NEW ISSUE **BOOK-ENTRY-ONLY**

$325,585,000
METROPOLITAN TRANSPORTATION AUTHORITY
Transportation Revenue Green Bonds, Series 2017A
(Climate Bond Certified)

consisting of

$188,950,000
Transportation Revenue Green Bonds, Subseries 2017A-1
(Climate Bond Certified)

$136,635,000
Transportation Revenue Refunding Green Bonds, Subseries 2017A-2
(Climate Bond Certified)

DATED: Date of Delivery **DUE: November 15, as shown on the inside cover pages**

The Metropolitan Transportation Authority's (MTA) Transportation Revenue Green Bonds, Series 2017A (Climate Bond Certified) (the Series 2017A Bonds), consisting of the Transportation Revenue Green Bonds, Subseries 2017A-1 (the Subseries 2017A-1 Bonds) and the Transportation Revenue Refunding Green Bonds, Subseries 2017A-2 (the Subseries 2017A-2 Bonds) are being issued to retire the Taxable Transportation Revenue Anticipation Note, Series 2017 (Working Capital Revolving Credit Facility), and to refund certain outstanding Transportation Revenue Bonds.

The Series 2017A Bonds —

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

MTA has no taxing power.

In the opinion of Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C., Co-Bond Counsel to MTA, under existing law and relying on certain representations by MTA and assuming the compliance by MTA with certain covenants, interest on the Series 2017A Bonds is:

- *excluded from an Owner's federal gross income under Section 103 of the Internal Revenue Code of 1986, and*
- *not a specific preference item for an Owner in calculating the federal alternative minimum tax, but*
- *included in the adjusted current earnings of certain corporations in calculating the federal corporate alternative minimum tax.*

Also in Co-Bond Counsel's opinion, under existing law, interest on the Series 2017A Bonds is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See "TAX MATTERS" herein for a discussion of certain federal and State income tax matters.

The Series 2017A Bonds will bear interest at the rates shown on the inside cover pages hereof.

The Series 2017A Bonds are subject to redemption prior to maturity as described herein.

The Series 2017A Bonds are offered when, as, and if issued, subject to certain conditions, and are expected to be delivered through the facilities of The Depository Trust Company, on or about March 16, 2017.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of the Series 2017A Bonds. Investors are advised to read the entire official statement, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

Jefferies

Cabrera Capital Markets, LLC **Drexel Hamilton, LLC** **Stern Brothers & Co.**

BofA Merrill Lynch **Citigroup** **Goldman, Sachs & Co.**
J.P. Morgan **Ramirez & Co., Inc.** **Siebert Cisneros Shank & Co., L.L.C.**

Loop Capital Markets Morgan Stanley PNC Capital Markets LLC
RBC Capital Markets The Williams Capital Group, L.P.

Academy Securities Alamo Capital Barclays
Blaylock Beal Van, LLC BNY Mellon Capital Markets Fidelity Capital Markets
FTN Financial Capital Markets KeyBanc Capital Markets Inc. Raymond James
Rice Financial Products Company Stifel TD Securities

March 10, 2017

$325,585,000
Metropolitan Transportation Authority
Transportation Revenue Green Bonds, Series 2017A
(Climate Bond Certified)

consisting of

$188,950,000
Transportation Revenue Green Bonds, Subseries 2017A-1
(Climate Bond Certified)

$57,930,000 Serial Bonds

Maturity (November 15)	Principal Amount	Interest Rate	Yield	CUSIP Number* (59261A)
2017	$1,730,000	1.50%	0.80%	LD7
2018	1,750,000	5.00	1.01	LE5
2019	1,835,000	3.00	1.25	LF2
2020	1,890,000	4.00	1.48	LG0
2021	1,965,000	5.00	1.71	LH8
2022	2,065,000	5.00	1.96	LJ4
2023	2,170,000	5.00	2.24	LK1
2024	2,255,000	4.00	2.51	LL9
2025	2,365,000	5.00	2.71	LM7
2026	2,485,000	5.00	2.84	LN5
2027	2,610,000	5.00	2.96†	LP0
2028	2,740,000	5.00	3.08†	LQ8
2029	2,875,000	5.00	3.17†	LR6
2030	3,020,000	3.25	3.40	LS4
2031	3,120,000	5.00	3.30†	LT2
2032	3,275,000	5.00	3.38†	LU9
2033	3,440,000	3.50	3.64	LV7
2034	3,560,000	5.00	3.51†	LW5
2035	3,735,000	5.00	3.56†	LX3
2036	3,925,000	5.00	3.60†	LY1
2037	4,050,000	5.00	3.63†	LZ8
2047	1,070,000	5.00	3.71†	MA2

$131,020,000 Term Bonds

$28,660,000 4.00% Subseries 2017A-1 Term Bond due November 15, 2043, Price: 99.875%
CUSIP Number* 59261A MC8

$28,555,000 4.00% Subseries 2017A-1 Term Bond due November 15, 2048, Yield: 4.050%
CUSIP Number* 59261A MD6

$21,005,000 5.00% Subseries 2017A-1 Term Bond due November 15, 2051, Yield: 3.900%†
CUSIP Number* 59261A ME4

$52,800,000 5.25% Subseries 2017A-1 Term Bond due November 15, 2057, Yield: 3.940%†
CUSIP Number* 59261A MB0

The Subseries 2017A-1 Bonds are subject to optional and mandatory redemption as described under the caption "DESCRIPTION OF SERIES 2017A BONDS – Redemption Prior to Maturity" in **Part I**. The following summarizes the optional redemption provisions: The Subseries 2017A-1 Bonds maturing on and after November 15, 2027, are subject to redemption prior to maturity on any date on and after May 15, 2027, at the option of MTA, in whole or in part at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

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* CUSIP numbers have been assigned by an organization not affiliated with MTA and are included solely for the convenience of the holders of the Subseries 2017A-1 Bonds. MTA is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Subseries 2017A-1 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Subseries 2017A-1 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Subseries 2017A-1 Bonds.

† Priced at the stated yield to the May 15, 2027 optional redemption date at a redemption price of 100%.

$136,635,000
Transportation Revenue Refunding Green Bonds, Subseries 2017A-2
(Climate Bond Certified)
$136,635,000 Serial Bonds

Maturity (November 15)	Principal Amount	Interest Rate	Yield	CUSIP Number[*] (59261A)
2024	$10,875,000	5.00%	2.51%	MF1
2025	22,955,000	5.00	2.71	MG9
2026	24,105,000	5.00	2.84	MH7
2027	25,305,000	5.00	2.96[†]	MJ3
2028	24,940,000	5.00	3.08[†]	MK0
2029	13,880,000	5.00	3.17[†]	ML8
2030	14,575,000	5.00	3.23[†]	MM6

The Subseries 2017A-2 Bonds are subject to optional redemption as described under the caption "DESCRIPTION OF SERIES 2017A BONDS – Redemption Prior to Maturity" in **Part I**. The following summarizes the optional redemption provisions: The Subseries 2017A-2 Bonds maturing on and after November 15, 2027, are subject to redemption prior to maturity on any date on and after May 15, 2027, at the option of MTA, in whole or in part at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

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[*] CUSIP numbers have been assigned by an organization not affiliated with MTA and are included solely for the convenience of the holders of the Subseries 2017A-2 Bonds. MTA is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Subseries 2017A-2 Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Subseries 2017A-2 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Subseries 2017A-2 Bonds.

[†] Priced at the stated yield to the May 15, 2027 optional redemption date at a redemption price of 100%.

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

NIXON PEABODY LLP
New York, New York

D. SEATON AND ASSOCIATES, P.A., P.C.
New York, New York

Co-Bond Counsel

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

ROCKFLEET FINANCIAL SERVICES, INC.
New York, New York

Co-Financial Advisors

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

* On February 1, 2017, Fernando Ferrer, Acting Chairman and Chief Executive Officer of the MTA and its affiliates and subsidiaries, appointed Veronique Hakim as Interim Executive Director and delegated to her the powers and duties of chief executive officer.

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SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Series 2017A Bonds. The information in this official statement, including the materials filed with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA and to the Transportation Revenue Green Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Series 2017A Bonds being offered.

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.
Bonds Being Offered	Transportation Revenue Green Bonds, Series 2017A (Climate Bond Certified) (the Series 2017A Bonds), consisting of the Transportation Revenue Green Bonds, Subseries 2017A-1 (the Subseries 2017A-1 Bonds) and the Transportation Revenue Refunding Green Bonds, Subseries 2017A-2 (the Subseries 2017A-2 Bonds).
Purpose of Issue	The Subseries 2017A-1 Bonds are being issued to retire the Taxable Transportation Revenue Anticipation Note, Series 2017 (Working Capital Revolving Credit Facility), which was issued to evidence and secure a bank loan made pursuant to a revolving credit agreement with Royal Bank of Canada, drawn upon in order to retire the Transportation Revenue Bond Anticipation Notes, Subseries 2016A-2, which notes were issued by MTA to provide interim financing of transit and commuter projects. The Subseries 2017A-2 Bonds are being issued to refund certain outstanding indebtedness issued by MTA, further described in **Attachment 4** to this official statement. See "APPLICATION OF PROCEEDS" in **Part I**.
Maturities and Rates	The Series 2017A Bonds mature on the dates and bear interest at the rates shown on the inside cover pages.
Denominations	$5,000 and integral multiples of $5,000.
Interest Payment Dates	Interest on the Series 2017A Bonds shall be paid semiannually on May 15 and November 15, commencing May 15, 2017.
Redemption	See "DESCRIPTION OF SERIES 2017A BONDS – Redemption Prior to Maturity" in **Part I**.
Sources of Payment and Security	MTA's pledged transportation revenues from Transit and Commuter System operations and MTA Bus operations, MTA Bridges and Tunnels operating surplus, subsidies from State and local governmental entities and certain other sources, all as described in **Part II**.
Registration of the Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.
Trustee	The Bank of New York Mellon, New York, New York.
Co-Bond Counsel	Nixon Peabody LLP, New York, New York and D. Seaton and Associates, P.A., P.C., New York, New York.
Special Disclosure Counsel	Hawkins Delafield & Wood LLP, New York, New York.
Tax Status	See "TAX MATTERS" in **Part III**.
Ratings	<u>*Rating Agency*</u> — <u>*Rating*</u> Fitch: A KBRA: AA+ Moody's: A1 S&P: AA- See "RATINGS" in **Part III**.
Co-Financial Advisors	Public Resources Advisory Group, Inc., New York, New York, and Rockfleet Financial Services, Inc., New York, New York.
Underwriters	See cover page.
Underwriters' Discount	See "UNDERWRITING" in **Part III**.
Counsel to the Underwriters	Dentons US LLP, New York, New York.
Verification Agent	Samuel Klein and Company, Certified Public Accountants.

* ***No Unauthorized Offer.*** **This official statement is not an offer to sell, or the solicitation of an offer to buy, the Series 2017A Bonds in any jurisdiction where that would be unlawful. MTA has not authorized any dealer, salesperson or any other person to give any information or make any representation in connection with the offering of the Series 2017A Bonds, except as set forth in this official statement. No other information or representations should be relied upon.**

* ***No Contract or Investment Advice.*** **This official statement is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this official statement and the Series 2017A Bonds being offered, and anything else related to this bond issue.**

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

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

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

* ***Independent Auditor.*** **Deloitte & Touche LLP, MTA's independent auditor, has not reviewed, commented on or approved, and is not associated with, this official statement. The audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2015 and 2014, which is a matter of public record, is included by specific cross-reference in this official statement. Deloitte & Touche LLP has performed a review of the consolidated interim financial information of MTA for the nine-month period ended September 30, 2016. As indicated in such review report which accompanies MTA's consolidated interim financial information, because Deloitte & Touche LLP did not perform an audit, Deloitte & Touche LLP expressed no opinion on that information. The consolidated interim financial information of MTA for the nine-month period ended September 30, 2016 (except for the auditor's review report accompanying the consolidated interim financial information as described above) which has been included on MTA's website is included in this**

official statement by specific cross-reference. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in this official statement, since the date of such review report and has not been asked to consent to the inclusion, or incorporation by reference, of either its audit or review report in this official statement.

- ***Climate Bonds Initiative*. The Climate Bonds Initiative has provided the following paragraphs for inclusion in this official statement: The certification of the Series 2017A Bonds as Climate Bonds by the Climate Bonds Initiative is based solely on the Climate Bonds Standard 2.0 and does not, and is not intended to, make any representation or give any assurance with respect to any other matter relating to the Series 2017A Bonds or any projects financed by the Series 2017A Bonds, including but not limited to this official statement or MTA.**

  The certification of the Series 2017A Bonds as Climate Bonds by the Climate Bonds Initiative is not a recommendation to any person to purchase, hold or sell the Series 2017A Bonds and such certification does not address the market price or suitability of the Series 2017A Bonds for a particular investor. The certification also does not address the merits of the decision by MTA or any third party to participate in this transaction and does not express, and should not be deemed to be an expression of, an opinion as to MTA or any aspect of any projects financed by the Series 2017A Bonds (including but not limited to the financial viability of any projects financed by the Series 2017A Bonds) other than with respect to compliance with the Climate Bonds Standard.

  In issuing or monitoring, as applicable, the certification, the Climate Bonds Initiative has assumed and relied upon and will assume and rely upon the accuracy and completeness in all material respects of the information supplied or otherwise made available to the Climate Bonds Initiative. The Climate Bonds Initiative does not assume or accept any responsibility to any person for independently verifying (and it has not verified) such information or to undertake (and it has not undertaken) any independent evaluation of any projects financed by the Series 2017A Bonds or of MTA. In addition, the Climate Bonds Initiative does not assume any obligation to conduct (and it has not conducted) any physical inspection of any projects financed by the Series 2017A Bonds. The certification may only be used in connection with the Series 2017A Bonds, including as provided in this official statement, and may not be used for any other purpose without the Climate Bonds Initiative's prior written consent.

  The certification does not and is not in any way intended to address the likelihood of timely payment of interest or principal when due on the Series 2017A Bonds. In the event MTA does not comply with Climate Bonds Initiative's required procedures for Climate Bonds, Climate Bonds Initiative, in its sole and absolute discretion, may withdraw its Climate Bond certification of the Series 2017A Bonds at any time, and there can be no assurance that such certification may not be withdrawn.

- ***No Guarantee of Information by Underwriters*. The Underwriters have provided the following sentences for inclusion in this official statement: The Underwriters have reviewed the information in this official statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information. The Underwriters do not make any representation or warranty, express or implied, as to**
  - **the accuracy or completeness of information they have neither supplied nor verified,**
  - **the validity of the Series 2017A Bonds, or**
  - **the tax-exempt status of the interest on the Series 2017A Bonds.**

- ***Overallotment and Stabilization*. The Underwriters may overallot or effect transactions that stabilize or maintain the market price of the Series 2017A Bonds at a level above that which might otherwise prevail in the open market. The Underwriters are not obligated to do this and are free to discontinue it at any time.**

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

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Information Included by Specific Cross-reference. The following portions of MTA's 2016 Combined Continuing Disclosure Filings, dated April 29, 2016, as supplemented on May 10, 2016, updated by a first quarter Annual Disclosure Statement Update, dated August 17, 2016, supplemented on October 11, 2016, updated by a second quarter Annual Disclosure Statement Update, dated December 21, 2016, supplemented on January 31, 2017, and updated by a third quarter Annual Disclosure Statement Update, dated March 2, 2017, each filed with the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this official statement, along with material that updates this official statement and that is either filed with EMMA or, in the case of official statements or remarketing circulars, filed with the MSRB prior to the delivery date of the Series 2017A Bonds, together with any supplements or amendments thereto:

- **Part I** – MTA Annual Disclosure Statement (the **MTA Annual Disclosure Statement** or **ADS**, and formerly Appendix A – The Related Entities)
- **Appendix B** – Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2015 and 2014

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

- Summary of Certain Provisions of the Transportation Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- Form of the Interagency Agreement
- MTA's Unaudited Consolidated Interim Financial Statements as of and for the Nine-Month Period Ended September 30, 2016 (except that the auditor's review report accompanying the interim financial information does not express an opinion on the interim financial information because no audit was performed in connection therewith and, consequently, the auditor's review report is not considered a part of this official statement)

For convenience, copies of most of these documents can be found on the MTA website (www.mta.info) under the caption "MTA Info–Financial Information–Budget and Financial Statements" in the case of the Audited Consolidated Financial Statements of Metropolitan Transportation Authority for the Years Ended December 31, 2015 and 2014, MTA's Unaudited Consolidated Interim Financial Statements as of and for the Nine-Month Period Ended September 30, 2016, and "MTA Info–Financial Information–Investor Information" in the case of the remaining documents. No statement on MTA's website is included by specific cross-reference herein. See "FURTHER INFORMATION" in **Part III**. Definitions of certain terms used in the summaries may differ from terms used in this official statement, such as the use herein of the popular names of the MTA affiliates and subsidiaries.

The consolidated financial statements of MTA for the years ended December 31, 2015 and 2014, incorporated by specific cross-reference in this official statement, have been audited by Deloitte & Touche LLP, independent certified public accountants, as stated in their audit report appearing therein. Deloitte & Touche LLP, has not reviewed, commented on or approved, and is not associated with, this official statement. The audit report of Deloitte & Touche LLP relating to MTA's consolidated financial statements for the years ended December 31, 2015 and 2014, which is a matter of public record, is included in such consolidated financial statements. The consolidated interim financial information of MTA for the nine-month period ended September 30, 2016 (except for the auditor's review report accompanying the consolidated interim financial information as described above) has also been incorporated by specific cross-reference in this official statement. Deloitte & Touche LLP has not performed any procedures on any financial statements or other financial information of MTA, including without limitation any of the information contained in, or incorporated by specific cross-reference in, this official statement, since the date of such review report and has not been asked to consent to the inclusion, or incorporation by reference, of its report on the audited financial statements or its review report, as the case may be, in this official statement.

INTRODUCTION

MTA, MTA Bridges and Tunnels and Other Related Entities

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

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

Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels), another affiliate of MTA, is a public benefit corporation empowered to construct and operate toll bridges and tunnels and other public facilities in the City. MTA Bridges and Tunnels issues debt obligations to finance the capital costs of its facilities and the Transit and Commuter Systems. MTA Bridges and Tunnels' surplus amounts are used to fund certain transit and commuter operations and capital projects.

The board members of MTA serve as the board members of MTA's affiliates and subsidiaries, which, together with MTA, are referred to herein as the Related Entities. MTA and the other Related Entities are described in detail in **Part I** – MTA Annual Disclosure Statement to MTA's 2016 Combined Continuing Disclosure Filings (the **MTA Annual Disclosure Statement** or **ADS**), which is included by specific cross-reference in this official statement.

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

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

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

Information Provided in the MTA Annual Disclosure Statement

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

Where to Find Information

Information in this Official Statement. This official statement is organized as follows:

- This ***Introduction*** provides a general description of MTA, MTA Bridges and Tunnels and the other Related Entities.
- ***Part I*** provides specific information about the Series 2017A Bonds.
- ***Part II*** describes the sources of payment and security for all Transportation Revenue Bonds, including the Series 2017A Bonds.
- ***Part III*** provides miscellaneous information relating to the Series 2017A Bonds.
- ***Attachment 1*** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Series 2017A Bonds.
- ***Attachment 2*** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Series 2017A Bonds.
- ***Attachment 3*** is the form of opinions of Co-Bond Counsel in connection with the issuance of the Series 2017A Bonds.
- ***Attachment 4*** sets forth a list of the bonds of MTA to be refunded.
- ***Attachment 5*** is the third quarter Annual Disclosure Statement Update, dated March 2, 2017.
- ***Information Included by Specific Cross-reference*** in this official statement and identified under the caption "Information Included by Specific Cross-reference" following the Table of Contents may be obtained, as described below, from the MSRB and from MTA.

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

Information Included by Specific Cross-reference. The information listed under the caption "Information Included by Specific Cross-reference" following the Table of Contents, as filed with the MSRB through EMMA to date, is "included by specific cross-reference" in this official statement. This means that important information is disclosed by referring to those documents and that the specified portions of those documents are considered to be part of this official statement. **This official statement, which includes the specified portions of those filings, should be read in its entirety in order to obtain essential information for making an informed decision in connection with the Series 2017A Bonds.**

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

Transportation Revenue Debt Issuance

In addition to the issuance of the Series 2017A Bonds, MTA expects to remarket $100,000,000 Transportation Revenue Variable Rate Refunding Bonds, Subseries 2002D-2a (LIBOR Floating Rate Tender Notes) on or about April 6, 2017.

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PART I. SERIES 2017A BONDS

Part I of this official statement, together with the Summary of Terms, provides specific information about the Series 2017A Bonds.

APPLICATION OF PROCEEDS AND PLAN OF REFUNDING

MTA anticipates that the net proceeds of the Subseries 2017A-1 Bonds (the principal amount thereof, plus a net original issue premium of $13,968,747.60, and less certain financing, legal and miscellaneous expenses of $2,918,742.60) in the total amount of $200,000,005.00, will be used, on March 31, 2017, to retire the outstanding Taxable Transportation Revenue Anticipation Note, Series 2017 (Working Capital Revolving Credit Facility), which was issued to evidence and secure a bank loan made pursuant to a Revolving Credit Agreement (the RBC Agreement) between MTA and Royal Bank of Canada, dated as of January 1, 2014. On January 31, 2017, MTA made a $200 million draw on the RBC Agreement in order to retire the Transportation Revenue Bond Anticipation Notes, Subseries 2016A-2 upon their maturity on February 1, 2017, which notes were issued by MTA to provide interim financing of transit and commuter projects.

MTA anticipates that the net proceeds of the Subseries 2017A-2 Bonds (the principal amount thereof, plus an original issue premium of $23,346,092.60, and less certain financing, legal and miscellaneous expenses of $963,113.41) in the total amount of $159,017,979.19, together with certain other funds of MTA in the amount of $2,541,672.22, will be used to refund certain outstanding obligations of MTA (the Refunded Bonds) in the aggregate principal amount of $151,240,000.00, as further described in **Attachment 4** to this official statement.

MTA anticipates that a portion of the net proceeds of the Subseries 2017A-2 Bonds, together with other funds, will be used to acquire direct obligations of, or obligations guaranteed by, the United States of America (the Government Obligations), the principal of and interest on which, when due, will provide, together with any moneys that may be deposited by MTA with The Bank of New York Mellon, acting as the Trustee, moneys sufficient to pay the redemption price of such Refunded Bonds, and the interest to become due on such Refunded Bonds, on and prior to their redemption date. The Government Obligations and such other moneys, if any, will be deposited with the Trustee upon the issuance and delivery of the Subseries 2017A-2 Bonds and will be held in trust for the payment of the redemption price of and interest on such Refunded Bonds. Upon making such deposit with the Trustee and the issuance of certain irrevocable instructions to the Trustee pursuant to the Transportation Resolution, the Refunded Bonds will be deemed to have been paid and will no longer be outstanding under the Transportation Resolution.

Climate Bond Certified

The information set forth under this caption "Climate Bond Certified" concerning (1) the Climate Bonds Initiative (the Climate Bonds Initiative) and the process for obtaining Climate Bond Certification (the Climate Bond Certification), and (2) Sustainalytics (Sustainalytics) in its role as a verifier with respect to the Climate Bond Certification, all as more fully described below, has been extracted from materials provided by the Climate Bonds Initiative and Sustainalytics, respectively, for such purposes, and none of such information is guaranteed as to accuracy or completeness or is to be construed as a representation by MTA or the Underwriters. Additional information relating to the Climate Bonds Initiative, the Climate Bonds Standard, the Certification Process and the process for obtaining Climate Bond Certification can be found at www.climatebonds.net. This website is included for reference only and the information contained therein is not incorporated by reference in this official statement.

The terms "Climate Bond Certified" and "green bonds" are neither defined in, nor related to the Transportation Resolution, and their use herein is for identification purposes only and is not intended to provide or imply that a holder of the Series 2017A Bonds is entitled to any additional security other than as provided in the Transportation Resolution. MTA has no continuing legal obligation to maintain the Climate Bond Certification of the Series 2017A Bonds.

Introduction. MTA has requested, and the Climate Bonds Standard Board has approved, the Series 2017A Bonds as "Climate Bond Certified", based on the Climate Bonds Standard Verification Letter provided by Sustainalytics. Sustainalytics' factual findings assessed that $11.3 billion, which has been expended as of the date of the verification on eligible projects included in MTA's 2010-2014 transit and commuter capital program, conform to the Climate Bonds - Low Carbon Transport Standard. MTA expects to issue additional green bonds from time to time for approved transit and commuter capital program projects reviewed and approved by the Climate Bonds Standard Board.

The Climate Bonds Initiative and Climate Bond Certification. MTA has applied to the Climate Bonds Initiative under the Climate Bonds Standard & Certification Scheme (the Certification Process), for designation of the Series 2017A Bonds as "Climate Bond Certified." The Certification Process is a voluntary verification initiative which allows MTA to demonstrate to the investor market, the users of the MTA's transit and commuter systems and other stakeholders that the Series 2017A Bonds meet international standards for climate integrity, management of proceeds and transparency. The Certification Process provides a scientific framework for determining which projects and assets are consistent with a low carbon and climate resilient economy and, therefore, eligible for inclusion in a Certified Climate Bond. The requirements of the Certification Process relating to the Series 2017A Bonds are separated into pre-issuance and post-issuance requirements.

The pre-issuance requirements are designed to ensure that MTA has established appropriate internal processes and controls prior to issuance of the Series 2017A Bonds, and that these internal processes and controls are sufficient to enable conformance with the Certification Process after the Series 2017A Bonds have been issued and bond proceeds are being expended.

The post-issuance requirements require annual certification of compliance.

DESCRIPTION OF SERIES 2017A BONDS

General

Record Date. The Record Date for the payment of principal of, interest on and Sinking Fund Installments with respect to the Series 2017A Bonds shall be the May 1 or November 1 immediately preceding such payment date.

Book-Entry-Only System. The Series 2017A Bonds will be registered in the name of The Depository Trust Company, New York, New York, or its nominee (together, DTC) which will act as securities depository for the Series 2017A Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of $5,000 or integral multiples thereof. So long as DTC is the registered owner of the Series 2017A Bonds, all payments on the Series 2017A Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – "Book-Entry-Only System."

Interest Payments. The Series 2017A Bonds will bear interest at the rates and mature in the amounts and on the dates shown on the inside cover pages of this official statement. Interest will be paid semiannually on each May 15 and November 15, beginning May 15, 2017, calculated based on a 360-day year comprised of twelve 30-day months.

Transfers and Exchanges. So long as DTC is the securities depository for the Series 2017A Bonds, it will be the sole registered owner of the Series 2017A Bonds, and transfers of ownership interests in the Series 2017A Bonds will occur through the DTC Book-Entry-Only System.

Trustee and Paying Agent. The Bank of New York Mellon, New York, New York, is Trustee and Paying Agent with respect to the Series 2017A Bonds.

Redemption Prior to Maturity

Mandatory Sinking Fund Redemption. The Subseries 2017A-1 term bonds shown below are subject to mandatory sinking fund redemption, in part (in accordance with procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper), on any November 15 on and after the first sinking fund installment date shown below at the principal amount thereof plus accrued interest up to but not including the date of redemption thereof, from mandatory Sinking Fund Installments that are required to be made in amounts sufficient to redeem on November 15 of each year the principal amount of such Subseries 2017A-1 Bonds shown below:

Subseries 2017A-1 2043 4.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2038	$4,320,000
	2039	4,495,000
	2040	4,675,000
	2041	4,860,000
	2042	5,055,000
final maturity	2043	5,255,000
average life – 24.278 years		

Subseries 2017A-1 2048 4.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2044	$5,470,000
	2045	5,685,000
	2046	5,915,000
	2047	5,080,000
final maturity	2048	6,405,000
average life – 29.708 years		

Subseries 2017A-1 2051 5.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2049	$6,665,000
	2050	6,995,000
final maturity	2051	7,345,000
average life – 33.696 years		

Subseries 2017A-1 2057 5.25% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2052	$7,715,000
	2053	8,120,000
	2054	8,545,000
	2055	8,995,000
	2056	9,465,000
final maturity	2057	9,960,000
average life – 38.313 years		

Credit Toward Mandatory Sinking Fund Redemption. MTA may take credit toward mandatory Sinking Fund Installment requirements as follows, and, if taken, thereafter reduce the amount of term Subseries 2017A-1 Bonds otherwise subject to mandatory Sinking Fund Installments on the date for which credit is taken:

- If MTA directs the Trustee to purchase term Subseries 2017A-1 Bonds with money in the Debt Service Fund (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of bonds purchased will be made against the next Sinking Fund Installment due.
- If MTA purchases or redeems term Subseries 2017A-1 Bonds with other available moneys, then the principal amount of those bonds will be credited against future Sinking Fund Installment requirements in any order, and in any annual amount, that MTA may direct.

Optional Redemption. The Series 2017A Bonds maturing on and after November 15, 2027, are subject to redemption prior to maturity on any date on and after May 15, 2027, at the option of MTA, in whole or in part (in accordance with procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper) at 100% of the principal amount thereof, together with accrued interest thereon up to but not including the redemption date.

State and City Redemption. Pursuant to the MTA Act, the State, upon providing sufficient funds, may require MTA to redeem the Series 2017A Bonds prior to maturity, as a whole, on any interest payment date not less than twenty years after the date of issue of the Series 2017A Bonds, at 105% of their face value and accrued interest or at such lower redemption price provided for the Series 2017A Bonds in the case of redemption as a whole on the redemption date. The MTA Act further provides that the City, upon furnishing sufficient funds, may require MTA to redeem the Series 2017A Bonds, as a whole, but only in accordance with the terms upon which the Series 2017A Bonds are otherwise redeemable.

Redemption Notices. So long as DTC is the securities depository for the Series 2017A Bonds, the Trustee must mail redemption notices to DTC at least 20 days before the redemption date. If the Series 2017A Bonds are not held in book-entry-only form, then the Trustee must mail redemption notices directly to Owners within the same time frame. A redemption of the Series 2017A Bonds is valid and effective even if DTC's procedures for notice should fail. Beneficial owners should consider arranging to receive redemption notices or other communications to DTC affecting them, including notice of interest payments through DTC participants. Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. **Please note that all redemptions are final – even if beneficial owners did not receive their notice and even if that notice had a defect.**

Redemption Process. If the Trustee gives an unconditional notice of redemption, then on the redemption date the Series 2017A Bonds called for redemption will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the affected Series

2017A Bonds, and any other conditions included in such notice have been satisfied, then on the redemption date the Series 2017A Bonds called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Series 2017A Bonds, and an Owner's only right will be to receive payment of the redemption price upon surrender of those Series 2017A Bonds.

DEBT SERVICE ON THE BONDS

Table 1 on the next page sets forth, on a cash basis (i) the debt service on the outstanding Transportation Revenue Bonds, (ii) debt service on the Series 2017A Bonds, and (iii) the aggregate debt service on all Transportation Revenue Bonds to be outstanding after the issuance of the Series 2017A Bonds.

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

Year Ending December 31	Debt Service on Outstanding Bonds[(2)(3)(4)(5)(6)]	Series 2017A Bonds Principal	Interest	Total	Aggregate Debt Service[(7)]
2017	$ 1,550,937	$ 1,730	$ 10,354	$ 12,084	$ 1,563,021
2018	1,607,451	1,750	15,570	17,320	1,624,771
2019	1,597,776	1,835	15,483	17,318	1,615,093
2020	1,583,208	1,890	15,427	17,317	1,600,525
2021	1,584,807	1,965	15,352	17,317	1,602,124
2022	1,575,157	2,065	15,254	17,319	1,592,475
2023	1,592,526	2,170	15,150	17,320	1,609,846
2024	1,571,890	13,130	15,042	28,172	1,600,062
2025	1,536,182	25,320	14,408	39,728	1,575,910
2026	1,568,773	26,590	13,142	39,732	1,608,505
2027	1,562,100	27,915	11,812	39,727	1,601,828
2028	1,556,694	27,680	10,417	38,097	1,594,790
2029	1,576,926	16,755	9,033	25,788	1,602,714
2030	1,562,602	17,595	8,195	25,790	1,588,392
2031	1,598,616	3,120	7,368	10,488	1,609,104
2032	1,570,682	3,275	7,212	10,487	1,581,169
2033	1,242,132	3,440	7,048	10,488	1,252,620
2034	1,238,820	3,560	6,928	10,488	1,249,308
2035	1,239,625	3,735	6,750	10,485	1,250,110
2036	1,050,961	3,925	6,563	10,488	1,061,449
2037	1,027,055	4,050	6,367	10,417	1,037,471
2038	954,732	4,320	6,164	10,484	965,216
2039	891,093	4,495	5,992	10,487	901,580
2040	790,043	4,675	5,812	10,487	800,530
2041	623,046	4,860	5,625	10,485	633,531
2042	570,323	5,055	5,430	10,485	580,808
2043	428,506	5,255	5,228	10,483	438,990
2044	279,967	5,470	5,018	10,488	290,455
2045	178,348	5,685	4,799	10,484	188,832
2046	121,789	5,915	4,572	10,487	132,276
2047	107,341	6,150	4,335	10,485	117,826
2048	98,333	6,405	4,078	10,483	108,817
2049	98,330	6,665	3,822	10,487	108,817
2050	98,330	6,995	3,489	10,484	108,814
2051	68,913	7,345	3,139	10,484	79,397
2052	68,907	7,715	2,772	10,487	79,394
2053	68,911	8,120	2,367	10,487	79,398
2054	68,909	8,545	1,941	10,486	79,395
2055	68,908	8,995	1,492	10,487	79,395
2056	53,199	9,465	1,020	10,485	63,684
2057	-	9,960	523	10,483	10,483
Total	$36,632,846	$325,585	$310,492	$636,077	$37,268,923

(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.

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

(4) Includes debt service on a $146.5 million draw dated September 20, 2016 on the $967.1 million Railroad Rehabilitation and Improvement Financing Program loan (the RRIF Loan). MTA delivered its Transportation Revenue Bonds, Series 2015X to evidence its obligation to repay the RRIF Loan. The undrawn balance of the RRIF Loan is $820.6 million.

(5) 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.

(6) Excludes debt service on Refunded Bonds.

(7) Figures reflect amounts outstanding as of the date of delivery of the Series 2017A Bonds.

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this official statement describes the sources of payment and security for all Transportation Revenue Bonds, including the Series 2017A Bonds.

SOURCES OF PAYMENT

Pledged Transportation Revenues

Under State law, the Transportation Revenue Bonds are MTA's special obligations, which means that they are payable solely from the money pledged for payment under the "General Resolution Authorizing Transportation Revenue Obligations," adopted March 26, 2002 (referred to herein as the Transportation Resolution). They are not MTA's general obligations. Summaries of certain provisions of the Transportation Resolution and the form of the Interagency Agreement have been filed with the MSRB through EMMA as described under "INTRODUCTION – Where to Find Information."

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

Table 2 sets forth the following for the five years ended December 31, 2015:

- by general category, the amount of pledged revenues (calculated in accordance with the Transportation Resolution). A general description of the pledged revenues in the general categories referenced in **Table 2** follows the table, and a more detailed description is set forth in Part 2 of the **ADS** under the caption "REVENUES OF THE RELATED ENTITIES," and
- the amount of transit, commuter and MTA Bus operating expenses.

Table 2 is a summary of historical revenues of MTA and its subsidiaries, MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA on a cash basis. This information in **Table 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 the notes thereto.

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

	Years Ended December 31,				
	2011	**2012**	**2013**	**2014**	**2015**
Revenues from Systems Operations					
Fares from Transit System	$ 3,642	$ 3,706	$ 4,060	$ 4,195	$ 4,396
Fares from Commuter System	1,138	1,169	1,252	1,308	1,373
Fares from MTA Bus	199	202	219	225	223
Other Income[(1)]	139	197	230	270	248
Subtotal – Operating Revenues	**5,118**	**5,274**	**5,762**	**5,999**	**6,240**
Revenues from MTA Bridges and Tunnels Surplus	**510**	**509**	**606**	**623**	**740**
Revenues from Governmental Sources					
State and Local General Operating Subsidies	**411**	**375**	**376**	**376**	**370**
Special Tax-Supported Operating Subsidies					
DTF Excess[(2)]	271	241	226	279	277
MMTOA Receipts	1,262	1,343	1,514	1,564	1,564
Urban Tax	353	408	595	806	941
Excess Mortgage Recording Taxes	25	25	25	25	25
MTA Aid Trust Account Receipts[(3)]	303	306	303	313	285
Payroll Mobility Tax Receipts[(3)]	1,415	1,531	1,522	1,572	1,626
Subtotal Special Tax-Supported Operating Subsidies	**3,629**	**3,853**	**4,185**	**4,559**	**4,718**
Station Maintenance and Service Reimbursements	**426**	**460**	**505**	**524**	**599**
City Subsidy for MTA Bus	**292**	**290**	**308**	**461**	**439**
Revenues from Investment of Capital Program Funds[(4)]	**3**	**11**	**7**	**7**	**8**
Subtotal – Non-Operating Revenues[(5)]	**5,271**	**5,499**	**5,987**	**6,550**	**6,874**
Total Transportation Resolution Pledged Revenues	**$10,389**	**$10,773**	**$11,748**	**$12,549**	**$13,114**
Debt Service[(6)]	**925**	**1,093**	**1,257**	**1,332**	**1,399**
Transit Operating Expenses	6,230	6,932	6,946	7,414	7,271
Commuter Operating Expenses	2,115	2,197	2,425	2,883	2,621
MTA Bus Operating Expenses[(7)]	469	568	557	654	628
Total Operating Expenses	**$ 8,814**	**$ 9,697**	**$ 9,928**	**$10,950**	**$10,520**
Total Operating Expenses and Debt Service	**$ 9,739**	**$10,790**	**$11,185**	**$12,282**	**$11,919**

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

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

(3) 2012, 2013, 2014 and 2015 Payroll Mobility Tax Receipts include PMT Revenue Offsets of $211 million, $307 million, $309 million and $309 million, respectively.

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

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

(6) Debt Service was reduced by approximately $56 million in 2011, $59 million in 2012, and $54 million in each of 2013, 2014 and 2015 to reflect Build America Bonds interest credit payments relating to certain outstanding bonds. Such payments do not constitute Pledged Revenues under the Transportation Resolution. 2013 Debt Service reflects a cash defeasance of $57.9 million done in December of 2013.

(7) 2012 MTA Bus Operating Expenses have been restated higher by $85 million.

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

- Decrease in Other Income in 2015 by $22 million derived from a decrease of $34 million from MTA New York City Transit mainly due to a deferred paratransit reimbursement and school subsidy, offset by an increase of $12 million from the Commuter System.
- 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. MTA has not borrowed for working capital since 2010. MMTOA Receipts increased in each year during the 2011-2014 period due to a more stable economy in accordance with the State's appropriation. In 2015, MMTOA Receipts remained at the same level as in 2014.
- "Urban Tax" collection reflects the activity level of certain commercial real estate transactions in the City. For the past four years, Urban Tax revenues increased due to improvements in commercial real estate transactions in the City.
- Mortgage Recording Taxes (MRT) consist of two separate taxes: MRT-1, which is imposed on borrowers of recorded mortgages of real property; and MRT-2, 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. MRT are used for Transit and Commuter Systems purposes after the payment of MTA Headquarters' expenses and MTA Bus debt service (beginning in 2009). Since 2009, due to declining mortgage recording tax receipts and increasing MTA Headquarters expenses, there have been no Excess Mortgage Recording Tax transfers to the Transit and Commuter Systems after payment of MTA Bus debt service of $25 million annually.
- DTF Excess decreased in 2012 and 2013 due to lower MTTF Receipts and higher DTF debt service expenses. In 2014, there was an increase in DTF Excess due to higher MTTF Receipts, and 2015 remained at the same levels as the previous year.
- Revenues from Investment of Capital Program Funds – substantially all of the investment income is generated from bond proceeds, such as funds held in anticipation of expenditure on project costs.
- The increase in Transit Operating Expenses in 2012 was largely due to increases in pension costs from NYCERS and Superstorm Sandy related expenses. In 2013, Transit Operating Expenses were nearly flat with an increase of only 0.2%.
- In 2014, increases in Total Operating Expenses resulted predominantly from union contracts settlements. The Total Operating Expenses in 2015 were higher than 2013 as a result of higher wages from union contract settlements, but lower than 2014, which included retroactive payments.

Table 3 sets forth the Summary of 2016 Final Estimate and 2017 Adopted Budget based on the February Plan prepared by MTA management. The information set forth in **Table 3** is comparable to that set forth in **Table 2** with respect to the years 2011-2015.

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Table 3

Summary of 2016 Final Estimate and 2017 Adopted Budget Pledged Revenues (Calculated in Accordance with the Transportation Resolution) and Expenses on a Cash Basis (in millions)

	2016 Final Estimate	2017 Adopted Budget
Revenues from Systems Operations		
Fares from Transit System	$4,412	$4,570
Fares from Commuter System	1,424	1,485
Fares from MTA Bus	214	220
Other Income[(1)]	341	423
Subtotal – Operating Revenues	**$6,392**	**$6,697**
Revenues from MTA Bridges and Tunnels Surplus[(2)]	**$732**	**$709**
Revenues from State and Local Governmental Sources		
State and Local General Operating Subsidies	**376**	**376**
Special Tax-Supported Operating Subsidies		
DTF Excess[(3)]	219	190
MMTOA Receipts	1,668	1,668
Urban Tax	838	784
Excess Mortgage Recording Taxes	25	25
Aid Trust Account Receipts[(4)]	297	305
Payroll Mobility Tax Receipts[(4)(5)]	1,690	1,669
Subtotal Special Tax-Supported Operating Subsidies	**$4,738**	**$4,642**
Station Maintenance and Service Reimbursements	**567**	**510**
City Subsidy for MTA Bus	**413**	**526**
Revenues from Investment of Capital Program Funds	**1**	**1**
Subtotal – Non-Operating Revenues	**$6,827**	**$6,764**
Total Transportation Resolution Pledged Revenues	**$13,219**	**$13,462**
Budgeted Debt Service[(6) (7)]	**$1,428**	**$1,536**
Transit Operating Expenses[(7)]	$7,536	$7,659
Commuter Operating Expenses[(7)]	2,743	2,920
Headquarters Excess Expenses[(8)]	170	460
MTA Bus Operating Expenses	691	700
Total Operating Expenses	**$11,140**	**$11,739**
Total Operating Expenses and Debt Service	**$12,567**	**$13,275**

(1) Other income in the case of the Transit System includes advertising revenue, interest income on certain operating funds, station concessions, Transit Adjudication Bureau collections, rental income and miscellaneous. Other income in the case of the Commuter System includes advertising revenues, interest income on certain operating funds, concession revenues (excluding Grand Central Terminal and Pennsylvania Station concessions), rental income and miscellaneous. Includes MTA Bus Other Income. Included in 2017 is the transit and commuter portion of the $99.9 million of Sandy Insurance Reimbursement for Business Interruption, which is reflected below the line in the February Plan.

(2) In 2017, included in Revenues from MTA Bridges and Tunnels Surplus is the portion of the $99.9 million of Sandy Insurance Reimbursement for Business Interruption, which is reflected below the line in the February Plan.

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

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

(5) See also "PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – SOURCES OF PAYMENT – Description of Pledged Revenues –Additional Taxes and Fees" for a discussion of certain recent legislative changes affecting future Payroll Mobility Tax Receipts. Payroll Mobility Tax Receipts include PMT Revenue Offset of $311.3 million in 2016 and $244.3 million in 2017.

(6) Net of annual Build America Bond interest credit payments on previously issued bonds of approximately $54.6 million in each of 2016 and 2017. Such payments do not constitute pledged revenues under the Transportation Resolution.

(7) Included in 2017 are certain reductions or re-estimates of expenses captured below the line in the February Plan.

(8) Calculated by subtracting MRT-1 and MRT-2 Revenues from Headquarters Expenses. Reflects consolidation at Headquarters of certain administrative functions previously carried as operating expenses of the agencies.

Description of Pledged Revenues

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

Revenues from Systems Operations.

- ***Fares from the Transit and Commuter Systems.*** On January 25, 2017, the MTA Board approved transit and commuter fare increases that are expected to go into effect on March 19, 2017.

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

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

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

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

On January 25, 2017, the MTA Bridges and Tunnels Board approved toll increases that are expected to go into effect on March 19, 2017, as follows:

- ***Cash/Tolls by Mail for Passenger Vehicles.*** Toll rates for fare media other than New York Customer Service Center (NYCSC) E-ZPass (which includes cash, Tolls by Mail and non-NYCSC E-ZPass) were increased by \$0.50 at the Robert F. Kennedy, Bronx-Whitestone and Throgs Neck Bridges and Queens Midtown and Hugh L. Carey Tunnels (the major facilities) to \$8.50, by \$1.00 at the Verrazano-Narrows Bridge (the VNB) (where tolls are collected in the westbound direction only) to \$17.00, by \$0.50 at the Henry Hudson Bridge to \$6.00, and by \$0.25 at the Marine Parkway-Gil Hodges and Cross Bay Veterans Memorial Bridges (the Rockaway Bridges) to \$4.25. Commercial vehicle tolls also increased.
- ***E-ZPass Tolls.*** E-ZPass tolls for passenger vehicles using tags issued by the NYCSC increased by \$0.22 at major facilities, \$0.44 at the VNB, \$0.10 at the Henry Hudson Bridge and \$0.08 at the Rockaway Bridges.

Revenues from State and Local Governmental Sources.

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

Additional Taxes and Fees. On May 7, 2009, legislation was enacted in the State (the May 2009 Legislation) providing additional sources of revenues in the form of taxes, fees and surcharges to address the financial needs of MTA. The May 2009 Legislation (Chapter 25 of the Laws of 2009) among other things:

- imposed a payroll mobility tax (the PMT) of 0.34% on payroll expenses and net earnings from self-employment within the MCTD (effective as of March 1, 2009, except school districts, effective September 1, 2009);
- imposed a supplemental fee of one dollar for each six-month period of validity of a learner's permit or a driver's license issued to a person residing in the MCTD (effective September 1, 2009);
- imposed a supplemental fee of twenty-five dollars per year on the registration and renewals of registrants of motor vehicles who reside within the MCTD (effective September 1, 2009);
- imposed on taxicab owners a tax of fifty cents per ride on taxicab rides originating in the City and terminating within the MCTD (effective November 1, 2009); and
- imposed a supplemental tax of five percent of the cost of rentals of automobiles rented within the MCTD (effective June 1, 2009).

On December 9, 2011, Governor Andrew Cuomo signed into law legislation (the December 2011 Legislation) that made significant changes to the PMT, eliminating or reducing the PMT imposed within the

MCTD for certain taxpayers. 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 are no longer required to pay the PMT, as of the quarter beginning April 1, 2012. In addition, individuals with net earnings from self-employment attributable to the MCTD that do not exceed $50,000 for the tax year are no longer subject to the PMT. Employers with payroll expense no 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 will continue to pay a tax rate of 0.34%. The employer rate changes became effective beginning April 1, 2012.

The December 2011 Legislation further expressly provided that any reductions in aid to MTA attributable to these reductions in the payroll mobility tax "shall be offset through alternative sources that will be included in the state budget" (the PMT Revenue Offset).

The 2015-2016 State 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. This change applies to taxable periods beginning on or after January 1, 2016, which, based on a projection by the New York State Division of the Budget, will result in a decline in PMT revenue by $2 million per year.

The 2016-2017 State Enacted Budget included an appropriation of $311 million to MTA for the PMT Revenue Offset. See footnote 5 to **Table 3** above and the information relating to the PMT Revenue Offset under the heading "*Changes to the November Plan – New York State Subsidy*" in **Attachment 5** to this official statement.

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

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

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

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

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

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

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

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

Factors Affecting Revenues

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

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

Ability to Comply with Rate Covenant and Pay Operating and Maintenance Expenses. The Transit, Commuter and MTA Bus Systems have depended, and are expected to continue to depend, upon government subsidies to meet capital and operating needs. Thus, although MTA is legally obligated by the Transportation Resolution's rate covenant to raise fares sufficiently to cover all capital and operating costs, there can be no assurance that there is any level at which Transit, Commuter and MTA Bus Systems fares alone would produce revenues sufficient to comply with the rate covenant, particularly if the current level (or the assumed level in the budget prepared in connection with 2017 and the forecasts prepared in connection with 2018, 2019 and 2020) of collection of dedicated taxes, operating subsidies, and expense reimbursements were to be discontinued or substantially reduced.

Operating Results and Projections. Based upon the February Financial Plan 2017-2020, the budgets of the Related Entities are expected to be substantially in balance through 2019, but there is a projected deficit in 2020. Any of the Transit System, the Commuter System or MTA Bus System or all of them may be forced to institute additional cost reductions (which, in certain circumstances, could affect service which, in turn, could adversely affect revenues) or take other additional actions to close projected budget gaps, which could include additional fare increases.

Financial Plans. The February Financial Plan 2017-2020, the 2010-2014 Capital Program, the 2015-2019 Capital Program and prior and future Capital Programs are interrelated, and any failure to fully achieve the various components of these plans could have an adverse impact on one or more of the other proposals contained in the February Financial Plan 2017-2020, the 2010-2014 Capital Program, the 2015-2019 Capital Program and prior and future Capital Programs, as well as on pledged revenues. For a discussion of the February Financial Plan 2017-2020, see **Attachment 5** – "Third Quarter Annual Disclosure Statement Update, dated March 2, 2017."

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

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

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

Information Relating to the State. Information relating to the State, including the Annual Information Statement of the State, as amended or supplemented, is not a part of this 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 in the manner specified in SEC Rule 15c2-12. Prospective purchasers of the Transportation Revenue Bonds wishing to obtain that information may refer to those filings regarding currently available information about the State. The State has not obligated itself to provide continuing disclosure in connection with the offering of the Transportation

Revenue Bonds or the Series 2017A Bonds. MTA makes no representations about State information or its continued availability.

SECURITY

General

The Transportation Revenue Bonds, including the Series 2017A Bonds, are MTA's special obligations payable as to principal (including sinking fund installments), redemption premium, if any, and interest from the security, sources of payment, and funds specified in the Transportation Resolution.

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

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

Pledge Effected by the Resolution

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

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

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

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

Flow of Revenues

The Transportation Resolution creates the following funds and accounts:

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

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

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

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

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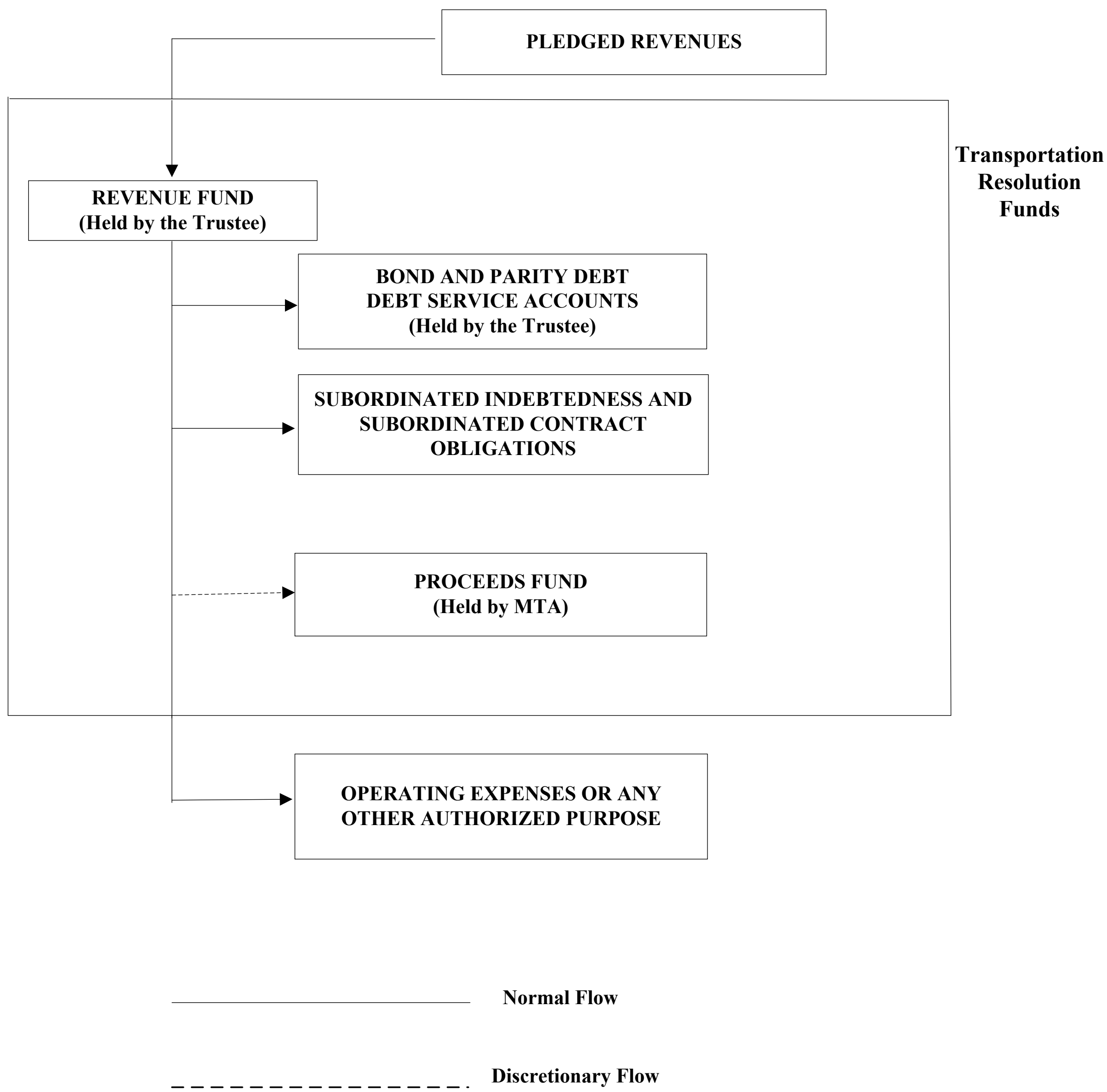
The following chart illustrates the basic elements of the flow of revenues described above:

TRANSPORTATION REVENUE OBLIGATIONS – FLOW OF PLEDGED REVENUES



Covenants

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

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

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

Operating and Maintenance Covenants.

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

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

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

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

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

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

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

Parity Debt

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

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PART III. OTHER INFORMATION ABOUT THE SERIES 2017A BONDS

Part III of this official statement provides miscellaneous additional information relating to the Series 2017A Bonds.

TAX MATTERS

General

Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C. are Co-Bond Counsel for the Series 2017A Bonds. Each Co-Bond Counsel is of the opinion that, under existing law, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, interest on the Series 2017A Bonds is:

- excluded from an Owner's federal gross income under Section 103 of the Internal Revenue Code of 1986, and
- not a specific preference item for an Owner in calculating the federal alternative minimum tax, but
- included in the adjusted current earnings of certain corporations in calculating the federal corporate alternative minimum tax.

Each Co-Bond Counsel is also of the opinion that, under existing law, interest on the Series 2017A Bonds is exempt from personal income taxes of the State and any political subdivisions of the State, including the City. See **Attachment 3** to this official statement for the form of the opinions that Co-Bond Counsel each expect to deliver when the Series 2017A Bonds are delivered.

The Series 2017A Bonds

The Internal Revenue Code of 1986 imposes requirements on the Series 2017A Bonds that MTA must continue to meet after the Series 2017A Bonds are issued. These requirements generally involve the way that Series 2017A Bond proceeds must be invested and ultimately used and the way that assets financed and refinanced with proceeds of the Series 2017A Bonds must be used. If MTA does not meet these requirements, it is possible that an Owner may have to include interest on the Series 2017A Bonds in its federal gross income on a retroactive basis to the date of issue. MTA has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code of 1986.

An Owner who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2017A Bonds. This is possible if an Owner is:

- an S corporation,
- a United States branch of a foreign corporation,
- a financial institution,
- a property and casualty or a life insurance company,
- an individual receiving Social Security or railroad retirement benefits,
- an individual claiming the earned income credit, or
- a borrower of money to purchase or carry the Series 2017A Bonds.

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

Co-Bond Counsel are not responsible for updating their respective opinions in the future. It is possible that future events could change the tax treatment of the interest on the Series 2017A Bonds or affect the market price of the Series 2017A Bonds. See also "Miscellaneous" below under this heading.

Co-Bond Counsel express no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2017A Bonds, or under State, local or foreign tax law.

Original Issue Discount

Each maturity of the Series 2017A Bonds will have "original issue discount" if the price first paid by the Owner for a substantial amount of such Series 2017A Bonds is less than the principal amount of these Series 2017A Bonds. Original issue discount on these Series 2017A Bonds as it accrues is excluded from an Owner's federal gross income under the Internal Revenue Code of 1986 to the same extent and subject to the same considerations discussed above as interest paid on the Series 2017A Bonds. In addition, original issue discount on these Series 2017A Bonds as it accrues is exempt from personal income taxes of the State and its political subdivisions, including the City. The tax accounting treatment of original issue discount is complex. It accrues on an actuarial basis and as it accrues an Owner's tax basis in these Series 2017A Bonds will be increased. If an Owner owns one of these Series 2017A Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Bond Premium

If an Owner purchases a Series 2017A Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Series 2017A Bond. The tax accounting treatment of bond premium is complex. It is amortized over time and as it is amortized an Owner's tax basis in that Series 2017A Bond will be reduced. The Owner of a Series 2017A Bond that is callable before its stated maturity date may be required to amortize the premium over a shorter period, resulting in a lower yield on such Series 2017A Bond. An Owner in certain circumstances may realize a taxable gain upon the sale of a Series 2017A Bond with bond premium, even though the Series 2017A Bond is sold for an amount less than or equal to the Owner's original cost. If an Owner owns any Series 2017A Bonds with bond premium, it should consult its tax advisor regarding the tax accounting treatment of bond premium.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on tax-exempt obligations, such as the Series 2017A Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the interest recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Internal Revenue Code of 1986. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an Owner purchasing a Series 2017A Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series 2017A Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the Owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous

Legislative or administrative actions and court decisions, at either the federal or state level, may cause interest on the Series 2017A Bonds to be subject, directly or indirectly, in whole or in part, to federal, state or local income taxation, and thus have an adverse impact on the value or marketability of the Series 2017A Bonds. This could result from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), repeal of the exclusion or exemption of the interest on the Series 2017A Bonds from gross income for federal or state income tax purposes, or otherwise. For example, presidential budget proposals in recent years have proposed legislation that would limit the extent of the exclusion from gross income of interest on obligations of states and political subdivisions under Section 103 of the Internal Revenue Code of 1986 (including the Series 2017A Bonds) for taxpayers whose income exceeds certain thresholds. It is not possible to predict whether any legislative or administrative actions or court decisions having an adverse impact on the federal or state income tax treatment of holders of the Series 2017A Bonds may occur. Prospective purchasers of the Series 2017A Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2017A Bonds. Co-Bond Counsel have not undertaken to advise in the future whether any events after the date of issuance and delivery of the Series 2017A Bonds may affect the tax status of interest on the Series 2017A Bonds.

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

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The arithmetical accuracy of certain computations was independently verified by Samuel Klein and Company, Certified Public Accountants (the Verification Agent). These computations indicate (i) the sufficiency of the receipts from the Government Obligations together with an initial cash deposit, to pay at early redemption or at the maturity date, the principal of and interest on the Refunded Bonds, and (ii) the yields to be considered in determining that the Subseries 2017A-2 Bonds are not "arbitrage bonds" under Section 148 of the Internal Revenue Code. The Verification Agent relied upon assumptions and information supplied by the financial advisor on behalf of MTA and has not made any study or examination of them, except as noted in its report. The Verification Agent has not expressed an opinion on the reasonableness of the assumptions or the likelihood that the debt service requirements of the Refunded Bonds will be satisfied as described in its report.

LEGALITY FOR INVESTMENT

The MTA Act provides that the Series 2017A Bonds are securities in which the following investors may properly and legally invest funds, including capital in their control or belonging to them:

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

Certain of those investors, however, may be subject to separate restrictions that limit or prevent their investment in the Series 2017A Bonds.

LITIGATION

There is no pending litigation concerning the Series 2017A Bonds.

MTA is the defendant in numerous claims and actions, as are its affiliates and subsidiaries, including MTA New York City Transit, MaBSTOA, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Bus and MTA Bridges and Tunnels. Certain of these claims and actions, either individually or in the aggregate, are potentially material to MTA, its affiliates or subsidiaries. MTA does not believe that any of these claims or actions would affect the application of the sources of payment for the Series 2017A Bonds. A summary of certain of these potentially material claims and actions is set forth in Part 6 of the **ADS** under the caption "LITIGATION," as that filing may be amended or supplemented to date.

FINANCIAL ADVISOR

Public Resources Advisory Group, Inc. and Rockfleet Financial Services, Inc. are MTA's Co-Financial Advisors for the Series 2017A Bonds. The Co-Financial Advisors have provided MTA advice on the plan of financing and reviewed the pricing of the Series 2017A Bonds. The Co-Financial Advisors have not independently verified the information contained in this official statement and do not assume responsibility for the accuracy, completeness or fairness of such information.

UNDERWRITING

The Underwriters for the Series 2017A Bonds, acting through Jefferies LLC, as Representative, have agreed, subject to certain conditions, to purchase from MTA the Series 2017A Bonds described on the inside cover pages of this official statement at an aggregate purchase price of $361,392,177.37, reflecting a net original issue premium of $37,314,840.20 and an Underwriters' discount of $1,507,662.83 and to reoffer such Series 2017A Bonds at the public offering prices or yields set forth on the inside cover pages.

The Series 2017A Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2017A Bonds into investment trusts) at prices lower or yields higher than such public offering prices or yields and prices or yields may be changed, from time to time, by the Underwriters.

The Underwriters' obligations to purchase the Series 2017A Bonds are subject to certain conditions precedent, and they will be obligated to purchase all such Series 2017A Bonds if any Series 2017A Bonds are purchased.

Two Underwriters, PNC Capital Markets LLC and The Williams Capital Group, L.P., have entered into a joint-venture arrangement. Such joint-venture arrangement provides for sharing of Underwriters' discount in connection with orders for the Series 2017A Bonds.

In addition, certain of the Underwriters have entered into distribution agreements with other broker-dealers (that have not been designated by MTA as Underwriters) for the distribution of the Series 2017A Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

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

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

RATINGS

The Summary of Terms identifies the ratings of the credit rating agencies that are assigned to the Series 2017A Bonds. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings or any outlooks or other statements given with respect thereto from each identified agency may be obtained as follows:

Fitch Ratings 33 Whitehall Street New York, New York 10004 (212) 908-0500	Kroll Bond Rating Agency, Inc. 845 Third Avenue New York, New York 10022 (212) 702-0707
Moody's Investors Service, Inc. 7 World Trade Center New York, New York 10007 (212) 553-0300	S&P Global Ratings 55 Water Street New York, New York 10041 (212) 438-2000

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

LEGAL MATTERS

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

The Underwriters have appointed Dentons US LLP as Counsel to the Underwriters in connection with the underwriting of the Series 2017A Bonds, which firm will pass upon certain legal matters.

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

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

CONTINUING DISCLOSURE

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

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

- principal and interest payment delinquencies;
- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;

- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds or other material events affecting the tax status of the bonds;
- modifications to the rights of security holders, if material;
- bond calls, if material, and tender offers;
- defeasances;
- release, substitution, or sale of property securing repayment of the securities, if material;
- rating changes;
- bankruptcy, insolvency, receivership of MTA or similar event;
- consummation of a merger, consolidation, or acquisition involving an obligated person or sale of all or substantially all of the assets of an obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such action or the termination of a definitive agreement relating to such actions, other than pursuant to its terms, if material; and
- appointment of a successor or additional trustee or the change in name of a trustee, if material.

Additional Continuing Disclosure Requirements

Consistent with the requirements of the Climate Bonds Standard and Certification Process, MTA, as described above under “APPLICATION OF PROCEEDS – Climate Bond Certified”, will add the following requirements to its continuing disclosure filing obligation with respect to the Series 2017A Bonds:

- within one year of the issuance of the Series 2017A Bonds, and annually thereafter until the maturity or prior redemption of the Series 2017A Bonds, MTA will file a post-issuance compliance certificate as required by the Certification Process;
- in a timely manner not in excess of 10 business days after the occurrence of the event:
    - 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 Initiative.

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

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

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FURTHER INFORMATION

MTA may place a copy of this official statement on MTA's website at http://web.mta.info/mta/investor/. No statement on MTA's website or any other website is included by specific cross-reference herein.

Although MTA has prepared the information on its website for the convenience of those seeking that information, no decision in reliance upon that information should be made. Typographical or other errors may have occurred in converting the original source documents to their digital format, and MTA assumes no liability or responsibility for errors or omissions contained on any website. Further, MTA disclaims any duty or obligation to update or maintain the availability of the information contained on any website or any responsibility or liability for any damages caused by viruses contained within the electronic files on any website. MTA also assumes no liability or responsibility for any errors or omissions or for any updates to dated information contained on any website.

METROPOLITAN TRANSPORTATION AUTHORITY

By: /s/ Patrick J. McCoy
Patrick J. McCoy
Director, Finance

ATTACHMENT 1

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Series 2017A Bonds. The Series 2017A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series 2017A Bond will be issued for each maturity of the Series 2017A Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. If, however, the aggregate principal amount of any maturity of the Series 2017A Bonds exceeds $500 million, one Bond of such maturity will be issued with respect to each $500 million of principal amount, and an additional Bond will be issued with respect to any remaining principal amount of such maturity.

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

3. Purchases of Series 2017A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2017A Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2017A Bond (Beneficial Owner) is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2017A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2017A Bonds, except in the event that use of the book-entry-only system for the Series 2017A Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2017A Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2017A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2017A Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2017A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be

governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2017A Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2017A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2017A Bond documents. For example, Beneficial Owners of the Series 2017A Bonds may wish to ascertain that the nominee holding the Series 2017A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Series 2017A Bonds of any maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series 2017A Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to MTA as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series 2017A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds and principal and interest payments on the Series 2017A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from MTA or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee or MTA, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of MTA or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2017A Bonds at any time by giving reasonable notice to MTA or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2017A Bonds are required to be printed and delivered.

10. MTA may decide to discontinue use of the system of book-entry transfers through DTC (or a successor depository). In that event, certificates for the Series 2017A Bonds will be printed and delivered.

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

ATTACHMENT 2

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (Rule 15c2-12), MTA and the Trustee will enter into a written agreement (the Disclosure Agreement) for the benefit of holders of the Series 2017A Bonds to provide continuing disclosure. MTA will undertake to provide certain financial information and operating data relating to the Related Transportation Entities (currently, MTA and its subsidiaries MTA Long Island Rail Road, MTA Metro-North Railroad and MTA Bus, and MTA New York City Transit and its subsidiary MaBSTOA) by no later than 120 days after the end of each MTA fiscal year, commencing with the fiscal year ending December 31, 2016 (the Annual Information), and to provide notices of the occurrence of certain enumerated events. The Annual Information will be filed by or on behalf of MTA with the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (the MSRB). Notices of enumerated events will be filed by or on behalf of MTA with EMMA. The nature of the information to be provided in the Annual Information and the notices of material events is set forth below.

Pursuant to Rule 15c2-12, MTA will undertake for the benefit of holders of Series 2017A Bonds to provide or cause to be provided, either directly or through the Trustee, audited consolidated financial statements of MTA New York City Transit and the audited consolidated financial statements of MTA by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2016, when and if such audited financial statements become available and, if such audited financial statements of either MTA New York City Transit or MTA are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of MTA New York City Transit or MTA for such fiscal year. MTA New York City Transit's and MTA's annual financial statements will be filed by or on behalf of such parties by MTA with EMMA. In the event that such audited financial statements of MTA New York City Transit cease to be separately published, the obligation of MTA hereunder to provide such financial statements shall cease.

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

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

h. “RIDERSHIP AND FACILITIES USE – MTA Bus Ridership,” and

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

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

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

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

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

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

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

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

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

MTA will undertake, for the benefit of holders of the Series 2017A Bonds, to provide or cause to be provided:

1. to EMMA, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of any of the events listed under the caption “CONTINUING DISCLOSURE” in this official statement with respect to the Series 2017A Bonds, and

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

Consistent with the requirements of the Climate Bonds Standard and Certification Process, MTA will cause to be provided to EMMA:

1. within one year of the issuance of the Series 2017A Bonds, and annually thereafter until the maturity or prior redemption of the Series 2017A Bonds, MTA will file a post-issuance compliance certificate as required by the Certification Process;

2. in a timely manner not in excess of 10 business days after the occurrence of the event:

    a. 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

    b. any revocation of the Climate Bond Certification by the Climate Bonds Initiative.

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Series 2017A Bonds (which will include beneficial owners during any period that DTC acts as securities depository for, and DTC or its nominee is the registered owner of, the Series 2017A Bonds) may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against such party and any of its officers, agents and employees, and may compel such party or any of its officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach under the undertaking is an action to compel specific performance, and no person or entity, including any holder of Series 2017A Bonds, may recover monetary damages thereunder under any circumstances, and provided further that any challenge to the adequacy of any information under the undertaking may be brought only by the Trustee or the holders of 25 percent in aggregate principal amount of the Series 2017A Bonds at the time Outstanding which are affected thereby. Each of MTA and the Trustee reserves the right, but shall not be obligated, to enforce the obligations of the others. Failure to comply with any provisions of the undertaking shall not constitute a default under the Transportation Resolution nor give right to the Trustee or any Owner to exercise any remedies under the Transportation Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the undertaking insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information shall no longer be required to be provided.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data, and where MTA's undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. MTA does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Series 2017A Bonds have been paid in full or legally defeased pursuant to the Transportation Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of MTA.

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ATTACHMENT 3

FORM OF APPROVING OPINION OF CO-BOND COUNSEL

Upon delivery of the Series 2017A Bonds in definitive form, each of Nixon Peabody LLP, New York, New York, and D. Seaton and Associates, P.A., P.C., New York, New York, Co-Bond Counsel to MTA, proposes to render its final approving opinions in substantially the following form:

[Date of Delivery]

Metropolitan Transportation Authority
New York, New York

Ladies and Gentlemen:

We have examined a certified record of proceedings of the Metropolitan Transportation Authority ("MTA") and other proofs submitted to us relative to the issuance of $325,585,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Green Bonds, Series 2017A (Climate Bond Certified), consisting of $188,950,000 aggregate principal amount of Transportation Revenue Green Bonds, Subseries 2017A-1 (the "Subseries 2017A-1 Bonds") and $136,635,000 aggregate principal amount of Transportation Revenue Refunding Green Bonds, Subseries 2017A-2 (the "Subseries 2017A-2 Bonds" and, collectively with the Subseries 2017A-1 Bonds, the "Series 2017A Bonds").

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

The Series 2017A Bonds are issued under and pursuant to the Constitution and statutes of the State of New York (the "State"), including the Metropolitan Transportation Authority Act, being Title 11 of Article 5 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the "Issuer Act"), and under and pursuant to proceedings of MTA duly taken, including a resolution adopted by the members of MTA on March 26, 2002 entitled "General Resolution Authorizing Transportation Revenue Obligations," as supplemented by a resolution of said members adopted on December 14, 2016 (collectively, the "Resolution"). The Series 2017A Bonds are dated, mature and are payable and bear interest all as provided in the Resolution.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2017A Bonds in order that interest on the Series 2017A Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of MTA, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which MTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2017A Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2017A Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates MTA to take certain actions necessary to cause interest on the Series 2017A Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code could cause interest on the Series 2017A Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. MTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2017A Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion of interest on the Series 2017A Bonds from gross income for federal income tax purposes under Section 103 of the Code and compliance by MTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

A portion of the proceeds of the Subseries 2017A-2 Bonds is being used to refund certain of the Outstanding Obligations of MTA issued pursuant to the Resolution. Such bonds are as described in the hereinafter defined Escrow Agreement as being refunded with proceeds of the Subseries 2017A-2 Bonds (the "Refunded Bonds"). A portion of the proceeds of the Subseries 2017A-2 Bonds, together with any other amounts made available by MTA (the "Defeasance Deposit"), has been used to purchase direct obligations of the United States of America in an aggregate amount sufficient, together with any amounts held uninvested, to pay when due the principal or applicable redemption price and interest due and to become due on said Refunded Bonds (the "Defeasance Requirement"). Such Defeasance Deposit is being held in trust under the escrow agreement, dated the date of closing (the "Escrow Agreement"), by and between MTA and The Bank of New York Mellon, as escrow agent thereunder and as Trustee under the Resolution. MTA has given the Trustee, in form satisfactory to it, irrevocable instructions to give notice in accordance with the Resolution of the redemption of the Refunded Bonds and the deposit of the Defeasance Deposit. Samuel Klein and Company, Certified Public Accountants, have prepared a report stating that they have reviewed the accuracy of the mathematical computations of the adequacy of the Defeasance Deposit, as invested, to pay in full the Defeasance Requirement when due. We have undertaken no independent verification of the adequacy of the Defeasance Deposit.

We have also examined one of said Series 2017A Bonds as executed and, in our opinion, the form of said Series 2017A Bond and its execution are regular and proper.

We are of the opinion that:

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

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

3. The Series 2017A Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding special obligations of MTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. MTA has no taxing power and the Series 2017A Bonds are not debts of the State or of any other political subdivision thereof. MTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2017A Bonds.

4. MTA, the holders of the Series 2017A Bonds, or the holders of any evidence of indebtedness of MTA do not and will not have a pledge of or lien on (i) the dedicated mass transportation trust fund established by Section 89-c of the State Finance Law, (ii) the metropolitan transportation authority financial assistance fund established by Section 92-ff of the State Finance Law, (iii) the metropolitan mass transportation operating assistance account established in the mass transportation operating assistance fund pursuant to Section 88-a of the State Finance Law, or (iv) the taxes or moneys deposited therein.

5. The Series 2017A Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

6. Under existing statutes and court decisions (i) interest on the Series 2017A Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2017A Bonds is not treated as a specific preference item in calculating the federal alternative minimum tax imposed on individuals and corporations under the Code; however, we note that interest is included in the adjusted current earnings of certain corporations for purposes of calculating the federal corporate alternative minimum tax.

7. Under existing statutes, interest on the Series 2017A Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York.

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

The opinions expressed in paragraphs 2, 3 and 8 above are subject to applicable bankruptcy, insolvency, receivership, reorganization, arrangements, fraudulent conveyances, moratorium and other laws heretofore or hereafter enacted affecting creditors' rights and are subject to the application of principles of equity relating to or affecting the enforcement of contractual obligations, whether such enforcement is considered in a proceeding in equity or at law.

Except as stated in paragraphs 6 and 7, we express no opinion regarding any other federal, state, local or foreign tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Series 2017A Bonds. We express no opinion regarding the federal, state, local or foreign tax consequences of any action hereafter taken or not taken in reliance upon an opinion of other counsel with respect to the Series 2017A Bonds.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2017A Bonds. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Series 2017A Bonds and express no opinion with respect thereto.

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

Very truly yours,

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ATTACHMENT 4

REFUNDED BONDS

The following table provides information regarding the Refunded Bonds. The Outstanding Bonds shown below are being refunded. The refunding is contingent upon the delivery of the Subseries 2017A-2 Bonds.

Series	Dated Date	Refunded Par Amount	Remaining Outstanding Par Amount	Final Maturity	Interest Rate	Redemption Date	Redemption Price	CUSIP Number (59259Y)*
2013B	04/02/2013	$12,650,000	$0	11/15/25	5.00%	11/15/2018	100%	ZN2
2013B	04/02/2013	13,285,000	0	11/15/26	5.00	11/15/2018	100	ZP7
2013B	04/02/2013	13,945,000	0	11/15/27	5.00	11/15/2018	100	ZQ5
2013B	04/02/2013	13,015,000	0	11/15/28	5.00	11/15/2018	100	ZR3
2013C	06/11/2013	12,080,000	0	11/15/24	5.00	05/15/2018	100	B81
2013C	06/11/2013	12,685,000	0	11/15/25	5.00	05/15/2018	100	B99
2013C	06/11/2013	13,315,000	0	11/15/26	5.00	05/15/2018	100	C23
2013C	06/11/2013	13,985,000	0	11/15/27	5.00	05/15/2018	100	C31
2013C	06/11/2013	14,680,000	0	11/15/28	5.00	05/15/2018	100	C49
2013C	06/11/2013	15,415,000	0	11/15/29	5.00	05/15/2018	100	C56
2013C	06/11/2013	16,185,000	0	11/15/30	5.00	05/15/2018	100	C64

* CUSIP numbers have been assigned by an organization not affiliated with MTA and are included solely for the convenience of the holders of the Refunded Bonds. MTA is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Refunded Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Refunded Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Refunded Bonds.

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ATTACHMENT 5

MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2016/2017 Third Quarterly Update)
March 2, 2017

This Metropolitan Transportation Authority ("MTA") Annual Disclosure Statement Update (including Attachment A hereto, "Third Quarterly Update") is dated March 2, 2017, is the third quarterly update to the Annual Disclosure Statement (as heretofore supplemented and updated, the "ADS") of MTA, dated April 29, 2016, as supplemented May 10, 2016, as further supplemented by the first quarterly update dated August 17, 2016, the supplement to the ADS dated October 11, 2016, the second quarterly update dated December 21, 2016, and the supplement to the ADS dated January 31, 2017, and contains information only through March 2, 2017. MTA expects to file this Third Quarterly Update with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access system and may incorporate the information herein by specific cross-reference. Such information, together with the complete February Plan hereinafter referred to, is also posted on the MTA website under "MTA Info – Financial Information" at www.mta.info for convenience. All of the information is accurate as of its respective date. MTA retains the right to update and supplement specific information contained herein as events warrant.

The factors affecting MTA's financial condition are complex. This Third Quarterly Update may contain forecasts, projections, and estimates that are based on expectations and assumptions, which existed at the time they were prepared, and contains statements relating to future results and economic performance that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as "plan," "expect," "estimate," "budget," "project," "forecast," "anticipate" or other similar words. The forward looking statements contained herein are based on MTA's expectations and are necessarily dependent upon assumptions, estimates and data that it believes are reasonable as of the date made but that may be incorrect, incomplete, imprecise or not reflective of 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 these forward-looking statements if or when its expectations or events, conditions or circumstances on which such statements are based occur. These forward-looking statements speak only as of the date of this Third Quarterly Update.

MTA ANNUAL DISCLOSURE STATEMENT UPDATE
(2016/2017 Third Quarterly Update)
March 2, 2017

Introduction

This update, dated March 2, 2017 ("Third Quarterly Update"), is the third quarterly update to the Annual Disclosure Statement ("ADS") of the Metropolitan Transportation Authority ("MTA"), dated April 29, 2016, as supplemented May 10, 2016, as further supplemented by the first quarterly update ("First Quarterly Update") dated August 17, 2016, supplemented on October 11, 2016 ("October Supplement"), and further updated by a second quarterly update (the "Second Quarterly Update"), dated December 21, 2017, and supplemented on January 31, 2017. This Third Quarterly Update contains information only through March 2, 2017 and should be read in its entirety, together with the ADS, as so previously updated and supplemented. Capitalized terms not otherwise defined herein have the meanings ascribed to them in the ADS.

The MTA 2017 Adopted Budget and February Financial Plan 2017-2020 (collectively, the "February Plan") was presented to the MTA Board at its February 23, 2017 meeting. Copies of the February Plan and the presentation are available on the MTA website under the caption "MTA Info – Financial Information – Budget and Financial Statements".

In this Third Quarterly Update, readers will find a summary of the February Plan, including a description of certain recent events and changes to MTA's financial plan (the "Financial Plan") made since the date of the ADS, as updated and supplemented, to reflect provisions of the February Plan as compared with the MTA 2016 November Financial Plan (the "November Plan").

The purpose of the February Plan is to incorporate adjustments approved by the MTA Board that were captured "below-the-line" and on a consolidated basis in the November Plan into MTA agencies' ("Agencies" or each an "Agency") financial plan baseline budgets and forecasts. It also establishes a 12-month allocation of the 2017 Adopted Budget for financials, utilization and positions, which will be compared with actual results. The February Plan also reflects certain technical adjustments to MTA and Agency forecasts. Unlike the July Financial Plan 2016-2019 and the November Plan, the February Plan does not include any new proposals or programs. The February Plan does include an increase in targeted savings to address projected New York State ("State") subsidies that are lower than projected in the November Plan – as noted below. The detailed explanation of the programs and assumptions supporting the November Plan can be found on the MTA website[*]. For more information on the MTA budget process see "THE RELATED ENTITIES – Financial Operations" in PART 1 of the ADS.

Summary February Plan Results

Summary February Plan Results. As a result of technical adjustments and other changes, year-ending cash positions have changed from the November Plan. The February Plan is projecting year-end cash balances of $260 million in 2016, $24 million in 2017, $27 million in 2018 and $7 million in 2019, with a projected cash deficit of $372 million in 2020. The February Plan includes

[*] The November Plan was approved by the MTA Board at its December 2016 meeting and can be found at http://web.mta.info/mta/budget under 2016: MTA 2017 Final Proposed Budget November Financial Plan 2017-2020.

funding for all of the programs included in the November Plan while reflecting a manageable increase in the 2020 projected deficit.

The $372 million projected cash deficit for 2020 is higher than the $319 million that the Board approved in December because the unfavorable costs necessary to address the labor settlement and the MMTOA subsidy reduction exceeded the value of the insurance recovery. Excluding these unfavorable impacts on carryover cash balances, MTA's operating cash position is virtually unchanged from the November Plan for the years 2019 and beyond.

Changes to the November Plan

The November Plan, which was approved by the Board in December 2016, projected small to break-even cash balances through 2019, with a deficit of $319 million in 2020.

The February Plan includes certain policy actions and re-estimated items that were highlighted "below-the-line" in the November Plan and are now included within the MTA baseline. Most of these re-categorizations had no budgetary impact and are explained in the *Additional Information* section below. There was, however, a change in the projected revenue for the March 2017 Fare and Toll Increase, as summarized below.

Fare and Toll Increase in March 2017. The MTA consolidated farebox and toll revenues will be implemented on March 19, 2017. Excluding MTA Bus and MTA Staten Island Railway, revenues are expected to increase by $220 million in 2017, $275 million in 2018, $276 million in 2019 and $277 million in 2020. MTA Bus revenue is expected to increase by $5 million in 2017 and by $7 million annually for years 2018 through 2020, while MTA Staten Island Railway revenue is expected to increase by $0.2 million in 2017 and by $0.3 million in subsequent years.

The additional MTA Bus and MTA Staten Island Railway revenues are used to supplement the New York City (the "City") subsidies that typically cover the costs associated with these operations. Additionally, 10% of all Triborough Bridge and Tunnel Authority ("MTA Bridges and Tunnels") surplus toll revenues will be held aside during 2017, per MTA Board policy, until MTA Bridges and Tunnels results are certified in 2018. The additional revenues from MTA Bus, MTA Staten Island Railway and MTA Bridges and Tunnels reduce City subsidies by $8 million in 2017 and by $7 million annually through 2020.

The additional farebox and toll revenues and the accompanying subsidy impacts that are now reflected in the February Plan baseline differ from the below-the-line projections in the November Plan, reflecting (1) re-estimates based on the specific fare and toll levels approved by the MTA Board on January 25, 2017, and (2) an adjustment for the scheduled date of implementation of the fare and toll increases from the beginning of March 2017 to March 19, 2017.

Excluding MTA Bus and MTA Staten Island Railway, revenues from the fare and toll increases are lower by $15 million in 2017 and by $2 million each year for 2018 through 2020 as the result of the re-estimates. Re-estimated farebox revenue for MTA Bus is lower by $1 million per year and MTA Staten Island Railway revenue is improved by $0.1 million each year. Compared with the November Plan, the subsidy adjustments resulting from the fare and toll increase rise by $1 million per year for 2017-2020.

The February Plan also reflects some baseline changes that were not included in the November Plan:

New York State Subsidy. While the Governor's State fiscal year ("SFY") 2018 Executive Budget released on January 17, 2017, as amended by the Governor's 30-day amendments released on February 16, 2017 (collectively, the "Executive Budget"), included $30 million in increased State fiscal year-over-year operating support, it differed from November Plan projections. The appropriation to MTA for Metropolitan Mass Transportation Operating Assistance ("MMTOA") remains the same from the prior year; however, the November Plan assumed growth of $75 million in 2017 versus 2016. The Executive Budget also lowered the Payroll Mobility Tax ("PMT") and PMT replacement funds (referred to herein as "PMT Revenue Offset") appropriation by $67 million for MTA's 2017 fiscal year. No growth in the PMT Revenue Offset is projected from that level for the remaining November Plan years through 2020. As a partial offset, the Executive Budget forecasts $9 million in higher Petroleum Business Tax receipts and $8 million in higher MTA Aid than were forecasted in the November Plan. MTA has also adjusted its growth assumptions for MMTOA revenue, based on the latest projections provided by the New York State Division of Budget ("DOB") for the 2018-2020 plan years. The combined effect of the impact of the Executive Budget and moderate adjustments to the projected growth assumptions of MMTOA on MTA's operating budget and Financial Plan are detailed below:

	(in millions)			
	2017	**2018**	**2019**	**2020**
Metropolitan Mass Transportation Operating Assistance (MMTOA)	($75)	$7	$7	($9)
PMT Revenue Offset	(67)	(67)	(67)	(67)
Petroleum Business Tax	9	9	9	9
MTA Aid Trust Account Revenues	8	8	8	8
Total Impact	**($125)**	**($44)**	**($43)**	**($59)**

Numbers may not total due to rounding

Technical Adjustments. In addition to the above-described adjustments, the February Plan includes other technical adjustments impacting expenses and subsidies that have been incorporated into the February Plan baseline. Agency technical adjustments include those highlighted below and detailed further in the sections that follow.

- The primary technical adjustment now reflected in the February Plan represents the impact of the recent 28-month labor agreement (the "TWU Agreement"), effective January 16, 2017, between MTA and the Transport Workers Union ("TWU"). The TWU Agreement has been ratified by the TWU membership, and was approved by the MTA Board on February 23, 2017. The combined net cash impact of the TWU Agreement on operating expenses are increases of $13.1 million in 2017, $15.1 million in 2018, $19.5 million in 2019, and $4.4 million in 2020. These impacts include an offset representing half of the savings from a re-bid of the medical contract for MTA New York City Transit's represented employees; these savings were derived from the joint efforts of both labor and management. Because the November Plan captured the full value of these savings without a reserve for the labor contribution, additional cash expense increases of $10.1 million in 2017, $17.0 million in 2018, $18.0 million in 2019, and $19.2 million in

2020 are now reflected in the February Plan. The terms of the TWU Agreement are also assumed for the other MTA New York City Transit unions.

- Effective January 2017, non-core Agency procurement functions have been consolidated into a centralized organizational structure at MTA Headquarters. This consolidation is expected to yield contract savings and other efficiency savings. The February Plan reflects some preliminary contract savings as well as a shift of 74 authorized positions from the Agencies in support of this centralized organization structure.
- MTA Long Island Rail Road overhead rates have been adjusted based on updated expense information. The changes result in overhead rates that are lower than those assumed in the November Plan.
- Savings of approximately $20 million over the February Plan period ($2.9 million in 2017 and $5.5 million per year thereafter) have been achieved as a result of the recent refunding of certain MTA Bridges and Tunnels General Revenue Bonds.

The following MTA plan adjustments remain below-the-baseline and therefore are not included within Agency baseline forecasts:

Fare and Toll Increase in March 2019. A $324 million annualized consolidated farebox and toll increase is assumed for implementation in March 2019, and is estimated to yield 4%, for an additional $277 million in 2019 and $326 million in 2020. Factoring in the MTA Bus, MTA Staten Island Railway and MTA Bridges and Tunnels adjustments included in the February Plan, the net increase to MTA is projected to yield $266 million in 2019 and $316 million in 2020, which is unchanged from the estimate in the November Plan.

MTA Efficiencies to be Implemented. MTA continues its program of identifying efficiencies that result in overall recurring savings for the organization, and areas under review to achieve these savings include procurement efficiencies, savings in IT, insurance and office space efficiencies. MTA has now identified savings programs that have substantially achieved the savings targets from pre-2016 Financial Plans. The remaining values in this category are zero in 2016 and 2017 (and approaching zero in the out years). Accordingly, MTA increased savings targets last July by an incremental $50 million per year starting in 2017 with savings from these new targets growing to $200 million in 2020. These categories of MTA efficiencies, that remain below-the-line, are intended to reduce future deficits and will be incorporated into Agency baselines as they are further developed. These savings show a slight increase from the November Plan to offset a very small reduction in the total value of implemented savings.

The following February Plan adjustments have been added below-the-baseline and therefore are not captured within Agency baseline forecasts:

Additional MTA Efficiencies Targeted in February Plan. In response to re-estimates with a net recurring unfavorable value, MTA is increasing its savings targets in the February Plan by $25 million in 2017 and $50 million per year thereafter. When combined with previous targets, the remaining value of MTA efficiencies that have not yet been implemented is $68 million in 2017, $166 million in 2018, $220 million in 2019 and $262 million in 2020.

The targeted savings, if achieved, combined with savings programs that have already been implemented, are projected to increase the level of annual savings to $2 billion per year by 2020.

MTA Policy Actions

Sandy Insurance Reimbursement for Business Interruption. MTA has reached a global and unallocated final insurance settlement for losses incurred during Superstorm Sandy. Included in the losses were $100 million for reductions in revenue (*i.e.*, business interruption losses) that were covered by MTA insurance, and the February Plan assumes that $100 million of the insurance proceeds will be used to reimburse these losses.

New York State Capital Funding Commitment. The DOB has now advanced the $104 million of appropriated MMTOA funds that it had committed to the 2015-2019 Capital Program. DOB has expressed its intention to release over the next twelve months $600 million of additional committed funding for the 2010-2014 Capital Program. The receipt of this $704 million in funding, if realized over the expected time period, will allow MTA to defer the issuance of previously scheduled bonding and will lower debt service by $12 million in 2017 and $38 million per year thereafter.

Adjustments to Committed to Capital Contributions. In the November Plan, $280 million of favorable 2016 cash balances were assumed to be used to accelerate "Committed to Capital" contributions that were planned for 2019 and 2020. This strategy reduced projected debt service payments by $58 million over the February Plan period. Budgetary changes captured in the February Plan reflect cash balances that are slightly less favorable than were anticipated in November 2016. To adjust for this, $50 million of the capital contribution planned for 2017 will be deferred until 2018 and $25 million of the capital contribution planned for 2019 will be deferred until 2020. These adjustments slightly accelerate the need to issue debt when compared with the November Plan, and debt service is projected to increase by $4 million over the February Plan period. The net impact of this strategy is still projected to result in an overall reduction in debt service of $54 million over the February Plan period.

Additional Information

The following adjustments from July and November have now been incorporated in the February Plan:

Policy Actions from the July Plan

Committed Capital Funds – Additional Funding from Debt Service Savings. As proposed in prior plans, whenever possible, MTA utilizes favorable debt service savings to provide funding for the Capital Program. In the MTA 2016 Mid-Year Forecast, 2017 Preliminary Budget and July Financial Plan 2016-2019 (collectively, the "July Plan"), MTA diverted the debt service savings from debt refunded at lower interest rates (both realized and projected) and the debt service savings from the Hudson Yards lease securitization project to provide additional capital funding. Total contributions to the Capital Program from these savings totaled $84 million in 2016, $81 million in 2017, $108 million in 2018, $121 million in 2019 and $134 million in 2020.

Acceleration of Committed Funds to Capital Contribution; Debt Service Savings from Acceleration. As a result of favorable timing and other re-estimates, MTA used $200 million of 2016 operating funds to accelerate a portion of its planned future capital contributions. This acceleration is intended to lower debt service payments over the November Plan period and replace $150 million of the 2019 contribution and $50 million of the 2020 contribution to help fund, when needed, the necessary operational investments detailed in the November Plan. The acceleration of $150 million from the 2019 contribution and $50 million from the 2020 contribution is intended to defer the need to issue bonds and will result in lower debt service payments of approximately $12 million per year for the years 2017 to 2019 and $3 million for 2020, for total plan savings of $39 million. The debt service savings resulting from the acceleration of other capital contributions were also diverted to fund the Capital Program. Total contributions to the Capital Program from these savings are projected to yield $12 million per year from 2017 to 2019 and $3 million for 2020.

Policy Actions and MTA Re-estimates from the November Plan

In the February Plan, an additional $80 million of 2016 operating funds was used to accelerate committed capital contributions previously scheduled for 2020. This acceleration is expected to lower debt service payments over the November Plan period. The acceleration of $80 million from the 2020 capital contributions is intended to defer the need to issue bonds and expected to result in lower debt service payments of approximately $5 million per year for the years 2017-2020, for total plan savings of $20 million.

Investment to Reduce Pension Liability. Consistent with the MTA Board-approved policy to use non-recurring resources to make one-time payments towards long-term obligations that will reduce recurring annual expenses, MTA will release the unexpended 2016 General Reserve balance of $145 million and use it to reduce the LIRR unfunded pension liability. This investment will lower the projected amortization payment of this unfunded liability by $16 million annually beginning in 2018.

Debt Service Savings from Lower Variable Rates and New Refunding. Following the completion of November Plan debt service forecasts, MTA initiated a bond refunding that was not included in the November Plan and resulted in lower debt service expenses as a result of interest rate savings achieved by such refunding. Savings of $6 million in 2016, $17 million in 2017, $18 million in 2018, $20 million in 2019 and $19 million in 2020 are now in the baseline forecast.

Climate Bond Certified Financings

In early 2016, MTA requested, and the Climate Bonds Standard Board approved, certain of MTA's projects as "Climate Bond Certified", based on a Climate Bonds Standard Verification Letter provided by Sustainalytics. Sustainalytics concluded that projects totaling $11.3 billion, the amount which has been expended as of the date of the verification on projects included in MTA's 2010-2014 Capital Program for the Transit and Commuter System, conform to the Climate Bonds - Low Carbon Transport Standard. MTA has issued the following green bonds against the $11.3 billion of "Climate Bond Certified" expenditures:

- $782,520,000 Transportation Revenue Green Bonds, Series 2016A (Climate Bond Certified)
- $588,305,000 Dedicated Tax Fund Green Bonds, Series 2016B (Climate Bond Certified)

- $312,825,000 Dedicated Tax Fund Green Bonds, Series 2017A (Climate Bond Certified)

2015-2019 Capital Plan Amendments

The MTA Board at its February 23, 2017, meeting also approved the following 2015-2019 Capital Plan amendments described below:

Background. The original $32 billion MTA 2015-2019 Capital Program, including $29 billion for the Related Entities (other than MTA Bridges and Tunnels) subject to Capital Program Revenue Board ("CPRB") approval and $3 billion for the self-funded MTA Bridges and Tunnels program, was approved by the MTA Board in September 2014. A refocused $29 billion 2015-2019 Capital Program, of which $2.9 billion was self-funded by MTA Bridges and Tunnels and $26.1 billion required review and approval of the CPRB, was approved by the MTA Board in October 2015. A further revised 2015-2019 Capital Program totaling $29.5 billion, of which $26.6 billion required CPRB approval was approved by the MTA Board in April 2016 and the CPRB approved the $26.6 billion portion in May 2016. The MTA Bridges and Tunnels portion of the program remained unchanged since its October 2015 MTA Board approval.

Proposed Capital Program Amendments. The newly approved amendments focus on changes in the CPRB portion of the program. The MTA Bridges and Tunnels portion of the program is not affected. The amendments propose to add three new station investment projects ($399 million) in the MTA New York City Transit and MTA Long Island Rail Road portion of the 2015-2019 Capital Program. These additions are funded by changes in other work, reflecting Agency priorities, right-of-way access, planning and coordination with other related project schedules, and surpluses yielded from completed projects in the 2010-2014 and earlier Capital Programs. MTA is in the process of developing further proposed changes to both the 2010-2014 and 2015-2019 Capital Programs that are expected to be presented to the MTA Board at a later date.

MTA New York City Transit. MTA New York City Transit's approved 2015-2019 Capital Program included funds to begin an important station investment strategy called the Enhanced Station Initiative ("ESI"). ESI will revamp design guidelines for subway stations, resulting in cleaner, brighter stations that will be easier to navigate, with better wayfinding. At the time of the Capital Program approval, the ESI strategy was still under development and funded only the initial effort. ESI is to be implemented across 31 stations. The first group of stations has been awarded, and $129 million is proposed to support four additional ESI stations: 163rd St., 110th St., 86th St., and 72nd St., all on the 8th Avenue line. Offsetting this addition are changes in two projects. Construction ($97 million) of a new vent plant near Grand Central Terminal on the Lexington Avenue line is moved to the 2020-2024 Capital Program so that environmental planning and community issues can be addressed. Structural painting on the Jamaica line ($32 million) is moved forward due to lack of track access in this time frame.

MTA Long Island Rail Road. Two projects for work at Penn Station are proposed to be added to MTA Long Island Rail Road's program. The new Penn Station-33rd Street Corridor project ($170 million) intends to redesign Penn Station to significantly improve the customer experience and flow throughout the MTA Long Island Rail Road concourse. The 33rd Street Corridor inside Penn Station, which is among the station's busiest sections connecting Seventh and Eighth Avenues, will be widened and ceiling height will be increased. Other improvements will include upgraded lighting and wayfinding, and digital information screens to provide a modernized environment. In addition, a new project ($100 million) related to Penn Station is for the MTA Long Island Rail Road's contribution towards the Moynihan Train Hall, as part of a regional partnership which aims to transform the Penn Station experience. Offsetting these additions are changes in certain projects. For the MTA Long Island Rail Road M-9 fleet expansion project ($151 million), an option for 54 additional cars will now be exercised in the 2020-2024 Capital Program. This cash flow adjustment is consistent with the current delivery schedule for this contract. Additionally, as a result of MTA agency review to identify surplus and efficiencies, $119.4 million is available from prior capital programs. This includes $29 million from the 2010-2014 or earlier MTA Long Island Rail Road capital programs, $11 million from the 2010-2014 New York City Transit Capital Program, and $79 million in surplus local funds from the 2010-2014 Superstorm Sandy recovery program.

Pursuant to the Public Authorities Law 1269-b, changes to capital program elements that are greater than 10% require approval of the CPRB in order to be progressed. As shown in the table below, the proposed changes in the MTA New York City Transit and MTA Long Island Rail Road projects result in budget increases of more than 10% over the CPRB-approved level for two elements of the capital program.

Elements With Increases Exceeding 10%
($ in millions)

Agency	Element	Category — Element Description	CPRB Approved Program May 2016	Proposed Program	Change
NYCT	T-704-12	Passenger Stations — Station Work	$975.3	$1,104.3	$129.0
LIRR	L-702-06	Stations — Penn Station	$70.5	$340.5	$270.0

Numbers may not total due to rounding

Impacts on Funding and Approvals

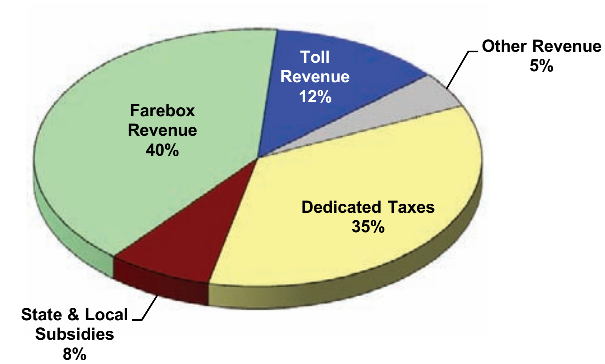
The 2015-2019 Capital Program will increase by $119 million ($79 million from PAYGO and $40 million from MTA Bonds) reflecting the transfer of funds from the 2010-2014 or earlier Capital Programs. The total CPRB portion of the program increases to $26.7 billion. The MTA Board approved the proposed amendments to the MTA 2015-2019 Capital Program as previously noted on February 23, 2017, and authorized the $26.7 billion CPRB portion of the program to be submitted to the CPRB for its review and approval. The amendments were submitted to the CPRB on February 27, 2017, and the 30-day review period for the CPRB to veto or approve such amendments will end on March 29, 2017. There is no assurance on the timing of such approval.

Attachment A to MTA 2016/2017 Annual Disclosure Statement
Third Quarterly Update
March 2, 2017

MTA February Financial Plan

MTA 2017 Adopted Budget
Baseline Expenses After Below-the-Line Adjustments
Non-Reimbursable

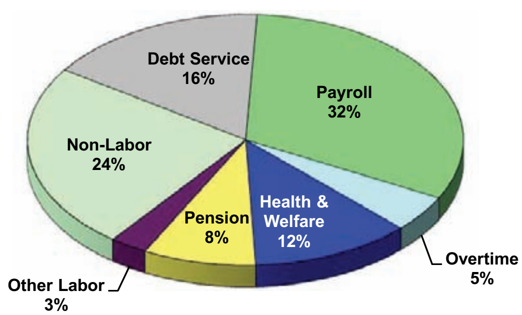
Where the Dollars Come From …



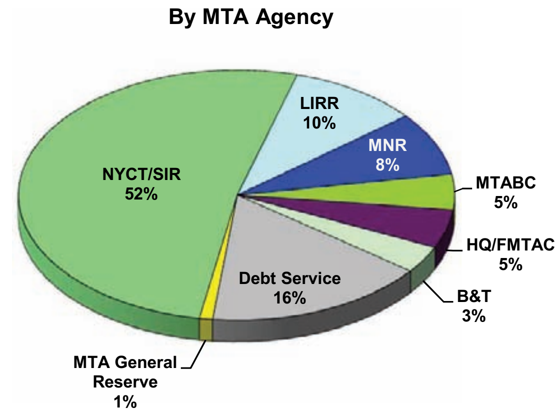
By Revenue Source ($ in millions)	
Farebox Revenue	$6,271
Toll Revenue	1,927
Other Revenue	708
Dedicated Taxes	5,483
State & Local Subsidies	1,176
Total [1]	**$15,565**

Where the Dollars Go …

By Expense Category



By MTA Agency



By Expense Category [2] includes below-the-line adjustments ($ in millions)	
Payroll	$5,048
Overtime	753
Health & Welfare	1,881
Pension	1,323
Other Labor	443
Non-Labor	3,807
Debt Service	2,603
MTA Below-the-Line Adjustments [3]	(103)
Total [1]	**$15,754**

By MTA Agency [2] includes below-the-line adjustments ($ in millions)	
NYCT/SIR	$8,187
LIRR	1,538
MNR	1,302
MTABC	727
HQ/FMTAC	792
B&T	553
Debt Service	2,603
MTA General Reserve	155
MTA Below-the-Line Adjustments [3]	(103)
Total [1]	**$15,754**

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

[2] *Expenses exclude Depreciation, OPEB Obligation and Environmental Remediation. MTA Capital Construction is not included, as its budget contains reimbursable expenses only.*

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

***Note:** The revenues and expenses reflected in these charts are on an accrued basis and exclude cash adjustments and carryover balances. Any comparison of revenues versus expenses will not directly correspond to the cash balances reflected in the Statement of Operations.*

METROPOLITAN TRANSPORTATION AUTHORITY

February Financial Plan 2017-2020

MTA Consolidated Statement Of Operations By Category

($ in millions)

Line No.	Non-Reimbursable	Actual 2015	Final Estimate 2016	Adopted Budget 2017	2018	2019	2020
10	***Operating Revenue***						
11	Farebox Revenue	$5,961	$6,032	$6,271	$6,353	$6,377	$6,412
12	Toll Revenue	1,809	1,868	1,927	1,938	1,951	1,959
13	Other Revenue	689	683	708	728	757	785
14	Capital and Other Reimbursements	0	0	0	0	0	0
15	**Total Operating Revenue**	**$8,459**	**$8,584**	**$8,906**	**$9,020**	**$9,086**	**$9,156**
16							
17	***Operating Expense***						
18	**Labor Expenses:**						
19	Payroll	$4,696	$4,839	$5,048	$5,199	$5,321	$5,454
20	Overtime	755	764	753	762	775	791
21	Health & Welfare	1,050	1,179	1,289	1,352	1,441	1,530
22	OPEB Current Payment	502	547	592	633	687	746
23	Pensions	1,249	1,355	1,323	1,337	1,338	1,327
24	Other-Fringe Benefits	861	866	880	909	934	965
25	Reimbursable Overhead	(380)	(419)	(437)	(418)	(416)	(411)
26	**Sub-total Labor Expenses**	**$8,732**	**$9,130**	**$9,447**	**$9,776**	**$10,080**	**$10,402**
27							
28	**Non-Labor Expenses:**						
29	Electric Power	$474	$412	$505	$518	$533	$571
30	Fuel	162	128	160	166	173	190
31	Insurance	57	43	51	60	66	76
32	Claims	331	275	281	287	295	301
33	Paratransit Service Contracts	379	391	411	435	472	511
34	Maintenance and Other Operating Contracts	579	678	789	766	768	797
35	Professional Service Contracts	380	439	557	477	464	476
36	Materials & Supplies	543	592	649	640	631	697
37	Other Business Expenses	196	173	201	200	210	216
38	**Sub-total Non-Labor Expenses**	**$3,101**	**$3,130**	**$3,605**	**$3,549**	**$3,611**	**$3,835**
39							
40	**Other Expense Adjustments:**						
41	Other	$37	$56	$49	$48	$50	$52
42	General Reserve	0	0	155	160	165	170
43	**Sub-total Other Expense Adjustments**	**$37**	**$56**	**$204**	**$208**	**$215**	**$222**
44							
45	**Total Operating Expense before Non-Cash Liability Adj.**	**$11,871**	**$12,317**	**$13,256**	**$13,532**	**$13,906**	**$14,459**
46							
47	Depreciation	$2,443	$2,496	$2,599	$2,670	$2,739	$2,805
48	OPEB Liability Adjustment	1,490	1,850	1,939	2,008	2,081	2,158
49	GASB 68 Pension Expense Adjustment	(410)	(188)	(94)	(104)	(101)	(130)
50	Environmental Remediation	21	6	6	6	6	6
51							
52	**Total Operating Expense after Non-Cash Liability Adj.**	**$15,414**	**$16,479**	**$17,705**	**$18,112**	**$18,632**	**$19,298**
53							
54	Conversion to Cash Basis: Non-Cash Liability Adjs.	($3,543)	($4,163)	($4,450)	($4,579)	($4,726)	($4,839)
55							
56	Debt Service (excludes Service Contract Bonds)	2,373	2,452	2,603	2,741	2,891	3,052
57							
58	**Total Operating Expense with Debt Service**	**$14,244**	**$14,768**	**$15,859**	**$16,273**	**$16,797**	**$17,511**
59							
60	Dedicated Taxes and State/Local Subsidies	$6,596	$6,736	$6,659	$6,913	$7,074	$7,249
61							
62	**Net Surplus/(Deficit) After Subsidies and Debt Service**	**$811**	**$551**	**($294)**	**($340)**	**($637)**	**($1,106)**
63							
64	Conversion to Cash Basis: GASB Account	0	0	0	(8)	(18)	(29)
65	Conversion to Cash Basis: All Other	(661)	(782)	(195)	175	62	141
66							
67	**CASH BALANCE BEFORE PRIOR-YEAR CARRYOVER**	**$150**	**($231)**	**($489)**	**($173)**	**($593)**	**($993)**
68	**ADJUSTMENTS**	**0**	**12**	**253**	**176**	**574**	**614**
69	**PRIOR-YEAR CARRYOVER**	**330**	**480**	**260**	**24**	**27**	**7**
70	**NET CASH BALANCE**	**$480**	**$260**	**$24**	**$27**	**$7**	**($372)**

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2017-2020
Plan Adjustments
($ in millions)

Line No.		Actual 2015	Final Estimate 2016	Adopted Budget 2017	2018	2019	2020
10							
11	**Cash Balance Before Prior-Year Carry-over**	**$150**	**($231)**	**($489)**	**($173)**	**($593)**	**($993)**
12							
13	**Fare/Toll Increases:**						
14	*Fare/Toll Increase in March 2019 (4% Yield)*		-	-	-	277	326
15	*Subsidy Impacts of 2019 Fare/Toll Increase*		-	-	-	(11)	(10)
16	**Sub-Total**		**$0**	**$0**	**$0**	**$266**	**$316**
17							
18	**MTA Efficiencies:** [1]						
19	*MTA Efficiencies - Not Yet Implemented*		-	2	16	20	12
20	*Additional MTA Efficiencies - 2016 July Plan*		-	41	100	150	200
21	*Additional MTA Efficiencies - 2017 February Plan*		-	25	50	50	50
22	**Sub-Total**		**$0**	**$68**	**$166**	**$220**	**$262**
23							
24	**Policy Actions:**						
25	*Sandy Insurance Reimbursement for Business Interruption*		-	100	-	-	-
26	*Reduced Debt Service from NYS Capital Funding Commitment*		-	12	38	38	38
27	*Adjustments to Committed to Capital Contribution*		-	50	(50)	25	(25)
28	*Debt Service Impact of Adjustments*		-	-	(3)	-	(1)
29	**Sub-Total**		**$0**	**$161**	**($14)**	**$63**	**$12**
30							
31	**MTA Re-estimates:**						
32	*Other MTA Re-estimates*		12	24	24	24	24
33	**Sub-Total**		**$12**	**$24**	**$24**	**$24**	**$24**
34							
35	**TOTAL ADJUSTMENTS**		**$12**	**$253**	**$176**	**$574**	**$614**
36							
37	*Prior-Year Carry-Over*	330	480	260	24	27	7
38							
39	**Net Cash Surplus/(Deficit)**	**$480**	**$260**	**$24**	**$27**	**$7**	**($372)**

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2017-2020
MTA Consolidated Cash Receipts and Expenditures
($ in millions)

Line No.	Cash Receipts and Expenditures	Actual 2015	Final Estimate 2016	Adopted Budget 2017	2018	2019	2020
10	**Receipts**						
11	Farebox Revenue	$6,001	$6,057	$6,280	$6,361	$6,385	$6,419
12	Other Operating Revenue	718	754	713	849	786	825
13	Capital and Other Reimbursements	1,863	1,866	2,125	1,913	1,866	1,823
14	**Total Receipts**	**$8,583**	**$8,677**	**$9,117**	**$9,124**	**$9,037**	**$9,068**
15							
16	**Expenditures**						
17	***Labor:***						
18	Payroll	$5,245	$5,314	$5,583	$5,694	$5,810	$5,930
19	Overtime	955	952	897	892	904	922
20	Health and Welfare	1,109	1,202	1,328	1,385	1,472	1,560
21	OPEB Current Payment	496	532	581	622	676	734
22	Pensions	1,285	1,385	1,374	1,383	1,381	1,370
23	Other Fringe Benefits	795	830	857	870	885	908
24	Contribution to GASB Fund	0	0	0	8	18	29
25	Reimbursable Overhead	0	0	(0)	0	0	0
26	**Total Labor Expenditures**	**$9,886**	**$10,215**	**$10,621**	**$10,854**	**$11,146**	**$11,454**
27							
28	***Non-Labor:***						
29	Electric Power	$485	$408	$501	$514	$528	$566
30	Fuel	165	126	158	164	170	186
31	Insurance	58	41	47	57	63	72
32	Claims	269	269	255	241	249	257
33	Paratransit Service Contracts	381	389	409	433	470	509
34	Maintenance and Other Operating Contracts	522	663	725	631	609	598
35	Professional Service Contracts	314	480	561	472	436	438
36	Materials & Supplies	727	706	772	763	728	800
37	Other Business Expenditures	213	191	197	185	196	194
38	**Total Non-Labor Expenditures**	**$3,133**	**$3,274**	**$3,626**	**$3,460**	**$3,449**	**$3,622**
39							
40	***Other Expenditure Adjustments:***						
41	Other	$33	$133	$140	$148	$138	$158
42	General Reserve	0	0	155	160	165	170
43	**Total Other Expenditure Adjustments**	**$33**	**$133**	**$295**	**$308**	**$303**	**$328**
44							
45	**Total Expenditures**	**$13,052**	**$13,621**	**$14,542**	**$14,622**	**$14,898**	**$15,404**
46							
47	**Net Cash Deficit Before Subsidies and Debt Service**	**($4,469)**	**($4,944)**	**($5,425)**	**($5,497)**	**($5,862)**	**(6,336)**
48							
49	Dedicated Taxes and State/Local Subsidies	$6,357	$6,509	$6,851	$7,366	$7,425	$7,628
50	Debt Service (excludes Service Contract Bonds)	($1,738)	($1,796)	($1,916)	($2,042)	($2,156)	(2,285)
51							
52	**CASH BALANCE BEFORE PRIOR-YEAR CARRY-OVER**	**$150**	**($231)**	**($489)**	**($173)**	**($593)**	**($993)**
53	**ADJUSTMENTS**	**0**	**12**	**253**	**176**	**574**	**614**
54	**PRIOR-YEAR CARRY-OVER**	**330**	**480**	**260**	**24**	**27**	**7**
55	**NET CASH BALANCE**	**$480**	**$260**	**$24**	**$27**	**$7**	**($372)**

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2017-2020
MTA Consolidated February Financial Plan Compared with NOVEMBER FINANCIAL PLAN
Cash Reconciliation after Below-the-Line Adjustments

($ in millions)

	Favorable/(Unfavorable)				
	2016	2017	2018	2019	2020
NOVEMBER FINANCIAL PLAN 2017-2020 NET CASH SURPLUS/(DEFICIT)	**$260**	**$23**	**$76**	**$32**	**($319)**
Changes in Subsidies	***0***	***($126)***	***($45)***	***($43)***	***($59)***
MMTOA	*(0)*	*(75)*	*7*	*7*	*(9)*
Payroll Mobility Tax Replacement Funds	-	*(67)*	*(67)*	*(67)*	*(67)*
Petroleum Business Tax	-	*9*	*9*	*9*	*9*
MTA Aid	-	*8*	*8*	*8*	*8*
Other Subsidies	*0*	*(1)*	*(1)*	*0*	*(0)*
Agency Technical Adjustments	***$1***	***($64)***	***($51)***	***($55)***	***($41)***
Farebox and Toll Increase Adjustments	-	*(17)*	*(3)*	*(3)*	*(3)*
TWU Settlement (NYCT)	-	*(13)*	*(15)*	*(19)*	*(4)*
Medical Rebid - Adjust for Labor Contract Credit (NYCT)	-	*(10)*	*(17)*	*(18)*	*(19)*
Adjustment in Capital Overhead Rates (LIRR)	-	*(11)*	*(8)*	*(8)*	*(8)*
Other Agency Technical Adjustments	*1*	*(14)*	*(7)*	*(7)*	*(6)*
Debt Service	***$0***	***$3***	***$6***	***$6***	***$6***
Refunding Savings (2017)	-	*3*	*6*	*6*	*6*
Below-the-Line Adjustments:	***$0***	***$189***	***$39***	***$117***	***$66***
Additional MTA Efficiencies (2017 February Plan)	-	*25*	*50*	*50*	*50*
Adjustment to Unidentified Savings	-	*2*	*4*	*4*	*4*
Policy Actions:					
Sandy Insurance Reimbursement for Business Interruption	-	*100*	-	-	-
Reduced Debt Service from NYS Capital Funding Commitment	-	*12*	*38*	*38*	*38*
Adjustments to Committed to Capital Contribution	-	*50*	*(50)*	*25*	*(25)*
Debt Service Impact of Adjustments	-	-	*(3)*	-	*(1)*
Prior Year Carryover	***($0)***	***$1***	***$1***	***($49)***	***($25)***
FEBRUARY FINANCIAL PLAN 2017-2020 NET CASH SURPLUS/(DEFICIT)	**$260**	**$24**	**$27**	**$7**	**($372)**

* *Totals may not add due to rounding*

METROPOLITAN TRANSPORTATION AUTHORITY
February Financial Plan 2017-2020
Consolidated Subsidies
Cash Basis
($ in millions)

	Actual 2015	Final Estimate 2016	Adopted Budget 2017	2018	2019	2020
Subsidies						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assist (MMTOA)	$1,563.9	$1,668.0	$1,668.0	$1,828.0	$1,889.4	$1,952.4
Petroleum Business Tax (PBT) Receipts	616.5	619.1	607.6	601.9	599.0	596.7
Mortgage Recording Tax (MRT)	430.6	459.1	456.9	472.5	489.7	499.0
MRT Transfer to Suburban Counties	(1.7)	(3.0)	(3.0)	(3.0)	(3.3)	(3.6)
Reimburse Agency Security Costs	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)	(10.0)
MTA Bus Debt Service	(24.9)	(24.9)	(24.9)	(23.8)	(23.8)	(23.8)
Interest	4.9	5.1	5.3	5.3	5.3	5.3
Urban Tax	940.6	837.8	783.9	780.7	780.7	791.8
Investment Income	1.1	1.1	1.2	1.2	1.2	1.2
	$3,520.9	**$3,552.4**	**$3,485.1**	**$3,652.7**	**$3,728.3**	**$3,808.9**
PMT and MTA Aid						
Payroll Mobility Tax	$1,316.9	$1,379.2	$1,425.1	$1,495.4	$1,564.1	$1,632.8
Payroll Mobility Tax Replacement Funds	309.3	311.3	244.3	244.3	244.3	244.3
MTA Aid	284.8	297.4	305.4	305.4	305.4	305.4
	$1,910.9	**$1,987.8**	**$1,974.7**	**$2,045.1**	**$2,113.7**	**$2,182.5**
State and Local Subsidies						
State Operating Assistance (18-b)	$187.9	$187.9	$187.9	$187.9	$187.9	$187.9
Local Operating Assistance (18-b)	182.3	187.9	187.9	187.9	187.9	187.9
Station Maintenance	161.2	164.1	168.3	172.6	176.9	180.3
	$531.4	**$539.9**	**$544.1**	**$548.4**	**$552.8**	**$556.1**
Other Subsidy Adjustments						
Resource to Reduce Pension Liability	($140.0)	($75.0)	$0.0	$23.3	$23.3	$23.3
Reserve for Retroactive Payments	109.3	0.0	0.0	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	(11.5)	(11.5)	(11.5)	(11.5)	(11.5)	(11.5)
Forward Energy Contracts Program - Gain/(Loss)	(42.2)	(30.3)	0.6	0.8	0.0	0.0
MNR Repayment for 525 North Broadway	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)	(2.4)
Repayment of Loan to Capital Financing Fund	(100.0)	0.0	0.0	0.0	0.0	0.0
Committed to Capital 2010-2014 Capital Program	(38.1)	0.0	(73.0)	(78.9)	(49.7)	0.0
Committed to Capital 2015-2019 Capital Program	(721.9)	(754.1)	(442.8)	(94.5)	(172.2)	(154.4)
	($946.8)	**($873.4)**	**($529.1)**	**($163.3)**	**($212.5)**	**($145.1)**
Subtotal Dedicated Taxes & State and Local Subsidies	***$5,016.5***	***$5,206.8***	***$5,474.8***	***$6,083.0***	***$6,182.3***	***$6,402.5***
Other Funding Agreements						
City Subsidy for MTA Bus Company	$438.3	$413.4	$526.4	$471.9	$485.5	$491.8
City Subsidy for Staten Island Railway	33.4	36.1	56.4	58.3	39.0	41.9
CDOT Subsidy for Metro-North Railroad	129.0	120.4	108.6	119.2	123.9	131.9
	$600.6	**$569.9**	**$691.4**	**$649.4**	**$648.4**	**$665.5**
Total Dedicated Taxes & State and Local Subsidies	***$5,617.1***	***$5,776.7***	***$6,166.2***	***$6,732.3***	***$6,830.7***	***$7,068.0***
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	$740.1	$732.5	$685.0	$633.8	$594.2	$560.5
	$740.1	**$732.5**	**$685.0**	**$633.8**	**$594.2**	**$560.5**
GROSS SUBSIDIES	**$6,357.2**	**$6,509.1**	**$6,851.2**	**$7,366.1**	**$7,424.9**	**$7,628.4**

METROPOLITAN TRANSPORTATION AUTHORITY
Summary of Changes Between the February and November Financial Plans
Consolidated Subsidies
Cash Basis
($ in millions)

	2016	2017	2018	2019	2020
Subsidies					
Dedicated Taxes					
Metropolitan Mass Transportation Operating Assist (MMTOA)	($0.0)	($75.1)	$6.5	$6.8	($8.7)
Petroleum Business Tax (PBT) Receipts	0.0	8.8	8.8	8.8	8.8
Mortgage Recording Tax (MRT)	0.0	0.0	0.0	0.0	0.0
MRT Transfer to Suburban Counties	0.0	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0	0.0
MTA Bus Debt Service	0.0	0.0	0.0	0.0	0.0
Interest	0.0	0.0	0.0	0.0	0.0
Urban Tax	0.0	0.0	0.0	0.0	0.0
Investment Income	0.0	0.0	0.0	0.0	0.0
	($0.0)	**($66.3)**	**$15.3**	**$15.6**	**$0.1**
PMT and MTA Aid					
Payroll Mobility Tax	$0.0	$0.0	$0.0	$0.0	($0.0)
Payroll Mobility Tax Replacement Funds	0.0	(67.0)	(67.0)	(67.0)	(67.0)
MTA Aid	0.0	8.0	8.0	8.0	8.0
	$0.0	**($59.0)**	**($59.0)**	**($59.0)**	**($59.0)**
State and Local Subsidies					
State Operating Assistance (18-b)	$0.0	$0.0	$0.0	$0.0	$0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0	0.0
Station Maintenance	0.0	0.0	0.0	0.0	0.0
	$0.0	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Other Subsidy Adjustments					
Resource to Reduce Pension Liability	($145.0)	$0.0	$16.8	$16.8	$16.8
Reserve for Retroactive Payments	0.0	0.0	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	0.0	0.0	0.0	0.0	0.0
Forward Energy Contracts Program - Gain/(Loss)	0.0	0.0	0.0	0.0	0.0
MNR Repayment for 525 North Broadway	0.0	0.0	0.0	0.0	0.0
Repayment of Loan to Capital Financing Fund	0.0	0.0	0.0	0.0	0.0
Committed to Capital 2010-2014 Capital Program	0.0	0.0	0.0	0.0	0.0
Committed to Capital 2015-2019 Capital Program	(364.1)	(92.7)	(119.7)	17.0	(6.6)
	($509.1)	**($92.7)**	**($102.8)**	**$33.8**	**$10.2**
Subtotal Dedicated Taxes & State and Local Subsidies	***($509.1)***	***($218.0)***	***($146.6)***	***($9.6)***	***($48.7)***
Other Funding Agreements					
City Subsidy for MTA Bus Company	$0.0	($4.4)	($6.2)	($7.3)	($8.2)
City Subsidy for Staten Island Railway	0.0	(0.0)	(0.0)	(0.3)	(0.3)
CDOT Subsidy for Metro-North Railroad	(0.0)	(0.1)	(1.7)	(0.9)	(0.9)
	($0.0)	**($4.5)**	**($7.9)**	**($8.5)**	**($9.5)**
Total Dedicated Taxes & State and Local Subsidies	***($509.2)***	***($222.5)***	***($154.5)***	***($18.1)***	***($58.2)***
Inter-agency Subsidy Transactions					
B&T Operating Surplus Transfer	($1.1)	$52.3	$73.9	$75.2	$74.3
	($1.1)	**$52.3**	**$73.9**	**$75.2**	**$74.3**
GROSS SUBSIDIES	**($510.2)**	**($170.2)**	**($80.5)**	**$57.2**	**$16.2**

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