

*On January 20, 2010, MTA BRIDGES AND TUNNELS is effecting a mandatory tender and purchase and remarketing of the currently outstanding Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels) General Revenue Mandatory Tender Bonds, Series 2009A-1 (the Series 2009A-1 Bonds). At such time, the mandatory Sinking Fund Installments for the Series 2009A-1 Bonds will be amended to reflect the terms and provisions described herein. By acceptance of a confirmation of delivery or transfer of the Series 2009A-1 Bonds, each beneficial owner will be deemed to have acknowledged that the amendments to the Certificate of Determination relating to the Series 2009A-1 Bonds incorporating the revised mandatory Sinking Fund Installments of the Series 2009A-1 Bonds described herein and other provisions required to accomplish the remarketing will be applicable to such Series 2009A-1 Bonds.*

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

**\$150,000,000**

**TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**

**(MTA Bridges and Tunnels)**

**GENERAL REVENUE MANDATORY TENDER BONDS, SERIES 2009A-1**

**Term Rate to Mandatory Purchase Date 4.000%; Yield to Mandatory Purchase Date 1.330%**

**Dated and interest accruing from January 20, 2010 CUSIP Number: 89602NUQ5<sup>†</sup> Due: November 15, 2038**

The Series 2009A-1 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 2009A-1 Bonds constitute Variable Interest Rate Obligations and will bear interest at the Term Rate from their dated date as set forth above.

After the remarketing, the Series 2009A-1 Bonds are subject to mandatory tender for purchase on November 15, 2012 (the Mandatory Purchase Date). See "REFINANCING OF SERIES 2009A-1 BONDS ON THE MANDATORY PURCHASE DATE" and "DESCRIPTION OF THE SERIES 2009A-1 BONDS—Mandatory Tender for Purchase of the Series 2009A-1 Bonds" herein. The Series 2009A-1 Bonds are not subject to redemption prior to the Mandatory Purchase Date.

**This Remarketing Circular (i) is not intended to provide disclosure relating to the Series 2009A-1 Bonds from and after the Mandatory Purchase Date and (ii) speaks only as of the date of this document or as of certain earlier dates specified in this document.**

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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 2009A-1 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.

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**Barclays Capital**

**Loop Capital Markets, LLC**

January 14, 2010

<sup>†</sup> CUSIP numbers have been assigned by an organization not affiliated with MTA Bridges and Tunnels and are included solely for the convenience of the holders of the Series 2009A-1 Bonds. MTA Bridges and Tunnels is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Series 2009A-1 Bonds or as indicated above.

# **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](http://www.mta.info)**

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John H. Banks III.....Member  
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## SUMMARY OF TERMS

MTA Bridges and Tunnels has prepared this Summary of Terms to describe the specific terms of the remarketing of the Series 2009A-1 Bonds. The information in this Remarketing Circular, including the materials filed with EMMA and included by specific cross-reference as described herein, provides a more detailed description of matters relating to MTA Bridges and Tunnels and to the Series 2009A-1 Bonds. Investors should carefully review that detailed information in its entirety before making a decision to purchase any of the Series 2009A-1 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).								
Series 2009A-1 Bonds Being Offered .....	General Revenue Mandatory Tender Bonds, Series 2009A-1.								
Purpose of Series 2009A-1 Bonds .....	To effect a mandatory tender and purchase of the Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels) General Revenue Mandatory Tender Bonds, Series 2009A-1 (the Series 2009A-1 Bonds).								
Denominations .....	\$5,000 and whole multiples of \$5,000.								
Interest Payment Dates .....	May 15 and November 15, commencing May 15, 2010.								
Redemption .....	The Series 2009A-1 Bonds are not subject to optional or mandatory redemption prior to the Mandatory Purchase Date.  See “DESCRIPTION OF THE SERIES 2009A-1 BONDS – Redemption Prior to Maturity” in Part I.								
Mandatory Tender of the Series 2009A-1 Bonds ..	The Series 2009A-1 Bonds are subject to mandatory tender for purchase on November 15, 2012 (the Mandatory Purchase Date). See “DESCRIPTION OF THE SERIES 2009A-1 BONDS – Mandatory Tender for Purchase of the Series 2009A-1 Bonds” in Part I.								
Refinancing of Series 2009A-1 Bonds on the Mandatory Purchase Date .....	MTA Bridges and Tunnels currently plans to remarket the Series 2009A-1 Bonds on the Mandatory Purchase Date or to issue refunding Bonds under the Senior Bridges and Tunnels Resolution on or prior to the Mandatory Purchase Date to provide funds sufficient to purchase or redeem all of the Series 2009A-1 Bonds on the Mandatory Purchase Date. The obligation of MTA Bridges and Tunnels to pay the Purchase Price on the Mandatory Purchase Date is on a parity with the payment of Series 2009A-1 Bonds and Parity Debt. See “REFINANCING OF SERIES 2009A-1 BONDS ON THE MANDATORY PURCHASE DATE” and “DESCRIPTION OF THE SERIES 2009A-1 BONDS — Mandatory Tender for Purchase of the Series 2009A-1 Bonds — Sources of Funds for Purchase of Tendered Series 2009A-1 Bonds” in Part I.								
Sources of Payment and Security .....	Net revenues collected on the bridges and tunnels operated by MTA Bridges and Tunnels as described herein.								
Registration of the Series 2009A-1 Bonds .....	DTC Book-Entry-Only System. No physical certificates evidencing ownership of a bond will be delivered, except to DTC.								
Trustee, Tender Agent and Paying Agent .....	U.S. Bank Trust National Association.								
Bond Counsel .....	Nixon Peabody LLP, New York, New York.								
Tax Status .....	See “TAX MATTERS” in Part III.								
Ratings .....	<table border="0" style="margin-left: 20px;"> <tr> <td style="text-align: right;"><u>Rating Agency</u></td> <td style="text-align: left;"><u>Rating (outlook)</u></td> </tr> <tr> <td style="text-align: right;">Moody’s:</td> <td style="text-align: left;">Aa2 (negative)</td> </tr> <tr> <td style="text-align: right;">Standard &amp; Poor’s:</td> <td style="text-align: left;">AA- (stable)</td> </tr> <tr> <td style="text-align: right;">Fitch:</td> <td style="text-align: left;">AA (negative)</td> </tr> </table> <p>See “RATINGS” in Part III.</p>	<u>Rating Agency</u>	<u>Rating (outlook)</u>	Moody’s:	Aa2 (negative)	Standard & Poor’s:	AA- (stable)	Fitch:	AA (negative)
<u>Rating Agency</u>	<u>Rating (outlook)</u>								
Moody’s:	Aa2 (negative)								
Standard & Poor’s:	AA- (stable)								
Fitch:	AA (negative)								
Financial Advisor .....	Goldman, Sachs & Co.								
Remarketing Agents .....	See cover page. Barclays Capital Inc. is the representative of the Remarketing Agents for the Series 2009A-1 Bonds.								
Independent Engineers .....	URS Corporation – New York, 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 2009A-1 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 2009A-1 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 2009A-1 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.
  - ***No Guarantee of Information by Remarketing Agents.*** The Remarketing Agents have provided the following sentence for inclusion in this Remarketing Circular: The Remarketing Agents have 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 Agents do not guarantee the accuracy or completeness of such information.
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**Information Included by Specific Cross-Reference.** The following portions of MTA’s 2009 Combined Continuing Disclosure Filings and filed with the Electronic Market Access System (EMMA) of the Municipal Securities Rulemaking Board (MSRB), are included by specific cross-reference in this Remarketing Circular, along with material that updates this Remarketing Circular and that is either filed with EMMA or, in the case of Remarketing Circulars, filed MSRB prior to the remarketing date of the Series 2009A-1 Bonds, together with any supplements or amendments thereto:

- **Appendix A** – The Related Entities (in the form filed with EMMA on June 25, 2009)
- **Appendix D** – Audited Financial Statements of Triborough Bridge and Tunnel Authority for the Years Ended December 31, 2008 and 2007

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

- MTA’s Unaudited Consolidated Financial Statements for the six-month period ended June 30, 2009
- 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 June 8, 2009 prepared by URS Corporation – New York, New York, New York

For convenience, copies of these documents can be found on the MTA website ([www.mta.info](http://www.mta.info)) under the caption “MTA Home–About the MTA–Financial Information–Budget” in the case of the Audited Financial Statements of Triborough Bridge and Tunnel Authority for the Years Ended December 31, 2008 and 2007 and MTA’s Unaudited Consolidated Financial Statements for the six-month period ended June 30, 2009, and under the caption “MTA Home–About the MTA–Financial Information–Investor Information” in the case of the remaining documents. No statement on the MTA’s website is included by specific cross-reference herein. The summary of certain provisions of the Senior Bridges and Tunnels Resolution is listed under “Summaries of Certain Provisions of the TBTA Senior Lien Resolution.” The URS Report is listed under “2009 Combined Continuing Disclosure Filings, April 28, 2009 – Appendix E – The URS Report (amended), dated June 8, 2009.” Definitions of certain terms used in the summaries may differ from terms used in this Remarketing Circular, such as using the popular name “MTA Bridges and Tunnels” in place of Triborough Bridge and Tunnel Authority or its abbreviation, TBTA.

**[The remainder of this page is intentionally left blank.]**

## 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 2009 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**.

## Information Provided in Appendix A

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

## Where to Find Information

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

- **Part I** provides specific information about the Series 2009A-1 Bonds.
- **Part II** describes the sources of payment and security for all General Revenue Bonds, including the Series 2009A-1 Bonds.
- **Part III** provides miscellaneous information relating to the Series 2009A-1 Bonds.
- **Attachment 1** sets forth certain provisions applicable to the book-entry system of registration to be used for the Series 2009A-1 Bonds.
- **Attachment 2** sets forth a summary of certain provisions of a continuing disclosure agreement relating to the Series 2009A-1 Bonds.
- **Attachment 3** sets forth the form of opinions of Bond Counsel in connection with the Series 2009A-1 Bonds.
- **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 MSRB and from MTA.

*Information from EMMA.* MTA and MTA Bridges and Tunnels until July 1, 2009 filed annual and other information with each former Nationally Recognized Municipal Securities Information Repository. MTA and MTA Bridges and Tunnels have commenced filing and will in the future file annual and other information with EMMA.

Information on file with EMMA can be accessed at <http://emma.msrb.org/>.

*Information Included by Specific Cross-reference.* The information listed under the caption "Information Included by Specific Cross-reference" following the Table of Contents, as filed with EMMA 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 2009A-1 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

***The November Financial Plan.*** On November 18, 2009 MTA presented to its Board the November Financial Plan 2010-2013 including a revised proposed budget for 2010 (the November Plan). While similar in many respects to the plan submitted in July (the July Plan), the November Plan identified new developments and risks, many of which were the result of the continuing economic downturn.

The July Plan assumed a significant reduction in passenger and toll revenue as a result of reduced economic activity, especially employment, in the region. These job losses have negatively impacted MTA utilization levels. The November Plan projected MTA consolidated ridership in 2009 to be 0.5% better than the Mid-Year Forecast reflected in the July Plan, and increased MTA Bridges and Tunnels traffic forecasts by 1.2% over the Mid-Year Forecast. The net impact on fare and toll revenue, as captured in the November Plan, was a combined favorable \$36 million in 2009, \$32 million in 2010, \$46 million in 2011, \$69 million in 2012 and \$80 million in 2013.

Offsetting those favorable results was a reduction in real estate tax revenues. The regional and global recessions, coupled with the freeze of the financial credit markets, have continued to adversely impact real estate tax revenues, which have dropped further and more quickly than forecasts anticipated. Receipts for the real estate transaction taxes have fallen short of the Mid-Year Forecast, which already anticipated a continuing weak real estate market. The Mid-Year Forecast projected 2009 real estate receipts to be 52% lower than 2008 receipts, falling to their lowest level since 2000. Since June, however, real estate tax receipts have been \$21 million less than the Mid-Year Forecast had anticipated, a 13% short-fall from July through October, primarily in receipts of the Urban Tax for the Transit System. The November Plan recognized the continued falloff in Urban Tax revenue, and reduced projections of real estate tax receipts for 2009 by an additional \$56 million, with a further reduction of \$188 million in total from 2010 to 2013 as compared with the July Plan.

The November Plan also recognized certain risks including the potential for lower revenues from ridership if assumptions on an economic recovery are not realized and the possibility of reductions in appropriated funds to the MTA in 2009 (at the time of the November Plan such reductions had been proposed by the Governor to address the State's deficit, but it was not then known what gap closing measures would in fact be adopted by the State Legislature). Moreover, the November Plan identified financial risks associated with the levels of receipts of new taxes approved by the State Legislature in May 2009, since MTA did not have any history that would allow it to predict with certainty the level or timing of these new revenues.

The litigation over the TWU Impasse Award also added additional uncertainty regarding labor costs. An arbitration award covering the TWU was issued in August 2009, which would result in significantly higher costs than those anticipated in the July Plan. The July Plan assumed a 2009 wage increase of 1.47%, followed by CPI-U increases of 1.87% in 2010 and 2.23% in 2011. The arbitration panel award was significantly higher, resulting in wage increases that approximate 4% in 2009, 4% in 2010, and 3% in 2011. The arbitration award also granted a reduction in the amount of the employee health benefit contribution, raising the total value of the award to approximately 11.5% over three years. While the timing of the increases would result in minimal budget impact in 2009, preliminary estimates indicate that this award would cost the MTA approximately \$90 million in 2010, \$200 million in 2011 and \$250 million in 2012 and beyond, above the amounts already included in the July Plan. The MTA moved in September to vacate the decision as legally flawed, and the wage assumptions remained unchanged in the November Plan from the July Plan.

These risks to revenues and labor costs caused the MTA to make recommendations regarding the establishment of additional reserves. While the November Plan included the traditional \$75 million general reserve in 2010 and beyond, it also retained the \$38 million reserve for 2009 and added an additional 2009 economic volatility reserve of \$85 million. The November Plan projected a net cash surplus of \$28 million in 2009 and \$5 million in 2010, while projecting cash deficits of \$34 million, \$319 million and \$58 million for 2011, 2012 and 2013, respectively.

***Subsequent Developments.*** Subsequent to presenting the November Plan, the MTA experienced several significant unfavorable developments. First, as part of the State's deficit reduction plan, the State Legislature reduced its prior appropriations to the MTA for 2009 by \$143 million, principally represented by Metropolitan Mass Transportation Operating Assistance (MMTOA) amounts. This is the first time that an existing appropriation to

MTA has been reduced under circumstances in which the money was derived from a “dedicated” MTA tax and had already been collected by the State. Because of the way funds flow from the State to the MTA, this entire reduction will occur in December of 2009. MTA further understands that the State is now projecting reduced MMTOA collections of \$49 million in 2010 and \$74 million in future years.

Second, receipts from the recently enacted Regional Mobility Tax are significantly under-running projections. The Regional Mobility Tax and other new revenues were preliminarily projected to provide an additional \$1.1 billion to MTA for calendar year 2009 and an additional \$1.9 billion to MTA in calendar year 2010. The State is projecting an estimated reduction of \$229 million for calendar year 2009. The State Division of Budget has advised MTA that it believes that a significant portion of the shortfall (\$179 million) is the result of timing and is expected to be made up in 2010. However, the Division of Budget also projected lower Regional Mobility Tax receipts of \$50 million a year starting in 2010.

Over the 2009-2010 period, the combined losses from the above-noted subsequent developments are approximately \$300 million, with most coming in 2009.

Third, on December 11, 2009, an unfavorable ruling was issued in the legal proceeding in which MTA challenged the August arbitration award. The court denied the petition to vacate the August award and granted the TWU Local 100 petition for award confirmation. MTA is considering whether to appeal this judgment. As noted above, if this award is implemented, it would cost the MTA significant sums beyond the amounts that were included in the July Plan, although the November Plan contained a one-time contingency of \$85 million to partially offset this and other financial risks.

Partially mitigating these losses in the short term are lower estimated debt service costs (\$56 million) and the favorable timing of certain expenses of MTA. Cash expenditures are projected to be lower than the November Plan by \$106 million. However, much of the reason for that is timing, including the delay of TWU Impasse Award. The net impact of these 2009 results is expected to be \$35 million when compared with the November Plan.

***The December Financial Plan.*** On December 16, 2009, the Board approved the December Financial Plan 2010-2013 (the December Plan). Through cash management actions, including delaying pension payments and the above-mentioned timing variances, the MTA will satisfy its 2009 cash obligations but will roll this problem into 2010. As a result of these actions and MTA re-estimates, the December Plan assumes that 2009 will end with a \$31 million cash balance. The 2010 Budget which is part of the December Plan includes service reductions and other reductions to balance the 2010 Budget and end 2010 with a \$2 million cash balance. The out-years of the December Plan project a cash balance of \$1 million in 2011, a deficit of \$188 million in 2012, and a cash balance of \$65 million in 2013.

The December Plan adopted by the Board identifies significant additional cost-cutting measures beginning in 2010 to solve the larger long-term problem, some of which will require public hearings and additional Board actions. The MTA will continue to evaluate the actions proposed in the December Plan and, as part of such evaluation, anticipates consideration will be given to additional or alternative cost saving measures, which may include actions already proposed or which may be proposed by individual members of the Board, by various elected officials and by other interested persons or groups. MTA is prepared to take the needed actions in order to maintain a balanced budget.

***Policy Actions.*** The December Plan, as approved by the Board, includes a number of Policy Actions.

- *Special Labor Reserve* – MTA will establish reserves in 2010 to mitigate significant financial risks from labor costs. Given the court ruling noted above that was issued on December 11, 2009, the 2010 Budget and the 2010-2013 Financial Plan reserves funds against the wage amounts set forth in the TWU Award described above. The reserve will be used to supplement funding already provided in the budgets of the Related Entities, including MTA New York City Transit, and be distributed as labor settlements are reached. The reserve will be established at \$91 million in 2010, \$173 million in 2011, \$190 million in 2012 and \$196 million in 2013. The \$85 million economic volatility reserve and the remaining \$28 million 2009 general reserve described above as part of the November Plan have been removed from the December Plan. The remaining reserve in the

November Plan was \$38 million; however, real estate taxes are now projected to decrease \$10 million by year end.

- *Pay-As-You-Go Capital* - The approved 2010 Budget continues to assume that a portion of the new tax revenues authorized in May 2009 will be contributed to the capital program in the form of “pay-as-you-go capital”. These payments are planned at \$50 million in 2010. In 2011 and beyond these payments will ramp up in \$50 million increments until the annual contribution achieves \$450 million in 2018. This level of contribution will be necessary to support the first two years of necessary local funding of the proposed 2010-2014 capital programs, including support for “mega” projects like East Side Access and the Second Avenue Subway.
- *MTA Bridges and Tunnels Holdback* - The December Plan assumes that a portion of the 7.5% toll increases for 2011 and 2013 (equivalent to 2.5% in each year) will be used to fund new MTA Bridges and Tunnels capital projects through pay-as-you-go funding and additional debt service.

**Gap Closing/Cash Management Measures from the November Plan.** The approved December Plan includes a number of Gap Closing/Cash Management Actions previously included in the November Plan:

- *2010 Program to Eliminate the Gap* - The 2010 Program to Eliminate the Gap (PEG) consists of savings of \$23 million and 118 positions in 2009, \$72 million and 375 positions in 2010, \$71 million and 356 positions in 2011, \$72 million and 347 positions in 2012, and \$75 million and 390 positions in 2013.
- *Post-2010 Program to Eliminate the Gap* – The MTA and the Related Entities will identify PEGs beginning in 2011 during next year’s budget cycle. The value of these “unspecified” PEGs is \$90 million in 2011, \$188 million in 2012, and \$280 million in 2013.
- *Non-Represented Employee Wage Freeze in 2009* – Non-represented employees did not receive a cost of living raise in 2009.
- *Federal Legislative Actions* - The MTA is proposing changes in federal legislation that would eliminate certain federal mandates for commuter rail employees without impacting employee benefits. As in the November Plan, the assumed initiation of these changes is delayed until the third quarter of 2010.
- *2011 Increased Fare and Toll Yields* – A 7.5% increase in MTA consolidated farebox and toll revenue yields beginning January 1, 2011 is proposed. Consolidated fare and toll revenues, excluding MTA Bus revenue, are expected to increase by \$408 million in 2011, \$425 million in 2012 and \$429 million in 2013. MTA Bus revenue is expected to increase by \$12 million in 2011 and by \$13 million in 2012 and 2013. These additional MTA Bus revenues will be used to reduce the City subsidy used to cover the costs associated with MTA Bus operations. The projections from this action are slightly improved from the estimates prepared for the July Plan due to higher baseline farebox and toll revenue forecasts.
- *2013 Increased Fare and Toll Yields* – A 7.5% consolidated farebox and toll revenue yield increase is also proposed for implementation on January 1, 2013, and is estimated to yield an additional \$449 million in 2013, excluding yield increases for MTA Bus. The 7.5% farebox yield increase at MTA Bus is expected to generate additional revenue of \$14 million in 2013, and will be used to reduce the City subsidy to MTA Bus.
- *Forward Energy Contracts* – An energy hedging strategy has been employed to lock in fuel prices for 2010. MTA set-aside \$73 million in 2009 which was used to lock in pricing for approximately one-half of its fuel budget for 2010. In addition, the December Plan assumes that in 2010, the MTA will set-aside \$82 million to lock in one-half of its expected 2011 fuel requirement.

***Additional Gap Closing/Cash Management Measures included in December Plan.*** The Board also adopted the additional actions described below as part of the December Plan:

- *Additional Actions for Budget Balance* – When the State Legislature approved the Regional Mobility Taxes in May of 2009, the MTA was able to lower the budgeted fare/toll increase and eliminate those Additional Actions for Budget Balance (AABB) that directly impacted scheduled service to the public. Recent negative financial developments, however, have altered the MTA’s financial picture, and the MTA must now make some choices that it was able to avoid in 2009. These AABBs include most of the items that were restored last May. Major service changes included in the AABB will be noticed for public hearing. Many of the AABB items are adjustments to scheduled service to better match demand. These reductions have been re-evaluated since May and cost savings have been modified and are now valued at \$62 million in 2010 and \$129 million each year thereafter. In addition to these service items, the AABB Gap Closing actions include the elimination of the Rockaway/Broad Channel residents’ rebate program.
- *Administrative Savings* – The MTA will take additional administrative savings beyond those taken in PEGs and AABB savings projections and projected savings relating to the proposed business service center. Efforts are being undertaken at the direction of the Chairman to uncover permanent savings in various administrative areas including purchases, professional services and labor. These savings programs are expected to yield \$49 million in 2010 and \$65 million each year thereafter, and may include furloughs and an increase in the length of the pay-lag for non-represented employees.
- *Student Fare* – Prior to 1994, the City and the State paid the entire costs of the program to fund free or half-price student fares. In 1995, an agreement was made between the City, the State and the MTA to divide these costs equally. Over time, MTA costs increased but reimbursements from the State and the City did not. In November of 2009, the State dramatically reduced its school fare reimbursement from \$25 million to only \$6 million. The MTA can no longer afford to subsidize this free service and, therefore, is proposing a roll back of the discount for school transportation. The December Plan assumes that one half of the current discount will be eliminated in September of 2010 and the remaining half discount will be discontinued in September of 2011. This is expected to save \$31 million in 2010 and \$62 million in 2011, with savings annualizing to \$170 million in 2012 and beyond.
- *Paratransit Savings* – Paratransit costs at the MTA are rising at an extraordinary rate and the level of contribution from MTA’s funding partners has not come close to keeping up. The MTA is looking at ways that it can save costs without jeopardizing its ability to deliver these necessary services consistent with legal requirements. It is anticipated that savings of \$40 million can be achieved in 2010 with annual savings of \$80 million each year thereafter. Sources of savings that are anticipated include: improvements in scheduling efficiency, an increase in the use of vouchers and taxis, better coordination of feeder service with accessible fixed route service, improved eligibility screening, and the elimination of the most expensive carriers.
- *Delay 2009 Pension Payment* – To assist short-term cash flow, the MTA has delayed the scheduled payments of \$122 million in pension payments from 2009 to 2010.

***Other Actions.*** The Board also approved additional budget and cash management actions, all of which, other than those relating to the new State taxes, have been done in past budget adoptions, including those described below:

- *General Reserve* – The Board authorized the Chairman to allocate these reserves in order to cover contingencies as may become necessary in order to ensure the continued operations of MTA Headquarters and the operating agencies. Such expenditures shall be funded from the MTA Corporate Account (MRT-2), and/or Regional Mobility Taxes, and/or other new taxes legislated in 2009.

- *Advance of Bridges and Tunnels Operating Surplus* – As has been done on previous occasions, the Board authorized MTA Bridges and Tunnels to advance to MTA and MTA New York City Transit, to the extent funds are available, all or a part of the estimated operating surplus for the year 2010, when and as directed by the Chairman.
- *Inter-Agency Loans* – The Board authorized the Chairman, as permitted under the Public Authorities Law, to enter into inter-agency loan agreements among the MTA and the Related Entities. This authorization would allow the temporary movement of funds among agencies to meet cash flow requirements for operating or capital purposes resulting from a mismatch between the receipt of subsidies and other monies and cash flow needs. The statute requires that any such inter-agency loans be repaid no later than the end of the next succeeding calendar year.
- *Advance of MTA (Mortgage Recording Tax #2) Corporate Account Monies* – The MTA Board authorized that these funds be used to support the MTA Police, the All-Agency Security Pool, other MTA Headquarters operations, the funding of MTA reserves, and MTA Bus capital projects and to temporarily help stabilize cash-flow requirements. As in the past, except in the case of MTA Bus capital projects, the advance of such funds to the MTA and the Related Entities to stabilize cash-flow requirements may be made, provided that such advances are repaid prior to the end of the fiscal year in which made.
- *Advance of Regional Mobility Taxes and Other New Taxes* – The revenues from the Regional Mobility Tax (the Regional Mobility Tax Revenues) can be: (i) pledged by MTA to secure and be applied to the payment of bonds to be issued in the future, to fund capital projects of MTA, its subsidiaries, and MTA New York City Transit and its subsidiary and (ii) used by MTA to pay capital costs, including debt service of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. Subject to the provisions of any such pledge, or in the event there is no such pledge, the Regional Mobility Tax Revenues can be used by MTA to pay for costs, including operating costs of MTA, its subsidiaries and MTA New York City Transit and its subsidiary. The Board authorized the Chairman to release these funds as needed in any of the areas described above.
- *Government Accounting Standards Board (GASB) Contributions* – In June 2008, the MTA approved the establishment of the “MTA Retiree Welfare Benefits Trust” to govern the administration and investment of the OPEB trust assets. Pending transfer to the “Trust” the Treasurer holds the 2006 through 2009 funds set aside in discrete sub-accounts that comprise the GASB Account. MTA and the Related Entities will make contributions of \$62 million as set forth in the 2010 Budget to the GASB Account in 2010 (with additional contributions in the out years of the December Plan). The Treasurer is authorized to use the GASB accounts to fund intra-agency loans as well as inter-agency loans. If an agency uses its own “GASB” funds to meet 2010 cash flow needs, the amounts withdrawn in 2010 must be paid back by December 31, 2012. If the GASB funds are used as inter-agency loans in 2010, they would be subject to repayment no later than December 31, 2011, consistent with the inter-agency loan provisions described above.

***MTA Capital Programs.*** Section 1269(b) of the Public Authorities Law requires MTA to submit capital plans to the MTA Capital Program Review Board (the Review Board). The MTA Board, at its meeting of September 23, 2009, reviewed and authorized for submission to the Review Board new five-year Proposed MTA Capital Programs (Programs) for the Transit and Commuter Systems for the 2010-2014 period, totaling approximately \$25.6 billion, and the Programs were submitted to the Review Board for its review as required by law. Included in the Programs is approximately \$19.8 billion for core investments for the ongoing replacement needs of the existing Transit and Commuter Systems and MTA Bus and \$5.7 billion to finance a portion of the costs of the East Side Access and the Second Avenue Subway. The Programs include \$15.7 billion of identified funding - including \$6 billion of new bonding authorized by the May Legislation - leaving a \$10 billion funding gap. The new bonding, in combination with other identified revenues, provides for two years of program funding. Progressing the full five-year plan will require the identification of additional funding beyond that provided in the May Legislation or adjustments to the proposed Capital Programs to address the \$10 billion funding gap. The submitted Programs were vetoed without prejudice by the Review Board on December 30, 2009. MTA will resubmit such Programs at

such time as it deems appropriate. No assurance can be given that such resubmitted Programs will not include substantial revisions from those previously submitted.

**MTA Bridges and Tunnels Capital Program.** In September 2009, the Board of MTA Bridges and Tunnels approved a Capital Program for the 2010-2014 period which provides for commitments of approximately \$2.5 billion designed to keep its facilities in good operating condition. Such Program represents a substantial increase over the \$1.2 billion in commitments included in the 2005-2009 MTA Bridges and Tunnels Capital Program. MTA Bridges and Tunnels Capital Programs are not subject to approval by the Review Board.

**2009 Debt Issuances.** The following table shows the bonds and notes issued by MTA and MTA Bridges and Tunnels during calendar year 2009 by credit, series and principal amount.

<u>Bonds</u>	<u>Principal Amount of Series</u>
TBTA General Revenue Bonds	
Series 2009A-1	\$150,000,000
Series 2009A-2	325,000,000
Series 2009B	200,000,000
TBTA General Revenue Bond Anticipation Notes	
Series 2009	\$149,165,000
MTA Dedicated Tax Fund Bonds	
Series 2009A	\$261,700,000
Series 2009B	500,000,000
Series 2009C	750,000,000
MTA Revenue Anticipation Notes	\$600,000,000
MTA Transportation Revenue Bonds	
Series 2009A-1	\$407,110,000
Series 2009A-2	95,210,000

On January 13, 2010, the MTA issued \$363,945,000 principal amount of its Transportation Revenue Bonds, Series 2010A.

**Management Changes.** Gary Dellaverson retired as Chief Financial Officer of MTA on December 31, 2009. David Moretti, who formerly served as Executive Vice President of MTA Bridges and Tunnels, has been appointed Acting Chief Financial Officer of MTA effective January 1, 2010. Susan Kupferman has resigned as President of MTA Bridges and Tunnels in order to serve as senior advisor to MTA Chairman Jay Walder, effective as of January 11, 2010. James L. Ferrara will serve as Acting President of MTA Bridges and Tunnels as of January 11, 2010.

**MTA Board Changes.** On January 1, 2010, pursuant to chapter 549 of the Laws of 1994 (as amended by chapter 415 of the Laws of 2007), the provision in the Public Authorities Law that added non-voting board members to the MTA Board expired. As of January 1, 2010, the MTA Board consists of the chairman and the sixteen other voting members.

**Recent Litigation.** An action commenced in Suffolk County Supreme Court against the State of New York, various officials of the State of New York, and the MTA challenging the constitutionality of Chapter 25 of the Laws of 2009, was served on the MTA on January 13, 2010. The plaintiffs are two private coach bus services. Chapter 25 of the Laws of 2009, among other things, imposes certain taxes and fees within the Metropolitan Commuter Transportation District that provide funding for the MTA. The complaint seeks declaratory relief and a stay of collection of the fees and taxes imposed by the statute, although plaintiffs have not served MTA with a motion seeking stay of collection. The plaintiffs allege that the statute is unconstitutional because it (i) was a special law affecting local governments that required a home rule message; (ii) was a special law affecting local governments and could be passed only by a two-thirds majority in both the Assembly and Senate; (iii) appropriated

money for local or private purposes and could be passed only by a two-thirds majority in both the Assembly and Senate; (iv) was an appropriation bill but had more than a single object or purpose; and (v) impermissibly authorizes, accepts, or imposes liability on the State for debts of the MTA. Plaintiffs also allege that the statute violates section 1266 (3) of the Public Authorities Law, which the plaintiffs assert requires that the MTA operate on a "self-sustaining" basis without state financial support. The MTA believes the lawsuit to be without merit and intends to vigorously defend the action.

## PART I. SERIES 2009A-1 BONDS

Part I of this Remarketing Circular, together with the Summary of Terms, provides specific information about the Series 2009A-1 Bonds.

### REMARKETING PLAN AND APPLICATION OF PROCEEDS

On January 20, 2010, MTA Bridges and Tunnels is effecting a mandatory tender and purchase and remarketing of the currently outstanding Triborough Bridge and Tunnel Authority (MTA Bridges and Tunnels) General Revenue Mandatory Tender Bonds, Series 2009A-1 (the Series 2009A-1 Bonds). At such time, the mandatory Sinking Fund Installments for the Series 2009A-1 Bonds will be amended to reflect the mandatory Sinking Fund Installments described herein. By acceptance of a confirmation of delivery or transfer of the Series 2009A-1 Bonds, each beneficial owner will be deemed to have acknowledged that the amendments to the Bond Series Certificate incorporating the revised mandatory Sinking Fund Installments of the Series 2009A-1 Bonds described herein and other provisions required to accomplish the remarketing will be applicable to such Series 2009A-1 Bonds.

MTA Bridges and Tunnels anticipates that the net proceeds of the remarketing of the Series 2009A-1 Bonds (the principal amount thereof plus net original issue premium of \$11,043,000 and less certain financing, legal and miscellaneous expenses of \$602,913 ) in the amount of \$160,440,087 will be used to pay the Purchase Price (other than interest on the Series 2009A-1 Bonds which will be paid from MTA Bridges and Tunnels' Revenues) of the currently outstanding Series 2009A-1 Bonds on January 20, 2010, and any remaining net proceeds will be used to finance capital projects of MTA Bridges and Tunnels.

### REFINANCING OF SERIES 2009A-1 BONDS ON THE MANDATORY PURCHASE DATE

MTA Bridges and Tunnels currently plans to (i) remarket the Series 2009A-1 Bonds on November 15, 2012 (the Mandatory Purchase Date) and apply the proceeds of such remarketing to pay the Purchase Price of such Series 2009A-1 Bonds or (ii) issue refunding Bonds under the Senior Bridges and Tunnels Resolution on or prior to the Mandatory Purchase Date to provide funds sufficient to redeem all of the Series 2009A-1 Bonds on the Mandatory Purchase Date at a Redemption Price equal to the principal amount thereof, plus accrued interest thereon to the Mandatory Purchase Date, without premium. No assurance can be given that MTA Bridges and Tunnels will be able to issue such refunding Bonds on or prior to the Mandatory Purchase Date.

The obligation of MTA Bridges and Tunnels to pay the Purchase Price on the Mandatory Purchase Date is on a parity with the payment of Bonds and Parity Debt. The failure of MTA Bridges and Tunnels to pay such Purchase Price would constitute a default under the Senior Bridges and Tunnels Resolution which, if not remedied within 30 days, would constitute an Event of Default under the Senior Bridges and Tunnels Resolution entitling the Trustee to exercise the remedies provided under the Senior Bridges and Tunnels Resolution. See DESCRIPTION OF THE SERIES 2009A-1 BONDS – Mandatory Tender for Purchase of the Series 2009A-1 Bonds – *Sources of Funds for Purchase of Tendered Series 2009A-1 Bonds*.

### DESCRIPTION OF SERIES 2009A-1 BONDS

#### General

**Book-Entry-Only System.** The Series 2009A-1 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 2009A-1 Bonds. Individual purchases will be made in book-entry-only form, in the principal amount of \$5,000 or integral multiples thereof. So long as DTC is the registered owner of the Series 2009A-1 Bonds, all payments on the Series 2009A-1 Bonds will be made directly to DTC. DTC is responsible for disbursement of those payments to its participants, and DTC participants and indirect participants are responsible for making those payments to beneficial owners. See **Attachment 1** – “Book-Entry-Only System.”

**Interest Payments.** The Series 2009A-1 Bonds will bear interest at the rate shown on the front cover of this Remarketing Circular. Interest on the Series 2009A-1 Bonds will be paid on each May 15 and November 15,

beginning May 15, 2010. So long as DTC is the sole registered owner of all of the Series 2009A-1 Bonds, all interest payments will be paid to DTC by wire transfer of immediately available funds, and payment of interest to beneficial owners will occur through the DTC Book-Entry-Only System.

**Transfers and Exchanges.** So long as DTC is the securities depository for the Series 2009A-1 Bonds, it will be the sole registered owner of the Series 2009A-1 Bonds, and transfers of ownership interests in the Series 2009A-1 Bonds will occur through the DTC Book-Entry-Only System.

**Trustee.** U.S. Bank Trust National Association is Trustee, Tender Agent and Paying Agent with respect to the Series 2009A-1 Bonds.

**Redemption Prior to Maturity**

**Mandatory Sinking Fund Redemption.** The Series 2009A-1 Bonds are subject to mandatory sinking fund redemption, in part (in accordance with procedures of DTC, so long as DTC is the sole registered owner, and otherwise by lot in such manner as the Trustee in its discretion deems proper) on any November 15 on and after the first sinking fund installment date shown below at the principal amount thereof plus accrued interest up to but not including the date of redemption thereof, from mandatory Sinking Fund Installments that are required to be made in amounts sufficient to redeem on November 15 of each year the principal amount of such Series 2009A-1 Bonds shown below:

	Sinking Fund Redemption Date (November 15)	Sinking Fund <u>Installment</u>
First payment	2012	\$5,405,000
	2013	6,160,000
	2014	6,810,000
	2015	7,515,000
	2016	11,555,000
	2017	8,800,000
	2018	9,580,000
	2019	3,830,000
	2020	2,690,000
	2021	0
	2022	510,000
	2023	475,000
	2024	4,815,000
	2025	7,535,000
	2026	7,985,000
	2027	2,920,000
	2028	4,240,000
	2029	4,495,000
	2030	4,745,000
	2031	5,015,000
	2032	5,310,000
	2033	5,690,000
	2034	6,015,000
	2035	6,375,000
	2036	6,770,000
	2037	7,145,000
final maturity	2038	7,615,000
average life – 15.677 years		

***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 2009A-1 Bonds of the same maturity and interest rate 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 2009A-1 Bonds with money in the Debt Service Fund (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of Series 2009A-1 Bonds purchased will be made against the next Sinking Fund Installment due.
- If MTA Bridges and Tunnels purchases or redeems term Series 2009A-1 Bonds with other available moneys, then the principal amount of those Series 2009A-1 Bonds will be credited against future Sinking Fund Installment requirements in any order, and in any annual amount, that MTA Bridges and Tunnels may direct.

***Optional Redemption.*** The Series 2009A-1 Bonds are not subject to optional redemption prior to the Mandatory Purchase Date. The Series 2009A-1 Bonds are subject to redemption at the option of MTA Bridges and Tunnels, in whole or in part, from available amounts, on the Mandatory Purchase Date at a Redemption Price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium.

***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 2009A-1 Bonds, as a whole at the time and at the price and in accordance with the terms upon which Series 2009A-1 Bonds are otherwise redeemable.

***Redemption Notices.*** So long as DTC is the securities depository for the Series 2009A-1 Bonds, the Trustee must mail redemption notices to DTC at least 15, but no more than 45 days before the redemption date. If the Series 2009A-1 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 2009A-1 Bonds is valid and effective even if DTC's procedures for notice should fail. Beneficial owners should consider arranging to receive redemption notices or other communications to DTC affecting them, including notice of interest payments through DTC participants. Any notice of optional redemption may state that it is conditional upon receipt by the Trustee of money sufficient to pay the Redemption Price or upon the satisfaction of any other condition, or that it may be rescinded upon the occurrence of any other event, and any conditional notice so given may be rescinded at any time before the payment of the Redemption Price if any such condition so specified is not satisfied or if any such other event occurs. **Please note that all redemptions are final even if beneficial owners did not receive their notice, and even if that notice had a defect.**

***Effect of Call for Redemption.*** If the Trustee gives an unconditional notice of redemption, then on the redemption date the Series 2009A-1 Bonds called for redemption will become due and payable. If the Trustee gives a conditional notice of redemption and holds money to pay the redemption price of the affected Series 2009A-1 Bonds, then on the redemption date the Series 2009A-1 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 2009A-1 Bonds called for redemption, thereafter, no interest will accrue on those Series 2009A-1 Bonds, and a bondholder's only right will be to receive payment of the redemption price upon surrender of those Series 2009A-1 Bonds.

#### **Mandatory Tender for Purchase of the Series 2009A-1 Bonds.**

***General.*** The Series 2009A-1 Bonds will be subject to mandatory tender for purchase on the Mandatory Purchase Date at a Purchase Price equal to 100% of the principal amount thereof, plus accrued interest to such Mandatory Purchase Date, without premium.

***Sources of Funds for Purchase of Tendered Series 2009A-1 Bonds.*** If not redeemed by the MTA Bridges and Tunnels on the Mandatory Purchase Date, tendered Series 2009A-1 Bonds will be purchased with the proceeds from the remarketing of the Series 2009A-1 Bonds, and, in the event moneys sufficient to pay the Purchase Price of all Outstanding Series Series 2009A-1 Bonds to be purchased on the Mandatory Purchase Date are not available,

from immediately available funds provided by MTA Bridges and Tunnels. The obligation of MTA Bridges and Tunnels to pay such Purchase Price is on a parity with the payment of Series 2009A-1 Bonds and Parity Debt. The failure of MTA Bridges and Tunnels to pay such Purchase Price would constitute a default under the Senior Bridges and Tunnels Resolution which, if not remedied within 30 days, would constitute an Event of Default under the Senior Bridges and Tunnels Resolution entitling the Trustee to exercise the remedies provided under the Senior Bridges and Tunnels Resolution.

***Notice of Mandatory Tender.*** If the Trustee has not sent a notice of redemption with respect to the Series 2009A-1 Bonds, the Trustee, at the direction of MTA Bridges and Tunnels, will give notice by mail to the registered owners of, and the remarketing agent to be designated by MTA Bridges and Tunnels (the Remarketing Agent) for, the Series 2009A-1 Bonds not later than 15 days prior to the Mandatory Purchase Date, which notice will state (1) that such Series 2009A-1 Bonds will be subject to mandatory tender for purchase on the Mandatory Purchase Date; (2) the procedures for such mandatory tender; and (3) that the Series 2009A-1 Bonds will be purchased at a price of par. Beneficial owners should be aware that, so long as DTC is the securities depository for the Series 2009A-1 Bonds, notice will be given to DTC as registered owner of the Series 2009A-1 Bonds. A mandatory tender of the Series 2009A-1 Bonds is valid and effective even if DTC's procedures for notice should fail. Beneficial owners may wish to ascertain that the nominee holding the Series 2009A-1 Bonds for their benefit has agreed to obtain and transmit notices to beneficial owners. The Senior Bridges and Tunnels Resolution requires the Trustee to appoint a Remarketing Agent and a Tender Agent no later than 60 days prior to the Mandatory Purchase Date.

***Delivery of Series 2009A-1 Bonds Upon Mandatory Tender.*** With respect to any Series 2009A-1 Bonds held in book-entry-only form, delivery of the Series 2009A-1 Bonds to the Tender Agent in connection with the mandatory tender for purchase, will be effected by the making of, or the irrevocable authorization to make, appropriate entries on the books of DTC or any DTC participant to reflect the transfer of the beneficial ownership interest in such Bond to the account of the Tender Agent, or to the account of a DTC participant acting on behalf of the Tender Agent.

***Series 2009A-1 Bonds Deemed Purchased.*** If moneys sufficient to pay the Purchase Price of the Series 2009A-1 Bonds to be purchased are held by the Tender Agent on the Mandatory Purchase Date, such Series 2009A-1 Bonds will be deemed to have been purchased, for all purposes of the Senior Bridges and Tunnels Resolution, irrespective of whether Series 2009A-1 Bonds will have been delivered to the Tender Agent, and neither the former owner of such Series 2009A-1 Bonds nor any other person will have any claim thereon, under the Senior Bridges and Tunnels Resolution or otherwise, for any amount other than the Purchase Price thereof.

In the event of non-delivery of any Bond to be purchased, the Tender Agent will segregate and hold uninvested the moneys for the Purchase Price of such Series 2009A-1 Bonds in trust, without liability for interest thereon, for the benefit of the former owners of such Series 2009A-1 Bonds, who will, except as provided in the following sentence, thereafter be restricted exclusively to such moneys for the satisfaction of any claim for the Purchase Price of such Series 2009A-1 Bonds. Any moneys which the Tender Agent will segregate and hold in trust for the payment of the Purchase Price of any Bond and remaining unclaimed for two (2) years after the date of purchase 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 owner of such 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 2009A-1 Bonds.

#### **Debt Service on the Series 2009A-1 Bonds**

**Table 1** on the next page sets forth, on a cash basis, the debt service on the outstanding Bonds other than the Series 2009A-1 Bonds, estimated debt service on the Series 2009A-1 Bonds after their remarketing, and the aggregate senior lien debt service on all Bonds to be outstanding after the remarketing of the Series 2009A-1 Bonds. **Table 1** does not include debt service on the subordinate bonds.

**Table 1**  
**Aggregate Senior Lien Debt Service**  
**(in thousands)<sup>(1)</sup>**

Year Ending December 31	Series 2009A-1 Bonds				Aggregate Debt Service <sup>(5)</sup>
	Outstanding Debt Service <sup>(2), (3)</sup>	Principal	Interest <sup>(4)</sup>	Total	
2010	\$449,975	\$ 0	\$ 4,917	\$ 4,917	\$ 454,892
2011	449,064	0	6,000	6,000	455,064
2012	449,148	5,405	6,000	11,405	460,553
2013	448,507	6,160	8,676	14,836	463,343
2014	447,546	6,810	8,306	15,116	462,662
2015	447,253	7,515	7,898	15,413	462,665
2016	443,904	11,555	7,447	19,002	462,905
2017	447,606	8,800	6,753	15,553	463,159
2018	443,225	9,580	6,225	15,805	459,031
2019	444,799	3,830	5,651	9,481	454,279
2020	446,357	2,690	5,421	8,111	454,467
2021	448,856	0	5,259	5,259	454,115
2022	448,247	510	5,259	5,769	454,017
2023	449,828	475	5,229	5,704	455,531
2024	444,279	4,815	5,200	10,015	454,294
2025	441,892	7,535	4,911	12,446	454,338
2026	442,136	7,985	4,459	12,444	454,580
2027	447,376	2,920	3,980	6,900	454,276
2028	446,115	4,240	3,805	8,045	454,160
2029	445,638	4,495	3,551	8,046	453,683
2030	445,439	4,745	3,281	8,026	453,465
2031	444,907	5,015	2,996	8,011	452,918
2032	412,778	5,310	2,695	8,005	420,783
2033	168,342	5,690	2,377	8,067	176,409
2034	168,372	6,015	2,035	8,050	176,423
2035	204,023	6,375	1,674	8,049	212,072
2036	195,506	6,770	1,292	8,062	203,567
2037	195,669	7,145	886	8,031	203,699
2038	194,513	7,615	457	8,072	202,585
2039	<u>47,064</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>47,064</u>
Total	\$11,408,362	\$150,000	\$132,638	\$282,638	\$11,691,000

<sup>(1)</sup> Totals may not add due to rounding. Debt service payable on January 1 of each year is included in the prior year's debt service.

<sup>(2)</sup> Includes the following variable rate assumptions for debt service: Series 2001B, Series 2001C, Series 2002F Bonds, Series 2003B Bonds and Series 2005 A Bonds: assumes interest rate at the fixed payer swap rates under the respective swap agreements relating thereto and a variable interest rate of 4.0% per annum on unhedged notional amounts. Series 2008B Bonds (after Reset Dates): assumes a variable interest rate of 4.0% per annum. Series 2005B-2, B-3 and B-4 Bonds: 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. MTA Bridges and Tunnels believes that its 4.0% variable rate assumption is reasonable for long-term cost calculations.

<sup>(3)</sup> Excludes debt service on the Series 2009A-1 Bonds.

<sup>(4)</sup> Interest calculated at a rate of 4.00% through the Mandatory Purchase Date and 6.00% thereafter on the Series 2009A-1 Bonds.

<sup>(5)</sup> Includes the assumptions set forth in footnotes 1, 2, 3 and 4.

## 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 Bonds, including the Series 2009A-1 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:

- Robert F. Kennedy Bridge,<sup>\*</sup>
- 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 June 8, 2009, 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 2009 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 Financial Plans. Consequently, the projections set forth in the Independent Engineers' report and in the Financial Plans may differ. Investors should read the Independent Engineers' report in its entirety.

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.

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<sup>\*</sup> Formerly, the Triborough Bridge.

**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<sup>(1)</sup> and Senior Lien Debt Service  
(in thousands)**

	Years Ended December 31,				
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Bridge and Tunnel Revenues:					
Robert F. Kennedy Bridge	\$ 247,937	\$ 280,516	\$ 288,301	\$ 285,847	\$ 287,877
Verrazano-Narrows Bridge	246,322	267,276	274,100	272,837	278,906
Bronx-Whitestone Bridge	187,231	188,808	186,384	200,076	212,125
Throgs Neck Bridge	184,338	210,242	223,756	217,958	219,855
Henry Hudson Bridge	40,149	43,920	44,901	44,779	46,126
Marine Parkway-Gil Hodges Memorial Bridge	10,102	11,234	11,536	11,635	12,019
Cross Bay Veterans' Memorial Bridge	9,477	10,988	11,630	12,090	12,212
Queens Midtown Tunnel	107,067	121,666	127,075	129,347	131,264
Brooklyn-Battery Tunnel	<u>64,365</u>	<u>70,294</u>	<u>73,868</u>	<u>75,980</u>	<u>73,590</u>
Total Bridge and Tunnel Revenues:	\$ 1,096,988	\$ 1,204,944	\$ 1,241,551	\$ 1,250,549	\$ 1,273,974
Investment Income and Other <sup>(1)</sup>	<u>38,376</u>	<u>60,102</u>	<u>31,603</u>	<u>23,885</u>	<u>23,911</u>
<b>Total Revenues</b>	<b>\$ <u>1,135,364</u></b>	<b>\$ <u>1,265,046</u></b>	<b>\$ <u>1,273,154</u></b>	<b>\$ <u>1,274,434</u></b>	<b>\$ <u>1,297,885</u></b>
Operating Expenses <sup>(2)</sup>					
Personnel Costs	\$ 158,403	\$ 173,549	\$ 183,268	\$ 196,755	\$ 207,305
Maintenance and Other Operating Expenses	<u>160,812</u>	<u>170,123</u>	<u>169,642</u>	<u>172,270</u>	<u>200,686</u>
<b>Total Operating Expenses</b>	<b>\$ <u>319,215</u></b>	<b>\$ <u>343,672</u></b>	<b>\$ <u>352,910</u></b>	<b>\$ <u>369,025</u></b>	<b>\$ <u>407,991</u></b>
<b>Net Revenues Available for Debt Service</b>	<b>\$ 816,149</b>	<b>\$ 921,374</b>	<b>\$ 920,244</b>	<b>\$ 905,409</b>	<b>\$ 889,894</b>
<b>Senior Lien Debt Service</b>	<b>\$ 251,139</b>	<b>\$ 284,462</b>	<b>\$ 300,450</b>	<b>\$ 313,042</b>	<b>\$ 354,688</b>
<b>Senior Lien Coverage</b>	<b>3.25x</b>	<b>3.24x</b>	<b>3.06x</b>	<b>2.89x</b>	<b>2.51x</b>

<sup>(1)</sup> 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 2004 through 2008, respectively: \$4.048 million; \$5.578 million; \$5.044 million; \$5.334 million and \$6.082 million. The amounts set forth in this footnote are derived from MTA Bridges and Tunnels' audited financial statements for the years 2004 through 2008.

<sup>(2)</sup> Excludes depreciation and other post-employment benefits other than pensions.

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

- Bridge and Tunnel Revenues – In 2005, crossing charges were increased effective March 13, 2005. In 2008, crossing charges were increased effective March 16, 2008.
- Investment Income and Other – 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 – 2004 personnel costs were marginally lower than 2003. 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 and 2008 increases in personnel costs was caused by increases in salaries and wages and pension costs.
- Operating Expenses – Maintenance and Other Operating Expenses – 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. In 2008, the major increases were due to increases in major maintenance.

**Table 3** sets forth estimated results for 2009 and budget information for 2010 taken from the November Plan; the December Plan did not make significant changes applicable to MTA Bridges and Tunnels. 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 2009 and 2010 budgets 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

**Summary of 2009 November Forecast and 2010 Final Proposed Budget Pledged Revenues  
(Calculated in Accordance with the Senior Bridges and Tunnels Resolution) and Expenses on a Cash Basis  
(in millions)**

	<u>Years Ended December 31,</u>	
	<u>2009</u> (November Forecast)	<u>2010</u> (Final Proposed Budget)
Total Bridge and Tunnel Revenues:	\$1,330,916	\$1,401,595
Investment Income and Other <sup>(1)</sup>	<u>12,195</u>	<u>11,555</u>
<b>Total Revenues</b>	<b><u>\$1,343,111</u></b>	<b><u>\$1,413,150</u></b>
Operating Expenses <sup>(2)</sup>		
Personnel Costs (net of reimbursements) <sup>(3)</sup>	\$218,691	\$232,118
Maintenance and Other Operating Expenses <sup>(4)</sup>	<u>196,944</u>	<u>218,031</u>
<b>Total Operating Expenses</b>	<b><u>\$415,635</u></b>	<b><u>\$450,149</u></b>
<b>Net Revenues Available for Debt Service</b>	<b>\$927,476</b>	<b>\$963,001</b>
<b>Senior Lien Debt Service<sup>(5)</sup></b>	<b>\$359,800</b>	<b>\$464,991</b>
<b>Senior Lien Coverage<sup>(5)</sup></b>	<b>2.58x</b>	<b>2.07x</b>

(1) Includes the net revenues from the Battery Parking Garage, E-ZPass administrative fees and miscellaneous revenues.

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

(3) For 2009 and 2010, includes regular and overtime salaries and fringe benefits, less capitalized personnel reimbursements.

(4) Increases in budgeted 2010 expenses are primarily attributable to contractual step-up increases, inflation in labor-related costs and increase in material and supplies costs (primarily due to the E-ZPass Tag replacement program).

(5) Net of Build America Bonds interest subsidy of \$4.4 million in 2010.

## 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 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

- o 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 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 Series 2009A-1 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 Series Bonds on a parity with the Series 2009A-1 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 Series 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 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 2009A-1 BONDS

Part III of this Remarketing Circular provides miscellaneous additional information relating to the Series 2009A-1 Bonds.

#### TAX MATTERS

##### General

Nixon Peabody LLP is Bond Counsel for the remarketing of Series 2009A-1 Bonds. On February 18, 2009, the date of original issuance and delivery of the Original Series 2009A-1 Bonds, Nixon Peabody LLP, 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 2009A-1 Bonds, which opinion is not being reissued. On the date of the remarketing of the Series 2009A-1 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 2009A-1 Bonds and the amendment of the mandatory Sinking Fund Installments for the Series 2009A-1 Bonds to reflect the revised mandatory Sinking Fund Installments described herein will not adversely affect for Federal and State income tax purposes the tax treatment on the Series 2009A-1 Bonds. Each opinion speaks only as of its respective date and only as revised 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 2009A-1 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 also provided that under existing law interest on the Series 2009A-1 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 2009A-1 Bonds that MTA Bridges and Tunnels must meet throughout the term of the Series 2009A-1 Bonds, including after the remarketing of the Series 2009A-1 Bonds. These requirements generally involve the way that Series 2009A-1 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 2009A-1 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 2009A-1 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 2009A-1 Bonds.

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

Bond Counsel is not 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 2009A-1 Bonds or affect the market price of the Series 2009A-1 Bonds. For example, the Internal Revenue Code could be changed. See also “Miscellaneous” below in this heading.

Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel on the federal income tax treatment of interest on the Series 2009A-1 Bonds, or under State, local or foreign tax law.

### **Information Reporting and Backup Withholding**

Information reporting requirements apply to interest paid on the Series 2009A-1 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 2009A-1 Bonds under federal or state law and could affect the market price or marketability of the Series 2009A-1 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 2009A-1 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 2009A-1 Bonds.

### **LITIGATION**

There is no pending litigation concerning the Series 2009A-1 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 unconstitutional treatment under 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 Series 2009A-1 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 2009A-1 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.

## REMARKETING

The Series 2009A-1 Bonds are being remarketed by Barclays Capital Inc. and Loop Capital Markets, LLC (the Remarketing Agents), at prices that are not in excess of the prices or yields stated on the cover of this Remarketing Circular. The Remarketing Agents will be paid a fee of \$461,413 to remarket the Bonds. The obligations of the Remarketing Agents are subject to certain terms and conditions set forth in an agreement (the Remarketing Agreement) with MTA Bridges and Tunnels.

## RATINGS

The Summary of Terms identifies the ratings of the credit rating agencies to be assigned to the Series 2009A-1 Bonds. Those ratings reflect only the views of the organizations assigning them. An explanation of the significance of the ratings or any outlooks or other statements given with respect thereto from each identified agency may be obtained as follows:

Fitch Ratings	Moody's Investors Service, Inc.	Standard & Poor's Ratings Services
One State Street Plaza	7 World Trade Center	55 Water Street
New York, New York 10004	New York, New York 10007	New York, New York 10041
(212) 908-0500	(212) 553-0300	(212) 438-2000

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

## LEGAL MATTERS

All legal proceedings in connection with the remarketing of the bonds being offered are subject to the approval of the nationally-recognized bond counsel firm identified on the cover page and in the Summary of Terms. The form of the opinion of Bond Counsel is **Attachment 3** to this Remarketing Circular.

## CONTINUING DISCLOSURE UNDER SEC RULE 15C2-12

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

MTA Bridges and Tunnels has further agreed to deliver notice to EMMA of any failure to provide the Annual Information. MTA Bridges and Tunnels is also obligated to deliver notices of the following events, if material, to EMMA:

- principal and interest delinquencies;
- non-payment related defaults;
- unscheduled draws on debt service reserves reflecting financial difficulties;
- unscheduled draws on credit enhancements reflecting financial difficulties;
- substitution of credit or liquidity providers, or their failure to perform;
- adverse tax opinions or events affecting the tax exempt status of the security;
- modifications to the rights of security holders;
- bond calls;
- defeasance;
- release, substitution, or sale of property securing repayment of the securities; and
- rating changes.

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

#### **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](http://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  
Metropolitan Transportation Authority

**ATTACHMENT 1**  
**BOOK-ENTRY-ONLY SYSTEM**

1. The Depository Trust Company (DTC), New York, NY, will act as securities depository for the Series 2009A-1 Bonds. The Series 2009A-1 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 2009A-1 Bond will be issued for each maturity of the Series 2009A-1 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 2009A-1 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](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

3. Purchases of Series 2009A-1 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2009A-1 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2009A-1 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 2009A-1 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 2009A-1 Bonds, except in the event that use of the book-entry system for the Series 2009A-1 Bonds is discontinued.

4. To facilitate subsequent transfers, all Series 2009A-1 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 2009A-1 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 2009A-1 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2009A-1 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 2009A-1 Bonds may wish to take certain steps to augment the transmission to them of

notices of significant events with respect to the Series 2009A-1 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2009A-1 Bond documents. For example, Beneficial Owners of the Series 2009A-1 Bonds may wish to ascertain that the nominee holding the Series 2009A-1 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 2009A-1 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 2009A-1 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 2009A-1 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 2009A-1 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 Direct and Indirect 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 Direct or Indirect 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 2009A-1 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 2009A-1 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 2009A-1 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

### CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (“Rule 15c2-12”), MTA Bridges and Tunnels and the Trustee will enter into a written agreement (the “Disclosure Agreement”) for the benefit of holders of the Series 2009A-1 Bonds to provide continuing disclosure. MTA Bridges and Tunnels will undertake to provide certain financial information and operating data by no later than 120 days after the end of each MTA Bridges and Tunnels fiscal year, commencing with the fiscal year ending December 31, 2009 (the “Annual Information”), and to provide notices of the occurrence of certain enumerated events, if material. The Annual Information will be filed by or on behalf of MTA Bridges and Tunnels with the Electronic Municipal Market Access System (EMMA) of the Municipal Securities Rulemaking Board (MSRB). Notices of material events will be filed by or on behalf of MTA Bridges and Tunnels with EMMA. The nature of the information to be provided in the Annual Information and the notices of material events is set forth below.

Pursuant to Rule 15c2-12, MTA Bridges and Tunnels will undertake for the benefit of holders of Series 2009A-1 Bonds to provide or cause to be provided either directly or through the Trustee, audited financial statements by no later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2009, when and if such audited financial statements become available and, if such audited financial statements are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements for such fiscal year. MTA Bridges and Tunnels annual financial statements will be filed with EMMA.

The required Annual Information will include at least the following:

1. information of the type included in **Appendix A** under the following captions:
  - a. “TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY – MTA Bridges and Tunnels Facilities,”
  - b. “TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY – Authorized Projects of MTA Bridges and Tunnels,”
  - c. “RIDERSHIP AND FACILITIES USE – MTA Bridges and Tunnels – Total Revenue Vehicles,”
  - d. “RIDERSHIP AND FACILITIES USE – Toll Rates,”
  - e. “RIDERSHIP AND FACILITIES USE – Competing Facilities and Other Matters,” and
  - f. “EMPLOYEES, LABOR RELATIONS AND PENSION OBLIGATIONS – MTA Bridges and Tunnels.”
2. information regarding the capital programs of MTA Bridges and Tunnels, as well as of related public authorities whose operating needs, financing activities and capital programs may have a material impact on the operations and financing activities of MTA Bridges and Tunnels,
3. a presentation of changes to indebtedness issued by MTA Bridges and Tunnels under both the Senior Bridges and Tunnels Resolution, as well as information concerning changes to MTA Bridges and Tunnels’ debt service requirements on such indebtedness payable from Revenues,
4. historical information concerning traffic, revenues, operating expenses, Senior Bridges and Tunnels Resolution debt service and debt service coverage of the type included in this Remarketing Circular in **Table 2**,
5. material litigation related to any of the foregoing, and
6. such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data concerning, and in judging the financial condition of, MTA Bridges and Tunnels.

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

MTA Bridges and Tunnels will undertake, for the benefit of holders of the Series 2009A-1 Bonds, to provide or cause to be provided:

1. to EMMA, in a timely manner, notice of any of the events listed under the heading "CONTINUING DISCLOSURE" in this Remarketing Circular with respect to the Series 2009A-1 Bonds, if material, and
2. to EMMA, in a timely manner, notice of a failure to provide any Annual Information required by such undertaking or any required audited financial statements.

The Disclosure Agreement provides that if any party to the Disclosure Agreement fails to comply with any provisions of its undertaking described herein, then any holder of the Series 2009A-1 Bonds (which will include beneficial owners during any period that DTC acts as securities depository for, and DTC or its nominee is the registered owner of, the Series 2009A-1 Bonds) may enforce, for the equal benefit and protection of all holders similarly situated, by mandamus or other suit or proceeding at law or in equity, the undertaking against such party and any of its officers, agents and employees, and may compel such party or any of its officers, agents or employees to perform and carry out their duties thereunder; provided that the sole and exclusive remedy for breach under the undertaking is an action to compel specific performance, and no person or entity, including any holder of Series 2009A-1 Bonds, may recover monetary damages thereunder under any circumstances, and provided further that any challenge to the adequacy of any information under the undertaking may be brought only by the Trustee or the holders of 25 percent in aggregate principal amount of the Series 2009A-1 Bonds at the time Outstanding which are affected thereby. Each of MTA Bridges and Tunnels and the Trustee reserves the right, but shall not be obligated to, enforce the obligations of the others. Failure to comply with any provisions of the undertaking shall not constitute a default under the Senior Bridges and Tunnels Resolution nor give right to the Trustee or any Bondholder to exercise any remedies under the Senior Bridges and Tunnels Resolution. In addition, if all or any part of Rule 15c2-12 ceases to be in effect for any reason, then the information required to be provided under the undertaking insofar as the provision of Rule 15c2-12 no longer in effect required the provision of such information, shall no longer be required to be provided.

The foregoing is intended to set forth a general description of the type of financial information and operating data that will be provided; the descriptions are not intended to state more than general categories of financial information and operating data; and where MTA Bridges and Tunnels' undertaking calls for information that no longer can be generated or is no longer relevant because the operations to which it related have been materially changed or discontinued, a statement to that effect will be provided. MTA Bridges and Tunnels does not anticipate that it often will be necessary to amend the undertaking. The undertaking, however, may be amended or modified under certain circumstances set forth therein and the undertaking will continue until the earlier of the date the Series 2009A-1 Bonds have been paid in full or legally defeased pursuant to the Senior Bridges and Tunnels Resolution or the date the undertaking is no longer required by law. Copies of the undertaking when executed by the parties will be on file at the office of MTA Bridges and Tunnels.

**ATTACHMENT 3**

**FORMS OF OPINIONS OF BOND COUNSEL**

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**ATTACHMENT 3**

**FORM OF OPINION OF BOND COUNSEL DELIVERED  
ON FEBRUARY 18, 2009 IN CONNECTION WITH THE ISSUANCE OF THE  
SERIES 2009A-1 BONDS**

February 18, 2009

Triborough Bridge and Tunnel Authority  
New York, New York

Ladies and Gentlemen:

We have examined a certified copy of the record of proceedings of the Triborough Bridge and Tunnel Authority (the "TBTA") and other proofs submitted to us relative to the issuance of \$150,000,000 aggregate principal amount of Triborough Bridge and Tunnel Authority General Revenue Mandatory Tender Bonds, Series 2009A-1 (the "Series 2009A-1 Bonds").

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

The Series 2009A-1 Bonds are issued under and pursuant to the Constitution and statutes of the State of New York (the "State"), including the Triborough Bridge and Tunnel Authority Act, being Title 3 of Article 3 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as amended to the date of this opinion letter (herein called the "Issuer Act"), and under and pursuant to proceedings of TBTA duly taken, including 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 January 30, 2008, as amended and restated on April 30, 2008 (collectively, the "Resolution").

The Series 2009A-1 Bonds are dated, mature, are payable, bear interest and are subject to redemption, all as provided in the Resolution.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Series 2009A-1 Bonds in order that interest on the Series 2009A-1 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 the TBTA, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which the TBTA has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series 2009A-1 Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series 2009A-1 Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates the TBTA to take certain actions necessary to cause interest on the Series 2009A-1 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 2009A-1 Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The TBTA has covenanted in the Resolution to maintain the exclusion of the interest on the Series 2009A-1 Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinion in paragraph 5 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 exclusion of interest on the Series 2009A-1 Bonds from gross income for federal income tax purposes under Section 103 of the Code and (ii) compliance by the TBTA with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

We have also examined one of said Series 2009A-1 Bonds as executed and, in our opinion, the form of said Series 2009A-1 Bond and its execution are regular and proper.

We are of the opinion that:

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

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

3. The Series 2009A-1 Bonds have been duly and validly authorized and issued in accordance with the laws of the State, including the Constitution of the State and the Issuer Act, and in accordance with the Resolution, and are valid and binding direct and general obligations of TBTA, enforceable in accordance with their terms and the terms of the Resolution, payable solely from the Trust Estate as provided in the Resolution, and are entitled to the benefits of the Issuer Act and the Resolution. TBTA has no taxing power and the Series 2009A-1 Bonds are not debts of the State or of any other political subdivision thereof. TBTA reserves the right to issue additional Obligations and to incur Parity Debt on the terms and conditions, and for the purposes, provided in the Resolution, on a parity as to security and payment with the Series 2009A-1 Bonds.

4. The Series 2009A-1 Bonds are securities in which all public officers and bodies of the State and all municipalities and political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and savings associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries, and all other persons who are or may be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them to the extent that the legality of such investment is governed by the laws of the State; and which may be deposited with and shall be received by all public officers and bodies of the State and all municipalities and political subdivisions for any purpose for which the deposit of bonds or other obligations of the State is or may be authorized.

5. Under existing statutes and court decisions (i) interest on the Series 2009A-1 Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series 2009A-1 Bonds is not treated as a preference item in calculating the alternative minimum tax imposed on individuals and corporations under the Code; such interest, however, is included in the adjusted current earnings of certain corporations for purposes of calculating the alternative minimum tax imposed on such corporations.

6. Under existing statutes, interest on the Series 2009A-1 Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof.

The opinions expressed in paragraphs 2 and 3 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.

Except as stated in paragraphs 5 and 6, we express no opinion regarding any other federal, state, local or foreign tax consequences with respect to the Series 2009A-1 Bonds. We express no opinion on the effect of any action hereafter taken or not taken in reliance upon an opinion of other counsel on the exclusion from gross income for federal income tax purposes of interest on the Series 2009A Bonds, or under state, local and foreign tax law.

We express no opinion as to the accuracy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series 2009A-1 Bonds.

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

Very truly yours,

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**ATTACHMENT 3-2**

**FORM OF OPINION OF BOND COUNSEL EXPECTED TO BE DELIVERED  
ON THE DATE THE SERIES 2009A-1 BONDS ARE REMARKETED**

[Dated January 20, 2010]

Triborough Bridge and Tunnel Authority

Ladies and Gentlemen:

On February 18, 2009, we delivered our opinion as bond counsel for the Triborough Bridge and Tunnel Authority ("TBTA") in connection with the issuance by TBTA of \$150,000,000 aggregate principal amount of its General Revenue Mandatory Tender Bonds, Series 2009A-1 (the "Series 2009A-1 Bonds").

The Series 2009A-1 Bonds were issued and are secured under and pursuant to the General Resolution Authorizing General Revenue Obligations of the TBTA, adopted on March 26, 2002, as supplemented and amended to the date thereof (the "Resolution").

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

On the date hereof, (i) the Series 2009A-1 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 tender date to be paid from the proceeds of a remarketing of the Series 2009A-1 Bonds (except for accrued interest which will be paid from TBTA Revenues) in the Term Rate Mode for a new Interest Rate Period, and (ii) the Certificate of Determination, dated February 18, 2009, relating to the Series 2009A-1 Bonds will be amended to revise the Sinking Fund Installments for the Series 2009A-1 Bonds and make other changes required to accomplish such remarketing.

Based on the foregoing, we are of the opinion that the mandatory tender and remarketing of the Series 2009A-1 Bonds and the amendment of the Certificate of Determination are permitted under the Issuer Act and the Resolution. In addition, under existing statutes and court decisions the foregoing action will not, in and of itself, adversely affect the exclusion of interest on the Series 2009A-1 Bonds from gross income of the owners thereof for federal income tax purposes and from personal income taxes imposed by of the State of New York or any political subdivision thereof.

Except as necessary to render this opinion, we have undertaken no investigation as to matters affecting the exclusion of interest on the Series 2009A-1 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 2009A-1 Bonds, without investigation, that TBTA is in compliance with its covenants and agreements under the Resolution and that the proceeds of the Series 2009A-1 Bonds were applied in accordance with the Resolution and the tax certificate of TBTA delivered in connection with the issuance of the Series 2009A-1 Bonds. Failure of TBTA to have so complied or to have so applied the proceeds of the Series 2009A-1 Bonds, or to so comply, could adversely affect the exclusion of interest on the Series 2009A-1 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 2009A-1 Bonds from gross income for Federal income tax purposes.

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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