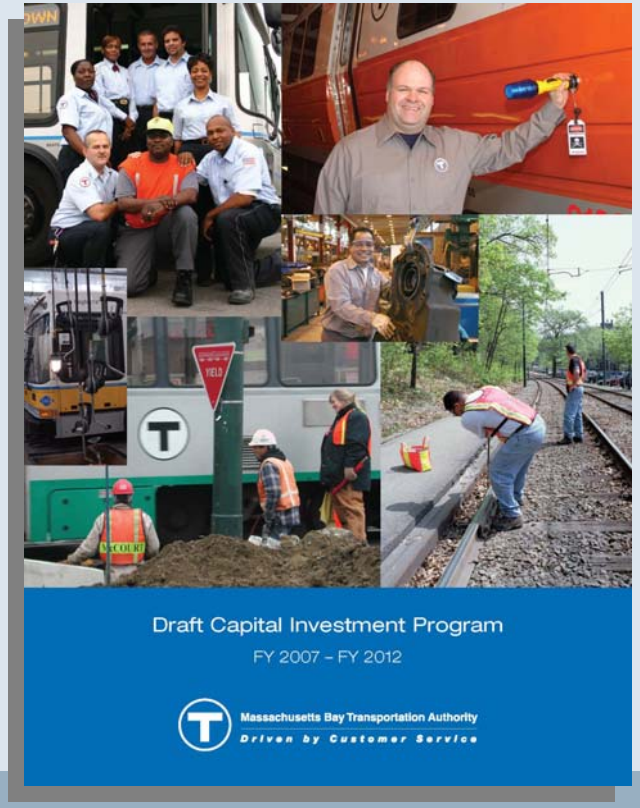
MBTA Program for Mass Transportation

PMT Stakeholder Advisory Committee

April 27, 2007

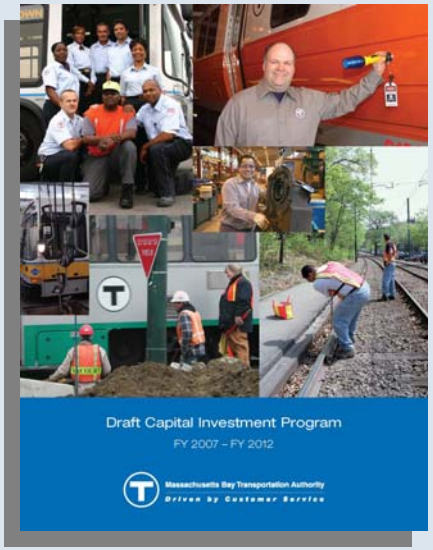
Massachusetts Bay Transportation Authority

MBTA Capital Investment Program (CIP)



What is the Capital Investment Program?

- Rolling 5-year capital program
- Implements the 25-year Program for Mass Transportation
- The CIP is financially constrained
- The Draft CIP includes the current fiscal year



What does the Capital Program invest in?

OVER 2,500 REVENUE VEHICLES

275 STATIONS

885 MILES OF TRACK

496 BRIDGES

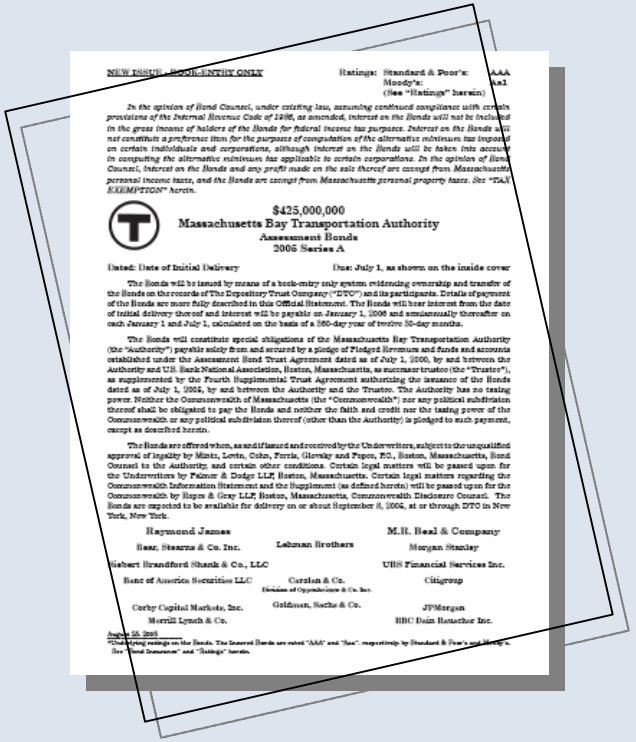
20 MILES OF TUNNELS

19 MAINTENANCE SHOPS

Massachusetts Bay Transportation Authority

How is the CIP Funded?

- Federal Grants
- Non-Federal
  - – Revenue Bonds
  - – State Funds
  - – Pay-as-you-go
- Alternative Financing
  - – Project Financing
  - – Grant Application Notes



NEW ISSUE – BOOK-ENTRY ONLY

Ratings: Standard & Poor's: AAA
Moody's: Aa1
(See "Ratings" herein)

In the opinion of Bond Counsel, under existing law, assuming continued compliance with certain provisions of the Internal Revenue Code of 1986, as amended, interest on the Bonds will not be included in the gross income of holders of the Bonds for federal income tax purposes. Interest on the Bonds will not constitute a preference item for the purposes of computation of the alternative minimum tax imposed on certain individuals and corporations, although interest on the Bonds will be taken into account in computing the alternative minimum tax applicable to certain corporations. In the opinion of Bond Counsel, interest on the Bonds and any profit made on the sale thereof are exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. See "TAX EXEMPTION" herein.

$425,000,000
Massachusetts Bay Transportation Authority
Assessment Bonds
2006 Series A

Dated: Date of Initial Delivery — Due: July 1, as shown on the inside cover

The Bonds will be issued by means of a book-entry only system evidencing ownership and transfer of the Bonds on the records of The Depository Trust Company ("DTC") and its participants. Details of payment of the Bonds are more fully described in this Official Statement. The Bonds will bear interest from the date of initial delivery thereof and interest will be payable on January 1, 2006 and semiannually thereafter on each January 1 and July 1, calculated on the basis of a 360-day year of twelve 30-day months.

The Bonds will constitute special obligations of the Massachusetts Bay Transportation Authority (the "Authority") payable solely from and secured by a pledge of Pledged Revenues and funds and accounts established under the Assessment Bond Trust Agreement dated as of July 1, 2000, by and between the Authority and U.S. Bank National Association, Boston, Massachusetts, as successor trustee (the "Trustee"), as supplemented by the Fourth Supplemental Trust Agreement authorizing the issuance of the Bonds dated as of July 1, 2006, by and between the Authority and the Trustee. The Authority has no taxing power. Neither the Commonwealth of Massachusetts (the "Commonwealth") nor any political subdivision thereof shall be obligated to pay the Bonds and neither the faith and credit nor the taxing power of the Commonwealth or any political subdivision thereof (other than the Authority) is pledged to such payment, except as described herein.

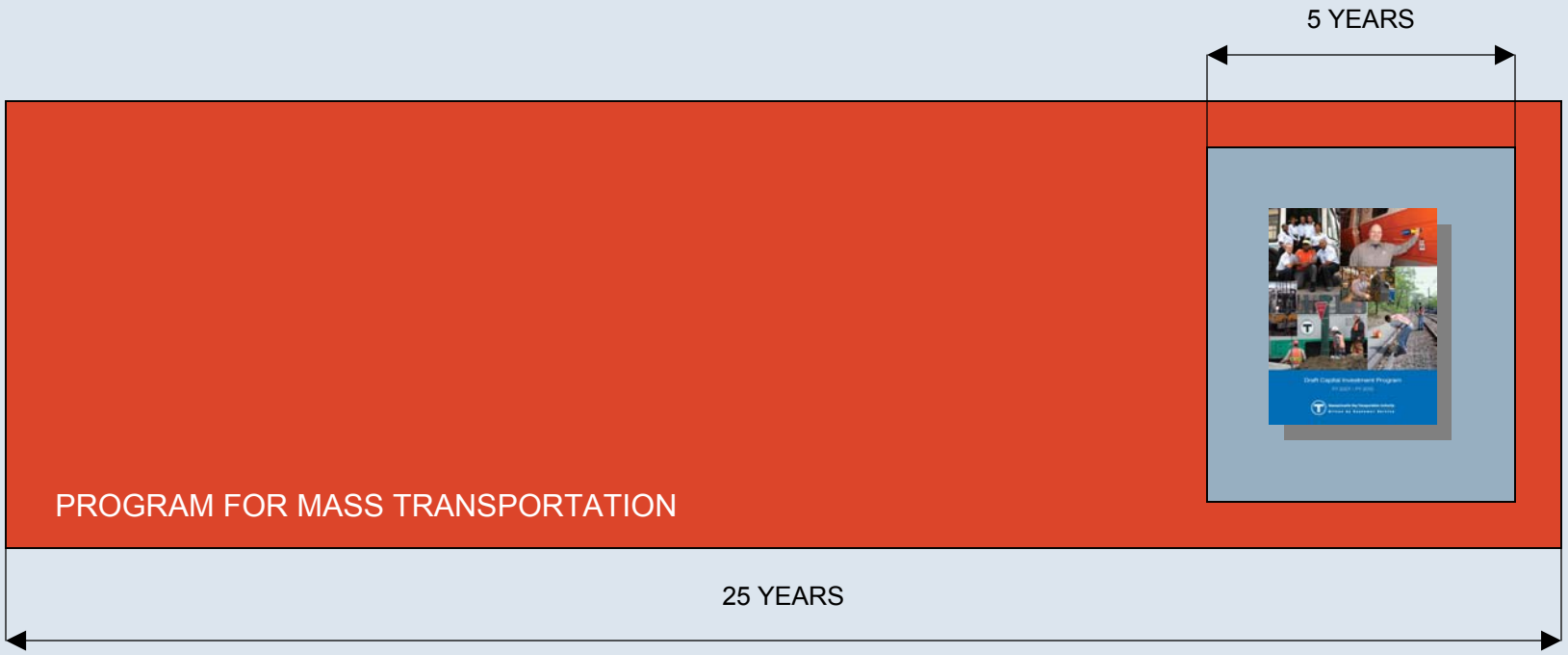
The Bonds are offered when, as and if issued and received by the Underwriters, subject to the unqualified approval of legality by Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Boston, Massachusetts, Bond Counsel to the Authority, and certain other conditions. Certain legal matters will be passed upon for the Underwriters by Palmer & Dodge LLP, Boston, Massachusetts. Certain legal matters regarding the Commonwealth Information Statement and the Supplement (as defined herein) will be passed upon for the Commonwealth by Ropes & Gray LLP, Boston, Massachusetts, Commonwealth Disclosure Counsel. The Bonds are expected to be available for delivery on or about September 8, 2006, at or through DTC in New York, New York.

Raymond James — M.R. Beal & Company
Bear, Stearns & Co. Inc. — Lehman Brothers — Morgan Stanley
Robert Brandford Shank & Co., LLC — UBS Financial Services Inc.
Banc of America Securities LLC — Carolan & Co. — Citigroup
Corby Capital Markets, Inc. — Goldman, Sachs & Co. — JPMorgan
Merrill Lynch & Co. — RBC Dain Rauscher Inc.

August 30, 2006

Outstanding ratings on the Bonds. The Insured Bonds are rated "AAA" and "Aaa", respectively, by Standard & Poor's and Moody's. See "Bond Insurance" and "Ratings" herein.

CIP Relationship to PMT



Yearly Timetable

JUL	SUBMISSION OF NEW REQUESTS	JAN	ADJUSTMENTS TO CIP
AUG		FEB	
SEP	PROJECT EVALUATION	MAR	MBTA BOARD OF DIRECTORS APPROVAL
OCT		APR	SUBMIT TO STATE LEGISTLATURE (NO LATER THAN MAY 1)
NOV	RELEASE OF DRAFT CIP	MAY	
DEC	PUBLIC HEARINGS	JUN	

FY08–FY12 Basic Statistics

- Number of CIP applications ≈ 569
- Dollar value of all requests ≈ $4.7b
- Projects recommended for funding ≈ 66
- Dollar value of projects recommended ≈ $403m

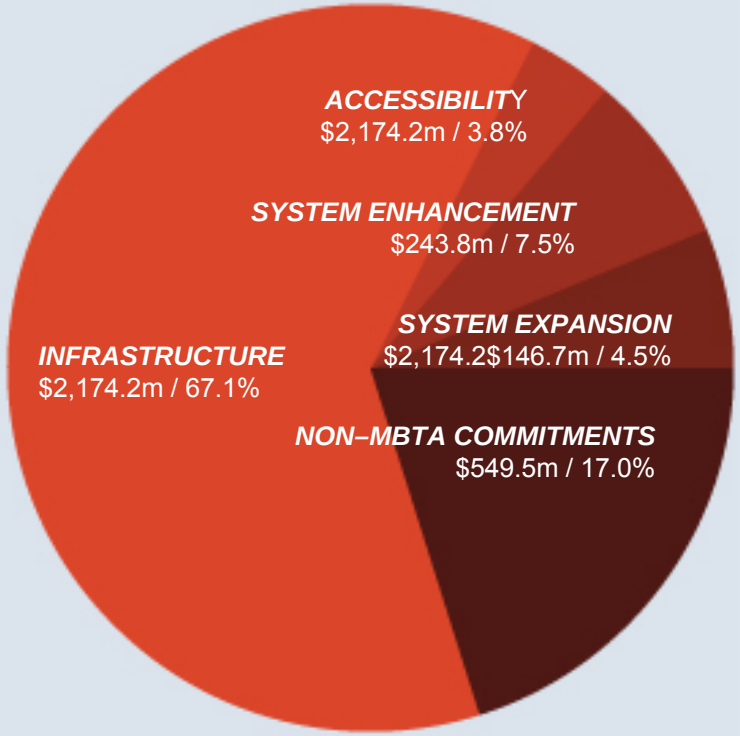
CIP Prioritization Criteria

- Factor One: Safety, Health and Environment
- Factor Two: State of Good Repair
- Factor Three: Cost/Benefit
- Factor Four: Operational Impact
- Factor Five: Legal Commitments
- The MBTA works closely with the Central Transportation Planning Staff (CTPS) and the Boston Metropolitan Planning Organization (MPO) to ensure that minority and low-income regions are treated equitably regarding the delivery of transportation services.

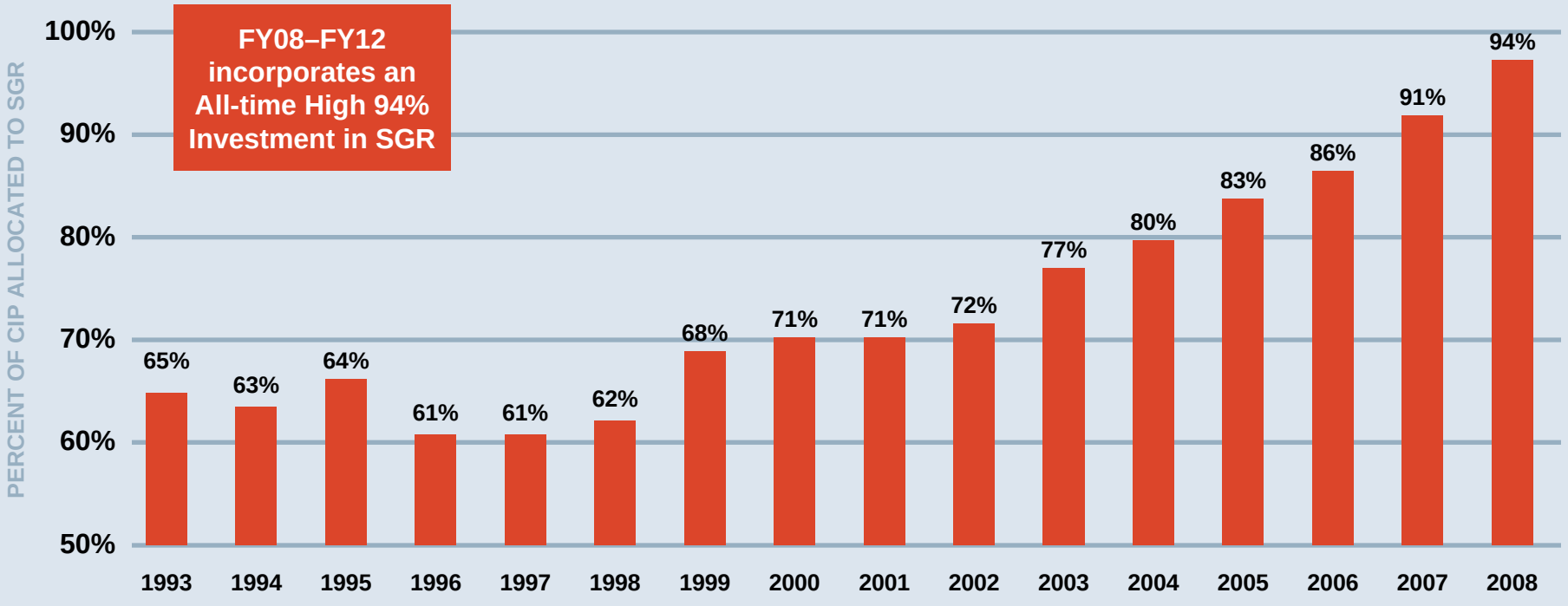
FY08–FY12 CIP

Programmatic Areas

- MBTA Funding: $2,688m / 13%
- Non-MBTA Funding: $549m / 17%



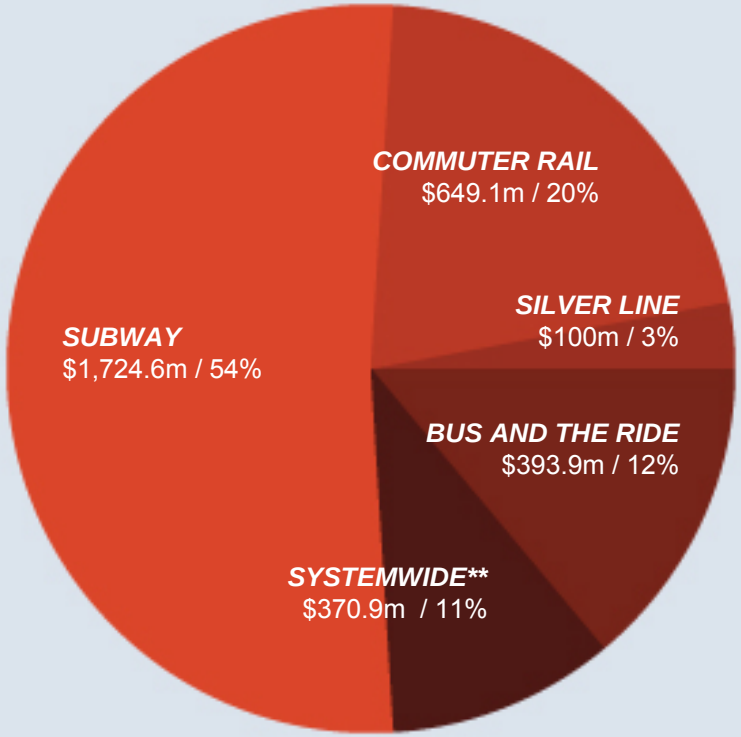
FY08–FY12 CIP Focus: State of Good Repair



Massachusetts Bay Transportation Authority

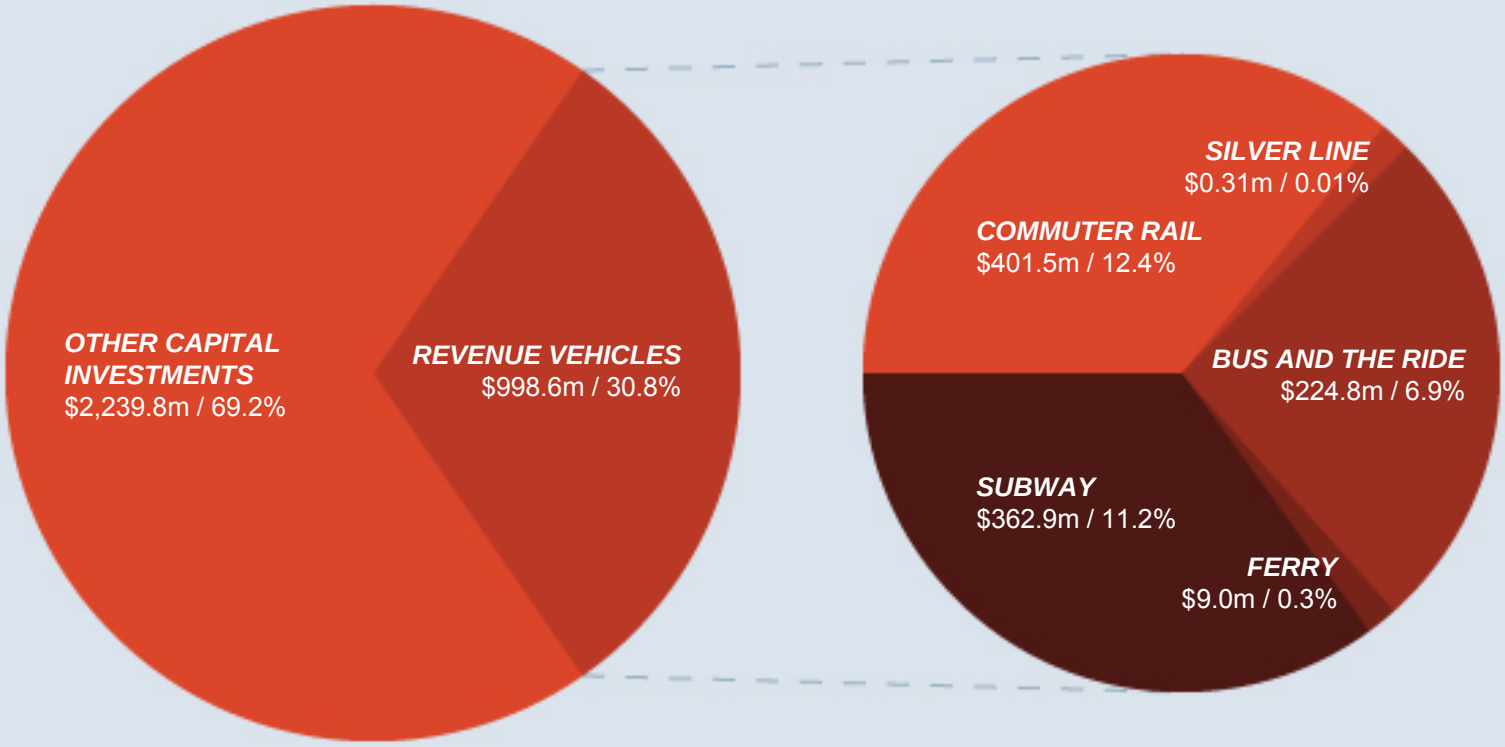
FY08–FY12 CIP

Investment by Mode



** Water Transportation investment is included under systemwide efforts

FY08–FY12 CIP – Revenue Vehicles



MBTA Revenue Vehicles

Bus, Trackless Trolley and Bus Rapid Transit Operating Characteristics

- >180 routes
- 790 weekday AM peak pull-outs
- >7,500 weekday round trips
- >92,000 weekday vehicle miles

Bus and Trackless Trolley Fleet

QUANTITY	FLEET	SERVICE DATES
	Compressed Natural Gas (CNG) Vehicles	
17	New Flyer CNG 40ft	2001-2002
27	NeoPlan CNG 60ft	2003
299	NABI CNG 40ft	2004
	Diesel Vehicles	
113	“Zero-Series” 40ft (diesel)	1994
258	“Zero-Series” 40ft (diesel)	1995
193	NeoPlan 40ft (emission controlled diesel)	2004
	Electric Vehicles	
7	Flyer Trackless Trolleys	1976
28	Electric Trolley Buses	2004
942	**TOTAL (343 CNG, 193 ECD, 371 Diesel, 35 Electric Buses)**	

Bus Rapid Transit Fleet

QUANTITY	FLEET	SERVICE DATES
17	Compressed Natural Gas 60ft Silver Line Washington Street	2003-2004
32	Dual Mode Articulated 60ft Silver Line Waterfront	2005-2006
49	**TOTAL**	

Bus Fleet Replacement

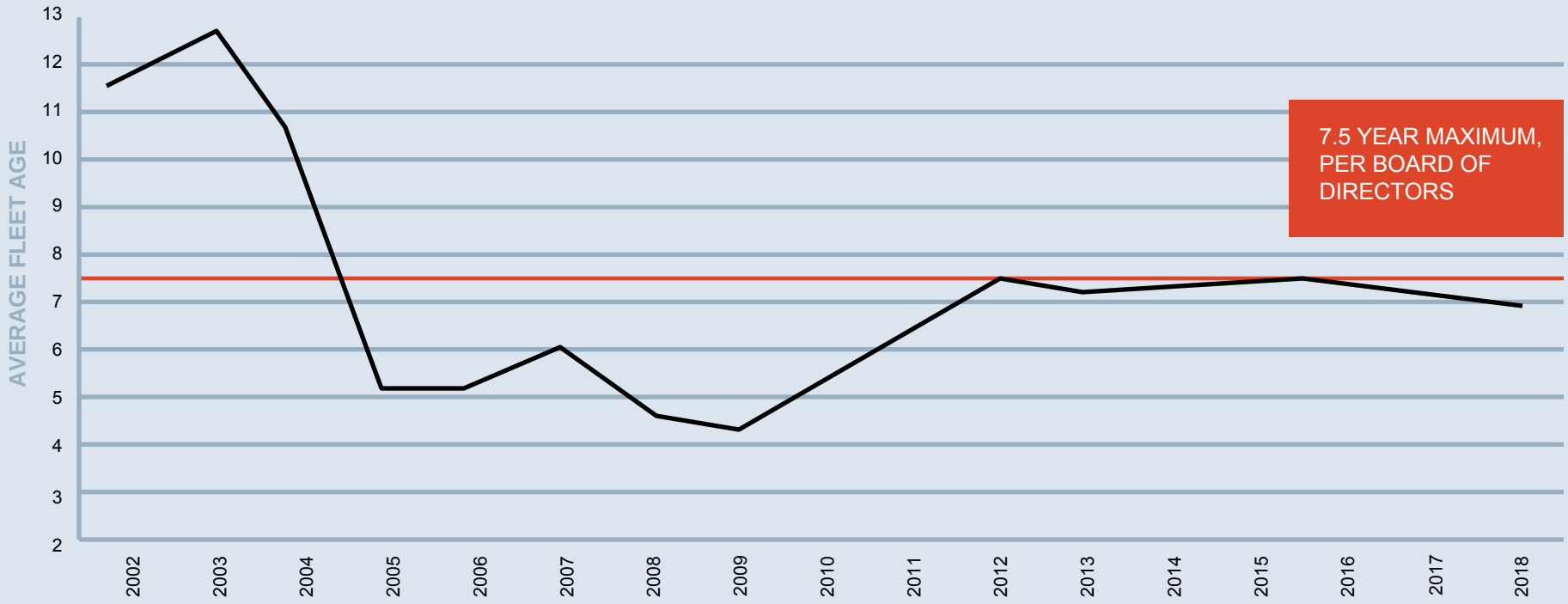
- **155 New Flyer Emission Controlled Diesel Buses.**
  First bus entered service November 30, 2006.
  All buses scheduled to enter service by mid 2007.

- After these deliveries the average fleet age will be 5.5 years

- December 2006-MBTA Board approved option for additional 155 New Flyers ECD buses.

- All new buses are GPS-equipped, handicapped accessible, and have new on-board Variable Message Signs (VMS's)

Bus Fleet Average Age



Massachusetts Bay Transportation Authority

Bus Maintenance

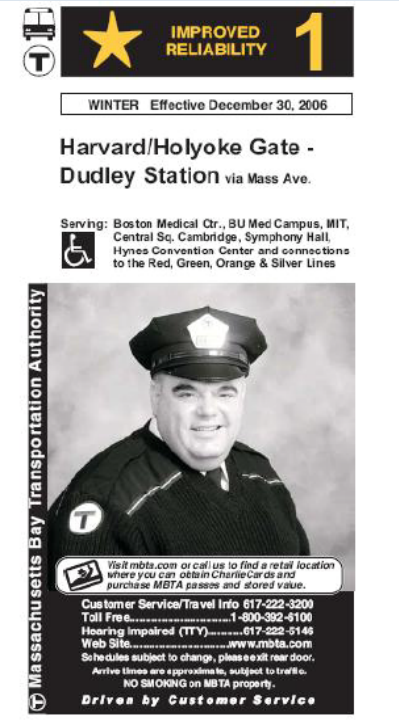
Completed in 2006

- 125 Midlife overhauls to extend life of each bus by an average of 6 years
- In-house overhaul on an additional ninety–seven 1994-95 Nova Series Buses
- Modification of all buses to accept new AFC Fare Boxes
- Program for A/C Compressors & Clutch Assembly for 376 Novas
- Engine compartment configuration program as part of the Bus Fire Safety Initiative

Bus Key Routes Improvement Program

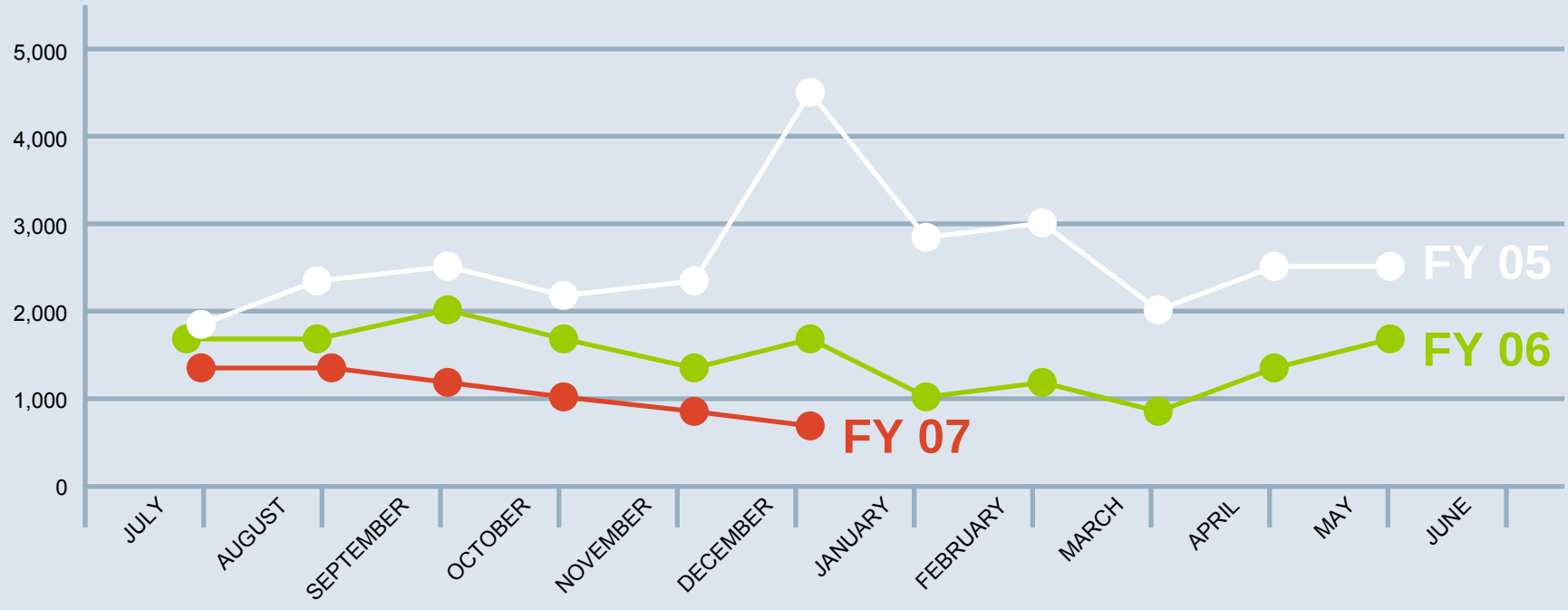
- Improvements implemented December 30, 2006 on the following routes: 1, 15, 22, 23, 28, 32, 39, 57, 66, 71, 73, 77, 111, 116/117, and Silver Line Waterfront. Also, new Bus route 25 introduced to address crowding.
- Improvements to 16 routes with heaviest use, representing 41% of bus ridership.
- Primary goals: reduce crowding, improve service reliability and to improve a customer's experience when using our system.
  - –Schedule and operational improvements
  - –600 new bus stop signs
  - –560 new schedule display cases
  - –Updated schedules at bus stops
  - –Additional field personnel strategically located to provide additional service management capabilities.

Customers should experience immediate improvements on their bus route



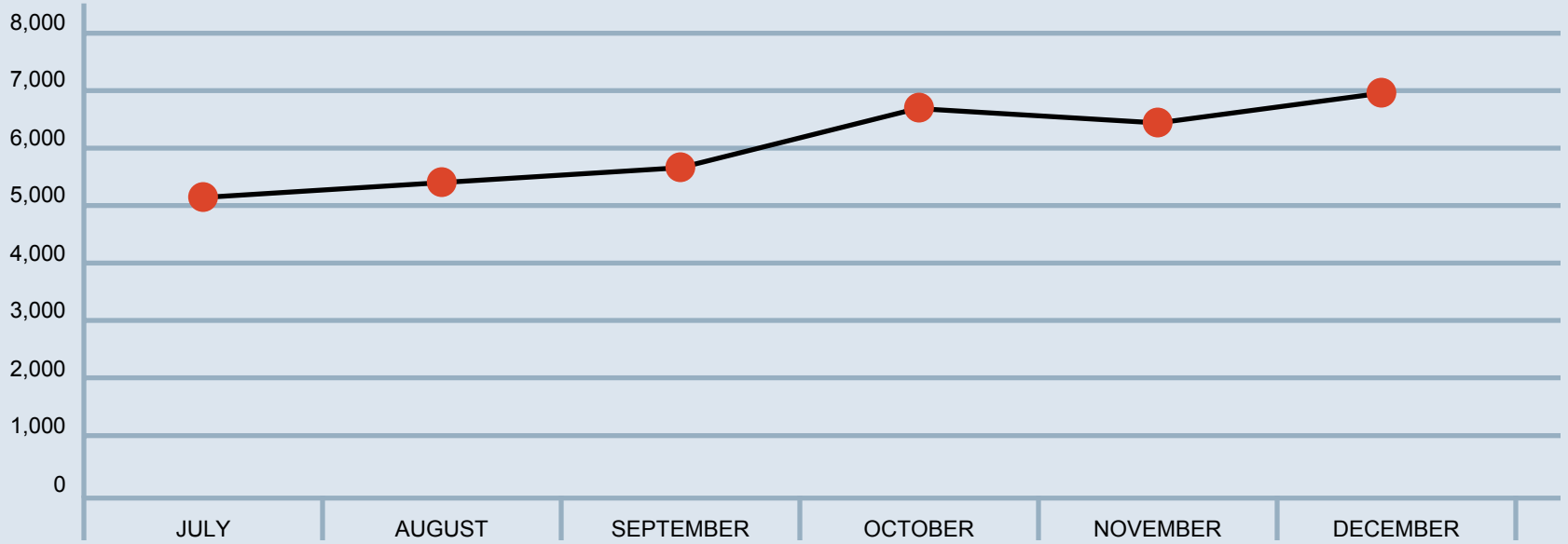
Massachusetts Bay Transportation Authority

Bus Operations – Dropped Trips



Massachusetts Bay Transportation Authority

Bus Operations – Mean Miles Between Failures



- Overall MMBF has improved by over 1,000 miles
- Constant monitoring of repeat failures
- Initiated power management program

Rapid Transit Operating Characteristics

Red Line: Ashmont/Braintree branches

- Peak Headway – 3.5 minutes (central)
- 6-car train consists
- 224 round trips per day
- 162 vehicle pull out in peak
- Car seating capacity: 50-62 passengers
- Car Crush capacity: 167
- Peak Hr. Load (2000 base): 11,160 (66% load factor)
  (2030 NoBld): 13,050 (77% load factor)

Rapid Transit Operating Characteristics

Green: B, C, D,E branches

- Peak Headway – 1.4 minutes (central)
- 2-car train consists
- 1,247 round trips per day
- 150 vehicle pull out in peak – new in 2007 (prev. 136)
- Car seating capacity: 46 passengers
- Car Crush capacity: 110
- Peak Hr. Load (2000 base): 7,875 (85% load factor)
  (2030 NoBld): 8,145 (88% load factor)

Rapid Transit Operating Characteristics

Orange Line

- Peak Headway – 5 minutes
- 6-car train consists
- 156 round trips per day
- 102 vehicle pull out in peak
- Car seating capacity: 58 passengers
- Car Crush capacity: 131
- Peak Hr. Load (2000 base): 9,315 (91% load factor)
  (2030 NoBld): 9,730 (95% load factor)

Rapid Transit Operating Characteristics

Blue Line

- Peak Headway – 4 minutes
- 4-car train consists (6-car by 2008/9)
- 190 round trips per day
- 56 vehicle pull out in peak
- Car seating capacity: 42 passengers
- Car Crush capacity: 95
- Peak Load (2000 base): 6,435 (106% load factor)
  (2030 NoBld): 7,020 (77% load factor)

Rapid Transit Fleets

LINE	FLEET	QUANTITY	SERVICE DATE
RED	No. 1 Fleet	74	1969
RED	No. 2 Fleet	58	1988
RED	No. 3 Fleet	86	1994
BLUE	No. 4 Fleet	70	1979
ORANGE	No. 12 Fleet	120	1981
GREEN	No. 7 Fleet	114	1986–88, 1997
GREEN	No. 8 Fleet	85	2000–2006
GREEN	PCC Cars	10	1945–1946

Service Improvements – Green Line

- Ten additional cars added to winter ’07 schedule in AM and PM peak periods

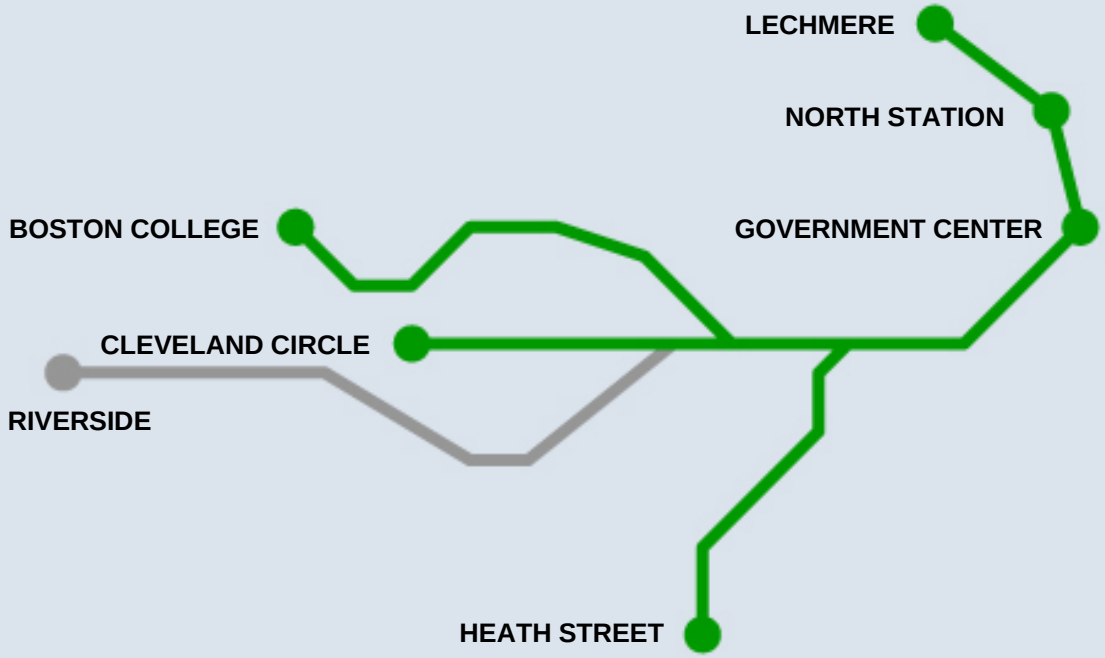
- 76 Bredas now in service; remaining 9 vehicles planned to enter service by June 2007

- Winter ’07 service to Heath Street was resumed, and run-as-directed (RAD) trains were added to service on the C & D branches

- **First time in 15 years that car count is 150 for the winter timetable**

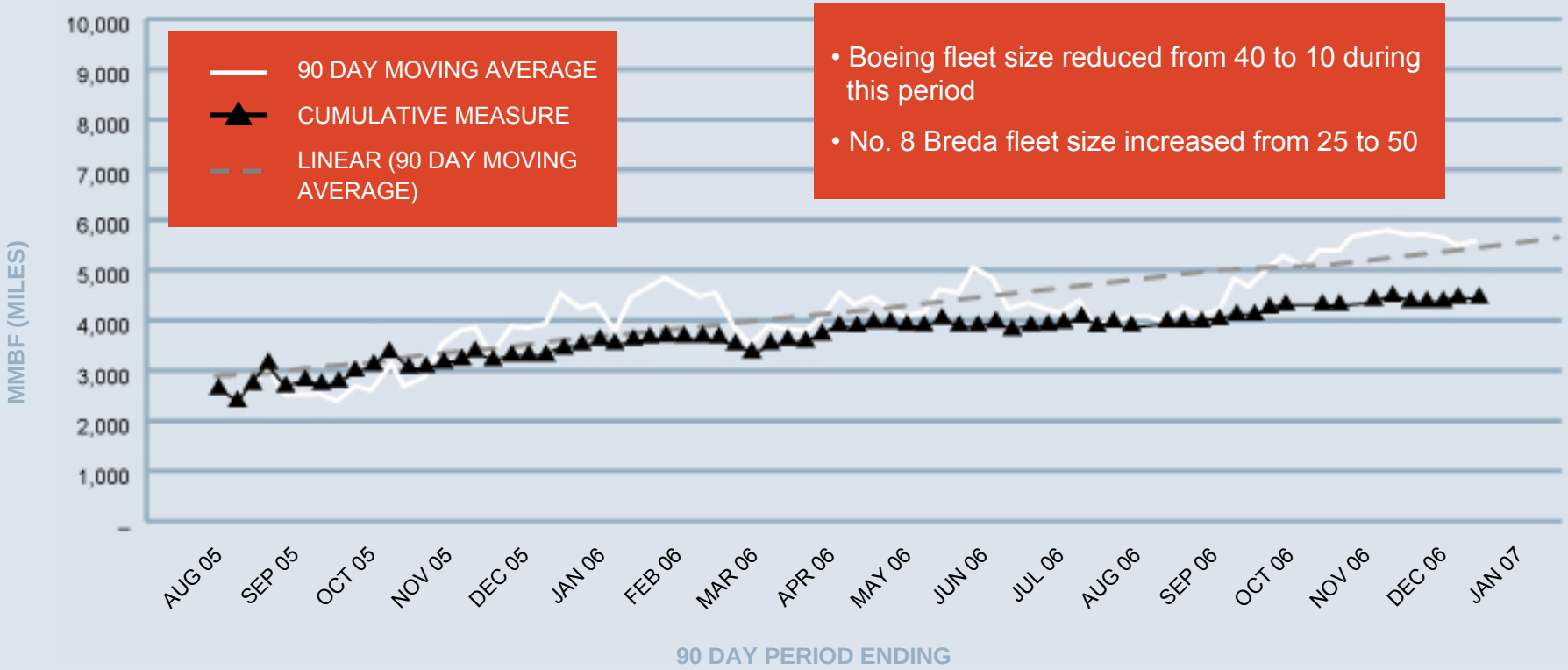
Service Improvements – Green Line

50 No. 8 (Breda) cars operate on all but the D line on an average day



Massachusetts Bay Transportation Authority

Reliability Improvements – Green Line



Fleet Modernization – Blue Line #5 Car

- Blue Line #5 Car Procurement of 94 cars will increase trains from 4 to 6 cars
- First 2 cars were delivered January 31, 2007
- Cars will be delivered to the Orange Line test track for a 4-month period of extensive dynamic and system testing

- Delivery of remaining cars will commence in the Spring of 2007
- Delivery will continue at the rate of two to three pairs per month
- Current projections indicate that the last pair will be delivered in 2009

Commuter Rail Operating Characteristics

- 80 locomotives
- 410 coaches
- 475 weekday trains
- >3,800,000 annual travel miles
- >22,000,000 annual coach miles

Commuter Rail Fleet

QUANTITY	FLEET	SERVICE DATE
57	Pullman Coaches	1979
67	MBB Coaches	1987-1988
40	Bombardier A Cars	1987
106	Bombardier B Cars	1989-1990
140	Double-Decker Kawasaki Coaches	1990-1991, 1997, 2002, 2005
18	F40PH-2 Locomotives	1978, 1980
25	F40PH-2C Locomotives	1987-1988
12	F40PH-2M Locomotives	1991, 1993
25	GP40-MC Locomotives	1997-1998
490	**TOTAL (410 Coaches, 80 Locomotives)**	

Bi-Level Coach Overhaul and Procurement

Bi-Level Overhaul and Procurement

Currently retaining engineering services to upgrade, overhaul or replace all major subsystems including interior components to achieve service life. 75 Bi-Level Coaches purchased in 1989 are targeted to go through the program.

Thirty-three (33) new Kawasaki Bi-level coaches with ADA compliant restrooms were delivered between Aug. 2005 and July 2006.These coaches were purchased to expand system capacity and to provide rolling stock for the Greenbush and T. F. Green Airport / Wickford Junction, RI services.

RFP advertised December 26, 2006 for procurement of 75 new bi-level passenger coaches. Delivery expected in 4-5 years (TBD). Will augment existing fleet to facilitate future expansion of service. Allows for the retirement of older single level coaches.

Locomotive Programs

Locomotive Procurement

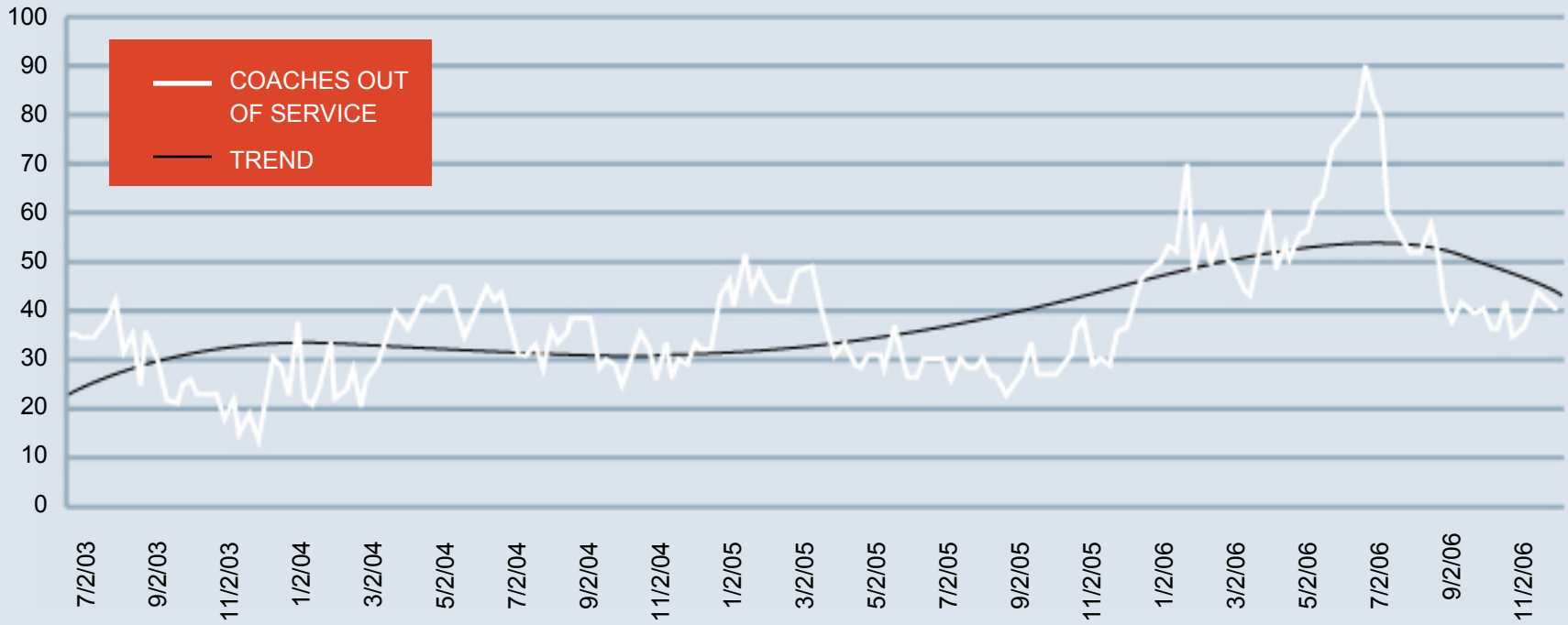
Initiated the procurement process for up to 38 new diesel-electric locomotives:

- Will augment existing fleet to facilitate future expansion of service and allow for the retirement of older diesel-electric locomotives.
- RFP has been issued. Delivery anticipated in 3-5 years (TBD).

Locomotive Top Deck Overhaul

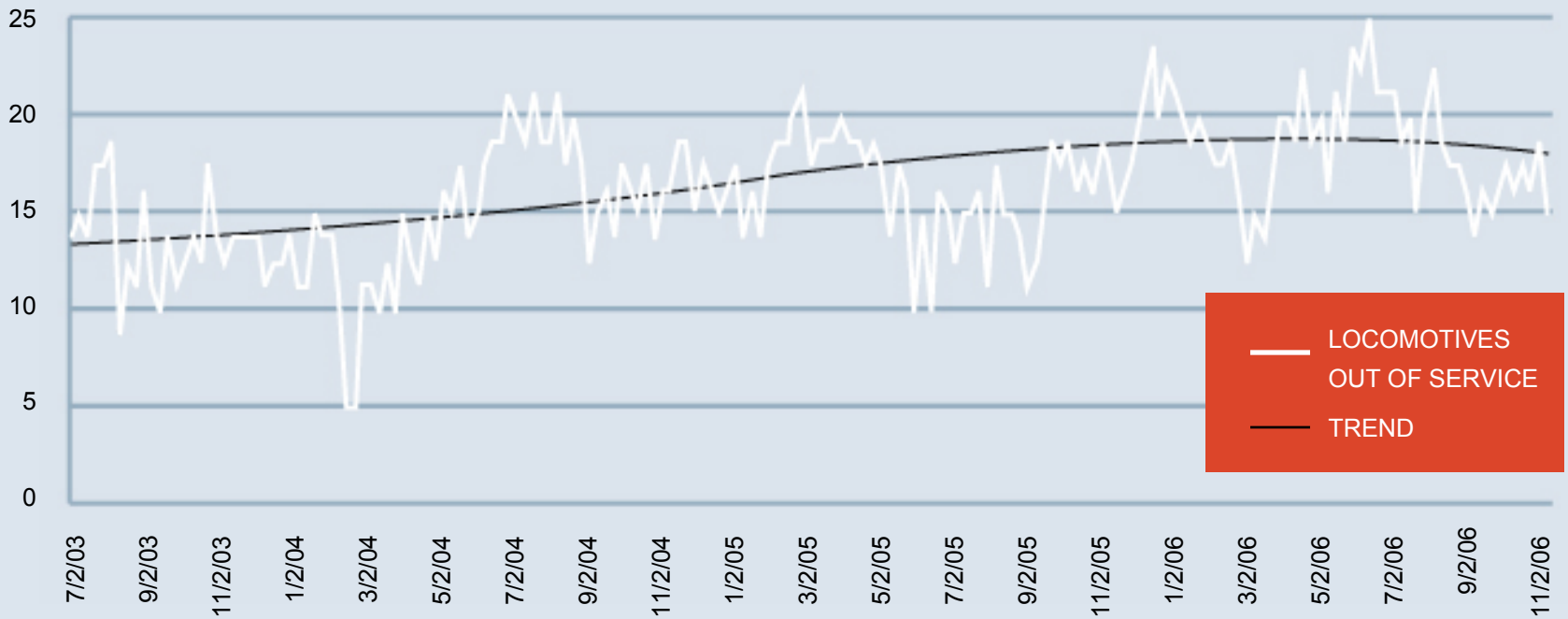
Rebuild the main propulsion engine on the fleet of 25 locomotives. Major benefits include improved reliability and ability to achieve full service life. Work will commence in July 2007 and be completed in 2 years

Commuter Rail Coach Availability



Massachusetts Bay Transportation Authority

Commuter Rail Locomotive Availability



Massachusetts Bay Transportation Authority

Coach Reliability and Safety Program (CRASP)

- In July 2005, a $23.5m project was initiated to repair/replace to “like new” condition, truck assemblies, couplers, HVAC systems and toilet systems on 162 commuter rail coaches (43% of fleet). The program covers:
  - 40 Bombardier A Coaches
  - 55 MBB Coaches with Toilets
  - 67 Bombardier B Coaches

- Work is being performed by the Massachusetts Bay Commuter Railroad Company (MBCR), the contract operator to the MBTA
- This program should maintain the equipment’s useful life with a high level of safety, reliability and customer amenities.
- 24 coaches now complete. Will ramp up to eight coaches/month in April with completion scheduled for November 2008.

Commuter Rail Coach Window Replacement Program

- Railroad Operations and MBCR are progressing with project to replace windows on 162 single-level commuter rail coaches.

- Through cost containment measures, such as changing production materials, reusing some parts, and competitive bidding, the project was expanded to include the entire fleet of 270 single-level coaches.

- Expected completion is 1st quarter FY08.

Water Transportation Operating Characteristics

- 3 privately operated routes
  - Hingham – Boston
  - Quincy & Hull – Boston – Logan Airport
  - Boston – Charlestown Navy Yard
- 2 MBTA-owned docks
- 2 MBTA-owned vessels
- 162 weekday one-way trips

Water Transportation Fleet

MBTA VESSELS*	TYPE	YEAR BUILT
Flying Cloud	Catamaran	1996
Lightning	Catamaran	1996

9 other vessels in service via contract operation by private vendors

*Used primarily for Quincy and Hull – Boston – Logan service

Water Transportation – Reliability Improvements

In early 2007, a capital maintenance overhaul was performed on the two MBTA-owned commuter ferries that service Quincy, Hull, Logan and Boston.

Program included:

- Exterior painting
- New fuel tanks
- New generators
- New water jets
- Deck repairs
- Carpet and upholstery
- New awnings on upper deck

PMT Vision & Goals

MBTA Program for Mass Transportation

2003 PMT Vision Statement

Provide safe, cost-effective, and efficient services that increase ridership and respond to the expanding mobility demands of individuals and communities.

Maintain existing infrastructure in a state of optimal repair to improve quality, convenience, accessibility, and reliability of service.

Transport customers in a system that promotes a desirable quality of life, supports the sustainable development of communities, improves the quality of the environment throughout the Massachusetts Bay region, and distributes benefits and burdens equitably.

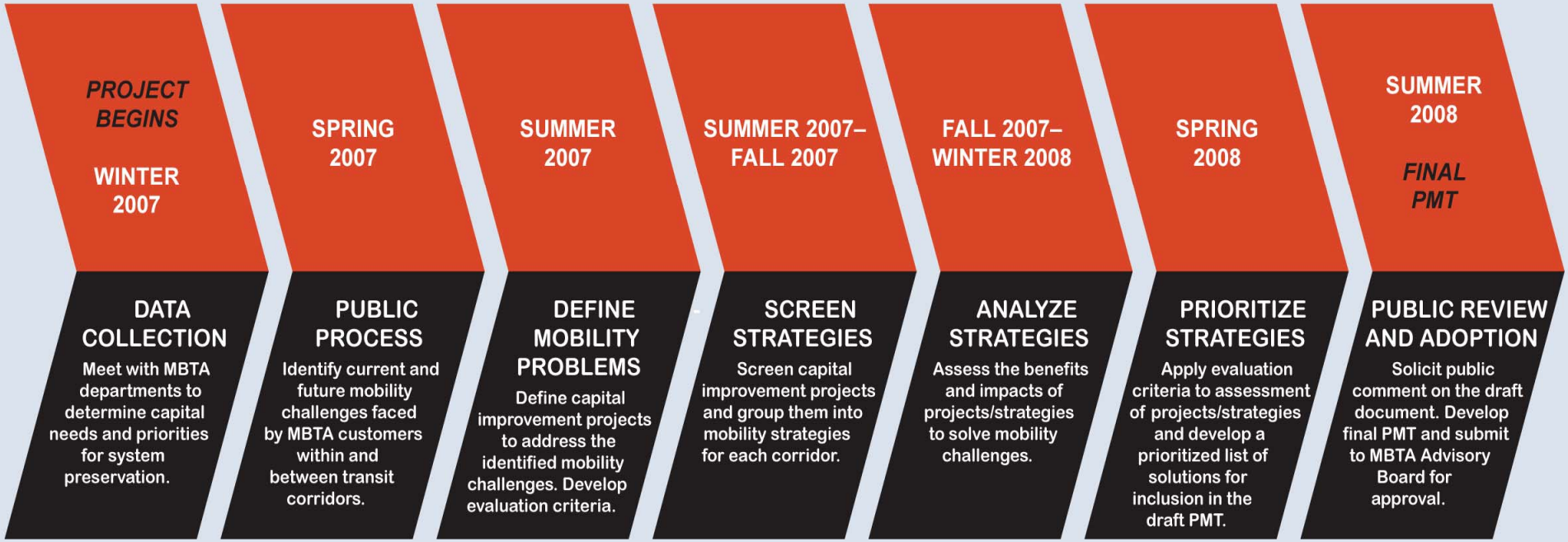
MBTA Program for Mass Transportation

2003 PMT Goals

1. Preserve & modernize system and improve accessibility
2. Improve mobility
3. Protect the environment
4. Promote equitable distribution of transit benefits & burdens
5. Support community/economic development

Identifying Mobility Challenges

MBTA Program for Mass Transportation – Timeline



MBTA Program for Mass Transportation – Workshop Schedule

SOUTHEAST CORRIDOR
Tuesday, May 22
6:00–8:00 PM
Thayer Public Library
798 Washington Street, Braintree

NORTHEAST AND NORTH CORRIDORS
Wednesday, June 13
6:00–8:00 PM
Beebe Library
345 Main Street, Wakefield

SOUTHWEST AND URBAN CORE CORRIDORS
Thursday, June 14
5:30–7:30 PM
Dudley Branch Library
65 Warren Street, Roxbury

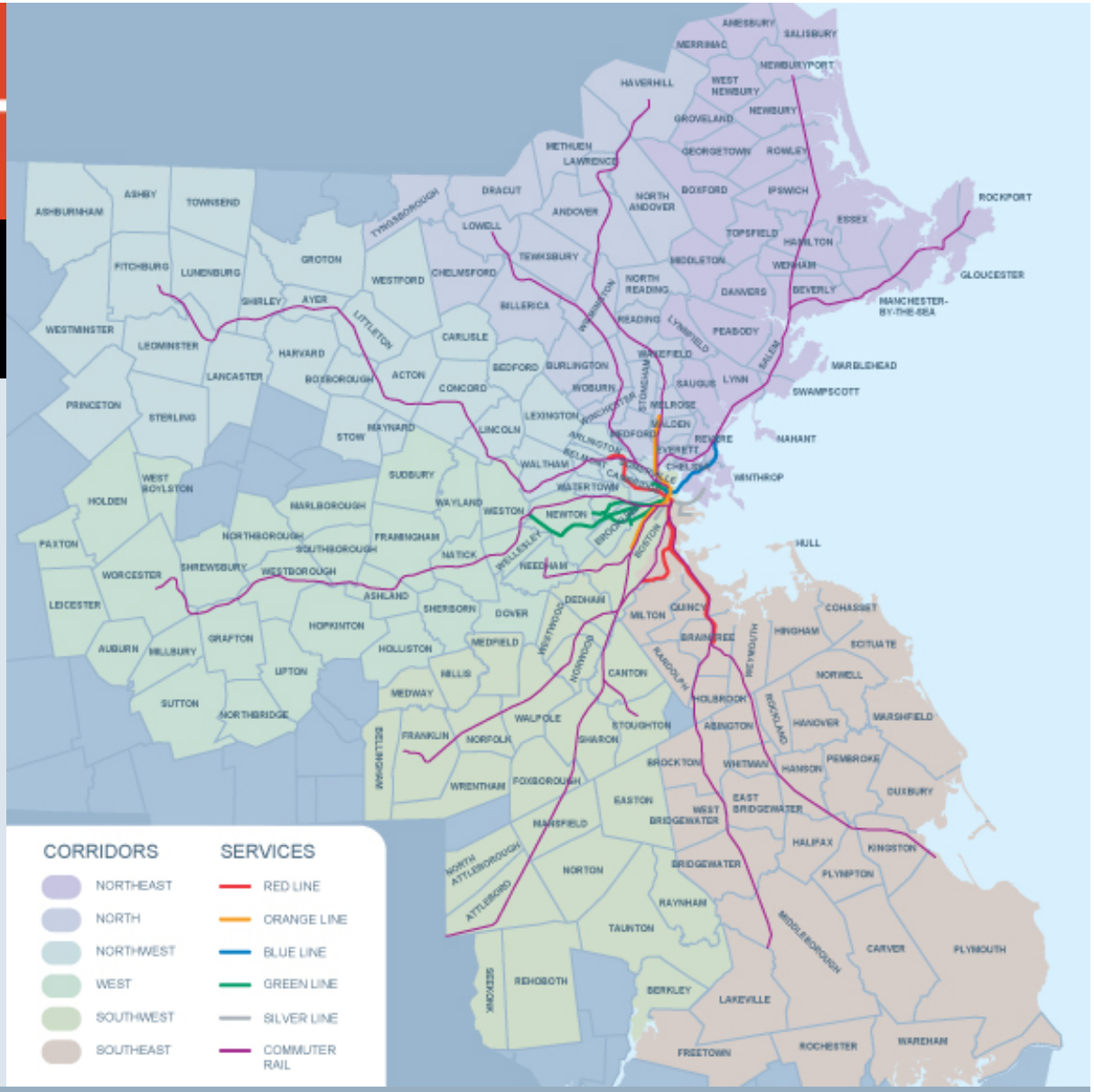
NORTHWEST CORRIDOR
Tuesday, June 19
6:00–8:00 PM
Cambridge Senior Center
806 Massachusetts Avenue, Cambridge

WEST CORRIDOR
Thursday, June 21
5:30–7:30 PM
Newton City Hall
War Memorial Auditorium
1000 Commonwealth Avenue, Newton

CIRCUMFERENTIAL
Issues may be discussed at all corridor meetings.

PMT Corridor Map

Identify mobility gaps & challenges MBTA customers will face over the 25-year horizon of the PMT



Massachusetts Bay Transportation Authority