementation, and monitoring for effectiveness.
- Rail Safety Week: MTA Metro-North Railroad participated in the 5th Annual U.S. Rail Safety Week, September 20-26, 2021, which promotes rail and grade-crossing safety. Events included outreach to the public at stations and grade crossings, as well as through virtual platforms and social media.
- Grade Crossing Safety: Through MTA Metro-North Railroad's partnership with the WAZE GPS application, drivers using the app are alerted to railroad crossings along their route with a real-time verbal alert and/or a hazard icon displayed on screen when the driver comes within 500 feet of the crossing.

The continuing goal of MTA Long Island Rail Road's corporate safety program is to work towards an accident-free workplace through the implementation of a comprehensive, sustainable, and measurable safety initiative designed to engage every level of the organization in promoting the value of safety. This initiative is a collaborative effort between the Corporate Safety Department; all MTA Long Island Rail Road operating, support, and administrative departments; and labor partners. Communication of safety as a core agency value begins at the highest executive levels and is constantly reinforced to all employees.

The Corporate Safety Department develops and oversees MTA Long Island Rail Road's comprehensive Safety Management System. MTA Long Island Rail Road's System Safety Program Plan ("SSPP") is in accordance with American Public Transportation Association standards and is a critical component of the Safety Management System approach. For more than a decade, MTA Long Island Rail Road had voluntarily participated in a triennial audit of its SSPP by the American Public Transportation Association, which has routinely recognized the strength of MTA Long Island Rail Road's safety program. In 2021, the focus of the Corporate Safety Department was revising the existing System Safety Program Plan to comply with the new Federal Railroad Administration (FRA) System Safety Program Plan regulation (Title 49 CFR Part 270).

On March 4, 2021, MTA Long Island Rail Road's SSPP was concurred upon by Senior Staff and submitted to the FRA for approval as required by the regulation. The SSPP was approved by the FRA on January 31, 2022. This date now serves as the reference point for full implementation of SSPP.

Key 2021 safety initiatives included:

- Quarterly "Safety FOCUS Days" across MTA Long Island Rail Road, each attended by approximately 4,000 employees. The President and Vice President of Corporate Safety also meet with a small group of frontline supervisors from various departments to discuss how they are experiencing safety in the field. CSD also began issuing newsletters to help with promoting the awareness of rail incidents and the SSPP implementation.
- Continued participation in CRS, a collaborative effort between management, labor, and the FRA, that provides a mechanism for employees to confidentially report "close calls" that could have resulted in operating and safety incidents.
- Continued working with MTA Headquarters, NYSDOT, Nassau and Suffolk counties, local government authorities, and a third-party consultant to develop improved safety measures at railroad grade crossings.
- Continued implementation of a "Safety Management Systems" approach to MTA Long Island Rail Road's overall safety program. The Safety Management Systems approach, which has been endorsed by the FTA, the FRA, the U.S. Department of Transportation and other transportation authorities, supplements an engineering-centered process with increased attention to the "human element", data sharing, and measurements of safety performance.
- Continued screening of locomotive engineers for sleep disorders, including Obstructive Sleep Apnea.
- Continued Customer Safety Awareness Days in partnership with NJ Transit, Amtrak, and MTA New York City Transit at Penn Station. Messaging focuses on "Let's Travel Safely Together" highlighting how customer behaviors can help reduce customer accidents and injuries. Launched social media campaign focused on customer safety.
- Continued support of the development of Employee Compliance Recording (ECR) SAFER II.

- A dedicated Roadway Worker Compliance Unit conducts field observations of employees in compliance with Title 49 Code of Federal Regulation Part 214 requirements to achieve safety and operational goals. All observations are recorded in the corporate Employee Compliance Reporting System.
- A dedicated Accident Investigation Unit conducts investigations of major accidents and incidents in an objective manner, making recommendations for corrective actions; ensuring their implementation; and monitoring for effectiveness.
- MTA Long Island Rail Road Safety program: T.R.A.C.K.S. (Together Railroads And Communities Keeping Safe) is a joint venture between MTA Long Island Rail Road's Corporate Safety Department and the MTA Police Department to reach out to schools, camps, day care and community groups. The programs stress the importance of safety at grade crossings and the dangers of being on or near the tracks. The T.R.A.C.K.S. program is a free program open to all schools, daycare centers, professional driver groups, civic, senior and fraternal organizations. Additionally, due to the COVID-19 pandemic, virtual social media technology was utilized to help keep the public informed of information pertaining to the T.R.A.C.K.S. program.
- Right of Way Task Force: The MTA Long Island Rail Road Corporate Safety department, in partnership with MTA Police Department combats trespassers, illegal debris dumping and encroachments along the right of way system wide. The Task Force conducts biannual inspections, performs trend analysis, and coordinates immediate responses to complaints along the tracks.

TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY

(popular name – MTA Bridges and Tunnels)

Legal Status and Public Purpose

MTA Bridges and Tunnels, a public benefit corporation, became an affiliate of MTA effective March 1, 1968. MTA Bridges and Tunnels is empowered, among other things, to construct and operate certain vehicular bridges, tunnels and highways and other public facilities in the City. The following are the vehicular toll facilities operated by MTA Bridges and Tunnels:

MTA Bridges and Tunnels Facilities

Seven Bridges	Two Tunnels
Robert F. Kennedy Bridge	Hugh L. Carey Tunnel
Verrazzano-Narrows Bridge	Queens Midtown Tunnel
Bronx-Whitestone Bridge	
Throgs Neck Bridge	
Henry Hudson Bridge	
Marine Parkway-Gil Hodges Memorial Bridge	
Cross Bay Veterans Memorial Bridge	

A more detailed description of the MTA Bridges and Tunnels Facilities is set forth below.

MTA Bridges and Tunnels also operates, pursuant to a management agreement with a private contractor, the Battery Parking Garage located adjacent to the Manhattan portal of the Hugh L. Carey Tunnel. The garage opened in 1950, has since been renovated, and has space for 2,100 vehicles.

Title to the MTA Bridges and Tunnels Facilities and the Battery Parking Garage is vested in the City, but MTA Bridges and Tunnels has the use and occupancy of such facilities so long as its corporate existence continues.

As more fully described herein under "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE – Central Business District Tolling Program", MTA Bridges and Tunnels will also operate the CBD Tolling Program.

Management

The following is a brief biography of the President of MTA Bridges and Tunnels.

Daniel F. DeCrescenzo Jr., President since March 1, 2020. Mr. DeCrescenzo has been with MTA Bridges and Tunnels for more than 30 years, most recently as the Acting President from January 2019 through February 2020 and previously as Vice President and Chief of Operations. Mr. DeCrescenzo also serves on the MTA Board of the Transportation Operations Coordination Committee. During his career, Mr. DeCrescenzo has worked at every level within the Operations Department, holding key management roles through Superstorm Sandy and the 9/11 World Trade Center Attacks, when he served as MTA Bridges and Tunnels' primary contact for regional coordination. As Vice President and Chief of Operations, Mr. DeCrescenzo oversaw the transition of the Operations Department to agency-wide Cashless Tolling in 2017. Mr. DeCrescenzo holds numerous certifications in Incident and Emergency Management, such as for completion of the Enhanced Incident Management Unified Command Course from Texas A&M Extension Services.

MTA Bridges and Tunnels Facilities*

The following is a brief description of the MTA Bridges and Tunnels Facilities, listed in order of revenue generation:

Robert F. Kennedy Bridge - Crosses the East River and the Harlem River and connects the Boroughs of Queens, The Bronx and Manhattan. Opened to traffic in 1936, it generally carries eight traffic lanes between Queens and The Bronx via Wards Island and Randall's Island except where the Wards Island Viaduct has been widened to nine lanes; the bridge also generally carries six traffic lanes between Randall's Island and Manhattan. These three major crossings are interconnected by viaducts.

Verrazzano-Narrows Bridge - Connects the Boroughs of Brooklyn and Staten Island. It is a double deck structure with the upper-level deck carrying seven traffic lanes including a reversible lane and the lower-level deck carrying six lanes. The upper deck was opened to traffic in 1964 and the lower deck in 1969. The fully reversible lane on the upper level was implemented in September 2017.

Throgs Neck Bridge - Crosses the upper East River between the Boroughs of Queens and The Bronx approximately two miles east of the Bronx-Whitestone Bridge. Opened in 1961, it carries six traffic lanes.

Bronx-Whitestone Bridge - Crosses the East River and connects the Boroughs of Queens and The Bronx. The roadways of the bridge, which was opened to traffic with four lanes in 1939, were widened so as to carry six traffic lanes commencing in 1946.

Queens Midtown Tunnel - Crosses under the East River and connects the Boroughs of Queens and Manhattan. Opened to traffic in 1940, it consists of twin tubes, carrying an aggregate of four traffic lanes.

Hugh L. Carey Tunnel - Crosses under the East River at its mouth and connects the Boroughs of Brooklyn and Manhattan. Opened to traffic in 1950, it consists of twin tubes, carrying an aggregate of four traffic lanes.

Henry Hudson Bridge - Crosses the Harlem River between the Spuyten Duyvil section of The Bronx and the northern end of Manhattan. It has two roadway levels, each level carrying three traffic lanes, the lower level having been opened to traffic in 1936 and the upper level in 1938. The operation of this bridge includes the maintenance of a small part of the Henry Hudson Parkway.

Cross Bay Veterans Memorial Bridge - Crosses Beach Channel in Jamaica Bay to Rockaway Peninsula, and is located in Queens. Reconstructed and opened to traffic in May 1970, this bridge carries three traffic lanes in each direction, dropping to two lanes in each direction just before the Cashless Tolling gantry. Its operation includes the maintenance of a small part of Cross Bay Boulevard.

Marine Parkway-Gil Hodges Memorial Bridge - Crosses Rockaway Inlet and connects Rockaway Peninsula in Queens, with Brooklyn. Opened in 1937, it carries four traffic lanes. The operation of this bridge includes the maintenance of the Marine Parkway from the Cashless Tolling gantries to Jacob Riis Park.

MTA Bridges and Tunnels also operates the Battery Parking Garage. Only the bridges and tunnels constitute MTA Bridges and Tunnels Facilities under the MTA Bridges and Tunnels bond resolutions, though the net revenues derived from the operation of the Battery Parking Garage are included as net revenues that are pledged to the payment of such bonds.

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* For purposes of the bond resolutions, the MTA Bridges and Tunnels Facilities are referred to as the "TBTA Facilities".

MTA Bridges and Tunnels is a founding member of the E-ZPass Interagency Group ("IAG"), which is a consortium of 34 agencies in 19 states that operate an interoperable electronic toll collection system.

Authorized Projects of MTA Bridges and Tunnels

MTA Bridges and Tunnels' powers have been broadened by the Legislature beyond its traditional role as a vehicular toll facility authority within the City. MTA Bridges and Tunnels is also authorized to participate in the financing of capital projects for the Transit and Commuter Systems, the MTA Bus System and MTA Staten Island Railway. The Central Business District (CBD) Tolling Program is also an authorized project of MTA Bridges and Tunnels. See "PART 5. STATISTICAL INFORMATION – RIDERSHIP AND FACILITIES USE – Central Business District Tolling Program". Under the MTA Reform and Traffic Mobility Act, monies in the CBD Tolling Program Capital Lockbox Fund cannot be commingled with any other MTA Bridges and Tunnels monies. Currently, the proceeds of bonds issued under the MTA Bridges and Tunnels Senior and Subordinate Resolutions may not be used to finance capital costs associated with the CBD Tolling Program, although such CBD Tolling Program may in the future qualify as an additional project that can be financed thereunder. Notwithstanding the foregoing, on December 18, 2019, the MTA Bridges and Tunnels Board approved and adopted the CBDTP Second Subordinate Revenue Resolution (Central Business District Tolling Program) (the "CBDTP Second Subordinate Revenue Resolution"), which authorized the issuance of obligations to finance costs related to the design, build, and installation of infrastructure, tolling systems and allowable implementation expenses necessary for the operation of the Central Business District Tolling Program. Obligations issued under the CBDTP Second Subordinate Revenue Resolution will be payable from MTA Bridges and Tunnels revenues after the payment of debt service on obligations issued under the MTA Bridges and Tunnels Senior and Subordinate Resolutions, the proceeds of which bonds can only be used to finance bridge and tunnel and transit and commuter projects. On May 16, 2021, approximately $192.84 million of MTA Bridges and Tunnels CBDTP Second Subordinate Revenue Bond Anticipation Notes (BANs) were issued with a maturity date of November 1, 2025. Note, however, that as budgeted in the 2022 February Plan, these BANs will be retired utilizing Central Business District Tolling Program Lockbox Revenues in 2025, so are not anticipated to have an impact on MTA Bridges and Tunnels revenues.

The capital assets constructed or acquired by MTA Bridges and Tunnels as part of the Transit and Commuter Systems, the MTA Bus System and MTA Staten Island Railway are to be transferred or leased for nominal consideration to MTA, MTA New York City Transit or a designated subsidiary of either of them, and neither such conveyance nor any capital grants made by MTA Bridges and Tunnels will produce revenues for MTA Bridges and Tunnels. Alternatively, such capital assets may be sold to parties other than a Related Entity and leased back by MTA Bridges and Tunnels for subleasing for a nominal consideration to MTA, MTA New York City Transit or a designated subsidiary or leased directly to such Related Entity at the expense of MTA Bridges and Tunnels.

Under existing law, MTA Bridges and Tunnels has no obligation with respect to the operation and maintenance of the equipment or facilities financed as part of the Transit and Commuter Systems, the MTA Bus System or MTA Staten Island Railway. The MTA Reform and Traffic Mobility Act, enacted in April 2019, authorized MTA Bridges and Tunnels' Bridge and Tunnel Officers ("Bridge and Tunnel Officers") to provide violation enforcement on facilities owned by MTA, MTA New York City Transit or a designated subsidiary. The first official deployment of the Bridge and Tunnel Officers to the New York City Transit Authority Buses was on August 5, 2019.

MTA CONSTRUCTION & DEVELOPMENT COMPANY
(formerly known as MTA CAPITAL CONSTRUCTION COMPANY)

(popular name – MTA Construction & Development)

Legal Status and Public Purpose

MTA Construction & Development was created as an MTA subsidiary in 2003, and is responsible for administration of the planning, design and construction of major MTA projects which span multiple Capital Programs. Those projects include East Side Access, Second Avenue Subway, Penn Station Access, the MTA Long Island Rail Road Expansion project, and the Canarsie Tunnel Rehabilitation Project, as well as MTA-wide capital security projects. In 2020, as part of the Transformation Plan, MTA Construction and Development took on responsibility for additional capital funded construction and development work. For information related to the impact of the COVID-19 pandemic on the finances and operations of MTA and its Related Entities, see "PART 1. BUSINESS – UPDATE REGARDING IMPACTS FROM THE CORONAVIRUS PANDEMIC AND CERTAIN MTA, FEDERAL AND STATE RESPONSES". See also "PART 1. – CERTAIN RISK FACTORS – *Respond to Developing Economic Environment - Funding of Capital Programs and Operations*".

Management

Jamie Torres-Springer joined MTA in 2021 as President of MTA Construction & Development. He is responsible for overseeing MTA's $55 billion capital plan through innovative management of construction work for subways, buses, commuter railroads, bridges and tunnels.

Prior to joining MTA, Mr. Torres-Springer served as Commissioner of New York City's Department of Design and Construction (DDC), the agency responsible for delivering infrastructure and facilities across New York City government. He led development and implementation of DDC's Strategic Blueprint for Construction Excellence, a comprehensive plan to streamline capital project delivery, and had a leading role in several programs related to the COVID-19 pandemic, the New York City's adaptation to climate change, and reform of the criminal justice system.

Prior to DDC, Mr. Torres- Springer led a national planning practice working on urban infrastructure, open space, and citywide strategic plans for inclusive growth and sustainability.

The following project overviews represent MTA Network Expansion activity that, prior to the formation of MTA Construction & Development, were managed by the former MTA Capital Construction (MTACC). Remaining projects in the MTA Capital Program are reported in the respective MTA agency sections within this Annual Disclosure Statement.

East Side Access

The East Side Access project consists of construction of a 3.5-mile commuter rail connection between the MTA Long Island Rail Road's Main and Port Washington lines in Queens and a new terminal being constructed beneath Grand Central Terminal. The project also includes upgrades to the Harold Interlocking infrastructure. The new connection will increase MTA Long Island Rail Road's capacity into Manhattan, dramatically shortening the travel time for Long Island and eastern Queens commuters traveling to the east side of Manhattan and improve the reliability and operational flexibility of the Harold Interlocking. MTA began construction of certain portions of the East Side Access project in 2001.

The estimated cost to complete the project is $11.133 billion. Additional budget for the project, reflecting this estimate to complete, were approved and are part of the 2020-2024 Capital Program. The expected revenue service date for the East Side Access project remains December 2022.

Federal funds for the project, primarily received through an FFGA with the FTA are $2.70 billion, all of which have been received. The State is contributing $450 million in direct funding for this project. MTA is financing the remaining portion of the cost of the East Side Access project using MTA bond proceeds.

MTA's Regional Investment program, which was to be progressed concurrently with the East Side Access program, includes improvements to Harold Interlocking that will benefit the regional transportation network by separating Amtrak and MTA Long Island Rail Road train operations and increase Amtrak train speeds between Penn Station and the New Haven line. The Regional Investment program is funded in the 2010-2014, 2015-2019 and 2020-2024 Capital Programs and is partially funded by the FRA's High Speed Intercity Passenger Rail Program. The balance of funding to complete Regional Investment scope will be requested in the 2025-2029 Capital Program.

Work advanced on all major contracts during 2021. The Harold Structures B/C Approach contract reached Substantial Completion. This contract included construction of the B/C Tunnel Approach structure and track work in Harold Interlocking for the High-Speed Rail project. Work advanced towards the substantial completion in 2022 of the remaining ESA construction contracts. The GCT Station Caverns and Track contract (CM007) completed major construction activities in 2021. The contract involves constructing a permanent structural concrete lining for the caverns previously excavated beneath Grand Central Terminal, interior structures, and fit-out of the MTA Long Island Railroad Grand Central Terminal as well as installation of track, special trackwork and third rail.

The GCT Concourse and Facilities Fit-Out contract (CM014B) is expected to reach Substantial Completion in Q3 2022. This contract constructs the new MTA Long Island Rail Road Grand Central Terminal (GCT) Concourse, including foundations, underground utilities, walls, structural steel framing, mechanical, electrical, plumbing, fire protection, and architectural finishes, as well as fit-out of the 44th Street and 50th Street Ventilation Facilities. Systems related contracts, covering installation of traction power, signals and facility systems, will be substantially complete by the third quarter of 2022. The Mid-Day Storage Yard Facility contract (CQ033), which is expected to be substantially complete by the second quarter of 2022, provides a 30-acre yard that will enable the MTA Long Island Rail Road to store upwards of 300 train cars during the day. The contract includes construction of 11 miles of new railroad tracks, and more than 82 switches.

Work under the Harold Catenary Construction contract (CH063) also advanced during 2021. The work of that contract includes the design and construction of catenary systems, traction power systems, medium voltage power systems, civil structures, and track and special trackwork in Harold Interlocking and Sunnyside Yards and benefits both the East Side Access and the Harold Interlocking High Speed Rail projects.

In addition, in 2021, MTA Construction and Development awarded the Passenger Experience & Retail Enhancements contract in the amount of $34.1 million, which will provide retail pre-tenant fit-out, customer service and retail spaces, support structures for digital advertising and MTA customer information screens and wayfinding signage. Work under this contract will be substantially complete in the fourth quarter of 2022. Additionally, the Eastbound Reroute contract, providing a grade separated track through the Harold Interlocking as part of the Harold Interlocking High Speed Rail project, was awarded in August 2021 at $183.4 million and design and construction work was initiated.

Second Avenue Subway

The Second Avenue Subway is a multi-phased project to provide MTA customers with a new subway service ultimately stretching approximately 8.5 miles under the East Side of Manhattan from 125th Street to Hanover Square.

Under the current plan, the project is expected to be built in four phases.

- *Phase One*: Construction includes tunnels from 105th Street and 2nd Avenue to 63rd Street and Third Avenue, with new stations along 2nd Avenue at 96th, 86th and 72nd Streets and new entrances to and newly opened portions of the existing Lexington Avenue/63rd Street Station. The service runs from 96th Street and 2nd Avenue to the existing Lexington Avenue/63rd Street Station, where it connects with the N/Q/R Line.
- *Phase Two*: The new subway line will be extended north from 96th Street to 125th Street. Subway service will run from 125th Street to the existing Lexington Avenue/63rd Street Station, where it will connect with the N/Q/R Line.
- *Phase Three*: The new subway line will be extended south to Houston Street. Subway service will run from 125th Street to Houston Street and 2nd Avenue.
- *Phase Four*: In this final phase the new subway line will be extended south to Hanover Square. Subway service will run from 125th Street to Hanover Square in Lower Manhattan.

Second Avenue Subway Phase One started revenue service on January 1, 2017. The capital cost for Phase One is $4.601 billion. As of December 2021, MTA received from the FTA approximately $1.54 billion, primarily through an FFGA. The State is contributing $450 million in direct funding for this project. The remainder of the necessary funding for this project has been achieved through the issuance of MTA bonds.

Second Avenue Subway Phase Two, which will complete the project's northern operational phase, commenced in December 2016 with the award of the environmental and design contracts. As of December 2021, $221 million has been committed for Phase Two. Initial funding for this project was $1.735 billion to address environmental work, design, real estate, project support, and preliminary construction work. Additional funding of $4.555 billion was included in the 2020-2024 Capital Program, bringing the total Phase Two budget to $6.290 billion. On January 6, 2022, FTA approved the SAS Phase 2 Project to enter into the Engineering phase of the FTA New Starts Program. Over the next several months, MTA Construction and Development will be working with FTA to provide all required documentation and management plans in support of advancement to a Full Funding Grant Agreement.

Penn Station Access

The Penn Station Access project will allow MTA Metro-North Railroad to initiate service between its New Haven Line and Penn Station via Amtrak's Hell Gate Line through the East Bronx and Queens. The project includes construction of new intermediate stations in the East Bronx in the vicinity of Co-op City, Morris Park, Parkchester/Van Nest and Hunts Point.

As of December 2021, $1.98 billion has been committed for the Penn Station Access project. The Penn Station Access project budget totals $2.482 billion, including $430.5 million allocated in MTA's 2015-2019 Capital Program,

$2.051 billion in the 2020-2024 Capital Program. In addition to MTA funding, MTA anticipates receiving federal and state funding for this project. Design Build and Project Management Consultant (PMC) contracts were both awarded on December 29, 2021. The forecasted completion is scheduled for mid-2027.

MTA Long Island Rail Road Expansion Project

In December 2017, the MTA Board granted approval to award two contracts for the MTA Long Island Rail Road Expansion project. The first contract, a design-build contract, calls for the awardee to design and construct approximately 10 miles of third track on the Main Line, remove eight street-level grade crossings, and provide grade-separated vehicular and pedestrian crossings at five locations. This contract contains options for various completion work and for up to five parking facilities. The second contract is a project management consulting services contract for a period of three years, with options to extend the contract period for two additional one-year terms.

Heavy construction commenced in October 2018. All eight grade crossings have been eliminated and five have re-opened as undergrade crossings; bridge replacements and station improvement work at four stations is ongoing; and two new parking structures have been opened to the public. The project is over 82% compete and is currently forecasted to be completed in April 2023.

As of December 2021, the total budget for the base value of the design-build contract, project management contract, and the completion option, is $2.589 billion ($2.050 billion in the 2015-2019 Capital Program and $538 million in the 2020-2024 Capital Program).

Public-Private Partnership (P3) Financing in MTA's Capital Program

MTA Construction & Development has issued a procurement for a single private developer to provide accessibility improvements at 13 stations within the Boroughs of the Bronx, Queens, Brooklyn and Manhattan. This includes making eight stations newly accessible and rehabilitating existing elevators at five stations. MTA will engage with a private partner who will be responsible for the design, construction, and financing of certain ADA accessibility projects, including elevators and other ADA improvements, as well as for the maintenance of the elevators for 15 years. Under this agreement, failure to achieve certain milestones and budgets would result in the private entity not receiving compensation. The Public Private Partnership agreement will be for the design, construction, and financing of the elevators and other ADA improvements and for the maintenance of the elevators. These improvements are funded in the 2020-2024 Capital Plan.

PART 5. STATISTICAL INFORMATION

RIDERSHIP AND FACILITIES USE

Transit System (MTA New York City Transit and MaBSTOA) Ridership

General. Subway revenue passengers in 2021 totaled 760 million, an increase of approximately 18.8% from 2020. Bus ridership in 2021 was 312 million, 49.3% higher than in 2020.

MTA New York City Transit expanded service from 1996 to 2009, adding new capacity on its subway lines and bus routes to meet the overall growth in demand. MetroCard fare incentives were introduced beginning in 1997. Due to financial circumstances in 2010, bus and subway service cuts were required along with other budget reduction programs in order to balance the 2011 budget. In more recent years, there have been expansions in service. In 2013 and 2014, MTA New York City Transit restored some of the bus service eliminated in 2010 and added four new bus routes. In 2015, service on the No. 7 line was extended to 34th Street-Hudson Yards and two new Select Bus Service routes were established. In 2016, an additional two Select Bus Service routes were added, followed by two additional routes added in 2017, one in 2018 and two in 2019. And on January 1, 2017, Phase One of the Second Avenue Subway began service, with Q train service running from three newly opened stations (96th Street, 86th Street, 72nd Street) to 63rd Street, and continuing through Manhattan and into Brooklyn. In November 2018, the WTC Cortlandt Street station reopened for the first time since 2001.

While some of the Transit System changes in use in the past few years have been attributable to the changes in the economy and the COVID-19 pandemic, overall ridership changes are also attributable to other factors including efforts to reduce fare evasion and improve security. Significant factors which impact ridership, discussed more fully below, include fare increases and fare incentives, Transit System performance and levels of services, Transit System security and employment in the City generally as well as the relative level and cost of service provided by competing transportation modes such as taxis, competing taxi services such as Uber and Lyft, licensed and unlicensed vanpools, private car and bus services and charter operators. Interruptions to service or temporary closures of lines resulting from major capital improvement projects to the Transit System by MTA New York City Transit or service disruptions caused by City infrastructure problems not under the control of MTA New York City Transit and MaBSTOA or from repairs to or rehabilitation of City infrastructure by the City or its agencies could adversely impact ridership and revenues. The effect would depend on the nature, severity and duration of the service interruptions.

Historical Ridership. The following table sets forth annual ridership on the Transit System since 2012 and the percentage increase (decrease) each year. Relative to the 2012 levels, subway revenue passengers have decreased by 54%, bus revenue passengers have decreased by 53%, paratransit revenue passengers have decreased by 16%, and total revenue passengers have decreased by 54%. From 2012 to 2021, average weekday subway passengers decreased 56%, while average weekend subway passengers also decreased by 49%. As indicated below, annual subway ridership has declined from 2016 to 2018, including a 2.7% decrease in 2018, and a 1.7% decrease in 2017. Factors contributing to the 2017 and 2018 subway ridership declines include several major construction projects underway in 2017 and 2018, more maintenance work resulting in off-peak and weekend service changes, and increased competition from for-hire services (Uber, Lyft, etc.). 2019 subway ridership increased by 1.1% reversing years of decline, before the 2020 COVID-19 pandemic sent ridership to an unprecedented low point with a 62.3% decline. Subway ridership rebounded somewhat in 2021 increasing 18.8% compared with 2021, however, full-year volumes reached only 45% of 2019 pre-pandemic levels. Annual bus ridership has declined since 2014, including a 2.2% decrease in 2019 and a 62.5% decrease in 2020 due to the COVID-19 pandemic. Bus ridership in 2021 saw a 49.3% increase from 2020 due to both steady recovery as well as the absence of paid rides recorded in local buses for more than five months of 2020 due to the suspension of fare collections. Like subway, bus ridership began to rebound in 2021 reaching 56% of 2019 full-year counts. Other than the COVID-19 pandemic, factors contributing to the recent bus ridership declines include fare evasion, increased congestion resulting in slow bus speeds, the availability of alternate travel options such as for-hire services and CitiBike, and fare increases in 2015, 2017 and 2019.

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Revenue Passengers[1]
(in thousands)

Years	Subway	Subway Increase/ (Decrease)	Bus	Bus Increase/ (Decrease)	Para-Transit[2]	Paratransit Increase/ (Decrease)	Total Revenue Passengers[3]	Total Increase/ (Decrease)
2012	1,654,582	0.9	667,911	(0.4)	9,343	4.4	2,331,836	0.5
2013	1,707,556	3.2	677,569	1.4	9,266	(0.8)	2,394,391	2.7
2014	1,751,288	2.6	667,051	(1.6)	8,884	(4.1)	2,427,223	1.4
2015	1,762,565	0.6	650,682	(2.5)	8,829	(0.6)	2,422,076	(0.2)
2016	1,756,815	(0.3)	638,413	(1.9)	8,938	1.2	2,404,166	(0.7)
2017	1,727,367	(1.7)	602,620	(5.6)	8,585	(3.9)	2,338,572	(3.4)
2018	1,680,060	(2.7)	569,361	(5.5)	9,867	14.9	2,259,288	(3.4)
2019	1,697,787	1.1	557,037	(2.2)	10,918	10.6	2,265,742	0.3
2020	639,541	(62.3)	208,847	(62.5)	7,117	(34.8)	855,505	(62.2)
2021	759,977	18.8	311,894	49.2	7,836	10.1	1,079,707	26.6

(1) "Revenue Passengers" are defined as all passengers for whom revenue is received, either through direct fare payment (cash, MetroCards) or fare reimbursements (senior citizens, school children, the physically disabled). "Revenue Passengers" statistics count passengers that use a free intermodal or bus-to-bus transfer as an additional passenger though they are not paying an additional fare.
(2) Paratransit ridership includes trips made by personal care attendants and guests.
(3) Includes subway, bus and paratransit.

Fares. Since September 1975 when the base fare was 50 cents, the base fare charged for use of the Transit System has been raised eleven times. The most recent fare increase, which became effective April 21, 2019, did not adjust the base fare.

Date of Increase	New Base Fare	Amount of Increase	Percent Increase
1980 – June	$0.60	$0.10	20.0%
1981 – July	0.75	0.15	25.0
1984 – January	0.90	0.15	20.0
1986 – January	1.00	0.10	11.1
1990 – January	1.15	0.15	15.0
1992 – January	1.25	0.10	8.7
1995 – November	1.50	0.25	20.0
2003 – May	2.00	0.50	33.3
2009 – June	2.25	0.25	12.5
2013 – March	2.50	0.25	11.1
2015 – March	2.75	0.25	10.0

Each fare increase listed in the chart above, except the 1986 increase, has been followed by an immediate decrease in ridership.

The above-referenced increases in the base fare have also been accompanied by other changes in the pricing of various products, including express bus fares and MetroCards of various durations. The following describes the pricing changes during the last decade.

In addition to the $0.25 increase in the base fare on March 3, 2013, MTA New York City Transit increased the cost of a 7-day unlimited-ride MetroCard from $29 to $30, and the cost of a 30-day unlimited-ride MetroCard from $104 to $112. In addition, the bonus on Pay-Per-Ride MetroCards was changed from 7% on purchases of $10 or more to 5% on purchases of $5 or more. The express bus fare increased from $5.50 to $6.00, while the cost of a 7-day Express Bus Plus MetroCard increased from $50 to $55.

In addition to the $0.25 increase in the base fare on March 22, 2015, MTA New York City Transit increased the cost of a 7-day unlimited-ride MetroCard from $30 to $31, and the cost of a 30-day unlimited-ride MetroCard from $112 to $116.50. In addition, the bonus on Pay-Per-Ride MetroCards was changed from 5% on purchases of $5 or more to 11% on purchases of $5.50 or more. The express bus fare increased from $6.00 to $6.50, while the cost of a 7-day Express Bus Plus MetroCard increased from $55 to $57.25.

On March 19, 2017, MTA New York City Transit increased the cost of a 7-day unlimited ride MetroCard from $31 to $32, the cost of 30-day unlimited ride MetroCard from $116.50 to $121, and the cost of 7-day Express Bus Plus

MetroCard from $57.25 to $59.50. The bonus on Pay-Per-Ride MetroCards was changed from 11% to 5% on purchases of $5.50 or more. The subway and local bus fare remain unchanged at $2.75 and the express bus fare remains at $6.50.

On April 21, 2019, MTA New York City Transit increased the cost of a 7-day unlimited ride MetroCard from $32 to $33, the cost of 30-day unlimited ride MetroCard from $121 to $127, and the cost of 7-day Express Bus Plus MetroCard from $59.50 to $62. The 5% bonus on Pay-Per-Ride MetroCard purchases of $5.50 or more has been eliminated. The subway and local bus fare remain unchanged at $2.75 and the express bus fare increased from $6.50 to $6.75.

The following chart shows historical fare information since 2012.

Historical Fare Information

Year	CPI[1]	Base Fare	Base Fare Real Fare $[2]	Average Fares[3]	Non-Student Average Fares[4]
2012	252.6	2.25	0.849	1.555	1.646
2013[5]	256.8	2.50	0.928	1.665	1.763
2014	260.2	2.50	0.916	1.704	1.799
2015[6]	260.6	2.75	1.006	1.773	1.867
2016	263.4	2.75	0.995	1.803	1.896
2017[7]	268.5	2.75	0.976	1.886	1.980
2018	273.6	2.75	0.958	1.936	2.026
2019[8]	278.2	2.75	0.942	1.998	2.09
2020	283.9	2.75	0.923	2.259	2.338
2021	295.6	2.75	.887	2.118	2.192

(1) CPI All Urban Consumers, New York, N.Y. – Northeastern N.J.; 1982-84=100.0. The Consumer Price Index ("CPI") levels listed are the annual average for each year.
(2) Base fare after adjusting for inflation since 1982 (1982 CPI = 95.3).
(3) Total farebox revenue divided by revenue passenger trips (including students). Average fares in the table are for the full year.
(4) Non-student revenue divided by revenue passenger trips (excluding students).
(5) Effective March 3, 2013, the base fare increased from $2.25 to $2.50, the express bus fare increased from $5.50 to $6.00, the bonus on Pay-Per-Ride MetroCards was changed from 7% on purchases of $10.00 or more to 5% on purchases of $5.00 or more and 7-day and 30-day unlimited-ride MetroCard fares increased. Average fare shown in table is for full year.
(6) Effective March 22, 2015, the base fare increased from $2.50 to $2.75, the express fare increased from $6.00 to $6.50, the bonus on Pay-Per-Ride MetroCards was changed from 5% on purchases of $5.00 or more to 11% on purchases of $5.50 or more, and 7-day and 30-day unlimited-ride MetroCard fares increased. Average fare shown is for full year.
(7) Effective March 19, 2017, 7-day and 30-day unlimited-ride MetroCard fare increased, and the MetroCard bonus on purchases of $5.50 or more decreased from 11% to 5%.
(8) Effective April 21, 2019, 7-day and 30-day unlimited-ride MetroCard fares increased, and the 5% MetroCard bonus on purchases of $5.50 or more were eliminated.

MTA New York City Transit offers the following MetroCard discount and bonus programs as of April 21, 2019, which was the last day such discount and bonus programs were adjusted:

- free intermodal (subway-to-bus and bus-to-subway) transfers;
- unlimited-ride 7-day and 30-day passes;
- unlimited-ride 7-day combined express bus and regular bus and subway pass;
- free and half-fare student programs;
- half-fare programs for senior citizens and persons with disabilities; and
- free replacement of lost or stolen unlimited-ride 30-day and 7-day express passes (limit of two per calendar year per holder) if the holder paid by credit or debit card.

Subway System Performance and Level of Service. A number of measures are used to quantify Transit System performance and the level of Transit System service, including total vehicle miles traveled ("VMT"), on-time performance and mean distance between failures ("MDBF"), which are discussed in further detail below.

Since implementation of the capital programs began in early 1982, Transit System performance, on the whole, has improved. MTA New York City Transit has replaced or overhauled its entire fleet since then. The entire fleet is now free of painted graffiti, and subway cars in 2021 ran an average of 150,363 miles between breakdowns, up from an average of 7,145 in 1982. Since the end of 1992, all the Transit System's 665 miles of mainline track have been maintained in a state of good repair, which has reduced track related mainline derailments and delays. Other aspects of the passenger environment have also experienced significant improvement. Almost all cars have adequate climate control and are displaying the correct signage.

Further improvements, as well as the maintenance of significant improvements since the inception of the capital programs in 1982 and the improvements in Transit System performance produced as a result thereof, are dependent upon the completion of final work of the 2010-2014 Transit Capital Program, the 2015-2019 Transit Capital Program, and subsequent capital programs.

In late July 2017, an MTA New York City Transit Subway Action Plan was set forth to address service disruptions, service delays, overcrowding and infrastructure disrepair. The initial phase of the Subway Action Plan focused on stabilizing the subway system and preparing it for modernization by addressing key factors which account for a large percentage of the major incidents causing delays on the system. The Subway Action Plan included focus on signal and track maintenance; car reliability; system safety and cleanliness; and customer communications. In 2017, MTA New York City Transit introduced new customer-focused performance measures, including Service Delivered, Additional Train Time, and Additional Platform Time, as well as an online Subway Performance Metrics Dashboard. These steps were designed to provide customers with more information relevant to their experience using the system.

Beginning in 2018, MTA New York City Transit reversed recent declines in system performance, and these improvements continued in 2020 and 2021. Some metrics retreated slightly in 2021 under the load of rebounding ridership combined with crew availability shortages due to a protracted hiring freeze and COVID variant impacts. Although the COVID-19 pandemic created changes in the operating environment that make direct comparisons between prior years difficult, 2021 weekday terminal on-time performance was 84.5%, a dramatic improvement compared to 63.4% for the year 2017 and only slightly below 88.6% recorded in 2020. These improvements reflect many factors, including the COVID-19 pandemic, improved asset condition from the Subway Action Plan, faster emergency response when incidents do occur, and the Save Safe Seconds program that engaged all Subways employees in efforts to speed service and reduce delays.

The following table shows the VMT for subways since 2012.

Vehicle Miles Traveled by Subways

Year	Subway VMT (in millions)	% Increase / (Decrease)
2012	352	(0.3)
2013	356	1.1
2014	356	0.0
2015	356	0.0
2016	358	0.6
2017	360	0.6
2018	359	(0.3)
2019	355	(1.1)
2020	325	(8.5)
2021	345	6.2

Subway vehicle miles traveled ranged above 350 million vehicle miles in pre-pandemic years. The pronounced decrease observed in 2020 was primarily due to reduced service operated across the system between March and June due to the COVID-19 pandemic. Lingering impacts of the pandemic, which caused staff to call out sick and/or quarantine and resulted in a hiring freeze, reduced crew availability which lowered the output metric in 2020 and 2021. In 2019, the decline in vehicle service miles was attributable to the Hurricane Sandy related repairs on the L line, which reduced evening and weekend service. In 2016, the increase in VMT was mostly due to the 7 Line Extension functioning on a full year basis, versus a partial year basis in 2015. VMT remained stable (at 356 million vehicle miles traveled) from 2013 through 2015. The decrease from 2011 to 2012 would have been an increase if the impact of Superstorm Sandy were excluded, representing higher ridership, including an additional leap year day. The increase from 2012 to 2013 was due to the impact of Superstorm Sandy in 2012 and higher ridership in 2013.

The Transit Capital Program has necessitated and will continue to necessitate temporary service disruptions that adversely affect certain aspects of Transit System performance. These disruptions are required to facilitate work on certain capital projects. Such disruptions include the rerouting of subway trains, the closing of either part or all of certain passenger stations, cessation of either local or express service, train delays and reduction of train speeds.

Subway MDBF represents total revenue car miles divided by the number of car failures. A car failure is any incident, including delays, relating to equipment in revenue service that is attributable to that equipment and/or its maintenance.

The following table shows subway MDBF since 2012.

Subway MDBF

Year	(in miles)	% Increase/ (Decrease)
2012	162,138	(6.1)
2013	153,382	(5.4)
2014	141,202	(7.9)
2015	131,325	(7.0)
2016	112,208	(14.6)
2017	121,220	8.0
2018	121,116	(0.1)
2019	127,743	5.5
2020	146,297	14.5
2021	150,363	2.8

Subway MDBF improvements are attributable to many factors, including increased supervision and management control of the MTA New York City Transit work force, improved maintenance and inspection procedures, better training of employees, and the influx of replacement and overhauled subway cars funded through the capital program. The Scheduled Maintenance System (the "Scheduled Maintenance System") program is the agency's primary means of maintaining fleet reliability. Under the Scheduled Maintenance System, important car components and subsystems are overhauled or replaced at regular intervals – every six years for most subsystems.

In 2021, MDBF increased to its highest level since 2013, continuing improvements that began in 2017. Some of the fluctuation in MDBF was due to the timing of car purchases, which led to an increase in the average age of the fleet between 2011 and 2016, prior to the introduction of new R179 and R188 cars. Improvements in MDBF are attributable to a variety of factors, including focus on replacing specific car components with high failure rates, and initiatives included in the Subway Action Plan such as more frequent Scheduled Maintenance System cycles. In 2020, the remaining R42 cars were retired and the R32 fleet ended regular service, removing the two oldest fleets with the lowest MDBF from service. By the end of 2020, all 318 R-179 rail cars were delivered and in service. In January 2018, a contract was awarded for the purchase of 535 new R-211 rail cars for both the subway and Staten Island Railway, with options for additional rail cars; delivery of these rail cars is expected to begin in late 2022.

Bus System Performance and Level of Service. Bus MDBF measures the average rate of bus failure in terms of miles of operation. While declining bus MDBF affects the quality of bus service, it generally is not expected to have as significant an impact on bus ridership as MDBF has on subway ridership, since the breakdown of one bus generally does not affect the operations of other buses on the same route.

There has been an overall increase in bus MDBF since the beginning of the capital program process and MDBF for the last three years has reached record levels not achieved in prior periods. MDBF performance improvements have resulted from a variety of factors, including integrating new buses into the fleet, improved maintenance practices, and a focus on data-driven solutions to address issues that have previously led to declining reliability. MDBF of 4,221 in 2014 decreased by 14.6% from 2013, due to a population of significantly over-age buses that pose a greater challenge for bus operations. A large number of these buses were replaced in 2015 and 2016 under the 2010-2014 Capital Program, with additional buses delivered in 2017 under that program. The remaining over-age fleet is anticipated to be replaced under the 2015-2019 Capital Program. MDBF has improved from an average of 4,618 miles between mechanical breakdowns in 2015 to 7,647 miles in 2021, a cumulative improvement in MDBF of 65.6% since the decline in 2014. These significant increases over the past six years were due primarily to noted replacement in 2015 through 2018 of many overage buses (those over their useful life of 12 years). Overage buses are significantly less reliable when utilized beyond their expected life. In addition, the new buses have improved reliability over their expected life relative to the models they replaced due to focused efforts by the organization to review new fleets, identify and correct problem areas, and introduce new technologies.

The following table shows bus MDBF since 2012.

Bus MDBF

Year	(in miles)	% Increase/ (Decrease)
2012	4,546	36.1
2013	4,941	8.7
2014	4,221	(14.6)
2015	4,618	9.4
2016	5,957	29.0
2017	6,225	4.5
2018	6,244	0.3
2019	7,967	27.6
2020	8,390	5.3
2021	7,647	(8.9)

Numerous schedule and route adjustments have been and continue to be made to better match bus availability to passenger demand. The following table shows the VMT for buses since 2012.

Vehicle Miles Traveled by Buses

Year	(in millions)	% Increase/ (Decrease)
2012	114	0.9
2013	117	2.6
2014	116	(0.5)
2015	117	0.9
2016	118	0.9
2017	118	0.0
2018	118	0.0
2019	120	1.7
2020	110	(8.9)
2021	112	(1.8)

From 2013 to 2019 VMT was quite stable, with values within a range of 116 to 120 million vehicle miles traveled. The reduction in 2020 and 2021 has been due to the lingering impacts of the COVID-19 pandemic, which caused staff to call out sick or to quarantine. In addition, a lengthy agency hiring freeze reduced revenue vehicle operator availability which lowered the output metric in 2020 and 2021. The increase from 2011 to 2012 would have been higher if the impact of Superstorm Sandy were excluded, representing higher mileage, including an additional leap year day. The increase from 2012 to 2013 was due mostly to the impact of Superstorm Sandy in 2012.

Transit System Security. Ridership is also affected by the public's perception of security and order in the Transit System. Security around the Transit System has been increased since the terrorist attacks on the WTC. The public's perception of security and order is also affected by the presence of homeless people, beggars, illegal vendors and fare evaders in the Transit System. MTA New York City Transit and the New York City Police Department have taken significant steps over the past three decades to address these problems. These include instituting an outreach program to transport the homeless from the Transit System to City shelters, increasing the uniformed police presence throughout the Transit System and reducing fare evasion and serious crimes. With the return of a significant number of subway commuters who are paid riders in 2021, the fair evasion ratio fell to 9.6%, considerably lower than 12.5% in the second half of 2020. The fare evasion survey was suspended during the first half of the pandemic. Police presence has been important to reductions in subway crime and fare evasion.

Employment. City employment levels generally have a significant impact on the level of subway ridership. The weak economy in 2009 adversely affected both employment and subway ridership, with both employment and subway ridership declining 2.7%. With the local economy recovering in 2010 and 2011, subway ridership again outpaced the local economy, increasing 3.8% from 2009 to 2011 compared with a 2.8% employment increase over the same period. However, employment has outpaced subway ridership since 2011, increasing 20.8% from 2011 to 2019, compared to a 3.5% subway ridership increase over the same period. From 2015 to 2019, City employment increased 8.2%, compared to a 3.5% subway ridership decrease over the same period. The 2016-2018 subway decline was due in part to major construction projects, off-peak and weekend service changes, increased competition from for-hire vehicles, and the trend was reversed in 2019 with less construction and service disruptions. 2020 employment decreased by 11% from 2019, largely due to the impacts on restaurants, retail stores, entertainment and recreation businesses caused by the COVID-19 pandemic, and the extensive adoption of remote working. The 2021 subway ridership increase over 2020 far exceeded the employment growth, which was up only 0.73% from 2020 as some workers gradually returned to the office in person.

Automated Fare Collection. MTA New York City Transit employs an automated fare collection, or AFC, system in all subway stations and on all MTA New York City Transit, MaBSTOA, and MTA Bus routes. AFC includes, among other elements, subway turnstiles and bus fare boxes that accept a magnetic farecard ("MetroCard") in payment. AFC provided the technical capability to eliminate two-fare zones as well as to implement flexible intermodal and interagency fare structures. MetroCard enables passengers to purchase multiple rides and use the MetroCard to enter the Transit System through AFC turnstiles that automatically deduct the cost of each use. The subway turnstiles are designed to be tamper-resistant and to inhibit fare evasion by being more difficult to pass without payment. The bus fareboxes issue magnetically encoded transfers that are designed to reduce fare evasion resulting from the use of invalid transfers.

In May 2019, MTA began the roll out of the OMNY fare payment system at select subway stations and on all Staten Island buses. By the end of December 2020, OMNY had successfully expanded to the remainder of the subway system (turnstiles), all buses, and Staten Island Railway. Throughout the expansion, the only fare product offered through OMNY has been the full fare, pay per ride. OMNY is a design/build project that is expected to be fully functional and complete in 2024. In the interim, additional features will be introduced and layered onto the system, including the introduction of additional fare products; new self-service online sales channels; an OMNY Card; and a program for reduced-fare customers to be able to use OMNY. In 2023, it is expected that MetroCard will be fully decommissioned. The development and roll out of OMNY is being performed by Cubic pursuant to a contract awarded by MTA in November 2017. Cubic delivered similar technology for London's public transit system.

In 2021, 97.7% of non-student trips were made with MetroCard. 44.4% of 2021 non-student trips were made with Pay-Per-Ride MetroCards, and 33.4% were made with unlimited-ride MetroCards (16.4% with 30-day cards and 16.9% with 7-day cards). Also, in 2021, 18.4% of trips were made using OMNY, a sharp increase of 14.6% from only 3.8% in 2020. The market share of all non-MetroCard and non-OMNY fare media (cash and single-ride tickets) was 3.8% in 2021.

Out-of-system sales outlets, including over 2,870 active retail locations, generated approximately $219 million in MetroCard sales in 2021, a 20%decrease from 2020. Market share for MetroCard out-of-system sales is approximately 11.8%. During 2021, sales of nearly 772 thousand MetroCards valued at $85 million were made to transit benefit companies delivering tax-advantaged transportation benefits through MetroCard to their client employers/employees. Unlimited ride products accounted for approximately 61% of these sales in 2021, including total annual card sales of $52 million, with more than 34,000 employees enrolled in this annual card program at year's end. In 2021, the amount that mass transit commuters were permitted for monthly payroll deductions was $260.

MetroCard Vending Machines ("MVMs") allow riders to purchase MetroCards using cash, credit, debit or Electronic Benefits Transfer ("EBT") cards. The MetroCard Express Machine ("MEM") is a compact vending unit that accepts only credit, debit or EBT cards for payment. A total of 1,688 MVMs were servicing 472 active stations throughout MTA New York City Transit's subway system in 2021, as well as the MTA Staten Island Railway, Staten Island Ferry's St. George terminal, Orchard Beach in the Bronx, the NICE Bus Hempstead Terminal, Roosevelt Island Tramway, and Grand Central Terminal. In addition, 598 MEMs were in service in 281 active stations by the end of 2021. Vending machine sales totaled $1.66 billion in 2021, accounting for 100% of total in-system sales.

Purchasers of a 30-day or 7-day express unlimited ride MetroCard with a credit or debit card through the MVMs and MEMs are the beneficiaries of a free replacement if their MetroCards are lost or stolen, subject to a limit of two per holder per calendar year.

Commuter System Ridership

From 2011 to 2021, ridership on MTA Metro-North Railroad decreased by 62.5% and ridership on MTA Long Island Rail Road decreased by 56.8%. In 2021, MTA Metro-North Railroad ridership increased 13.3% from 2020, to 30.1 million and MTA Long Island Rail Road ridership increased 15.6% from 2020 to 35.0 million.

The following table details annual commuter services ridership over the last ten years and the percentage increase/(decrease) each year.

Revenue Passengers[(1)]
(in thousands)

Year	MTA Long Island Rail Road	MTA Long Island Rail Road Percent Increase/(Decrease)	MTA Metro-North Railroad[(2)]	MTA Metro-North Railroad Percent Increase/(Decrease)
2012	81,754	0.9	81,341	1.2
2013	83,384	2.0	81,802	0.6
2014	85,868	3.0	82,975	1.4
2015	87,648	2.1	84,272	1.5
2016	89,352	1.9	84,808	0.6
2017	89,159	(0.2)	84,879	0.1
2018	89,773	0.7	84,911	0.0
2019	91,105	1.5	84,980	0.1
2020	30,310	(66.7)	26,577	(68.7)
2021	35,037	15.6	30,102	13.3

(1) A single rider traveling to and from the same destination is counted as two revenue passengers. The number of revenue passengers is determined in part by ascribing an assumed frequency of use to holders of weekly and monthly commutation tickets.

(2) MTA Metro-North Railroad ridership totals do not include West of Hudson riders. In 2021, West of Hudson ridership on MTA Metro-North Railroad totaled 619,928 passengers.

A variety of factors affect ridership on the Commuter System. Among the most important are level of fares, Commuter System performance and regional employment discussed below. Other factors that may be important to Commuter System ridership include the amount and level of service provided and security.

In 2021, MTA Metro-North Railroad ridership increased by 3.5 million customers, or 13.3% more than 2020, due to the availability of vaccines and testing and the continuation of return-to-work policies through most of the year. Ridership on the Hudson, Harlem and New Haven lines was up 14.5%, 8.4% and 16.2%, respectively, from 2020. MTA Metro-North Railroad's annual West of Hudson ridership increased by 4.5%, with the Port Jervis line up 8.5% and the Pascack Valley line down 1.9%.

In 2021, MTA Long Island Rail Road total ridership increased by 15.6%, or 4.7 million ridership gain from 2020. Non-Commutation ridership was up 58.6% with 25.3 million customers, and commutation ridership dropped by 32.3% with 9.7 million customers.

Fares. The chart below identifies the years in which the base fares charged for the use of the Commuter System within the State have been raised. The most recent increase became effective on April 21, 2019, following the MTA Board's approval of an increase in fares for travel on MTA Long Island Rail Road and the State portion of MTA Metro-North Railroad.

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Date of Increase	Approximate Increase in New York State Average Fares
1984 – January	20%
1986 – January	11
1990 – January	15
1995 – November	9
2003 – May	25
2005 – March	7.6/6.2*
2008 – March	3.85
2009 – June	10
2010 – December	9
2013 – March	9
2015 – March	4
2017 – March	4
2019 – April	4

* Effective March 1, 2005, the average fare increased by 7.6% on MTA Long Island Rail Road and by 6.2% on MTA Metro-North Railroad for service between points in the State.

In addition, CDOT, with the MTA Board's approval, has authorized implementation of increased fare levels for travel to and from Connecticut stations on a number of occasions. A cumulative increase of approximately 16.2% for New Haven Line fares for travel to or from stations located in Connecticut was phased in, beginning January 1, 2012 (5.3%), with additional increases on January 1, 2013 (5.04%) and January 1, 2014 (5.04%). Another cumulative fare increase was phased in, which commenced as of January 1, 2015 (1.0%), with an additional increase on January 1, 2016 (1.0%). On December 1, 2016, a 6% increase was implemented, which subsumed the previously planned 1.0% increase that was to have occurred on January 1, 2017. Another 1.0% was implemented on January 1, 2018.

MTA Long Island Rail Road and MTA Metro-North Railroad offer several discounts that enable customers to purchase transportation at fares below the cost of a one-way peak ticket. Discounted fares are available based on the ticket type (e.g., Monthly ticket, Weekly, 20-Trip Ticket, 10-Trip Off Peak, One-Way Off-Peak, Group, Family, Child, CityTicket, Military and Atlantic Ticket (the last is MTA Long Island Rail Road only)) and the purchase option selected (e.g., Commuter Benefit Programs, Buy Before Boarding).

The following chart shows historical fare information from 2011.

		MTA Long Island Rail Road		**Harlem**		**MTA Metro-North Railroad Hudson**		**New Haven**	
Year	CPI(1)	Average Nominal Fare(2)	Real Fare 1982$	Average Nominal Fare	Real Fare 1982$	Average Nominal Fare	Real Fare 1982$	Average Nominal Fare	Real Fare 1982$
2011	247.7	7.06	2.71	6.54	2.51	8.01	3.08	7.01	2.70
2012	252.6	7.11	2.68	6.57	2.48	8.06	3.04	7.32	2.76
2013	256.8	7.58	2.81	7.00	2.60	8.57	3.18	7.57	2.81
2014	260.2	7.67	2.81	7.08	2.59	8.65	3.17	8.00	2.93
2015	260.6	7.93	2.90	7.34	2.68	8.94	3.27	8.14	2.98
2016	263.4	7.97	2.88	7.39	2.68	9.00	3.26	8.27	2.99
2017	268.5	8.16	2.90	7.63	2.71	9.31	3.31	8.70	3.09
2018	273.6	8.25	2.89	7.69	2.68	9.38	3.27	8.78	3.06
2019	278.2	8.44	2.89	7.93	2.71	9.64	3.30	8.89	3.04
2020	282.9	8.99	3.03	8.09	2.69	10.31	3.28	8.94	3.03
2021	294.6	8.44	2.75	7.58	2.45	9.91	3.21	8.53	2.76

(1) CPI All Urban Consumers, New York-Northern New Jersey-Long Island, NY-NJ-CT-PA, 1982-84=100.0. The CPI levels listed are the annual average for each year. CPI is estimated by IHS Global Insight.
(2) Average Nominal Fare means the fare paid per ride, determined by dividing total passenger revenues by total revenue passengers.

Characteristics of Commuter System Performance. Characteristics of performance potentially affecting ridership include on-time performance, the fleet's mean distance between failures, the number of standees and platform waiting time. Since implementation of the capital program began in early 1982, Commuter System performance as measured by those indicia has, on the whole, improved, although some of those indicia have shown declines during certain periods. Implementation of certain capital projects that are part of the Commuter Capital Programs may involve temporary disruptions of service as various portions of the Commuter System are refurbished or replaced. MTA Long Island Rail Road and MTA Metro-North Railroad schedule capital project work so as to minimize disruption of operations. In addition, as the Commuter Capital Program for rolling stock replacement progresses from its normal system replacement and the rolling stock is retired at the end of its useful life, further fluctuations may appear in various measures of Commuter System performance.

The following table shows on-time performance for MTA Long Island Rail Road and MTA Metro-North Railroad for the last ten years.

On-Time Performance (%)

Year	MTA Long Island Rail Road	MTA Metro-North Railroad
2012	94.3	97.6
2013	93.5	94.8
2014	92.0	91.5
2015	91.6	93.5
2016	92.7	93.7
2017	91.4	93.4
2018	90.4	90.1
2019	92.4	94.4
2020	95.9	97.9
2021	96.3	97.1

For MTA Metro-North Railroad, on-time performance ("OTP") for 2021 was 97.1%, 3.1% higher than the goal of 94%.

MTA Long Island Rail Road's OTP in 2021 was 96.3%, an increase of .4% from the previous year and 2.3% above the goal of 94%. The increase in OTP was attributable to the positive impacts of MTA Long Island Rail Road's "LIRR Forward" strategy, which prioritized identifying and proactively addressing the root causes of system malfunctions. These measures enabled MTA Long Island Rail Road to mitigate and avoid service interruptions and delays, which helped further MTA Long Island Rail Road's goal of providing safe and more reliable service.

The following table shows the fleet's MDBF for MTA Long Island Rail Road and MTA Metro-North Railroad for the last ten years.

MDBF

	MTA Long Island Rail Road		MTA Metro-North Railroad	
Year	MDBF (in miles)	Increase/ (Decrease)%	MDBF (in miles)	Increase/ (Decrease)%
2012	194,382	14.5	165,694	44.9
2013	205,890	5.9	156,617	(5.5)
2014	206,226	0.2	147,063	(6.1)
2015	208,383	1.0	199,838	35.9
2016	211,975	1.7	216,772	8.0
2017	205,270	(3.2)	193,883	(10.6)
2018	185,217	(9.8)	144,017	(25.7)
2019	185,829	0.3	239,188	66
2020	241,175	29.8	278,951	17
2021	231,337	(4.1)	190,518	(31.7)

In 2021, MTA Metro-North Railroad's fleet Mean Distance Between Failure (MDBF) was 190,518 miles, 9 % higher than the goal of 175,000 miles. Car availability continued to be positive with a 99.9% "consist compliance rate", which is the percentage of cars required for service to provide customers with seats each day.

For MTA Long Island Rail Road, the MDBF for the entire fleet in 2021 was 231,337 miles, above the railroad's 2021 goal of 170,000 miles, and represents a 4.1% decrease from 2020.

Regional Employment. Regional employment levels, primarily in the City, have a significant impact on commuter railroad ridership. See "PART 5. RIDERSHIP AND FACILITIES USE – Transit System (MTA New York City Transit and MaBSTOA) Ridership – *Employment*" above.

MTA Bus Ridership

General. MTA Bus was created as a public benefit corporation subsidiary of MTA in 2004 to integrate seven private bus companies into MTA. The final MTA Bus company merger was completed in February 2006.

Since MTA Bus launched operations, bus performance has improved significantly. MTA Bus has replaced most of its fleet and currently operates 519 express buses, 401 low-floor hybrid electric local buses, 216 low-floor compressed natural gas standard buses, 45 clean diesel standard buses and 141 articulated clean diesel local buses. The bus fleet age fluctuates based on the number of new buses being purchased and how many over-age buses remain in service. On February 20, 2006 (the first day of complete consolidated operations), the fleet age was 9.43 years; it was 11.47 years at the end of 2021. MTA Bus relies on the timely procurement and delivery of new buses to replace over-age buses in order to improve MDBF and equipment reliability. However, by the end of the 2020-2024 Capital Program, MTA Bus is expected to have ordered and, or replaced, all buses greater than 12 years of age.

Historical Ridership. MTA Bus has been enhancing service since 2006, incrementally increasing capacity on all of its bus routes. However the COVID-19 pandemic and the economic slowdown caused bus revenue ridership to plummet to unprecedented low levels in 2020. MTA Bus revenue passengers in 2021 totaled 71.4 million, an increase of 55.6% from 2020. Local bus revenue ridership similarly increased by 58.9%, and express revenue increased by 17.6%. In 2021, average weekday revenue ridership was 55.4% higher than in 2020, and average weekend combined revenue ridership also increased by 60.8% compared to 2020. Pre-COVID, MTA Bus ridership began a decline in 2014 following a national and international trend experienced by other transit agencies. Several factors contributed to the decline, including increased congestion and slower travel speeds. A portion of the ridership decline is also in areas where there is a high overlap with subways. Specifically, MTA Bus express bus riders are more sensitive to travel time issues as they have other options (local bus-to-subway or direct access to the subway). Biking has also become more popular over the years. The following table sets forth total annual revenue ridership and the year-over-year percentage increase/decrease for MTA Bus since 2012.

Revenue Passengers[(1)]
(in thousands)

Years	Ridership	Bus Increase/ (Decrease)
2012	120,877	1.3%
2013	124,951	3.4
2014	125,581	0.5
2015	125,400	(0.01)
2016	125,617	0.2
2017	122,214	(2.7)
2018	121,448	(0.6)
2019	120,552	(0.8)
2020	45,921	(61.9)
2021	71,431	55.6

(1) "Revenue Passengers" are defined as all passengers for whom revenue is received, either through direct fare payment (cash, MetroCards, OMNY) or fare reimbursements (senior citizens, school children and the physically disabled). "Revenue Passengers" statistics count passengers that use a free intermodal or bus-to-bus transfer as an additional passenger though they are not paying an additional fare.

Fares. MTA Bus offers the same discount and bonus programs as MTA New York City Transit and adheres to the same fare structure, including pricing for passes, as MTA New York City Transit. See "RIDERSHIP AND FACILITIES USE — Transit System (MTA New York City Transit and MaBSTOA) — *Fares*" above.

Performance and Level of Service. Buses ran an average of 7,001 miles between mechanical breakdowns during 2021, a 11.3% decrease over a 7,893 average MDBF for 2020.

The following table shows MTA Bus MDBF for the past ten years.

Bus MDBF

Year	(in miles)	Increase/ (Decrease)
2012	5,300	54.5%
2013	5,548	4.7
2014	5,366	(3.3)
2015	5,741	7.0
2016	7,271	26.7
2017	7,479	2.9
2018	7,506	0.4
2019	7,117	(5.2)
2020	7,893	10.9
2021	7,001	(11.3)

The following table shows total actual vehicle miles traveled by MTA Bus for the past ten years.

Total Actual Vehicle Miles Traveled by MTA Bus
(in millions)

Year	VMT	Increase/ (Decrease)
2012	35.4	0.7%
2013	36.4	2.8
2014	36.4	0.0
2015	36.8	1.1
2016	37.1	0.8
2017	36.9	(0.5)
2018	36.9	0.0
2019	37.0	0.3
2020	35.4	(4.4)
2021	35.9	1.4

MTA Bridges and Tunnels – Total Revenue Vehicles

The following table shows the total number of revenue vehicles at the MTA Bridges and Tunnels Facilities for the past ten years.

MTA Bridges and Tunnels Facilities
Total Revenue Vehicles

Year	Revenue Vehicles 000's	Increase/ (Decrease)%	Year	Revenue Vehicles 000's	Increase/ (Decrease)%
2012	282,753	(0.3)	2017(3)	310,038	0.9
2013(1)	284,528	0.6	2018	322,290	4.0
2014	286,417	0.7	2019(4)	329,397	2.2
2015(2)	297,980	4.0	2020	253,184	(23.1)
2016	307,417	3.2	2021(5)	307,296	21.4

(1) Toll increase implemented on March 3, 2013.
(2) Toll increase implemented on March 22, 2015.
(3) Toll increase implemented on March 19, 2017.
(4) Toll increase implemented on March 31, 2019.
(5) Toll increase implemented on April 11, 2021.

MTA Bridges and Tunnels' independent engineers, Stantec, have prepared a report (the "Stantec Report") to develop projections of traffic, revenues and expenses for the MTA Bridges and Tunnels Facilities entitled "History and

Projection of Traffic, Toll Revenues and Expenses and Review of Physical Conditions of the Facilities of Triborough Bridge and Tunnel Authority". The report also contains certain historical revenue, traffic and more detailed toll rate information not included herein. A copy of the Stantec Report is attached to the Continued Disclosure Filings and, for convenience, has also been posted on the MTA website under "About the MTA – Financial Information – Investor Information" at https://new.mta.info/investor-info. The Stantec Report is incorporated by specific cross-reference herein.

Toll Rates

General Power to Establish Tolls.

- MTA Bridges and Tunnels' power to establish toll rates is not subject to the approval of any governmental entity. However, MTA Bridges and Tunnels has reviewed proposed actions that would increase crossing charges at MTA Bridges and Tunnels Facilities prior to implementing them as if they were subject to the State Environmental Quality Review Act, which generally requires an assessment of environmental impacts of the proposed action, if any.
- Tolls on the Verrazzano-Narrows Bridge and the Throgs Neck Bridge, which were constructed pursuant to the General Bridge Act of 1946, 33 U.S.C. § 525 et seq., may be subject to the standard imposed by Section 135 of the Federal-Aid Highway Act of 1987, Pub. L. 100-17, that tolls on bridges constructed under the authority of certain Federal legislation, including the General Bridge Act of 1946, be "just and reasonable". MTA Bridges and Tunnels believes that the tolls on all of its vehicular toll facilities are just and reasonable.

Resident E-Token, Discount and Rebate Programs.

- The MTA Bridges and Tunnels Act was amended in 1981 to require that residents of Broad Channel and the Rockaway Peninsula be afforded the right to purchase tokens for the Cross Bay Veterans Memorial Bridge at a cost of 66 2/3% of the regular crossing fare.
- The MTA Bridges and Tunnels Act was further amended in 1983 to:
    - eliminate the residency requirement for the purchase of reduced rate tokens for the Cross Bay Veterans Memorial Bridge,
    - require the offering of tokens for the Marine Parkway-Gil Hodges Memorial Bridge at a cost of 66 2/3% of the regular crossing fare, and
    - require the offering of tokens to residents of Richmond County (Staten Island) for the Verrazzano-Narrows Bridge at a cost of 80% of the regular crossing fare.
- The MTA Bridges and Tunnels Act was amended in 1993 to provide that surcharges, in addition to the regular toll, imposed by MTA Bridges and Tunnels on the Verrazzano-Narrows, Marine Parkway-Gil Hodges Memorial and Cross Bay Veterans Memorial Bridges shall not be treated as part of the regular crossing fare for the purpose of computing the reduced token cost. The 1993 amendment also provided that residents of Staten Island, Broad Channel and the Rockaway Peninsula are entitled to a permanent exemption from any applicable surcharge imposed in 1993 on such bridges.
- MTA has a program to rebate the tolls for E-ZPass customers who are residents of Broad Channel and the Rockaway Peninsula using the Cross Bay Veterans Memorial Bridge. Between July 23, 2010 and March 31, 2012, the E-ZPass resident discount applied to the first two trips across the Cross Bay Veterans Memorial Bridge, and all subsequent trips during a calendar day using the same E-ZPass tag were eligible for a toll rebate funded by MTA. Since April 1, 2012, all trips are rebated and funded by MTA. In May 2021, MTA reimbursed MTA Bridges and Tunnels in the amount of $4.0 million in toll rebates relating to the Cross Bay Veterans Memorial Bridge rebate. See "Additional Outer Borough Transportation Account-Funded Toll Rebate Programs" below for a discussion of a toll rebate for Queens residents for use of the Cross Bay Veterans Memorial Bridge.

Since 2014, MTA has had two toll rebate programs at the Verrazzano-Narrows Bridge: the Staten Island Resident ("SIR") Rebate Program, available for residents of Staten Island participating in the SIR E-ZPass toll discount plan, and the Commercial Rebate Program ("VNB Commercial Rebate Program"), initially available for trucks and other commercial vehicles making more than ten trips per month across the Verrazzano-Narrows Bridge using the same New York Customer Service Center ("NYCSC") E-ZPass account. Because these Verrazzano-Narrows Bridge Rebate Programs ("VNB Rebate Programs") are partially funded by the State, they follow the State Fiscal Year.

As discussed below, in December 2019, the federal Further Consolidated Appropriations Act 2020, was enacted. It eliminated the one-way tolling requirement at the Verrazzano-Narrows Bridge and restored the requirement that tolls be collected in both the Staten Island-bound and Brooklyn-bound directions (split tolling). This was implemented on December 1, 2020. Changes were made to the MTA VNB Rebate Programs to accommodate the implementation of split tolling at the Verrazzano-Narrows Bridge, to wit: the SIR Rebate Program was changed so that the effective, post-rebate toll for Staten Island residents became $2.75 in each direction (from $5.50 in the Staten Island-bound direction) and the VNB Commercial Rebate Program's eligibility threshold was changed to more than 20 trips per month in either direction for trucks and other commercial vehicles using the same NYCSC E-ZPass account (from more than ten trips per month, collected Staten-Island bound). In February 2021, the Board adopted increases in the SIR E-Z Pass toll discount plan and eliminated that plan's two-tier minimum trip threshold so that the SIR E-Z Pass discount plan toll would increase to $3.68 (from $3.44), while simultaneously increasing the MTA rebate for residents to $0.73 (from $0.69), which would have resulted in an effective SIR toll after rebate of $2.95. The effective SIR toll at the Verrazzano-Narrows Bridge after rebate remained at $2.75 due to an appropriation in the New York State fiscal year 2021-22 enacted budget.

As a result of the change to the SIR toll and MTA rebate program, the projected annualized cost of the 2021-2022 VNB Rebate Programs is approximately $28.2 million with $7 million for the 2021-2022 VNB Commercial Rebate Program and $21.2 million for the 2021-2022 SIR Rebate Program. MTA's annual contribution is $7.0 million ($3.5 million for the resident rebate and $3.5 million for the commercial rebate), with the balance provided by the State via appropriations to MTA.

The money to fund a year's estimated costs for the VNB Rebate Programs is transferred by MTA to MTA Bridges and Tunnels during the State fiscal year. The 2021-2022 VNB Rebate Programs will be implemented as specified herein only for such periods during which both (a) MTA's total financial responsibility, net of State actions or available offsets, does not exceed $7 million for the 2021-2022 SIR Rebate and VNB Commercial Rebate Programs and (b) the State provides (i) at least $7 million for the 2021-2022 SIR Rebate Program and VNB Commercial Rebate Program, and (ii) the State provides such additional funds as are necessary to keep the effective post-rebate SIR E-ZPass toll at $2.75 under the 2021-2022 SIR Rebate Program. If, as a result of unexpected toll transaction activity, MTA Bridges and Tunnels estimates that such MTA and State funds allocated to MTA for the 2021-2022 VNB Rebate Programs, net of offsets, will be insufficient to fund the 2021-2022 VNB Commercial Rebate Program for the full program year, MTA Bridges and Tunnels may reduce the rebate amount under such program to a percentage that is forecast to be payable in full for the remainder of the program year with the available funds, as allowed by the February 2021 Board resolution. However, in the event that such State funds allocated to MTA for the 2021-2022 VNB Rebate Programs are fully depleted at any time during the 2021-2022 Rebate Programs' annual period, the 2021-2022 VNB Rebate Programs will cease and Staten Island residents will be charged the applicable resident discount toll and trucks and other commercial vehicles will be charged the applicable NYCSC E-ZPass toll for the Verrazzano-Narrows Bridge.

The VNB Rebate Programs will continue into future years provided that (a) MTA's annual period contribution does not exceed $7 million, (b) the MTA Board approves a budget that includes MTA's contribution to such program, and (c) the State provides to MTA funds sufficient for at least half the expenses of each continuing annual period.

Under the 2020-2021 VNB Commercial Rebate Program, the rebate was 16.25% of the E-ZPass toll for trucks and other commercial vehicles with more than twenty trips per month (after implementation of split tolling) across the Verrazzano-Narrows Bridge using the same NYCSC E-ZPass Account, and the $7 million allocation was sufficient in covering the cost of the rebate.

Under the 2021-2022 VNB Commercial Rebate Program, the rebate was 15.00% of the E-ZPass toll for trucks and other commercial vehicles with more than twenty trips per month across the Verrazzano-Narrows Bridge using the same NYCSC E-ZPass Tag, and the $7 million allocation for the VNB Rebate Programs was sufficient to provide funding from April 1, 2021 through March 31, 2022.

Under the 2022-2023 VNB Commercial Rebate Program, the rebate is 15.00% of the E-ZPass toll for trucks and other commercial vehicles with more than twenty trips per month across the Verrazzano-Narrows Bridge using the same NYCSC E-ZPass Tag. Implementing a 15.00% rebate of the E-ZPass toll for trucks and other eligible commercial vehicles is expected to ensure that the $7 million allocation for the VNB Rebate Programs is sufficient to provide funding from April 1, 2022 through March 31, 2023.

Additional Outer Borough Transportation Account-Funded Toll Rebate Programs. As noted above under "PART 2. FINANCIAL INFORMATION – REVENUES OF THE RELATED ENTITIES – Congestion Zone Surcharges", moneys in the Outer Borough Transportation Account ("OBTA") may be applied to fund a toll reduction program for any crossing under the jurisdiction of MTA or MTA Bridges and Tunnels. Two new MTA toll rebate programs relating to MTA Bridges and Tunnels' crossings were approved by the MTA Board in December 2019. They are (i) a Queens resident rebate for passenger vehicles with E-ZPass tags using the Cross Bay Veterans Memorial Bridge, and (ii) a Bronx resident rebate for passenger vehicles with E-ZPass tags using the Henry Hudson Bridge. In each case, the E-ZPass toll will be charged to the customer's NYCSC resident E-ZPass account, and then an immediate credit will be issued by MTA for the amount of the toll using funds in the OBTA established under Section 1270-i (3) of the Public Authorities Law. Due to the impacts of the COVID-19 pandemic on traffic, the funding for these rebate programs was not available for 2020-2021 and implementation of the two rebate programs is delayed until a future date when OBTA funds may become available.

Split Tolling at the Verrazzano-Narrows Bridge. On March 20, 1986, in accordance with federal law, MTA Bridges and Tunnels instituted one-way toll collection on the Verrazzano-Narrows Bridge for all vehicles. In December 2019, the Further Consolidated Appropriations Act of 2020 was enacted to eliminate the one-way tolling requirement at the Verrazzano-Narrows Bridge and restored the requirement that tolls be collected in both the Staten Island-bound and Brooklyn-bound directions. In March 2020, the MTA Board approved changing the method of toll collection at the Verrazzano-Narrows Bridge to split tolling and authorized MTA Bridges and Tunnels to make the required revisions to the toll schedule regulation under the State Administrative Procedure Act. That process was completed on September 1, 2020 and split tolling at the Verrazzano-Narrows Bridge was implemented on December 1, 2020.

Current Toll Rates. An increase was implemented on April 11, 2021. For all the major crossings (Bronx-Whitestone, Robert F. Kennedy, Throgs Neck, and Verrazzano-Narrows Bridges and the Hugh L. Carey and Queens Midtown Tunnels), the two-axle passenger vehicle crossing charge for Tolls by Mail customers was increased from $9.50 to $10.17, with a $3.62 reduction for E-ZPass customers with accounts at the NYCSC; the E-ZPass reductions do not apply to E-ZPass customers who do not have accounts at the NYCSC. For the Henry Hudson Bridge, the two-axle passenger vehicle crossing charge for Tolls by Mail customers was increased from $7.00 to $7.50, with a $4.50 reduction for E-ZPass NYCSC customers. For the Marine Parkway-Gil Hodges Memorial Bridge and the Cross Bay Veterans Memorial Bridge, the two-axle passenger vehicle crossing charge for Tolls by Mail customers was increased from $4.75 to $5.09, with a $2.64 reduction for E-ZPass NYCSC customers. Additional charges apply for additional axles and/or weight. Certain resident discounts and rebates apply to the Verrazzano-Narrows Bridge, the Marine Parkway-Gil Hodges Memorial Bridge and the Cross Bay Veterans Memorial Bridge.

A new Mid-Tier Toll Rate was adopted for E-ZPass NYCSC customers when not using their properly mounted NYCSC E-ZPass tag for tolls posted to their NYCSC E-ZPass accounts based on license plate images and for NYCSC third-party account providers. The mid-tier toll rate is higher than the E-ZPass toll rate that is charged to NYCSC customers, when using their properly mounted E-ZPass tags, but lower than the toll charged to customers using fare media other than a NYCSC E-ZPass tag or account.

A more complete description of the current toll structure is set forth in the Stantec Report under the caption "TOLL COLLECTION ON THE TBTA FACILITIES".

Minimum Toll Covenants in MTA Bridges and Tunnels Bond Resolutions. The MTA Bridges and Tunnels Senior Resolution and MTA Bridges and Tunnels Subordinate Resolution provide that:

- the minimum undiscounted toll rate for automobiles carrying not more than two persons is at least $3.00 for each crossing over or through the Robert F. Kennedy Bridge, the Bronx-Whitestone Bridge, the Throgs Neck Bridge, the Hugh L. Carey Tunnel or the Queens Midtown Tunnel, $2.50 for each crossing over the Verrazzano-Narrows Bridge, at least $1.50 for each crossing over the Henry Hudson Bridge, and at least $1.25 for each crossing over the Marine Parkway-Gil Hodges Memorial Bridge or the Cross Bay Veterans Memorial Bridge;

- in the event MTA Bridges and Tunnels shall impose a surcharge in addition to the regular toll rate, such surcharge shall not constitute part of the toll rate for purposes of computing the maximum discount described in the first bullet point above and MTA Bridges and Tunnels may provide exemptions from such surcharges without regard to the limits on maximum discounts;

- in the event MTA Bridges and Tunnels imposes different undiscounted toll rates for vehicles utilizing an electronic toll collection system and based upon time of day, day of week or period of the year mode of pricing, the limits on the maximum discounts shall be measured against the undiscounted toll rate applicable to the particular crossing; and

- the minimum crossing charge, however denominated, and after giving effect to any exemption, exclusion or discount, for automobiles carrying not more than two persons shall be at least $3.20 for each westbound crossing over the Verrazzano-Narrows Bridge, at least $1.60 for each crossing over the Robert F. Kennedy Bridge, the Bronx-Whitestone Bridge or the Throgs Neck Bridge or through the Hugh L. Carey Tunnel or the Queens Midtown Tunnel and at least 66.7 cents for each crossing over the Henry Hudson Bridge, the Marine Parkway-Gil Hodges Memorial Bridge or the Cross Bay Veterans Memorial Bridge.

Board Policy Regarding Senior Lien Coverage. In addition to the requirements of the minimum rate covenant and the requirements for the issuance of additional bonds, the MTA Bridges and Tunnels Board has established a policy that it will "endeavor to maintain a ratio" of Net Revenues to Senior Lien Debt Service (each as defined in the MTA Bridges and Tunnels Senior Resolution) of at least 1.75x. MTA Bridges and Tunnels has been in compliance with this policy since its adoption in March 2002.

The policy does not constitute a covenant or agreement by MTA Bridges and Tunnels enforceable under the MTA Bridges and Tunnels Senior Resolution. While this policy has been in effect without change since 2002, the MTA Bridges and Tunnels Board retains the right to amend, modify or repeal such policy and may do so at any time in its sole discretion without the consent or approval of the trustee or any bondholder under the MTA Bridges and Tunnels Senior Resolution.

Limitations on Free Crossings. The MTA Bridges and Tunnels Senior Resolution and MTA Bridges and Tunnels Subordinate Resolution limit toll free crossings with respect to the MTA Bridges and Tunnels Facilities to (1) the vehicles of present and former MTA Bridges and Tunnels members, officers and employees, (2) military, police, fire, ambulance and other emergency, service and maintenance vehicles, (3) vehicles of persons employed on Wards Island or Randall's Island traveling to and from such Islands over the Robert F. Kennedy Bridge and (4) other vehicles by passes or permits, provided that there shall not be more than 500 passes or permits outstanding at any one time.

Legislative Proposals. From time to time bills have been introduced by various State legislators seeking, among other things, to restrict the level of tolls on certain MTA Bridges and Tunnels Facilities, to require approval of future toll increases by the Governor, to eliminate minimum tolls, or to require discounts or free passage to be accorded to certain users of MTA Bridges and Tunnels Facilities. Under the MTA Bridges and Tunnels Act, however, the State has covenanted to holders of MTA Bridges and Tunnels' bonds that it will not limit or alter the rights vested in MTA Bridges and Tunnels to establish and collect such charges and tolls as may be convenient or necessary to produce sufficient revenue to fulfill the terms of any agreements made with the holders of such bonds or in any way to impair their rights and remedies.

Legislation enacted in connection with the State's Fiscal Year 2006-2007 budget prohibits all public authorities, including MTA Bridges and Tunnels, from imposing, on and after June 1, 2006, a periodic administrative or other charge on electronic payment accounts, such as the E-ZPass toll collection system described below, for the privilege of using such electronic method of payment. The legislation does not prevent the authorities from making any charge for extra services requested by a holder of such electronic method of payment, any charge for lost or damaged equipment, or for defaults, such as charges for dishonored checks.

Competing Facilities and Other Matters

In addition to the Robert F. Kennedy, Bronx-Whitestone and Throgs Neck Bridges and Hugh L. Carey and Queens Midtown Tunnels, there are four vehicular bridges operated by the City crossing the East River which are toll-free at the present time, namely: the Ed Koch Queensboro, Williamsburg, Manhattan and Brooklyn Bridges. In addition to the Robert F. Kennedy and Henry Hudson Bridges, there are nine vehicular bridges crossing the Harlem River, which are toll-free at the present time. The City and the State have explored, from time to time, the possibility of tolling some or all of these bridges to raise revenue for the City and/or MTA; however, MTA Bridges and Tunnels cannot predict the effect that the tolling of such bridges will have on its revenues if it occurs.

The State agrees in the MTA Bridges and Tunnels Act that while any bonds of MTA Bridges and Tunnels are outstanding, there will not be constructed any vehicular connection competitive with the MTA Bridges and Tunnels Facilities and crossing (a) the East River north of 73rd Street or south of 59th Street in Manhattan, (b) New York Bay, or (c) Jamaica Bay or Rockaway Inlet to Rockaway Peninsula within a specified distance (approximately 2½ miles) east of the Cross Bay Veterans Memorial Bridge. There is no provision in the MTA Bridges and Tunnels Act regarding competitive vehicular crossings over the Harlem River.

Under the MTA Bridges and Tunnels Senior Resolution and MTA Bridges and Tunnels Subordinate Resolution, the owners of MTA Bridges and Tunnels bonds waive the foregoing agreement of the State with respect to the construction of any East River vehicular toll crossing to be operated by MTA Bridges and Tunnels.

A significant reduction in the availability of fuel to motorists would, or significant increases in the cost thereof could, have an adverse effect on the revenues derived from the MTA Bridges and Tunnels Facilities. The use of automobiles in the New York City metropolitan area is subject to increased governmental concern and promulgation of governmental regulations relating to environmental and other concerns restricting the use of vehicles, which could also adversely affect revenues from the MTA Bridges and Tunnels Facilities. The Clean Air Act Amendments of 1990 (the "Clean Air Amendments") require the State to adopt transportation control strategies and measures to control emissions, and establish among other matters, specific measures the State may adopt to reduce air pollution. The impact on MTA Bridges and Tunnels and revenues from the MTA Bridges and Tunnels Facilities of the Clean Air Amendments and the State implementation plan that must be developed thereunder cannot be assessed at this time.

Revenues derived from the MTA Bridges and Tunnels Facilities could also be adversely affected by the condition of arteries feeding -- and approach and access roads leading to and from -- such facilities which are not owned by MTA Bridges and Tunnels. A number of those arteries and approach and access roads are in need of significant repairs. MTA Bridges and Tunnels is currently partnering with the NYSDOT and the NYCDOT at the Verrazzano-Narrows Bridge and Robert F. Kennedy Bridge, to address some of these conditions in a joint agency approach to improving these connecting corridors. Revenues have been and may hereafter be affected by access to, and conditions and restrictions on use of, the toll-free facilities over which MTA Bridges and Tunnels has no control and which compete with MTA Bridges and Tunnels' facilities. The Stantec Report referenced in this ADS under the caption "MTA Bridges and Tunnels – Total Revenue Vehicles" above also lists current and proposed construction projects that could adversely affect bridge and tunnel use.

Central Business District Tolling Program

In April 2019 New York State enacted the MTA Reform and Traffic Mobility Act, which established the Central Business District ("CBD") Tolling Program, the goals of which are to reduce traffic congestion in the Manhattan central business district and provide a stable and reliable funding source for the repair and revitalization of MTA's public transportation systems. MTA Bridges and Tunnels is directed to establish the CBD Tolling Program. The program will operate in the CBD, defined as Manhattan south of and inclusive of 60th Street, not including the FDR Drive or the West Side Highway (which includes the Battery Park underpass and any surface roadway portion of the Hugh L. Carey Tunnel that connects to West Street). MTA Bridges and Tunnels has entered into an MOU with NYCDOT to coordinate the planning, design, installation, construction and maintenance of the CBD Tolling Program infrastructure.

MTA Bridges and Tunnels is empowered (i) to establish and charge variable tolls, fees and other charges for vehicles entering or remaining in the CBD and (ii) to make rules and regulations for the establishment and collection of CBD tolls, fees, and other charges. Subject to agreements with bondholders and applicable federal law, tolls, fees and other revenues derived from the CBD Tolling Program will be deposited into a lockbox fund pursuant to Public Authorities Law § 553-j and applied first to the payment of operating, administration, and other necessary expenses of MTA Bridges and Tunnels properly allocable to the program, including the capital costs of the program, and to the payment of interest or principal of bonds, notes or other obligations of MTA Bridges and Tunnels or MTA issued for transit and commuter projects as provided pursuant to existing law, and shall not be subject to distribution of MTA Bridges and Tunnels' surplus under existing law. Any such tolls and other charges may be established and changed only if approved by resolution of the Board of MTA Bridges and Tunnels after a public hearing.

The Board of MTA Bridges and Tunnels is directed to ensure at a minimum that annual revenue (after addressing the costs of the program), are sufficient to fund $15 billion (through the issuance of bonds secured by such revenues) for MTA capital projects in the 2020-2024 Capital Program or any successor capital program. See "PART 2. FINANCIAL INFORMATION -- FINANCIAL PLANS AND CAPITAL PROGRAMS – Capital Programs–Background and Development".

The MTA Traffic Mobility Act requires the Board of MTA Bridges and Tunnels to establish a traffic mobility review board (the "TMRB") composed of a chair and five members with specific requirements for regional representation and professional expertise.

The TMRB is required to make recommendations regarding the CBD toll amounts to be established, which shall include a variable-pricing structure, no later than thirty days before a CBD Tolling Program is initiated. Such recommendation shall be submitted by the TMRB to the Board of MTA Bridges and Tunnels for consideration before the Board of MTA Bridges and Tunnels may approve the CBD toll amounts.

For purposes of recommending a CBD toll structure, in addition to the goal of reducing traffic within the CBD, the TMRB shall, at minimum, ensure that annual revenues and fees collected under the CBD Tolling Program, less costs of the program, provide revenues to be deposited into the CBD Tolling Program Capital Lockbox Fund sufficient to fund $15 billion for MTA capital projects for the 2020-2024 Capital Program. Any additional revenues above that amount are to be made available for any successor Capital Program. The TMRB will consider for purposes of its recommendations, factors including but not limited to: traffic patterns, traffic mitigation measures, operating costs, public impact, public safety, hardships, vehicle type, discounts for motorcycles, peak and off-peak rates and environmental impacts, including but not limited to air quality and emissions trends. The TMRB will recommend a plan for credits, discounts, and/or exemptions for tolls paid on bridges and crossings, which plan shall be informed by a traffic study associated with the impact of any such credits, discounts and/or exemptions on the recommended toll. The TMRB will recommend a plan for credits, discounts, and/or exemptions for for-hire vehicles subject to the For-Hire Transportation Surcharge described under "PART 2. FINANCIAL INFORMATION REVENUES OF THE RELATED ENTITIES – Congestion Zone Surcharges", based on factors, including, but not limited to, initial market entry costs associated with licensing and regulation, comparative contribution to congestion in the CBD, and general industry impact. The TMRB will produce a detailed report that provides information regarding the TMRB's review and analysis for purposes of establishing its recommendations. The TMRB will not recommend a toll that provides for charging passenger vehicles more than once per day.

In addition, the MTA Capital Program will be reviewed by the TMRB.

Status of CBD Tolling Program. All capital and operating costs for the CBD Tolling Program are expected to be funded by revenues generated from the program. The construction and implementation costs for the CBDTP are initially being funded through a variety of distinct financing sources all of which will eventually be reimbursed through net operating revenues generated through the program after it goes live.

In October 2019, MTA Bridges and Tunnels awarded to TransCore LLP ("TransCore") a contract to design, build, operate and maintain the toll system equipment and infrastructure required to implement the CBD Tolling Program ("DBOM Contract").

Authorization is required from the Federal Highway Administration ("FHWA") under its Value Pricing Pilot Program ("VPPP") to implement the CBD Tolling Program on federal-aid roadways within the CBD. FHWA approval to participate in the VPPP makes this project subject to National Environmental Policy Act ("NEPA") review. On March 30, 2021, FHWA determined that an Environmental Assessment ("EA") is the appropriate level of environmental review required under NEPA. Because FHWA regulations provide that final design and construction cannot proceed before FHWA issues an environmental finding, the project is proceeding in two phases – preliminary design and final design, the latter of which is subject to receipt of FHWA approval.

After the early design phase is complete and upon issuance of the second notice to proceed, TransCore will complete final design and build the infrastructure and install the toll system equipment. Once operational, TransCore will be responsible for operating and maintaining the infrastructure and toll system for an additional six years under the DBOM Contract. The total cost of this DBOM Contract is $507 million, which includes incentive payments to encourage on-time delivery.

The revenues and transactions related to the CBD Tolling Program will be tracked and reported on separately from MTA Bridges and Tunnels' bridge and tunnel facilities.

E-ZPass

MTA Bridges and Tunnels employs an electronic toll collection system, E-ZPass, at all of its bridges and tunnels. MTA Bridges and Tunnels' E-ZPass program generally requires prepayment on behalf of the customers. Substantially all of the E-ZPass users prepay with credit cards or checks.

MTA Bridges and Tunnels is a founding member of the E-ZPass IAG, which has grown to include toll authorities in Delaware, Pennsylvania, New Jersey, New York, Maryland, Massachusetts, Virginia, West Virginia, New Hampshire, Illinois, Indiana, Maine, Kentucky, Rhode Island, Ohio, North Carolina, Florida, Georgia and Minnesota, and the Peace Bridge and Thousand Islands Bridge between New York State and Canada. Payments are settled among all such entities after use of the facilities. MTA Bridges and Tunnels transfers significantly more cash to IAG members than it receives from them, which at times could adversely affect MTA Bridges and Tunnels' cash position.

The following chart shows the amount of annual transfers to and from other IAG members by MTA Bridges and Tunnels during the period from 2012 through 2021.

Year	Transfers to IAG Members (in millions)	Transfers from IAG Members (in millions)
2012	679.6	356.1
2013	740.9	408.2
2014	797.1	417.1
2015	891.2	455.6
2016	973.1	475.1
2017	1,015.7	514.8
2018	1,042.8	565.2
2019	1,077.8	625.1
2020	939.0	503.8
2021	1,211.7	656.1

MTA Bridges and Tunnels participates in E-ZPass Plus agreements that have been negotiated by IAG members with commercial entities (such as parking facility operators) whereby the electronic media can be used to purchase goods and services. E-ZPass Plus is currently available to customers for use at Albany International Airport, Syracuse Hancock International Airport, John F. Kennedy International Airport, LaGuardia Airport, Newark International Airport and Atlantic City International Airport. MTA Bridges and Tunnels may participate in IAG expansion of the use of agreements with commercial entities.

For 2021, E-ZPass market share on MTA Bridges and Tunnels Facilities averaged:

- overall: 94.9%;
- weekday: 95.4%; and
- weekend: 93.9%.

Cashless Open Road Tolling ("Cashless Tolling")

In October 2016, Governor Cuomo announced the New York Crossings Project. This project included an aggressive one-year schedule for all MTA Bridges and Tunnels crossings to migrate from cash and gated E-ZPass toll plazas to Cashless Tolling. MTA Bridges and Tunnels completed full implementation of Cashless Tolling on September 30, 2017. Cashless Tolling eliminates traditional toll plazas by allowing tolls to be collected in a free-flow environment through E-ZPass sensors and license-plate cameras mounted on overhead gantries. Drivers without E-ZPass receive a "Tolls by Mail" invoice mailed to the vehicle's registered owner.

In Spring 2016, MTA Bridges and Tunnels began asking the DMV to suspend the vehicle registrations of violators who failed to pay their tolls and violation fees or have them dismissed or transferred in response to violation notices for five toll violations within 18 months, in accordance with the new DMV regulation for persistent or habitual toll violators. In January 2017, the DMV changed its regulation for persistent or habitual violators so that vehicle registrations can be suspended for three toll violations within five years and commercial vehicle registrations can be suspended for $200.00 or more in unpaid tolls within five years.

MTA Bridges and Tunnels employs and develops measures to enhance collection and enforcement of tolls under the Cashless Tolling system. License plate recognition technology on gantries and in patrol vehicles is being used for the detection of persistent toll violators and toll violation enforcement. Additionally, MTA Bridges and Tunnels continues to issue exclusion orders barring the vehicles of out-of-state toll violation scofflaws from MTA Bridges and Tunnels facilities and for those persistent violators, engages in summonsing vehicle operators and towing those vehicles from MTA Bridges and Tunnels' facilities.

In April 2017, the New York State DMV received legislative authorization to enter into reciprocal compacts with other states to suspend the vehicle registrations of persistent or habitual toll violators, which will allow MTA Bridges and Tunnels to have the home states of out-of-state violators suspend or place holds on vehicle registrations for toll violations committed on MTA Bridges and Tunnels' facilities. MTA Bridges and Tunnels has entered into such an agreement with Massachusetts and began submitting registration hold packages to the Massachusetts Registry of Motor Vehicles in February 2020 so that holds could be placed on the registrations of toll-evading Massachusetts vehicle owners.

PART 6. REGULATORY, EMPLOYMENT, INSURANCE AND LITIGATION MATTERS

FEDERAL AND STATE LAWS

General

Federal and State laws concerning, among other things, protection of the environment and access to transportation and non-transportation facilities by the physically disabled will require future operating and capital expenditures by the Related Entities. Those expenditures are material. Many of the projects undertaken in connection with such legal requirements are being funded through MTA Capital Programs.

Future federal and State laws and regulations concerning matters such as the environment and access by the physically disabled could subject the Related Entities to additional operating and capital costs, which costs may be material.

Transit System

Environmental. MTA New York City Transit is currently the subject of an environmental consent order with the New York State Department of Environmental Conservation ("NYSDEC") pursuant to which underground storage tanks have been replaced or upgraded. Capital expenditures will continue for site remediations in accordance with the order.

Access for Persons with Disabilities. It is MTA New York City Transit's position that it is in substantial compliance with the statutory requirements of the ADA related to buses. Additionally, MTA New York City Transit is currently rolling out an automated audio-visual announcements system on-board buses. After a successful pilot, MTA New York City Transit is including these systems on new buses and retrofitting buses in the current fleet. As of the end of 2021, more than 3,132 buses have the system, and there have been 1,747 retrofits and 1,365 newly delivered buses, which represent 54.0% of the bus fleet. The system has led to better compliance of stop announcements across routes.

MTA New York City Transit is nearing completion of the implementation of the Key Station Plan that was established under State and federal law to install and make 100 designated stations fully accessible to people with disabilities. As of April 2022, MTA New York City Transit has completed 99 of these Key Stations. MTA New York City Transit also has made vertically accessible an additional 40 stations that are not part of the Key Station Plan (9 of which are accessible in a single direction). Investments in accessibility are continuing, with accessibility projects underway at 22 stations. This includes 9 stations included in the approved 2020-2024 Capital Program and 13 stations funded in prior capital programs (including the remaining 1 Key Station). In November 2015, the FTA released Circular 4710.1 setting forth guidance that, without regard to cost, would expand the circumstances under which vertical access for people with disabilities would be required when work that affects station stairs and escalators is performed in subway stations. The FTA has applied such guidance as part of its review of ADA accessibility in connection with certain federally funded station projects. MTA cannot predict the full impact of Circular 4710.1 at this time. If MTA New York City Transit were to be required to install elevators in connection with every capital repair or replacement of existing stairs or escalators undertaken without regard to the cost or technical infeasibility of such installation, the result would materially increase the expense of performing necessary component work.

Commuter System

Environmental. MTA Long Island Rail Road and MTA Metro-North Railroad are required to file annual reports with the NYSDEC identifying areas of environmental concern. MTA Long Island Rail Road and MTA Metro-North Railroad have each incurred and will continue to incur costs of asbestos abatement and lead paint removal on their respective properties. The Commuter Capital Programs allocate funds for, among other matters, asbestos abatement, costs of fuel handling and storage, and wastewater treatment and environmental remediation. MTA Long Island Rail Road and MTA Metro-North Railroad each are required to clean up various conditions on properties they own or operate, and each has established reserves for the clean-up costs.

MTA Long Island Rail Road has completed interim remediation on substations for mercury contamination due to the utilization of mercury rectifiers that were removed during the 1970s. Nineteen substations have been fully remediated as per NYSDEC regulations, with eight having received official NYSDEC closure letters. Remediation on the remaining substation under NYSDEC process oversight is planned for 2024. Work continues to progress on all MTA Long Island Rail Road substation remediation projects. State environmental agencies are monitoring the remediation of pollutants at certain MTA Long Island Rail Road and MTA Metro-North Railroad facilities. The extent of pollution, the cost of clean-up and MTA Long Island Rail Road's and MTA Metro-North Railroad's liability, if any, which may be material, cannot be determined at this time.

Access for Persons with Disabilities. MTA Long Island Rail Road and MTA Metro-North Railroad are in substantial compliance with ADA requirements.

MTA Bridges and Tunnels

General. MTA Bridges and Tunnels regularly reviews its facility maintenance programs, both remedial and preventive, and believes the same to be of high quality. MTA Bridges and Tunnels intends to continue its comprehensive inspection and maintenance programs for the MTA Bridges and Tunnels Facilities and to continue to engage independent engineering firms to provide virtually all biennial inspections of its bridge and tunnel facilities. Stantec has reviewed the inspection reports of the bridges and tunnels undertaken by MTA Bridges and Tunnels' engineering consultants.

Environmental. MTA Bridges and Tunnels' Capital Programs incorporate the removal and clean-up of lead paint on its bridges and tunnels in compliance with Federal, State and local laws, codes and regulations.

Bridge and Tunnel Inspections. NYSDOT maintains a program of comprehensive bridge and tunnel management, maintenance and inspection applicable to MTA Bridges and Tunnels' facilities. That program includes the application of the uniform code for bridge inspection and tunnel inspection, which:

- meets or exceeds applicable federal law;
- requires that bridges and tunnels be inspected at least every two years in accordance with the provisions of that code;
- prescribes qualifications for licensed professional engineers who inspect bridges and tunnels; and
- requires that all bridge and tunnel inspections be performed or supervised by such persons.

Bridge and tunnel inspection reports must be filed with NYSDOT and NYSDOT may close bridges or tunnels found unsafe for public use. MTA Bridges and Tunnels is in compliance with the NYSDOT program.

EMPLOYEES, LABOR RELATIONS AND PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS

General

The transportation services provided by the Related Entities, as well as related maintenance and support services, are labor intensive. Consequently, the major portion of the Related Entities' expenses consists of the costs of salaries, wages and fringe benefits for employees and retirees.

The employees of MTA and its affiliates and subsidiaries, other than MTA Long Island Rail Road and MTA Metro-North Railroad, are prohibited by the State's Taylor Law from striking. Nevertheless, represented employees of MTA New York City Transit and MaBSTOA engaged in an illegal three-day strike in December 2005. There have been no labor stoppages at MTA Bridges and Tunnels since 1976. The Taylor Law also requires that the TWU Local 100 (and permits other unions) and MTA New York City Transit and MaBSTOA submit a dispute preventing the voluntary resolution of contract negotiations to binding arbitration before a three-member public arbitration panel upon the occurrence of certain events. The three-member panel would be chosen as follows: one member appointed by MTA, one member appointed by the affected union, and one member appointed jointly by the parties. Almost all of the unions covered by the Taylor Law have elected to be bound by the Taylor Law's binding arbitration provisions.

The employees of MTA Long Island Rail Road and MTA Metro-North Railroad are not subject to the same State prohibition, but are governed by federal railroad employment statutes.

MTA Headquarters

The 2022 February Plan assumes 3,361 full time employees for MTA Headquarters as of year-end 2022. As of December 31, 2021, MTA Headquarters had 2,798 full time employees.

- *Police*: At the end of the first quarter 2022, MTA Headquarters staff include 1,028 Police Officers represented by the Police Benevolent Association ("PBA"), 22 Commanding Officers, represented by the Commanding Officers Association ("COA"), and 63 clerical/administrative employees represented by the International Brotherhood of Teamsters ("IBT"). Collective bargaining agreements for both the PBA and the COA expired October 14, 2018, while the agreement between MTA Headquarters and the IBT expired on September 30, 2021. Negotiations for successor agreements with the MTA Police were delayed by the circumstances surrounding the COVID-19 pandemic but are now underway.

- *Clerical/Administrative*: On March 27, 2019, the tentative labor contract previously reached with IBT 808 was approved by the MTA Board. The agreement at the time covering 50 MTA Police Department and 29 other MTA Headquarters clerical and administrative employees ran from September 1, 2016 through September 30, 2021. With their agreement now expired, these employees will be seeking new terms going forward.

- *Business Service Center*: As a result of the recent MTA transformation many of the BSC employees represented by clerical/administrative unions have been shifted to new roles in the Department of Human Resources and Analytics and to other departments within MTA Headquarters. The largest such union is the Transportation Communications Union ("TCU"), Local 643 whose contract covered the period from April 1, 2015 through March 31, 2020 and has expired. Negotiations towards a successor agreement have been delayed by the circumstances surrounding the COVID-19 pandemic, but collective bargaining with this group has resumed.

- *Information Technology (IT)*: The Information Technology Department consolidated all agency IT functions and positions under MTA Headquarters as of January 1, 2015. There are currently 854 employees in the IT department, 536 of whom are represented. The two predominant unions are the TCU, Local 982 with 337 members, and TWU Local 100 with 159 members. MTA's agreement with the TCU expired December 31, 2019 and, in many respects, is similar to the BSC agreement, including 401(k) plan participation rather than a defined benefit pension plan for new hires. The labor agreements with TWU Local 100 employees working in IT positions at MTA Headquarters expired on July 13, 2019, with a successor agreement pending the resumption of negotiations.

Most MTA Headquarters employees, other than MTA police officers and the aforementioned BSC and IT represented employees, are members of the New York State and Local Employees' Retirement System ("NYSLERS"). MTA police officers are members of the MTA Defined Benefit Pension Plan, which has a substantial Net Pension Liability. MTA's policy is to contribute at least the actuarially determined contributions ("ADC") on an annual basis to the plan. ADC contributions for the fiscal year ending December 31, 2021 are set forth in the table below. See also Footnote 4 to the audited Combined Financial Statements of MTA for more information relating to the MTA Defined Benefit Pension Plan, as well as the Required Supplementary Information attached.

Plan	ADC Contribution for the Fiscal Year Ending December 31, 2021
MTA Long Island Rail Road Additional Plan	$ 70,552,653
MTA Defined Benefit Pension Plan:	
MTA Long Island Rail Road	$ 148,242,158
MTA Metro-North Railroad	$ 134,912,589
MTA Police Department	$ 43,143,634
MTA Staten Island Railway	$ 7,887,319
MTA Bus	$ 60,180,243
Manhattan and Bronx Surface Transit Operating Authority (MaBSTOA) Pension Plan	$ 156,204,643

The 2022 February Plan assumes 96 full time employees for the MTA Inspector General as of year-end 2022. As of December 31, 2021, the MTA Inspector General's office had 71 employees, none of whom are union represented.

MTA Construction and Development

The 2022 February Plan assumes approximately 211 full and part-time employees for MTA Construction and Development as of year-end 2022. As of December 31, 2021, MTA Construction and Development had 171 full-time non-represented employees. All such employees are employees of MTA or other Related Entities.

MTA New York City Transit and MaBSTOA

The 2022 February Plan assumes approximately 48,040 full and part-time employees on full-time equivalency basis (FTE) for MTA New York City Transit including MaBSTOA, as of year-end 2022. MTA New York City Transit is comprised of the New York City Transit Authority and its subsidiary, MaBSTOA. As of December 31, 2021, New York City Transit Authority including MaBSTOA had 45,558 employees (full and part-time FTE). Of these, 43,416 employees (36,515 at MTA New York City Transit Authority and 6,901 at MaBSTOA) are represented by 12 unions in 19 bargaining units.

In January 2020, the MTA Board approved a labor agreement in which the MTA New York City Transit/MaBSTOA, together with MTA Bus, settled new terms with TWU Local 100. The 48-month agreement, which spans the period May 16, 2019 to May 15, 2023, covers approximately 32,387 active employees in total for MTA New York City Transit/MaBSTOA and approximately 2,200 active employees at MTA Bus. With this development, MTA was poised to begin a new round of collective bargaining with nearly all of its represented employees. While the TWU Local 100 agreement would normally be considered a pattern-setting agreement that would establish parameters for future agreements with all other bargaining units, the severe economic impact resulting from the emergence of COVID-19 at the end of the first quarter of 2020 created numerous logistical and financial challenges to the normal functioning of MTA. MTA's financial status and uncertain external economic conditions will exert a strong influence on collective bargaining strategies going forward, and efforts towards new agreements, since shortly after the onset of COVID-19, have been delayed. As a consequence, no new labor agreements were reached during the fourth quarter of 2020. In December 2021, an Impasse Arbitrator issued an award regarding subsequent Memorandum of Understandings for Amalgamated Transit Union, Locals 726, 1056 and 1179. The award mirrored the TWU, Local 100 48-month pattern agreement. See "PART 2. FINANCIAL INFORMATION – FINANCIAL PLANS AND CAPITAL PROGRAMS – Subsequent Developments".

The Subway Surface Supervisors Association ("SSSA") represents 3,804 employees whose most recent agreement expired on July 31, 2020. The Transit Supervisors Organization ("TSO") TWU Local 106 Operating Supervisory, Queens Supervisory, and Coin Retriever Technician units, represent 651 employees whose agreements expired on December 31, 2020, with successor agreements awaiting negotiations. The TSO Maintenance Supervisors II division represents 329 employees whose most recent agreement expired on July 31, 2020, and the TSO Station Supervisor II division represents 13 employees whose most recent agreement expired on August 15, 2020, with a successor agreement awaiting negotiations.

The United Transit Leadership Organization ("UTLO") represents 842 employees in the Managerial titles of Assistant General Superintendent and Superintendent in the Department of Buses, Deputy Superintendent, Superintendent and General Superintendent in the Department of Subways and supporting departments, and Group Station Superintendent in the Department of Stations whose most recent agreement expired on June 30, 2019. In December 2021 the MTA Board approved a 30-month contract which spans the period of July 1, 2019 through December 31, 2021.

MTA New York City Transit, under specified terms of certain expired contracts whose terms and conditions, by law, remain in effect, has budgeted for wage increases to its clerical employees in line with the City-wide bargaining pattern for clerical employees up through May 25, 2021. See "PART 2. FINANCIAL INFORMATION – FINANCIAL PLANS AND CAPITAL PROGRAMS—Subsequent Developments" for more information.

Most employees of MTA New York City Transit are members of the New York City Employees' Retirement System ("NYCERS"). Most employees of MaBSTOA participate in an MTA separately funded pension plan that offers benefits similar to NYCERS. As of January 1, 2021, 8,243 active employees and 6,020 retirees participated in the MaBSTOA Pension Plan. As of January 1, 2021 the plan's Net Pension Liability was $919.1 million and the funding ratio was 78.3%. MTA New York City Transit and MaBSTOA's policy is to contribute at least the ADC on an annual basis to the plan. See Footnote 6 to the audited Consolidated Financial Statements of MTA New York City Transit for more information. See also the Required Supplementary Information attached to the audited Combined Financial Statements.

MTA Bus

The 2022 February Plan assumes approximately 4,010 full and part-time employees for MTA Bus, as of year-end 2022. As of December 31, 2021, MTA Bus had 3,699 employees, 3,594 of whom are represented by three unions in five bargaining units. MTA Bus has an effective agreement with TWU Local 100 covering the period from May 16, 2019 through May 15, 2023.

In December 2021, an Impasse Arbitrator issued an award resolving the 2019 – 2023 round of bargaining for Amalgamated Transit Union, Locals 726, 1056, and 1179. In the case of ATU 1179, who represents employees at MTA Bus, the agreement covers the period from November 1, 2019 – October 31, 2023

MTA Bus's other collective bargaining units, ATU Local 1181. TWU Local 106, and the UTLO all have expired labor agreements and negotiations are pending.

MTA Staten Island Railway

The 2022 February Plan assumes 395 full and part-time employees for MTA Staten Island Railway as of year-end 2022. As of December 31, 2021, MTA Staten Island Railway had 340 employees, 316 of whom are represented by four different unions in five bargaining units. MTA Staten Island Railway has contracts with the Sheet Metal, Air, Rail and Transportation Workers International Association, Local 1440 covering 253 of its represented employees that expired on February 15, 2017; the American Train Dispatchers Association covering 14 represented employees whose contract expired on April 16, 2019; the TCU covering 24 represented operating supervisors whose contract expired on April 16, 2021; the SSSA covering 25 represented employees whose contract expired on February 15, 2017, and separate group of seven Analysts recognized by PERB as represented by the SSSA effective March 6, 2019.

Employees of MTA Staten Island Railway are members of the MTA Defined Benefit Pension Plan, with benefits similar to that which NYSLERS offers to Tier 4 members. MTA Staten Island Railway's policy is to contribute at least the ADC on an annual basis to the plan. See Footnote 4 to the audited Combined Financial Statements of MTA for more information relating to the MTA Defined Benefit Pension Plan, as well as the Required Supplementary Information attached.

Commuter System

MTA Long Island Rail Road.

The 2022 February Plan assumes approximately 7,781 full-time employees for MTA Long Island Rail Road as of year-end 2022. As of December 31, 2021, MTA Long Island Rail Road had approximately 7,207 employees. Approximately 6,393 of the MTA Long Island Rail Road employees are represented by 11 different unions in 18 bargaining units. MTA Long Island Rail Road, reached collective bargaining agreements covering a period of 2019-2021 with 10 unions and those contracts are now amendable under the Railway Labor Act. Employees represented by the BLE&T which comprise approximately 7% of the represented workforce remain the only union without settlement terms beyond 2019 and are currently in the collective bargaining process.

MTA Metro-North Railroad.

The 2022 February Plan assumes 7,047 full and part-time employees for MTA Metro-North Railroad as of year-end 2022. As of December 31, 2021, the MTA Metro-North Railroad had approximately 6,200 employees. Approximately 5,246 of the Metro-North Railroad employees were represented by 10 different unions in 25 bargaining units. MTA Metro-North Railroad has reached collective bargaining agreements for the 2019-2021 round of bargaining with most of our labor organization, especially about 66% of all agreement employees. The terms at MN and the MTA Long Island Rail Road were identical and reflected the dire circumstances in place during the pandemic. Employees represented by the TWU, IBEW, IBEW Supervisors and ACRE Engineers remain without settlement terms for this round of majority of our employees who are covered by the 2019-2021 agreements now have their contracts considered "amendable" under the Railway Labor Act.

Both MTA Long Island Rail Road and MTA Metro-North Railroad supplement benefits provided under the Federal Railroad Retirement Act through other pension plans. The post-1987 employees of MTA Long Island Rail Road and almost all of the employees of MTA Metro-North Railroad participate in the MTA Defined Benefit Pension Plan.

As of January 1, 2020, pre-1988 MTA Long Island Rail Road retired employees numbering 5,298 and current employees numbering 23 participated in The Long Island Rail Road Company Pension Plan and The Long Island Rail Road Company Plan for Additional Pensions. The Long Island Rail Road Company Pension Plan was merged into the MTA Defined Benefit Pension Plan in 2006 and consequently the Unfunded Actuarial Accrued Liability for that Plan is now reported under the MTA Defined Benefit Pension Plan. In the case of the Long Island Rail Road Plan for Additional Pensions, significant portions of the estimated obligations are currently unfunded. As of January 1, 2021, the total Net Pension Liability was $614.5 million and the funded ratio was 55.3%. Starting in 2004, MTA Long Island Rail Road has been amortizing these costs over 29 years.

As of January 1, 2021 the Net Pension Liability for the MTA Defined Benefit Plan was $2,002.0 million with a funded ratio of 71.5%. The cost of this Net Pension Liability is allocated to all participating Related Entities, including MTA Long Island Rail Road and MTA Metro-North Railroad.

See Footnote 4 to the audited Combined Financial Statements of MTA for more information on the pension plans, as well as the Required Supplementary Information attached.

MTA Bridges and Tunnels

The 2022 February Plan assumes approximately 1,369 full and part-time employees for MTA Bridges and Tunnels as of year-end 2022. As of December 31, 2021 MTA Bridges and Tunnels had 1,114 employees, 787 of whom were represented by three different unions in four bargaining units.

As of December 31, 2021, all of MTA Bridges and Tunnel's represented employees had expired labor agreements.

MTA Bridges and Tunnels' most recent contract with DC 37 Local 1931, representing 322 maintenance employees, expired on July 14, 2020. Negotiations for a successor agreement have been ongoing. A successor agreement conforming with the TWU pattern is expected.

The effective term of the Interest Arbitration Award issued July 17, 2014 for the Bridge and Tunnel Officers Benevolent Association ("BTOBA") representing 338 officers expired on May 17, 2012. Since then, management and the union have been engaged in diligent and deliberate negotiations, compounded by, among other things, the advent of Open Road Tolling, which essentially eliminated many of the duties and responsibilities of Bridge and Tunnel Officers – most notably, duties related to fare collection and protection, leaving law enforcement duties as their primary remaining function.

Hopes of reaching a negotiated settlement appeared slim until April 2019, when the State enacted legislation that opened a potential way forward. Section 553 of the Public Authority Law was amended to give Bridge and Tunnel Officers "the power to issue notices of violation for transit infractions committed in and about any or all of the facilities, equipment or real property owned, occupied or operated by MTA or its subsidiaries and the New York City Transit Authority and its subsidiaries", thereby expanding the jurisdiction of Bridge and Tunnel Officers and allowing deployment on buses and in the subway system as part of an effort to combat the dramatic increase in fare evasion that has occurred since 2015. With more uniformed officers present, their deployment is expected to bolster overall system safety and recapture lost revenues.

As a result of these new developments, a Cooperation Agreement was reached on June 10, 2019 securing cooperation between MTA Bridges and Tunnels and the BTOBA in "the establishment and orderly operation of" a Fare Evasion Task Force. The Cooperation Agreement also resolved many of the issues over which a bargaining impasse had been reached by requiring that the parties reach the Memorandum of Understanding.

The Memorandum of Understanding provided TWU pattern wage increases retroactive to 2012, as well as a separate and discrete wage adjustment, a portion of which recognizes the increase in law enforcement responsibilities for Bridge and Tunnel Officers, all of whom have been trained to participate in the Task Force. The remainder of the wage adjustment will be the subject of impasse arbitration and require an offset by significant work rule changes that comport with the evolution of officers' duties since Open Road Tolling. The Memorandum of Understanding expired in September 2019 and its members continue to remain without a successor agreement.

The term of the agreement with the Superior Officers Benevolent Association ("SOBA") representing 119 supervisory officers expired March 14, 2012. Negotiations have advanced to mediation, however SOBA had been ineligible to seek binding interest arbitration. This has changed with the advent of a legislation bill that became law in December of 2021, with the SOBA union now eligible to seek binding interest arbitration.

An agreement was reached with DC 37 Local 1655, which represents approximately 26 clerical and administrative employees. The term of the agreement is from July 3, 2017 through May 25, 2021 and is consistent with the pattern set by the DC 37 Citywide Economic Agreement. Negotiations for a successor agreement are expected to begin shortly.

Substantially all of MTA Bridges and Tunnels' employees are eligible to be members of NYCERS and MTA Bridges and Tunnels is required to make significant annual contributions on a current basis. See Footnote 7 to MTA Bridges and Tunnels' audited financial statements for more information.

Interrelationship of Various Pension Plans

The Related Entities sponsor and participate in a number of pension plans for their employees. The pension plans have separately issued financial statements that are publicly available and contain descriptions and supplemental information regarding their respective employee benefit plan. These statements may be obtained by contacting the administrative office listed for such pension plan in MTA's audited financial statements annexed hereto.

The following is a brief summary of the pension plans. More detailed information is set forth in Footnote 4 to, and the required supplementary information – schedules of pension funding progress attached to, MTA's audited financial statements annexed hereto:

- Single-Employer Pension Plans
    - MTA Long Island Rail Road Plan for Additional Pensions – provides retirement, disability and death benefits to plan members and beneficiaries for employees hired prior to January 1, 1988. No new participants can be covered by this plan. As of January 1, 2021, this plan was 55.3% funded.
    - The Metro-North Commuter Railroad Company Cash Balance Plan – covers non-collectively bargained employees, formerly employed by Conrail, who joined MTA Metro-North Railroad as management employees between January 1 and June 30, 1983, and were still employed as of December 31, 1988. Effective January 1, 1989, these management employees were covered under the Metro-North Commuter Railroad Defined Contribution Plan for Management Employees and the Cash Balance Plan was closed to new participants. As of January 1, 2021, this plan was 105.3% funded.
    - Manhattan and Bronx Surface Transit Operating Authority Plan – provides retirement, disability, cost-of-living adjustments and death benefits to plan members and beneficiaries that are similar to those benefits provided by NYCERS to similarly situated MTA New York City Transit employees. As of January 1, 2021, this plan was 78.3% funded.
- Cost-Sharing Multiple-Employer Plans
    - MTA Defined Benefit Pension Plan – includes certain MTA Long Island Rail Road non-represented employees hired after December 31, 1987, MTA Metro-North Railroad non-represented employees, certain employees of the former MTA Long Island Bus hired prior to January 23, 1983, MTA Police, MTA Long-Island Rail Road represented employee's hired after December 1, 1987, certain MTA Metro-North Railroad represented employees, MTA Staten Island Railway represented and non-represented employees and certain employees of MTA Bus Company. As of January 1, 2021, this plan was 71.5% funded.
    - NYCERS – MTA New York City Transit and MTA Bridges and Tunnels contribute to NYCERS, a cost-sharing multiple-employer retirement system for employees of the City and certain other governmental units which provides pension, disability and death benefits to eligible members based on title, salary and length of service. MTA New York City Transit and MTA Bridges and Tunnels are current in their actuarially determined contributions.
    - NYSLERS – a cost-sharing multiple-employer plan for employees of New York State and certain other governmental units that has as members certain employees of MTA Headquarters who were hired after January 23, 1983 and certain employees of MTA Construction and Development. MTA and MTA Construction and Development are current in their actuarially determined contributions.
    - New York State Voluntary Defined Contribution Program – Certain employees may choose to participate in this multi-employer plan sponsored by the State University of New York instead of participating in NYCERS or NYSLERS. As of December 31, 2021, 186 employees opted to participate. Participating employers make annual contributions of 8% of eligible compensation and the employee is vested after one year of service.
    - Deferred Compensation Plans - the Related Entities offer employees the ability to contribute to one or both of two defined contribution plans (an Internal Revenue Code Section 457 Plan and an Internal Revenue Code Section 401(k) Plan) that provide benefits based on the amount contributed to each participant's account, plus or minus any income, expenses and investment gains/losses.

MTA Metro-North Railroad, on behalf of certain MTA Metro-North Railroad employees who opted-out of participation in the MTA Defined Benefit Pension Plan and MTA, on behalf of certain represented MTA BSC and IT employees and on behalf of certain MTA Police Officers and MTA Commanding Officers, make contributions to the 401(k) Plan. The rate for the employer contribution varies.

- MTA Metro-North Railroad – Employees represented by certain unions who elected to opt-out of participation in the MTA Defined Benefit Pension Plan receive an annual employer contribution equal to 4% of such employee's compensation. Effective on the first full pay period following the nineteenth anniversary date of an eligible MTA Metro-North Railroad member's continuous employment, MTA Metro-North Railroad contributes an amount equal to 7% of such member's compensation. MTA Metro-North Railroad members vested in these employer contributions upon the completion of five years of service.
- MTA Headquarters – Police – For each plan year, MTA makes contributions to the account of each eligible MTA Police Benevolent Association and Commanding Officers Association member in the amounts required by the relevant collective bargaining agreement and subject to the contribution limits set forth in such agreement. These monthly contributions shall be considered MTA Police Department contributions. Members are immediately 100% vested in these employer contributions.
- MTA Headquarters – Business Services, Procurement and IT Department – Effective January 1, 2011, all newly hired MTA Business Services Center employees represented by the TCU are eligible to receive a matching contribution, up to a maximum of 3% of the participant's compensation through March 30, 2017. Effective March 31, 2017, employees represented by the TCU are eligible to receive a matching contribution, up to a maximum of 4% of the participant's compensation. Effective March 31, 2018, employees represented by the TCU are eligible to receive a matching contribution, up to a maximum of 5% of the participant's compensation. A participant's right to the balance of his or her matching contributions will vest upon the first of the following to occur: (1) completing five years of service, (2) attaining the retirement age of 62 while in continuous employment, or (3) death while in continuous employment.

OPEB

In addition to pensions, the MTA Retiree Welfare Benefits Plan (the "OPEB Plan") and the related Trust Fund were established effective January 1, 2009 for the exclusive benefit of the retirees of the Related Entities and certain retirees of the former Metropolitan Suburban Bus Authority ("MTA LI Bus") to fund some of the OPEB benefits provided in accordance with MTA's various collective bargaining agreements and MTA policies. The OPEB Plan adopted GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* ("GASB 74"). GASB 74 establishes financial reporting standards of State and Local governmental OPEB plans. This statement replaces GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. MTA's audited financial statements are in compliance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which replaced GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB 75 applies to state and local government employers that sponsor OPEB. Information relating to OPEB disclosure is set forth in Footnote 5 to the audited Combined Financial Statements of MTA.

As of December 31, 2021, the OPEB trust held $83,414 in net assets.

INSURANCE

General

MTA's Department of Risk and Insurance Management ("MTA RIM") is responsible for administering the insurance programs for the Related Entities, including obtaining insurance. Marsh, USA serves as MTA's master insurance broker and Marsh Management Services, Inc. acts as the captive manager for FMTAC.

The insurance needs of the Related Entities vary. One of the biggest differences relates to how employees are covered for injuries on the job. The recovery by employees of the Related Entities other than the commuter railroads and the MTA Police Department who get injured on the job is limited by the State workers' compensation law. Recoveries by employees of the commuter railroads and the MTA Police Department are governed by federal law, and are not limited by State law, and, consequently, they can sue for damages under the Federal Employers Liability Act if they are injured on the job.

The Related Entities maintain insurance coverage through MTA's captive insurance company subsidiary, FMTAC, and through the commercial marketplace. MTA RIM, which also serves as the staff of FMTAC, sets the insurance premiums for the Related Entities at levels that are expected to be sufficient to purchase the commercial insurance or reinsurance, or permit FMTAC to pay the claims and costs for claims administration. Since its creation, FMTAC, with funding from the Related Entities, has assumed greater responsibility for the direct insurance and reinsurance risk of the Related Entities.

FMTAC is licensed in the State as both a direct insurer and as a reinsurer. When FMTAC is a direct insurer, it may reinsure all or a portion of its potential liabilities with commercial reinsurers. FMTAC retains independent entities to handle the claims administration process. FMTAC may deposit certain of its assets in trust with third parties in order to secure its insurance or reinsurance obligations under some of the insurance policies.

New York State Department of Financial Services ("NYSDFS") regulations require that every captive insurance company licensed in the State be audited by State regulators every three to five years for compliance with State regulations and generally accepted accounting standards. FMTAC's third audit covering the period from January 1, 2011 to December 31, 2015 was completed during 2017 and a favorable sign-off from the NYSDFS was received on January 29, 2019. NYSDFS is conducting an audit of FMTAC for the period of January 1, 2016 to December 31, 2020. The final report from NYSDFS has not yet been received.

The major insurance policies are maintained for the benefit of the Related Entities, and the expiration dates of such policies are set forth in the following chart:

Insurance Program	Expiration Date
Property Insurance	May 1, 2023
Commuter Stations and Force Liability	December 15, 2022
FMTAC Excess Loss Fund	October 31, 2022
Commercial Excess Liability Policy	October 31, 2022
All Agency Protective Liability	June 1, 2023
Paratransit and Non-Revenue Vehicle Policies	March 1, 2023
Premises Liability	December 7, 2022
Builder's Risk	Various
Owner Controlled Insurance Programs	Various

Property Insurance Program

Property Insurance. Effective May 1, 2022, FMTAC renewed the all-agency property insurance programs. For the annual period commencing May 1, 2022, FMTAC directly insures property damage claims of the Related Entities in excess of a $25 million per occurrence deductible, subject to an annual $75 million aggregate deductible. The total All Risk program annual limit is $500 million per occurrence and in the annual aggregate for Flood and Earthquake covering property of the Related Entities collectively. FMTAC is reinsured in the domestic, Asian, London, European and Bermuda reinsurance markets for this coverage.

Losses occurring after exhaustion of the deductible aggregate are subject to a deductible of $7.5 million per occurrence. In addition to the noted $25 million per occurrence self-insured deductible, MTA self-insures above that deductible for $85.731 million within the overall $500 million per occurrence property program as follows: $13.296 million (or 26.59%) of the primary $50 million layer, plus $17.127 million (or 34.25%) of the $50 million excess $50 million layer, plus $8.08 million (or (16.16%) of the $50 million excess $100 million layer, plus $2.845 million (or 5.69%) of the $50 million excess $150 million layer, plus $1.398 million (or 2.79%) of the $50 million excess $200 million layer, plus $10.559 million (or 21.11%) of the $50 million excess $250 million layer, plus $9.182 million (or 18.36%) of the $50 million excess $300 million layer, plus $6.247 million (or 12.49%) of the $50 million excess $350 million layer, plus $8.747 million (or 17.49%) of the $50 million excess $400 million layer, and $8.247 million (or 16.49%) of the $50 million excess $450 million layer.

The property insurance policy provides replacement cost coverage for all risks (including Earthquake, Flood and Wind) of direct physical loss or damage to all real and personal property, with minor exceptions. The policy also provides extra expense and business interruption coverage.

Supplementing the $500 million per occurrence noted above, FMTAC's property insurance program has been expanded to include a further layer of $100 million of fully collateralized earthquake coverage for an event of a certain index value and for storm surge coverage for losses from storm surges that surpass specified trigger levels in the New York Harbor or Long Island Sound and are associated with named storms that occur at any point in the three-year period from May 12, 2020 to April 30, 2023. The expanded protection is reinsured by MetroCat Re Ltd. 2020-1, a Bermuda special purpose insurer independent from MTA and formed to provide FMTAC with capital markets based property reinsurance. The MetroCat Re Ltd. 2020-1 reinsurance policy is fully collateralized by a Regulation 114 trust invested in U.S. Treasury Money Market Funds. The additional coverage provided is parametric and available for storm surge losses resulting from a storm that causes water levels that reach the specified index values, and also for an earthquake event of a certain index value.

With respect to acts of terrorism, FMTAC provides direct coverage that is reinsured by the United States Government for 80% of "certified" losses, as covered by the Terrorism Risk Insurance Program Reauthorization Act ("TRIPRA") of 2019. The remaining 20% of the Related Entities' losses arising from an act of terrorism would be covered under the additional terrorism policy described below. No federal compensation will be paid unless the aggregate industry insured losses exceed a trigger of $200 million. The United States government's reinsurance is in place through December 31, 2027.

To supplement the reinsurance to FMTAC through the TRIPRA, MTA obtained an additional commercial reinsurance policy with various reinsurance carriers in the domestic, London and European marketplaces. That policy provides coverage for (1) 20% of any "certified" act of terrorism up to a maximum recovery of $215 million for any one occurrence and in the annual aggregate , (2) the TRIPRA FMTAC captive deductible (per occurrence and on an aggregated basis) that applies when recovering under the "certified" acts of terrorism insurance or (3) 100% of any "certified" terrorism loss which exceeds $5 million and less than the $200 million TRIPRA trigger up to a maximum recovery of $200 million for any occurrence and in the annual aggregate.

Additionally, MTA purchases coverage for acts of terrorism which are not certified under TRIPRA to a maximum of $215 million. Recovery under the terrorism policy is subject to a deductible of $25 million per occurrence and $75 million in the annual aggregate in the event of multiple losses during the policy year. Should the Related Entities' deductible in any one year exceed $75 million future losses in that policy year are subject to a deductible of $7.5 million. The terrorism coverages expire on May 1, 2023.

Commuter Stations and Force Liability

- Commuter Station Liability Insurance. FMTAC directly insures MTA Long Island Rail Road and MTA Metro-North Railroad under the stations policy, which covers third party liability, bodily injury and property damage and personal injury at commuter rail passenger stations, including moving train hazards while confined to the station area, and includes elevators, escalators, platforms, appurtenances, land, approaches and parking lots, if they are owned by the Related Entities. These policies insure up to the Self-Insured Retention set forth in the table included under the caption "FMTAC Excess Loss Fund" below per occurrence with no aggregate stop loss protection.
- Commuter Force Account Insurance. FMTAC directly insures MTA Long Island Rail Road and MTA Metro-North Railroad under the force account policy, which covers third party liability, physical damage and medical payments on commuter rail force account work (i.e., employees of the commuter railroads in the course of doing work for the benefit of the Related Entities) reimbursed by others. These policies insure up to the Self-Insured Retention set forth in the table included under the caption "FMTAC Excess Loss Fund" below per occurrence with no aggregate stop loss protection.
- The cost of the stations insurance is factored into the level of station maintenance payments required to be paid by the City and the counties in the MTA Commuter Transportation District. See "PART 2. FINANCIAL – INFORMATION REVENUES OF THE RELATED ENTITIES – Financial Assistance and Service Reimbursements from Local Municipalities – *Commuter System Station Maintenance Payments*".

On December 15, 2015, FMTAC increased the primary coverage on the Station Liability and Force Account liability policies from $10 million to $11 million for MTA Metro-North Railroad and MTA Long Island Rail Road.

FMTAC Excess Loss Fund

FMTAC operates an Excess Liability Fund ("ELF") insurance program that insures certain claims in excess of the self-insured retention limits of the agencies on both a retrospective (claims arising from incidents that occurred before October 31, 2003) and prospective (claims arising from incidents that occurred on or after October 31, 2003) basis. The self-insured retention limits, by agency, are set forth in the table below. The maximum amount of claims arising out of any one occurrence is the total assets of the ELF program available for claims, but in no event greater than $50 million. The retrospective portion contains the same insurance agreements, participant retentions, and limits as existed under the ELF for occurrences happening on or before October 30, 2003. On a prospective basis, FMTAC issues insurance policies indemnifying MTA and the other Related Entities above their specifically assigned self-insured retention with a limit of $50 million per occurrence and a $50 million annual aggregate. FMTAC charges appropriate annual premiums based on loss experience and exposure analysis to maintain the fiscal viability of the program. Based on actuarial review and analysis of agencies' underlying losses, the Excess Loss premium for the policy period October 31, 2021 – October 31, 2022 was $14 million. For the next renewal period, a similar analysis will be conducted and appropriate premium charges will be determined. On December 31, 2021, the balance of the assets in this program was $192.67 million.

	Self-Insured Retention (in millions of dollars)			
Related Entity	10/31/06 - 10/31/09	10/31/09 - 10/31/12	10/31/12 - 10/31/15	10/31/15 to Present
MTA New York City Transit MaBSTOA MTA Long Island Rail Road MTA Metro-North Railroad MTA Bus	$8	$9	$10	$11
MTA Staten Island Railway MTA Metropolitan Suburban Bus Authority *	$2.3	$2.6	$3	$3.2
MTA Bridges and Tunnels MTA Headquarters	$1.6	$1.9	$2.6	$3.2

MTA also maintains an All-Agency Excess Liability Insurance Policy that affords MTA and the other Related Entities additional coverage limits of $357.5 million, for a total limit of $407.5 million ($357.5 million in excess of $50 million). In certain circumstances, when the assets in the ELF program are exhausted due to payment of claims, the All-Agency Excess Liability Insurance Policy will assume the coverage position of $50 million.

During 2020 and to date, the ELF program has paid approximately $12.4 million, as the ELF's share of settlements that exceeded the MTA Long Island Rail Road and MTA New York City Transit self-insured retention for three losses, two MTA Long Island Rail Road, one on October 8, 2016 and the other on January 4, 2017 and MTA New York City Transit on April 30, 2014.

The following are pending cases and claims that could result in payments under this liability policy in excess of agency retentions, as well as certain noted claims that closed in the past year without payment from the excess loss fund:

- *MTA Metro-North Railroad Valhalla*. An incident occurring on February 3, 2015, when an MTA Metro-North Railroad Harlem Line train struck an automobile in a highway-rail grade crossing between the Valhalla and Hawthorne stations, has resulted in assertion of personal injury claims against the railroad. The driver of the automobile and five passengers on the train were killed. A number of passengers, and the train engineer, were injured. The National Transportation Safety Board (NTSB) adopted its report on the causes of the accident on July 25, 2017, finding that the probable cause of the accident was the driver of the automobile, for undetermined reasons, moving the vehicle on to the tracks while the Commerce Street highway-railroad grade crossing warning system was activated, into the path of Metro-North Railroad train. Contributing to the accident was the automobile driver: (1) stopping beyond the stop line, within the boundary of the highway-railroad grade crossing, despite warning signs indicating the approach to the grade crossing; and (2) reducing the available time to clear the grade crossing by exiting the vehicle after the grade crossing warning system activated because the driver's attention was diverted by the grade crossing warning

* The MTA subsidiary Metropolitan Suburban Bus Authority discontinued its provision of transportation services at the end of 2011. Its activities are limited to the winding up of its affairs. FMTAC excess loss coverage remains in place only with respect to claims arising out of MTA LI Bus incidents which occurred on or before December 31, 2011.

system crossing gate arm striking her vehicle. Contributing to the severity of the accident was the third rail penetrating the passenger compartment of the lead passenger railcar and the post-accident fire. While there is no indication from the NTSB's findings that MTA Metro-North Railroad was at fault in connection with this incident, 37 lawsuits have been filed to date against MTA Metro-North Railroad, many of which name other defendants as well. Notwithstanding MTA Metro-North Railroad's position that it has no responsibility for this incident, if plaintiffs are successful in their claims against MTA Metro-North Railroad, damages could exceed the self-insured retention and impact the FMTAC and excess layers of insurance.

The motions for summary judgment have been fully submitted. Judge Lubell of Westchester County Supreme Court was recently assigned the handling of the motions in this matter. There is not a projected date on which there will be a decision on the motions.

- *MTA Long Island Rail Road - Atlantic Terminal Bumper Block Strike*. An incident occurred on January 4, 2017, when an MTA Long Island Rail Road Far Rockaway Line train struck a bumper block in the Atlantic Terminal-Brooklyn Station. This incident resulted in 173 injury claims, which includes 11 employee FELA claims. To date, 122 claims have been put into suit. MTA Long Island Rail Road has paid out the entire $11 million FMTAC Station Maintenance retention limit in expenses and settlements and $11 million has impacted the excess layer of insurance. The current outstanding reserves are $8 million and there are 28 open lawsuits of which 5 are settled, awaiting closing documents.

- *MTA Long Island Rail Road—New Hyde Park Collision*. On October 8, 2016, while MTA Long Island Rail Road was conducting track work east of the New Hyde Park Station on track placed out of service, a piece of track equipment derailed fouling live track which was then struck by a train carrying passengers, causing the passenger train to derail. Numerous passengers and several employees were injured due to this accident. The FRA, along with MTA Long Island Rail Road conducted investigations into this matter. There have been a total of 72 claims related to this accident; 57 passenger injuries, 8 employee injuries and the remaining are the property damage claims. The derailment caused damage to three passenger cars, the track area and the track equipment involved. At this time, 33 lawsuits have been filed against MTA Long Island Rail Road. MTA Long Island Rail Road has paid out the entire $11 million FMTAC Force Account retention limit in expenses and settlements and $7.3 million has impacted the excess layer of insurance. The current outstanding reserves are $5.5 million and there are 14 open lawsuits.

- *DiRusso v Triborough Bridge and Tunnel Authority, et al.* - Plaintiff, an employee of Tully Construction subcontractor Welsbach Electric Co., commenced this action in Supreme Court, Kings County, regarding an incident on May 16, 2017. Plaintiff was performing electrical work on a man lift in the Hugh Carey Tunnel when a MTA Bridges and Tunnels vehicle operated by an MTA Bridges and Tunnels employee struck the man lift causing the plaintiff to fall approximately 15 to 20 feet and sustain personal injuries. It is claimed that MTA Bridges and Tunnels was in violation of Labor Law §§200, 240 and 241(6) as well as relevant sections of the New York State Industrial Code and OSHA regulations. MTA Bridges and Tunnels answered the complaint and raised affirmative defenses relative to a Labor Law action and cross claims against Tully Construction and Welsbach Electric Co. The City submitted a motion for summary judgment and it was dismissed from the action via an order of Justice Levine dated August 10, 2018.

  Discovery has been completed but for the non-party deposition of a former Tully Construction employee. Given the delays associated with COVID-19 pandemic, a trial date is not expected until sometime in late 2022. There is a pre-trial conference scheduled for August 15, 2022.

  Both plaintiff and Tully Construction have submitted motions for summary judgment, which are returnable January 15, 2021, asserting, among other things, that the MTA Bridges and Tunnels employee was the sole proximate cause of the occurrence. MTA Bridges and Tunnels' counsel opposed the motions by raising a question of fact, which includes Tully's set-up of the worksite and whether the Tully implemented safety protocols were being followed. MTA Bridges and Tunnels is still awaiting the decision on the Motions for Summary Judgment.

  Responses to outside counsel's authorization for medical records were received that indicated that plaintiff, who has been out of work since the accident, is framing his damages claim to not only include significant cervical spinal injuries (cervical decompression and cervical fusion with fixative hardware including a spine cage at C5/C6), but a traumatic brain injury, as well, which has affected his cognitive abilities and memory. While the plaintiff has undergone significant cervical and lumbar surgeries, there is no indication that he sustained a traumatic brain injury and, in fact his longtime physician, Dr. Roth, who treats him from chronic migraines, indicated that deviations in an MRI of the plaintiff's brain were indicative of a vascular disease which is common in individuals with migraine headaches and not traumatically induced. Plaintiff testified at his deposition that the surgeries have reduced his pain by half. In addition, records received also indicate that the plaintiff has a lengthy employment history as an electrician with a number of fairly well-known local electrical subcontractors which, in turn, would lead to a significant economic loss claim. MTA Bridges and Tunnels' tender requests to Arch Insurance Company, the carrier for Tully Construction, and to CNA, the carrier for Welsbach Electric, have been denied. MTA Bridges and Tunnels has the option of commencing a coverage action against CNA Insurance (Welsbach) and Arch Insurance Company (Tully) depending upon the testimony offered by the witness on behalf of Tully Construction. While MTA Bridges and Tunnels could be found liable by operation of Labor Law §§240 & 241(6), outside counsel does not believe, based upon the plaintiff's deposition testimony, that he can sustain a Labor Law§240 cause of action as he did not fall from a height and there was no failure of an elevation-related device.

There are questions as to whether MTA Bridges and Tunnels was the sole proximate cause of the occurrence by and through the operation of its vehicle which struck the man lift that the plaintiff was working on which, in turn, may adversely affect the prosecution of the cross-claims. MTA Bridges and Tunnels expects that both plaintiff's loss of earnings and his bodily injury claims will each be in the $1 million to $2 million range. On the date of the incident, MTA Bridges and Tunnels' self-insured retention was $3.2 million. The case has been reported to the ELF, which would be responsible for any amount in excess of the self-insured retention up to the remaining limits available for the 2016-2017 policy term.

- *Diaz v. MTA New York City Transit Authority.* On January 15, 2015, plaintiff, then 32 years old, was walking within the crosswalk when he was struck by an MTA New York City Transit bus making a right-hand turn. Plaintiff suffered fractures of his right clavicle, right scapular body, pelvis, right hip, right ribs, a right hip dislocation and a traumatic partial amputation or his right foot. The Court scheduled a pre-trial conference in January 2022, which was adjourned late March, at that time settlement will be discussed. The case has been reported to ELF which would be responsible for the remaining limits available excess of the $10 million self-insured retention.

- *Reyes v NYCTA.* On December 13, 2011, Raul Reyes slipped and fell on a wet interior subway staircase. Plaintiff has undergone 8 surgeries; arthroscopic surgeries, cervical spine surgery, pelvic surgery, and a laminectomy. The case settled before trial for $4.5 million within the $9 million self-insured retention.

- *Robert Liciaga v. MTA New York City Transit Authority*. On April 10, 2016, plaintiff, then then 23-years old, rode his bicycle through a cordoned-off construction site beneath the elevated subway line and was struck by a rotted cross tie which was dropped into a designated "drop zone". Plaintiff sustained severe and permanent injuries and is now confined to the Coler Specialty Hospital, a long-term care facility on Roosevelt Island. A Kings County Supreme Court jury found MTA New York City Transit 100% liable and awarded Plaintiff $110 million. The trial judge reduced the pain and suffering awards after post-trial motions were made thereby reducing the total award to roughly $69 million. The Authority appealed. The appeal is pending. An appellate decision is not expected until late 2022/early 2023. Settlement has not been reached as plaintiff insists on recovering the entire judgment amount. The case has been reported to ELF which would be responsible for the remaining limits available excess of the $11 million self-insured retention.

- *Sang Gi Kang, et al v NYCTA & MTA.* On September 18, 2017, an MTA New York City Transit bus making a right turn was struck in the rear by a Dahlia Group, Inc. tour bus travelling straight at an excessive speed passing through two red traffic signals. The National Transportation Safety Board concluded that the probable cause of the accident was the Dahlia bus driver's "unintended acceleration of the motor coach and inability to brake for reasons that could not be conclusively determined from the information available". There are currently 25 lawsuits; 4 fatalities, 12 MTA New York City Transit bus passengers including the MTA New York City Transit driver, 2 pedestrians, 2 persons in a car struck by the MTA New York City Transit bus and 5 property damage claims. Discovery is ongoing and is not expected to be completed until late 2022. Although MTA New York City Transit maintains that liability lies with Dahlia, Dahlia's insurance limit of $5 million is not enough coverage to satisfy the injury and property damage claims from this event. Should MTA New York City Transit be found even 1% liable, it will be responsible for the entirety of any amount awarded plaintiffs. MTA New York City Transit is thus concerned that it may not prevail on a summary judgment motion or trial in this matter. Settlement will therefore be explored as discovery continues. The case has been reported to ELF which would be responsible for the remaining limits available excess of the $11 million self-insured retention.

- *Rajan Patel v NYCTA*. On February 17, 2018, plaintiff was struck by a southbound 4 subway train resulting in below the knee amputation of both legs. Discovery is ongoing. Plaintiff filed a note of issue at the end of 2021. MTA New York City Transit moved to strike the note of issue because significant discovery remains outstanding. That motion is returnable in May 2022. MTA New York City Transit intends to vigorously defend this action and cannot predict the outcome of the litigation at this time. The case has been reported to ELF which would be responsible for the remaining limits available excess of the $11 million self-insured retention.

- *Leykin v NYCT*. On February 2, 2018, plaintiff was struck and dragged by an incoming train at the DeKalb Avenue train station resulting in bilateral knee amputation, right hand injury and skull fractures. Plaintiff filed a note of issue the end of 2021. MTA New York City Transit's motion for summary judgment dismissing the action because the accident was unavoidable is pending. MTA New York City Transit intends to vigorously defend this action and cannot predict the outcome of the litigation at this time. The case has been reported to ELF which would be responsible for the remaining limits available excess of the $11 million self-insured retention.

- *Mathews v NYCTA*. On June 6, 2017, while crossing outside the crosswalk and mid-block, plaintiff, was struck by an MTA New York City Transit bus that had just made a right turn. Plaintiff has had multiple surgeries to both legs including a right leg amputation. A trial date has not yet been set. A court conference has been scheduled for late March 2022, at which time settlement will be explored. Meanwhile, the parties are exploring third-party mediation. The case has been reported to ELF which would be responsible for any amount in excess of the $11 million self-insured retention up to the remaining limits available.

- *Beauchamp v. MTA New York City Transit Authority*. On the evening of March 6, 2017, Aurora Beauchamp, plaintiff, then 62 years old, was lawfully crossing southbound in the crosswalk on Houston Street when she was struck by an M14D bus making a left turn onto Houston Street from Avenue D. Plaintiff was pinned under the bus and had to be extracted by the FDNY. Plaintiff sustained multiple injuries and will need future care. Plaintiff is currently using a wheelchair; she is unable to ambulate independently. Plaintiff has agreed to third-party mediation and has, without explanation, increased his demand from $15 million to $20 million. Due to the public health crisis, a pre-trial conference has yet to be scheduled. A trial date is expected no earlier than Fall 2022. The MTA New York City Transit self-insured retention is $11 million. The matter has been reported to ELF, which would be responsible for settlement payments up to $35 million.

- *Bronx Bus GWB Overhang Cases*. On January 14, 2021, an articulated MTA New York City Transit bus making a left turn onto the George Washington Bridge overpass, lost control, went onto the sidewalk and through a metal guardrail. The front of the bus fell face down 60' and hung perpendicular to the roadway below, while the rear portion of the bus located behind the accordion remained on University Avenue. The investigation into the cause of the accident is ongoing. There are currently 7 lawsuits; each plaintiff was a passenger on the bus. Claimed injuries range from spinal herniations, leg and hip fractures to shoulder and knee tears. One plaintiff has been granted liability against MTA New York City Transit. MTA New York City Transit has appealed that decision. A decision on the appeal is not expected until late 2022/early 2023. Since the investigation is ongoing and discovery has just commenced, MTA New York City Transit cannot predict the outcome of the litigation at this time. The case has been reported to the ELF which would be responsible for any amount in excess of the $11 million self-insured retention up to the remaining limits available.

- *Bronx Bus Concrete Median Cases*. On September 9, 2019, at approximately 12:48pm, an articulated MTA New York City Transit bus struck a concrete median in the roadway while attempting a left-turn in the vicinity of Webster Avenue and 165th Street. Ten (10) personal injury claims have been filed, all passengers on the bus, and 9 are in suit. The injuries claimed range from spinal fusions to shoulder and knee injuries. Discovery is in the early stages. The case has been reported to the ELF which would be responsible for any amount in excess of the $11 million self-insured retention up to the remaining limits available.

- *Brooklyn Bus Brownstone Cases*. On Monday June 7, 2021, an MTA New York City Transit bus traveling southbound on Bedford Avenue near Lincoln Road, rear-ended a truck that was stopped in traffic. The bus then crossed over the opposing lanes of traffic, contacted three other vehicles and drove into a brownstone. The cause of the accident is under investigation, but the bus driver claimed his foot became caught between the gas and brake pedals. Currently, there are 5 property damage claims and 11 personal injury claims, and 1 personal injury lawsuit. Since the investigation is ongoing and discovery has just commenced, MTA New York City Transit cannot predict the outcome of the litigation at this time. The case has been reported to the

ELF which would be responsible for any amount in excess of the $11 million self-insured retention up to the remaining limits available.

All Agency Protective Liability

- *FMTAC All-Agency Protective Liability Program*. Under the All-Agency Protective Liability Program ("AAPL"), FMTAC directly insures the Related Entities against claims arising out of work performed by independent contractors on capital projects. The policy provides coverage of $2 million per occurrence.
- *FMTAC All-Agency Protective Excess Liability Program*. FMTAC directly insures the Related Entities to provide excess coverage above the AAPL. The policy provides coverage of $9 million in excess of $2 million per occurrence, with an $18 million annual aggregate. Any excess is covered by the ELF program.

Paratransit and Non-Revenue Vehicle Policies

- *MTA New York City Transit Paratransit Program*. FMTAC maintains a commercial policy that provides automobile liability coverage for all vendors hired to perform services on behalf of MTA New York City Transit's Access-A-Ride program with policy limits of liability of $1 million per occurrence, excess of a $2 million self-insured retention.
- *MTA Non-Revenue Auto Liability*. This program covers non-revenue vehicles (i.e., administrative and other vehicles not used for the generation of passenger revenues) of MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Staten Island Railway, MTA Police Department, the MTA Inspector General, MTA Construction & Development Company and MTA Headquarters. The program limit is $11 million per occurrence on a combined single limit with a $1 million deductible for each accident. Primary limits of $6 million was procured through the commercial marketplace. Excess limits of $5 million was procured through FMTAC. FMTAC renewed its $1 million deductible buy back policy, where it assumes the liability of the agencies for their deductible.
- The paratransit program and non-revenue auto liability policies are currently issued by the same commercial vendor.
- Claims and claims administration are funded out of the General Operating Account.

Premises Liability

Premises Liability insurance covers liability arising out of the ownership, maintenance and use of various MTA locations, including 341/345/347 Madison Avenue, 2 Broadway, and the MTA Inspector General's office at 1 Penn Plaza. The program provides the Related Entities with coverage of up to $1 million per occurrence with a $2 million aggregate.

Owner Controlled Insurance Program

In an owner controlled insurance program ("OCIP"), MTA RIM arranges for the insurance coverage for all of the construction activity covered by the OCIP, rather than reimbursing the individual contractors and subcontractors for obtaining their own insurance. OCIPs have historically been regarded as more economical than requiring the contractors and subcontractors to obtain the insurance directly. Economies arise from, among other things, the risk pooling nature of the program (i.e., the risks relating to insuring each individual project separately is generally considered greater than the risks associated with collectively insuring many projects) and that MTA, due to its financial strength and successful operation of safety management programs at the job sites, is generally better able to procure insurance at favorable rates than individual smaller contractors and subcontractors. In addition, an OCIP provides the same level of insurance coverage at each project, which was not always possible when the individual contractors and subcontractors were required to obtain the insurance.

Generally, commercial insurance policies are obtained for the OCIP, but FMTAC will typically retain a significant portion of each insured loss which ranges from the first $250,000 to $10,000,000 of each insured workers' compensation or general liability loss and up to the first $50 million of a builders risk loss on a network expansion project. FMTAC holds deposit moneys and/or collateral in trust with a commercial bank as security for its reimbursement obligation to the commercial insurance carrier for any losses. Unexpended funds are retained by FMTAC and used to discount future OCIP programs. The following are active MTA OCIPs:

- MTA New York City Transit Line Structures, Shops, Yards and Depots (2000-2004 MTA Capital Program);

- MTA Long Island Rail Road East Side Access;
- MTA Long Island Rail Road and MTA Metro-North Railroad 2000-2004 MTA Capital Programs;
- MTA New York City Transit 2005-2009 MTA Capital Program;
- MTA New York City Transit Second Avenue Subway;
- MTA Long Island Rail Road and MTA Metro-North Railroad 2005-2009 MTA Capital Programs;
- MTA New York City Transit, MTA Long Island Rail Road, MTA Metro-North Railroad, SBMP 2010-2014 Capital Programs;
- MTA New York City Transit, MTA Long Island Rail Road, MTA Metro-North Railroad, SBDP 2015-2019 Capital Programs; and
- MTA Long Island Rail Road Expansion Project from Floral Park to Hicksville.

Builder's Risk

- Builder's Risk insurance is a type of property insurance that provides coverage for physical damage to the insured structure during the course of construction. Builder's Risk insurance is not liability insurance.
- Builder's Risk for the Capital Program OCIPs covers a project for the full project value up to a limit of $50 million. The East Side Access Project has a limit of $400 million.
- Claims and claims administration are funded out of the FMTAC General Operating Account.

LITIGATION

General

The Related Entities maintain extensive property, liability, station liability, force account, construction, and other insurance as generally described above in this Part 6 under "INSURANCE". Claims for money damages described below may be fully or substantially covered by insurance, subject to the individual agency retention set forth under "INSURANCE – FMTAC Excess Loss Fund", where applicable. Each of the Related Entities additionally annually budgets an amount that it projects will be sufficient to pay for judgments and claims during that year.

The Related Entities also provide accruals in their financial statements for their estimated liability for claims by third parties for personal injury arising from, among other things, bodily injury (including death), false arrest, malicious prosecution, and libel and slander, for property damage for which they may be liable as a result of their operations, and advertising offense, including defamation, invasion of right of privacy, piracy, unfair competition, and idea misappropriation. The estimated liabilities are based upon independent actuarial advice obtained by the Related Entities. However, except in special circumstances and except for the annual judgments and claims budgeted amounts, additional cash reserves are not generally established in an amount equal to the full amount of the accrual.

For the Related Entities on a consolidated basis, a summary of activity in estimated liability as computed by actuaries arising from injuries to persons, including employees, and damage to third-party property, for the year ended December 31, 2021, is contained in Footnote 10 ("Estimated Liability Arising from Injuries to Persons") to the MTA's audited Consolidated Financial Statements for the years ended December 31, 2021 and 2020.

MTA

Lockheed Martin Transportation Security Solutions v. MTA Capital Construction and MTA. MTA is a defendant, along with MTA Construction and Development, in an action brought in April 2009 by Lockheed Martin Transportation Security Solutions ("Lockheed") in federal district court in Manhattan. (Lockheed Martin Transportation Security Solutions v. MTA Capital Construction Company and Metropolitan Transportation Authority.) Lockheed initially sought a judgment declaring that MTA and MTA Construction and Development were in breach of its contract for furnishing and installing an integrated electronic security ("IESS") program, and an order terminating Lockheed's obligations. Following MTA's termination of its contract, Lockheed amended its complaint to seek damages for delay and disputed work items ($80 million, later revised to $93 million) or, alternatively, for the alleged "reasonable value of work performed" by Lockheed ($137 million, later raised to $149 million), exclusive of pre-judgment interest, based on its claim that MTA wrongfully terminated the contract. MTA and MTA Construction and Development are vigorously contesting Lockheed's claims for money damages and counterclaimed, alleging that Lockheed materially breached the contract and seeking damages which were estimated to be $205,909,468, exclusive of pre-judgment interest. Following the completion of discovery, in July 2013, both MTA and Lockheed moved for partial summary judgment in connection with various claims.

By decision dated September 16, 2014, the court granted in part and otherwise denied each party's respective motion. With respect to MTA's motion, the Court dismissed Lockheed's claim under a *quantum meruit* theory, thereby reducing the MTA's exposure by roughly $50 million, to approximately $94 million (exclusive of pre-judgment interest). Trial commenced on October 6, 2014 and concluded on November 14, 2014. Based on the trial record, MTA reduced its damages claim to $189 million, exclusive of pre-judgment interest. Lockheed's claim for damages remained the same. Post-trial papers were submitted on November 24, 2014 and the final reply papers were submitted on December 5, 2014. The parties now await the decision of the Court. The final outcome of this action cannot be determined at this time.

In July 2009, Lockheed's performance bond sureties on the contract commenced a related action in federal district court in Manhattan against Lockheed and the MTA defendants, alleging that they are unable to conclude that the conditions to their obligations under the bond have been satisfied. They seek a declaration of the rights and obligations of the parties under the bond. (*Travelers Casualty and Surety Company, et. al. v. Metropolitan Transportation Authority, et al.*). MTA and MTA C&D answered and counterclaimed against the sureties, seeking damages in connection with the sureties' violation of their bond obligations in an amount to be determined at trial. The matter was consolidated with the *Lockheed* action above. In October 2013, the sureties moved for partial summary judgment on their exposure, seeking a reduction of their potential obligation by $5.4 million to account for a progress payment issued by MTA to Lockheed post-default. By decision dated September 15, 2014, the Court denied that motion. The final outcome of this action must await the outcome of the underlying action (*Lockheed v. MTA*, discussed above), and cannot be determined at this time.

Actions for Personal Injuries/Property Damage/Workers' Compensation. As of December 31, 2021, there were approximately 28 actions and claims pending against MTA. These include claims for damages for personal injuries sustained while on duty, including actions under the Federal Employers' Liability Act ("FELA"), no-fault cases, and other torts. Also, as of that date, there were approximately 116 pending Workers' Compensation cases.

Transit System

Actions for Personal Injuries/Property Damage. As of December 31, 2021, MTA New York City Transit and MaBSTOA had an active inventory of 9,374 personal injury claims and lawsuits and 1,558 property damage matters arising out of the operation and administration of the Transit System. In addition, with respect to the Access-A-Ride (Paratransit) program, as of December 31, 2021, there was an active inventory of approximately 799 personal injury cases and approximately 151 property damage cases arising out of the operation of vehicles leased to outside vendors that provide Access-A-Ride service. Such Access-A-Ride claims are covered by a commercial automobile policy which in 2021, had policy limits of $3 million per occurrence, subject to a $2 million deductible. As of December 31, 2021, MTA Staten Island Railway had a pending inventory of 12 claims and lawsuits relating to personal injury and property damage arising from the operations of MTA Staten Island Railway.

Workers' Compensation and No-Fault. As of December 31, 2021, MTA New York City Transit and MaBSTOA had an active inventory of approximately 13,663 Workers' Compensation cases and approximately 1,599 no-fault cases. As of December 31, 2021, there were 25 Workers' Compensation cases for MTA Staten Island Railway, 16 of which involve employees who have been classified as permanently disabled, entitling the claimants to continuing monthly benefits and payment of future related medical expenses, as well as two death cases.

Other Litigation. As of December 31, 2021, the General Law and Contracts Division had an inventory of approximately 581 cases, consisting of federal and state court plenary litigation actions and special proceedings as well as administrative matters pending before various state, federal and local administrative agencies.

In February 2022, a putative class action (*Valerie Britt, et al. v. MTA, et al.)* was filed in Supreme Court, New York County against MTA and MTA New York City Transit by five individual plaintiffs who allege that over 160,000 persons with disabilities who use Access-a-Ride are discriminated against because they are not provided the fare discounts given to others. Specifically, plaintiffs allege that they have to pay the full $2.75 fare for Access-a-Ride while persons 65 and older and riders with qualifying disabilities can apply for a reduced fare program that allows them to pay less than half the base fare for Fixed-Route Public Transit, i.e., subways and buses, and frequent riders of subways and buses can purchase unlimited rides during a 30-day or 7-day period thereby reducing the cost per ride to less than the base fare. Plaintiffs allege a single cause of action of discrimination in violation of the New York City Human Rights Law, and are seeking a declaratory judgment that Defendants' acts and omissions are unlawful, injunctive relief requiring Defendants to immediately make available the same Fare Discount Program that is available for use on Fixed-Route

Public Transit to Plaintiffs and members of the proposed class for use on Access-a-Ride Public Transit, money damages, and reasonable attorneys' fees.

Actions Relating to the Transit Capital Program. MTA New York City Transit has received claims from various contractors engaged in work on various Transit Capital Program projects. In addition, claims which concern Transit Capital Program projects on occasion may be commenced against MTA New York City Transit by non-contractors. The aggregate amount demanded by all such claimants (or the expense associated with remedies related to such claims), if incurred in full, could result in an increase in the cost of the capital projects that are the subject of such disputes. The Transit Capital Program contemplates the payments associated with such contractor and non-contractor claims from project-specific and general program contingency funds, as well as other available monies pledged for capital purposes. The following matters commenced by non-contractors relating to the Transit Capital Program are noted below.

In 2016, a lawsuit was filed in the U.S. District Court for the Southern District of New York (*Bronx Independent Living Services, et al. v. MTA, et al.*) challenging the lack of elevators at Middletown Road subway station located in the Bronx. MTA and MTA New York City Transit were sued by two disabled rights advocacy organizations and two individuals who allege violations of the ADA and other statutes, for proceeding with certain construction work at the station without also installing elevators or ramps. The complaint seeks declaratory and injunctive relief; no claim for monetary relief is asserted. MTA and MTA New York City Transit answered the complaint in September 2016 and denied any asserted violation of applicable law. In March 2018, the federal government was granted leave to join the action and filed an intervenor-complaint, which defendants answered in April 2018. Fact discovery has been conducted and plaintiffs' motion for partial summary judgment was granted by the court in March 2019. The court held that the alterations made at the Middletown Road station affected the "usability" of the station, thereby triggering the application of the U.S. Department of Transportation regulation set forth in 49 C.F.R. Section 37.43(a)(1). Expert discovery relating to the defendants' principal defense—that installing an elevator or ramp at the Middletown Road Station as part of a larger renewal project was "technically infeasible" within the meaning of the federal DOT regulations and hence not legally required—has been completed. The parties' cross-motions for summary judgment were each denied on March 29, 2021. The outcome of the litigation cannot be determined at this time. Were plaintiffs to prevail in obtaining an injunction requiring installation of an elevator or ramp at the Middletown Road station, the costs associated with such an injunction would fall within the coverage of the MTA New York City Transit capital program, which, as noted above, contemplates the utilization of project and program contingency funds, as well as other available monies pledged exclusively for capital purposes under bond resolutions, as the means of addressing such claims and related expenses.

In late April 2017, two purported class actions relating to subway system accessibility were filed against MTA New York City Transit and MTA by several individuals and advocacy organizations on behalf of persons with disabilities that prevent them from using the stairs in the subway system. The plaintiffs in both cases seek declaratory and injunctive relief, not money damages. The City of New York was also named as a defendant in both cases but was voluntarily dismissed, with a tolling agreement, from the federal class action. In *Center for Independence of the Disabled, New York* ("CIDNY"), et al. v. MTA, et al. (Southern District of New York), plaintiffs allege, among other things, that defendants inadequately maintain the existing elevators in the subway system, provide insufficient notice to elevator users about outages, and provide insufficient alternative transportation during elevator outages. These alleged deficiencies are claimed to constitute discrimination in violation of Title II of the Americans with Disabilities Act, Section 504 of the Rehabilitation Act, and the City Human Rights Law. Defendants' motion for summary judgment was granted in March 2020. In that decision, the District Court noted that the MTA New York City Transit reported a median system-wide elevator availability of 98% and that the plaintiffs had failed to identify any measures required by law that MTA New York City Transit had not taken to maintain its elevators. However, in August 2021 the Second Circuit vacated the judgment and remanded the case back to the District Court for further consideration of whether MTA New York City Transit provides meaningful access to the subway system to those subway riders impacted by elevator outages by way of notification and alternative modes of transportation such as paratransit and buses. At a conference on November 3, 2021, the District Court Judge issued an order scheduling additional discovery and a renewed summary judgment motion deadline of August 29, 2022 on the issue of the reasonable accommodation during elevator outages only. In *CIDNY v. MTA* (Supreme Court, New York County), the same plaintiffs have asserted that defendants, by not having installed elevators in all subway stations in the system, have discriminated against plaintiffs on the basis of their disabilities in violation of the New York City Human Rights Law. Plaintiffs seek injunctive relief that would require implementation of a program to make all subway stations accessible to people who cannot use the stairs due to a disability. Defendants' motion to dismiss the state court case on the grounds that plaintiffs' claims are preempted by New York Public Authorities Law §1266(8) and Transportation Law § 15-B, non-justiciable and time-barred was denied on June 5, 2019. The First Department affirmed the lower court's decision on June 4, 2020. Defendants' motion for leave to appeal to the Court of Appeals was denied on August 27, 2020. On February 17, 2021, the court so-ordered the parties' stipulation to certify a class. Fact discovery is scheduled to close on June 10, 2022. The outcome of these two matters cannot be determined at this time.

In May of 2019, Forsee, et al. v. MTA, et al., another purported class action lawsuit was commenced in federal court (Southern District of New York) against MTA, MTA New York City Transit and the City of New York challenging the lack of elevator accessibility at all NYC subway stations. This action was brought by three individuals and various advocacy organizations on behalf of people whose disabilities make the use of stairs "difficult, dangerous or impossible". The complaint alleges that defendants violated the Americans with Disabilities Act and other state and local laws by proceeding with renovation work at subway stations over the years without installing elevators or ramps. Plaintiffs seek declaratory and injunctive relief. The City of New York moved to dismiss the complaint for lack of jurisdiction, in response to which plaintiffs filed an amended complaint MTA and MTA New York City Transit answered the amended complaint, and a discovery scheduling order was entered in December 2019 which set a March 2021 deadline to complete discovery. MTA and MTA New York City Transit's motion for judgment on the pleadings with respect to plaintiffs' ADA claims relating to work performed at stations prior to the applicable three-year limitations period was granted on March 31, 2020. On January 8, 2021, a revised discovery scheduling order was entered that set a discovery deadline of May 16, 2022 . The outcome of this matter cannot be determined at this time. We note that as in the Middletown Road litigation above, were plaintiffs to prevail and obtain an injunction requiring installation of elevators or ramps at any previously renovated subway station, the costs associated with such an injunction would have to be covered by the MTA New York City Transit capital program.

Commuter System

Actions for Personal Injuries/Property Damage. As of December 31, 2021, Metro-North Railroad had an active inventory of approximately 436 personal injury claims and lawsuits arising out of the operation and administration of Metro-North Railroad, of which 232 were the result of claims filed by employees pursuant to FELA, and approximately 204 were claims filed by third parties. Also, as of that date, there were no pending property damage cases. With respect to claims for personal injury arising from the December 1, 2013 derailment of a southbound Metro-North Railroad train north of the Spuyten Duyvil station in the Bronx, Metro-North Railroad has exhausted its self-insured retention of $10 million and FMTAC has reimbursed Metro-North Railroad $50 million. Amounts incurred in excess of the $10 million self-insured retention with respect to such Spuyten Duyvil claims are covered under an all-agency excess liability policy insured by FMTAC for $50 million per occurrence. Additionally, MTA maintains $350 million in liability coverage through the commercial insurance markets that is in excess of the $50 million coverage layer provided by FMTAC.

An incident occurring on February 3, 2015, when a Metro-North Harlem Line train struck an automobile in a highway-rail grade crossing between the Valhalla and Hawthorne stations, has also resulted in the assertion of personal injury claims against the railroad. The driver of the automobile and five passengers on the train were killed. A number of passengers and the train engineer were injured. The National Transportation Safety Board (NTSB) adopted its report on the causes of the accident on July 25, 2017, finding that the probable cause of the accident was the driver of the automobile who, for undetermined reasons, moved the vehicle on to the tracks while the Commerce Street highway-railroad grade crossing warning system was activated, into the path of the MTA Metro-North Railroad train. Contributing to the severity of the accident was the third rail penetrating the passenger compartment of the lead passenger railcar and the post-accident fire. While there is no indication from the NTSB's findings that MTA Metro-North Railroad was at fault in connection with this incident, 37 lawsuits have been filed to date against Metro-North, many of which name other defendants as well. Notwithstanding MTA Metro-North's position that it has no responsibility for this incident, if plaintiffs are successful in their claims against the Railroad, damages could exceed the self-insured retention and impact the FMTAC and excess layers of insurance.

Rodriguez v. City of New York, et al. In March 2021, Felipe Rodriguez filed suit against the City, MTA, MTA Long Island Rail Road, and several former NYPD and MTA Long Island Rail Road police officers. Rodriguez was arrested and convicted of murder in 1987, but was granted clemency and released in 2017. The District Attorney reinvestigated the case and allegedly uncovered the fact that detectives, including certain former MTA Long Island Rail Road police detectives, had coerced false statements from witnesses and committed other violations and misconduct. Rodriguez claims malicious prosecution and various constitutional claims. Motions to dismiss concerning certain counts were briefed in 2021. On March 14, 2022, the court granted in part and denied in part the motions, dismissing claims against the MTA and MTA Long Island Rail Road corporate entities. On June 7, 2022, the court granted in part and denied in part a motion by Rodriguez for reconsideration of the March 14, 2022 order, and reinstated his *Monell* claim against the NYPD. The case against the individuals is proceeding with discovery, and a court-supervised settlement conference is set for July 14, 2022. The outcome of this litigation cannot be determined at this time.

As of December 31, 2021, MTA Long Island Rail Road had an active inventory of approximately 1,204 personal injury claims and lawsuits arising out of the operation and administration of the MTA Long Island Rail Road, of which 717 were the result of claims filed by employees pursuant to the FELA, and approximately 487 were claims filed by third parties. Also, there were approximately 31 pending property damage matters and 242 affirmative claims.

MTA Long Island Rail Road - Atlantic Terminal Bumper Block Strike. An incident occurred on January 4, 2017, when an MTA Long Island Rail Road Far Rockaway Line train struck a bumper block in the Atlantic Terminal-Brooklyn Station. This incident resulted in 173 injury claims, which includes 11 employee FELA claims. To date, 122 claims have been put into suit. MTA Long Island Rail Road has paid out the entire $11 million FMTAC Station Maintenance retention limit in expenses and settlements and $11 million has impacted the excess layer of insurance. The current outstanding reserves are $8 million and there are 28 open lawsuits of which 5 are settled, awaiting closing documents.

MTA Long Island Rail Road - New Hyde Park Collision. On October 8, 2016, while MTA Long Island Rail Road was conducting track work east of the New Hyde Park Station on track placed out of service, a piece of track equipment derailed fouling live track and was struck by a train carrying passengers causing the passenger train to derail. Numerous passengers and several employees were injured due to this accident. The FRA, along with MTA Long Island Rail Road, conducted investigations into this matter. There has been a total of 72 claims related to this accident, 57 passenger injuries, 8 employee injuries and the remaining are the property damage claims. The derailment caused damage to three passenger cars, the track area and the track equipment involved. At this time, 33 lawsuits have been filed against MTA and MTA Long Island Rail Road. MTA Long Island Rail Road has paid out the entire $11 million FMTAC Force Account retention limit in expenses and settlements, and $7.3 million has impacted the excess layer of insurance. The current outstanding reserves are $5.5 million and there are 14 open lawsuits.

Actions Relating to the Commuter Capital Program. From time to time, MTA Long Island Rail Road and MTA Metro-North Railroad receive claims relating to various Commuter Capital Program projects. In general, the aggregate amount demanded by all such claimants, if recovered in full, could result in a material increase in the cost of the capital projects that are the subject of such disputes. The capital program contemplates the payment of such claims from project-specific and general program contingency funds, as well as other available moneys pledged for capital purposes.

Amtrak v. LIRR – Amtrak claims that the railroads operating in Penn Station (PSNY) are responsible for the cleanup of PCBs and other hazardous substances that were deposited on the tracks, which may have migrated to other areas of the station including, but not limited to, lighting, drains and other equipment. MTA Long Island Rail Road operated commuter rail lines in PSNY during a 50-year period when PCBs were used in train transformers. Amtrak alleges that these transformers leaked and contaminated the tracks in PSNY. Amtrak presented to MTA Long Island Rail Road a model which claims, based on the number of trains and usage, that MTA Long Island Rail Road is responsible for 20% of cleanup costs which are approximately $30 million to date. MTA Long Island Rail Road has entered into a tolling agreement with Amtrak while further investigation is being conducted.

Newtown Creek – Newtown Creek is a federally-listed Superfund site. A group of private parties known as the Newtown Creek Group (NCG) are working together on the investigation and eventual remediation of Newtown Creek. In 2017, NCG sent a Notice of Potential Liability pursuant to CERCLA to MTA Long Island Rail Road concerning the Creek. In addition, the NCG has asserted that MTA Long Island Rail Road may be a potential responsible party due to its historical operations along Newtown Creek. Additional parties were sent similar notices, who are acting cooperatively along with MTA Long Island Rail Road as the "small parties group". The NCG has approached the small parties group, requesting that the group agree to contribute to the cost of an "early action" remedy of the first two miles of the 3.5-mile creek. The members of the small parties group made an initial settlement offer for remediation costs relative to the first 0-2 miles of contamination at the Superfund site and investigation costs to date relative to the entire Superfund site which was rejected.

MTA Bridges and Tunnels

Farina, et al. v. MTA, TBTA, et al. – A putative class action lawsuit (*Farina v. MTA, TBTA, Transworld Systems, Inc., and Conduent, Inc.*) was filed in the U.S. District Court for the Southern District of New York on February 16, 2018 and assigned to U.S. District Judge Naomi Reice Buchwald. MTA Bridges and Tunnels and MTA were served on February 21, 2018. The representative plaintiff in the *Farina* case alleged that the $100 violation fee allegedly imposed for each toll violation at MTA Bridges and Tunnels is excessive and that the fee policies, practices, and collection methods are illegal and unconstitutional. Putative class action lawsuits were also filed by the same plaintiffs' counsel in the same court on February 20, 2018 (*Gardner v. MTA, TBTA, The Port Authority of New York and New Jersey, AllianceOne Receivables Management, Inc. and Conduent*) and on March 5, 2018 (*Troiano v. MTA, TBTA, The Port Authority of New York and New Jersey, New York State Thruway Authority, Transworld Systems, Inc., AllianceOne Receivables Management, Inc. and Conduent*). MTA Bridges and Tunnels and MTA were served in *Gardner* on March 6, 2018 and in *Troiano* on April 6, 2018. The allegations regarding MTA Bridges and Tunnels and MTA were substantially the same in all three actions, except that *Gardner* and *Troiano* also alleged that $50 violation fees are excessive and improper. On April 16, 2018, the court consolidated the three cases and on April 30, 2018 plaintiffs filed a consolidated complaint (*Farina, Gardner, Troiano, Ritchie, and Rojas v. MTA, TBTA, The Port Authority of New York* *and New Jersey, New York State Thruway Authority, Transworld Systems, Inc., AllianceOne Receivables Management, Inc., Linebarger Goggan Blair & Sampson, LLP and Conduent, Inc.*). The consolidated complaint included plaintiffs Farina, Gardner, and Troiano as well as two additional plaintiffs, whose claims also arise from the assessment of $50 and $100 violation fees.

On July 26, 2018, Judge Buchwald granted the defendants' request seeking leave to move to dismiss plaintiffs' consolidated amended class action complaint. On September 13, 2018, the court approved a stipulation between plaintiffs and Conduent, Inc. substituting Conduent, Inc. for the correct party, Conduent State & Local Solutions, Inc. On August 30, 2018, plaintiffs dismissed their claims against Transworld Systems, Inc., AllianceOne Receivables Management, Inc., and Linebarger Goggan Blair & Sampson, LLP, as well as certain causes of action against the remaining defendants. On September 14, 2018, MTA Bridges and Tunnels and MTA filed their motion to dismiss; in their October 22, 2018 opposition, plaintiffs voluntarily dismissed all claims against MTA. The remaining defendants also filed motions to dismiss and briefing on the motions was completed on November 16, 2018.

In early January 2019, the case was reassigned from Judge Buchwald to Judge P. Kevin Castel. Judge Castel issued an Opinion and Order in August 2019. In the Order, Judge Castel dismissed all claims against each defendant except for plaintiff Troiano's Eighth Amendment excessive fines claim and her unjust enrichment claim against MTA Bridges and Tunnels, noting that her allegations sufficed at the pleading stage to survive a motion to dismiss.

The Court held an initial pretrial conference in mid-September 2019, during which the Court bifurcated discovery (initially limited to merits issues relating to Troiano); the initial discovery period was to run through February 3, 2020, and a case management conference was scheduled for February 21, 2020. Following the initial pretrial conference, plaintiffs' counsel filed a motion for leave to file an amended complaint. The proposed amended complaint reintroduces Mirian Rojas and adds two new potential plaintiffs, Brian Owens and Korizan Reese. Each alleges Eighth Amendment and unjust enrichment claims against MTA Bridges and Tunnels. Rojas and Reese also allege Eighth Amendment claims against the PANYNJ. Counsel for the parties completed briefing on the motion for leave to file the amended complaint and await a decision.

Meanwhile, the parties have continued with discovery. On February 3, 2020, the Court entered a Stipulated Protective Order and Confidentiality Agreement, and on February 12, 2020 the Court entered a Revised Case Management Plan and Scheduling Order, extending the initial discovery period to March 20, 2020 for discovery and depositions; the period for expert discovery was set to run through May 8, 2020; and the Case Management Conference was postponed to April 13, 2020.

On March 9, 2020, the only remaining plaintiff, Troiano, filed a stipulation to dismiss her claims with prejudice. However, Judge Castel issued an Opinion and Order dated April 17, 2020 that granted plaintiff's motion to amend the complaint to reintroduce Rojas and add Owens and Reese as plaintiffs but it also brought The Port Authority of New York and New Jersey back into the case as a defendant. On April 21, 2020, plaintiffs' counsel filed the Amended Complaint, which both defendants answered on July 6, 2020.

On September 10, 2020, the parties jointly submitted a proposed schedule, which the Court adopted. The fact discovery period with respect to the named Plaintiffs ran through February 26, 2021, and the expert discovery period ran through April 12, 2021. The parties exchanged and responded to written discovery and sough additional discovery extensions. On March 19, 2021, the Court extended the fact discovery cutoff to May 3, 2021. MTA Bridges and Tunnels and the Port Authority deposed each of the three named plaintiffs in (Rojas, Reese, and Owens) as well as Rojas' husband. Plaintiffs deposed witnesses of the MTA Bridges and Tunnels and the Port Authority.

In accordance with Judge Castel's procedures, on May 17, 2021, MTA Bridges and Tunnels and the Port Authority filed letters asking the Court to allow each defendant to file Motions for Summary Judgment and Plaintiffs opposed. The Court held a Case Management Conference on May 26, 2021, during which Judge Castel allowed MTA Bridges and Tunnels and the Port Authority to proceed with the proposed motions. On June 30, 2021, MTA Bridges and Tunnels and the Port Authority each filed their own Motion for Summary Judgment to dismiss each Plaintiff's claims. Plaintiffs filed their Oppositions on July 30, 2021, and MTA Bridges and Tunnels and the Port Authority filed their reply briefs on August 20, 2021.

Conte, et al. v. MTA and TBTA – This putative collective action lawsuit was filed in the U.S. District Court for the Southern District of New York on March 23, 2021 and assigned to U.S. District Judge Valerie E. Caproni. Plaintiffs, Bridge and Tunnel Maintainers and Custodians, allege that they regularly perform pre-shift work without compensation; there is a time-shaving policy that automatically rounds officers' check-in times up to their scheduled tour; supplemental pay, including differentials and bonuses, are not included in the regular rate of pay when calculating overtime; that the payment of overtime is delayed; and that, for Maintainers, overtime is only paid for time in excess of 80 hours in a workweek, rather than 40. On May 28, 2021, MTA and MTA Bridges and Tunnels filed answers with appropriate affirmative defenses. The matter was mediated on October 21, 2021 before Carol Wittenberg and the parties were unable to reach a settlement. The parties are engaging in discovery. On December 8, 2021, Plaintiffs filed a motion for conditional certification of a collective action under the Fair Labor Standards Act (FLSA). MTA and MTA Bridges and Tunnels did not oppose the motion, but reserved the right to move to decertify the collective after the close of fact discovery. Notice will be issued to all putative members of the FLSA collective who have not yet joined, and they will be given an opportunity to join the collective action by filing an opt-in notice. Outside counsel is vigorously defending this matter.

Mercado, et al. v. MTA and TBTA – This putative collective action lawsuit was filed in the U.S. District Court for the Southern District of New York on August 17, 2020 and assigned to U.S. District Judge Analisa Torres. Thereafter, the parties engaged in motion practice related to conditional certification of a putative Fair Labor Standards Act (FLSA) collective and consolidation with a similar matter commenced by other Bridge and Tunnel officers, which extended the time for MTA Bridges and Tunnels and MTA to interpose answers to the complaint. Plaintiffs, Bridge and Tunnel Officers, allege that they regularly perform pre-shift and post-shift work without compensation; there is a time-shaving policy that automatically rounds officers' check-in times up to their scheduled tour; supplemental pay, including differentials and bonuses, are not included in the regular rate of pay when calculating overtime; and that the payment of overtime and other wages is delayed. On July 15, 2021, MTA and MTA Bridges and Tunnels filed answers with appropriate affirmative defenses. Outside counsel is vigorously defending this matter.

Actions for Personal Injuries/Property Damage. As of December 31, 2021, MTA Bridges and Tunnels had an active inventory of approximately 126 personal injury claims and lawsuits (including intentional torts such as false arrest) and approximately 42 property damage matters arising out of the operation and administration of the MTA Bridges and Tunnels facilities (including construction).

Workers' Compensation and No-Fault. As of December 31, 2021, MTA Bridges and Tunnels had an active inventory of approximately 458 Workers' Compensation cases and 0 no-fault cases.

Actions Relating to MTA Bridges and Tunnels' Capital Program. From time to time, MTA Bridges and Tunnels receives claims relating to various MTA Bridges and Tunnels' Capital Program projects. In general, the aggregate amount demanded by all such claimants, if recovered in full, could result in a material increase in the cost of the capital projects that are the subject of such disputes. The Capital Program contemplates the payment of such claims from project-specific and general program contingency funds, as well as other available moneys pledged for capital purposes.

MTA Bus

As of December 31, 2021, MTA Bus had an active inventory of approximately 1,232 personal injury claims and lawsuits, approximately 1,385 property damage matters, approximately 543 no-fault cases arising out of the operation and administration of the MTA Bus System, and approximately 1,651 Workers' Compensation cases.

Metropolitan Suburban Bus Company*

Matter of Adams v. MTA et al. This pending Article 75 petition by almost 200 former LI Bus employees who were members of TWU Local 252 seeks to compel arbitration pursuant to various "Section 13(c) agreements" attached to grants that were used for LI Bus. (See 49 U.S.C. §5333(b) ("Employee protective arrangements"), which provides that such agreements shall be entered into as a condition of certain federal financial assistance and shall provide, inter alia, "the protection of individual employees against a worsening of their positions related to employment"). The petition, which was filed in June 2013, names MTA, LI Bus, Nassau County and Veolia Transportation, which is now running bus service for Nassau County, as respondents and claims that the petitioners were either dismissed on the termination of the Lease and Operating Agreement between LI Bus and Nassau County or hired by Veolia at lower pay and therefore are entitled to arbitrate their claims and to Section 13(c) displacement benefits, which extend for six years from the time of displacement. MTA and LI Bus answered the petition, asserting various defenses. By decision filed October 27, 2014, the court granted petitioners' motion to compel final and binding arbitration before the American Arbitration Association. Respondents MTA and LI Bus appealed. By decision and order dated August 1, 2017, the Appellate Division, First Department upheld the lower court's decision. The case proceeded to arbitration and discovery closed on September 2020. MTA and LI Bus filed post-discovery dispositive motions and by a decision dated August 17, 2021, the arbitrator

* The MTA subsidiary, Metropolitan Suburban Bus Authority, discontinued its provision of transportation services at the end of 2011. Its activities are limited to the winding up of its affairs.

found in MTA and LI Bus's favor holding that liability should not extend to MTA and LI Bus under the "successor" or "acquisition" theories because MTA and LI Bus were not involved in the Veolia License Agreement and it ceased operations before that agreement. This case will no longer be reported.

Actions for Personal Injuries/Property Damage. As of December 31, 2021, MTA LI Bus had an active inventory of 15 personal injury claims and lawsuits and no property damage matters arising out of the operation and administration of MTA LI Bus.

Workers' Compensation and No-Fault. As of December 31, 2021, MTA LI Bus had approximately 34 Workers' Compensation cases and one open no-fault claim.

INDEX OF DEFINED TERMS

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