NEW ISSUE **BOOK-ENTRY-ONLY**

$863,860,000
METROPOLITAN TRANSPORTATION AUTHORITY
Transportation Revenue Bonds, Series 2016C
consisting of

$534,200,000 Subseries 2016C-1 (Fixed Rate)	$329,660,000 Subseries 2016C-2 *consisting of*	
	$56,120,000 Subseries 2016C-2a (Fixed Rate)	$273,540,000 Subseries 2016C-2b (Mandatory Tender Bonds)

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

The Metropolitan Transportation Authority's (MTA) Transportation Revenue Bonds, Subseries 2016C-1 (the Subseries 2016C-1 Bonds) are being issued to retire the Transportation Revenue Bond Anticipation Notes, Subseries 2015B-1. The Transportation Revenue Refunding Bonds, Subseries 2016C-2a and the Transportation Revenue Refunding Bonds, Subseries 2016C-2b (collectively, the Subseries 2016C-2 Bonds, and together with the Subseries 2016C-1 Bonds, the Series 2016C Bonds) are being issued to refinance certain outstanding indebtedness issued by MTA for transit and commuter projects.

The Series 2016C 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 2016C 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 2016C 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 Subseries 2016C-1 Bonds and the Subseries 2016C-2a Bonds will bear interest at the rates shown on the inside cover pages hereof.

The Subseries 2016C-2b Bonds constitute Variable Interest Rate Obligations and will bear interest at the Term Rate from their date of delivery as set forth on the inside cover pages hereof. The Subseries 2016C-2b Bonds are subject to mandatory tender for purchase on the Mandatory Purchase Date. MTA reserves the right to convert any of the Subseries 2016C-2b Bonds to a Commercial Paper Mode, Daily Mode, Weekly Mode, Fixed Rate Mode or another Term Rate Mode, and, in connection therewith, to change the principal amount of the Subseries 2016C-2b Bonds. Such right shall not occur prior to the Mandatory Purchase Date. **This official statement is not intended to describe the Subseries 2016C-2b Bonds from and after the Mandatory Purchase Date.**

The Series 2016C Bonds are subject to redemption prior to maturity as described herein.

The Series 2016C 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 July 28, 2016.

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 2016C 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.

Wells Fargo Securities

Drexel Hamilton, LLC **Estrada Hinojosa & Company, Inc.** **Rice Financial Products Company**
BNY Mellon Capital Markets
Joint Co-Senior Managers

BofA Merrill Lynch	Citigroup	Goldman, Sachs & Co.
J.P. Morgan	Jefferies	Loop Capital Markets
Morgan Stanley	Ramirez & Co., Inc.	RBC Capital Markets
	Siebert Brandford Shank & Co., L.L.C.	

Academy Securities Inc.	Barclays	Cabrera Capital Markets, LLC
Duncan-Williams, Inc.	Fidelity Capital Markets	Janney Montgomery Scott
KeyBanc Capital Markets Inc.	M&T Securities, Inc.	Mesirow Financial, Inc.
Oppenheimer & Co.	Piper Jaffray & Co.	PNC Capital Markets LLC
Raymond James	Roosevelt & Cross, Incorporated	Stern Brothers & Co.
Stifel	TD Securities	U.S. Bancorp Investments, Inc.
	The Williams Capital Group, L.P.	

July 21, 2016

$863,860,000
Metropolitan Transportation Authority
Transportation Revenue Bonds, Series 2016C

consisting of

$534,200,000
Transportation Revenue Bonds, Subseries 2016C-1 (Fixed Rate)

$192,135,000 Serial Bonds

Maturity (November 15)	Principal Amount	Interest Rate	Yield	CUSIP Number* (59261A)
2017	$ 4,850,000	3.00%	0.60%	GN1
2018	4,995,000	5.00	0.70	GP6
2019	5,245,000	4.00	0.84	GQ4
2020	5,455,000	4.00	0.99	GR2
2021	5,675,000	5.00	1.14	GS0
2022	5,955,000	5.00	1.30	GT8
2023	6,255,000	5.00	1.47	GU5
2024	6,570,000	5.00	1.58	GV3
2025	6,895,000	5.00	1.71	GW1
2026	7,240,000	4.00	1.83	GX9
2027	7,530,000	5.00	1.92†	GY7
2028	7,905,000	5.00	2.06†	GZ4
2029	8,305,000	5.00	2.12†	HA8
2030	8,720,000	5.00	2.17†	HB6
2031	9,155,000	5.00	2.25†	HC4
2032	9,610,000	5.00	2.30†	HD2
2033	10,090,000	5.00	2.35†	HE0
2034	10,595,000	5.00	2.40†	HF7
2035	11,125,000	5.00	2.44†	HG5
2036	11,680,000	5.00	2.48†	HH3
2037	12,265,000	4.00	2.73†	HM2
2038	12,755,000	4.00	2.74†	HQ3
2039	13,265,000	5.00	2.52†	HN0

$342,065,000 Term Bonds

$28,415,000 4.00% Subseries 2016C-1 Term Bond due November 15, 2041, Priced to Yield: 2.77%†
CUSIP Number* 59261A HJ9

$25,700,000 5.00% Subseries 2016C-1 Term Bond due November 15, 2046, Priced to Yield: 2.58%†
CUSIP Number* 59261A HK6

$30,000,000 4.00% Subseries 2016C-1 Term Bond due November 15, 2046, Priced to Yield: 2.82%†
CUSIP Number* 59261A HR1

$25,885,000 3.00% Subseries 2016C-1 Term Bond due November 15, 2046, Priced to Yield: 3.11%
CUSIP Number* 59261A HS9

$100,000,000 5.00% Subseries 2016C-1 Term Bond due November 15, 2056, Priced to Yield: 2.79%†
CUSIP Number* 59261A HL4

$132,065,000 5.25% Subseries 2016C-1 Term Bond due November 15, 2056, Priced to Yield: 2.71%†
CUSIP Number* 59261A HP5

The Subseries 2016C-1 Bonds are subject to optional and mandatory redemption as described under the caption "DESCRIPTION OF SUBSERIES 2016C-1 BONDS – Redemption Prior to Maturity" in **Part I**. The following summarizes the optional redemption provisions: the Subseries 2016C-1 Bonds maturing on and after November 15, 2027, are subject to redemption prior to maturity on any date on and after November 15, 2026 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.

* CUSIP numbers have been assigned by an organization not affiliated with MTA and are included solely for the convenience of the holders of the Series 2016C 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 Series 2016C Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016C 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 Series 2016C Bonds.

† Priced at the stated yield to the November 15, 2026 optional redemption date at a redemption price of 100%.

$329,660,000
Transportation Revenue Refunding Bonds, Subseries 2016C-2

consisting of

$56,120,000 Serial Bonds
Subseries 2016C-2a
(Fixed Rate)

Maturity (November 15)	Principal Amount	Interest Rate	Yield	CUSIP Number* (59261A)
2038	$ 26,390,000	3.00%	3.00%	HT7
2038	29,730,000	4.00	2.74†	HU4

$273,540,000 Term Bonds
Subseries 2016C-2b
(Mandatory Tender Bonds)
Maturing November 15, 2034

Mandatory Purchase Date	Interest Rate	Yield	CUSIP Number* (59261A)
February 15, 2020	5.00%	1.16%‡	HV2

The Subseries 2016C-2 Bonds are subject to optional and mandatory redemption as described under the caption "DESCRIPTION OF SUBSERIES 2016C-2 BONDS – Tender and Redemption Provisions for the Subseries 2016C-2 Bonds" in **Part I**. The following summarizes the optional redemption provisions: the Subseries 2016C-2a Bonds are subject to redemption prior to maturity on any date on and after November 15, 2026, 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; the Subseries 2016C-2b Bonds are subject to redemption prior to maturity on any date on and after February 15, 2020, 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 Series 2016C 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 Series 2016C Bonds or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Series 2016C 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 Series 2016C Bonds.

† Priced at the stated yield to the November 15, 2026 optional redemption date at a redemption price of 100%.

‡ Priced to the February 15, 2020 Mandatory Purchase Date.

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New York, New York 10004
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New York, New York
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HAWKINS DELAFIELD & WOOD LLP
New York, New York
Special Disclosure Counsel

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SUMMARY OF TERMS

MTA has prepared this Summary of Terms to describe the specific terms of the Series 2016C 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 Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Series 2016C Bonds being offered.

Issuer	Metropolitan Transportation Authority, a public benefit corporation of the State of New York.
Bonds Being Offered	Transportation Revenue Bonds, Series 2016C, consisting of the Transportation Revenue Bonds, Subseries 2016C-1 (Fixed Rate), the Transportation Revenue Refunding Bonds, Subseries 2016C-2a (Fixed Rate) and the Transportation Revenue Refunding Bonds, Subseries 2016C-2b (Mandatory Tender Bonds), collectively referred to herein as the Series 2016C Bonds.
Purpose of Issue	The Subseries 2016C-1 Bonds are being issued to retire the Transportation Revenue Bond Anticipation Notes, Subseries 2015B-1, which were issued by MTA to provide interim financing of transit and commuter projects. The Subseries 2016C-2 Bonds are being issued to refund certain outstanding indebtedness issued by MTA. See "APPLICATION OF PROCEEDS" in **Part I**.
Maturities and Rates	The Series 2016C 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 2016C Bonds shall be paid on May 15 and November 15, commencing November 15, 2016.
Redemption	See "DESCRIPTION OF SUBSERIES 2016C-1 BONDS – Redemption Prior to Maturity" and "DESCRIPTION OF SUBSERIES 2016C-2 BONDS – Tender and Redemption Provisions for the Subseries 2016C-2 Bonds" 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**.
Financial Advisor	Public Financial Management, Inc., New York, New York.
Underwriters	See cover page.
Underwriters' Discount	See "UNDERWRITING" in **Part III**.
Counsel to the Underwriters	Norton Rose Fulbright US LLP, New York, New York.
Verification Agent	Samuel Klein and Company, Certified Public Accountants.

SUMMARY OF TERMS RELATING TO SUBSERIES 2016C-2b BONDS (MANDATORY TENDER BONDS)[1]

INTEREST PAYMENT DATES AND CALCULATION PERIOD	Each May 15 and November 15, commencing November 15, 2016, calculated based on a 360-day year comprised of twelve 30-day months.
RECORD DATE	Each May 1 or November 1 preceding payment of principal, interest and Sinking Fund Installments.
OWNERS' RIGHTS TO TENDER	None.
MANDATORY TENDER FOR PURCHASE	• The Business Day after the last day of each Interest Rate Period (a Purchase Date). The Purchase Date for the Subseries 2016C-2b Bonds is February 15, 2020. • On any Business Day which is no earlier than the earliest Optional Purchase Date, at the option of MTA. The earliest possible Optional Purchase Date for the Subseries 2016C-2b Bonds is February 15, 2020. • On any Mode Change Date, which Mode Change Date shall not be prior to the earliest possible Optional Purchase Date.
NOTICE OF MODE CHANGE; MODE CHANGE DATE; REVOCABILITY	Trustee to mail notice to Notice Parties not later than 20 days before the Mode Change Date; MTA may rescind a conversion notice up to one Business Day before the Mode Change Date.
RATE FOLLOWING UNSUCCESSFUL REMARKETING	A rate per annum equal to the lesser of the maximum rate permitted by law (currently, there is no statutory cap under New York State law applicable to the Subseries 2016C-2b Bonds) or 10% (the Maximum Rate).

[1] So long as the Subseries 2016C-2b Bonds are registered in the name of Cede & Co., as Owner and Securities Depository Nominee of DTC, mechanics for tender and redemption will be in accordance with procedures established by DTC.

* ***No Unauthorized Offer.*** **This official statement is not an offer to sell, or the solicitation of an offer to buy, the Series 2016C 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 2016C 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 2016C 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 three-month period ended March 31, 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 three-month period ended March 31, 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.

- ***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 2016C Bonds, or**
    - **the tax-exempt status of the interest on the Series 2016C Bonds.**
- ***Overallotment and Stabilization*. The Underwriters may overallot or effect transactions that stabilize or maintain the market price of the Series 2016C 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 (Rule 15c2-12).**

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Attachment 1 – Book-Entry-Only System
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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, 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, filed with the MSRB prior to the delivery date of the Series 2016C 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 Three-Month Period Ended March 31, 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 Three-Month Period Ended March 31, 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 three-month period ended March 31, 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 2016C Bonds.
- ***Part II*** describes the sources of payment and security for all Transportation Revenue Bonds, including the Series 2016C Bonds.
- ***Part III*** provides miscellaneous information relating to the Series 2016C Bonds.
- ***Attachment 1*** sets forth certain provisions applicable to the book-entry-only system of registration to be used for the Series 2016C Bonds.
- ***Attachment 2*** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Series 2016C Bonds.
- ***Attachment 3*** is the form of opinion of Co-Bond Counsel in connection with the issuance of the Series 2016C Bonds.
- ***Attachment 4*** sets forth a list of the bonds to be refunded.
- ***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 2016C 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**.

Filing of MTA 2016 Combined Continuing Disclosure Filings

On April 29, 2016, in fulfillment of its continuing disclosure requirements under SEC Rule 15c2-12, MTA filed its 2016 Combined Continuing Disclosure Filings with EMMA, as supplemented on May 10, 2016, the following portions of which are incorporated herein by specific cross-reference:

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

MTA intends to update and supplement specific information contained in the **ADS** (1) through revised Continuing Disclosure Filings, (2) on a periodic basis, generally corresponding to its July, November and February financial plan updates and (3) by periodic supplement, as appropriate, in connection with its periodic issuance of bonds, notes and other obligations, or otherwise. MTA expects to file such updated and supplemental information with EMMA and may incorporate such information in its official statements by specific cross-reference. Such information 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 in the **ADS** as events warrant.

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PART I. SERIES 2016C BONDS

Part I of this official statement, together with the Summary of Terms, provides specific information about the Series 2016C Bonds.

PLAN OF REFUNDING AND APPLICATION OF PROCEEDS

MTA anticipates that the net proceeds of the Subseries 2016C-1 Bonds (the principal amount thereof, plus a net original issue premium of $101,295,305.60, and less certain financing, legal and miscellaneous expenses of $7,495,305.60) in the total amount of $628,000,000, will be used to retire the outstanding Transportation Revenue Bond Anticipation Notes, Subseries 2015B-1, which were issued to provide interim financing of transit and commuter capital projects.

MTA anticipates that the net proceeds of the Subseries 2016C-2 Bonds (the principal amount thereof, plus original issue premium of $39,737,397.90, and less certain financing, legal and miscellaneous expenses of $1,588,722.18) in the amount of $367,808,675.72 will be used, together with other funds described below, to refund certain outstanding Transportation Revenue Bonds (collectively, the Refunded Bonds), as further described in **Attachment 4** to this official statement.

MTA anticipates that a portion of the net proceeds of the Subseries 2016C-2 Bonds, together with other funds of MTA in the amount of $3,488,528.06, 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 principal or 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 2016C-2 Bonds and will be held in trust for the payment of the principal of or redemption price 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, under the terms of the Transportation Resolution, be deemed to have been paid and will no longer be Outstanding (as defined in the Transportation Resolution) and will cease to be entitled to any lien, benefit or security under the Transportation Resolution.

DESCRIPTION OF SUBSERIES 2016C-1 BONDS

General

Record Date. The Record Date for the payment of principal of, interest on and Sinking Fund Installments with respect to the Subseries 2016C-1 Bonds shall be the May 1 or November 1 immediately preceding such payment date.

Book-Entry-Only System. The Subseries 2016C-1 Bonds will be registered in the name of The Depository Trust Company or its nominee (together, DTC), New York, New York, which will act as securities depository for the Subseries 2016C-1 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 Subseries 2016C-1 Bonds, all payments on the Subseries 2016C-1 Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – "Book-Entry-Only System."

Interest Payments. The Subseries 2016C-1 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 on each May 15 and November 15, beginning November 15, 2016, calculated based on a 360-day year comprised of twelve 30-day months.

Transfers and Exchanges. So long as DTC is the securities depository for the Subseries 2016C-1 Bonds, it will be the sole registered owner of the Subseries 2016C-1 Bonds, and transfers of ownership interests in the Subseries 2016C-1 Bonds will occur through the DTC Book-Entry-Only System.

Trustee and Paying Agent. The Bank of New York Mellon, New York, New York is Trustee and Paying Agent with respect to the Subseries 2016C-1 Bonds.

Redemption Prior to Maturity

Mandatory Sinking Fund Redemption. The 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 2016C-1 Bonds shown below:

Subseries 2016C-1 2041 4.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2040	$13,930,000
final maturity	2041	14,485,000
average life – 24.807 years		

Subseries 2016C-1 2046 5.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2042	$4,650,000
	2043	4,885,000
	2044	5,125,000
	2045	5,385,000
final maturity	2046	5,655,000
average life – 28.395 years		

Subseries 2016C-1 2046 4.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2042	$5,540,000
	2043	5,760,000
	2044	5,990,000
	2045	6,230,000
final maturity	2046	6,480,000
average life – 28.376 years		

Subseries 2016C-1 2046 3.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2042	$4,875,000
	2043	5,020,000
	2044	5,175,000
	2045	5,330,000
final maturity	2046	5,485,000
average life – 28.356 years		

Subseries 2016C-1 2056 5.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2047	$ 7,950,000
	2048	8,350,000
	2049	8,765,000
	2050	9,205,000
	2051	9,665,000
	2052	10,145,000
	2053	10,655,000
	2054	11,185,000
	2055	11,745,000
final maturity	2056	12,335,000
average life – 36.198 years		

Subseries 2016C-1 2056 5.25% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2047	$10,380,000
	2048	10,920,000
	2049	11,495,000
	2050	12,100,000
	2051	12,735,000
	2052	13,405,000
	2053	14,105,000
	2054	14,850,000
	2055	15,630,000
final maturity	2056	16,445,000
average life – 36.218 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 2016C-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 2016C-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 2016C-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 Subseries 2016C-1 Bonds maturing on and after November 15, 2027, are subject to redemption prior to maturity on any date on and after November 15, 2026, 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 Subseries 2016C-1 Bonds, prior to maturity, as a whole, on any interest payment date not less than twenty years after the date of issue of the Subseries 2016C-1 Bonds, at 105% of their face value and accrued interest or at such lower redemption price provided for the Subseries 2016C-1 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 Subseries 2016C-1 Bonds, as a whole, but only in accordance with the terms upon which the Subseries 2016C-1 Bonds are otherwise redeemable.

Redemption Notices. So long as DTC is the securities depository for the Subseries 2016C-1 Bonds, the Trustee must mail redemption notices to DTC at least 20 days before the redemption date. If the Subseries 2016C-1 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 Subseries 2016C-1 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 Subseries 2016C-1 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 Subseries 2016C-1 Bonds, and any other conditions included in such notice have been satisfied, then on the redemption date the Subseries 2016C-1 Bonds called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Subseries 2016C-1 Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Subseries 2016C-1 Bonds.

DESCRIPTION OF SUBSERIES 2016C-2 BONDS

General

Record Date. The Record Date for the payment of principal of, interest on and Sinking Fund Installments with respect to the Subseries 2016C-2 Bonds shall be the May 1 or November 1 immediately preceding such payment date.

Book-Entry-Only System. The Subseries 2016C-2 Bonds will be registered in the name of The Depository Trust Company or its nominee (together, DTC), New York, New York, which will act as securities depository for the Subseries 2016C-2 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 Subseries 2016C-2 Bonds, all payments on the Subseries 2016C-2 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 Subseries 2016C-2 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 on each May 15 and November 15, beginning November 15, 2016, calculated based on a 360-day year comprised of twelve 30-day months. So long as DTC is the sole registered owner of all of the Subseries 2016C-2 Bonds, all interest payments will be paid to DTC by wire transfer of immediately available funds, and payment of interest to beneficial owners will occur through the DTC Book-Entry-Only System

Transfers and Exchanges. So long as DTC is the securities depository for the Subseries 2016C-2 Bonds, it will be the sole registered owner of the Subseries 2016C-2 Bonds, and transfers of ownership interests in the Subseries 2016C-2 Bonds will occur through the DTC Book-Entry-Only System.

Trustee and Paying Agent. The Bank of New York Mellon, New York, New York is Trustee and Paying Agent with respect to the Subseries 2016C-2 Bonds.

Tender and Redemption Provisions for the Subseries 2016C-2 Bonds

Optional Redemption. The Subseries 2016C-2a Bonds are subject to redemption prior to maturity on any date on and after November 15, 2026, 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.

The Subseries 2016C-2b Bonds are subject to tender and redemption prior to maturity on such dates and at such prices as are set forth below.

Mandatory Tender for Purchase at End of each Term Rate Mode Interest Rate Period. The Subseries 2016C-2b Bonds are subject to mandatory tender for purchase on the Business Day after the last day of each Interest Rate Period (a Purchase Date) at the Purchase Price (as defined herein). The Purchase Date for the Subseries 2016C-2b Bonds is February 15, 2020.

Mandatory Tender for Purchase at the Option of the Issuer. The Subseries 2016C-2b Bonds are subject to a mandatory tender for purchase at the option of MTA (an Optional Purchase) at the Purchase Price on any Business Day which Business Day is no earlier than February 15, 2020 (the Optional Purchase Date).

Mandatory Tender for Purchase on any Mode Change Date. The Subseries 2016C-2b Bonds are subject to a mandatory tender for purchase on the Mode Change Date (which Mode Change Date shall not be prior to the earliest possible Optional Purchase Date) at the Purchase Price.

Mandatory Purchase Date and Purchase Price. The Purchase Date, the Optional Purchase Date and the Mode Change Date are each referred to herein as a Mandatory Purchase Date. The Purchase Price to be paid for the Subseries 2016C-2b Bonds on any Mandatory Purchase Date shall be the principal amount of such Subseries 2016C-2b Bonds. Each Mandatory Purchase Date is also an Interest Payment Date for the Subseries 2016C-2b Bonds and interest shall be paid in accordance with customary procedures.

Optional Redemption. The Subseries 2016C-2b Bonds are subject to redemption prior to maturity on any date on and after February 15, 2020, 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.

Mandatory Sinking Fund Redemption. The 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 2016C-2b Bonds shown below:

Subseries 2016C-2b 2034 5.00% Term Bond		
	Sinking Fund Redemption Date (November 15)	Sinking Fund Installment
first payment	2028	$15,585,000
	2029	16,210,000
	2030	34,080,000
	2031	60,545,000
	2032	56,290,000
	2033	44,525,000
final maturity	2034	46,305,000
average life – 15.922 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 2016C-2b 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 2016C-2b 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 2016C-2b 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.

State and City Redemption. Pursuant to the MTA Act, the State, upon providing sufficient funds, may require MTA to redeem the Subseries 2016C-2 Bonds, prior to maturity, as a whole, on any interest payment date not less than twenty years after the date of issue of the Subseries 2016C-2 Bonds, at 105% of their face value and accrued interest or at such lower redemption price provided for the Subseries 2016C-2 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 Subseries 2016C-2 Bonds, as a whole, but only in accordance with the terms upon which the Subseries 2016C-2 Bonds are otherwise redeemable.

Notice of Mandatory Tender for Purchase. The Trustee shall, at least twenty (20) days prior to any Mandatory Purchase Date, give notice to the Notice Parties of the mandatory tender for purchase of the Subseries 2016C-2b Bonds that is to occur on that date.

Notice of any mandatory tender of Subseries 2016C-2b Bonds will be provided by the Trustee or caused to be provided by the Trustee by mailing a copy of the notice of mandatory tender by first-class mail to each Owner of Subseries 2016C-2b Bonds at the respective addresses shown on the registry books. Each notice of mandatory tender for purchase will identify the reason for the mandatory tender for purchase and specify:

- the Mandatory Purchase Date,
- the Purchase Price,
- the place and manner of payment,
- that the Owner has no right to retain such Subseries 2016C-2b Bond, and
- that no further interest will accrue from and after the Mandatory Purchase Date to such Owner.

Each notice of mandatory tender for purchase caused by a change in the Mode applicable to the Subseries 2016C-2b Bonds will, in addition specify the conditions that have to be satisfied pursuant to the Transportation Resolution in order for the New Mode to become effective and the consequences that the failure to satisfy any of such conditions would have.

Any notice mailed as described above shall be conclusively presumed to have been duly given, whether or not the Owner of any Subseries 2016C-2b Bonds receives the notice, and the failure of that Owner to receive any such notice will not affect the validity of the action described in that notice. Failure by the Trustee to give a notice as provided under this caption would not affect the obligation of the Tender Agent to purchase the Subseries 2016C-2b Bonds subject to mandatory tender for purchase on the Mandatory Purchase Date.

Redemption Notices. So long as DTC is the securities depository for the Subseries 2016C-2 Bonds, the Trustee must mail redemption notices to DTC at least 20 days before the redemption date. If the Subseries 2016C-2 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 Subseries 2016C-2 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 Subseries 2016C-2 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 Subseries 2016C-2 Bonds, and any other conditions included in such notice have been satisfied, then on the redemption date the Subseries 2016C-2 Bonds called for redemption will become due and payable. In either case, after the redemption date, no interest will accrue on those Subseries 2016C-2 Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Subseries 2016C-2 Bonds.

Changes in Mode

General. The Subseries 2016C-2b Bonds may be changed to any other Mode at the times and in the manner as summarized below.

Notice of Intention to Change Mode. MTA will give written notice to the Notice Parties of its intention to effect a change in the Mode from the Term Rate Mode to another Mode (the New Mode) specified in such written notice, together with the proposed effective date of that change in the Mode (the Mode Change Date). The notice will be given at least 21 days prior to the Mode Change Date. MTA may rescind a conversion notice up to one Business Day before the Mode Change Date.

General Provisions Applying to Changes from Term Rate Mode to Another Mode.

1. The Mode Change Date must be a Business Day which is no earlier than the earliest date on which the Subseries 2016C-2b Bonds are subject to an Optional Purchase, as described above under "—Tender and Redemption Provisions for the Subseries 2016C-2b Bonds–*Mandatory Tender for Purchase at the Option of the Issuer*."

2. On or prior to the date MTA provides the notice to the Notice Parties, MTA will deliver to the Trustee (with a copy to all other Notice Parties) a letter from Bond Counsel addressed to the Trustee to the effect that it expects to be able to deliver a Favorable Opinion of Bond Counsel on the Mode Change Date.

3. No change in Mode will become effective unless all conditions precedent thereto have been met and the following items shall have been delivered to the Trustee and the Remarketing Agent by 10:00 A.M., or such later time as is acceptable to MTA, the Trustee and the Remarketing Agent, on the Mode Change Date:

    - a Favorable Opinion of Bond Counsel dated the Mode Change Date,

    - unless the existing Tender Agency Agreement and Remarketing Agreement are effective on the Mode Change Date, a Tender Agency Agreement and a Remarketing Agreement if required for the New Mode, and

    - a certificate of an authorized officer of the Tender Agent to the effect that all of the Subseries 2016C-2b Bonds tendered or deemed tendered, unless otherwise redeemed, have been purchased at a price at least equal to the principal amount thereof.

4. If all conditions to the Mode change are met, the Interest Rate Period for the New Mode will commence on the Mode Change Date and the interest rate will be determined by the Remarketing Agent.

5. In the event the foregoing conditions have not been satisfied by the Mode Change Date, the New Mode shall not take effect and the Subseries 2016C-2b Bonds that are the subject of the Mode change:

- will be subject to mandatory tender for purchase;
- will continue to be in the Term Rate Mode; and
- will bear interest at the Maximum Rate.

Future Remarketing of Subseries 2016C-2b Bonds

MTA currently plans to remarket the Subseries 2016C-2b Bonds on or before the Mandatory Purchase Date, and apply the proceeds of such remarketing to pay the Purchase Price of the Subseries 2016C-2b Bonds. MTA expects to appoint a future remarketing agent (the Remarketing Agent) and direct the Remarketing Agent to offer for sale and use its best efforts to find purchasers for all Subseries 2016C-2b Bonds required to be tendered for purchase.

Source of Funds for Purchase of Subseries 2016C-2b Bonds

On or before 3:00 P.M. on each Mandatory Purchase Date, the Tender Agent shall purchase the Subseries 2016C-2b Bonds from the Owners at the Purchase Price. Funds for the payment of such Purchase Price shall be derived solely from immediately available funds transferred by the Remarketing Agent to the Tender Agent derived from the remarketing of Subseries 2016C-2b Bonds.

Notwithstanding the foregoing, MTA shall have the option, but shall not be obligated, to transfer immediately available funds to the Tender Agent for the payment of the Purchase Price of any Subseries 2016C-2b Bond tendered or deemed tendered as described in this official statement and the Purchase Price of which is not paid on the Mandatory Purchase Date. None of MTA, the Trustee, the Tender Agent nor the Remarketing Agent shall have any liability or obligation to pay or, except from the sources identified above, make available such Purchase Price. The failure to pay any such Purchase Price for Subseries 2016C-2b Bonds that have been tendered or deemed tendered for purchase from any of the sources identified above shall not constitute an Event of Default under the Transportation Resolution and in the case of such failure, none of such Subseries 2016C-2b Bonds shall be purchased, and such Subseries 2016C-2b Bonds shall remain in the Term Rate Mode and bear interest at the Maximum Rate. See "Consequences of a Failed Remarketing" below.

Delivery of Remarketed Subseries 2016C-2b Bonds

Except as otherwise required or permitted by DTC's book-entry-only system, remarketed Subseries 2016C-2b Bonds sold by the Remarketing Agent shall be delivered by the Remarketing Agent to the purchasers of those Remarketed Bonds by 3:00 P.M. on the Mandatory Purchase Date.

Delivery and Payment for Purchased Subseries 2016C-2b Bonds; Undelivered Subseries 2016C-2b Bonds

Except as otherwise required or permitted by DTC's book-entry-only system, remarketed Subseries 2016C-2b Bonds purchased as set forth above shall be delivered (with all necessary endorsements) at or before 12:00 P.M. noon on the Mandatory Purchase Date at the office of the Tender Agent in New York, New York; provided, however, that payment of the Purchase Price of any remarketed Subseries 2016C-2b Bonds purchased shall be made only if such Subseries 2016C-2b Bonds so delivered to the Tender Agent conform in all respects to the description thereof in the notice of tender. Payment of the Purchase Price shall be made by wire transfer in immediately available funds by the Tender Agent by the close of business on the Mandatory Purchase Date or, if the Owner has not provided or caused to be provided wire transfer instructions, by check mailed to the Owners at the address appearing in the books required to be kept by the Trustee pursuant to the Transportation Resolution. If Subseries 2016C-2b Bonds to be purchased are not delivered by the Owners to the Tender Agent by 12:00 P.M. noon on the Mandatory Purchase Date, the Tender Agent shall hold any funds received for the purchase of those Subseries 2016C-2b Bonds in trust in a separate account uninvested, and shall pay such funds to the former Owners upon presentation of Subseries 2016C-2b Bonds subject to tender. Undelivered Subseries 2016C-2b Bonds are deemed tendered and cease to accrue interest as to the former Owners on the Mandatory Purchase Date if moneys representing the Purchase Price shall be available against delivery of those Subseries 2016C-2b Bonds at the Principal Office of the Tender Agent; provided, however, that any funds so held by the Tender Agent that remain unclaimed by the former holder of any such Subseries 2016C-2b Bonds not presented for purchase for a period of two years after delivery of such funds to the Tender Agent shall, to the extent permitted by law, upon request in writing by MTA and the furnishing of security or indemnity to the Tender Agent's satisfaction, be paid to MTA free of any trust or lien and thereafter the former holder of such Subseries 2016C-2b Bonds shall look only to MTA and then only to the extent of the amounts so received by MTA without any interest thereon and the Tender Agent shall have no further responsibility with respect to such moneys or payment of the Purchase Price of such Subseries 2016C-2b Bonds. The Tender Agent shall authenticate replacement Subseries 2016C-2b Bonds for any undelivered Subseries 2016C-2b Bonds which may then be remarketed by the Remarketing Agent.

Consequences of a Failed Remarketing

In the event that remarketing proceeds are insufficient to pay the purchase price of all Outstanding Subseries 2016C-2b Bonds on the Mandatory Purchase Date, (1) no purchase shall be consummated on such Mandatory Purchase Date and the Tender Agent shall, after any applicable grace period, (a) return all tendered Subseries 2016C-2b Bonds to the registered owners thereof and (b) return all remarketing proceeds to the Remarketing Agent for return to the persons providing such moneys; and (2) the Subseries 2016C-2b Bonds will bear interest at the Maximum Rate during the period of time from and including the Mandatory Purchase Date to (but not including) the date that all such Subseries 2016C-2b Bonds are successfully remarketed (the Delayed Remarketing Period).

Following a failed remarketing, MTA expects to continue to have the Remarketing Agent use its best efforts to remarket the Subseries 2016C-2b Bonds into a Mode and at a rate determined by MTA, which rate may or may not exceed the Maximum Rate (or such other Mode as the Trustee, at the direction of MTA, shall thereafter designate to the Remarketing Agent and the prospective owners thereof) or an additional Interest Rate Period in the Term Rate Mode. Once the Remarketing Agent has advised the Trustee that it has a good faith belief that it is able to remarket all of the Subseries 2016C-2b Bonds, the Trustee, at the direction of MTA, will give notice by mail to the registered owners of such Subseries 2016C-2b Bonds not later than five Business Days prior to the purchase date, which notice will state (1) that the interest rate on such Subseries 2016C-2b Bonds will continue to be a Term Rate or will be adjusted to a Daily Rate, Weekly Rate or Fixed Rate or to the interest rates and Interest Rate Periods applicable in the Commercial Paper Mode on and after the purchase date; (2) that such Subseries 2016C-2b Bonds will be subject to mandatory tender for purchase on the purchase date; (3) the procedures for such mandatory tender; and (4) the purchase price of such Subseries 2016C-2b Bonds on the purchase date (expressed as a percentage of the principal amount thereof).

During the Delayed Remarketing Period, the Trustee may, upon direction of MTA, apply amounts to the redemption of all or any portion of the Subseries 2016C-2b Bonds as a whole or in part on any Business Day during the Delayed Remarketing Period, at a redemption price equal to the principal amount thereof, together with interest accrued thereon to the date fixed for redemption, without premium. Notice of redemption shall be provided at least five Business Days prior to the date fixed for redemption.

During the Delayed Remarketing Period, interest on such Subseries 2016C-2b Bonds shall be paid to the registered owners thereof (i) on each May 15 and November 15 occurring during the Delayed Remarketing Period and (ii) on the last day of the Delayed Remarketing Period. Payment of such interest shall be made by the Trustee from the Debt Service Fund pursuant to the Transportation Resolution.

During any Delayed Remarketing Period, pursuant to its plan of financing, MTA currently expects to use commercially reasonable efforts to cause the Remarketing Agent to remarket such Subseries 2016C-2b Bonds, to convert such Subseries 2016C-2b Bonds to another Mode or another Interest Rate Period or to refund such Subseries 2016C-2b Bonds, subject to market conditions and the determination of a rate and structure acceptable to MTA at that time.

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 2016C Bonds, and (iii) the aggregate debt service on all Transportation Revenue Bonds to be outstanding after the issuance of the Series 2016C 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]	Series 2016C Bonds Principal	Interest[5]	Total	Aggregate Debt Service[2][3][4]
2016	$1,463,172	$ -	$12,207	$12,207	$1,475,379
2017	1,524,950	4,850	41,070	45,920	1,570,870
2018	1,549,546	4,995	40,924	45,919	1,595,465
2019	1,550,604	5,245	40,674	45,919	1,596,524
2020	1,546,136	5,455	40,465	45,920	1,592,056
2021	1,547,137	5,675	40,246	45,921	1,593,059
2022	1,533,961	5,955	39,963	45,918	1,579,879
2023	1,549,507	6,255	39,665	45,920	1,595,427
2024	1,543,932	6,570	39,352	45,922	1,589,854
2025	1,517,759	6,895	39,024	45,919	1,563,678
2026	1,553,460	7,240	38,679	45,919	1,599,379
2027	1,546,787	7,530	38,389	45,919	1,592,707
2028	1,524,168	23,490	38,013	61,503	1,585,671
2029	1,530,886	24,515	36,838	61,353	1,592,239
2030	1,499,498	42,800	35,613	78,413	1,577,911
2031	1,493,761	69,700	33,473	103,173	1,596,934
2032	1,473,105	65,900	29,988	95,888	1,568,993
2033	1,159,140	54,615	26,693	81,308	1,240,447
2034	1,156,277	56,900	23,962	80,862	1,237,139
2035	1,205,698	11,125	21,117	32,242	1,237,940
2036	1,009,430	11,680	20,561	32,241	1,041,671
2037	985,523	12,265	19,977	32,242	1,017,765
2038	866,371	68,875	19,486	88,361	954,732
2039	860,834	13,265	16,995	30,260	891,094
2040	759,781	13,930	16,332	30,262	790,043
2041	592,786	14,485	15,774	30,259	623,045
2042	540,063	15,065	15,195	30,260	570,323
2043	398,247	15,665	14,595	30,260	428,507
2044	249,708	16,290	13,969	30,259	279,967
2045	148,084	16,945	13,318	30,263	178,347
2046	91,529	17,620	12,640	30,260	121,789
2047	77,078	18,330	11,933	30,263	107,341
2048	68,072	19,270	10,991	30,261	98,333
2049	68,070	20,260	10,000	30,260	98,330
2050	68,067	21,305	8,958	30,263	98,330
2051	38,650	22,400	7,863	30,263	68,913
2052	38,646	23,550	6,711	30,261	68,907
2053	38,651	24,760	5,500	30,260	68,911
2054	38,647	26,035	4,227	30,262	68,909
2055	38,645	27,375	2,888	30,263	68,908
2056	22,939	28,780	1,480	30,260	53,199
Total	$36,469,311	$863,860	$945,744	$1,809,604	$38,278,916

(1) Total may not add due to rounding.

(2) Includes the following assumptions for debt service: variable rate bonds at an assumed rate of 4.0%; swapped bonds at the applicable synthetic fixed rate for the swapped portion and 4.0% otherwise; floating rate notes at the applicable synthetic fixed rate plus the current fixed spread to maturity for the swapped portion and 4.0% plus the current fixed spread to maturity for the portion that is not swapped; Subseries 2002G-1 Bonds at an assumed rate of 4.0% plus the current fixed spread to maturity 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 to maturity; Subseries 2008B-4 Bonds at their current coupon (5.0%) to maturity; Subseries 2015C-2 Bonds at their current coupon (4.0%) to maturity, Subseries 2015D-2 Bonds at their current coupon (4.0%) to maturity.

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

(4) Excludes debt service on the refunded bonds, inclusive of the May 15, 2016 interest payment.

(5) Includes the following assumptions for debt service: Subseries 2016C-2b Bonds at their current coupon (5.0%) to maturity.

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 2016C 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 Offset 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, $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. Mortgage recording taxes are used for Transit and Commuter Systems purposes after the payment of MTA Headquarters' expenses and MTA Bus debt service (beginning in 2009). Since 2009, due to declining mortgage recording tax receipts and increasing MTA Headquarters expenses, there have been no Excess Mortgage Recording Tax transfers to the Transit and Commuter Systems after payment of MTA Bus debt service.
- 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, expenses were nearly flat with an increase of only 0.2%. In 2014, increases in expenses resulted predominantly from union contracts settlements. The 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 Adopted Budget Pledged Revenues and Expenses 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 Adopted Budget Pledged Revenues (Calculated in Accordance with the Transportation Resolution) and Expenses on a Cash Basis (in millions)

	2016 Adopted Budget
Revenues from Systems Operations	
Fares from Transit System	$4,455
Fares from Commuter System	1,422
Fares from MTA Bus	214
Other Income[(1)]	324
Subtotal – Operating Revenues	**$6,416**
Revenues from MTA Bridges and Tunnels Surplus	**$633**
Revenues from State and Local Governmental Sources	
State and Local General Operating Subsidies	**376**
Special Tax-Supported Operating Subsidies	
DTF Excess[(2)]	189
MMTOA Receipts	1,668
Urban Tax	833
Excess Mortgage Recording Taxes	25
Aid Trust Account Receipts[(3)]	291
Payroll Mobility Tax Receipts[(3)(4)]	1,669
Subtotal Special Tax-Supported Operating Subsidies	**$4,675**
Station Maintenance and Service Reimbursements	**532**
City Subsidy for MTA Bus	**497**
Revenues from Investment of Capital Program Funds	**1**
Subtotal – Non-Operating Revenues	**$6,714**
Total Transportation Resolution Pledged Revenues[(5)]	**$13,129**
Budgeted Debt Service[(6)]	**$1,587**
Transit Operating Expenses	$7,443
Commuter Operating Expenses	2,914
MTA Bus Operating Expenses	662
Total Operating Expenses[(5)]	**$11,019**
Total Operating Expenses and Debt Service	**$12,607**

(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.

(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) 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.

(4) 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.

(5) The Total Transportation Resolution Pledged Revenues and Total Operating Expenses exclude certain November Plan adjustments, which are reflected below-the-line in Volume 1 of the November Plan.

(6) Net of annual Build America Bond interest credit payments on previously issued bonds of approximately $54.5 million in 2016. Such payments do not constitute pledged revenues under the Transportation Resolution.

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 22, 2015, the MTA Board approved the current transit and commuter fare increases that went into effect on March 22, 2015.

  The base subway, local bus and paratransit fares were increased from \$2.50 per trip to \$2.75 per trip and the base express bus fare were increased from \$6.00 to \$6.50 per trip. Single ride subway and bus tickets increased from \$2.75 to \$3.00. MTA New York City Transit increased the cost of 30-day and calendar monthly unlimited ride MetroCards from \$112 to \$116.50, the cost of a 7-day unlimited ride MetroCard from \$30 to \$31, and the 7-day Express Bus Plus unlimited ride MetroCard from \$55 to \$57.25. The Pay-Per-Ride MetroCard bonus increased from 5% to 11%, and the minimum purchase price for the Bonus Pay-Per-Ride Card increased from \$5 to \$5.50.

  At MTA Metro-North Railroad and MTA Long Island Rail Road, individual commuter rail fares increased based on a simple 4% increase (to the extent practical). Increased fares also apply to CityTicket, UniTickets and MNR-managed connecting services.

- ***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 22, 2015, the MTA Bridges and Tunnels Board approved the current tolls that went into effect on March 22, 2015, as follows:

- ***Cash Tolls for Passenger Vehicles.*** Base tolls 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 \$8.00, by \$1.00 at the Verrazano-Narrows Bridge (the VNB) (where tolls are collected in the westbound direction only) to \$16.00, by \$0.50 at the Henry Hudson Bridge to \$5.50, and by \$0.25 at the Marine Parkway-Gil Hodges and Cross Bay Veterans Memorial Bridges (the Rockaway Bridges) to \$4.00. Commercial vehicle tolls also increased.
- ***E-ZPass Tolls.*** E-ZPass tolls for passenger vehicles using tags issued by the New York E-ZPass Customer Service Center (NY-CSC) increased by \$0.21 at major facilities, \$0.42 at the VNB, \$0.10 at the Henry Hudson Bridge and \$0.08 at the Rockaway Bridges.

Revenues from State and Local Governmental Sources.

- General Operating Subsidies from the State and Local Governments. Under the State's Section 18-b program, MTA receives:
  - subsidies for transit from the State and matching subsidies from the City, and
  - subsidies for commuter from the State and matching subsidies from the City and the seven counties within the MCTD.

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

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 2015-16 State Enacted Budget includes 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. Based on a preliminary review by the New York State Division of the Budget, PMT revenue is projected to decline by $2 million per year. The 2016-2017 State Enacted Budget also includes an appropriation of $311 million to MTA for the PMT Revenue Offset.

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 2016 and the forecasts prepared in connection with 2017, 2018 and 2019) 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 2016-2019, the budgets of the Related Entities are expected to be substantially in balance through 2018, but there is a projected deficit in 2019. 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 2016-2019, 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 2016-2019, the 2010-2014 Capital Program, the 2015-2019 Capital Program and prior and future Capital Programs, as well as on pledged revenues. See **Part 2** of the **ADS** under the caption "FINANCIAL PLANS AND CAPITAL PROGRAMS — 2016-2019 Financial Plan (the February Plan)" and "— Proposed 2015-2019 Capital Program".

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 the States and local governments to continue to provide general operating subsidies, the City and local governments to continue to provide reimbursements and station maintenance payments, and the State to continue to make special appropriations.
- Court challenges to the State taxes that are the sources of various State and City operating subsidies to MTA, if successful, could adversely affect the amount of pledged revenues generated by such State taxes.

Information Relating to the State. Information relating to the State, including the Annual Information Statement of the State, as amended or supplemented, is not a part of this 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 2016C Bonds. MTA makes no representations about State information or its continued availability.

SECURITY

General

The Transportation Revenue Bonds, including the Series 2016C 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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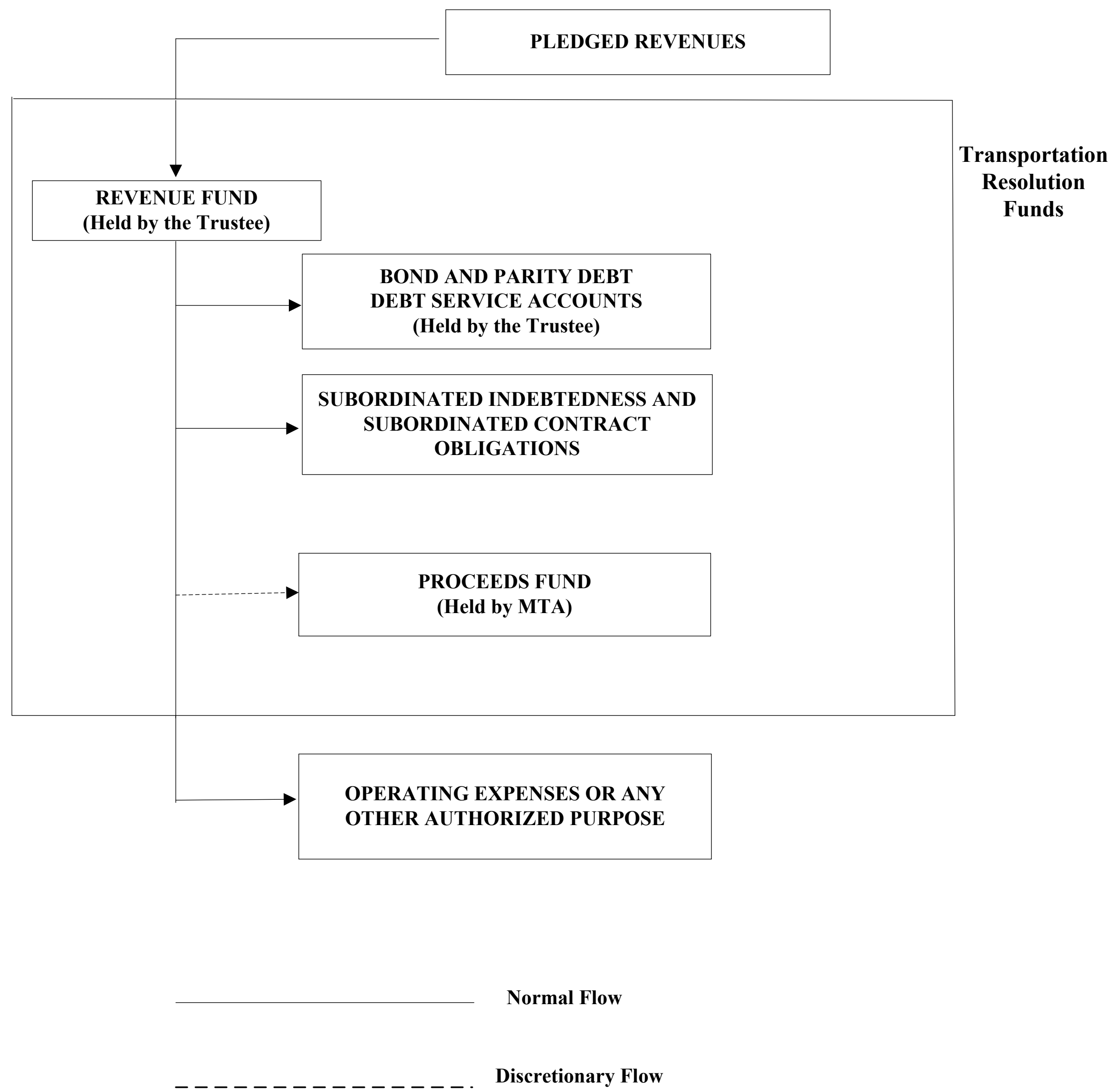
The following chart illustrates the basic elements of the flow of revenues described above:

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 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.

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PART III. OTHER INFORMATION ABOUT THE SERIES 2016C BONDS

Part III of this official statement provides miscellaneous additional information relating to the Series 2016C Bonds.

TAX MATTERS

General

Nixon Peabody LLP and D. Seaton and Associates, P.A., P.C. are Co-Bond Counsel for the Series 2016C Bonds. Their opinion is that, under existing law, relying on certain statements by MTA and assuming compliance by MTA with certain covenants, interest on the Series 2016C 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.

Their opinion is also that under existing law interest on the Series 2016C 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 opinion that Co-Bond Counsel expect to deliver when the Series 2016C Bonds are delivered.

The Series 2016C Bonds

The Internal Revenue Code of 1986 imposes requirements on the Series 2016C Bonds that MTA must continue to meet after the Series 2016C Bonds are issued. These requirements generally involve the way that Series 2016C Bond proceeds must be invested and ultimately used and the way that assets financed and refinanced with proceeds of the Series 2016C 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 2016C 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 2016C 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 2016C 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 2016C Bonds or affect the market price of the Series 2016C 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 2016C Bonds, or under State, local or foreign tax law.

Original Issue Discount

Each maturity of the Series 2016C Bonds will have "original issue discount" if the price first paid by the Owner for a substantial amount of such Series 2016C Bonds is less than the principal amount of these Series 2016C Bonds. Original issue discount on these Series 2016C 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 2016C Bonds. In addition, original issue discount on these Series 2016C 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 2016C Bonds will be increased. If an Owner owns one of these Series 2016C Bonds, it should consult its tax advisor regarding the tax treatment of original issue discount.

Bond Premium

If an Owner purchases a Series 2016C Bond for a price that is more than the principal amount, generally the excess is "bond premium" on that Series 2016C 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 2016C Bond will be reduced. The holder of a Series 2016C 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 Bond. An Owner in certain circumstances may realize a taxable gain upon the sale of a Series 2016C Bond with bond premium, even though the Series 2016C Bond is sold for an amount less than or equal to the owner's original cost. If an Owner owns any Series 2016C 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 2016C 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 2016C 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 2016C 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 2016C 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 2016C 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 2016C Bonds from gross income for federal or state income tax purposes, or otherwise. We note that in each year since 2011, President Obama released legislative proposals 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 2016C 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 2016C Bonds may occur. Prospective purchasers of the Series 2016C Bonds should consult their own tax advisors regarding the impact of any change in law on the Series 2016C 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 Series 2016C 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 2016C 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 which limit or prevent their investment in the Series 2016C Bonds.

LITIGATION

There is no pending litigation concerning the Series 2016C 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 2016C 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 Financial Management, Inc. is MTA's financial advisor for the Series 2016C Bonds. The financial advisor has provided MTA advice on the plan of financing and reviewed the pricing of the Series 2016C Bonds. The financial advisor has not independently verified the information contained in this official statement and does not assume responsibility for the accuracy, completeness or fairness of such information. The financial advisor's fees for serving as financial advisor are contingent upon the issuance of the Series 2016C Bonds.

UNDERWRITING

The Underwriters for the Series 2016C Bonds, acting through Wells Fargo Bank, National Association, as Representative, have agreed, subject to certain conditions, to purchase from MTA the Series 2016C Bonds described on the inside cover pages of this official statement at an aggregate purchase price of $1,000,897,258.60, reflecting a net original issue premium of $141,032,703.50 and an Underwriters' discount of $3,995,444.90 and to reoffer such Series 2016C Bonds at the public offering prices or yields set forth on the inside cover pages.

Wells Fargo Securities is the trade name for certain securities-related capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, NA Municipal Products Group, a separately identifiable department of Wells Fargo Bank, National Association, registered with the Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

The Series 2016C Bonds may be offered and sold to certain dealers (including dealers depositing such Series 2016C 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 2016C Bonds are subject to certain conditions precedent, and they will be obligated to purchase all such Series 2016C Bonds if any Series 2016C Bonds are purchased.

The Underwriters appearing on the cover of this official statement include certain joint-venture arrangements. Each of the joint-venture arrangements provide for sharing of underwriters' discount in connection with orders for the Series 2016C 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 2016C 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 advisory and 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 2016C 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 to each rating agency rating the bonds being offered information, 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. 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 the nationally-recognized co-bond counsel firms identified on page (i) and in the Summary of Terms. The form of the opinion of Co-Bond Counsel is **Attachment 3** to this official statement.

The Underwriters have appointed Norton Rose Fulbright US LLP as Counsel to the Underwriters in connection with the underwriting of the Series 2016C Bonds, which firm will pass upon certain legal matters.

Certain legal matters will be passed upon by Hawkins Delafield & Wood LLP, special disclosure counsel to MTA.

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

CONTINUING DISCLOSURE

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

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

- principal and interest payment delinquencies;
- non-payment related defaults, if material;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the 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 or similar event of the issuer;
- consummation of a merger, consolidation, acquisition, 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.

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 2016C Bonds. The Series 2016C 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 2016C Bond will be issued for each maturity of the Series 2016C 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 2016C Bonds exceeds $500 million, one note of such maturity will be issued with respect to each $500 million of principal amount, and an additional note 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 2016C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2016C 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 2016C 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 2016C Bonds, except in the event that use of the book-entry-only system for the Series 2016C Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2016C 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 2016C 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 2016C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2016C 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 2016C Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016C Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016C Bond documents. For example, Beneficial Owners of the Series 2016C Bonds may wish to ascertain that the nominee holding the Series 2016C 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 2016C 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 2016C 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 2016C 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 2016C 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 2016C 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 2016C 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 2016C Bonds will be printed and delivered.

THE ABOVE INFORMATION CONCERNING DTC AND DTC'S BOOK-ENTRY-ONLY 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 2016C 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, if material. 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 material 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 2016C 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 2016C 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 2016C Bonds, and

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

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Series 2016C 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 2016C 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 2016C 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 2016C 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 2016C 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 2016C 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 opinion 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 $863,860,000 aggregate principal amount of Metropolitan Transportation Authority Transportation Revenue Bonds, Series 2016C consisting of the Transportation Revenue Bonds, Subseries 2016C-1 (Fixed Rate) (the "Subseries 2016C-1 Bonds"), the Transportation Revenue Refunding Bonds, Subseries 2016C-2a (Fixed Rate) and the Transportation Revenue Refunding Bonds, Subseries 2016C-2b (Mandatory Tender Bonds) (collectively, the "Subseries 2016C-2 Bonds" and together with the Subseries 2016C-1 Bonds, the "Series 2016C 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 2016C 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 resolutions of said members adopted on December 19, 2012 and December 16, 2015 (collectively, the "Resolution"). The Series 2016C 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 2016C Bonds in order that interest on the Series 2016C 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 2016C Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2016C 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 2016C 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 2016C 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 2016C 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 2016C 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 Series 2016C 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 Series 2016C Bonds (the "Refunded Bonds"). A portion of the proceeds of the Series 2016C 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 July 28, 2016 (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 2016C Bonds as executed and, in our opinion, the form of said Series 2016C 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 2016C 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 2016C 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 2016C Bonds.

4. MTA, the holders of the Series 2016C 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 2016C 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 2016C Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2016C 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 2016C 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 2016C 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 2016C 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 2016C 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 2016C 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 Series 2016C Bonds.

Series	Dated Date	Refunded Par Amount	Remaining Outstanding Par Amount	Maturity (November 15)	Interest Rate	Redemption Date (November 15)	Redemption Price	Original CUSIP Number*	Current CUSIP Number*
2007B	12/13/2007	$ 16,475,000	–	2028	5.00%	2017	100%	59259R4L5	59259R4L5
2007B	12/13/2007	17,300,000	–	2029	5.00	2017	100	59259R4M3	59259R4M3
2007B	12/13/2007	50,595,000†	–	2033	5.00	2017	100	59259R4N1	59261AGH4
2008A	2/21/2008	37,470,000†	–	2036	5.25	2017	100	59259R5J9	59261AGJ0
2008A	2/21/2008	165,870,000†	–	2037	5.00	2017	100	59259R5K6	59261AGK7
2008A	2/21/2008	60,545,000†	–	2038	4.50	2017	100	59259R5L4	59261AGL5

† The Refunded Bonds will be credited against the following mandatory redemption dates:

5.00% Series 2007B Term Bonds Due November 15, 2033
Current CUSIP Number*: 59261AGH4

November 15	Refunded Par Amount
2030	$18,165,000
2031	19,075,000
2032	13,355,000

5.25% Series 2008A Term Bonds Due November 15, 2036
Current CUSIP Number*: 59261AGJ0

November 15	Refunded Par Amount
2034	$37,470,000

5.00% Series 2008A Term Bonds Due November 15, 2037
Current CUSIP Number*: 59261AGK7

November 15	Refunded Par Amount
2030	$17,220,000
2031	43,180,000
2032	45,340,000
2033	47,610,000
2034	12,520,000

4.50% Series 2008A Term Bonds Due November 15, 2038
Current CUSIP Number*: 59261AGL5

November 15	Refunded Par Amount
2038	$60,545,000

* CUSIP numbers have been assigned by an independent company 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, and no representation is 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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