MTA ANNUAL DISCLOSURE STATEMENT SUPPLEMENT
April 3, 2020

This Metropolitan Transportation Authority ("MTA") Annual Disclosure Statement Supplement (the "Supplement") is dated April 3, 2020, supplements the information contained in the Annual Disclosure Statement (the "ADS") of MTA, dated April 30, 2019, as supplemented on June 26, 2019, October 3, 2019, March 12, 2020, March 18, 2020, March 25, 2020 (the "March 25th Supplement"), March 31, 2020, and as updated by a First Quarterly Update, dated August 2, 2019, a Second Quarterly Update, dated November 22, 2019 and a Third Quarterly Update, dated March 12, 2020 (the "Third Quarterly Update"), and contains information only through its date. This Supplement provides information relating primarily to the MTA, Federal government and New York State (through its fiscal year 2020-21 enacted budget) most recent responses to the substantially deteriorating adverse impact on MTA ridership, MTA Bridges and Tunnel crossings traffic, and both MTA public transportation system and MTA Bridges and Tunnels revenues attributable to the COVID-19 pandemic. MTA expects to file this Supplement with the Municipal Securities Rulemaking Board on its Electronic Municipal Market Access ("EMMA") system and may incorporate such information herein by specific cross-reference. No statement on MTA’s website or any other website is included by specific cross-reference herein. All of the information in this Supplement is accurate as of its respective date. MTA retains the right to update and supplement specific information contained herein as events warrant.

The factors affecting MTA’s financial condition are complex. This Supplement contains forecasts, projections, and estimates that are based on expectations and assumptions, which existed at the time they were prepared and contains statements relating to future results and economic performance that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. Such statements generally are identifiable by the terminology used, such as “plan,” “expect,” “estimate,” “budget,” “project,” “forecast,” “anticipate” or other similar words. The forward-looking statements contained herein are based on MTA’s expectations and are necessarily dependent upon assumptions, estimates and data that it believes are reasonable as of the date made but that may be incorrect, incomplete, imprecise or not reflective of future actual results. Forecasts, projections and estimates are not intended as representations of fact or guarantees of results. The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the preceding paragraph, MTA does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations change or events occur that change the conditions or circumstances on which such statements are based. These forward-looking statements speak only as of the date of this Supplement.
Update Regarding Impacts From the Coronavirus Pandemic and Certain MTA, Federal and State Responses

The information set forth under the heading “Potential Impacts from Global Coronavirus Outbreak and Public Health Threats” in the Third Quarterly Update as supplemented, including by the March 25th Supplement, is further supplemented as set forth below. MTA intends to provide regular updates on EMMA and MTA’s website of the continued impacts of the COVID-19 pandemic on MTA, particularly on its finances.

Impacts from Global Coronavirus Pandemic. The current novel coronavirus (“COVID-19”) outbreak is continuing to have an adverse and severe impact on MTA’s financial condition and operating results. Dramatic declines in MTA public transportation system ridership and fare revenues, and MTA Bridge and Tunnel crossing traffic and toll revenues have occurred at an accelerating pace. The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus was first detected in China and has since spread globally, including to the United States and to New York State. On March 12, 2020, the World Health Organization declared the COVID-19 outbreak to be a pandemic in the face of the global spread of the virus. Currently, the COVID-19 pandemic has dramatically altered the behavior of businesses and people in a manner that is having negative effects on global and local economies. In addition, stock markets in the U.S. and globally, have seen significant declines and volatility attributed to concerns over COVID-19, and capital markets remain disrupted. These adverse impacts are intensifying and continue to evolve daily globally, nationally, within the State and MTA’s service area. On March 7, 2020 Governor Cuomo declared a Disaster Emergency in the State of New York and on March 13, 2020 President Trump declared a national state of emergency as a result of the COVID-19 pandemic. In addition, by order of Governor Cuomo (“New York State on PAUSE”), as of Sunday, March 22nd, all non-essential businesses Statewide were required to be closed, among other restrictive social distancing and related measures. This intervention to fight the aggressive spread of the COVID-19 pandemic can be expected to further erode already severely diminished public transportation and bridge and tunnel usage during the duration of the COVID-19 pandemic.

Substantial declines in ridership and traffic in response to the COVID-19 pandemic have become more severe over the course of the COVID-19 pandemic. There remains a high risk for further reductions in ridership and traffic. See the discussion of MTA’s “NY Essential Service Plan” below and the March 25th Supplement.

MTA Public Transportation System’s Ridership Declines. MTA noted the following declines based upon preliminary numbers from March 12, 2020 through April 2, 2020, as shown below. Percentage ridership declines for such dates by agency from the comparable dates in 2019 are:
The above percentage ridership declines have clearly accelerated through the first month of the COVID-19 pandemic. Bus ridership is limited to rear door entry, resulting in fares not being collected excepted for Select Bus Service and Express Bus, and is not being counted as of March 23, 2020. Commuter railroad ridership has declined to such a degree that neither MTA Long Island Rail Road, nor MTA Metro North Railroad are counting revenue passengers on board trains as of March 22, 2020. In addition, to the above results MTA paratransit ridership, as of April 2nd is down by 91.83% from the previous year.

MTA Bridges and Tunnel Crossing Traffic Declines. The preliminary tolled traffic counts through April 2, 2020 (as updated from previous Supplements) against the comparable period for 2019 have eroded with increasing severity as noted:

<table>
<thead>
<tr>
<th>March 12th Decline</th>
<th>March 16th (March 17th for LIRR/MNR) Decline</th>
<th>March 23rd (March 20, for MNR, March 21st for LIRR), % Decline</th>
<th>April 2nd (March 24 for NYCT Bus and MTA Bus) Decline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subways 18.65%</td>
<td>59.86%</td>
<td>86.91%</td>
<td>91.83%</td>
</tr>
<tr>
<td>New York City Transit Bus 14.37</td>
<td>48.33</td>
<td>60.30</td>
<td>97.61</td>
</tr>
<tr>
<td>MTA Bus 18.91</td>
<td>51.31</td>
<td>62.39</td>
<td>98.19</td>
</tr>
<tr>
<td>Metro North Railroad 48.00</td>
<td>90.00</td>
<td>94.00</td>
<td>95.00</td>
</tr>
<tr>
<td>Long Island Rail Road 31.00</td>
<td>67.00</td>
<td>71.00</td>
<td>97.00</td>
</tr>
</tbody>
</table>

The foregoing declines in tolled traffic, if sustained for six months, and then followed by a gradual six-month return to pre-pandemic traffic levels, could result in an estimated reduction in MTA Bridge and Tunnels revenue of $1,038.5 million.

Revenue Impacts. Preliminary revenue data is available through March 23rd for New York City Transit Bus and MTA Bus, and April 2nd for the other agencies. The current weekly revenue loss for MTA as against the February Plan projections, as of today’s date, is estimated to be $142 million, and if extrapolated out for a full fiscal year, at the current level of ridership and traffic loss, could result in an estimated MTA-wide revenue loss (including the estimated reduction in MTA Bridge and Tunnels revenue described in the previous paragraph) of in excess of $7.409 billion. While we cannot estimate the duration of the pandemic and the reduced use of MTA services, if the current levels are sustained for six months, and then followed by a gradual six-month return to pre-pandemic ridership and traffic levels, the estimated revenue loss could still reach $5.556 billion (including the estimated reduction in MTA Bridge and Tunnels revenue described in the previous paragraph).

The impacts of the COVID-19 pandemic on MTA’s financial condition are clearly severe and may be expected to deteriorate further. MTA is seeking to address this financial emergency in two stages, namely (i) assuring short and intermediate term liquidity needs of the MTA and its operating entities, and (ii) longer term or permanent solutions, noting that the reductions in current
and projected revenues are not expected to be recouped, even if intermediate or longer term ridership and traffic are fully restored to pre-crisis levels.

MTA currently has liquidity resources in the approximate amount of $3.479 billion, consisting of a current running cash balance of $962 million (including $229 million in CBD Tolling Lockbox Funds; see “New York State Fiscal Year 2020-21 Budget Provisions of Importance to MTA” below), internal available flexible funds of $1.191 billion, OPEB resources of $325 million and in-place commercial bank lines of credit totaling $1.001 billion (which were fully drawn down on March 20, 2020). These funds provide a temporary funding “bridge” to a permanent solution to the lost revenue and higher expenses. They must be repaid or replaced. Use of these monies will leave MTA with a significant gap in funding for both the operating budget and capital plan over the longer term and will likely result in additional debt issuance and unfunded operating needs. Longer-term resource options to address the COVID-19 pandemic impacts, may include, but are not limited to, (i) approximately $4 billion in federal emergency transit grants pursuant to the CARES Act described below (which, may include the $655 million in federal grants referred to in item iv below), (ii) replacing programmed pay-as-you-go capital funds of up to $1.64 billion with long term bonding, (iii) various debt restructuring options generating potential resources of over $1.79 billion depending upon market conditions and other matters, and (iv) applying new, federal FTA grant flexibility rules to use an estimated $655 million in the current federal fiscal year for operating relief in the emergency. The MTA Board on March 25, 2020 authorized MTA to secure an additional $2 billion in commercial bank lines of credit market conditions permitting. Also, see the additional significant financial assistance and flexibility provided in the State’s FY 2020-21 Enacted Budget, as noted below. There can be no assurance that MTA will be successful in securing additional lines of credit.

As noted above, exercising these options would come at a cost, including increased longer-term borrowing and potential adverse impacts on the timing of MTA initiatives to improve its systems. The loss of farebox and toll revenues, potential declines in State and local subsidies (see discussion below), as well as reprogramming of available federal and possibly State generated funding support for capital purposes, to urgent financial needs, will result in delays and shortfalls in implementing Capital Plan projects. The full impact of the COVID-19 pandemic on Capital Plan implementation cannot be determined at this time.

Finally, as is provided in the February Plan, MTA relies upon approximately $6.4 billion in State and local subsidies and dedicated taxes. The financial stress which MTA is experiencing as a result of the COVID-19 pandemic is being similarly felt at all levels of the government and in the social and financial lives of MTA patrons and State and local residents. This can be expected to have a substantial adverse impact on State and local revenues, on dedicated tax collections, and thus on the capacity of the State and local governments to maintain or raise the level of financial support to MTA during this crisis.

NY Essential Service Plan. On March 24, 2020, MTA management announced the implementation of the “NY Essential Service Plan (“Service Plan”).” The Service Plan is designed to ensure healthcare workers, first responders and essential personnel are able to get to and from work by public transportation. MTA New York City Transit, MTA Long Island Rail Road and MTA Metro-North Railroad have implemented temporary reduced service schedules. All of the
The foregoing service changes are described on MTA website, the MYmta app and on countdown clocks in stations and on platforms.

The schedule changes follow the Governor’s “New York State on PAUSE” order, which directed New Yorkers use of public transportation for only essential travel and attempts to limit potential exposure by spacing out riders by six feet. MTA New York City Transit, MTA Bus Company, MTA Long Island Rail Road and MTA Metro-North Railroad continue their aggressive disinfecting procedures at each of its stations twice daily, and continue daily sanitization of its fleet of rolling stock with the full fleet of train cars and buses disinfected every 72 hours or less. The Access-A-Ride dedicated fleet is disinfected daily. Surfaces frequently used by customers in stations, such as turnstiles, MetroCard and ticket vending machines, and handrails, will be disinfected twice daily with EPA-approved and National Centers for Disease Control-endorsed disinfectants.

MTA is employing its pandemic plan, which is updated regularly, and serves as a blueprint guiding the MTA’s response in accordance with Federal, State and local authorities. Through the end of March, MTA has distributed the following resources to operating employees: 240,000 masks, 3.2 million gloves to those whose jobs require it, 45,000 bottles of hand sanitizer, 50,000 gallons of cleaning supplies and 7,000 boxes of sanitizing wipes. Additionally, MTA continues to replenish and maintain a stockpile of these essential items so that MTA can continue to distribute them as needed. In addition, to these actions, MTA has taken a number of aggressive steps to ensure worker safety, including reducing the number of crews that need to report to work, implementing rear-door boarding to ensure social distance for bus operators, eliminating cash transactions and, as detailed above, disinfecting workplaces, trains, business and all rolling stock, among other actions. MTA is also working closely with the National Centers for Disease Control, the State Department of Health, and other government agencies during this time.

Capital Plan Procurement and Construction Contract Delays. MTA Construction and Development Company (“MTACDC”) is currently evaluating the impacts of the COVID-19 pandemic on MTA’s Capital Plans. MTACDC expects to reassess a path forward for implementation of the Capital Plans in the face of the COVID-19 pandemic in 60 days. In the meantime, MTACDC will cease the award of new Capital Plan construction or consulting contracts and, with few exceptions, MTACDC is, effective April 1, 2020, suspending action on open solicitations for all such contracts. With limited exceptions, the dates for submission of bids, requests for qualification and requests for proposals for open solicitations for MTACDC, or for any other capital budget-funded MTA projects, will be adjourned until further notice. Similarly, currently scheduled qualification hearings and pre-bid conferences have been cancelled and will be rescheduled as appropriate. The full impact of the COVID-19 pandemic on Capital Plan implementation cannot be determined at this time.

Federal Legislative and Administrative Actions. The Federal government has taken several actions which are expected to provide flexibility and substantial additional funding to MTA. The Federal Transit Administration (“FTA”) has given transit grantees, including MTA, the flexibility to apply certain existing grant program proceeds, previously only available for capital expenditures, to be applied for operating or other purposes to address COVID-19 pandemic impacts.
In addition, Federal emergency legislation, the “Coronavirus Aid, Relief and Economic Security Act” or “CARES Act”, received final passage by Congress and was signed into law by the President on March 27, 2020. The CARES Act through FTA’s formula funding provisions is expected to provide approximately $4 billion to MTA. Funding will be provided at a 100 percent Federal share, with no local match required, and will be available to support lost revenue, operating, capital and other expenses generally eligible under those programs and incurred beginning on January 20, 2020, to prevent, prepare for, and respond to the COVID-19 pandemic.

MTA is eligible for FEMA payments in addition to the CARES Act funding. FEMA will cover expenses that are over and above normal costs that are related to COVID-19, such as sanitizing MTA facilities and safety at job sites to ensure COVID-19 regulations are being adhered to.

New York State Fiscal Year 2020-21 Budget Provisions of Importance to MTA. Several provisions in the State’s fiscal year 2020-21 budget (as passed by both the State Assembly and State Senate and signed by the Governor on April 3, 2020 the “State FY 2020-21 Enacted Budget”), are intended to provide significant financial assistance and flexibility to aid MTA in addressing the adverse impacts caused by the COVID-19 pandemic. Among the provisions in the State FY 2020-21 Enacted Budget addressing MTA’s needs are the following:

(i) amends existing law to allow MTA to use monies in the Central Business District Tolling Lockbox Fund (the “CBD Tolling Lockbox Fund”) for two years (2020 and 2021) to offset decreases in revenue (i.e. lost taxes, fees, charges, fares and tolls) or increases in operating costs due in whole or in part to the State emergency disaster caused by the COVID-19 pandemic. The CBD Tolling Lockbox Fund currently includes Internet sales tax revenue and mansion tax revenue that will be used for operations. In the future, CBD tolling revenue will be added when that program is up and running, although CBD tolling revenue may be restricted under Federal law to capital expenses. All revenues deposited in such fund were under prior law only available for capital costs of MTA’s 2020-24 Capital Plan and successor capital plans, and costs of the Central Business District tolling program. This provision also provides that if MTA receives funds/reimbursements from Federal government or insurance due to the COVID-19 pandemic, MTA must repay the CBD Tolling Lockbox Fund, but only after it has first fully repaid any COVID-19 pandemic related public or private borrowings, draws on lines of credit; issuances of revenue anticipation notes, internal loans; or use of corpus of MTA’s OPEB trust;

(ii) amends existing law to increase MTA’s bond cap from $55.497 billion to $90.1 billion through 2024;

(iii) creates new authorization for MTA to issue up to $10 billion of bonds for three years (2020-2022) to offset decreases in revenue (i.e. lost taxes, fees, charges, fares and tolls) or increases in operating costs of the MTA and its Related Entities due in whole or in part to the State disaster emergency caused by the COVID-19 pandemic;
(iv) commits the State and the City to each pay $3 billion to fund capital costs of the MTA’s 2020-2024 Capital Plan. Additionally,

- State’s Director of the Budget will determine schedule for the City’s payments of its $3 billion share to MTA,
- if the City does not pay in full any of its scheduled payments, the Director of the Budget shall require the State Comptroller to intercept aid to localities appropriations to the City, or any other revenue source of the City, including sales and use tax, in an amount equal to the City’s unpaid balance and deposit it into a newly established State-held fund, the MTA Capital Assistance Fund, and
- the State Comptroller must pay monies deposited in the MTA Capital Assistance Fund to MTA without appropriation, and

(v) requires the City, beginning on July 1, 2020, to pay one-half of the MTA’s net paratransit operating expenses for four years: 2020, 2021, 2022, and 2023, and provides a statutory mechanism to intercept funds otherwise available to the City to insure payment of the City’s share, if necessary. The City’s contribution for each of those years is capped in the law as follows:

- 2020: $215 million
- 2021: $277 million
- 2022: $290 million
- 2023: $310 million

Miscellaneous.

Dedication of 341-7 Madison Avenue Redevelopment Proceeds to MTA Capital Program. MTA and the City of New York announced on April 2, 2020, an agreement on a site-specific value capture strategy to speed development of 341-7 Madison Avenue, the site of the MTA’s former headquarters in midtown Manhattan. Real estate taxes and other revenue generated from the future ground lease for the redevelopment of the property will be dedicated to the MTA capital program. The redevelopment plan is projected to generate more than $1 billion over the life of the ground lease to fund approved MTA New York City Transit projects. The agreement is part of the City of New York’s commitment to provide $600 million from alternative non-tax-levy revenue sources as part of its $2.66 billion contribution to MTA’s 2015-2019 Capital Plan.

There is no assurance of the full level of support or financial assistance that will be forthcoming from either Federal, State or City partners, or the timing of any payments to MTA. MTA does not believe that it could sustain the reductions necessary to address the impact of the COVID-19 crisis without such assistance. The status of MTA and its Related Entities operations and finances have become dire, and it remains extremely difficult to predict the course of these impacts due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, (ii) severity and (iii) ultimate geographic spread, as well as with regard to what actions may be taken by other governmental authorities and health care providers to contain or mitigate its impact.