

On October 1, 2008, MTA BRIDGES AND TUNNELS is effecting a mandatory tender and purchase of the Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels) General Revenue Variable Rate Bonds Series 2001B and Series 2001C (the Series 2001B Bonds and the Series 2001C Bonds, respectively, and collectively, the Series 2001B and C Bonds). On October 1, 2008, (i) the Ambac insurance policy relating to the Series 2001B and C Bonds, the State Street Bank and Trust Company Standby Bond Purchase Agreement relating to the Series 2001B Bonds and the Bayerische Landesbank Standby Purchase Agreement relating to the Series 2001C Bonds will each be terminated; (ii) State Street Bank and Trust Company will issue an irrevocable direct-pay letter of credit relating to the Series 2001B Bonds; (iii) Bayerische Landesbank, acting through its New York Branch, will issue an irrevocable direct-pay letter of credit relating to the Series 2001C Bonds; (iv) the Series 2001B and C Bonds will be subject to mandatory tender at a purchase price equal to the principal amount thereof, plus accrued interest to, but not including, the mandatory purchase date; and (v) the terms and provisions of the Series 2001B and C Bonds will be amended to reflect the terms and provisions described herein. On and after such mandatory purchase date, the Ambac insurance policy issued in connection with the original issuance of the Series 2001B and C Bonds will be terminated and registered owners of the Series 2001B and C Bonds will have no claim against such insurance policy. By acceptance of a confirmation of delivery or transfer of the Series 2001B Bonds or the Series 2001C Bonds, each beneficial owner will be deemed to have acknowledged (i) the cancellation and termination of the Ambac insurance policy, (ii) that such beneficial owner will have no recourse to the Ambac insurance policy for payment of interest or principal on the Series 2001B Bonds or the Series 2001C Bonds, and (iii) that the amendments to the Bond Series Certificate reflecting such termination and incorporating the terms and provisions of the Series 2001B and C Bonds described herein will be applicable to such Bonds.

See "TAX MATTERS" herein for a discussion of certain Federal and State income tax matters.

\$291,520,000
TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY
(MTA Bridges and Tunnels)
\$145,760,000 General Revenue Variable Rate Bonds, Series 2001B
\$145,760,000 General Revenue Variable Rate Bonds, Series 2001C

Dated and interest accruing from July 1, 2008

Due: January 1, 2032

The Series 2001B and C Bonds –

- are general obligations of MTA BRIDGES AND TUNNELS, payable generally from the tolls on the bridges and tunnels operated by MTA BRIDGES AND TUNNELS as described herein, and
- are not a debt of the State or The City of New York or any other local government unit.

MTA Bridges and Tunnels has no taxing power.

The Series 2001B and C Bonds constitute Variable Interest Rate Obligations and will bear interest in the Weekly Mode as herein described. MTA Bridges and Tunnels reserves the right at any time to convert to a Daily Mode, Term Rate Mode, Commercial Paper Mode or Fixed Rate Mode. See "DESCRIPTION OF SERIES 2001B AND C BONDS" herein. **This Remarketing Circular (i) is intended to provide disclosure only to the extent the Series 2001B and C Bonds remain in the Weekly Mode and (ii) speaks only as of the date of this document or as of certain earlier dates specified in this document.**

During the period in which the Series 2001B and C Bonds bear interest in the Weekly Mode, the Series 2001B and C Bonds will be issued only in fully registered bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Interest on the Series 2001B and C Bonds is payable January 1 and July 1, commencing January 2, 2009. The Series 2001B and C Bonds are subject to the Book-Entry-Only system through the facilities of The Depository Trust Company and are subject to redemption prior to maturity and optional and mandatory tender for purchase as described herein.

The payment of the principal of and interest on, as well the Purchase Price (as defined herein) on any Purchase Date (as defined herein) relating to the respective Series 2001B Bonds and Series 2001C is secured as follows: the Series 2001B Bonds are secured by an irrevocable direct-pay letter of credit issued by State Street Bank and Trust Company; and the Series 2001C Bonds are secured by an irrevocable direct pay-letter of credit issued by Bayerische Landesbank, acting through its New York Branch (together with State Street Bank and Trust Company, referred to individually as a Current Credit Facility Issuer and collectively as the Current Credit Facility Issuers). Each Current Credit Facility is scheduled to expire on September 30, 2010, unless extended or earlier terminated pursuant to its terms. See "DESCRIPTION OF SERIES 2001B AND C BONDS – Credit and Liquidity Support" herein. In the event any Current Credit Facility Issuer terminates its Current Credit Facility in accordance with the terms of the related Reimbursement Agreement as described herein, the related Series 2001B Bonds or Series 2001C Bonds will be subject to mandatory purchase as described herein. Payment of Purchase Price is not an obligation of MTA Bridges and Tunnels.



STATE STREET



Price – 100%

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 2001B and C Bonds. Investors are advised to read the entire Remarketing Circular, including all portions hereof included by specific cross-reference, to obtain information essential to making an informed decision.

Citi
Remarketing Agent

SUMMARY OF TERMS RELATING TO WEEKLY MODE*

Interest Payment Dates and Calculation Period.....	Each January 1 and July 1, commencing January 2, 2009, on actual days over a 365-day year (366 in years when February has 29 days)
Record Date.....	Business Day preceding Interest Payment Date
Owners' Rights to Tender.....	On any Business Day by irrevocable written notice (or by irrevocable telephonic notice, promptly confirmed in writing) of tender to the Tender Agent and Remarketing Agent at their respective addresses specified below at least seven calendar days prior to Purchase Date
Notice of Mode Change; Mode Change Date; Revocability.....	Trustee to mail notice to Owners not later than 15 days before the Mode Change Date, which can be any Business Day. MTA Bridges and Tunnels may rescind a conversion notice up to one Business Day before the Mode Change Date.
Mandatory Tender For Purchase.....	On each Mode Change Date, Expiration Tender Date, Termination Tender Date, Interest Non-Reinstatement Date and Substitution Date
Rate Determination Date.....	Each Tuesday, unless such Tuesday is not a Business Day, in which case the rate shall be set on the Business Day next preceding such Tuesday
Rate Adjustment Date.....	Wednesday of each week
Tender Agent's Address for Delivery of Tender Notice.....	U.S. Bank Trust National Association 100 Wall Street New York, New York 10005
Remarketing Agent's Address For Delivery Of Tender Notice.....	Citigroup Global Markets Inc. 390 Greenwich Street, 5th Floor New York, NY 10013 Attn: Short Term Tax-Exempt Trading

* So long as the Series 2001B and C Bonds are registered in the name of Cede & Co., as Bondholder and Securities Depository Nominee of DTC, mechanics for tender and redemption will be in accordance with procedures established by DTC.

Triborough Bridge and Tunnel Authority
(MTA Bridges and Tunnels)
Triborough Station, Box 35
New York, New York 10035
(212) 360-3000
Website: www.mta.info

H. Dale Hemmerdinger.....	Chairman
David S. Mack	Vice-Chairman
Andrew M. Saul.....	Vice-Chairman
Andrew B. Albert	Non-Voting Member
John H. Banks III.....	Member
Robert C. Bickford	Member
James F. Blair	Non-Voting Member
Norman E. Brown.....	Non-Voting Member
Allen P. Cappelli	Member
Donald Cecil.....	Member
Doreen M. Frasca	Member
Jeffrey A. Kay	Member
Mark D. Lebow	Member
James L. McGovern.....	Non-Voting Member
Susan G. Metzger	Member
Mark Page.....	Member
Mitchell H. Pally	Member
Norman I. Seabrook.....	Member
James L. Sedore, Jr.....	Member
Nancy Shevell	Member
Vincent Tessitore, Jr.	Non-Voting Member
Ed Watt.....	Non-Voting Member
Carl V. Wortendyke.....	Member

Elliot G. Sander	Executive Director And Chief Executive Officer
David Moretti	Acting President
Thomas Bach	Vice President And Chief Engineer
Robert M. O'Brien, Esq.....	General Counsel
Donald Spero	Acting Chief Financial Officer

NIXON PEABODY LLP
New York, New York
Bond Counsel

GOLDMAN, SACHS & CO.
New York, New York
Financial Advisor

URS CORPORATION – NEW YORK
New York, New York
Independent Engineers

SUMMARY OF TERMS

MTA Bridges and Tunnels has prepared this Summary of Terms to describe the specific terms of the Series 2001B and C Bonds following a remarketing of the Series 2001B and C Bonds as described herein under “REMARKETING PLAN.” The information in this Remarketing Circular, including the materials filed with the repositories and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA Bridges and Tunnels and to MTA Bridges and Tunnels General Revenue Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the bonds being offered.

Issuer	Triborough Bridge and Tunnel Authority, a public benefit corporation of the State of New York, hereinafter referred to as MTA Bridges and Tunnels.
Bonds	General Revenue Variable Rate Bonds, Series 2001B and C.
CUSIP ¹	89602NSP0 for the Series 2001B Bonds and 89602NSQ8 for the Series 2001C Bonds
Rates and Maturity.....	The Series 2001B and C Bonds are Variable Interest Rate Obligations that initially bear interest in the Weekly Mode as herein described and mature on January 1, 2032.
Denominations in Weekly Mode	\$100,000 and integral multiples of \$5,000 in excess thereof.
Interest Payment Dates in Weekly Mode ..	January 1 and July 1, commencing January 2, 2009.
Redemption.....	See “DESCRIPTION OF SERIES 2001B AND C BONDS – Redemption Provisions During the Weekly Mode” in Part I for redemption information.
Tender.....	See “DESCRIPTION OF SERIES 2001B AND C BONDS – Tender, Presentation and Purchase Provisions of the Series 2001B and C Bonds During the Weekly Mode” in Part I for tender information.
Sources of Payment and Security	Net revenues collected on the bridges and tunnels operated by MTA Bridges and Tunnels, as described herein
Current Credit Facilities	The payment of the principal of and interest on, as well as the Purchase Price (as defined herein) on any Purchase Date (as defined herein) relating to the respective Series 2001B Bonds and Series 2001C Bonds is secured as follows: the Series 2001B Bonds are secured by an irrevocable direct-pay letter of credit (the Current Credit Facility), issued by State Street Bank and Trust Company; and the Series 2001C Bonds are secured by an irrevocable direct-pay letter of credit (the Current Credit Facility), issued by Bayerische Landesbank, acting through its New York Branch (together with State Street Bank and Trust Company, the Current Credit Facility Issuers). Each irrevocable direct-pay letter of credit is individually referred to herein as a Current Credit Facility and collectively as the Current Credit Facilities. The Current Credit Facilities are scheduled to expire on September 30, 2010, unless extended or earlier terminated to their respective terms. See “DESCRIPTION OF SERIES 2001B AND C BONDS – Credit and Liquidity Support” herein.

¹ Copyright 2008, American Bankers Association. CUSIP data herein is provided by Standard & Poor’s, CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP numbers are provided for convenience of reference only. MTA Bridges and Tunnels, the Trustee and the Remarketing Agent do not assume any responsibility for the accuracy of such numbers.

Registration of the Bonds	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.
Trustee and Tender Agent	U.S. Bank Trust National Association, New York, New York.
Bond Counsel	Nixon Peabody LLP, New York, New York.
Tax Status	See “TAX MATTERS” in Part III.
Ratings	Applied For.
Financial Advisor	Goldman, Sachs & Co.
Remarketing Agent	Citigroup Global Markets Inc.
Remarketing Agent Counsel	Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.
Independent Engineers	URS Corporation, New York, New York.

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- ***No Unauthorized Offer.*** This Remarketing Circular is not an offer to sell, or the solicitation of an offer to buy, the Series 2001B and C Bonds, in any jurisdiction where that would be unlawful. MTA Bridges and Tunnels has not authorized any dealer, salesperson or anyone else to give any information or make any representation in connection with the Series 2001B and C Bonds, except as set forth in this Remarketing Circular. No other information or representations should be relied upon.
 - ***No Contract or Investment Advice.*** This Remarketing Circular is not a contract and does not provide investment advice. Investors should consult their financial advisors and legal counsel with questions about this Remarketing Circular and the Series 2001B and C Bonds, 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 Remarketing Circular shall under any circumstances create any implication that there has been no change in MTA Bridges and Tunnels' affairs or in any other matters described herein.
 - ***Forward-Looking Statements.*** Many statements contained in this Remarketing Circular, including the documents included by specific cross-reference, that are not historical facts are forward-looking statements, which are based on MTA Bridges and Tunnels' and the Independent Engineers' beliefs, as well as assumptions made by, and information currently available to, the management and staff of MTA Bridges and Tunnels and the Independent Engineers. Because the statements are based on expectations about future events and economic performance and are not statements of fact, actual results may differ materially from those projected. The words "anticipate," "assume," "estimate," "expect," "objective," "projection," "plan," "forecast," "goal," "budget" or similar words are intended to identify forward-looking statements. The words or phrases "to date," "now," "currently," and the like are intended to mean as of the date of this Remarketing Circular.
 - ***Projections.*** The MTA Bridges and Tunnels projections set forth in this Remarketing Circular were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of MTA Bridges and Tunnels' 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 Bridges and Tunnels. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this Remarketing Circular are cautioned not to place undue reliance on the prospective financial information. Neither MTA Bridges and Tunnels' 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. Neither MTA Bridges and Tunnels' independent auditors, nor any other independent auditors, have been consulted in connection with the preparation of the prospective financial information set forth in this Remarketing Circular, which is solely the product of MTA Bridges and Tunnels and its affiliates, and the independent auditors assume no responsibility for its content.
 - ***Current Credit Facilities Issuers Information.*** Other than with respect to information concerning the Current Credit Facilities Issuers contained in Attachments 4 and 5 hereto, none of the information in this Remarketing Circular has been supplied or verified by the Current Credit Facilities Issuers and the Current Credit Facility Issuers 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 2001B and C Bonds, or
 - the tax-exempt status of the interest on the Series 2001B and C Bonds.
 - ***No Guarantee of Information by Remarketing Agent.*** The Remarketing Agent has provided the following sentence for inclusion in this Remarketing Circular: The Remarketing Agent has reviewed the information in this remarketing circular in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Remarketing Agent does not guarantee the accuracy or completeness of such information.
 - ***SEC Rule 15c2-12.*** SEC Rule 15c2-12 does not require MTA Bridges and Tunnels to enter into a written agreement for the benefit of holders of the Series 2001B and C Bonds to provide continuing disclosure during the period that such Series 2001B and C Bonds bear interest in the Weekly Mode. MTA Bridges and Tunnels regularly files continuing disclosure in connection with other debt offerings.
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Information Included by Specific Cross-Reference. The following portions of MTA’s 2008 Combined Continuing Disclosure Filings, dated April 29, 2008, and filed with the repositories identified in the “INTRODUCTION” to this Remarketing Circular, are included by specific cross-reference in this Remarketing Circular, along with material that updates this Remarketing Circular and that is either filed with those repositories or, in the case of Remarketing Circulars, filed with the Municipal Securities Rulemaking Board (MSRB) prior to the remarketing date of the Series 2001B and C Bonds, together with any supplements or amendments thereto:

- **Appendix A** – The Related Entities
- **Appendix D** – Audited Financial Statements of Triborough Bridge and Tunnel Authority for the Years Ended December 31, 2007 and 2006

Readers of this Remarketing Circular should also be aware that **Appendix A**, which is included by specific cross-reference in this Remarketing Circular, itself includes additional documents by specific cross-reference therein.

The following documents have also been filed with the repositories identified in the “INTRODUCTION” and are included by specific cross-reference in this Remarketing Circular:

- MTA’s Unaudited Consolidated Financial Statements for the six-month period ending June 30, 2008
- Summary of Certain Provisions of the TBTA Senior Resolution
- Definitions and Summary of Certain Provisions of the Standard Resolution Provisions
- History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Conditions of the Facilities of Triborough Bridge and Tunnel Authority, dated April 29, 2008 prepared by URS Corporation, New York, New York

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INTRODUCTION

MTA Bridges and Tunnels and Other Related Entities

Triborough Bridge and Tunnel Authority, or MTA Bridges and Tunnels, is 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 Bridges and Tunnels is empowered to construct and operate toll bridges and tunnels and other public facilities in New York City. MTA Bridges and Tunnels issues debt obligations to finance the capital costs of its facilities and the transit and commuter systems operated by other affiliates and subsidiaries of the Metropolitan Transportation Authority, or MTA. MTA Bridges and Tunnels is an affiliate of MTA. MTA Bridges and Tunnels’ surplus amounts are used to fund transit and commuter operations and finance capital projects.

MTA has responsibility for developing and implementing a single, integrated mass transportation policy for the MTA Commuter Transportation District, which consists of New York 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 Metropolitan Suburban Bus Authority (MSBA); the MTA Bus Company; and the MTA Capital Construction Company. MTA issues debt obligations to finance a substantial portion of the capital costs of these systems, other than MSBA.

The board members of MTA serve as the board members of the MTA’s affiliates and subsidiaries, which, together with the MTA, are referred to collectively herein as the Related Entities. MTA Bridges and Tunnels is an affiliate, not a subsidiary, of MTA. MTA, MTA Bridges and Tunnels and the other Related Entities are described in detail in **Appendix A** to MTA’s 2008 Combined Continuing Disclosure Filings (**Appendix A**), which is included by specific cross-reference in this Remarketing Circular.

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

<u>Legal Name</u>	<u>Popular Name</u>
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
Metropolitan Suburban Bus Authority	MTA Long Island 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 by **Appendix A**.

Where to Find Information

Information in this Remarketing Circular. This Remarketing Circular is organized as follows:

- This **Introduction** provides a general description of certain recent developments, as well as the MTA Bridges and Tunnels.
- **Part I** provides specific information about the Series 2001B and C Bonds.
- **Part II** describes the sources of payment and security for all General Revenue Bonds, including the Series 2001B and C Bonds.
- **Part III** provides miscellaneous information relating to the Series 2001B and C Bonds.
- **Attachment 1** sets forth certain provisions applicable to the book-entry system of registration to be used for the Series 2001B and C Bonds.
- **Attachment 2** sets forth a summary of certain provisions of the supplemental resolution and the series certificate relating to the Series 2001B and C Bonds.
- **Attachment 3** are the forms of opinions of Bond Counsel in connection with the Series 2001B and C Bonds.
- **Attachment 4** sets forth certain information relating to the Current Credit Facility Issuer, State Street Bank and Trust Company.
- **Attachment 5** sets forth certain information relating to the Current Credit Facility Issuer, Bayerische Landesbank, acting through its New York Branch.
- **Information Included by Specific Cross-reference** in this Remarketing Circular and identified in the Table of Contents may be obtained, as described below, from the repositories or the MSRB and from MTA.

Information from Repositories. MTA and MTA Bridges and Tunnels file annual and other information with each Nationally Recognized Municipal Securities Information Repository (NRMSIRs). Documents filed by MTA and MTA Bridges and Tunnels should be available from those repositories designated as such at the time of the filing. The repositories may charge a fee for access to those documents. The current repositories are as follows:

Bloomberg Municipal Repository

100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
Email: munis@bloomberg.com

Interactive Data Pricing and Reference Data, Inc.

Attn: NRMSIR
100 William Street, 15th Floor
New York, NY 10038
Phone: (212) 771-6999; (800) 689-8466
Fax: (212) 771-7390
Email: NRMSIR@interactivedata.com

DPC Data Inc.

One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
Email: nrmsir@dpcdata.com

Standard & Poor's Securities Evaluations, Inc.

55 Water Street, 45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
Email: nrmsir_repository@sandp.com

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 repositories to date, is "included by specific cross-reference" in this Remarketing Circular. This means that important information is disclosed by referring to those documents and that the specified portions of those documents are considered to be part of this Remarketing Circular. This Remarketing Circular, which includes the specified portions of those filings, should be read in its entirety in order to obtain essential information for making an informed decision in connection with the Series 2001B and C Bonds.

Information Available at No Cost. Information filed with the repositories is also available, at no cost, on MTA's website or by contacting MTA, Attn.: Finance Department, at 347 Madison Avenue, New York, New York 10017. For important information about MTA's website, see Part III – "FURTHER INFORMATION" below.

Recent Developments Affecting MTA

Recent Financial Developments. On July 23, 2008, MTA released its July Financial Plan for 2009-2012 and the 2009 Preliminary Budget. The Plan includes updated projections that reflect recent economic changes materially affecting tax revenues and fuel costs. The Plan also includes updated State tax projections based on the State's Enacted Budget. The Authority's Plan also includes proposals to balance the budget in 2009 and offset the effect of these downturns in the out years to produce gaps in 2010-2012 that will be addressed in future financial plans. Compared with the previous Financial Plan completed in February 2008 (the February Plan), three major items worsened for the two-year period 2008 and 2009:

- **Fuel and Energy Costs:** These projected costs are expected to be worse than forecast in the February Plan by \$208 million over the two year period, a 39% increase; these costs are projected to increase by \$81 million in 2008 and \$127 million in 2009. The out years are also projected to worsen by \$66 million in 2010 and \$60 million in 2011. The Plan reflects Global Insight projections as of June 2008, which assume that prices will peak during the second half of 2009 and decline slightly thereafter.
- **Real Estate Tax Revenues:** The falling real estate market in the region, notably the sharp downturn in City commercial real estate activity, is projected to result in \$443 million in lower revenues for the two year period; \$201 million in 2008 and \$242 million in 2009. The Plan assumes that these revenues will remain in a decline during 2010 and 2011 and begin to grow in 2012. These projections are consistent with the City's Executive Budget.
- **State Taxes:** The State enacted its budget on April 8, 2008. The only material change for MTA affected the appropriation for MTA New York City Transit's and the commuter railroads' MMTOA revenues from the State's Mass Transportation Operating Assistance Fund ("MMTOA"). The appropriation was \$37 million lower than expected in the 2008 Adopted Budget. This reduction resulted from late Statewide reductions to State aid to localities. The State's projections issued with the Enacted Budget for taxes supporting MTA's portion of receipts in the State's Dedicated Mass Transportation Trust Fund ("MTTF Receipts") and MTA's portion of receipts in MMTOA ("MMTOA Receipts") are projected to negatively impact MTA by \$60 million for the two-years, 2008 and 2009, compared with the February Plan. The State's projections for these taxes are forecast to worsen MTA's revenues by \$84 million in 2010 and \$121 million in 2011.

To address these recent downturns and the resulting gaps, MTA's July Plan proposes the following measures, which, if put into effect as currently proposed by MTA, are expected to result in a balanced 2009 budget and reduced budget gaps thereafter:

- **Proposed Internal Actions** are projected to reduce the gap by \$155 million in 2008, \$310 million in 2009, \$411 million in 2010, \$225 million in 2011 and \$361 million in 2012. These actions are projected to keep controllable operating expenses well below CPI over the Plan period. The measures include cost reductions by operating agencies of 6% over the period 2009-2012, without cutting service. (These reductions, some of which commence in 2008, reflect a continuation of the 1.5% annual reduction begun last year.) The July Plan also assumes that the negotiation of new contracts will reflect a lower level of labor expenses than previously assumed. The Plan further anticipates that efficiency measures, notably the Business Service Center which will consolidate back office operations, will begin to yield savings by 2012. MTA also proposes reducing its subsidy to MTA Long Island Bus by \$4 million annually, returning to the historical \$10 million allocation. Additionally, the Plan proposes charging for Bridge and Tunnel crossings by official city, state and county vehicles, which is projected to generate \$10 million annually. Two non-recurring internal action items are also proposed: (1) MTA will make an internal loan of \$135 million to reduce the gap in 2009, as well as 2010, from available funds; and (2) MTA also has identified \$120 million that had

been allocated for capital projects from the 2006 surplus but not yet committed, which is to be transferred back to the operating budget in 2008 to be used for future gap-closing. Projects that would have used these funds will instead be included in the next capital program.

- ***Proposed External Actions*** are proposed to yield additional revenues of \$40 million in 2008, \$302 million in 2009 and \$801 million, \$873 million and \$995 million, respectively in 2010-2012. These actions rely on MTA's governmental partners. A year ago, the financial plan relied on \$600 million in new State and City contributions beginning in 2010. The July Plan proposes accelerating roughly half of this contribution into 2009. The actions, described below, are suggested actions that could be taken by the Authority's funding partners; other actions taken by the Authority's funding partners could substitute for these examples. The Plan proposes full State and City reimbursement for school fares and senior discounts, which would generate \$104 million annually. Reduced fares to school children cost MTA \$89 million more than the current annual \$90 million subsidy from the State and the City (\$45 million each). Similarly, NYC Transit provides half-fare discounts to seniors in the peak period, which costs \$15 million more than the City's current \$13.8 million subsidy. A further proposed action is that the City and the MTA share paratransit costs equally. When the MTA assumed paratransit service responsibilities from the City in 1993, the agreement presupposed sharing costs but allowed for annual caps on the City's contribution. Demand for these services and consequent costs have grown beyond expectation. This action proposes that the paratransit costs now be borne equally. This would provide \$113 million in additional reimbursement in 2009 and grow thereafter. The plan also proposes restoration of the fall-off in State tax aid discussed above that has been adversely impacted by the economy. The State also will be asked to eliminate tax loopholes affecting real estate transactions, which is expected to generate \$50 million annually beginning in 2009.
- ***Fare/Toll Yield Changes*** are proposed, effective July 1, 2009. This represents a six-month acceleration of the effective date included in previous financial plans. The proposed change assumes that transit riders and Bridge and Tunnel drivers will contribute to closing the deficit through increased fares and tolls which would increase the revenue yields by an annualized 8% beginning in 2009. This is an increase from the 5% yield proposed in the previous plan, which would have been effective January 1, 2010, and makes up for the revenue that was lost when the last increase was reduced from 6.5% to 3.85% to hold the base transit fare at \$2.00. The proposal is projected to increase revenues by \$202 million in 2009, \$405 million in 2010, \$414 million in 2011 and \$418 million in 2012. The Plan assumes that the Authority would resume biennial fare/toll increases as of January 1, 2011 to increase revenue yields by 5%, commensurate with inflationary increases; additional revenues of \$272 million in 2011 and \$281 million in 2012 are estimated to be generated.

The July Plan assumes positive closing cash balances of \$344 million in 2008 and \$15 million in 2009, which are predicated on implementing the described actions above or through adoption of other commensurate substitutions. Moreover, the Plan projects deficits in the out years of \$250 million in 2010, \$283 million in 2011 and \$318 million in 2012, which will be addressed in future financial plans. In November, the Authority will issue its Final Proposed Budget and revised Financial Plan, followed by Board adoption of the 2009 Budget in December. If the Board opts to raise fares and tolls in 2009, the Board would be expected to authorize public hearings with the budget adoption in December and such hearings would likely take place in early 2009.

The ability of MTA to achieve the 2009 balanced budget and reduced projected budget gaps in 2010 to 2012 reflected in the July Financial Plan for 2009-2012 is dependent upon a number of factors including general economic, market and employment conditions in the State, the City and the MTA Commuter Transportation District and future actions by third parties, including MTA's governmental partners. Fuel and energy costs and other expenses beyond MTA's control are likely to remain volatile. Revenues from real estate related taxes are forecast to drop substantially and revenues from other State taxes supporting MTTTF Receipts and MMTOA Receipts are also forecast to decline, but both could be reduced further than currently projected if economic conditions were to worsen. Any such worsening economic conditions could also adversely affect projected fare receipts from the Transit and Commuter Systems and toll revenues from MTA Bridges and Tunnels. The same economic conditions could also negatively affect the ability and willingness of the State and the City to undertake the actions assumed to be taken by them in the July Financial Plan or other actions needed to achieve the results projected in the July Financial Plan.

The State's First Quarterly Update to the Financial Plan, released July 30, 2008 (the Updated State Financial Plan), revises the State's fiscal projections for the 2008-09 through 2011-12 State fiscal years that were set forth in the Enacted Budget Financial Plan issued on May 1, 2008. The Updated State Financial Plan reflects, among other things, updated receipt and disbursement estimates based on the Division of the Budget's revised economic forecasts for the nation and State and operating results through the first three months of the State's 2008-09 fiscal year. Information included in the Updated State Financial Plan indicates that taxes supporting MTTTF Receipts and MMTOA are currently projected to decrease by approximately an additional \$80 million from amounts included in MTA's July Plan for calendar year 2008. The Updated State Financial Plan also projects additional reductions in collections of such taxes in calendar year 2009. The impact of such projected reductions on actual MTTTF Receipts and MMTOA Receipts for 2008 and 2009 cannot be predicted with certainty at this time.

No assurance can be given that the assumptions regarding economic conditions underlying the July Financial Plan will correspond to actual conditions or that any of the actions assumed to be taken by the State or the City will be taken or will be taken at the times assumed in the July Financial Plan.

Integrated Bus Company Operations. On May 7, 2008 the MTA announced plans to begin integrating the operations of its three bus companies to create a more seamless and efficient Regional Bus Operations. MTA New York City Transit, MTA Bus and MTA Long Island Bus will each maintain its individual identity and funding, while undergoing a managerial restructuring that is intended to increase accountability and enhance coordination and efficiency in serving the entire MTA region.

West Side Yards. On May 22, 2008 the MTA Board authorized the conditional designation of Related Companies/Goldman Sachs (Related/Goldman) to develop the air space over the two development sites that comprise the MTA's John D. Caemmerer Rail Yard - the Western Rail Yard (WRY) and the Eastern Rail Yard (ERY). Conditional Designation Letters have been executed which commit the MTA and the Related/Goldman joint venture to negotiate exclusively with one another in a mutual effort to finalize legal documents governing the proposed disposition of the development rights for these two sites. As background to this development, on September 28, 2006, the MTA Board authorized the execution of, and the MTA thereafter entered into, a memorandum of understanding with the City (the Rail Yards MOU) with respect to the development of the West Side Yard and the sale of certain transferable development rights (TDRs) on the ERY created by the 2005 rezoning of the ERY by the City. In July of 2007, pursuant to the Rail Yards MOU, MTA issued two separate Requests for Proposals for the sale of and/or long term leasing of air space and related real property interests for development at the ERY and the WRY, respectively. On October 11, 2007, MTA received proposals from five real estate development teams in response to the RFP. Following analysis of those proposals, MTA solicited supplemental proposals from all five teams in late January 2008. Four out of five of the firms submitted supplemental proposals in response to the follow-up request. MTA staff met with each of the four remaining developer teams and a recommendation was presented to the MTA Board which, at its March 26, 2008 meeting, authorized the MTA Executive Director and the CEO, upon successful completion of the negotiations, to enter into Conditional Designation Letters with Tishman Speyer Properties for the development of the ERY and the WRY, including the construction of a roof over the portion of the West Side Yard used for LIRR operations. When those negotiations could not be successfully concluded, MTA resumed discussions with the other proposers who had submitted supplemental proposals, and the Board, at a May 22, 2008 meeting, approved the conditional designation of the Related/Goldman joint venture as developer for the WRY and the ERY development sites.

Commission on MTA Financing. On June 10, 2008, the Governor appointed a commission to study the MTA's funding needs and solutions. The Commission on MTA Financing, headed by former MTA chairman Richard Ravitch, is charged with recommending strategies to fund MTA capital projects and operating needs over the next ten years. The Commission has held a number of meetings thus far and is continuing to deliberate. A report is expected the first week of December.

PART I. SERIES 2001B AND C BONDS

Part I of this Remarketing Circular, together with the Summary of Terms, provides specific information about the Series 2001B and C Bonds.

REMARKETING PLAN

In light of current market conditions, MTA Bridges and Tunnels has decided to replace the Ambac insurance policy providing credit support for the Series 2001B and C Bonds with separate letters of credit providing both credit and liquidity support for the Series 2001B Bonds and the Series 2001C Bonds. MTA Bridges and Tunnels expects to enter into a firm remarketing agreement with Citigroup Global Markets Inc. on or prior to September 30, 2008, in connection with the mandatory tender and remarketing of the Series 2001B and Series 2001C Bonds. On October 1, 2008, the mandatory purchase date, (i) the Series 2001B and Series 2001C Ambac insurance policy, the State Street Bank and Trust Company Standby Bond Purchase Agreement relating to the Series 2001B Bonds and the Bayerische Landesbank Standby Bond Purchase Agreement relating to the Series 2001C Bonds will each be terminated; (ii) State Street Bank and Trust Company will issue an irrevocable direct pay letter of credit providing liquidity and credit support for the Series 2001B Bonds as described herein; (iii) Bayerische Landesbank, acting through its New York Branch, will issue an irrevocable direct pay letter of credit providing liquidity and credit support for the Series 2001C Bonds as described herein; and (iv) the Series 2001B Bonds and the Series 2001C Bonds will be subject to mandatory tender at a purchase price equal to the principal amount thereof, plus accrued interest to, but not including, the mandatory purchase date. On and after such mandatory purchase date, the Ambac insurance policy issued in connection with the original issuance of the Series 2001B Bonds and the Series 2001C Bonds will be terminated and registered owners of the Series 2001B and the Series 2001C Bonds will have no claim against such insurance policy. MTA Bridges and Tunnels is amending the Bond Series Certificate delivered pursuant to the supplemental resolution relating to the Series 2001B Bonds and the Series 2001C Bonds (a) to reflect that the insurance policy has been terminated and will no longer be in effect after the mandatory purchase date and (b) to modify the terms and provisions of the Series 2001B Bonds and the Series 2001C Bonds to reflect the terms and provisions described herein. In connection with the remarketing of the Series 2001B and the Series 2001C Bonds, the Remarketing Agent will consent to such amendments. By acceptance of a confirmation of purchase on the mandatory purchase date, delivery or transfer of the Series 2001B Bonds or the Series 2001C Bonds, each beneficial owner will be deemed to have acknowledged (i) the cancellation and termination of the Ambac insurance policy, (ii) that such beneficial owner will have no recourse to the Ambac insurance policy for payment of interest or principal on the Series 2001B Bonds or the Series 2001C Bonds, and (iii) that the amendments to the Bond Series Certificate reflecting such termination and incorporating the terms and provisions of the Series 2001B Bonds and the Series 2001C Bonds described herein will be applicable to such amendments.

DESCRIPTION OF SERIES 2001B AND C BONDS

Unless the context otherwise indicates, references in the following description to the "Series 2001B and C Bonds" apply to the Series 2001B and C Bonds independently. Actions may be taken, or determinations made, with respect to one Series that are not taken or made with respect to the other.

General

Variable Rate Bonds. The Series 2001B and C Bonds mature on January 1, 2032. The Series 2001B and C Bonds bear interest from July 1, 2008, constitute Variable Interest Rate Bonds and bear interest in the Weekly Mode. The Series 2001B and C Bonds bear interest at the rate determined by the Remarketing Agent on each Tuesday as described below. **This Remarketing Circular is intended to provide disclosure only to the extent the Series 2001B and C Bonds remain in the Weekly Mode. In the event MTA elects to convert the Series 2001B and C Bonds to a different Mode, it expects to circulate a revised disclosure document relating thereto.**

Interest on the Series 2001B and C Bonds is paid in arrears and is computed upon the basis of a 365-day year (366 in years when February has 29 days), for the number of days actually elapsed. The maximum rate of interest on the Series 2001B and C Bonds (other than Bank Bonds, as hereinafter described) at any time, whether before or after the maturity thereof, is 12% per annum (the Maximum Rate). "Bank Bonds" are Series 2001B and C Bonds held by the Credit Facility Issuer or any successor or assign (collectively, the "Credit Facility Issuer") as a

result of a draw on any respective Credit Facility or any replacement thereof (collectively, the “Credit Facility”) to pay the Purchase Price (as hereinafter defined) of Series 2001B and C Bonds that have been tendered and not remarketed and may bear interest as Bank Bonds at a rate of up to 25% per annum.

Citigroup Global Markets Inc. is Remarketing Agent in connection with the remarketing of the Series 2001B and C Bonds. The Remarketing Agent will determine the interest rate on the Series 2001B and C Bonds and will remarket the Series 2001B and C Bonds tendered or required to be tendered for purchase on a best efforts basis. The Remarketing Agent may be removed or replaced by MTA Bridges and Tunnels in accordance with the Remarketing Agreement. Pursuant to the Remarketing Agreement, the Remarketing Agent may suspend its obligation to remarket Series 2001B and C Bonds upon the occurrence of a default of any Current Credit Facilities Issuer under the related Current Credit Facility or termination of the related Current Credit Facility.

Payment of Series 2001B and Series 2001C Bonds Purchase Price. The Purchase Price of the Series 2001B and Series 2001C Bonds that are tendered and not remarketed on any Purchase Date is payable pursuant to two direct-pay letters of credit issued pursuant to two Reimbursement Agreements by and between the respective Current Credit Facility Issuer and MTA Bridges and Tunnels with respect to the Series 2001B Bonds and Series 2001C Bonds, respectively (each, a Reimbursement Agreement, and collectively, the Reimbursement Agreements); the Series 2001B Bonds are secured by an irrevocable direct-pay letter of credit issued by State Street Bank and Trust Company (State Street); the Series 2001C Bonds are secured by an irrevocable direct-pay letter of credit issued by Bayerische Landesbank (BLB), acting through its New York Branch, (State Street and BLB referred to individually herein as a Current Credit Facility Issuer and collectively as the Current Credit Facility Issuers). Each irrevocable direct-pay letter of credit is individually referred to herein as a Current Credit Facility and collectively as the Current Credit Facilities.

For more information relating to the Current Credit Facility Issuers, see **Attachments 4 and 5**.

The Purchase Price of the Series 2001B and C Bonds is payable solely from the proceeds of remarketing such Series by the Remarketing Agent and from the proceeds from draws under the applicable Current Credit Facility. Although MTA Bridges and Tunnels has the option to purchase Series 2001B and C Bonds that have been neither remarketed nor purchased by an Current Credit Facility Issuer, it is not obligated to do so. Payment of the Purchase Price is not an obligation of MTA Bridges and Tunnels, the Trustee, the Tender Agent or the Remarketing Agent and failure to make such payment shall not constitute an Event of Default under the MTA Bridges and Tunnels General Resolution. See “—Source of Funds for Purchase of Series 2001B and C Bonds” below.

The Current Credit Facilities are each scheduled to expire on September 30, 2010, unless extended or earlier terminated in accordance with their respective terms. See “—Credit and Liquidity Support” below.

Credit Enhancement. Payment of the principal of and interest on the Series 2001B and C Bonds, when due, is also secured by the respective Current Credit Facilities.

Book-Entry-Only System. The Series 2001B and C Bonds will be issued as registered bonds, 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 Series 2001B and C Bonds. During the period during which the Series 2001B and C Bonds bear interest in the Weekly Mode, individual purchases will be made in book-entry-only form, in the principal amount of \$100,000 or any integral multiple of \$5,000 in excess thereof (“Authorized Denominations”). So long as DTC is the registered owner of the Series 2001B and C Bonds, all payments on the Series 2001B and C 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. Interest on the Series 2001B and C Bonds is payable on each January 1 and July 1 commencing January 2, 2009. So long as DTC is the sole registered owner of all of the Series 2001B and the C Bonds, all interest payments will be made to DTC by wire transfer of immediately available funds, and DTC’s participants will be responsible for payment of interest to beneficial owners. All Series 2001B and C Bonds are fully registered in Authorized Denominations.

Transfers and Exchanges. So long as DTC is the securities depository for the Series 2001B and C Bonds, it will be the sole registered owner of the Series 2001B Bonds and Series 2001C Bonds, and transfers of ownership interests in the Series 2001B and C Bonds will occur through the DTC Book-Entry-Only System.

Trustee, Paying Agent and Tender Agent. The U.S. Bank Trust National Association is Trustee, Paying Agent and Tender Agent with respect to the Series 2001B and C Bonds.

Terms Relating to the Weekly Mode

Determination of Interest Rate in the Weekly Mode. The interest rate for the Series 2001B and C Bonds in a Weekly Mode shall be determined by the Remarketing Agent on each Tuesday or, if such Tuesday is not a Business Day, the Business Day next preceding such Tuesday (the “Rate Determination Date”). The interest rate shall be the rate of interest per annum determined by the Remarketing Agent on and as of the applicable Rate Determination Date as the minimum rate of interest that, in the opinion of the Remarketing Agent, would, under then existing market conditions, result in the sale of the Series 2001B and C Bonds on the Rate Determination Date at a price equal to the principal amount thereof, plus accrued interest, if any. The interest rate shall be effective on Wednesday and shall continue in effect through the next succeeding Tuesday (the Interest Period), provided that if any Series 2001B and C Bonds subject to a Weekly Mode shall be converted to another Mode prior to such Wednesday, such Weekly Mode for such Series 2001B and C Bonds shall continue in effect only until the day preceding the applicable Mode Change Date.

In the event the Remarketing Agent fails to determine the interest rate or the method of determining the interest rate is held to be unenforceable by a court of law of competent jurisdiction, the Series 2001B and C Bonds will bear interest at the Alternate Rate for subsequent Interest Periods until such time as the Remarketing Agent again makes such determination or until there is delivered to MTA Bridges and Tunnels and the Trustee a Favorable Opinion of Bond Counsel.

The Alternate Rate is 110% of:

- the SIFMA Index (the Securities Industry and Financial Markets Association Municipal Swap Index released by Municipal Market Data to its subscribers), or
- if the SIFMA Index is no longer published, the S&P Weekly High-Grade Index (the rate determined on the basis of the S&P Weekly High-Grade Index announced on Tuesday or the next preceding Business Day and as published by Standard and Poor’s), or
- if neither the SIFMA Index nor the S&P Weekly High-Grade Index are published, an index or a rate selected or determined by the Remarketing Agent and consented to by MTA Bridges and Tunnels, the Trustee and the Credit Facility Issuers;

provided however, (a) if there has been a failure to pay the Purchase Price of the Series 2001B and C Bonds tendered or deemed tendered for purchase, and (b) if there is no Remarketing Agent or the Remarketing Agent has suspended the remarketing pursuant to the terms of the Remarketing Agreement, the Alternate Rate will be the Maximum Rate.

No Series 2001B and C Bond (other than a Bank Bond) may at any time bear interest at a rate that is in excess of 12%. No Bank Bond may at any time bear interest at a rate that is in excess of 25%.

Binding Effect. Each determination of the interest rate for the Series 2001B and C Bonds, as provided herein, shall be conclusive and binding upon the holders of the Series 2001B and C Bonds, MTA Bridges and Tunnels, the Remarketing Agent, the Tender Agent, the Credit Facility Issuers and the Trustee.

Changes in Mode

General. Any Series 2001B and C 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 Bridges and Tunnels shall give written notice to the Notice Parties of its intention to effect a change in the Mode from the Mode then prevailing (the “Current Mode”) to another Mode (the “New Mode”) specified in such written notice, together with the proposed effective date of such change in the Mode (the “Mode Change Date”). Such notice shall be given at least 20 days prior to the Mode Change Date.

General Provisions Applying to Changes from One Mode to Another.

1. The Mode Change Date must be a Business Day.
2. On or prior to the date MTA Bridges and Tunnels provides the notice to the Notice Parties, MTA Bridges and Tunnels shall 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 Bridges and Tunnels, 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 is effective on the Mode Change Date, a Tender Agency Agreement, an Auction Agreement and/or 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 Series 2001B and C 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 period for the New Mode shall commence on the Mode Change Date and the interest rate shall 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 Series 2001B and C Bonds that are the subject of the Mode change:
 - will be subject to mandatory tender for purchase, and
 - will continue to be in the Weekly Mode.

Rescission of Election to Change from One Mode to Another. MTA Bridges and Tunnels may rescind any election by it to change Mode as described above prior to the Mode Change Date by giving written notice thereof to the Notice Parties and to the Holders of the Series 2001B and C Bonds prior to 10:00 A.M. on the Business Day preceding such Mode Change Date. If the notice of such rescission is given by MTA Bridges and Tunnels, then such notice of change in Mode shall be of no force and effect and such Mandatory Purchase shall not occur.

Tender, Presentation and Purchase Provisions of the Series 2001B and C Bonds During the Weekly Mode

Purchase on Demand of Owners of Series 2001B and C Bonds in Weekly Mode. The Owners of the Series 2001B and C Bonds that are not Bank Bonds may elect to have such Series 2001B and C Bonds (or portions thereof in Authorized Denominations) purchased on a Business Day at a price (the “Purchase Price”) equal to the principal amount so tendered plus accrued interest (if the Purchase Date is not an Interest Payment Date) upon delivery of a written notice of tender by the Owner (the “Tender Notice”), to the Tender Agent and the Remarketing Agent not later than 4:00 p.m. on a Business Day not less than seven (7) days before the Purchase Date specified by the Owner. The Tender Notice, once transmitted to the Tender Agent and the Remarketing Agent, shall be irrevocable with respect to the tender for which such Tender Notice was delivered and that tender shall occur on the Purchase Date specified in that Tender Notice. The Tender Agent shall notify the Trustee by the close of business on the next succeeding Business Day of the receipt of any Tender Notice.

During any period that Series 2001B and C Bonds are registered in the name of DTC or a nominee thereof pursuant to the MTA Bridges and Tunnels Senior Resolution,

- any Tender Notice delivered as described in the immediately preceding paragraph shall identify the DTC Participant through whom the beneficial owner will direct transfer,
- on or before the Purchase Date, the beneficial owner must direct (or if the beneficial owner is not a DTC Participant, cause its DTC Participant to direct) the transfer of said Series 2001B and C Bond on the records of DTC, and
- it shall not be necessary for Series 2001B and C Bonds to be physically delivered on the date specified for purchase thereof, but such purchase shall be made as if such Series 2001B and C Bonds had been so delivered, and the Purchase Price thereof shall be paid to DTC.

In accepting a notice of tender as provided above, the Trustee and the Tender Agent may conclusively assume that the person providing that notice of tender is the beneficial owner of Series 2001B and C Bonds tendered and therefore entitled to tender them. The Trustee and Tender Agent assume no liability to anyone in accepting a notice of tender from a person whom it reasonably believes to be such a beneficial owner of Series 2001B and C Bonds.

Mandatory Purchase on any Mode Change Date. Except for Bank Bonds, the Series 2001B and C Bonds to be changed to any Mode from any other Mode are subject to a mandatory tender for purchase on the Mode Change Date at the Purchase Price equal to the principal amount thereof.

Mandatory Purchase Upon Expiration Tender Date, Termination Tender Date, Interest Non-Reinstatement Date and Substitution Date. Except for Bank Bonds, the Series 2001B and C Bonds are subject to mandatory tender for purchase on:

- the second Business Day preceding the Expiration Date of a Credit Facility, which second Business Day is hereinafter referred to as an Expiration Tender Date;
- the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) preceding the Termination Date of a Credit Facility, which fifth calendar day is hereinafter referred to as a Termination Tender Date, if the Credit Facility permits a draw thereon on the Termination Tender Date;

- the fifth calendar day (or if such day is not a Business Day, the preceding Business Day) following the receipt by the Trustee of a written notice from the Credit Facility Issuer that the Credit Facility will not be reinstated (in respect of interest) to an amount equal to the interest component of the Credit Facility required with respect to the Series 2001B and C Bonds, which fifth calendar day is hereinafter referred to as an “Interest Non-Reinstatement Tender Date”; and
- the Substitution Date for a Credit Facility.

A “Substitution Date” means:

- the date that is specified in a written notice given by MTA Bridges and Tunnels to the Trustee and the Tender Agent as the date on which an Alternate Credit Facility is to be substituted for the then-existing Credit Facility (even if the substitution fails to occur on that date), and
- the second Business Day preceding the date that is specified in a written notice given to the Trustee and the Tender Agent in accordance with the Credit Facility as the date on which the assignment of the obligation of the Credit Facility Issuer under the Credit Facility is effective (even if the assignment fails to occur on that date).

Notice of Mandatory Tender for Purchase. The Trustee shall, at least fifteen (15) days prior to the Expiration Tender Date with respect to the Series 2001B and C Bonds, give notice of the mandatory tender on such Expiration Tender Date if it has not theretofore received confirmation that the Expiration Date has been extended.

Upon receipt of a written notice from the Credit Facility Issuer or MTA Bridges and Tunnels that the Credit Facility supporting the Series 2001B and C Bonds will terminate or the obligation of such Credit Facility Issuer to purchase the Series 2001B and C Bonds will terminate prior to its Expiration Date, the Trustee shall within one (1) Business Day give notice of the mandatory tender of the Series 2001B and C Bonds that is to occur on such Termination Tender Date if it has not theretofore received from the Credit Facility Issuer or MTA Bridges and Tunnels a notice stating that the event which resulted in the Credit Facility Issuer or MTA Bridges and Tunnels giving a notice of the Termination Date has been cured and that the Credit Facility Issuer or MTA Bridges and Tunnels has rescinded its election to terminate the Credit Facility. Notwithstanding anything to the contrary described below, such notice shall be given by Electronic Means capable of creating a written notice. Any notice given substantially as described in this paragraph shall be conclusively presumed to have been duly given, whether or not actually received by each Owner.

Upon receipt of a written notice from the Credit Facility Issuer that the Credit Facility will not be reinstated (in respect of interest) to an amount equal to the interest component of the Liquidity and Credit Amount required with respect to the Series 2001B and C Bonds, the Trustee shall within one (1) Business Day give notice of the mandatory tender of the Series 2001B and C Bonds on such Interest Non-Reinstatement Tender Date if it has not theretofore received from the Credit Facility Issuer a notice stating that the Credit Facility has been reinstated to an amount equal to the interest component of the Liquidity and Credit Amount. Notwithstanding anything to the contrary described below, such notice shall be given by Electronic Means capable of creating a written notice. Any notice given substantially as described in this paragraph shall be conclusively presumed to have been duly given, whether or not actually received by each Owner. For purposes of this Remarketing Circular, the term Liquidity and Credit Amount shall mean an amount equal to the principal of the Series 2001B and C Bonds plus an interest amount equal to 196 days’ interest thereon calculated at the Maximum Rate on the basis of a 365 day year for the actual number or days elapsed.

The Trustee shall, at least fifteen (15) days prior to the Substitution Date with respect to a Credit Facility, give notice of the mandatory tender of the Series 2001B and C Bonds on the Substitution Date.

The Trustee shall, at least fifteen (15) days prior to any Mode Change Date, give notice to the Notice Parties of the mandatory tender for purchase of the Series 2001B and C Bonds that is to occur on such date.

Except as provided in the fourth immediately preceding paragraph, notice of any mandatory tender of Series 2001B and C Bonds shall 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 Series 2001B and C Bonds at the respective addresses shown on the registry books. Each notice of mandatory tender for purchase shall 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 Series 2001B and C 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 Series 2001B and C Bonds shall in addition specify the conditions that have to be satisfied pursuant to the MTA Bridges and Tunnels Senior Resolution in order for the New Mode to become effective and the consequences that the failure to satisfy any of such conditions would have.

In the event a mandatory tender of Series 2001B and C Bonds shall occur at or prior to the same date on which an optional tender for purchase is scheduled to occur, the terms and conditions of the applicable mandatory tender for purchase shall control. Any notice mailed as described above shall be conclusively presumed to have been duly given, whether or not the Owner of any Series 2001B and C Bond receives the notice, and the failure of such Owner to receive any such notice shall not affect the validity of the action described in such 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 Series 2001B and C Bonds subject to mandatory tender for purchase on the Mandatory Purchase Date.

Remarketing of Series 2001B and C Bonds

The Remarketing Agent shall offer for sale and use its best efforts to find purchasers for (i) the Series 2001B and C Bonds or portions thereof as to which a Tender Notice has been given and (ii) all Series 2001B and C Bonds required to be tendered for purchase. To the extent that the Credit Facility is an irrevocable direct-pay Credit Facility (which includes the Current Credit Facilities), any Series 2001B and C Bonds purchased with the proceeds of the Credit Facility shall not be remarketed unless such Credit Facility has been reinstated to the Liquidity and Credit Amount. No Series 2001B and C Bond shall be remarketed (x) to MTA Bridges and Tunnels, or any affiliate of MTA, nor shall any Bank Bonds be remarketed unless the Credit Facility has been or will be, immediately upon such remarketing, reinstated by the amount of the reduction that occurred when such Series 2001B and C Bonds became Bank Bonds, and (y) at a price that is less than the Purchase Price of such Series 2001B and C Bonds.

Pursuant to each Remarketing Agreement, the Remarketing Agent may suspend remarketing of the Series 2001B and C Bonds upon the occurrence of a default by the related Credit Facility Issuer under the related Credit Facility or upon the termination or suspension of the related Credit Facility.

Source of Funds for Purchase of Series 2001B and C Bonds

On or before 3:00 p.m. on the Purchase Date or the Mandatory Purchase Date with respect to Series 2001B and C Bonds, the Tender Agent shall purchase such Series 2001B and C Bonds from the Owners at the Purchase Price. Funds for the payment of such Purchase Price shall be derived in the order of priority indicated:

- immediately available funds transferred by the Remarketing Agent to the Tender Agent derived from the remarketing of Series 2001B and C Bonds; and
- immediately available funds transferred by the Trustee to the Tender Agent derived from the related Credit Facility for the Purchase Price.

Notwithstanding the foregoing, MTA Bridges and Tunnels 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 Series 2001B and C Bond that is tendered or deemed tendered as described in this Remarketing Circular and the Purchase Price of which is not paid on the Purchase Date or Mandatory Purchase Date from any of the sources identified above. None of the MTA Bridges and Tunnels, 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 Series 2001B and C 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 MTA Bridges and Tunnels Senior Resolution and in the case of such failure such Series 2001B and C Bonds shall not be purchased and shall remain in the Weekly Mode.

Delivery of Remarketed Series 2001B and C Bonds

Except as otherwise required or permitted by DTC's book-entry-only system, remarketed Series 2001B and C 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 Purchase Date or Mandatory Purchase Date, as the case may be.

Delivery and Payment for Purchased Series 2001B and C Bonds; Undelivered Series 2001B and C Bonds

Except as otherwise required or permitted by the book-entry-only system of the Securities Depository, remarketed Series 2001B and C Bonds purchased as set forth above shall be delivered (with all necessary endorsements) at or before 12:00 p.m. on the Purchase Date or 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 Series 2001B and C Bond purchased shall be made only if such Series 2001B and C Bond so delivered to the Tender Agent conforms 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 Purchase Date or Mandatory Purchase Date, or, if the bondholder has not provided or caused to be provided wire transfer instructions, by check mailed to the bondholder at the address appearing in the books required to be kept by the Trustee pursuant to the MTA Bridges and Tunnels Senior Resolution. If Series 2001B and C Bonds to be purchased are not delivered by the bondholders to the Tender Agent by 12:00 p.m. on the Purchase Date or Mandatory Purchase Date, the Tender Agent shall hold any funds received for the purchase of those Series 2001B and C Bonds in trust in a separate account uninvested, and shall pay such funds to the former bondholders upon presentation of the Series 2001B and C Bonds subject to tender. Undelivered Series 2001B and C Bonds are deemed tendered and cease to accrue interest as to the former bondholders on the Mode Change Date if moneys representing the Purchase Price shall be available against delivery of those Series 2001B and C 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 Series 2001B and C Bond 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 Bridges and Tunnels and the furnishing of security or indemnity to the Tender Agent's satisfaction, be paid to MTA Bridges and Tunnels free of any trust or lien and thereafter the former holder of such Series 2001B and C Bond shall look only to MTA Bridges and Tunnels and then only to the extent of the amounts so received by MTA Bridges and Tunnels 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 Series 2001B and C Bonds. The Tender Agent shall authenticate a replacement Series 2001B and C Bond for any undelivered Series 2001B and C Bond which may then be remarketed by the Remarketing Agent.

Special Considerations Relating to the Series 2001B and C Bonds

The Remarketing Agent is Paid By MTA Bridges and Tunnels. The Remarketing Agent's responsibilities include determining the interest rate from time to time and remarketing Series 2001B and C Bonds that are optionally or mandatorily tendered by the owners thereof (subject, in each case, to the terms of the MTA Bridges and Tunnels Senior Resolution and the Remarketing Agreement), all as further described in this Remarketing Circular. The Remarketing Agent is appointed by MTA Bridges and Tunnels and is paid by MTA Bridges and Tunnels for its services. As a result, the interests of the Remarketing Agent may differ from those of existing bondholders and potential purchasers of Series 2001B and C Bonds.

The Remarketing Agent Routinely Purchases Series 2001B and C Bonds for its Own Account. The Remarketing Agent acts as remarketing agent for a variety of variable rate demand obligations and, in its sole discretion, routinely purchases such obligations for its own account. The Remarketing Agent is permitted, but not obligated, to purchase tendered Series 2001B and C Bonds for its own account and, in its sole discretion, may routinely acquire such tendered Series 2001B and C Bonds in order to achieve a successful remarketing of the Series 2001B and C Bonds (i.e., because there otherwise are not enough buyers to purchase the Series 2001B and C Bonds) or for other reasons. However, the Remarketing Agent is not obligated to purchase Series 2001B and C Bonds, and may cease doing so at any time without notice. The Remarketing Agent may also make a market in the Series 2001B and C Bonds by routinely purchasing and selling Series 2001B and C Bonds other than in connection with an optional or mandatory tender and remarketing. Such purchases and sales may be at or below par. However, the Remarketing Agent is not required to make a market in the Series 2001B and C Bonds. The Remarketing Agent may also sell any Series 2001B and C Bonds it has purchased to one or more affiliated investment vehicles for collective ownership or enter into derivative arrangements with affiliates or others in order to reduce its exposure to the Series 2001B and C Bonds. The purchase of Series 2001B and C Bonds by the Remarketing Agent may create the appearance that there is greater third party demand for the Series 2001B and C Bonds in the market than is actually the case. The practices described above also may result in fewer Series 2001B and C Bonds being tendered in a remarketing.

Series 2001B and C Bonds May be Offered at Different Prices on Any Date Including an Interest Rate Determination Date. Pursuant to the MTA Bridges and Tunnels Senior Resolution and the Remarketing Agreement, the Remarketing Agent is required to determine the applicable rate of interest that, in its judgment, is the lowest rate that would permit the sale of the Series 2001B and C Bonds bearing interest at the applicable interest rate at par plus accrued interest, if any, on and as of the applicable interest rate determination date. The interest rate will reflect, among other factors, the level of market demand for the Series 2001B and C Bonds (including whether the Remarketing Agent is willing to purchase Series 2001B and C Bonds for its own account). There may or may not be Series 2001B and C Bonds tendered and remarketed on an interest rate determination date and the Remarketing Agent may or may not be able to remarket any Series 2001B and C Bonds tendered for purchase on such date. The Remarketing Agent may sell Series 2001B and C Bonds other than tendered Series 2001B and C Bonds at varying prices to different investors on such date or any other date. The Remarketing Agent is not obligated to advise purchasers in a remarketing if it does not have third party buyers for all of the Series 2001B and C Bonds at the remarketing price. In the event a Remarketing Agent owns any Series 2001B and C Bonds for its own account, it may, in its sole discretion in a secondary market transaction outside the tender process, offer such Series 2001B and C Bonds on any date, including the interest rate determination date, at a discount to par to some investors.

The Ability to Sell the Series 2001B and C Bonds Other Than Through the Tender Process May Be Limited. The Remarketing Agent may buy and sell Series 2001B and C Bonds other than through the tender process. However, it is not obligated to do so and may cease doing so at any time without notice and may require Holders that wish to tender their Series 2001B and C Bonds to do so through the Tender Agent with appropriate notice. Thus, investors who purchase the Series 2001B and C Bonds, whether in a remarketing or otherwise, should not assume that they will be able to sell their Series 2001B and C Bonds other than by tendering the Series 2001B and C Bonds in accordance with the tender process.

The Remarketing Agent May Resign Without a Successor Being Named. The Remarketing Agent may resign upon 30 days notice if a successor Remarketing Agent has been appointed and accepted such appointment. If no successor Remarketing Agent has been appointed, MTA has paid to the Remarketing Agent all fees payable pursuant to the Remarketing Agreement at the time required, and it is not then illegal under applicable law for the Remarketing Agent to serve as Remarketing Agent, such 30-day period will be extended to the earlier of the date a new Remarketing Agent has been appointed and accepted such appointment or 90 days from the date notice of resignation was delivered.

Redemption Provisions During the Weekly Mode

The Series 2001B and C Bonds are redeemable prior to maturity on such dates and at such prices during the Weekly Mode as are set forth below.

Sinking Fund Redemption. The following schedule sets forth the aggregate principal amount of Series 2001B and C Bonds subject to sinking fund redemption in each year. The amount of Series 2001B and C Bonds of a given Series shall be pro rata with respect to the other Series to the extent possible in Authorized Denominations, unless otherwise directed by an Authorized Officer.

The Series of 2001B and C Bonds are subject to mandatory sinking fund redemption, in part (in accordance with procedures of DTC, so long as DTC is the Holder, and otherwise by lot in such manner as the Trustee in its discretion deems proper) on January 1 of each year in the table below at the principal amounts thereof, plus accrued interest up to but not including the date of redemption thereof, from mandatory Sinking Fund Installments which are required to be made in amounts sufficient to redeem the principal amount of such Series 2001B and C Bonds as shown below:

Sinking Fund Installments

<u>January 1</u>	<u>Principal Amount</u>
2009	\$ 5,500,000
2010	5,725,000
2011	5,955,000
2012	6,200,000
2013	6,450,000
2014	7,635,000
2015	8,920,000
2016	9,530,000
2017	10,180,000
2018	10,870,000
2019	11,605,000
2020	12,205,000
2021	12,695,000
2022	13,200,000
2023	13,730,000
2024	14,280,000
2025	14,850,000
2026	15,445,000
2027	16,060,000
2028	16,705,000
2029	17,375,000
2030	18,070,000
2031	18,790,000
2032*	19,545,000

* Final maturity

Notwithstanding the establishment of the foregoing Sinking Fund Installments, upon the written direction of an Authorized Officer delivered to the Trustee and Remarketing Agent together with a Favorable Opinion of Bond Counsel, a new schedule of Sinking Fund Installments shall be established such that all or any portions of any one or more Sinking Fund Installments (except to the extent any particular Sinking Fund Installments have been paid and applied to redeem Series 2001B and C Bonds) are deferred to January 1 of subsequent years occurring in amounts and in years occurring prior to the maturity date upon compliance with certain conditions.

Any such deferral occurring with respect to Series 2001B and C Bonds bearing interest at any rate other than a Fixed Rate shall result in a mandatory tender of such Series 2001B and C Bonds.

Before selecting any Series 2001B and C Bonds for sinking fund redemption, the Trustee shall first redeem Bank Bonds.

Credit Toward Mandatory Sinking Fund Redemption. MTA Bridges and Tunnels may take credit toward mandatory Sinking Fund Installment requirements as follows, and, if taken, thereafter reduce the amount of term Series 2001B and C Bonds otherwise subject to mandatory Sinking Fund Installments on the date for which credit is taken:

- If MTA Bridges and Tunnels directs the Trustee to purchase term Series 2001B and C 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 as directed by the MTA Bridges and Tunnels. MTA Bridges and Tunnels may direct the credit as against either the Series 2001B Bonds or the Series C Bonds.
- If MTA Bridges and Tunnels purchases or redeems term Series 2001B and C Bonds with other available moneys, then the principal amount of those bonds will be credited against future Sinking Fund Installments in any order, and in any annual amount, that MTA Bridges and Tunnels may direct. MTA Bridges and Tunnels may direct the credit as against any of the Series 2001B and C Bonds.

Optional Redemption. The Series 2001B and C Bonds are subject to redemption prior to maturity as a whole or in part (in accordance with procedures of DTC, so long as DTC is the Owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper), on any Business Day, subject to applicable notice, at a Redemption Price equal to the principal amount thereof, without premium, plus accrued interest up to but not including the redemption date. If any such optional redemption shall occur, MTA Bridges and Tunnels will redeem Bank Bonds first.

State and City Redemption. Pursuant to the MTA Bridges and Tunnels Act, the State or the City, upon providing sufficient funds, may require MTA Bridges and Tunnels to redeem the Series 2001B and C Bonds, as a whole at the time and at the price and in accordance with the terms upon which the Series 2001B and C Bonds are otherwise redeemable.

Redemption of Bank Bonds. The Bank Bonds shall be subject to optional and mandatory redemption under the same terms and conditions as provided with respect to other Series 2001B and C Bonds. The Bank Bonds shall also be subject to mandatory redemption at the times and under the terms and conditions as provided in the respective Credit Facility relating to such Bank Bonds.

Redemption in Part; Bank Bonds To Be Redeemed First. In the event of a redemption of less than all the Series 2001B and C Bonds, the Trustee shall in accordance with the MTA Bridges and Tunnels Senior Resolution first select for redemption all then outstanding Bank Bonds prior to selecting for redemption any Series 2001B and C Bonds which are not Bank Bonds unless the respective Credit Facility Issuer shall be in default under its Credit Facility, in which case, the Trustee shall at the written direction of MTA Bridges and Tunnels, select for redemption all then outstanding Series 2001B and C Bonds in accordance with such direction.

Redemption Notices. So long as DTC is the securities depository for the Series 2001B and C Bonds, the Trustee must mail redemption notices to DTC at least 30 days before the redemption date. If the Series 2001B and C Bonds are not held in book-entry-only form, then the Trustee must mail redemption notices directly to bondholders within the same time frame. A redemption of the Series 2001B and C 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.**

Effect of Call for Redemption. If the Trustee gives an unconditional notice of redemption, then on the redemption date the Series 2001B and C Bonds called for redemption will become due and payable. If the Trustee

gives a conditional notice of redemption and holds money to pay the redemption price of the affected Series 2001B and C Bonds, then on the redemption date the Series 2001B and C Bonds called for redemption will become due and payable. In either case, if on the redemption date the Trustee holds money to pay the Series 2001B and C Bonds called for redemption, thereafter, no interest will accrue on those Series 2001B and C Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Series 2001B and C Bonds.

Amendments

The provisions of the MTA Bridges and Tunnels' Senior Resolution, with respect to the Series 2001B and C Bonds, may be modified or amended pursuant to the MTA Bridges and Tunnels Senior Resolution by obtaining, when required by the MTA Bridges and Tunnels Senior Resolution, the consent of the Owners of all Series 2001B and C Bonds and the Credit Facility Issuers. All Owners of the Series 2001B and C Bonds will be deemed to have consented to a modification or amendment if on the 30th day (or if such day is not a Business Day, on the next succeeding Business Day) after the date on which the Trustee mailed notice of such proposed modification or amendment to the Owners of the Series 2001B and C Bonds there is delivered to the Trustee –

- a certificate of the Tender Agent to the effect that all Series 2001B and C Bonds that have been optionally tendered for purchase by their Owners after the date on which the Trustee mailed such notice of the proposed modification or amendment have been purchased at a price equal to the Purchase Price thereof,
- a written consent of the Remarketing Agent to the proposed modification or amendment, and
- a Favorable Opinion of Bond Counsel.

Credit and Liquidity Support

General Description. The Current Credit Facilities are two separate irrevocable direct-pay letters of credit that provide both credit and liquidity support for the Series 2001B and C Bonds. The payment of the principal of and interest on, as well as the Purchase Price on any Purchase Date relating to the respective Series 2001B and C Bonds is secured as follows: Series 2001B Bonds are secured by an irrevocable direct-pay letter of credit issued by State Street Bank and Trust Company and the Series 2001C Bonds are secured by an irrevocable direct-pay letter of credit issued by Bayerische Landesbank, acting through its New York Branch (together the "Current Credit Facilities").

In the event that an Current Credit Facility Issuer terminates its Current Credit Facility in accordance with the terms of its Reimbursement Agreement, the related Series 2001B and C Bonds will be subject to mandatory purchase prior to such termination as described above under "Tender, Presentation and Purchase Provisions of the Series 2001B and C Bonds During the Weekly Mode – Mandatory Purchase Upon Expiration Tender Date, Termination Tender Date, Interest Non-Reinstatement Date and Substitution Date."

The Series 2001B and C Bonds are, under certain conditions, subject to optional and mandatory tender for purchase from specified sources. The purchase by the Tender Agent of Series 2001B and C Bonds tendered or deemed tendered for optional or mandatory purchase (the Tendered Series 2001B and C Bonds) will be funded only from (i) remarketing proceeds, and (ii) to the extent that remarketing proceeds are not available, proceeds available from the respective Credit Facility. Although MTA Bridges and Tunnels has the option to purchase Series 2001B and C Bonds that have been neither remarketed nor purchased by the respective Credit Facility Issuer, it is not obligated to do so. See "—Tender, Presentation and Purchase Provisions of the Series 2001B and C Bonds During the Weekly Mode and Source of Funds for Purchase of Series 2001B and C Bonds" above. See **Attachments 4-5** – "Current Credit Facility Issuers" for information regarding the Current Credit Facility Issuers.

The respective Current Credit Facility Issuer will purchase from time to time during the period from the date of remarketing of the related Series 2001B and C Bonds to and including September 30, 2010 (unless extended) or earlier termination of the related Current Credit Facility, the related Tendered Series 2001B and C Bonds which are required to be purchased due to an optional or mandatory tender for purchase that have not been remarketed at

the times and in the manner set forth in the MTA Bridges and Tunnels Senior Resolution. The price to be paid by the respective Current Credit Facility Issuer pursuant to the respective Current Credit Facility for the related purchased Series 2001B and C Bonds will be equal to the aggregate principal amount of such Series 2001B and C Bonds plus accrued interest thereon (up to 196 days of interest calculated at an aggregate rate not to exceed 12% per annum based on a year of 365 days), if any, other than defaulted interest, to the date of such purchase. Upon any purchase of Series 2001B and C Bonds with amounts realized under the respective Current Credit Facility, the commitment of the respective Current Credit Facility Issuer to purchase Series 2001B and C Bonds shall be reduced by the Purchase Price and shall be reinstated by such amount upon the repurchase of such Series 2001B and C Bonds from the respective Current Credit Facility Issuer, all in accordance with the related Current Credit Facility.

Events of Default. In the case of the following events of default (each an “Event of Default”), the respective Current Credit Facility Issuer may notify the Trustee that the related Series 2001B and C Bonds will be subject to mandatory purchase in whole or in part:

- MTA Bridges and Tunnels (i) shall fail to pay to the related Current Credit Facility Issuer any amount (other than amounts referred to in clause (ii) below) payable under the related Reimbursement Agreement, including fees payable by MTA Bridges and Tunnels to the related Current Credit Facility Issuer, and such failure shall continue for five (5) Business Days, or (ii) shall fail to pay the reimbursement obligations or the payment obligations under the respective Reimbursement Agreement (which includes the payment of the principal and interest when due of any Liquidity Advance, Term Loan or Credit Advance (as each of such terms are defined in the Reimbursement Agreements) or any Bank Bond when due; or
- the failure by MTA Bridges and Tunnels to perform or observe any of the other terms, covenants or agreements contained in the Reimbursement Agreement not specified in the preceding paragraph, with certain exceptions for which no cure period shall exist, if such failure shall continue for a period of thirty (30) Business Days after written notice thereof by the respective Current Credit Facility Issuer to the MTA Bridges and Tunnels; or
- (i) MTA Bridges and Tunnels shall (A) commence a voluntary case under the Federal bankruptcy laws (as now or hereafter in effect), (B) file a petition seeking to take advantage of any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, debt adjustment, winding up or composition or adjustment of debts, (C) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy laws or other laws, (D) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of a substantial part of its property, (E) admit in writing its inability to pay, or generally not be paying, its debts as they become due, (F) make a general assignment for the benefit of creditors, or (G) take any official action for the purpose of effecting any of the foregoing; or (ii) a case or other proceeding shall be commenced against MTA Bridges and Tunnels in any court of competent jurisdiction seeking (A) relief under the Federal bankruptcy laws (as now or hereafter in effect) or under any other laws, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debts, or (B) the appointment of a trustee, receiver, custodian, liquidator or the like of MTA Bridges and Tunnels, or of all or a substantial part of its property, and any such case or proceeding shall continue undismissed or unstayed for a period of 60 consecutive calendar days, or an order granting the relief requested in any such case or proceeding against MTA Bridges and Tunnels (including, but not limited to, an order for relief under such Federal bankruptcy laws) shall be entered; or
- any warranty, representation or other written statement made by or on behalf of MTA Bridges and Tunnels contained in the Reimbursement Agreement or any of the Related Documents (as defined in the respective Reimbursement Agreement) or in any instrument furnished in compliance with or in reference to any of the foregoing, is false or misleading in any material respect on any date when made or deemed made; or
- there shall have occurred and be continuing an event of default under any of the Related Documents and any applicable notice or rate period with respect thereto shall have elapsed; or

- any material provision of the Reimbursement Agreement or any of the Related Documents to which MTA Bridges and Tunnels is a party shall at any time for any reason cease to be valid and binding in accordance with its terms on MTA Bridges and Tunnels, or shall be declared to be null and void, or the validity or enforceability of the Reimbursement Agreement or any of the Related Documents shall be contested by MTA Bridges and Tunnels or a proceeding shall be commenced by MTA Bridges and Tunnels seeking to establish the invalidity or unenforceability thereof, or MTA Bridges and Tunnels shall deny that it has any further liability or obligation under the Reimbursement Agreement or any of the Related Documents, in each case if, in the respective Current Credit Facility Issuer's sole judgment, such event would have a materially adverse effect on the respective Current Credit Facility Issuer's rights under the Reimbursement Agreement; or
- a debt moratorium, debt restructuring, debt adjustment or comparable restriction is imposed on the repayment when due and payable of the principal of or interest on any of MTA Bridges and Tunnels indebtedness issued under the MTA Bridges and Tunnels Senior Resolution; or
- the MTA Bridges and Tunnels Act or the MTA Bridges and Tunnels Senior Resolution shall, for any reason, cease to be in full force and effect or shall be declared or become invalid or unenforceable in whole or in part or shall be interpreted, altered or amended in any manner that would in any of the foregoing cases materially adversely affect the obligations of MTA Bridges and Tunnels under the related Reimbursement Agreement or the rights of the respective Current Credit Facility Issuer; or
- any Rating Agency shall have downgraded its unenhanced rating of the Series 2001B and C Bonds or any Parity Debt to below Investment Grade, respectively, or suspended or withdrawn its rating of the same; or
- a final non-appealable judgment or order for the payment of money in excess of \$10,000,000 (in excess of the coverage limits of any applicable insurance therefore), and payable from Revenues and which ranks senior to or on a parity with the Series 2001B and C Bonds, shall have been rendered against the Authority) and such judgment or order shall not have been satisfied, stayed, vacated, discharged or bonded pending appeal within a period of thirty (30) days from the date on which it was first so rendered;
- MTA Bridges and Tunnels shall default in any payment of any Parity Debt or Parity Reimbursement Obligation (Secured Debt), beyond the period of grace, if any, provided in the instrument or agreement under which such Secured Debt was created, or (ii) default in the observance or performance of any agreement or condition relating to any Secured Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Secured Debt (or a trustee or agent on behalf of such holder or holders) to cause (determined without regard to whether any notice is required) any such Secured Debt to become due prior to its stated maturity; or
- dissolution or termination of the existence of MTA Bridges and Tunnels.

Remedies. Upon the occurrence and continuance of an Event of Default, and notice thereof to MTA Bridges and Tunnels and the Trustee, the respective Current Credit Facility Issuer may, in its sole discretion, but shall not be obligated to, exercise any of all of the following remedies:

- by written, electronic or telephonic notice (promptly confirmed in writing) give notice of such Event of Default, whereupon the Trustee shall immediately declare all of the Series 2001B and C Bonds then outstanding subject to mandatory purchase, thereby causing the Letter of Credit to terminate fifteen (15) days thereafter;
- by written, electronic or telephonic notice (promptly confirmed in writing) give notice of such Event of Default, declare all Obligations under the Reimbursement Agreement (other than Reimbursement Obligations) to be, and such amounts shall thereupon become, immediately due and payable without

presentment, demand, protest or other notice of any kind, all of which are waived by MTA Bridges and Tunnels, *provided that* upon the occurrence of the third listed Event of Default above, such acceleration shall automatically occur;

- by suit, action or special proceeding enforce all rights of the Current Credit Facility Issuer, including the right to require MTA Bridges and Tunnels to collect tolls and rentals adequate to carry out any agreement as to, or pledge of, such tolls and rentals, and to require MTA Bridges and Tunnels to carry out any other agreements with the Current Credit Facility Issuer and to perform its and their duties under the Reimbursement Agreement;
- bring suit upon such Reimbursement Obligations;
- by action or suit in equity, require MTA Bridges and Tunnels to account as if it were the trustee of an express trust for the Bank; or
- by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Current Credit Facility Issuer.

If notice of termination is given as described above, any of the Series 2001B or C Bonds issued prior to the Remarketing Agent's receipt of such notice shall continue to be entitled to the benefit of the respective Current Credit Facility in accordance with the terms thereof.

See “—Tender, Presentation and Purchase Provisions of the Series 2001B and C Bonds During the Weekly Mode,” “—Remarketing of Series 2001B and C Bonds,” and “—Sources of Funds for Purchase of Series 2001B and C Bonds” above.

Debt Service on the Bonds

Table 1 on the following page sets forth, on a cash basis debt service on the outstanding Bonds.

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

<u>Year Ending</u> <u>December 31</u>	<u>Aggregate</u> <u>Debt Service⁽²⁾</u>
2008	\$355,831
2009	354,575
2010	431,581
2011	431,477
2012	431,344
2013	431,295
2014	430,092
2015	429,974
2016	429,856
2017	430,149
2018	429,992
2019	429,898
2020	430,179
2021	430,024
2022	429,897
2023	431,423
2024	430,012
2025	429,915
2026	430,168
2027	430,214
2028	430,087
2029	429,961
2030	430,103
2031	429,965
2032	400,749
2033	149,585
2034	149,600
2035	149,612
2036	140,978
2037	140,979
2038	<u>139,751</u>
Total	<u>\$11,449,270</u>

⁽¹⁾ Totals may not add due to rounding.

⁽²⁾ Includes the following variable rate assumptions for debt service: Series 2001B, Series 2001C and Series 2002C – assumed net payments made by MTA Bridges and Tunnels under the respective swap agreements relating thereto and a variable interest rate of 4% per annum thereafter; and Series 2002F, Series 2003B and Series 2005A and Series 2008B (after Reset Dates) – assumed variable interest rate of 4% per annum. Debt service payable on January 1 of each year is included in the prior year’s debt service; Series 2005B – assumes interest at a rate of 3.513% per annum based on the related interest rate swaps through January 1, 2012 and 3.076% per annum based on the related interest rate swaps from January 1, 2012 through final maturity; and takes into account the effects during 2008 and 2009 of the cash defeasance described under **Appendix A** – “Part 3. Statistical and Financial Information – Financial Plans and Capital Programs – 2008-2011 Financial Plan - 2007 Actual Results.” Due to the effects of volatile conditions in the market affecting all auction rate securities and other variable rate bonds, the recent interest rates to the MTA Bridges and Tunnels for these variable rate securities have at times been higher than the assumed 4.0% rate. However, based on historical averages and mitigating actions taken or actions to be taken by the MTA Bridges and Tunnels, MTA Bridges and Tunnels continues to believe that its 4.0% variable rate assumption is reasonable for long-term cost calculations.

PART II. SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Part II of this Remarketing Circular describes the sources of payment and security for all General Revenue Bonds, including the Series 2001B and C Bonds.

SOURCES OF PAYMENT

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

The following 7 bridges and 2 tunnels constitute MTA Bridges and Tunnels Facilities for purposes of the MTA Bridges and Tunnels Senior Resolution:

- Triborough Bridge,
- Verrazano-Narrows Bridge,
- Bronx-Whitestone Bridge,
- Throgs Neck Bridge,
- Henry Hudson Bridge,
- Marine Parkway-Gil Hodges Memorial Bridge,
- Cross Bay Veterans Memorial Bridge,
- Brooklyn-Battery Tunnel, and
- Queens Midtown Tunnel.

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

For more detailed information about MTA Bridges and Tunnels' tolls, see the report of the Independent Engineers included by specific cross-reference herein entitled "History and Projection of Traffic, Toll Revenues and Expenses and Review of Physical Conditions of the Facilities of Triborough Bridge and Tunnel Authority." The Independent Engineers were commissioned to prepare a report delivered on April 29, 2008, entitled "History and Projections of Traffic, Toll Revenues and Expenses and Review of Physical Conditions of the Facilities of Triborough Bridge and Tunnel Authority" (the URS 2008 Report). Readers should understand that the projections set forth in the Independent Engineers' report have been developed based upon methodologies and using assumptions that may be different than the methodologies and assumptions used by MTA Bridges and Tunnels in connection with preparing the July Financial Plan for 2009-2012. Consequently, the projections set forth in the Independent Engineers' report and in the July Financial Plan for 2009-2012 may differ. Investors should read the Independent Engineers' report in its entirety.

Copies of MTA Bridges and Tunnels' audited financial statements for the years ended December 31, 2007 and 2006 are included herein by specific cross-reference.

From time to time legislation has been introduced by various State legislators seeking, among other things, to restrict the level of tolls on certain of MTA Bridges and Tunnels' Facilities, to require approval of future toll increases by the Governor, or to eliminate minimum tolls or to require discounts or free passage to be accorded to certain users of MTA Bridges and Tunnels' Facilities. Under the MTA Bridges and Tunnels Act, however, the State has covenanted to holders of MTA Bridges and Tunnels' bonds that it will not limit or alter the rights vested in MTA Bridges and Tunnels to establish and collect such charges and tolls as may be convenient or necessary to produce sufficient revenue to fulfill the terms of any agreements made with the holders of MTA Bridges and Tunnels bonds or in any way to impair rights and remedies of those bondholders.

Table 2 sets forth, by MTA Bridges and Tunnels Facility, the amount of revenues for each of the last 5 years, as well as operating expenses.

Table 2

**MTA Bridges and Tunnels
Historical Revenues, Certain Operating Expenses⁽¹⁾ and Senior Lien Debt Service
(in thousands)**

	Years Ended December 31,				
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Bridge and Tunnel Revenues:					
Triborough Bridge	\$222,224	\$247,937	\$280,516	\$288,301	\$285,847
Verrazano-Narrows Bridge	233,482	246,322	267,276	274,100	272,837
Bronx-Whitestone Bridge	175,393	187,231	188,808	186,384	200,076
Throgs Neck Bridge	172,603	184,338	210,242	223,756	217,958
Henry Hudson Bridge	37,744	40,149	43,920	44,901	44,779
Marine Parkway-Gil Hodges Memorial Bridge	9,694	10,102	11,234	11,536	11,635
Cross Bay Veterans' Memorial Bridge	8,993	9,477	10,988	11,630	12,090
Queens Midtown Tunnel	99,994	107,067	121,666	127,075	129,347
Brooklyn-Battery Tunnel	<u>61,810</u>	<u>64,365</u>	<u>70,294</u>	<u>73,868</u>	<u>75,980</u>
Total Bridge and Tunnel Revenues:	\$1,021,937	\$1,096,988	\$1,204,944	\$1,241,551	\$1,250,549
Investment Income and Other ⁽²⁾	<u>\$87,743</u>	<u>\$38,376</u>	<u>\$60,102</u>	<u>\$31,603</u>	<u>\$23,885</u>
Total Revenues	\$1,109,680	\$1,135,364	\$1,265,046	\$1,273,154	\$1,274,434
Operating Expenses ⁽¹⁾					
Personnel Costs	\$159,976	\$158,403	\$173,549	\$183,268	\$196,755
Maintenance and Other Operating Expenses	<u>169,041</u>	<u>160,812</u>	<u>170,123</u>	<u>169,642</u>	<u>172,270</u>
Total Operating Expenses	\$329,017	\$319,215	\$343,672	\$352,910	\$369,025
Net Revenues Available for Debt Service	\$780,663	\$816,149	\$921,374	\$920,244	\$905,409
Senior Lien Debt Service	\$206,946	\$251,139	\$284,462	\$300,450	\$313,042
Senior Lien Coverage	3.77x	3.25x	3.24x	3.06x	2.89x

⁽¹⁾ Excludes depreciation and other post-employment benefits other than pensions.

⁽²⁾ Includes the net revenues from the Battery Parking Garage, as well as E-ZPass administrative fees and miscellaneous other revenues. Investment earnings include interest earned on bond funds, including debt service and debt service reserve funds, that were applied to the payment of debt service as follows for the years 2003 through 2007, respectively: \$11.863 million; \$4.048 million; \$5.578 million; \$5.044 million; and \$5.334 million. The amounts set forth in this footnote, as well as all of **Table 2**, are derived from MTA Bridges and Tunnels' audited financial statements for the years 2003 through 2007.

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

- Bridge and Tunnel Revenues – In 2003, crossing charges were increased effective May 18, 2003. In 2005, crossing charges were increased effective March 13, 2005.
- Investment Income and Other – For 2003, other income includes non-recurring revenues of \$37 million in security reimbursements and \$24.6 million in World Trade Center insurance settlement proceeds allocable to MTA Bridges and Tunnels. For 2005, other income includes \$25.9 million in security reimbursements and \$9.5 million relating to the \$1 per month account maintenance fees that MTA Bridges and Tunnels imposed on all E-ZPass subscribers effective July 1, 2005. Legislation enacted with the State’s budget for State Fiscal Year 2006-07 prevents MTA Bridges and Tunnels from charging that fee effective June 1, 2006. Prior to 2006, MTA Bridges and Tunnels was reimbursed for security expenses by MTA Headquarters. Since these are ongoing expenses, all security programs were included in MTA Bridges and Tunnels’ baseline Financial Plan beginning in 2006, thus eliminating the need for reimbursement.
- Operating Expenses – Personnel Costs – The 2003 increase in personnel costs was caused by additional expenditures for security staff, worker’s compensation adjustments and health and welfare benefits rate increases. 2004 personnel costs were marginally lower. The 2005 increase in personnel costs was caused by worker’s compensation and pension cost adjustments. The 2006 increase in personnel costs was caused by increases in salaries and wages, health and welfare, and pension costs. The 2007 increase in personnel costs was caused by increases in salaries and wages and pension costs.
- Operating Expenses – Maintenance and Other Operating Expenses – In 2003, the following major costs were more than in 2002: major maintenance (consisting of additional roadway and standpipe repair on the Verrazano) – \$9.1 million; and bridge painting – \$6.3 million. In 2004, non-labor expenses were 4.5% lower than in 2003 due to a decrease in the required number of E-ZPass tag purchases. In 2005, major maintenance and bridge painting were more than in 2004.

Table 3 sets forth certain revenues and expenses, including debt service, relating to MTA Bridges and Tunnels’ (1) results of operations for 2007 audited and (2) 2008 adjusted budget. The projection of estimated revenues set forth in the report by MTA Bridges and Tunnels’ Independent Engineers (which is included by specific cross-reference to this Remarketing Circular) is different from that set forth in the 2008 budget as the projection is based upon conclusions formed independently based upon their own methodology and assumptions. Investors should read the Independent Engineers’ report in its entirety.

Table 3

MTA Bridges and Tunnels
Unaudited 2007 and 2008 Budget Comparisons
(in thousands)

	<u>Years Ended December 31,</u>		
	<u>2007</u> (audited)	<u>2008</u> (budgeted) ⁽⁵⁾	<u>2008</u> (adjusted based on the July Financial Plan 2009-2012) ^{(6) (7)}
Total Bridge and Tunnel Revenues:	\$1,250,549	\$1,302,328	\$1,276,407
Investment Income and Other ⁽¹⁾	<u>23,885</u>	<u>14,578</u>	<u>13,566</u>
Total Revenues	<u>\$1,274,434</u>	<u>\$1,316,906</u>	<u>\$1,289,973</u>
Operating Expenses ⁽²⁾			
Personnel Costs (net of reimbursements) ⁽³⁾	\$196,755	\$210,968	\$209,528
Maintenance and Other Operating Expenses ⁽⁴⁾	<u>172,270</u>	<u>215,893</u>	<u>219,515</u>
Total Operating Expenses	<u>\$369,025</u>	<u>\$426,861</u>	<u>\$429,043</u>
Net Revenues Available for Debt Service	\$905,409	\$890,045	\$860,930
Senior Lien Debt Service	\$313,042	\$357,190	\$354,086 ⁽⁵⁾
Senior Lien Coverage	2.89x	2.49x	2.43x

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- (1) Includes the net revenues from the Battery Parking Garage, and miscellaneous other revenues. Investment earnings include interest earned on bond funds, including debt service and debt service reserve funds, that were applied to the payment of debt service for the year 2007 in the amount of \$5.334 million.
- (2) Excludes depreciation and other post-employment benefits other than pensions.
- (3) Includes regular and overtime salaries and fringe benefits, less capitalized personnel reimbursements.
- (4) Increases in budgeted 2008 expenses include increases in labor primarily due to contractual step-up increases and inflation and increases in Major Maintenance and Bridge Painting.
- (5) Reflects an increase in incremental debt service as a result of the issuance of the Series 2008A and B Bonds and the Series 2008C Bonds.
- (6) The 2008 Budget assumes incremental debt service of about \$3 million based on originally planned issuance of \$105 million par amount. Based on the larger issue size of the Series 2008 Bonds versus the budget, incremental debt service is now estimated to be \$41.7 million for 2008.
- (7) See "INTRODUCTION — Recent Developments Affecting MTA — *Recent Financial Developments*" above.

SECURITY

General Revenue Bonds are general obligations of MTA Bridges and Tunnels payable solely from the trust estate (described below) pledged for the payment of the Bonds and Parity Debt pursuant to the terms of the MTA Bridges and Tunnels Senior Resolution, after the payment of Operating Expenses. Summaries of certain provisions of the MTA Bridges and Tunnels Senior Resolution, including the Standard Resolution Provisions, are included by specific cross-reference herein.

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

Pledge Effected by the MTA Bridges and Tunnels Senior Resolution

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

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

- Revenues,
- the proceeds from the sale of the Bonds, and
- all funds, accounts and subaccounts established by the MTA Bridges and Tunnels Senior Resolution (except those established by a supplemental obligation resolution for variable interest rate obligations, put obligations, parity debt, subordinated contract obligations or subordinated debt).

Revenues and Additional MTA Bridges and Tunnels Projects

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

MTA Bridges and Tunnels does not currently derive any significant recurring Revenues from any sources other than the MTA Bridges and Tunnels Facilities and investment income. Income from the MTA Bridges and Tunnels Transit and Commuter Project (the transit and commuter systems) is not derived by or for the account of MTA Bridges and Tunnels; consequently, no revenues from any portion of the MTA Bridges and Tunnels Transit and Commuter Project are pledged to the payment of debt service on the Bonds.

For a discussion of other projects that MTA Bridges and Tunnels is authorized to undertake, see **Appendix A** – “TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY – *Authorized Projects of MTA Bridges and Tunnels.*”

Additional MTA Bridges and Tunnels Projects that can become MTA Bridges and Tunnels Facilities. If MTA Bridges and Tunnels is authorized to undertake another project, whether or not a bridge or tunnel, that project can become a MTA Bridges and Tunnels Facility for purposes of the MTA Bridges and Tunnels Senior Resolution if it is designated as such by MTA Bridges and Tunnels and it satisfies, among others, the following conditions:

- an Authorized Officer certifies that either:
 - o the Additional MTA Bridges and Tunnels Project has been in operation (whether or not by MTA Bridges and Tunnels) for a period of at least 12 months prior to the date of such designation, and that for a period of any 12 consecutive calendar months out of the 18 calendar months preceding

- the date of designation, the Additional MTA Bridges and Tunnels Project Revenues derived from the operation of such Additional MTA Bridges and Tunnels Project exceeded the Operating Expenses; or
 - o the Additional MTA Bridges and Tunnels Project is in operation and, in such Authorized Officer's opinion, the Additional MTA Bridges and Tunnels Project Revenues to be derived from the operation of such Project will exceed the Operating Expenses for such Additional MTA Bridges and Tunnels Project during the first 12 months of operation; and
- an Authorized Officer certifies
 - o as to the actual or anticipated Revenues and Operating Expenses of MTA Bridges and Tunnels for the applicable 12-month period; provided that,
 - the Revenues (adjusted up or down to reflect any new toll rate changes) and Operating Expenses shall be increased by the actual or anticipated Additional MTA Bridges and Tunnels Project Revenues and Operating Expenses of the Additional MTA Bridges and Tunnels Project for such 12-month period, and
 - the actual or anticipated Additional MTA Bridges and Tunnels Project Revenues (adjusted up or down to reflect any new toll rate changes) and Operating Expenses of any Additional MTA Bridges and Tunnels Project operated by or under lease from MTA Bridges and Tunnels otherwise than as an Additional MTA Bridges and Tunnels Project during any part of the period shall be calculated as if the definitions of Revenues and Operating Expenses had been applicable thereto, and
 - o that for such 12-month period, the Revenues less Operating Expenses, as calculated in accordance with the preceding bullet points, are at least equal to 1.40 times Maximum Annual Calculated Debt Service during such period; and
- an Independent Engineer certifies that, for each of 5 successive 12-month periods, the earliest of which begins on a calendar quarterly date not more than 60 days immediately following the date of designation as an Additional MTA Bridges and Tunnels Project, the Net Revenues in each 12-month period (after giving effect to such designation) will be at least equal to 1.40 times the Maximum Calculated Debt Service for each of such successive 12-month periods.

For a more complete description of the requirements that must be satisfied before designation as an Additional MTA Bridges and Tunnels Facility, see "SUMMARY OF CERTAIN PROVISIONS OF THE MTA BRIDGES AND TUNNELS SENIOR RESOLUTION – Additional MTA BRIDGES AND TUNNELS Facilities" included by specific cross-reference herein.

The Convention Center Project is not and cannot become an Additional MTA Bridges and Tunnels Project, and no Bonds may be issued under the MTA Bridges and Tunnels Senior Resolution to finance the Convention Center Project.

Flow of Revenues

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

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

Under the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels is required to pay into the Revenue Fund all Revenues as and when received and available for deposit.

MTA Bridges and Tunnels is required to pay out from the Revenue Fund, on or before the 25th day of each calendar month, the following amounts in the following order of priority:

- payment of reasonable and necessary Operating Expenses or accumulation in the Revenue Fund as a reserve (i) for working capital, (ii) for such Operating Expenses the payment of which is not immediately required, including amounts determined by MTA Bridges and Tunnels to be required as an operating reserve, or (iii) deemed necessary or desirable by MTA Bridges and Tunnels to comply with orders or rulings of an agency or regulatory body having lawful jurisdiction;
- transfer to the Debt Service Fund, the amount, if any, required so that the balance in the fund is equal to Accrued Debt Service to the last day of the current calendar month; provided, however, that in no event shall the amount to be so transferred be less than the amount required for all payment dates occurring prior to the 25th day of the next succeeding calendar month;
- transfer to another person for payment of, or accrual for payment of, principal of and interest on any Subordinated Indebtedness or for payment of amounts due under any Subordinated Contract Obligations; and
- transfer to the General Fund any remaining amount.

All amounts paid out by MTA Bridges and Tunnels for an authorized purpose (excluding transfers to any other pledged Fund or Account), or withdrawn from the General Fund in accordance with the MTA Bridges and Tunnels Senior Resolution, are free and clear of the lien and pledge created by the MTA Bridges and Tunnels Senior Resolution.

Under the MTA Bridges and Tunnels Senior Resolution, MTA is required to use amounts in the General Fund to make up deficiencies in the Debt Service Fund and the Revenue Fund, in that order. Subject to the preceding sentence and any lien or pledge securing Subordinated Indebtedness, the MTA Bridges and Tunnels Senior Resolution authorizes MTA Bridges and Tunnels to release amounts in the General Fund to be paid to MTA Bridges and Tunnels free and clear of the lien and pledge created by the MTA Bridges and Tunnels Senior Resolution.

MTA Bridges and Tunnels is required by law to transfer amounts released from the General Fund to MTA, and a statutory formula determines how MTA allocates that money between the transit and commuter systems.

Rate Covenant

Under the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels is required at all times to establish, levy, maintain and collect, or cause to be established, levied, maintained and collected, such tolls, rentals and other charges in connection with the MTA Bridges and Tunnels Facilities as shall always be sufficient, together with other money available therefor (including the anticipated receipt of proceeds of sale of Obligations or other bonds, notes or other obligations or evidences of indebtedness of MTA Bridges and Tunnels that will be used to pay the principal of Obligations issued in anticipation of such receipt, but not including any anticipated or actual proceeds from the sale of MTA Bridges and Tunnels Facilities), to equal or exceed in each calendar year the greater of:

- an amount equal to the sum of amounts necessary in such calendar year
 - o to pay all Operating Expenses of MTA Bridges and Tunnels, plus
 - o to pay Calculated Debt Service, as well as the debt service on all Subordinated Indebtedness and all Subordinated Contract Obligations, plus
 - o to maintain any reserve established by MTA Bridges and Tunnels pursuant to the MTA Bridges and Tunnels Senior Resolution, in such amount as may be determined from time to time by MTA Bridges and Tunnels in its judgment, or
- an amount such that Revenues less Operating Expenses shall equal at least 1.25 times Calculated Debt Service on all senior lien Bonds for such calendar year.

For a more complete description of the rate covenant and a description of the minimum tolls that can be charged at the MTA Bridges and Tunnels Facilities, see “SUMMARY OF CERTAIN PROVISIONS OF THE TBTA SENIOR RESOLUTION – Rates and Fees” included by specific cross-reference herein.

Additional Bonds

Under the provisions of the MTA Bridges and Tunnels Senior Resolution, MTA Bridges and Tunnels may issue one or more series of Additional Bonds on a parity with the Series 2001B and C Bonds and other Outstanding Bonds to provide for Capital Costs.

Certain Additional Bonds for MTA Bridges and Tunnels Facilities. MTA Bridges and Tunnels may issue Additional Bonds without satisfying any earnings or coverage test for the purpose of providing for Capital Costs relating to MTA Bridges and Tunnels Facilities for the purpose of keeping such MTA Bridges and Tunnels Facilities in good operating condition or preventing a loss of Revenues or Revenues after payment of Operating Expenses derived from such MTA Bridges and Tunnels Facilities.

Additional Bonds for Other Purposes. MTA Bridges and Tunnels may issue Additional Bonds to pay or provide for the payment of all or part of Capital Costs (including payment when due on any obligation of MTA Bridges and Tunnels or any other Related Entity) relating to any of the following purposes:

- MTA Bridges and Tunnels Transit and Commuter Project,
- any Additional MTA Bridges and Tunnels Project (that does not become a MTA Bridges and Tunnels Facility), or
- any MTA Bridges and Tunnels Facilities other than for the purposes set forth in the preceding paragraph.

In the case of Additional Bonds issued other than for the improvement, reconstruction or rehabilitation of MTA Bridges and Tunnels Facilities as described under the preceding heading, in addition to meeting certain other conditions, all as more fully described in “SUMMARY OF CERTAIN PROVISIONS OF THE TBTA SENIOR RESOLUTION – Special Provisions for Capital Cost Obligations” included by specific cross-reference herein, an Authorized Officer must certify that the historical Twelve Month Period Net Revenues are at least equal to 1.40 times the Maximum Annual Calculated Debt Service on all senior lien Bonds, including debt service on the Bonds to be issued.

Refunding Bonds

Bonds may be issued for the purpose of refunding Bonds if (a) the Maximum Annual Calculated Debt Service (including the refunding Bonds then proposed to be issued but not including the Bonds to be refunded) is equal to or less than the Maximum Annual Calculated Debt Service on the Bonds as calculated immediately prior to the refunding (including the refunded Bonds but not including the refunding Bonds) or (b) the conditions referred to above under Additional Bonds for the category of Bonds being refunded are satisfied.

For a more complete description of the conditions that must be satisfied before issuing refunding Bonds, see “SUMMARY OF CERTAIN PROVISIONS OF THE TBTA SENIOR RESOLUTION – Refunding Obligations” included by specific cross-reference herein.

Subordinate Obligations

The MTA Bridges and Tunnels Senior Resolution authorizes the issuance or incurrence of subordinate obligations.

PART III. OTHER INFORMATION ABOUT THE SERIES 2001B AND C BONDS

Part III of this Remarketing Circular provides miscellaneous additional information relating to the Series 2001B and C Bonds.

TAX MATTERS

General

Nixon Peabody LLP is Bond Counsel for the remarketing of Series 2001B and C Bonds. On December 19, 2001, the date of original issuance and delivery of the Original Series 2001B Bonds and the Original Series 2001C Bonds (the Original Series 2001B and 2001C Bonds), Hawkins, Delafield & Wood, as bond counsel to MTA Bridges and Tunnels delivered the opinion set forth as **Attachment 3-1** (the “Approving Opinion”) in connection with the Original Series 2001B and 2001C Bonds, which opinion is not being reissued. On October 8, 2002, Hawkins, Delafield & Wood, as bond counsel to MTA Bridges and Tunnels, delivered an opinion relating to the substitution of security and source of payment for the Series 2001B and C Bonds (the “Substitution Opinion”), which opinion is not being reissued. On the date of the remarketing of the Series 2001B and C Bonds, Nixon Peabody LLP will deliver an opinion substantially in the form of **Attachment 3-2** to the effect, in part, that the mandatory tender and remarketing of the Series 2001B and C Bonds; the termination of the Ambac insurance policy relating to the Series 2001B and Series 2001C Bonds, the State Street Bank and Trust Company Standby Bond Purchase Agreement relating to the Series 2001B Bonds and the Bayerische Landesbank Standby Purchase Agreement relating to the Series 2001C Bonds; the issuance of an irrevocable direct-pay letter of credit by State Street Bank and Trust Company relating to the Series 2001B Bonds; the issuance of an irrevocable direct-pay letter of credit by Bayerische Landesbank, acting through its New York Branch, relating to the Series 2001C Bonds; and the amendment of the terms and provisions of the Series 2001B Bonds and the Series 2001C Bonds to reflect the terms and provisions described herein will not adversely affect for Federal and State income tax purposes the tax treatment on the Series 2001B and C Bonds. Each opinion speaks only as of its respective date and only as to the matters expressly stated.

The Approving Opinion provided that under existing law, relying on certain statements by MTA Bridges and Tunnels and assuming compliance by MTA Bridges and Tunnels with certain covenants, interest on the Series 2001B and C Bonds is:

- excluded from a bondholder’s federal gross income under the Internal Revenue Code of 1986,
- not a preference item for a bondholder under the federal alternative minimum tax, and
- included in the adjusted current earnings of a corporation under the federal corporate alternative minimum tax.

The Approving Opinion and the Supplemental Opinion also provided that under existing law interest on the Series 2001B and C Bonds is exempt from personal income taxes of New York State and any political subdivisions of the State, including The City of New York.

The Internal Revenue Code imposes requirements on the Series 2001B and C Bonds that MTA Bridges and Tunnels must continue to meet after the issuance of the Series 2001B and C Bonds. These requirements generally involve the way that Series 2001B and C Bond proceeds must be used and invested. If MTA Bridges and Tunnels did not or does not meet these requirements, it is possible that a bondholder may have to include interest on the Series 2001B and C Bonds in its federal gross income on a retroactive basis to the date of issue. MTA Bridges and Tunnels has covenanted to do everything necessary to meet the requirements of the Internal Revenue Code.

A bondholder who is a particular kind of taxpayer may also have additional tax consequences from owning the Series 2001B and C Bonds. This is possible if a bondholder 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 2001B and C Bonds.

If a bondholder is in any of these categories, it should consult its tax advisor.

Neither Bond Counsel is responsible for updating its opinion. It is possible that something may have already happened or may happen in the future that could change the tax treatment of the interest on the Series 2001B and C Bonds or affect the market price of the Series 2001B and C Bonds. For example, the Internal Revenue Code could be changed. See also “Miscellaneous” below in this heading.

Neither Bond Counsel expresses any opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2001B and C Bonds, or under State, local or foreign tax law.

Information Reporting and Backup Withholding

Information reporting requirements apply to interest paid on the Series 2001B and C Bonds. If the bondholder provides the entity from whom she receives interest payments (the “payor”) with a Form W-9, “Request for Taxpayer Identification Number and Certification”, or if the bondholder is one of a limited class of exempt recipients, including corporations, these requirements will be satisfied. Other bondholders will be subject to “backup withholding”; that is, the tax due from a bondholder with respect to any interest payment on the tax-exempt obligation will be deducted and withheld by the payor.

Miscellaneous

Tax legislation, administrative actions taken by tax authorities, and court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2001B and C Bonds under federal or state law and could affect the market price or marketability of the Series 2001B and C Bonds.

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

LEGALITY FOR INVESTMENT

The MTA Bridges and Tunnels Act provides that the Series 2001B and C 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 2001B and C Bonds.

LITIGATION

There is no pending litigation concerning the bonds being offered.

MTA Bridges and Tunnels is the defendant in numerous claims and actions, one of which (*Janes and Schwartz v. MTA Bridges and Tunnels, MTA, Kalikow and Ascher*) alleges unfair treatment of toll collection policies at certain bridges. MTA Bridges and Tunnels does not believe that any of these claims and actions are material to the payment of principal and interest on the Bonds. A summary of certain of these potentially material claims and actions is set forth in **Appendix A** – “LITIGATION – MTA Bridges and Tunnels,” as that filing may be amended or supplemented to date.

FINANCIAL ADVISOR

Goldman, Sachs & Co. is MTA Bridges and Tunnels’ financial advisor for the Series 2001B and C Bonds. The financial advisor has provided MTA Bridges and Tunnels advice on the remarketing plan. The financial advisor has not independently verified the information contained in this Remarketing Circular and does not assume responsibility for the accuracy, completeness or fairness of such information.

RATINGS

MTA Bridges and Tunnels has applied for ratings on the Series 2001B and C Bonds to each of Fitch Ratings, Moody’s Investors Service, Inc. and Standard & Poor’s Ratings Services.

LEGAL MATTERS

On December 19, 2001, the date of original issuance and delivery of the Series 2001B and C Bonds, Hawkins, Delafield & Wood, as bond counsel to MTA Bridges and Tunnels, delivered the opinion set forth as **Attachment 3-1** (the “Approving Opinion”). Subsequently, on October 8, 2002, Hawkins, Delafield & Wood, as bond counsel to MTA Bridges and Tunnels, delivered an opinion relating to the substitution of security and source of payment for the Series 2001B and C Bonds. Such opinions are not being reissued and speak only as of their respective dates and only as to the matters expressly stated. On the date of the remarketing of the Series 2001B and C Bonds, Nixon Peabody LLP will deliver an opinion substantially in the form of **Attachment 3-2**.

NO CONTINUING DISCLOSURE UNDER SEC RULE 15C2-12

Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, does not require MTA Bridges and Tunnels to provide continuing disclosure during the period that the Series 2001B and C Bonds bear interest in the Weekly Mode.

FURTHER INFORMATION

MTA Bridges and Tunnels may place a copy of this Remarketing Circular on MTA’s website at www.mta.info/mta/investor/index.html. No statement on the MTA’s website or any other website is included by specific cross-reference herein.

Although MTA Bridges and Tunnels and MTA have prepared the information on the MTA's 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 and MTA Bridges and Tunnels assume no liability or responsibility for errors or omissions contained on any website. Further, MTA and MTA Bridges and Tunnels disclaim 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 Bridges and Tunnels and MTA also assume no liability or responsibility for any errors or omissions or for any updates to dated information contained on any website.

TRIBOROUGH BRIDGE AND TUNNEL
AUTHORITY

By: /s/ Patrick J. McCoy
Director, Finance of the
Metropolitan Transportation Authority

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ATTACHMENT 1
BOOK-ENTRY ONLY SYSTEM

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Series 2001B and C Bonds. The Series 2001B and C 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 2001B and C Bond will be issued for each maturity of the Series 2001B and C 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 2001B and C Bonds exceeds \$500 million, one Bond of such maturity will be issued with respect to each \$500 million of principal amount, and an additional Bond will be issued with respect to any remaining principal amount of such maturity.

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

3. Purchases of Series 2001B and C Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2001B and C Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2001B and C 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 2001B and C 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 2001B and C Bonds, except in the event that use of the book-entry system for the Series 2001B and C Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2001B and C 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 2001B and C 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 2001B and C Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2001B and C 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 2001B and C Bonds may wish to take certain steps to augment the transmission to them

of notices of significant events with respect to the Series 2001B and C Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2001B and C Bond documents. For example, Beneficial Owners of the Series 2001B and C Bonds may wish to ascertain that the nominee holding the Series 2001B and C 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 2001B and C 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 2001B and C 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 Bridges and Tunnels 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 2001B and C 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 2001B and C 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 Bridges and Tunnels 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 Bridges and Tunnels, 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 Bridges and Tunnels 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 Direct and Indirect Participants.

9. DTC may discontinue providing its services as depository with respect to the Series 2001B and C Bonds at any time by giving reasonable notice to MTA Bridges and Tunnels or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, certificates for the Series 2001B and CB Bonds are required to be printed and delivered.

10. MTA Bridges and Tunnels 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 2001B and C Bonds will be printed and delivered

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

ATTACHMENT 2

DEFINITIONS

Except as set forth in footnote (1) below, the following are definitions in summary form of certain terms contained in the Supplemental Resolution and the Series Certificate and used in this Remarketing Circular:

This **Attachment 2** contains definitions of certain terms used in this Remarketing Circular. Capitalized terms not otherwise defined in this Remarketing Circular have the meanings set forth in the Summary of Certain Provisions of the MTA Bridges and Tunnels' Senior Resolution or the Definitions and Summary of Certain Provisions of the Standard Resolution Provisions that are included by specific cross-reference in this Remarketing Circular.

Alternate Credit Facility means a Credit Facility that is issued in substitution for a then-existing Credit Facility in accordance with, and pursuant to, the MTA Bridges and Tunnels Senior Resolution, as the same may be amended or supplemented from time to time.

Auction Rate Mode means the mode during which any Series 2001B and C Bonds bear interest at an auction rate.

Authorized Denominations means \$100,000 and any integral multiple of \$5,000 in excess thereof.

Bank Bond means any Series 2001B and C Bond during any period commencing on the day such Series 2001B and C Bond is owned by or held on behalf of the Credit Facility Issuer or its permitted assignee as a result of such Series 2001B and C Bond having been purchased pursuant to the MTA Bridges and Tunnels Senior Resolution from the proceeds of a draw under the Credit Facility and ending when such Series 2001B and C Bond is, pursuant to the provisions of the Credit Facility, no longer deemed to be a Bank Bond.

Business Day means a day other than (i) a Saturday and Sunday, (ii) a day on which the Trustee, the Tender Agent, the Remarketing Agent, the Credit Facility Issuer or banks and trust companies in New York, New York are authorized or required to remain closed, or (iii) a day on which the New York Stock Exchange is closed.

Commercial Paper Mode means the mode during which Series 2001B and C Bonds bear interest at a commercial paper rate or rates.

Credit Facility means any Credit Facility which is obtained by MTA Bridges and Tunnels pursuant to the MTA Bridges and Tunnels Senior Resolution and that provides for the payment of the principal and interest on the Series 2001B and C Bonds, as well as Purchase Price of the Series 2001B and C Bonds tendered or deemed tendered to the Tender Agent during the term thereof, as the same may be amended or supplemented from time to time.

Credit Facility Issuer means the issuer of the Credit Facility.

DTC means The Depository Trust Company, New York, New York, or its successors.

Electronic Means means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

Expiration Date means the stated expiration date of the Credit Facility, or such stated expiration date as it may be extended from time to time as provided therein; provided, however, that the "Expiration Date" shall not mean any date upon which a Credit Facility is no longer effective by reason of its Termination Date, the date on which all Series 2001B and C Bonds bear interest in an Auction Rate Mode or Fixed Rate Mode or the expiration of such Credit Facility by reason of the obtaining of an Alternate Credit Facility.

Favorable Opinion of Bond Counsel means, with respect to any action the occurrence of which requires such an opinion, an unqualified Counsel's Opinion to the effect that such action is permitted under the Issuer Act and the MTA Bridges and Tunnel Resolution and that such action will not impair the exclusion of interest on such Series 2001B and C Bonds from gross income for purposes of federal income taxation (subject to the inclusion of any exceptions contained in the opinion delivered upon original issuance of the Series 2001B and C Bonds).

Fixed Rate Mode means the mode during which Series 2001B and C Bonds bear interest at a fixed rate until their maturity date.

Interest Payment Date means the first Business Day of each calendar January 1 and July 1 commencing January 2, 2009.

Interest Period means the period in which the Series 2001B and C Bonds bear interest in the Weekly Mode, the Series 2001B and C Bonds will be issued only in fully registered bonds in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. Interest on the Series 2001B and C Bonds is payable January 1 and July 1, commencing January 2, 2009.

Mandatory Purchase Date means (i) any Mode Change Date, (ii) the Substitution Date, (iii) the Expiration Tender Date and (iv) the Termination Tender Date.

Mode means the Commercial Paper Mode, the Daily Mode, the Weekly Mode, the Term Rate Mode, the Auction Rate Mode or the Fixed Rate Mode.

Mode Change Date means the date one Mode terminates and another Mode begins.

Notice Parties means MTA Bridges and Tunnels, the Trustee, the Remarketing Agent, the Tender Agent and the Credit Facility Issuer.

Purchase Date means any Business Day upon which a Series 2001B and C Bond is optionally tendered for purchase by its holder in accordance with the MTA Bridges and Tunnels Senior Resolution.

Rate Determination Date means any date on which the interest rate is required to be determined, which, in the case of the Series 2001B and C Bonds, is every Tuesday or, if such Tuesday is not a Business Day, the next succeeding Business Day.

Record Date means the opening of business on the Business Day next preceding an Interest Payment Date.

Remarketing Agent means Citigroup Global Markets Inc. or any successor Remarketing Agent.

Remarketing Agreement means the remarketing agreement entered into by and between MTA Bridges and Tunnels and the Remarketing Agent with respect to the Series 2001B and C Bonds pursuant to which the Remarketing Agent has agreed to remarket the Series 2001B and C Bonds on the Purchase Date or the Mandatory Purchase Date at a price of not less than 100% of the principal amount thereof.

Tender Agent means U.S. Bank Trust National Association or any successor Tender Agent.

Termination Date means, with respect to a Credit Facility, (i) the date on which such Credit Facility shall terminate pursuant to its terms or otherwise be terminated prior to its Expiration Date or (ii) the date on which the obligation of the Credit Facility Issuer to provide a loan shall terminate; provided, however, that "Termination Date" shall not mean any date upon which a Credit Facility is no longer effective by reason of its Expiration Date.

Trustee means U.S. Bank Trust National Association or any successor Trustee.

Weekly Mode means the mode during which Series 2001B and C Bonds bear interest at a weekly rate.

ATTACHMENT 3

FORMS OF OPINIONS OF BOND COUNSEL

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ATTACHMENT 3-1

**FORMS OF OPINION OF HAWKINS, DELAFIELD & WOOD DELIVERED
ON DECEMBER 19, 2001 IN CONNECTION WITH THE ISSUANCE OF THE
SERIES 2001B AND C BONDS AND OCTOBER 8, 2002 IN CONNECTION WITH THE SUBSTITUTION
OF SECURITY FOR THE SERIES 2001B AND C BONDS**

December 19, 2001

Triborough Bridge and Tunnel Authority
New York, New York

Ladies and Gentlemen:

We have examined a certified copy of the proceedings of the Triborough Bridge and Tunnel Authority ("TBTA") and other proofs submitted to us relative to the issuance and sale of \$296,400,000 aggregate principal amount of Triborough Bridge and Tunnel Authority General Purpose Variable Rate Revenue Bonds, Series 2001B and C (the "Series 2001B and C Bonds"), as more particularly described below. The Series 2001B and C Bonds are dated and bear interest from their date of delivery or the most recent payment date to which interest has been paid or duly provided for. Interest is payable on each January 1 and July 1, commencing January 1, 2002. The Series 2001B and C Bonds will mature on the dates and in the principal amounts, and will bear interest at the respective rates per annum, set forth in the Official Statement relating to the Series 2001B and C Bonds. The Series 2001B and C Bonds are subject to redemption prior to maturity as provided in the 1980 Resolution (as hereinafter defined). The Series 2001B and C Bonds are initially issuable in the form of fully registered bonds in the denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof. The Series 2001B and C Bonds are exchangeable as provided in the 1980 Resolution.

The principal and Redemption Price of the Series 2001B and C Bonds are payable at the principal corporate trust office of the U.S. Bank Trust National Association, the Trustee and Paying Agent. Interest on the Series 2001B and C Bonds is payable by check or draft mailed by U.S. Bank Trust National Association, the Trustee and Paying Agent, or, upon compliance with conditions set forth in the 1980 Resolution, by wire transfer to an account within the continental United States.

All terms defined in the 1980 Resolution described below and used herein shall have the meanings assigned in the 1980 Resolution, except where the context hereof otherwise requires.

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 2001B and C Bonds in order that interest on the Series 2001B and C 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 TBTA, dated the date hereof, (the "Arbitrage and Use of Proceeds Certificate"), in which TBTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to Federal tax status of interest on the Series 2001B and C Bonds, including but not limited to certain representations with respect to the use of the proceeds of the Series 2001B and C Bonds and the investment of actions necessary to cause interest on the Series 2001B and C 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 2001B and C Bonds to be included in gross income for Federal income tax purposes retroactive to the date of issue, irrespective of the date on which such noncompliance occurs or is ascertained. TBTA has covenanted in the 1980 Resolution to maintain the exclusion of interest on the Series 2001B and C Bonds from gross income for Federal tax purposes pursuant to Section 103(a) of the Code. As used in relation to this covenant, Code shall mean the Internal Revenue Code of 1986, as amended to the date of initial issuance and delivery of the Series 2001B and C Bonds.

In rendering the opinion in paragraph 6 hereof, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the

Arbitrage and Use of Proceeds Certificate with respect to matters affecting the non-inclusion of interest on the Series 2001B and C Bonds from gross income for Federal income tax purposes under Section 103 of the Code and (ii) compliance by TBTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

Proceeds of the Series 2001B and C Bonds are being used to refund Outstanding Bonds of TBTA issued pursuant to the 1980 Resolution, such Bonds are referred to collectively as the Refunded Bonds, as such term is described in the Escrow Agreement hereinafter referred to. A portion of the proceeds of the Series 2001B and C Bonds, together with other moneys of TBTA, has been deposited uninvested or has been used to purchase direct obligations of the United States of America (including uninvested cash, the "Defeasance Deposit") in an aggregate amount sufficient, as invested, to pay when due the principal or Redemption Price of and interest due and to become due on said Refunded Bonds (the "Defeasance Requirement"). Such Defeasance Deposit is being held in trust under the Escrow Deposit Agreement Relating to General Purpose Revenue Bonds, Series 2001B and C, dated December 19, 2001 (the "Escrow Agreement"), by and between TBTA and U.S. Bank Trust National Association, as Trustee. TBTA has given the Trustee, in form satisfactory to it, irrevocable instructions to give notice in accordance with the 1980 Resolution of the redemption of the Refunded Bonds and the deposit of the Defeasance Deposit. Samuel Klein and Company has prepared a report stating that it has reviewed the accuracy of the mathematical computations of the sufficiency of the Defeasance Deposit, as invested, to pay in full the Defeasance Requirement when due. We have undertaken no independent verification of the sufficiency of the Defeasance Deposit.

We have also examined one of said Series 2001B and C Bonds as executed, and, in our opinion, the form of said Series 2001B and C Bonds and its execution are regular and proper.

We are of the opinion that:

1. TBTA is a validly existing public benefit corporation under the Constitution and laws of the State of New York, and such proceedings and proofs show lawful authority for the issuance and sale of said Series 2001B and C Bonds pursuant to the Triborough Bridge and Tunnel Authority Act, Title 3 of Article 3 of the Public Authorities Law, constituting Chapter 43-A of the Consolidated Laws of the State of New York, as amended (the "Act"), and the 1980 Revenue Bond Resolution of TBTA, adopted on July 23, 1980, as supplemented and amended, including as supplemented by the General Purpose Revenue Bonds Series X Refunding Series Supplemental Revenue Bond Resolution, adopted on January 27, 1999, as amended and restated on October 30, 2001, and the Bond Series Certificate relating to the Series 2001B and C Bonds (the "Series Certificate") (such 1980 Bond Resolution as from time to time amended or supplemented by said and other Supplemental Resolutions and the Series Certificate being herein called the "1980 Resolution" and any bonds issued pursuant to such 1980 Resolution, including the Series 2001B and C Bonds, being herein called the "Bonds").

2. The Series 2001B and C Bonds are valid and legally binding direct and general obligations of TBTA and the full faith and credit of TBTA are pledged to the payment thereof. The Bonds are secured by a pledge, subject only to the terms of the 1980 Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the 1980 Resolution, of (i) the proceeds of the sale of the Bonds, (ii) the Revenues, and (iii) all Funds and Accounts established by the 1980 Resolution, including the investments, is any, thereof. To the extent provided in the 1980 Resolution, the provisions of a new bond resolution and the source of payment and security set forth in such resolution may be substituted for the provisions of the 1980 Resolution and the source of payment and security for the Series 2001B and C Bonds.

3. Under the 1980 Resolution, TBTA may issue Additional Bonds and Refunding Bonds on a parity with the Series 2001B and C Bonds for the purposes and on the terms and conditions provided in the 1980 Resolution.

4. The Series 2001B and C Bonds are on a parity and rank equally, as to lien on and source and security for payment from sources enumerated in paragraph 2 hereof, with the Outstanding Bonds and any Additional Bonds, and Refunding Bonds which may hereafter be issued under the 1980 Resolution.

5. The Series 2001B and C Bonds are securities in which all public officers and bodies of the State and all municipalities and municipal 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 municipal 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, interest on the Series 2001B and C Bonds is excluded from gross income for Federal income tax purposes pursuant to Section 103 of the Code. Under the Code, interest on the Series 2001B and C Bonds is not treated as a preference item in calculating alternative minimum taxable income for purposes of the alternative minimum tax applicable to individuals and corporations; such interest, however, is includable in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax that may be imposed with respect to such corporations by the Code. We express no opinion as to the exclusion from gross income of interest on any Series 2001B and C Bonds subsequent to any date on which action is taken that, pursuant to the Series Certificate requires a Favorable Opinion of Bond Counsel (as defined in the Series Certificate), unless we deliver such an opinion as of such date.

7. Under the Act, interest on the Series 2001B and C Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof (including The City of New York), and the Series 2001B and C Bonds are exempt from taxation directly imposed thereon by or under authority of the State except for estate taxes and taxes on transfers by or in contemplation of death.

8. The Escrow Agreement has been duly authorized, executed and delivered by TBTA and, assuming the due authorization, execution and delivery by the Trustee, is a valid and binding obligation of TBTA, enforceable in accordance with its terms. The Refunded Bonds are deemed to have been paid within the meaning and with the effect expressed in the 1980 Resolution, and the covenants, agreements and other obligations of TBTA to the holders of the Refunded Bonds have been discharged and satisfied.

Except as stated in paragraphs 6 and 7 above, we express no opinion as to any Federal, state or local tax consequences arising with respect to the Series 2001B and C Bonds or the ownership or disposition thereof. Furthermore, we express no opinion as to the effect of any action taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for Federal income tax purposes of interest on the Series 2001B and C Bonds, or under State of New York and local tax law.

The forgoing opinions are qualified only to the extent that the enforceability of the 1980 Resolution and the Series 2001B and C Bonds may be limited by bankruptcy, moratorium, insolvency, reorganization or other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to the general principals of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We express no opinion as to the accuracy, adequacy, or sufficiency of any financial or other information which has been or will be supplied to the purchasers of the Series 2001B and C Bonds.

This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any 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 other reason whatsoever.

Very truly yours,

October 8, 2002

Triborough Bridge and Tunnel Authority
New York, New York

State Street Bank and Trust Company
New York, New York

U.S. Bank Trust National Association
New York, New York

Bayerische Landesbank Girozentrale
Acting through its New York Branch
New York, New York

Ambac Assurance Corporation
New York, New York

Ladies and Gentlemen:

On December 19, 2001, we delivered our final approving opinion as bond counsel with respect to the issuance by the Triborough Bridge and Tunnel Authority (“TBTA”) of \$296,400,000 aggregate principal amount of Triborough Bridge and Tunnel Authority General Purpose Variable Rate Revenue Bonds, Series 2001B and C (the “Series 2001B and C Bonds”).

The Series 2001B and C Bonds were issued under and pursuant to the Constitution and laws of the State of New York, including the Triborough Bridge and Tunnel Authority Act, Title 3 of Article 3 of the Public Authorities Law, constituting Chapter 43-A of the Consolidated Laws of the State of New York, as amended (the “TBTA Act”), and the 1980 Revenue Bond Resolution of TBTA, adopted on July 23, 1980, as supplemented and amended (the “Prior Lien Bond Resolution”), including as supplemented by the General Purpose Revenue Bonds Series X Refunding Series Supplemental Revenue Bond Resolution, adopted on January 27, 1999, as amended and restated on October 30, 2001 (the “Prior Lien Series Resolution”), and the Bond Series Certificate relating to the Series 2001B and C Bonds delivered on December 19, 2001 in connection with the original issuance of the Series 2001B and C Bonds (the “Prior Bond Series Certificate” and, together with the Prior Lien Bond Resolution and the Prior Lien Series Resolution, the “Prior Lien Resolution”).

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

Pursuant to and in accordance with the provisions of Section 2.15 of the Prior Lien Series Resolution, TBTA has determined to exercise its right to issue New Resolution Bonds and substitute as a source of payment and security for the Series 2001B and C Bonds the source of payment and security for such New Resolution Bonds. In connection therewith and in accordance with the provisions of Section 10 of the Prior Bond Series Certificate, TBTA has also determined to establish a new schedule of Sinking Fund Installments such that all or any portions of any one or more Sinking Fund Installments (except to the extent any particular Sinking Fund Installments have been paid and applied to redeem Series 2001B and C Bonds) are deferred to January 1 of subsequent years occurring in amounts and in years occurring prior to the maturity date (the “Sinking Fund Installment Deferral”). Such determinations have been evidenced by the delivery on the date hereof of TBTA’s General Revenue Bonds, Series 2001B in the principal amount of \$148,200,000 and General Revenue Bonds, Series 2001C in the principal amount of \$148,200,000 pursuant to a resolution adopted by the members of TBTA on March 26, 2002 entitled “General Resolution Authorizing General Revenue Obligations”, as supplemented by a resolution of said members adopted on March 26, 2002 (collectively, the “New Resolution”), and by the delivery of an Amended and Restated Bond Series Certificate dated the date hereof (the “Amended and Restated Bond Series Certificate”) which amends and restates the Prior Bond Series Certificate. Section 2.15.3(vi) of the Prior Lien Series Resolution and Section 10 of the Prior Bond Series Certificate respectively provide that any such substitution of the source of payment and security and Sinking Fund Installment Deferral will take effect only upon the satisfaction of certain condition, including the delivery of a Counsel’s Opinion as to such substitution and Favorable Opinion of Bond Counsel relating to the Sinking Fund Installment Deferral. This opinion letter is being delivered in conformity with, and for the purpose of satisfying, such requirements.

In rendering this opinion, we have examined and reviewed executed or certified copies of the Prior Lien Resolution, the New Resolution, the Amended and Restated Bond Series Certificate and such other documentation as we have determined necessary in order to render the opinions set forth below. We also have assumed, but have not independently verified, that the signatures on all opinions, certificates, agreements, instruments and other documents that we have examined are genuine.

Based upon the foregoing, we are of the opinion that (i) the substitution of security and source of payment for the Series 2001B and C Bonds complies with the provisions of Section 2.15 of the Prior Lien Series Resolution, the New Resolution and the TBTA Act and will have no adverse effect on the federal or State tax status of interest on the Series 2001B and C Bonds, (ii) the New Resolution has been duly approved by the CPRB and adopted by TBTA, (iii) the New Resolution has been legally and validly substituted as security for the Series 2001B and C Bonds and (iv) the Sinking Fund Installment Deferral is permitted un the TBTA Act, the Prior Lien Resolution and the New Resolution and will not impair the exclusion of interest on the Series 2001B and C Bonds from gross income for purposed of federal income taxation or the exemption of interest on the Series 2001B and C Bonds from personal income taxation under the laws of the State of New York.

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

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 issues 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 other reason whatsoever.

Very truly yours,

ATTACHMENT 3-2

**FORM OF OPINION OF NIXON PEABODY LLP
EXPECTED TO BE DELIVERED
ON THE DATE THE SERIES 2001B AND C BONDS ARE REMARKETED**

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

Ladies and Gentlemen:

On December 19, 2001, the date of the original issuance and delivery of the Original Series 2001B and the Original Series 2001C Bonds (the "Original Series 2001B and C Bonds"), Hawkins, Delafield & Wood delivered their opinion as bond counsel for the Triborough Bridge and Tunnel Authority ("TBTA") in connection with the issuance by TBTA of \$296,400,000 aggregate principal amount of its Triborough Bridge and Tunnel Authority General Purpose Variable Rate Revenue Bonds, Series 2001B and Series 2001C (the "Series 2001B and C Bonds"). Subsequently, on October 8, 2002, Hawkins, Delafield & Wood delivered an opinion relating to the substitution of security and source of payment for the Series 2001B and C Bonds (the "Substitution Opinion").

The Original Series 2001B and C Bonds were issued pursuant to TBTA 1980 Revenue Bond Resolution, adopted by the Board of TBTA on July 23, 1980 (the "1980 Resolution"), as amended and supplemented to the date of issuance thereof, including by the General Purpose Revenue Bonds Series X Refunding Series Supplemental Revenue Bond Resolution, adopted by the Board of TBTA on January 27, 1999, amended and restated on October 30, 2001 (collectively, the "Supplemental Resolution") along with a Bond Series Certificate relating to the Series 2001B and C Bonds (the "Series Certificate" and, collectively with the Supplemental Resolution and the 1980 Resolution, the "Resolution"); and effective October 8, 2002, pursuant to and in accordance with Section 2.15 of the Supplemental Resolution, the original lien and pledge securing the Series 2001B and Series 2001C Bonds provided under the Resolution was extinguished and the lien and pledge securing Obligations issued under the General Resolution Authorizing General Revenue Obligations adopted by TBTA on March 26, 2002, as supplemented and amended (collectively, the "General Resolution") was substituted therefor as the source of payment and security for such Series 2001B and Series 2001C Bonds.

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

On the date hereof, TBTA intends to terminate the Series 2001B and Series 2001C Ambac insurance policy; substitute for the State Street Bank and Trust Company Standby Bond Purchase Agreement relating to the Series 2001B Bonds with an Irrevocable Direct Pay Letter of Credit issued by State Street Bank and Trust Company; and substitute for the Bayerische Landesbank Standby Bond Purchase Agreement related to the Series 2001C Bonds an Irrevocable Direct Pay Letter of Credit issued by Bayerische Landesbank, acting through its New York Branch. Immediately prior to the substitution, the Series 2001B and C Bonds will be subject to mandatory tender at a Purchase Price equal to the principal amount thereof. In order for TBTA to accomplish such substitution, TBTA was required to provide to the Trustee a Notice of Termination pursuant to Section 2.11(3) of the Series Certificate ("Termination Notice"). In accordance with such requirement, the Trustee disseminated the Termination Notice to the owners of the Series 2001B and C Bonds at least fifteen days prior to the date hereof.

Based on the foregoing, we are of the opinion that that the mandatory tender and remarketing of the Series 2001B and C Bonds; the termination of the Ambac insurance policy relating to the Series 2001B and C Bonds, the State Street Bank and Trust Company Standby Bond Purchase Agreement relating to the Series 2001B Bonds and the Bayerische Landesbank Standby Purchase Agreement relating to the Series 2001C Bonds; the issuance of an irrevocable direct-pay letter of credit by State Street Bank and Trust Company relating to the Series 2001B Bonds; the issuance of an irrevocable direct-pay letter of credit by Bayerische Landesbank, acting through its New York Branch, relating to the Series 2001C Bonds; and the amendment of the terms and provisions of the Series 2001B and C Bonds to reflect the terms and provisions described herein will not adversely affect for Federal and State income tax purposes the tax treatment on the Series 2001B and C Bonds.

Except as necessary to render this opinion, we have undertaken no investigation as to matters affecting the exclusion of interest on the Series 2001B and C Bonds from gross income for Federal income tax purposes since the date of their issuance. In delivering this opinion, we have assumed with respect to the Series 2001B and C Bonds, without investigation, that TBTA is in compliance with its covenants and agreements under the Resolution and that the proceeds of the Series 2001B and C Bonds were applied in accordance with the Resolution, the General Resolution and the tax certificate of TBTA delivered in connection with the issuance of the Series 2001B and C Bonds. Failure of TBTA to have so complied or to have so applied the proceeds of the Series 2001B and C Bonds, or to so comply, could adversely affect the exclusion of interest on the Series 2001B and C Bonds from gross income for Federal income tax purposes. We are expressing no opinion herein as to whether any matter, action, other than the actions described above, or omission subsequent to such date of issuance may have adversely affected the exclusion of interest on the Series 2001B and C Bonds from gross income for Federal income tax purposes.

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2001B and C Bonds. This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any action hereafter taken or not taken, or any facts or circumstances or any changes in law, or in interpretations thereof, that may hereafter arise or occur, or for any other reason.

Very truly yours,

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ATTACHMENT 4

INFORMATION CONCERNING STATE STREET BANK AND TRUST COMPANY

State Street Bank and Trust Company (the "Bank") is a wholly-owned subsidiary of State Street Corporation (the "Corporation"). The Corporation (NYSE: STT) is a leading specialist in providing institutional investors with investment servicing, investment management and investment research and trading. With \$15.30 trillion in assets under custody and \$1.98 trillion in assets under management, the Corporation operates in 26 countries and more than 100 markets worldwide. The assets of the Bank at December 31, 2007 accounted for approximately 94% of the consolidated assets of the Corporation. At December 31, 2007, the Corporation had total assets of \$142.54 billion, total deposits (including deposits in foreign offices) of \$95.79 billion, total loans and lease finance assets net of unearned income, allowance and reserve for possible credit losses of approximately \$15.8 billion and total equity capital of \$11.30 billion.

The Bank's Consolidated Reports of Condition for Insured Commercial and State Chartered Savings Banks FFIEC 031 for December 31, 2007, as submitted to the Federal Reserve Bank of Boston, are incorporated by reference in this Attachment 4 and shall be deemed to be a part hereof.

In addition, all reports filed by the Bank pursuant to 12 U.S.C. §324 after the date of this Remarketing Circular shall be deemed to be incorporated herein by reference and shall be deemed to be a part hereof from the date of filing of any such report.

Additional information, including financial information relating to the Corporation and the Bank is set forth in the Corporation's Annual Report or Form 10-K for the year ended December 31, 2007. The annual report can be found on the Corporation's web site, www.statestreet.com. Such report and all reports filed by the Corporation pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended, after the date of this Remarketing Circular are incorporated herein by reference and shall be deemed a part hereof from the date of filing of any such report. The Letter of Credit is an obligation of the Bank and not of the Corporation.

Any statement contained in any document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Remarketing Circular to the extent that a statement contained herein or in any subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Remarketing Circular.

The Bank hereby undertakes to provide, without charge to each person to whom a copy of this Remarketing Circular has been delivered, on the written request of any such person, a copy of any or all of the documents referred to above which have been or may be incorporated in this Remarketing Circular by reference, other than exhibits to such documents. Written requests for such copies should be directed to Investor Relations, State Street Corporation, One Lincoln Street, Boston, Massachusetts 02111, telephone number 617-786-3000.

Neither the Bank nor its affiliates make any representation as to the contents of this Remarketing Circular (except as to this Attachment 4 to the extent it relates to the Bank), the suitability of the Series 2001B and C Bonds for any investor, the feasibility or performance of any project or compliance with any securities or tax laws or regulations.

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ATTACHMENT 5

INFORMATION RELATING TO BAYERISCHE LANDESBANK

Bayerische Landesbank (BayernLB, Bank) was founded in 1972 through the merger of Landesbodenkreditanstalt and Bayerische Gemeindebank and has the legal status of a "corporation established under public law". BayernLB is jointly owned by the Free State of Bavaria and the Association of Bavarian Savings Banks, each with a 50% stake. In 2002, the two owners transferred their holdings in BayernLB to BayernLB Holding AG in exchange for 50% each of the shares. The legal basis required for this transfer was created through the Landesbank Law, which came into effect on 1 August 2002. BayernLB Holding AG is entrusted with the duties of the sole shareholder of BayernLB and is not a bank itself.

BayernLB acts as principal bank to the Free State of Bavaria and as the central banking institution to the Bavarian savings banks. Aside from the Bavarian savings banks, its major target customers are "Financial Institutions & Sovereigns" (national and local governments), "Corporates" and "Real Estate Customers". The Bank's trading and issuing operations - BayernLB is one of the largest issuers of bonds and securities in Germany - are bundled in its "Financial Markets" business area. BayernLB also operates two legally dependent institutions: Bayerische Landesbodenkreditanstalt (LABO) and the Home Loan Division (LBS). Together with the S-Finanzgruppe Bayern, BayernLB supports the economy in Bavaria. The BayernLB Group is present in all the world's major financial centers. It offers both its own customers and export-oriented customers of the Bavarian savings banks a wide range of banking products and services through its offices and holdings.

THE NEW YORK BRANCH

Since October 1, 1981, the Bank's New York branch (the "Branch") has been licensed by the Comptroller of the Currency (the "Comptroller") pursuant to the International Banking Act of 1978, as amended. The Branch conducts an extensive banking business providing services to subsidiaries of large German corporations in North America and to United States and international companies.

The offices of the Branch are located at 560 Lexington Avenue, New York, New York, USA 10022, Telephone: (212) 310-9800.

INCORPORATION OF CERTAIN DOCUMENTS BY REFERENCE

The Bank's most recent audited consolidated financial statements (including the notes thereto) are incorporated by reference in this Remarketing Circular. Such financial statements are available on the Bank's website: <http://www.bayernlb.de>. However, no other information made available on the Bank's website is incorporated by reference.

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