



**Metropolitan Transportation Authority**

# **Corporate Governance Committee Meeting**

## **December 2009**

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### **Committee Members**

J. Walder, Chair

R. Bickford

D. Frasca

J. Kay

S. Metzger

A. Saul

J. Sedore, Jr.

N. Shevell

# MEETING AGENDA

## MTA CORPORATE GOVERNANCE COMMITTEE

December 9, 2009

347 Madison Avenue  
Fifth Floor Board Room  
New York, New York

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<u>AGENDA ITEMS</u>	<u>PAGE</u>
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Approval of Minutes	3
1. 2010 Committee Work Plan	7
2. Review/Approve revision to MTA Code of Ethics and Review MTA Whistleblower Protection	8
3. Review/Approve revised Governance Principles	120
4. Proposed Governance Guidelines with respect to Labor Relations Matters	133
5. Review/Approve revised MTA By-laws	137
6. Review/Approve revised Board Committee Charters	154
7. Presentation on Compliance with Procurement Lobby Law	
8. Presentation of 2010 Board Governance Self Assessment Survey and Process	
9. New Business	



**MINUTES OF THE MEETING**  
**MTA Governance Committee**  
**July 22, 2009**  
**347 Madison Avenue**  
**New York, New York**

The following MTA Governance Committee members attended the meeting.

Hon. Dale Hemmerdinger, Chairman  
Hon. Jeffrey A. Kay  
Hon. Doreen Frasca  
Hon. Susan Metzger  
Hon. James Sedore

The following MTA Governance Committee members did not attend the meeting.

Hon. Andrew M. Saul  
Hon. Nancy Shevell

The following MTA staff attended the meeting.

Helena Williams, Acting Executive Director/Chief Executive Officer  
James Henly, MTA General Counsel  
Lamond Kears, Chief Compliance Officer  
Catherine Blue, Acting Corporate Secretary

Note: MTA Board members Ed Watt and Norman Seabrook also attended the meeting.

\* \* \*

Chairman Hemmerdinger called the July 22, 2009 meeting of the MTA Governance Committee to order at 1:40 p.m.

**1. Public Comments Period**

There were no speakers in the public comments portion of the meeting.

**2. Approval of Minutes**

Upon motion duly made and seconded, the Governance Committee approved the minutes to the previous meeting on April 30, 2008.

**3. Committee Work Plan**

There were no changes to the Governance Committee work plan.



#### **4. Status of 2008 MTA Board Corporate Governance Self Assessment**

Mr. Kearse noted that at its last meeting the Committee asked that the summary of the board assessment be distributed at this meeting instead of its scheduled distribution date in November 2009. Of the 23 surveys distributed, 20 had been received at this time. Chairman Hemmerdinger emphasized that an 87% return was an excellent rate. Mr. Kearse indicated a generally positive response from the Board members as recorded in the survey responses.

Mr. Kay pointed out that the survey results indicated there were Board members who did not agree that the MTA demonstrates a commitment to accountability, underlying the need for MTA to continue to address this area of concern.

#### **5. Review/Update of MTA By-laws**

Mr. Henly noted that significant changes in the Public Authorities Law were enacted in May 2009 (by Chapter 25 of the Laws of 2009) that require a further update of MTA By-laws. Those revisions will be presented to the Committee at the next Governance Committee meeting.

#### **6. Review of MTA Policies**

Mr. Kearse noted that as required under the Public Authorities Accountability Act of 2005 the MTA Board had approved policies that related to personnel and the code of ethics for the Board and those policies were distributed to staff and to the Board.

#### **7. Presentation on Governance Provisions in Chapter 25 of the Laws of 2009**

Mr. Henly reviewed statutory changes relating to governance enacted in May 2009 with the passage of the MTA Financial Assistance Legislation (Chapter 25 of the Laws of 2009). Some of those changes in governance are new to the MTA while others codify policies and activities the MTA already has in place. Mr. Henly briefly outlined the requirements as follows:

- CEO powers assigned to the Chairman; effective date of the transfer of those powers; term of service for the Chairman; provision of a single salary for services as the Chairman and CEO
- Areas of expertise that members must have who are appointed to the Board after June 30, 2009 (Mr. Henly noted that the MTA does not appoint its Board members.)
- Grounds for removal of Board members
- Inclusion in the proposed capital plan submission to the MTA Capital Program Review Board of ways to maximize participation by minority and women-owned business enterprises

- Submission to certain state officials of a report that includes further financial/operations information not addressed in the MTA's annual independent audit report
- Submission to certain state officials of a proposed mission statement and proposed performance measurements for the MTA and yearly review
- Posting on the MTA website of budget and financial plan documents; establishment of quarterly revenue and expense targets in the annual budget/financial plan; posting on the MTA website of monthly projections of revenues and expenses, staffing and utilization along with actual data and an explanation of variances
- Creation of an MTA office of legislative and community input to receive comments/recommendations from the Legislature and PCAC with a bi-annual report of concerns and their status
- Authorization for the Legislature to commission an independent outside audit of MTA finances and/or operations every year beginning in 2009
- Posting a list on the MTA website of the law firms retained by the MTA that received payment for services in the preceding year
- Promotion by the MTA of broad use of qualified transportation fringes permitted by the Internal Revenue code to increase the number of participating companies and employees in such companies
- Provision to MTA contractors and subcontractor of information on how employees may report fraud or abuse to the MTA Inspector General or the Attorney-General of the State; posting of the same information by the MTA on its website
- Implementation of policies regarding Board member or employee use of automobiles leased or owned by the MTA
- MTA promotion of small businesses and New York State business enterprises in transit projects

Mr. Henly also reported there was additional proposed public authority legislation in Albany not yet enacted that contains provisions relating to Comptroller review of public authority contracts, additional lobbying contact provisions and other public authority-related measures.

#### 8. Update on the Corporate Governance Committee Charter

Mr. Kearse recommended that the approval of the committee charters be deferred until the next meeting in order to make some necessary changes to the documents.

On another matter, Mr. Watt noted that the minutes to the previous meeting included a follow-up by Mr. Henly with the Director Finance and CFO regarding a report of Finance Committee policies vis-à-vis the bond issuance approval process. Chairman Hemmerdinger said that the matter had been referred to the Finance Committee for resolution.

Mr. Sedore raised the issue of the substantial costs to the MTA of complying with the requirements of the many laws and regulations imposed on an Authority.

#### Adjournment

Upon motion duly made and seconded, Chairman Hemmerdinger adjourned the July 22, 2009 meeting of the Governance Committee.

Respectfully submitted

Miriam Cukier  
Secretary



## 2010 CORPORATE GOVERNANCE COMMITTEE WORK PLAN

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### I. RECURRING AGENDA ITEMS

	<u>Responsibility</u>
Approval of Minutes	Committee Chair & Members
Governance Committee Work Plan	Committee Chair & Members
Follow-up Items	As Appropriate
Review of any Significant Governance Issues	Chief Compliance Officer
Executive Sessions	As Appropriate
Action items	As listed

### II. SPECIFIC AGENDA ITEMS

<u>March 2010</u>	<u>Responsibility</u>
1. Status of 2009 MTA Board Corporate Governance Self Assessment _____	Chief Compliance Officer
2. Review/Updating of MTA By-laws _____	General Counsel
3. Presentation on Recent Developments in Corporate Governance _____	Chief Compliance Officer
4. Review and Approve Corporate Governance , Committee Charter, Committee Composition, Committee Participation _____	Chief Compliance Officer
5. Review of MTA Policies pursuant to Public Authorities Accountability Act of 2005 _____	Various Staff Members

<u>November 2010</u>	<u>Responsibility</u>
1. Review/Revision to MTA Code of Ethics _____	Chief Compliance Officer
2. Presentation on Compliance with Procurement Lobby Law _____	Chief Compliance Officer
3. 2011 Committee Work Plan _____	Committee Chair & Members
4. Review Governance Principles _____	Chief Compliance Officer
5. Review results of 2009 Board Governance Self Assessment Survey _____	Chief Compliance Officer
6. Presentation of 2010 Board Governance Self Assessment Survey and Process _____	Chief Compliance Officer
7. Review MTA Whistleblower Protection Policy _____	Chief Compliance Officer
8. Review and Approve Any Revisions to Board Committee Charters _____	Committee Chair & Members



# Staff Summary

Subject	Revisions to Codes of Ethics
Department	Corporate Compliance
Department Head Name	Lamond W. Kears, Chief Compliance Officer
Department Head Signature	
Project Manager Name	Lamond W. Kears

Date	December 16, 2009
Vendor Name	
Contract Number	
Contract Manager Name	
Table of Contents Ref #	

Board Action					
Order	To	Date	Approval	Info	Other
1	Governance	12/19/09	X		
2	Board	12/16/09	X		

Internal Approvals			
Order	Approval	Order	Approval
2	Legal <i>[Signature]</i>		
1	Corporate Compliance <i>[Signature]</i>		

## Purpose:

To amend the existing MTA All-Agency Code of Ethics and the MTA Board Members Code of Ethics.

## Discussion:

In March of 2007, the MTA Board adopted the current MTA All-Agency Code of Ethics ("Code") and the MTA Board Member Code of Ethics. The Codes set forth the MTA's zero tolerance gift policy, as well as including provisions on conflicts of interests, attendance at industry events, outside employment and post-employment service.

The MTA Codes have been reviewed to ensure consistency with recent developments including Governor Paterson's Executive Order No. 7 of 2008 and the Public Employee Ethics Reform Act (PEERA). In a few areas, changes to the Codes are in order to ensure consistency. PEERA, which combined the NYS Ethics Commission and the Temporary Commission on Lobbying to form the NYS Commission on Public Integrity, among other things, (1) increases penalties for violating Public Officers Law §73 from a maximum of \$10,000 to \$40,000, (2) prohibits nepotism and improper political considerations concerning government employment and contracting; and (3) amends Public Officers Law §73(5) to redefine the term "gift" as that which has "more than nominal value" including lodging, meals, refreshments, discounts and forbearance.

The Codes that are being placed before the Board this month incorporate revisions to ensure the MTA All-Agency Code of Ethics and the MTA Board Member Code of Ethics are consistent with PEERA, Governor Paterson's Executive Order No 7 and include a small number of other changes intended to add clarity to provisions of the Codes.

## Alternative:

Not to adopt the revised Code of Ethics. This alternative is not recommended because changes are warranted in order to conform the MTA Code of Ethics with the Public Employee Ethics Reform Act and other recent developments.

## Recommendation:

It is recommended that the Board

- Adopt the revised All-Agency Code of Ethics and the Board Member Code of Ethics

## SUMMARY

### *2009 Substantive Revisions: All Agency Code of Ethics*

- The definition for Family was revised and the explanatory chart removed. The definition as revised generally tracks the definition for relative contained in Public Officers Law § 73(1) (m).
- The definition of gift was revised by removing the benchmark of \$10 as to what constitutes nominal value. The Commission on Public Integrity (“COPI”) does not define nominal value as a monetary amount but rather as items of “insignificant value, as for example, a regular cup of coffee or a soft drink.” This revision is consistent with COPI Advisory Opinion 08-01.
- Section 1.05 (The Duty to Disclose) was revised to add a requirement that employees report allegations of corruption, fraud, criminal activity or abuse to the MTA Inspector General. This revision was requested by the MTA Inspector General.
- Section 1.06 (Whistle Blower Protection) was expanded to make clear reporting of potential violations and actual and potential violations was not limited only to the Code but included laws, regulations, policies and procedures.
- Section 3.06 was revised to clarify that Employees can not use the MTA’s name, their official title, position or authority in any fundraising activity unless authorized by MTA’s Chief Compliance Officer. This revision is consistent with COPI Advisory Opinion 97-28.
- Section 4.05(e) was added -- MTA Employees are prohibited from asking contractors questions regarding political matters, such as party affiliation, etc. This provision was added pursuant to requirements contained in the Public Employee Ethics Reform Act (“PEERA”).
- Section 4.07 (c) was revised to clarify that policy making employees must seek permission from the MTA to serve as an officer or director of a prohibited source even if that prohibited source is a nonprofit organization and requires Commission permission when the outside activity involves a profit making activity. This provision is consistent with COPI regulations on Outside Activities, 19 NYCRR Part 932.
- Section 4.07(e) was revised to clarify that policy makers need obtain Commission approval when they are running in a partisan election or when they are holding other public employment/office for which more than \$4,000 in compensation will be earned. This provision is consistent with COPI regulations on Outside Activities, 19 NYCRR Part 932.
- Section 4.08(d) was revised and (g) was added to prohibit considering political affiliations when making employment decisions. This provision was added pursuant to requirements contained in PEERA.
- Section 4.08(h) was added to restrict certain Senior Management at the MTA from seeking political office without first resigning from their position or taking an unpaid leave. This provision was added pursuant to requirements contained in PEERA.



# CODE OF **ETHICS**

**Adopted by the MTA Board December 2009**

## Introduction

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The Metropolitan Transportation Authority provides services to more than eight million customers a day, each one of whom expects a high standard of service. As Employees of the MTA, you are entrusted with the duty to provide this high standard of service. The ability to provide a high standard of service is grounded in a strong work ethic, clear corporate policies, and the dedication of a creative work force. The adherence to a strict code of ethics is central to gaining and keeping the trust of our customers.

The Metropolitan Transportation Authority All-Agency Code of Ethics ("Code of Ethics") applies to every Employee of the MTA, including its current and future subsidiaries and affiliates. For ease of reference, this Code of Ethics will refer to all such Employees as "MTA Employees." In addition, persons performing services for the MTA and its subsidiaries and affiliates may be subject to the Code of Ethics by contract or agreement.

There is only one Code of Ethics for the entire MTA. You are expected to become familiar with this Code, and the various applicable statutes, regulations, professional codes of ethics, and disciplinary rules. **You are expected to read this Code immediately upon receipt.**

The Code of Ethics is intended to provide guidance to all MTA Employees with respect to applicable laws governing ethical conduct and the Agency's ethical standards, which sometimes exceed the requirements of State law.

While the Code of Ethics sets out specific standards, in our evolving business environment no written code can anticipate every possible situation. However, this Code of Ethics establishes a standard against which you can measure your daily decisions and actions. The Code of Ethics is not a restatement of all applicable laws and standards; you are expected to be familiar with and comply with all laws and standards related to your specific job. The principal source of most New York State law governing the ethical conduct of public employees and officers is the Public Officers Law, the applicable provisions of which are available from the Commission on Public Integrity directly ([www.nysethics.com](http://www.nysethics.com)) or from the law and human resources departments at each MTA Agency.

As an MTA Employee, you are expected to be an ethical role model. Managers and supervisors must foster an atmosphere that encourages employees to seek assistance if faced with ethical dilemmas. Every MTA Employee must be alert to potential ethical issues and be ready to respond appropriately.

Responsibility for compliance with the applicable rules and standards for ethical conduct, including the related financial disclosure requirements, ultimately rests with **YOU**. If you have an ethics-related question, you should ask your supervisor or the applicable Agency Ethics Committee for guidance. In addition, the Commission on Public Integrity (the address and phone number are listed in Section 1.03) can provide guidance, often by phone or by rendering written informal and formal opinions.

**VIOLATIONS OF THE CODE OF ETHICS OR APPLICABLE STATUTORY PROVISIONS MAY SUBJECT AN EMPLOYEE TO DISCIPLINE UP TO AND INCLUDING DISMISSAL AND/OR EXPOSE THE EMPLOYEE TO CIVIL OR CRIMINAL PENALTIES. (See Section 9.)**

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## Chapter 1: Definitions/Structure

### Section 1.01 Definitions

As used in this Code, capitalized terms shall have the following meanings:

**Agency Ethics Committee** means the ethics committee established at individual MTA Agencies.

**All-Agency Ethics Committee** means the committee comprised of the chairpersons of each Agency Ethics Committee and the Chief Compliance Officer.

**Annual Statement of Financial Disclosure** means the financial disclosure statement required to be filed with the Commission on Public Integrity by certain public employees under the State Ethics in Government Act, Public Officers Law Section 73-a.

**Business** means any activity, paid or unpaid, by an Employee or any individual, firm, company, corporation or other entity, wherein the goal or objective is obtaining monetary income or other thing of value or operating an enterprise. Such activity may be for profit or not-for-profit.

**Code** means this MTA All-Agency Code of Ethics.

**Confidential Information** means information that is available to an Employee only because of such Employee's position within an MTA Agency and which is treated by such MTA Agency as being confidential or which the Employee has reason to believe is confidential. Information does not have to be formally labeled "confidential" to be confidential.

**Department Head** means a Department Head as that term is generally used within the applicable MTA Agency.

**Employee** means an officer or employee of an MTA Agency.

**Employment** means performance of services, for or on behalf of any entity or individual, to obtain economic or other material benefit.

**Family Member** means any person living in the same household as an MTA Employee, domestic partner, and any person who is a direct descendant of that MTA Employee's Grandparents or the spouse of such descendant.

**Fundraising** means the raising of funds for an organization through solicitation of funds or sale of items or participation in the conduct of an event.

**Gift** means the transfer, without equivalent consideration, of any thing or benefit, tangible or intangible, having more than nominal value, including, but not limited to, loans, forbearance, services, travel, gratuities of any kind, favors, money, meals, refreshments, entertainment, hospitality, promises, tickets to entertainment or sporting events, weekend trips, golf outings, loans of equipment, or other thing or benefit. (See definition of "Items of Nominal Value" below.)

**Honoraria Disclosure Unit** means the office within the applicable MTA Agency set forth in Appendix A hereto.

**Honorarium** means (a) payment, fee or other compensation in connection with a service rendered by an Employee not related to the person's official duties, and for which MTA Agency equipment or staff are not used, which is in the nature of a gratuity or as an award or an honor (e.g., for delivering a speech, for attending a conference, for writing an article); and (b) a payment, whether to a lodging site or a provider of transportation, for travel expenses made to or on behalf of an Employee, or reimbursement made to the Employee for travel expenses incurred, for services rendered by an Employee not related to their official duties.

**Items of Nominal Value** means items such as mugs, key rings, calendars, pens and the like that are of minimal value unless such items are being given under circumstances where it reasonably can be inferred that such item was intended to influence the Employee in the performance of such Employee's official duties. For purposes of determining the value of an item of nominal value, the Commission on Public Integrity has advised that the value is not reduced by virtue of it being embossed or otherwise marked with a company logo, identification, or advertising.

**MTA Agency or MTA** means any of the following: Metropolitan Transportation Authority Headquarters, MTA New York City Transit, Manhattan and Bronx Surface Transit Operating Authority, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Long Island Bus, MTA Bus Company, MTA Capital Construction Company, the Staten Island Rapid Transit Operating Authority, the First Mutual Transportation Assurance Company, MTA Bridges and Tunnels and all future affiliated and subsidiary entities of the MTA..

**New York State Agency** means any New York State department, or division, board, commission, or bureau of any state department, any public benefit corporation, public authority, or commission at least one of whose members is appointed by the Governor, or the State University of New York, or the City University of New York, including all their constituent units except community colleges of the State University of New York and the independent institutions operating statutory or contract colleges on behalf of the State. All MTA Agencies are New York State Agencies for purposes of this Code.

**Participation in the Conduct of an Event** means active and visible participation in the promotion production or presentation of the event and includes serving as honorary chairperson or committee member or sitting at the head table during the event. The term does not mean the mere attendance at the event, provided the employee's attendance is not being used by the non-profit to promote the event.

**Policy-Making Position** means those management and non-management positions designated as policy-making positions by each MTA Agency, because the individual holding the position exercises responsibilities of a broad scope in the formulation of plans for the implementation of action or policy for an MTA Agency or has an effective or substantial influence on an individual in such a position; e.g., positions in which Employees have discretion to (i) significantly influence, control, or bind an MTA Agency in the expenditure or receipt of money, (ii) significantly influence

the discretionary selection or rejection of Employees, their promotion, transfer, or salary increases, (iii) select or supervise Vendors, (iv) negotiate leases, real estate agreements, estates, purchase or sale of goods or services, or (v) supervise or approve additional work orders and progress payments to Vendors retained by an MTA Agency.

**Prohibited Source means:**

- (a) a Vendor including any person or non-governmental seller of goods or services, bidder, proposer, consultant, contractor, trade, contractor or industry association, or any other person/entity with which your MTA Agency is doing business, as well as those persons and business entities who have expressed an interest in doing business with your MTA Agency, whose activities directly or indirectly benefit your Agency, or who have a history of doing business with your Agency in the recent past;
- (b) a tenant or licensee of your MTA Agency; and
- (c) another individual or non-governmental entity who, on its own behalf or on behalf of another non-governmental entity: (1) is regulated by your MTA Agency, (2) appears before your MTA Agency on other than ministerial matters, (3) lobbies or attempts to influence your MTA Agency's procurements, or your MTA Agency's positions on legislation or regulation, (4) is involved in litigation adverse to your MTA Agency and no final order has been issued, or (5) has received or applied for funds from your MTA Agency within the preceding year.

For purposes of this definition, the term "your Agency" refers to the Agency by which you are employed. However, certain high-level Employees work on matters involving more than one MTA Agency. Such Employees may be considered an Employee of one or more MTA Agency.

**Solicitation** means any request, invitation, or suggestion (oral or written) made under circumstances where it reasonably could be concluded that the individual or entity receiving same is being asked to, or is expected to, comply with a request, invitation, or suggestion.

**Commission on Public Integrity** means the Commission established within the New York Department of State under Section 94 of the New York Executive Law.

**State Ethics Law** means New York Public Officers Law Sections 73, 73-a, 74, and the rules and regulations promulgated there under as may be amended or modified by the New York State Legislature.

## **Section 1.02 Agency Ethics Committees**

The Metropolitan Transportation Authority Headquarters, MTA New York City Transit, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Long Island Bus, MTA Bus Company, MTA Capital Construction Company, MTA Bridges and Tunnels shall establish an Ethics Committee and appoint an Agency Ethics Officer thereto to render guidance on ethics-related questions, including conflicts of interest. The procedures for the appointment of the Agency

Ethics Officer shall be determined by each MTA Agency upon consultation with the Chief Compliance Officer. However, each Committee will designate one senior-level executive as Chairperson of the Agency Ethics Committee. Upon request, information disclosed to the Agency Ethics Committees and their members shall be deemed confidential, provided that appropriate disclosure of such information must be made in accordance with applicable laws, rules, and regulations.

The Chairperson of each Agency Ethics Committee will serve as a member of an All-Agency Ethics Committee, which will be chaired by the MTA's Chief Compliance Officer. The Committee will meet periodically to review the current state of ethics at the MTA and to review or revise the Code of Ethics as needed.

### **Section 1.03 Ethics & Financial Disclosure Questions**

Questions concerning this Code or potential conflicts of interest may be directed to the applicable Agency Ethics Committee at the phone number set forth in Appendix C. It is not the function of a supervisor, an Agency Ethics Committee, or an MTA Agency lawyer to render legal advice to or act as counsel to any individual Employee.

Information regarding violations of this Code or questions concerning ethics-related matters, including the provisions of the New York State Ethics law or Annual Statement of Financial Disclosures, may also be directed to:

*MTA Corporate Compliance  
Metropolitan Transportation Authority  
2 Broadway, 16<sup>th</sup> Floor  
New York, New York 10004  
888-U-ASK-MTA (888-827-5682)*

*Commission on Public Integrity  
50 Broadway  
Albany, New York 12210  
800-873-8442*

The Commission on Public Integrity website contains numerous guidance and reference documents. It can be accessed via the MTA Compliance Department Intranet site. The Commission on Public Integrity can provide guidance on specific issues, often by phone, and otherwise by rendering written informal and formal opinions.

Any MTA Employee who has a complaint or allegation regarding the MTA may also contact the MTA Inspector General.

*Office of the Inspector General,  
Metropolitan Transportation Authority  
Two Penn Plaza, 5th Floor  
New York, New York 10121  
800-MTA-IG4U (800-682-4448)*



## **Section 1.04 Revocation of Agencies Ethics Policies**

This Code supersedes and by effect rescinds the MTA All-Agency Acceptance of Gifts Policy Statement 11-007, the MTA Guideline Document—Gifts, and all MTA Agencies' Ethics Policies and Codes.

## **Section 1.05 Duty to Disclose**

Employees must promptly report any violation or potential violation of the MTA's Codes of Ethics (All-Agency Code of Ethics, Board Member Code of Ethics or Vendor Code of Ethics) as well as any actual or potential violation of law, regulations, or policies and procedures, relating to the MTA, whether committed by an MTA Employee or by a person doing business with the MTA.

Employees should report to the MTA Inspector General allegations or information involving corruption, fraud, criminal activity or abuse.

Employees should report to their Agency's Ethics Officer, their Agency General Counsel, MTA's Chief Compliance Officer or to the MTA Inspector General, all other violations or potential violations. Employees should feel free to discuss their concerns initially with their supervisor, but no supervisor may discourage an Employee from making a report.

Employees who wish to remain anonymous may do so. Their anonymity will be protected, subject to applicable laws, regulations, or legal proceedings.

NOTE: To answer questions or increase their understanding, Employees are encouraged to discuss particular situations or concerns they have regarding violations or potential violations of this Code or any laws, regulations or policies or procedures with their Agency Ethics Officer, the MTA Chief Compliance Officer or the MTA Inspector General.

## **Section 1.06 No Reprisals/Whistle-Blowing**

Employees who report violations or potential violations of this Code or any actual or potential violations of laws, regulations or policies and procedures will not be subjected to punitive sanctions, reprisals, or other penalties solely for reporting such violations. Employees who file an intentionally false report may be subject to appropriate disciplinary penalty, up to and including dismissal as well as civil or criminal charges.

## **Section 1.07 Cooperation with Audits and Investigations**

Employees must cooperate fully and honestly with audits and investigations conducted by the MTA Inspector General, Commission on Public Integrity, Auditor General, Chief Compliance Officer, or other governmental agency. Failure to so cooperate will subject an Employee to appropriate disciplinary penalty, up to and including dismissal.

## Chapter 2: Gifts, Awards and Honoraria

### Section 2.01 Gift Prohibition-Zero Tolerance

Employees are prohibited from soliciting or receiving Gifts, directly or indirectly, from any Prohibited Source. The defined term “Gift” does not include items of truly nominal value. (See definitions of “Gifts” and “Items of Nominal Value.”)

However, Employees may accept Gifts from employees of a Prohibited Source if these Gifts are reflective of a personal relationship independent of the relationship between the Prohibited Source and the MTA. For example, if the sibling of an MTA Agency Employee worked for a Prohibited Source, the MTA Agency Employee could nonetheless accept a Gift that reflects this personal relationship. In addition, an Employee can accept a modest, reasonable, and customary offering on an extraordinary occasion, such as a wedding, retirement, or serious illness. A Gift shall not be considered representative of a personal relationship – and thus permissible – if the donor seeks to charge or deduct the value of the Gift as a business expense or seeks reimbursement from a Prohibited Source.

Employees are permitted to accept discounts or special offers from a Prohibited Source so long as those discounts or special offers are generally available to similarly situated employees of other public and private sector organizations. Examples of such permitted discounts and special offers are discounts on personal cell phone service.

Under no circumstances can an Employee accept an item, even an Item of Nominal Value, under circumstances in which it could be reasonably inferred that the item was intended to influence the Employee, or could reasonably be expected to influence the Employee, in the performance of the Employee’s official duties or was intended as a reward for any official action on such Employee’s part.

#### Reminders:

- (a) Employees should avoid accepting numerous items of nominal value from the same Prohibited Source because their aggregate value is likely to exceed the nominal threshold. The MTA and Commission on Public Integrity will aggregate the value of items received from the same Prohibited Source in any 12-month period.
- (b) Accepting Gifts in connection with the performance of official duties from persons or entities other than Prohibited Sources could still be a violation of State law and this Code, if it could be reasonably inferred that the Gift was intended to influence the Employee, or could reasonably be expected to influence the Employee, in the performance of the Employee’s official duties or was intended as a reward for any official action on such Employee’s part.
- (c) Proof that an Employee was actually influenced by a Gift is not necessary for a finding of a violation of this Code or State Ethics Law.

(d) Employees should use caution in accepting such items they believe are of nominal value because it may not always be easy to determine if an item is truly of nominal value.

(e) An Employee may not designate a friend, family member, or entity (such as a charity) to receive a Gift that the Employee would not be permitted to receive.

**Examples:**

(a) A Prohibited Source offers an Employee a briefbag with the Prohibited Source's logo embroidered on it. Because that briefbag, without such logo, would have a retail cost greater than nominal value, the Employee is prohibited from accepting it, even if the Employee considers it valueless because of the logo.

(b) An Employee receives 10 coffee mugs valued at \$1.00 each within a 12-month period from the same Prohibited Source. Your total value received is \$10.00 and therefore you have received a Gift (the mugs) of greater than nominal value.

**Common Gift Issues:** It is not practical in a code of this type to describe all of the circumstances that might give rise to a prohibited Gift. The following are some of the situations that have come up in the past and are examples of Gift-related actions that are prohibited:

- (a) Any Solicitation or attempt to Solicit a job for a relative from a Prohibited Source, including a summer job; or
- (b) Any Solicitation or acceptance from a Prohibited Source of:
  - (1) tickets to a concert, play, sporting event, or show;
  - (2) a golf outing, a weekend trip, a vacation, use of a vacation home, or an airline ticket;
  - (3) individual discounts to Employees on goods or services (such as televisions, computers, clothing, home improvements, or car or appliance repairs).

**Section 2.02 Monetary Gifts and Kickbacks**

**Gifts of money** to an Employee from a Prohibited Source are prohibited regardless of amount and shall be **deemed to be a kickback or bribe** intended to influence the Employee in the performance of the Employee's official duties.

Employees may not give or promise to give any portion of their compensation or any money or valuable thing to any person, nor shall any person accept any such money, or valuable thing, in

connection with appointment, employment, promotion, assignment, or reassignment by an MTA Agency. Employees may not, directly or indirectly, make (or request that other Employees make) any contribution or pay any assessment in order to secure promotion, compensation, or to affect job status, duties, or functions, or in consideration of being appointed or employed at an MTA Agency.

### **Section 2.03 Tips**

Employees are not permitted to accept tips or other gratuities in connection with the performance of their official duties unless:

- (1) the Employee is represented by a labor union; and
- (2) it has been customary in the past for MTA Agency Employees in the relevant job classification to receive tips in connection with the performance of their official duties; and
- (3) in the private sector it would be customary for an Employee in the equivalent job classification (such as a bartender) to receive tips as part of their income.

### **Section 2.04 Reporting Gift or Gift Offers**

An Employee to whom a Gift is offered or given in violation of Section 2.01 above shall promptly report such offer or Gift to the applicable Agency Ethics Committee and, in the case where a Gift has been given, the Employee or Agency Ethics Committee shall promptly return the Gift to the person or entity giving the Gift with a copy of the MTA Gift return letter. A copy of the gift return letter should be sent to MTA's Chief Compliance Officer.

### **Section 2.05 Awards, Plaques and Honors**

Awards and plaques publicly presented in recognition of an Employee's service to an MTA Agency or non-job-related public service may be accepted. Employees must notify and seek the approval of their Agency Ethics Committee prior to accepting an award, plaque, or honor presented by a Prohibited Source.

However, awards or plaques presented by a Prohibited Source in recognition of job-related MTA Agency service and valued at more than seventy-five dollars (\$75) shall become the property of the applicable MTA Agency. The MTA Agency's Ethics Committee can determine the disposition of the award or plaque.

### **Section 2.06 Honoraria**

Employees must comply with the Commission on Public Integrity's regulations pertaining to limitations on the receipt of honoraria from outside parties. An Employee cannot accept an honorarium for services related to his or her duties for the MTA. A detailed statement of all of the circumstances in which an Employee may accept an honorarium from a third party are set forth in Part 930 of the Commission on Public Integrity's regulations.

The following is a summary of the rules relating to honoraria.

**Permitted Honoraria.** An Employee may accept an honorarium under certain circumstances, including where the individual or organization offering the honorarium is not involved with the applicable MTA Agency in any context other than in ministerial matters.

**Prohibited Honoraria.** An honorarium to any Employee from any individual or organization that (i) does any business with the applicable MTA Agency, (ii) is regulated by the MTA Agency, (iii) is involved in litigation adverse to the MTA Agency, (iv) receives funds from the MTA Agency, or (v) lobbies before an MTA Agency, is prohibited.

**Payment in Lieu of Honoraria.** A payment in lieu of an honorarium that is offered for services related to an Employee's official duties cannot be accepted by the Employee and must be paid by the granting organization directly to the applicable MTA Agency.

**Disclosure.** Each year the MTA is required to file a report with the Commission on Public Integrity, which lists honoraria received by its Employees. Therefore, every Employee who has received one or more honoraria during the reporting period must file a report with the Honoraria Disclosure Unit for their MTA Agency identified on Exhibit A hereto, using the form provided at Appendix B of this Code, as may be amended from time to time. Each Honorarium recipient must file with such Honoraria Disclosure Unit no later than April 15 of each year for the period April 1, of the previous year through March 31 of the current year. It is strongly encouraged, although not mandatory, that Employees who have been offered an honorarium obtain written approval in advance from their Ethics Officer in the form of a memorandum. Where prior approval was received, the Employee shall include a copy of the Ethics Officer's authorizing memorandum as an attachment to the annual report to the applicable Honoraria Disclosure Unit. Irrespective of whether approval was obtained in advance, however, any receipt of an honorarium must be reported to the applicable Honoraria Disclosure Unit.

## Chapter 3: Prohibited-Source Sponsored Events, Receptions, and Meals

### Section 3.01 Business Meals

In general, Employees are prohibited from accepting a meal from a Prohibited Source. However, an Employee may accept free *modest* meals or refreshments from a Prohibited Source under the following limited circumstances:

- (a) in the course of and for the purpose of conducting MTA Agency business at a Prohibited Source's facility, when offered unexpectedly during a meeting which the Employee is attending for official reasons, or when offered at a company cafeteria or other company facility at the Prohibited Source's place of business and individual payment is *impractical*, or

- (b) when attending a seminar or conference in connection with an MTA Agency and meals or refreshments are provided to all participants.

An Employee may not accept a meal from a Prohibited Source outside of a Prohibited Source's facility (except at a seminar or conference as set forth in Section 3.01(b) above). If an Employee has a meal with a Prohibited Source, the Employee shall pay the full value of such meal with his or her own funds with or without MTA Agency reimbursement.

**Reminders:** If you have a meal with a Prohibited Source and simply split the bill you may be in violation of this Code if you do not pay the full value of your meal. **It is prudent for Employees to obtain proof of payment because simply putting money on the table may not provide an adequate basis for proving that an Employee paid for his or her own meal. The better practice is to get a separate check and keep the receipt.**

### Section 3.02 Educational Seminars

Employees are encouraged to continue to participate in events that will enhance their professional development. In certain professions, it is customary for Prohibited Sources, including companies that do business with the MTA, and industry groups, to sponsor lectures and continuing education seminars. Occasionally, such educational events are targeted to MTA Employees and do not include other similarly situated public or private sector employees. Employees may attend such educational events if attendance at the event would further the interests of the MTA Agency, if the event relates to the Employee's official duties, and if the invitation does not involve recreational activities such as golf, tennis, or cruises.

However, Employees who manage the Prohibited Source's work or are involved in the review/approval of payments to the Prohibited Source must consult with their Agency's Ethics' Officer before accepting professional continuing education credits.

### Section 3.03 Attendance at Prohibited-Source/Industry-Sponsored Events and Receptions

Employees are encouraged to continue to participate in events that will enhance their professional development. Employees frequently receive complimentary invitations to Prohibited Source/industry groups sponsored events that include receptions or hospitality suites sponsored by a Prohibited Source/industry group. **Employees should evaluate any such invitations with caution.** Employees may attend complimentary Prohibited Source/industry-sponsored events, including receptions or hospitality suites only if **all** of the following conditions are met:

- (1) Attendance at the event would further the interests of the MTA Agency; **and**
- (2) The event relates to the Employee's official duties; **and**
- (3) There is broad participation and wide attendance at the event and the event is open and complimentary to members throughout a given industry or profession, or those in attendance represent a broad range of persons interested in the matter; **and**

- (4) Any reception or hospitality suite is open to all event attendees; **and**
- (5) The event does not include a formal sit-down meal or involve recreational activities such as golf, tennis, or cruises.

An Employee's travel expenses relating to attendance at an industry or Prohibited Source-sponsored event may not be reimbursed or paid for by the event sponsor or other Prohibited Source. (See Travel Reimbursement Section 3.08.)

An Employee may attend a Prohibited Source-sponsored event at his or her own expense but the cost paid by the Employee shall be based on the price paid by the other paying attendees or if there is no admission fee required, then based on the actual cost to the sponsor. **It is prudent for Employees to obtain proof of payment.**

#### Section 3.04 Senior Management Attendance at Prohibited-Source Sponsored Events

The Chair/Chief Executive Officer of MTA, the President of an MTA Agency, or their designee(s) may attend functions sponsored and paid for by Prohibited Sources when attendance is related and appropriate to that attendee's official duties or when the purpose of attendance is the performance of a ceremonial or other function that is appropriate to that attendee's official duties with their MTA Agency. The attendee shall provide advance written notice of such invitation to the MTA Chief Compliance Officer and their Agency's General Counsel.

#### Section 3.05 Attendance at Banquets, Galas and Fund-Raising Events

- (a) Employees may purchase tickets using their own funds and may attend fund-raising and charitable events sponsored by Prohibited Sources on their own time, subject to compliance with the applicable provisions of the State Ethics Law, this Code, and any other applicable statutes, rules, regulations, policies, or procedures.
- (b) Employees may attend fund-raising and charitable events with tickets purchased by an MTA Agency in compliance with the applicable policies and procedures relating to such purchases.
- (c) Employees may not accept from any individual or firm, directly or indirectly, tickets to any banquet, gala, or fund-raising event by a Prohibited Source, if those tickets were subsidized or paid for directly or indirectly by the Prohibited Source including without limitation the Transit Museum Gala. Such tickets may not be donated by an individual or firm to an MTA Agency and then distributed to Employees of an MTA Agency.

#### Section 3.06 Charitable/Political Benefits Contributions and Fundraising Activities

Solicitation by Employees of charitable or political contributions from Prohibited Sources, including giving Prohibited Sources invitations to charitable or political functions or events, is prohibited.

Employees are prohibited from using the MTA's name, their official title, position or authority in any fundraising activity unless authorized by MTA's Chief Compliance Officer. Authorization maybe granted *only if* the fundraising is in furtherance of the MTA's mission and does not create an appearance of or any actual conflict of interest.

Employees may engage in fundraising in a personal capacity provided they do not use their title, position or authority to further their fundraising activities and do not personally solicit funds from a subordinate or from persons known to the employee to be a prohibited source.

### **Section 3.07 Events Honoring an Employee**

Prohibited Sources should only be invited to events honoring an Employee (such as an Employee retirement dinner or an event where the Employee is one of the honored guests) if they have a personal relationship with the honored Employee and there is no actual, implied, or apparent promise of benefit from accepting, or actual, implied, or apparent threat of retaliation from refusing, such invitation. Such invitations should be made with caution.

### **Section 3.08 Reimbursement of Travel Expenses**

Under no circumstances shall an Employee accept reimbursement of travel expenses from a Prohibited Source.

However, Employees may accept reimbursement from government agencies for travel expenses related to the Employees' official duties at the applicable MTA Agency if the purpose of the travel benefits the MTA Agency in the conduct of its business and prior approval has been received in accordance with the procedures set by the applicable MTA Agency.

**Reminder:** All Employees must comply with the Commission on Public Integrity's regulations pertaining to limitations on the reimbursement of travel expenses from outside parties. A detailed statement of all of the circumstances in which an Employee may accept reimbursement of travel expenses from a third party is set forth in Part 930 of the Commission on Public Integrity's regulations.

## **Chapter 4: Conflicts Of Interest, Other Employment and Political Activities**

### **Section 4.01 Conflicts of Interest**

Employees shall not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is or may be in conflict with the proper discharge of his or her duties. Employees must notify their



Ethics Committee regarding any possible conflict of interest.

**Reminders:**

- (a) If an Employee is uncertain as to whether a given situation creates a real or potential conflict of interest, such Employee should promptly disclose that situation to, and seek guidance from, his or her supervisor, Department Head, the applicable Agency Ethics Committee, or MTA Chief Compliance Officer;
- (b) With respect to all work an Employee performs, such Employee must be vigilant about the existence of any circumstances, interests, or relationships which might create or might be reasonably perceived by others as constituting a conflict of interest. If an Employee is uncertain as to whether a given situation creates a real or potential conflict of interest, such Employee must promptly disclose that situation to, and seek guidance from, such Employee's supervisor, Department Head, applicable Agency Ethics Committee, or MTA Chief Compliance Officer. In order to avoid a conflict of interest or the appearance of one, it may be necessary for Employees to recuse themselves from involvement with a matter before an MTA Agency. Employees must adhere strictly to the conflict of interest guidance they receive from their supervisor, Department Head, applicable Agency Ethics Committee, or applicable Agency law department.

**Example:** It would be a conflict of interest if an Employee participated in a transaction involving an MTA Agency in which transaction the Employee or someone associated with the Employee (Family Member or by a Business or financial relationship) had, directly or indirectly, a financial or other private interest (other than a de minimis financial interest as discussed in Section 4.04 below).

**Section 4.02 Public Trust**

- (a) Employees shall not engage in a course of conduct that will raise suspicion among the public that they are likely to be engaged in acts that are in violation of the public trust. Employees shall avoid even the appearance that they can be improperly (1) influenced in the performance of their official duties or (2) induced to violate the public trust or impair their independence of judgment in the exercise of their official duties.

**Example:** An Employee's undisclosed social relationship with a Prohibited Source might create an impression of impropriety if the Employee were in a position to act favorably toward the Prohibited Source in an MTA Agency matter.

- (b) Employees shall not use or attempt to use their official position to secure unwarranted privileges or exemptions for themselves or others.
- (c) Employees shall not by their conduct give reasonable basis for the impression that any person can improperly influence them or unduly enjoy their favor in the performance of their official duties, or that they are affected by the kinship, rank, position, or influence of any party or person.

#### Section 4.03 Confidential Information

Employees shall not disclose Confidential Information without the permission of the General Counsel of the MTA Agency at which such individual is employed for any purpose, or use such information to further their personal interests.

#### Section 4.04 Financial Interest

(a) An Employee, or firm or association of which such Employee is a member, or corporation, ten per cent (10%) or more of the stock of which is owned or controlled directly or indirectly by such Employee, shall not (1) sell any goods or services having a value in excess of twenty-five dollars (\$25) to any New York State Agency, or (2) contract for or provide such goods or services with or to any private entity where the power to contract, appoint or retain on behalf of such private entity is exercised, directly or indirectly, by a New York State Agency or officer thereof, unless such goods or services are provided pursuant to an award or contract let after public notice and competitive bidding.

**Exception:** This restriction does not apply to the publication of resolutions, advertisements, or other legal propositions or notices in newspapers designated pursuant to law for such purpose and for which the rates are fixed pursuant to law.

(b) Employees shall not knowingly engage in any transaction on behalf of an MTA Agency with any business entity in which they or a family member has a direct or indirect financial interest, excluding mutual funds, that might reasonably tend to conflict with the proper discharge of their official duties. These provisions may be waived if **both** the Head of the Agency's Procurement Department and the Agency General Counsel state in writing that it is in the best interests of the Agency to waive the provisions.

In addition, NY CLS Pub A § 1211 makes it a misdemeanor offense for an Employee of NYCT to have any interest, direct or indirect, in any contract entered into by the Employee's Agency.

#### Section 4.05 Employees Engaged in Selection, Award and Administration of Contracts

(a) Employees shall not participate in the selection, award, or administration of a contract if the Employee knows that he/she or any of his/her family members, his/her business partner, or an organization that employs or is about to employ any of the above, has a financial or other interest, other than mutual funds, in any of the companies, their parent company, its affiliates or subsidiaries ("the company") that propose or bid on or are awarded such contract. Except with respect to participation in matters in which an Employee's family members have a financial or other interest, which is absolutely barred by Executive Order No. 1 of 2007, the provisions of Section 4.05(a) may be waived if the Head of the Agency's Procurement Department, the Agency's General Counsel, and the Agency's Ethics Committee state in writing that it is in the best interests of the Agency to waive the provisions of this Section for a specific procurement or contract.

(b) If a waiver is granted, (1) the Employee engaged in the **award or selection** of a contract, shall not during the selection process and for two weeks after the award of the contract buy or sell any of the company's securities or (2) the Employee engaged in the **administration** of a contract shall not buy or sell any of the awarded company's securities for six months after the award of the contract.

(c) An Employee shall not buy or sell any of the company's securities based upon information received as a result of their employment with an MTA Agency or for two weeks after the public release of information by any MTA Agency regarding the company.

(d) For two years from the commencement of employment with an MTA Agency, an Employee shall not do either of the following in relation to the Employee's immediate past non-governmental employer: (1) participate in the selection or award of a contract in which a bidder or proposer is such immediate past employer; or (2) administer a contract awarded to such immediate past employer, unless the Employee has notified the Employee's Department Head in writing of the potential conflict and has received from such Department Head and the Agency's General Counsel a waiver stating that it is in the best interests of the applicable MTA Agency for such Employee to act in such a role. The Department Head and General Counsel must submit a copy of such waiver to the applicable Agency Ethics Committee.

(e) No MTA employee may ask a current or former contractor, or any officer, director or employee thereof, to disclose: (i) the party affiliation of such contractor, or any officer, director or employee thereof; (ii) whether such contractor, or any officer, director or employee thereof, has made campaign contributions to any party, elected official, or candidate for elective office; or (iii) whether such contractor, or any officer, director or employee thereof, cast a vote for or against any elected official, candidate or political party. No MTA employee may award or decline to award any contract, or recommend, promise or threaten to do so, in whole or in part, because of a current or prospective contractor's refusal to answer any inquiry regarding the above.

#### **Section 4.06 Representation of Other Parties and Certain Appearances and Services**

Employees shall not, directly or indirectly, act or appear on behalf of any individual, firm, or corporation, in any Business dealings with, or any matter against the interests of, an MTA Agency, or any other New York State Agency, other than as a fact witness. Employees of an MTA Agency are prohibited from appearing for compensation of any kind before a New York State Agency in connection with the purchase or sale of real estate, any rate-making proceeding, licensing, obtaining grants of money or loans, proceedings related to franchise(s), or the adoption or repeal of any rule having the force of law.

##### **Exceptions**

(a) Employees may appear before an MTA Agency or any New York State Agency or tribunal (1) in a representative capacity on behalf of an Employee organization or association or (2) in connection with a ministerial matter, such as acting as a notary or translator.

(b) Uncompensated work by Employees for not-for-profit entities doing Business with the State or City is not automatically a conflict of interest if the Employee takes no part in such Business dealings and the entity in question is not subject to supervision, control, or regulation by an MTA Agency. For example, an Employee might serve, without fee, on the Board of a community or church-sponsored day-care center that receives State funds. In such a case, the Employee cannot communicate with the State concerning receipt of those funds.

#### Section 4.07 Other Employment and Outside Activities

Employees are prohibited from outside employment, business, professional, or other outside activity that interferes or is in conflict with the proper and effective discharge of the individual's official duties or responsibilities. Each MTA Agency requires that Employees devote appropriate time and attention to their employment with that agency. Full-time employment with an MTA Agency is deemed to be an Employee's primary employment. All Employees must be fit for duty during their work hours.

Outside employment may pose ethical issues if there is a conflict between the Employee's duties as an MTA Employee and the requirements of the outside employment.

MTA Employees who engage in outside employment must consult with their Agency's Human Resources Department to determine whether a dual employment policy exists at the employing Agency. Any such dual employment policies are not superseded by this Code of Ethics.

Employees of those MTA Agencies that do not have dual employment policies are required to notify their Agency's Human Resources Department of any outside employment.

Employees may engage in other employment provided that (1) such employment does not interfere with their ability to devote appropriate time and attention to their employment with their MTA Agency; (2) such employment does not violate the specific guidelines for other employment set by their MTA Agency; (3) they do not use any MTA Agency resources (e.g., time, equipment, telephone, etc.) in connection with such employment, and (4) for policy makers, they obtain the required approvals as set forth in the specific procedures for approval of other employment set by their MTA Agency. Employees in Policy-Making Positions shall not engage in any private employment, profession or Business or other outside activity, without the following prior approvals:

- (1) Annual compensation up to \$1,000—No approval required.
- (2) Annual compensation in excess of \$1,000 to \$4,000—Approval by the applicable MTA Agency.

- (3) Annual compensation in excess of \$4,000—Approval by the applicable MTA Agency and Commission on Public Integrity.

**Remember:**

- (a) These approvals are in addition to any approvals which may be required by your Agency.
- (b) Even if no approval is required for outside activities because the monetary thresholds have not been met, the Employee must comply with all conflict of interest rules and may not use any MTA Agency resources in connection with such activities.
- (c) Employees holding Policy-Making Positions are prohibited from serving as a director or officer of a Prohibited Source (including nonprofit organizations) or corporation or institution engaged in profit-making activities, without the prior approval of the applicable Agency Ethics Committee. Employees must also receive the approval of the Commission on Public Integrity prior to serving as a director or officer of a corporation or institution engaged in profit-making activities.
- (d) Employees holding Policy-Making Positions who request approval from the Commission on Public Integrity to engage in outside activities must file a written request with the Commission which contains the approval of the activity by the applicable MTA Agency. Each Agency Ethics Committee shall establish a form for requests of approval of such outside activity. The Agency Ethics Committee acts as the agent of the applicable MTA Agency in approving or disapproving such requests. The Agency Ethics Committee's disapproval is final.
- (e) Employees holding Policy-Making Positions shall not hold public employment/office for which more than \$4000 in compensation is received or run as a candidate in any partisan election without the prior approval of the applicable MTA Agency and the Commission on Public Integrity.

**Section 4.08 Political Activities of Employees**

- (a) An Employee interested in running for elective office shall give written notice of his or her intentions to the applicable Agency Ethics Committee, so that it may determine whether, and upon what conditions, the Employee would be permitted to seek elective public office.
- (b) Employees shall not conduct political activities during work hours. MTA Agency property, including, without limitation, telephone, copy machines, computers, and other MTA Agency equipment, vehicles, office space, and services may not be used for political activities under any circumstances.

(c) Employees are prohibited from using federal funds for partisan political purposes of any kind in the administration of MTA Agency programs, either directly or through individuals or organizations with whom the MTA Agency contracts.

(d) Employees shall not use their positions or influence for the purpose of interfering with or affecting the result of an election. No Employee shall, directly or indirectly, use his or her official authority to compel or induce any other employee or state official to make or promise to make any political contribution, whether by gift of money, service or other thing of value.

(e) Employees holding Policy-Making Positions shall not serve as: (1) officers of any political party or political organization; (2) members of any political party committee, including political party district leaders or as members of a political party national committee. "Political organization" means any organization affiliated with a political party but does not include a judicial nominating committee, an organization supporting a particular cause with no partisan activities, a campaign or fundraising committee, or serving as a delegate to a state or national party convention.

(f) Consistent with this Code, Employees are otherwise free to participate in the political process on their own time, but there must be a clear separation between their political activities and the discharge of their duties as Employees of an MTA Agency.

(g) No MTA employee may during the consideration of an employment decision ask any applicant to disclose: (i) their political party affiliation; (ii) whether they made campaign contributions to any party, elected official or candidate for elective office; or (iii) whether the applicant cast a vote for or against any elected official, candidate or political party. The provisions of this paragraph shall not apply where such inquiry is necessary for the proper application of any state law or regulation.

No MTA employee may decline to hire or promote, discharge, discipline, or in any manner change the official rank or compensation of any employee, or applicant for employment, or promise or threaten to do so, based upon a refusal to answer any inquiry prohibited by this section or for giving or withholding or neglecting to make any contribution of money or service or any other valuable thing for any political purpose.

(h) The MTA's Chairman and Chief Executive Officer and Agency Presidents shall not seek nomination or election to any compensated federal, state or local public office, or shall become a candidate for such office, unless such individual first resigns from his or her employment, or requests and is granted a leave of absence without pay, such resignation or leave must commence before such individual engages in any campaign activities, including but not limited to, announcing a candidacy, circulating petitions, soliciting contributions, distributing literature, or taking any other action to actively promote oneself as a candidate for elective office.

#### **Section 4.09 Executive Order 127**

Executive Order 127 was rescinded and revoked on June 13, 2006. Employees should consult the Procurement Director or General Counsel for their Agency regarding application of the Omnibus Lobbying Reform Act of 2005, which addresses, among other things, requirements regarding

persons and organizations contacting MTA Agencies about procurement and real estate transactions.

## **Chapter 5: Future Employment**

### **Section 5.01 Restrictions on Future Employment -- Purpose**

Employment with an MTA Agency restricts to a degree the type of employment one may accept upon leaving an MTA Agency. These restrictions are based upon statutory requirements. Both this Code and applicable statutes seek to discourage actual conflicts of interest and conduct from which reasonable inferences may be drawn that Employees of an MTA Agency might not have been loyally serving such MTA Agency's interests during their employment or, thereafter, might be taking undue advantage of inside information or positioning derived from their former employment with an MTA Agency.

### **Section 5.02 Restrictions on Future Employment – Limited and Lifetime Bars**

#### **(a) Two-Year Bar**

No former Employee shall, within two (2) years after termination of employment with an MTA Agency, appear before such agency or receive compensation for, or render compensated services on behalf of, any person, firm, corporation, or association in relation to any case, proceeding or application or any other matter before such MTA Agency.

#### **(b) Lifetime Bar**

No former Employee shall ever appear, practice, communicate, or otherwise render any services or receive compensation for such services rendered before an MTA Agency or any New York State Agency for, or on behalf of, any person, firm, corporation, or other entity in relation to any case, proceeding, or transaction with respect to which such person was directly concerned and in which he or she personally participated during the period of service or employment, or which was under their active consideration. The definition of what constitutes "ever appear, practice, communicate or otherwise render any services" is given a broad interpretation by the Commission on Public Integrity. Employees should contact their Ethics Officer or the Commission on Public Integrity regarding this definition before rendering any such service.

#### **Exceptions:**

- (a) These restrictions on future employment do not apply to subsequent services rendered in an official capacity as an elected official or an Employee of another governmental entity.
- (b) The Agency may seek a waiver with respect to a former Employee pursuant to Public Officer Law Section 73 if the Employee has expertise, knowledge, or experience with respect to a particular matter that meets the needs of the agency and is otherwise unavailable at a comparable cost.

- (c) The Agency may seek a waiver with respect to a former Employee pursuant to Public Officer Law Section 73 if the services of such former officer or Employee are required in connection with the agency's response to a disaster emergency declared by the governor pursuant to section twenty-eight of the Executive Law.

**Reminders:**

- (a) For purposes of the post-employment bars, certain Employees, particularly those at MTA Headquarters, may be considered to be Employees of multiple MTA Agencies based on the scope of their job responsibilities. For clarification of their particular circumstances, the Employees may seek guidance from their former Ethics Officer, MTA Corporate Compliance or the Commission on Public Integrity.
- (b) The Commission on Public Integrity may not consider not-for-profit entities in the transportation field and certain quasi-governmental organizations as governmental entities for purposes of the exception noted above and employment at such entities may be subject to the post-employment bars described above.

The following are examples of the application of the two-year and lifetime bars:

**Example 1:** A former Construction Manager in the Department of Capital Program Management at New York City Transit (NYCT) may not, within two years after termination of NYCT employment, render services on behalf of a contractor in connection with any Business the contractor has with NYCT.

**Example 2:** No former Metro-North Employee, for a period of two years subsequent to his or her termination from employment (including retirement) may contract with Metro-North as a consultant to perform services of any kind on behalf of Metro-North, unless MNR has obtained a waiver from the Commission on Public Integrity as set forth above.

**Example 3:** A former procurement representative in the procurement department at LIRR who was directly concerned with, or was responsible for, the negotiation of a contract during his or her LIRR employment may never appear before an MTA Agency or any other New York State Agency or render services on behalf of any outside person or firm, such as a contractor or subcontractor with regard to that contract, including but not limited to, the preparation or evaluation of claims, or the negotiations of change orders, relating to the contract.

**Section 5.03 Negotiations for Future Employment**

**(a) Solicited**

MTA Employees are prohibited from soliciting an employment opportunity with a non-governmental individual or entity that has a specific pending matter before the Employee.



Those Employees seeking employment outside of government with an entity or individual that has a specific pending matter before the Employee may only solicit an employment opportunity with the non-governmental individual or entity after waiting:

- (a) 30 days from the time the matter before the Employee is closed, or
- (b) 30 days from the time the Employee has no further involvement with the matter because of recusal or reassignment.

(b) Unsolicited

MTA Employees who receive an unsolicited post-government employment-related communication from a non-governmental individual or entity that has a specific pending matter before the Employee cannot pursue employment with the non-governmental entity or individual unless the following occurs:

- (a) they recuse themselves from the matter and any further official contact with the entity or individual and
- (b) they wait 30 days from such recusal to enter into post-government employment communications with the entity or individual.

(c) Notification

MTA Employees must promptly notify their supervisor and Agency ethics officer of such outside employment related communications whether or not they intend to pursue the post-government employment opportunity.

In the event of such notification of a solicitation and Employee's desire to pursue the solicitation, the Employee's supervisor is obligated to advise such supervisor's superiors, in writing, up to and including the Department Head, of the Employee's desire to pursue the solicitation and the managers intention to establish recusal procedures, if practical, to reassign the individual or to refuse reassignment.

(d) Recusal

Recusal procedures shall be applied only if practical and in the best interests of the applicable MTA Agency. Reassignment shall be refused when the manager determines that reassignment would be impractical or inappropriate. The manager may not take action with respect to notifying the Employee of such manager's

decision until approved by the Department Head. If recusal procedures are not practical and in the best interests of the applicable MTA Agency or if reassignment is refused, the Employee is prohibited from pursuing the solicitation.

**Exception:** This provision does not apply to employment negotiations with other government agencies.

**Remember:** The higher the level of responsibility which an Employee holds within an MTA Agency, the greater the number of matters which are likely to be deemed as specific pending matters before him or her. Employees should take an expansive view as to the existence of possible conflicts when deciding whether to give notice as described in this Section.

The following are examples of the application of the employment negotiation procedures:

**Example 1:** A Deputy Vice President in the Department of Capital Program Management at NYCT who receives an unsolicited job offer from a Prohibited Source with specific pending matters before such Employee may not negotiate for such position without full compliance with the notice, approval and recusal procedures set forth above.

**Example 2:** A manager at LIRR whose duties include procurement is approached by a firm which he or she has a specific pending matter and told "if you ever decide to leave the LIRR we have a place for you in our firm." The LIRR manager must notify his or her supervisor and ethics officer of this conversation because it would be considered a communication intended to solicit employment.

#### **Section 5.04 Notice of Future Employment Restrictions**

An employee who provides notice of leaving service at an MTA Agency, either by retirement or resignation, or whose employment is terminated, will receive a memorandum summarizing the future-employment restrictions of the Ethics Law and of this Code. All Employees in management and non-represented titles and Employees in certain represented titles designated by the applicable MTA Agency may be required to sign a certification stating that the policies outlined in the memorandum have been complied with, and to state the name of a new employer, if applicable.

**Exception:** From time to time, the Future-Employment restrictions have been legislatively modified to permit exceptions to these policies when Employees are laid off. An Employee in such a position should consult with the applicable Agency Ethics Committee if there is a question of whether such exceptions are in force.

## Chapter 6: Financial Disclosure

### Section 6.01 Covered Employees

Employees must file an Annual Statement of Financial Disclosure if such Employee:

- (a) Has a gross salary within the preceding calendar year that exceeded the annual salary of state employees at the SG-24 job rate as of April 1 of the year in which the Annual Statement of Financial Disclosure is to be filed, unless specifically exempted in accordance with the State Ethics in Government Act; or
- (b) Regardless of income, holds a Policy-Making Position.

#### Notes:

- (a) The Commission on Public Integrity is required to make Annual Statement of Financial Disclosures available to the public upon request, except as to values and amounts, and except to the extent the reporting individual has obtained a ruling from the Commission on Public Integrity preventing or limiting public disclosure.
- (b) Each MTA Agency shall establish a list of Employees in Policy-Making Positions and shall, during February of each year, notify the Commission on Public Integrity of the identity of all such titles and persons required to file Annual Statement of Financial Disclosures with the Commission. Procedures shall also be established for identifying to the Commission on Public Integrity all Employees newly subject to the filing requirements by reason of having assumed Policy-Making Positions. The Commission on Public Integrity may be asked to render advisory opinions or issue guidelines for such determinations.
- (c) The Annual Statement of Financial Disclosure solicits various items of information concerning the finances and employment of the Employee, the Employee's spouse, and unemancipated children.

#### Exceptions:

- (a) Non-policy making Employees, or their bargaining or other representatives, may request that the Commission on Public Integrity grant exemptions, either in whole or in part, from the reporting requirements. Appeals from denials of such an exemption are to be made to the Commission on Public Integrity.
- (b) Employees who are required to file an Annual Statement of Financial Disclosure based on their gross salary but do not hold Policy-Making Positions may be entitled to an exemption from the financial disclosure requirements, on the grounds that the public

interest does not require disclosure and that the Employee is not involved with the discretionary, Business, or regulatory activities of the applicable MTA Agency.

(c) Employees may seek an exemption from any requirement to report one or more items of information pertaining to the financial status of their spouse or unemancipated child. An Employee may also request deletion of portions of information called for on the Annual Statement of Financial Disclosure form that could otherwise be publicly disclosed. Grounds supporting such requests are that the spouse or child (where applicable) objects to providing the information necessary to make such disclosure and that such information would have no material bearing on the discharge of the reporting Employee's duties.

## Section 6.02 Dates for Filing and Related Penalties

(a) Employees required to file pursuant to Section 6.01 must file their Annual Statement of Financial Disclosures by May 15th of each year, **or within thirty (30) days of a covered Employee's appointment or promotion**, whichever is later. An Employee may indicate with respect to any item of the Annual Statement of Financial Disclosure that information with respect thereto is lacking and will be supplied in a supplemental statement to be filed no later than the seventh (7th) day following the date to which that Employee could have received an automatic extension to file their income tax returns for that year. The Commission on Public Integrity may also grant hardship applications.

(b) If an Employee fails to file the Annual Statement of Financial Disclosure or omits relevant information, he or she shall be subject to discipline, up to and including dismissal. In addition, criminal or civil penalties may be imposed as set forth in Chapter 9 below.

## Chapter 7: Books And Records

### Section 7.01 Accuracy and Completeness of Financial Records

(a) Employees who are involved in the preparation of the MTA Agency's financial records must ensure that the accounting and financial records of their MTA Agency meet the highest standards of accuracy and completeness. Reporting accurate and complete information about the MTA Agency's financial condition is an essential responsibility of all Employees.

(b) If you have reason to believe that any of the MTA Agency's financial records are not being maintained in an accurate or complete manner, you are expected to report this immediately to your General Counsel's Office, your Agency's Chief Financial Officer, the Auditor General, or the Chief Compliance Officer.

### Section 7.02 Financial Statements And Accounts

Employees who are involved in the preparation of the MTA Agency's financial statements must do so according to generally accepted accounting principles and other applicable accounting standards and rules, so that the statements fairly and completely reflect the operations and financial condition of the MTA Agency.

## **Chapter 8: Other Ethics Issues**

### **Section 8.01 Nepotism**

It is the policy of the MTA Agencies to ensure that all job opportunities at MTA Agencies are based on merit and qualifications. Employees are prohibited from participating in any hiring or employment decision relating to a family member. If a hiring or employment matter arises relating to a family member, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter. There will be no preferential treatment for family members of current Employees and/or union officials.

MTA Agencies must ensure that contracting opportunities are based only on merit and qualifications. There will be no preferential treatment for family members of current or former Employees and/or union officials. Employees are prohibited from taking part in any contracting decision: (i) relating to a family member; or (ii) relating to any entity in which either they or a family member is an officer, director or partner, or in which a family member owns or controls 10% or more of the stock ( or 1% or more if in the case of a corporation whose stock is regularly traded on an established securities exchange) of such entity. If a contracting matter arises relating to a family member, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

An MTA Employee can not participate in any decision to invest MTA funds in any security of any entity in which that employee or any relative of that employee has a financial interest, is an underwriter, or receives any brokerage, origination or servicing fees

MTA Employees should consult with their Agency's Human Resources Department to determine their Agency's policy for avoiding Nepotism. Any such avoidance of Nepotism policy must be consistent with this Section of the Code.

### **Section 8.02 Business Relationships between Employees**

MTA managers and supervisors are prohibited from hiring MTA Employees that they directly or indirectly supervise or manage to work for or with them as full-time, part-time, or temporary employees or as consultants in any outside business entity.

### **Section 8.03 Financial Transactions between Employees**

MTA managers and supervisors are prohibited from engaging in financial transactions with MTA Employees that they directly or indirectly supervise or manage. MTA managers and supervisors may not obtain or use or attempt to use the credit of any MTA Employee that they directly or indirectly supervise or manage as applicant, maker, co-signer, or endorser of any credit instrument in any connection with a loan or similar transaction.

## **Section 8.04 Prohibition Against the Use of MTA Property**

MTA supplies, equipment, computers, personnel and other resources may not be utilized for non-governmental purposes, including for personal purposes or for outside activities of any kind except as may be specifically authorized herein:

- a) Official stationery may not be used for non-governmental purposes, nor may MTA resources be used to mail personal correspondence. The designation "personal" on MTA Agency stationery means only that the contents are meant for the personal viewing of the addressee and not that the sender is acting unofficially. All letters and other written materials printed on such official stationery are considered official, and thus the designation "unofficial" has no meaning and may not be used.
- b) Under no circumstances may MTA mail, postage, internal office mail, or inter-city couriers be used for non-governmental purposes.
- c) MTA telephones may not be used for non-governmental long-distance calls, except for toll-free calls, collect calls, and calls billed to a personal telephone number. MTA telephones may be used for incidental and necessary personal local calls that are of limited number and duration and do not conflict with the proper exercise of the duties of the MTA employee.
- d) MTA computers may be used for incidental and necessary personal purposes, such as sending personal electronic mail messages, provided that such use is in a limited amount and duration and does not conflict with the proper exercise of the duties of the MTA employee.
- e) MTA vehicles shall be used for official business or incidental use associated with official business away from an employee's official work station. Individuals who are authorized by their Agency to use a vehicle for personal purposes shall keep records of such use, and the value of such personal use shall be calculated and reported as personal income to such individual for tax purposes.

Any Agency policy regarding use of MTA property must be consistent with or more restrictive than this Section of the Code.

## **Chapter 9: Discipline/Penalty for Violation of this Code or State Ethics Laws**

### **Section 9.01 General**

Employees who violate any provision of the State Ethics Laws or of this Code may be subject to disciplinary action consistent with that administered for violations of the rules and regulations of the applicable MTA Agency, including up to and including termination.

## **Section 9.02 Civil Penalties**

A violation of Public Officers Law Sections 73(2), (3), (4), (5), (7), (8), (12), and Sections 73-a, may result in the Commission on Public Integrity imposing a civil penalty of up to forty thousand dollars (\$40,000) and the value of any gift, compensation, or benefit received as a result of such violation. These sections include but are not limited to prohibitions concerning gifts, future employment, and financial interests in MTA contracts as well as obligations in connection with the filing of Annual Statements of Financial Disclosure.

A violation of Public Officers Law Sections 74, may result in the Commission on Public Integrity imposing a civil penalty of up to ten thousand dollars (\$10,000) and the value of any gift, compensation, or benefit received as a result of such violation.

## **Section 9.03 Criminal Penalties**

A violation of Public Officers Law Section 73(2), (3), (4), (5), (7), (8), (12), and Section 73-a, may result, in lieu of civil penalties, the Commission on Public Integrity referring the violation to the New York State Attorney General or local prosecutor for criminal prosecution as a Class A misdemeanor, punishable by imprisonment for up to one year and a fine up to one thousand dollars (\$1,000).

## **APPENDIX A: Contact Information for each Agency's Honoraria Disclosure Unit**

### **MTA Headquarters**

Michael Amrick  
212-878-7422

### **MTA New York City Transit**

Barbara Jansen  
347-643-8101

### **MTA Long Island Rail Road**

John Curcio  
718-558-8297

### **MTA Long Island Bus**

John Mallios  
516-542-0100 x4430

### **MTA Metro-North Railroad**

Richard Bernard  
212-340-4933

### **MTA Bridges and Tunnels**

Catherine Sweeney  
646-252-7421

### **MTA Capital Construction**

Anthony D'Amico  
646-252-4200

### **MTA Bus Company**

Cheryl Hartell  
516-542-0100 x4429

*To obtain a current list, you can call the Helpline at 888-U-ASK MTA or go to the MTA Intranet Home Page and click Compliance.*



**APPENDIX B: Form for Annual Report of Receipt of Honoraria**

**ANNUAL REPORT OF HONORARIUM**

Employee's Name \_\_\_\_\_ Title \_\_\_\_\_

Department/Division \_\_\_\_\_ Office Phone # \_\_\_\_\_

Source of Honoraria	Date Received	Nature of Activity	Description of Event	Location of Activity	Amount Received
Madison Avenue Baseball Group	1/1/05	Speech on Baseball Trivia	Annual Baseball Conference	Cooperstown, NY	\$500

If you need additional space, complete and sign a separate Annual Report of Honorarium form. Separate forms must be attached and submitted at the time.

- The above organizations do not do business with my Agency
- The service was not part of my individual duties
- Service was performed on other than work time or was charged to accrued leave
- Agency resources were not used to prepare or deliver service
- My Agency did not reimburse my travel expenses

Employee Signature \_\_\_\_\_ Date: \_\_\_\_\_

This form can be obtained from your Agency's Honoraria Disclosure Unit or the MTAHQ Intranet Home Page by clicking on the word Compliance and following the links.

## **APPENDIX C: AGENCY ETHICS COMMITTEE CONTACT INFORMATION**

### **MTA Headquarters**

Lamond Kearsce  
646-252-1329

### **MTA New York City Transit**

David Goldenberg  
718-694-5454

### **MTA Long Island Rail Road**

John Curcio  
718-558-8297

### **MTA Long Island Bus**

Cheryl Hartell  
516-542-0100 x4429

### **MTA Metro-North Railroad**

Seth Cummins  
212-340-4933

### **MTA Bridges and Tunnels**

Bob O'Brien  
646-252-7617

### **MTA Capital Construction**

Veronique Hakim  
646-252-4274

### **MTA Bus Company**

Cheryl Hartell  
516-542-0100 x4429

*To obtain a current list you can call the Helpline at 888 U ASK MTA or go to the MTA Intranet Home Page and click Compliance.*



Metropolitan Transportation Authority

# CODE OF **ETHICS**

Adopted by the MTA Board ~~March 2007~~  
December 2009

## Introduction

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The Metropolitan Transportation Authority provides services to more than eight million customers a day, each one of whom expects a high standard of service. As Employees of the MTA, you are entrusted with the duty to provide this high standard of service. The ability to provide a high standard of service is grounded in a strong work ethic, clear corporate policies, and the dedication of a creative work force. The adherence to a strict code of ethics is central to gaining and keeping the trust of our customers.

The Metropolitan Transportation Authority All-Agency Code of Ethics ("Code of Ethics") applies to every Employee of the MTA, including its current and future subsidiaries and affiliates. For ease of reference, this Code of Ethics will refer to all such Employees as "MTA Employees." In addition, persons performing services for the MTA and its subsidiaries and affiliates may be subject to the Code of Ethics by contract or agreement.

There is only one Code of Ethics for the entire MTA. You are expected to become familiar with this Code, and the various applicable statutes, regulations, professional codes of ethics, and disciplinary rules. **You are expected to read this Code immediately upon receipt.**

The Code of Ethics is intended to provide guidance to all MTA Employees with respect to applicable laws governing ethical conduct and the Agency's ethical standards, which sometimes exceed the requirements of State law.

While the Code of Ethics sets out specific standards, in our evolving business environment no written code can anticipate every possible situation. However, this Code of Ethics establishes a standard against which you can measure your daily decisions and actions. The Code of Ethics is not a restatement of all applicable laws and standards; you are expected to be familiar with and comply with all laws and standards related to your specific job. The principal source of most New York State law governing the ethical conduct of public employees and officers is the Public Officers Law, the applicable provisions of which are available from the State Ethics Commission on Public Integrity directly ([www.nyethics.com](http://www.nyethics.com)) or from the law and human resources departments at each MTA Agency

As an MTA Employee, you are expected to be an ethical role model. Managers and supervisors must foster an atmosphere that encourages employees to seek assistance if faced with ethical dilemmas. Every MTA Employee must be alert to potential ethical issues and be ready to respond appropriately.

Responsibility for compliance with the applicable rules and standards for ethical conduct, including the related financial disclosure requirements, ultimately rests with **YOU**. If you have an ethics-related question, you should ask your supervisor or the applicable Agency Ethics Committee for guidance. In addition, the State Ethics Commission on Public Integrity (the address and phone number are listed in Section 1.03) can provide guidance, often by phone or by rendering written informal and formal opinions.

**VIOLATIONS OF THE CODE OF ETHICS OR APPLICABLE STATUTORY PROVISIONS MAY SUBJECT AN EMPLOYEE TO DISCIPLINE UP TO AND INCLUDING DISMISSAL AND/OR EXPOSE THE EMPLOYEE TO CIVIL OR CRIMINAL PENALTIES. (See Section 9.)**

# METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

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# METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

## Chapter 1: Definitions/Structure

### Section 1.01 Definitions

As used in this Code, capitalized terms shall have the following meanings:

**Agency Ethics Committee** means the ethics committee established at individual MTA Agencies.

**All-Agency Ethics Committee** means the committee comprised of the chairpersons of each Agency Ethics Committee and the Chief Compliance Officer.

**Annual Statement of Financial Disclosure** means the financial disclosure statement required to be filed with the ~~State Ethics Commission~~ on Public Integrity by certain public employees under the State Ethics in Government Act, Public Officers Law Section 73-a.

**Business** means any activity, paid or unpaid, by an Employee or any individual, firm, company, corporation or other entity, wherein the goal or objective is obtaining monetary income or other thing of value or operating an enterprise. Such activity may be for profit or not-for-profit.

**Code** means this MTA All-Agency Code of Ethics.

**Confidential Information** means information that is available to an Employee only because of such Employee's position within an MTA Agency and which is treated by such MTA Agency as being confidential or which the Employee has reason to believe is confidential. Information does not have to be formally labeled "confidential" to be confidential.

**Department Head** means a Department Head as that term is generally used within the applicable MTA Agency.

**Employee** means an officer or employee of an MTA Agency.

**Employment** means performance of services, for or on behalf of any entity or individual, to obtain economic or other material benefit.

**Family Member** means any person living in the same household as an MTA Employee, domestic partner, and any person ~~related to the Employee within the third degree of consanguinity or affinity. "See attached Consanguinity and Affinity relationship Chart, annexed as Appendix D to the Code."~~ who is a direct descendant of that MTA Employee's Grandparents or the spouse of such descendant.

**Fundraising** means the raising of funds for an organization through solicitation of funds or sale of items or participation in the conduct of an event.

**Gift** means the transfer, without equivalent consideration, of any thing or benefit, tangible or intangible, having more than nominal value, including, but not limited to, loans, forbearance,

## METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

services, travel, gratuities of any kind, favors, money, meals, refreshments, entertainment, hospitality, promises, tickets to entertainment or sporting events, weekend trips, golf outings, loans of equipment, or other thing or benefit. (See definition of "Items of Nominal Value" below.)

**Honoraria Disclosure Unit** means the office within the applicable MTA Agency set forth in Appendix A hereto.

**Honorarium** means (a) payment, fee or other compensation in connection with a service rendered by an Employee not related to the person's official duties, and for which MTA Agency equipment or staff are not used, which is in the nature of a gratuity or as an award or an honor (e.g., for delivering a speech, for attending a conference, for writing an article); and (b) a payment, whether to a lodging site or a provider of transportation, for travel expenses made to or on behalf of an Employee, or reimbursement made to the Employee for travel expenses incurred, for services rendered by an Employee not related to their official duties.

**Items of Nominal Value** means items such as mugs, key rings, calendars, pens and the like that are of minimal value unless such items are being given under circumstances where it reasonably can be inferred that such item was intended to influence the Employee in the performance of such Employee's official duties. ~~A general benchmark is that an item of nominal value would have a retail value of less than ten dollars (\$10).~~ For purposes of determining the value of an item of nominal value, the State Ethics Commission on Public Integrity has advised that the value is not reduced by virtue of it being embossed or otherwise marked with a company logo, identification, or advertising.

**MTA Agency or MTA** means any of the following: Metropolitan Transportation Authority Headquarters, MTA New York City Transit, Manhattan and Bronx Surface Transit Operating Authority, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Long Island Bus, MTA Bus Company, MTA Capital Construction Company, the Staten Island Rapid Transit Operating Authority, the First Mutual Transportation Assurance Company, MTA Bridges and Tunnels and all future affiliated and subsidiary entities of the MTA.

**New York State Agency** means any New York State department, or division, board, commission, or bureau of any state department, any public benefit corporation, public authority, or commission at least one of whose members is appointed by the Governor, or the State University of New York, or the City University of New York, including all their constituent units except community colleges of the State University of New York and the independent institutions operating statutory or contract colleges on behalf of the State. All MTA Agencies are New York State Agencies for purposes of this Code.

**Participation in the Conduct of an Event** means active and visible participation in the promotion production or presentation of the event and includes serving as honorary chairperson or committee member or sitting at the head table during the event. The term does not mean the mere attendance at the event, provided the employee's attendance is not being used by the non-profit to promote the event.

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**Policy-Making Position** means those management and non-management positions designated as policy-making positions by each MTA Agency, because the individual holding the position exercises responsibilities of a broad scope in the formulation of plans for the implementation of action or policy for an MTA Agency or has an effective or substantial influence on an individual in such a position; e.g., positions in which Employees have discretion to (i) significantly influence, control, or bind an MTA Agency in the expenditure or receipt of money, (ii) significantly influence the discretionary selection or rejection of Employees, their promotion, transfer, or salary increases, (iii) select or supervise Vendors, (iv) negotiate leases, real estate agreements, estates, purchase or sale of goods or services, or (v) supervise or approve additional work orders and progress payments to Vendors retained by an MTA Agency.

# METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

## Prohibited Source means:

- (a) a Vendor including any person or non-governmental seller of goods or services, bidder, proposer, consultant, contractor, trade, contractor or industry association, or any other person/entity with which your MTA Agency is doing business, as well as those persons and business entities who have expressed an interest in doing business with your MTA Agency, whose activities directly or indirectly benefit your Agency, or who have a history of doing business with your Agency in the recent past;
- (b) a tenant or licensee of your MTA Agency; and
- (c) another individual or non-governmental entity who, on its own behalf or on behalf of another non-governmental entity: (1) is regulated by your MTA Agency, (2) appears before your MTA Agency on other than ministerial matters, (3) lobbies or attempts to influence your MTA Agency's procurements, or your MTA Agency's positions on legislation or regulation, (4) is involved in litigation adverse to your MTA Agency and no final order has been issued, or (5) has received or applied for funds from your MTA Agency within the preceding year.

For purposes of this definition, the term "your Agency" refers to the Agency by which you are employed. However, certain high-level Employees work on matters involving more than one MTA Agency. Such Employees may be considered an Employee of one or more MTA Agency.

**Solicitation** means any request, invitation, or suggestion (oral or written) made under circumstances where it reasonably could be concluded that the individual or entity receiving same is being asked to, or is expected to, comply with a request, invitation, or suggestion.

**State Ethics Commission on Public Integrity** means the Commission established within the New York Department of State under Section 94 of the New York Executive Law.

**State Ethics Law** means New York Public Officers Law Sections 73, 73-a, 74, and the rules and regulations promulgated ~~thereunder~~ there under as may be amended or modified by the New York State Legislature.

## Section 1.02 Agency Ethics Committees

The Metropolitan Transportation Authority Headquarters, MTA New York City Transit, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Long Island Bus, MTA Bus Company, MTA Capital Construction Company, and MTA Bridges and Tunnels shall ~~each~~ establish an Ethics Committee and appoint an Agency Ethics Committee Officer thereto to render guidance on ethics-related questions, including conflicts of interest. The procedures for the ~~creation, role, and composition~~ appointment of the Agency Ethics Committee Officer shall be determined by each MTA Agency upon consultation with the Chief Compliance Officer. However, each Committee will designate one senior-level executive as Chairperson of the Agency Ethics Committee. Upon

## METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

request, information disclosed to the Agency Ethics Committees and their members shall be deemed confidential, provided that appropriate disclosure of such information must be made in accordance with applicable laws, rules, and regulations.

The Chairperson of each Agency Ethics Committee will serve as a member of an All-Agency Ethics Committee, which will be chaired by the MTA's Chief Compliance Officer. The Committee will meet periodically to review the current state of ethics at the MTA and to review or revise the Code of Ethics as needed.

### Section 1.03 Ethics & Financial Disclosure Questions

Questions concerning this Code or potential conflicts of interest may be directed to the applicable Agency Ethics Committee at the phone number set forth in Appendix C. It is not the function of a supervisor, an Agency Ethics Committee, or an MTA Agency lawyer to render legal advice to or act as counsel to any individual Employee.

Information regarding violations of this Code or questions concerning ethics-related matters, including the provisions of the New York State Ethics law or Annual Statement of Financial Disclosures, may also be directed to:

<u>Integrity</u>	<u>MTA Corporate Compliance</u>	<u>New York State Ethics Commission on Public</u>
	<u>Metropolitan Transportation Authority</u>	<u>Alfred E. Smith State Office Building</u>
	<u>2 Broadway, 16<sup>th</sup> Floor</u>	<u>50 Broadway</u>
	<u>New York, New York 10004</u>	<u>41<sup>st</sup> floor, Suite 1147 Albany, New York 12210</u>
		<u>or Albany, New York 12240</u>
	<u>800-873-8442</u>	
	<u>888-U-ASK-MTA (888-827-5682)</u>	<u>518-132-8207 or 800-873-8442</u>

The ~~State Ethics~~ Commission on Public Integrity website contains numerous guidance and reference documents. It can be accessed via the MTA Compliance Department Intranet site. The ~~State Ethics~~ Commission on Public Integrity can provide guidance on specific issues, often by phone, and otherwise by rendering written informal and formal opinions.

Any MTA Employee who has a complaint or allegation regarding the MTA may also contact the MTA Inspector General.

Office of the Inspector General,  
Metropolitan Transportation Authority  
111 West 40th Street Two Penn Plaza, 5th Floor  
New York, New York 10018-10121  
800-MTA-IG4U (800-682-4448)

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## Section 1.04 Revocation of Agencies Ethics Policies

This Code supersedes and by effect rescinds the MTA All-Agency Acceptance of Gifts Policy Statement 11-007, the MTA Guideline Document—Gifts, and all MTA Agencies' Ethics Policies and Codes.

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## Section 1.05 Duty to Disclose

Employees must promptly report any violation ~~of this Code or potential violation of the MTA's Codes of Ethics (All-Agency Code of Ethics, Board Member Code of Ethics or Vendor Code of Ethics)~~ as well as any actual or potential violation of laws, law, regulations, or policies and procedures to either their Agency Ethics Committee or by contacting the MTA Chief Compliance Officer's Office, relating to the MTA, whether committed by an MTA Employee or by a person doing business with the MTA.

Employees should report to the MTA Inspector General allegations or information involving corruption, fraud, criminal activity or abuse.

Employees should report to their Agency's Ethics Officer, their Agency General Counsel, MTA's Chief Compliance Officer or to the MTA Inspector General, all other violations or potential violations. Employees should feel free to discuss their concerns initially with their supervisor, but no supervisor may discourage an Employee from making a report.

Employees who wish to remain anonymous may do so. Their anonymity will be protected, subject to applicable laws, regulations, or legal proceedings.

~~Note: Since it may be unclear whether a violation has occurred, Employees should feel free to discuss their concerns with their supervisor or their Agency Ethics Committee. Employees may also~~ NOTE: To answer questions or increase their understanding, Employees are encouraged to discuss a particular situation with particular situations or concerns they have regarding violations or potential violations of this Code or any laws, regulations or policies or procedures with their Agency Ethics Officer, the MTA Chief Compliance Officer or the MTA Inspector General.

## Section 1.06 No Reprisals/Whistle-Blowing

Employees who report violations or potential violations of this Code or any actual or potential violations of laws, regulations or policies and procedures will not be subjected to punitive sanctions, reprisals, or other penalties solely for reporting such violations. Employees who file an intentionally false report may be subject to appropriate disciplinary penalty, up to and including dismissal, as well as civil or criminal charges.

## Section 1.07 Cooperation with Audits and Investigations

Employees must cooperate fully and honestly with audits and investigations conducted by the MTA Inspector General, ~~New York State Ethics Commission on Public Integrity~~, Auditor General, Chief Compliance Officer, or other governmental agency. Failure to so cooperate will subject an Employee to appropriate disciplinary penalty, up to and including dismissal.

## Chapter 2: Gifts, Awards and Honoraria

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## Section 2.01 Gift Prohibition-Zero Tolerance

Employees are prohibited from soliciting or receiving Gifts, directly or indirectly, from any Prohibited Source. The defined term "Gift" does not include items of truly nominal value. (See definitions of "Gifts" and "Items of Nominal Value.")

However, Employees may accept Gifts from employees of a Prohibited Source if these Gifts are reflective of a personal relationship independent of the relationship between the Prohibited Source and the MTA. For example, if the sibling of an MTA Agency Employee worked for a Prohibited Source, the MTA Agency Employee could nonetheless accept a Gift that reflects this personal relationship. In addition, an Employee can accept a modest, reasonable, and customary offering on an extraordinary occasion, such as a wedding, retirement, or serious illness. A Gift shall not be considered representative of a personal relationship – and thus permissible – if the donor seeks to charge or deduct the value of the Gift as a business expense or seeks reimbursement from a Prohibited Source.

Employees are permitted to accept discounts or special offers from a Prohibited Source so long as those discounts or special offers are generally available to similarly situated employees of other public and private sector organizations. Examples of such permitted discounts and special offers are discounts on personal cell phone service.

Under no circumstances can an Employee accept an item, even an Item of Nominal Value, under circumstances in which it could be reasonably inferred that the item was intended to influence the Employee, or could reasonably be expected to influence the Employee, in the performance of the Employee's official duties or was intended as a reward for any official action on such Employee's part.

### Reminders:

- (a) Employees should avoid accepting numerous items of nominal value from the same Prohibited Source because their aggregate value is likely to exceed the nominal threshold. The MTA and ~~State Ethics~~ Commission on Public Integrity will aggregate the value of items received from the same Prohibited Source in any 12-month period.
- (b) Accepting Gifts in connection with the performance of official duties from persons or entities other than Prohibited Sources could still be a violation of State law and this Code, if it could be reasonably inferred that the Gift was intended to influence the Employee, or could reasonably be expected to influence the Employee, in the performance of the Employee's official duties or was intended as a reward for any official action on such Employee's part.
- (c) Proof that an Employee was actually influenced by a Gift is not necessary for a finding of a violation of this Code or State Ethics Law.



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(d) Employees should use caution in accepting such items they believe are of nominal value because it may not always be easy to determine if an item is truly of nominal value.

(e) An Employee may not designate a friend, family member, or entity (such as a charity) to receive a Gift that the Employee would not be permitted to receive.

### Examples:

(a) A Prohibited Source offers an Employee a briefbag with the Prohibited Source's logo embroidered on it. Because that briefbag, without such logo, would have a retail cost greater than nominal value of over \$10, the Employee is prohibited from accepting it, even if the Employee considers it valueless because of the logo.

(b) An Employee receives 10 coffee mugs valued at ~~\$2.50~~1.00 each within a 12-month period from the same Prohibited Source. Your total value received is ~~\$25.00~~10.00 and therefore you have received a Gift (the mugs) in excess of \$10 of greater than nominal value.

**Common Gift Issues:** It is not practical in a code of this type to describe all of the circumstances that might give rise to a prohibited Gift. The following are some of the situations that have come up in the past and are examples of Gift-related actions that are prohibited:

- (a) Any Solicitation or attempt to Solicit a job for a relative from a Prohibited Source, including a summer job; or
- (b) Any Solicitation or acceptance from a Prohibited Source of:
  - (1) tickets to a concert, play, sporting event, or show;
  - (2) a golf outing, a weekend trip, a vacation, use of a vacation home, or an airline ticket;
  - (3) individual discounts to Employees on goods or services (such as televisions, computers, clothing, home improvements, or car or appliance repairs).

### Section 2.02 Monetary Gifts and Kickbacks

**Gifts of money** to an Employee from a Prohibited Source are prohibited regardless of amount and shall be **deemed to be a kickback or bribe** intended to influence the Employee in the performance of the Employee's official duties.

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Employees may not give or promise to give any portion of their compensation or any money or valuable thing to any person, nor shall any person accept any such money, or valuable thing, in connection with appointment, employment, promotion, assignment, or reassignment by an MTA Agency. Employees may not, directly or indirectly, make (or request that other Employees make) any contribution or pay any assessment in order to secure promotion, compensation, or to affect job status, duties, or functions, or in consideration of being appointed or employed at an MTA Agency.

### Section 2.03 Tips

Employees are not permitted to accept tips or other gratuities in connection with the performance of their official duties unless:

- (1) the Employee is represented by a labor union; and
- (2) it has been customary in the past for MTA Agency Employees in the relevant job classification to receive tips in connection with the performance of their official duties; and
- (3) in the private sector it would be customary for an Employee in the equivalent job classification (such as a bartender) to receive tips as part of their income.

### Section 2.04 Reporting Gift or Gift Offers

An Employee to whom a Gift is offered or given in violation of Section 2.01 above shall promptly report such offer or Gift to the applicable Agency Ethics Committee and, in the case where a Gift has been given, the Employee or Agency Ethics Committee shall promptly return the Gift to the person or entity giving the Gift with a copy of the MTA Gift return ~~memorandum~~ letter. A copy of the gift return letter should be sent to MTA's Chief Compliance Officer.

### Section 2.05 Awards, Plaques and Honors

Awards and plaques publicly presented in recognition of an Employee's service to an MTA Agency or non-job-related public service may be accepted. Employees must notify and seek the approval of their Agency Ethics Committee prior to accepting an award, plaque, or honor presented by a Prohibited Source.

However, awards or plaques presented by a Prohibited Source in recognition of job-related MTA Agency service and valued at more than seventy-five dollars (\$75) shall become the property of the applicable MTA Agency. The MTA Agency's Ethics Committee can determine the disposition of the award or plaque.

### Section 2.06 Honoraria

Employees must comply with the ~~State Ethics Commission~~ Commission on Public Integrity's regulations pertaining to limitations on the receipt of honoraria from outside parties. An Employee cannot

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accept an honorarium for services related to his or her duties for the MTA. A detailed statement of all of the circumstances in which an Employee may accept an honorarium from a third party are set forth in Part 930 of the State Ethics Commission on Public Integrity's regulations. [www.dos.state.ny.us/ethc/rules/part930.htm](http://www.dos.state.ny.us/ethc/rules/part930.htm).

The following is a summary of the rules relating to honoraria.

**Permitted Honoraria.** An Employee may accept an honorarium under certain circumstances, including where the individual or organization offering the honorarium is not involved with the applicable MTA Agency in any context other than in ministerial matters.

**Prohibited Honoraria.** An honorarium to any Employee from any individual or organization that (i) does any business with the applicable MTA Agency, (ii) is regulated by the MTA Agency, (iii) is involved in litigation adverse to the MTA Agency, (iv) receives funds from the MTA Agency, or (v) lobbies before an MTA Agency, is prohibited.

**Payment in Lieu of Honoraria.** A payment in lieu of an honorarium that is offered for services related to an Employee's official duties cannot be accepted by the Employee and must be paid by the granting organization directly to the applicable MTA Agency.

**Disclosure.** Each year ~~every~~ the MTA Agency is required to file a report with the State Ethics Commission on Public Integrity, which lists honoraria received by its Employees. Therefore, every Employee who has received one or more honoraria during the reporting period must file a report with the Honoraria Disclosure Unit for their MTA Agency identified on Exhibit A hereto, using the form provided at Appendix B of this Code, as may be amended from time to time. Each Honorarium recipient must file with such Honoraria Disclosure Unit no later than April 15 of each year for the period April 1 of the previous year through March 31 of the current year. It is strongly encouraged, although not mandatory, that Employees who have been offered an honorarium obtain written approval in advance from their ~~Department Head~~ Ethics Officer in the form of a memorandum. Where prior approval was received, the Employee shall include a copy of the ~~Department Head~~ Ethics Officer's authorizing memorandum as an attachment to the annual report to the applicable Honoraria Disclosure Unit. Irrespective of whether approval was obtained in advance, however, any receipt of an honorarium must be reported to the applicable Honoraria Disclosure Unit.

### Chapter 3: Prohibited-Source Sponsored Events, Receptions, and Meals

#### Section 3.01 Business Meals

In general, Employees are prohibited from accepting a meal from a Prohibited Source. However, an Employee may accept free **modest** meals or refreshments from a Prohibited Source under the following limited circumstances:

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- (a) in the course of and for the purpose of conducting MTA Agency business at a Prohibited Source's facility, when offered unexpectedly during a meeting which the Employee is attending for official reasons, or when offered at a company cafeteria or other company facility at the Prohibited Source's place of business and individual payment is **impractical**; or
- (b) when attending a seminar or conference in connection with an MTA Agency and meals or refreshments are provided to all participants.

An Employee may not accept a meal from a Prohibited Source outside of a Prohibited Source's facility (except at a seminar or conference as set forth in Section 3.01<sup>(a)(b)</sup> above). If an Employee has a meal with a Prohibited Source, the Employee shall pay the full value of such meal with his or her own funds with or without MTA Agency reimbursement.

**Reminders:** If you have a meal with a Prohibited Source and simply split the bill you may be in violation of this Code if you do not pay the full value of your meal. **It is prudent for Employees to obtain proof of payment because simply putting money on the table may not provide an adequate basis for proving that an Employee paid for his or her own meal. The better practice is to get a separate check and keep the receipt.**

### Section 3.02 Educational Seminars

Employees are encouraged to continue to participate in events that will enhance their professional development. In certain professions, it is customary for Prohibited Sources, including companies that do business with the MTA, and industry groups, to sponsor lectures and continuing education seminars. Occasionally, such educational events are targeted to MTA Employees and do not include other similarly situated public or private sector employees. Employees may attend such educational events if attendance at the event would further the interests of the MTA Agency, if the event relates to the Employee's official duties, and if the invitation does not involve recreational activities such as golf, tennis, or cruises.

However, Employees who manage the Prohibited Source's work or are involved in the review/approval of payments to the Prohibited Source must consult with their Agency's Ethics Officer before accepting professional continuing education credits.

### Section 3.03 Attendance at Prohibited-Source/Industry-Sponsored Events and Receptions

Employees are encouraged to continue to participate in events that will enhance their professional development. Employees frequently receive complimentary invitations to Prohibited Source/industry groups sponsored events that include receptions or hospitality suites sponsored by a Prohibited Source/industry group. **Employees should evaluate any such invitations with caution.** Employees may attend complimentary Prohibited Source/industry-sponsored events, including receptions or hospitality suites only if **all** of the following conditions are met:

- (1) Attendance at the event would further the interests of the MTA Agency; **and**

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- (2) The event relates to the Employee's official duties; **and**
- (3) There is broad participation and wide attendance at the event and the event is open and complimentary to members throughout a given industry or profession, or those in attendance represent a broad range of persons interested in the matter; **and**
- (4) Any reception or hospitality suite is open to all event attendees; **and**
- (5) The event does not include a formal sit-down meal or involve recreational activities such as golf, tennis, or cruises.

An Employee's travel expenses relating to attendance at an industry or Prohibited Source-sponsored event may not be reimbursed or paid for by the event sponsor or other Prohibited Source. (See Travel Reimbursement Section 3.07.3.08.)

An Employee may attend a Prohibited Source-sponsored event at his or her own expense but the cost paid by the Employee shall be based on the price paid by the other paying attendees or if there is no admission fee required, then based on the actual cost to the sponsor. **It is prudent for Employees to obtain proof of payment.**

### Section 3.04 Senior Management Attendance at Prohibited-Source Sponsored Events

The ~~Executive Director~~ Chair/Chief Executive Officer of MTA, the President of an MTA Agency, or their designee(s) may attend functions sponsored and paid for by Prohibited Sources when attendance is related and appropriate to that attendee's official duties or when the purpose of attendance is the performance of a ceremonial or other function that is appropriate to that attendee's official duties with their MTA Agency. The attendee shall provide advance written notice of such invitation to the MTA Chief Compliance Officer and their Agency's General Counsel.

### ~~Section 3.05~~ Attendance at Banquets, Galas and Fund-Raising Events

- (a) Employees may purchase tickets using their own funds and may attend fund-raising and charitable events sponsored by Prohibited Sources on their own time, subject to compliance with the applicable provisions of the State Ethics Law, this Code, and any other applicable statutes, rules, regulations, policies, or procedures.
- (b) Employees may attend fund-raising and charitable events with tickets purchased by an MTA Agency in compliance with the applicable policies and procedures relating to such purchases.
- (c) Employees may not accept from any individual or firm, directly or indirectly, tickets to any banquet, gala, or fund-raising event by a Prohibited Source, if those tickets were subsidized or paid for directly or indirectly by the Prohibited Source including without limitation the Transit Museum

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Gala. Such tickets may not be donated by an individual or firm to an MTA Agency and then distributed to Employees of an MTA Agency.

### **Section 3.05 ~~Section 3.06~~ Charitable or Political Benefits and Contributions and Fundraising Activities**

Solicitation by Employees of charitable or political contributions from Prohibited Sources, including giving Prohibited Sources invitations to charitable or political functions or events, is prohibited.

Employees are prohibited from using the MTA's name, their official title, position or authority in any fundraising activity unless authorized by MTA's Chief Compliance Officer. Authorization maybe granted **only if** the fundraising is in furtherance of the MTA's mission and does not create an appearance of or any actual conflict of interest.

Employees may engage in fundraising in a personal capacity provided they do not use their title, position or authority to further their fundraising activities and do not personally solicit funds from a subordinate or from persons known to the employee to be a prohibited source.

### **Section 3.07 Events Honoring an Employee**

Prohibited Sources should only be invited to events honoring an Employee (such as an Employee retirement dinner or an event where the Employee is one of the honored guests) if they have a personal relationship with the honored Employee and there is no actual, implied, or apparent promise of benefit from accepting, or actual, implied, or apparent threat of retaliation from refusing, such invitation. Such invitations should be made with caution.

### **Section 3.06 ~~Section 3.08~~ Reimbursement of Travel Expenses**

Under no circumstances shall an Employee accept reimbursement of travel expenses from a Prohibited Source.

However, Employees may accept reimbursement from government agencies for travel expenses related to the Employees' official duties at the applicable MTA Agency if the purpose of the travel benefits the MTA Agency in the conduct of its business and prior approval has been received in accordance with the procedures set by the applicable MTA Agency.

**Reminder:** All Employees must comply with the State Ethics Commission on Public Integrity's regulations pertaining to limitations on the reimbursement of travel expenses from outside parties. A detailed statement of all of the circumstances in which an Employee may accept reimbursement of travel expenses from a third party is set forth in Part 930 of the State Ethics Commission on Public Integrity's regulations.

[www.dos.state.ny.us/ethc/rules/part930.htm](http://www.dos.state.ny.us/ethc/rules/part930.htm)

## **Chapter 4: Conflicts Of Interest, Other Employment and Political Activities**

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## Section 4.01 Conflicts of Interest

Employees shall not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is or may be in conflict with the proper discharge of his or her duties. Employees must notify their

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Ethics Committee regarding any possible conflict of interest.

### Reminders:

- (a) If an Employee is uncertain as to whether a given situation creates a real or potential conflict of interest, such Employee should promptly disclose that situation to, and seek guidance from, his or her supervisor, Department Head, the applicable Agency Ethics Committee, or ~~the applicable Agency law department~~ MTA Chief Compliance Officer.
- (b) With respect to all work an Employee performs, such Employee must be vigilant about the existence of any circumstances, interests, or relationships which might create or might be reasonably perceived by others as constituting a conflict of interest. If an Employee is uncertain as to whether a given situation creates a real or potential conflict of interest, such Employee must promptly disclose that situation to, and seek guidance from, such Employee's supervisor, Department Head, applicable Agency Ethics Committee, or ~~applicable Agency law department~~ MTA Chief Compliance Officer. In order to avoid a conflict of interest or the appearance of one, it may be necessary for Employees to recuse themselves from involvement with a matter before an MTA Agency. Employees must adhere strictly to the conflict of interest guidance they receive from their supervisor, Department Head, applicable Agency Ethics Committee, or applicable Agency law department.

**Example:** It would be a conflict of interest if an Employee participated in a transaction involving an MTA Agency in which transaction the Employee or someone associated with the Employee (Family Member or by a Business or financial relationship) had, directly or indirectly, a financial or other private interest (other than a de minimis financial interest as discussed in Section 4.04 below).

### Section 4.02 Public Trust

- (a) Employees shall not engage in a course of conduct that will raise suspicion among the public that they are likely to be engaged in acts that are in violation of the public trust. Employees shall avoid even the appearance that they can be improperly (1) influenced in the performance of their official duties or (2) induced to violate the public trust or impair their independence of judgment in the exercise of their official duties.

**Example:** An Employee's undisclosed social relationship with a Prohibited Source might create an impression of impropriety if the Employee were in a position to act favorably toward the Prohibited Source in an MTA Agency matter.

- (b) Employees shall not use or attempt to use their official position to secure unwarranted privileges or exemptions for themselves or others.



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(c) Employees shall not by their conduct give reasonable basis for the impression that any person can improperly influence them or unduly enjoy their favor in the performance of their official duties, or that they are affected by the kinship, rank, position, or influence of any party or person.

### Section 4.03 Confidential Information

Employees shall not disclose Confidential Information without the permission of the General Counsel of the MTA Agency at which such individual is employed for any purpose, or use such information to further their personal interests.

### Section 4.04 Financial Interest

(a) An Employee, or firm or association of which such Employee is a member, or corporation, ten per cent (10%) or more of the stock of which is owned or controlled directly or indirectly by such Employee, shall not (1) sell any goods or services having a value in excess of twenty-five dollars (\$25) to any New York State Agency, or (2) contract for or provide such goods or services with or to any private entity where the power to contract, appoint or retain on behalf of such private entity is exercised, directly or indirectly, by a New York State Agency or officer thereof, unless such goods or services are provided pursuant to an award or contract let after public notice and competitive bidding.

**Exception:** This restriction does not apply to the publication of resolutions, advertisements, or other legal propositions or notices in newspapers designated pursuant to law for such purpose and for which the rates are fixed pursuant to law.

~~(b) If any Employee has a financial interest, direct or indirect, having a value of ten thousand dollars (\$10,000) or more in any activity that is subject to the jurisdiction of a New York State regulatory agency, they should file with the Secretary of State a written statement that they have such a financial interest in such activity.~~ (c) Employees shall not knowingly engage in any transaction on behalf of an MTA Agency with any business entity in which they or a family member has a direct or indirect financial interest, excluding mutual funds, that might reasonably tend to conflict with the proper discharge of their official duties. These provisions may be waived if **both** the Head of the Agency's Procurement Department and the Agency General Counsel state in writing that it is in the best interests of the Agency to waive the provisions of Section 4.04(c).

In addition, NY CLS Pub A § 1211 makes it a misdemeanor offense for an Employee of NYCT to have any interest, direct or indirect, in any contract entered into by the Employee's Agency.

### Section 4.05 Employees Engaged in Selection, Award and Administration of Contracts

(a) Employees shall not participate in the selection, award, or administration of a contract if the Employee knows that he/she or any of his/her family members, his/her business partner, or an organization that employs or is about to employ any of the above, has a financial or other interest, other than mutual funds, in any of the companies, their parent company, its affiliates or

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subsidiaries ("the company") that propose or bid on or are awarded such contract. Except with respect to participation in matters in which an Employee's family members have a financial or other interest, which is absolutely barred by Executive Order No. 1 of 2007, the provisions of Section 4.05(a) may be waived if the Head of the Agency's Procurement Department, the Agency's General Counsel, and the Agency's Ethics Committee state in writing that it is in the best interests of the Agency to waive the provisions of this Section for a specific procurement or contract.

(b) If a waiver is granted, (1) the Employee engaged in the **award or selection** of a contract, shall not during the selection process and for two weeks after the award of the contract buy or sell any of the company's securities or (2) the Employee engaged in the **administration** of a contract shall not buy or sell any of the awarded company's securities for six months after the award of the contract.

(c) An Employee shall not buy or sell any of the company's securities based upon information received as a result of their employment with an MTA Agency or for two weeks after the public release of information by any MTA Agency regarding the company.

(d) For two years from the commencement of employment with an MTA Agency, an Employee shall not do either of the following in relation to the Employee's immediate past non-governmental employer: (1) participate in the selection or award of a contract in which a bidder or proposer is such immediate past employer; or (2) administer a contract awarded to such immediate past employer, unless the Employee has notified the Employee's Department Head in writing of the potential conflict and has received from such Department Head and the Agency's General Counsel a waiver stating that it is in the best interests of the applicable MTA Agency for such Employee to act in such a role. The Department Head and General Counsel must submit a copy of such waiver to the applicable Agency Ethics Committee.

(e) No MTA employee may ask a current or former contractor, or any officer, director or employee thereof, to disclose: (i) the party affiliation of such contractor, or any officer, director or employee thereof; (ii) whether such contractor, or any officer, director or employee thereof, has made campaign contributions to any party, elected official, or candidate for elective office; or (iii) whether such contractor, or any officer, director or employee thereof, cast a vote for or against any elected official, candidate or political party. No MTA employee may award or decline to award any contract, or recommend, promise or threaten to do so, in whole or in part, because of a current or prospective contractor's refusal to answer any inquiry regarding the above.

### Section 4.06 Representation of Other Parties and Certain Appearances and Services

Employees shall not, directly or indirectly, act or appear on behalf of any individual, firm, or corporation, in any Business dealings with, or any matter against the interests of, an MTA Agency, or any other New York State Agency, other than as a fact witness. Employees of an MTA Agency are prohibited from appearing for compensation of any kind before a New York State Agency in connection with the purchase or sale of real estate, any rate-making proceeding, licensing, obtaining grants of money or loans, proceedings related to franchise(s), or the adoption or repeal of any rule having the force of law.

#### Exceptions

## METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

(a) Employees may appear before an MTA Agency or any New York State Agency or tribunal (1) in a representative capacity on behalf of an Employee organization or association or (2) in connection with a ministerial matter, such as acting as a notary or translator.

(b) Uncompensated work by Employees for not-for-profit entities doing Business with the State or City is not automatically a conflict of interest if the Employee takes no part in such Business dealings and the entity in question is not subject to supervision, control, or regulation by an MTA Agency. For example, an Employee might serve, without fee, on the Board of a community or church-sponsored day-care center that receives State funds. In such a case, the Employee cannot communicate with the State concerning receipt of those funds.

### Section 4.07 Other Employment and Outside Activities

Employees are prohibited from outside employment, business, professional, or other outside activity that interferes or is in conflict with the proper and effective discharge of the individual's official duties or responsibilities. Each MTA Agency requires that Employees devote appropriate time and attention to their employment with that agency. Full-time employment with an MTA Agency is deemed to be an Employee's primary employment. All Employees must be fit for duty during their work hours.

Outside employment may pose ethical issues if there is a conflict between the Employee's duties as an MTA Employee and the requirements of the outside employment.

MTA Employees who engage in outside employment must consult with their Agency's Human Resources Department to determine whether a dual employment policy exists at the employing Agency. Any such dual employment policies are not superseded by this Code of Ethics.

Employees of those MTA Agencies that do not have dual employment policies are required to notify their Agency's Human Resources Department of any outside employment.

Employees may engage in other employment provided that (1) such employment does not interfere with their ability to devote appropriate time and attention to their employment with their MTA Agency; (2) such employment does not violate the specific guidelines for other employment set by their MTA Agency; (3) they do not use any MTA Agency resources (e.g., time, equipment, telephone, etc.) in connection with such employment, and (4) for policy makers, they obtain the required approvals as set forth in the specific procedures for approval of other employment set by their MTA Agency. Employees in Policy-Making Positions shall not engage in any private employment, profession or Business or other outside activity, without the following prior approvals:

- (1) Annual compensation up to \$1,000—No approval required.

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- (2) Annual compensation in excess of \$1,000 to \$4,000—Approval by the applicable MTA Agency.

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- (3) Annual compensation in excess of \$4,000—Approval by the applicable MTA Agency and ~~State Ethics Commission~~ on Public Integrity.

### Remember:

- (a) These approvals are in addition to any approvals which may be required by your Agency.
- (b) Even if no approval is required for outside activities because the monetary thresholds have not been met, the Employee must comply with all conflict of interest rules and may not use any MTA Agency resources in connection with such activities.
- (c) Employees holding Policy-Making Positions are prohibited from serving as a director or officer of a Prohibited Source (including nonprofit organizations) or corporation or institution engaged in profit-making activities, without the prior approval of the applicable Agency Ethics Committee, ~~which will seek~~ Employees must also receive the approval of the State Ethics Commission on Public Integrity prior to serving as a director or officer of a corporation or institution engaged in profit-making activities.
- (d) Employees holding Policy-Making Positions who request approval from the ~~State Ethics Commission on Public Integrity~~ to engage in outside activities must file a written request with the Commission which contains the approval of the activity by the applicable MTA Agency. Each Agency Ethics Committee shall establish a form for requests of approval of such outside activity. The Agency Ethics Committee acts as the agent of the applicable MTA Agency in approving or disapproving such requests. The Agency Ethics Committee's disapproval is final.
- (e) ~~Employees holding Policy-Making Positions shall not hold any other public office or employment/office for which more than \$4000 in compensation is received or run as a candidate in any partisan election without the prior approval of the applicable MTA Agency and the State Ethics Commission on Public Integrity.~~

### Section 4.08 Political Activities of Employees

- (a) An Employee interested in running for elective office shall give written notice of his or her intentions to the applicable Agency Ethics Committee, so that it may determine whether, and upon what conditions, the Employee would be permitted to seek elective public office.
- (b) Employees shall not conduct political activities during work hours. MTA Agency property, including, without limitation, telephone, copy machines, computers, and other MTA Agency equipment, vehicles, office space, and services may not be used for political activities under any circumstances.

## METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

(c) Employees are prohibited from using federal funds for partisan political purposes of any kind in the administration of MTA Agency programs, either directly or through individuals or organizations with whom the MTA Agency contracts.

(d) Employees shall not use their positions or influence for the purpose of interfering with or affecting the result of an election ~~for nomination for office~~. No Employee shall, directly or indirectly, use his or her official authority to compel or induce any other employee or state official to make or promise to make any political contribution, whether by gift of money, service or other thing of value.

(e) Employees holding Policy-Making Positions shall not serve as: (1) officers of any political party or political organization; (2) members of any political party committee, including political party district leaders or as members of a political party national committee. "Political organization" means any organization affiliated with a political party but does not include a judicial nominating committee, an organization supporting a particular cause with no partisan activities, a campaign or fundraising committee, or serving as a delegate to a state or national part convention.

(f) Consistent with this Code, Employees are otherwise free to participate in the political process on their own time, but there must be a clear separation between their political activities and the discharge of their duties as Employees of an MTA Agency.

(g) No MTA employee may during the consideration of an employment decision ask any applicant to disclose: (i) their political party affiliation; (ii) whether they made campaign contributions to any party, elected official or candidate for elective office; or (iii) whether the applicant cast a vote for or against any elected official, candidate or political party. The provisions of this paragraph shall not apply where such inquiry is necessary for the proper application of any state law or regulation.

No MTA employee may decline to hire or promote, discharge, discipline, or in any manner change the official rank or compensation of any employee, or applicant for employment, or promise or threaten to do so, based upon a refusal to answer any inquiry prohibited by this section or for giving or withholding or neglecting to make any contribution of money or service or any other valuable thing for any political purpose.

(h) The MTA's Chairman and Chief Executive Officer and Agency Presidents shall not seek nomination or election to any compensated federal, state or local public office, or shall become a candidate for such office, unless such individual first resigns from his or her employment, or requests and is granted a leave of absence without pay, such resignation or leave must commence before such individual engages in any campaign activities, including but not limited to, announcing a candidacy, circulating petitions, soliciting contributions, distributing literature, or taking any other action to actively promote oneself as a candidate for elective office.

Section 4.09 — Executive Order 127

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Executive Order 127 was rescinded and revoked on June 13, 2006. Employees should consult the Procurement Director or General Counsel for their Agency regarding application of the Omnibus Lobbying Reform Act of 2005, which addresses, among other things, requirements regarding persons and organizations contacting MTA Agencies about procurement and real estate transactions.

### Chapter 5: Future Employment

#### Section 5.01 Restrictions on Future Employment -- Purpose

Employment with an MTA Agency restricts to a degree the type of employment one may accept upon leaving an MTA Agency. These restrictions are based upon statutory requirements. Both this Code and applicable statutes seek to discourage actual conflicts of interest and conduct from which reasonable inferences may be drawn that Employees of an MTA Agency might not have been loyally serving such MTA Agency's interests during their employment or, thereafter, might be taking undue advantage of inside information or positioning derived from their former employment with an MTA Agency.

#### Section 5.02 Restrictions on Future Employment -- Limited and Lifetime Bars

##### (a) Two-Year Bar

No former Employee shall, within two (2) years after termination of employment with an MTA Agency, appear before such agency or receive compensation for, or render compensated services on behalf of, any person, firm, corporation, or association in relation to any case, proceeding or application or any other matter before such MTA Agency.

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### (b) Lifetime Bar

No former Employee shall ever appear, practice, communicate, or otherwise render any services or receive compensation for such services rendered before an MTA Agency or any New York State Agency for, or on behalf of, any person, firm, corporation, or other entity in relation to any case, proceeding, or transaction with respect to which such person was directly concerned and in which he or she personally participated during the period of service or employment, or which was under their active consideration. The definition of what constitutes "ever appear, practice, communicate or otherwise render any services" is given a broad interpretation by the ~~State Ethics Commission~~ on Public Integrity.

Employees should contact their Ethics Officer or the ~~State Ethics Commission~~ on Public Integrity regarding this definition before rendering any such service.

#### Exceptions:

- (a) These restrictions on future employment do not apply to subsequent services rendered in an official capacity as an elected official or an Employee of another governmental entity.
- (b) The Agency may seek a waiver with respect to a former Employee pursuant to Public Officer Law Section 73 if the Employee has expertise, knowledge, or experience with respect to a particular matter that meets the needs of the agency and is otherwise unavailable at a comparable cost.
- (c) The Agency may seek a waiver with respect to a former Employee pursuant to Public Officer Law Section 73 if the services of such former officer or Employee are required in connection with the agency's response to a disaster emergency declared by the governor pursuant to section twenty-eight of the Executive Law.

#### Reminders:

- (a) For purposes of the post-employment bars, certain Employees, particularly those at MTA Headquarters, may be considered to be Employees of multiple MTA Agencies based on the scope of their job responsibilities. For clarification of their particular circumstances, the Employees may seek guidance from their former ~~General Counsel~~ Ethics Officer, MTA Corporate Compliance or the ~~State Ethics Commission~~ on Public Integrity.
- (b) The ~~State Ethics Commission~~ on Public Integrity may not consider not-for-profit entities in the transportation field and certain quasi-governmental organizations as governmental entities for purposes of the exception noted above and employment at such entities may be subject to the post-employment bars described above.



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The following are examples of the application of the two-year and lifetime bars:

**Example 1:** A former Construction Manager in the Department of Capital Program Management at New York City Transit (NYCT) may not, within two years after termination of NYCT employment, render services on behalf of a contractor in connection with any Business the contractor has with NYCT.

**Example 2:** No former Metro-North Employee, for a period of two years subsequent to his or her termination from employment (including retirement) may contract with Metro-North as a consultant to perform services of any kind on behalf of Metro-North, unless MNR has obtained a waiver from the ~~State Ethics Commission on Public Integrity~~ as set forth above.

**Example 3:** A former procurement representative in the procurement department at LIRR who was directly concerned with, or was responsible for, the negotiation of a contract during his or her LIRR employment may never appear before an MTA Agency or any other New York State Agency or render services on behalf of any outside person or firm, such as a contractor or subcontractor with regard to that contract, including but not limited to, the preparation or evaluation of claims, or the negotiations of change orders, relating to the contract.

### Section 5.03 Negotiations for Future Employment

#### (a) Solicited

MTA Employees are prohibited from soliciting an employment opportunity with a non-governmental individual or entity that has a specific pending matter before the Employee.

Those Employees seeking employment outside of government with an entity or individual that has a specific pending matter before the Employee may only solicit an employment opportunity with the non-governmental individual or entity after waiting:

- (a) 30 days from the time the matter before the Employee is closed, or
- (b) 30 days from the time the Employee has no further involvement with the matter because of recusal or reassignment.

#### (b) Unsolicited

MTA Employees who receive an unsolicited post-government employment-related communication from a non-governmental individual or entity that has a specific pending matter before the Employee cannot pursue employment with the non-governmental entity or individual unless the following occurs:

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- (a) they recuse themselves from the matter and any further official contact with the entity or individual and
- (b) they wait 30 days from such recusal to enter into post-government employment communications with the entity or individual.

### (c) Notification

MTA Employees must promptly notify their supervisor and Agency ethics officer of such outside employment related communications whether or not they intend to pursue the post-government employment opportunity.

In the event of such notification of a solicitation and Employee's desire to pursue the solicitation, the Employee's supervisor is obligated to advise such supervisor's superiors, in writing, up to and including the Department Head, of the Employee's desire to pursue the solicitation and the managers intention to establish recusal procedures, if practical, to reassign the individual or to refuse reassignment.

### (d) Recusal

Recusal procedures shall be applied only if practical and in the best interests of the applicable MTA Agency. Reassignment shall be refused when the manager determines that reassignment would be impractical or inappropriate. The manager may not take action with respect to notifying the Employee of such manager's decision until approved by the Department Head. If recusal procedures are not practical and in the best interests of the applicable MTA Agency or if reassignment is refused, the Employee is prohibited from pursuing the solicitation.

**Exception:** This provision does not apply to employment negotiations with other government agencies.

**Remember:** The higher the level of responsibility which an Employee holds within an MTA Agency, the greater the number of matters which are likely to be deemed as specific pending matters before him or her. Employees should take an expansive view as to the existence of possible conflicts when deciding whether to give notice as described in this Section.

The following are examples of the application of the employment negotiation procedures:

**Example 1:** A Deputy Vice President in the Department of Capital Program Management at NYCT who receives an unsolicited job offer from

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a Prohibited Source with specific pending matters before such Employee may not negotiate for such position without full compliance with the notice, approval and recusal procedures set forth above.

**Example 2:** A manager at LIRR whose duties include procurement is approached by a firm which he or she has a specific pending matter and told "if you ever decide to leave the LIRR we have a place for you in our firm." The LIRR manager must notify his or her supervisor and ethics officer of this conversation because it would be considered a communication intended to solicit employment.

### **Section 5.04 Notice of Future Employment Restrictions**

An employee who provides notice of leaving service at an MTA Agency, either by retirement or resignation, or whose employment is terminated, will receive a memorandum summarizing the future-employment restrictions of the Ethics Law and of this Code. All Employees in management and non-represented titles and Employees in certain represented titles designated by the applicable MTA Agency may be required to sign a certification stating that the policies outlined in the memorandum have been complied with, and to state the name of a new employer, if applicable.

**Exception:** From time to time, the Future-Employment restrictions have been legislatively modified to permit exceptions to these policies when Employees are laid off. An Employee in such a position should consult with the applicable Agency Ethics Committee if there is a question of whether such exceptions are in force.

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## Chapter 6: Financial Disclosure

### Section 6.01 Covered Employees

Employees must file an Annual Statement of Financial Disclosure if such Employee:

- (a) Has a gross salary within the preceding calendar year that exceeded the annual salary of state employees at the SG-24 job rate as of April 1 of the year in which the Annual Statement of Financial Disclosure is to be filed, unless specifically exempted in accordance with the State Ethics in Government Act; or
- (b) Regardless of income, holds a Policy-Making Position.

#### Notes:

- (a) The ~~State Ethics Commission~~ on Public Integrity is required to make Annual Statement of Financial Disclosures available to the public upon request, except as to values and amounts, and except to the extent the reporting individual has obtained a ruling from the ~~State Ethics Commission~~ on Public Integrity preventing or limiting public disclosure.
- (b) Each MTA Agency shall establish a list of Employees in Policy-Making Positions and shall, during February of each year, notify the ~~State Ethics Commission~~ on Public Integrity of the identity of all such titles and persons required to file Annual Statement of Financial Disclosures with the Commission. Procedures shall also be established for identifying to the ~~State Ethics Commission~~ on Public Integrity all Employees newly subject to the filing requirements by reason of having assumed Policy-Making Positions. The ~~State Ethics Commission~~ on Public Integrity may be asked to render advisory opinions or issue guidelines for such determinations.
- (c) The Annual Statement of Financial Disclosure solicits various items of information concerning the finances and employment of the Employee, the Employee's spouse, and unemancipated children.

#### Exceptions:

- (a) Non-policy making Employees, or their bargaining or other representatives, may request that the ~~State Ethics Commission~~ on Public Integrity grant exemptions, either in whole or in part, from the reporting requirements. Appeals from denials of such an exemption are to be made to the ~~State Ethics Commission~~ on Public Integrity.
- (b) Employees who are required to file an Annual Statement of Financial Disclosure based on their gross salary but do not hold Policy-Making Positions may be entitled to an

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exemption from the financial disclosure requirements, on the grounds that the public interest does not require disclosure and that the Employee is not involved with the discretionary, Business, or regulatory activities of the applicable MTA Agency.

(c) Employees may seek an exemption from any requirement to report one or more items of information pertaining to the financial status of their spouse or unemancipated child. An Employee may also request deletion of portions of information called for on the Annual Statement of Financial Disclosure form that could otherwise be publicly disclosed. Grounds supporting such requests are that the spouse or child (where applicable) objects to providing the information necessary to make such disclosure and that such information would have no material bearing on the discharge of the reporting Employee's duties.

### Section 6.02 Dates for Filing and Related Penalties

(a) Employees required to file pursuant to Section 6.01 must file their Annual Statement of Financial Disclosures by May 15th of each year, **or within thirty (30) days of a covered Employee's appointment or promotion**, whichever is later. An Employee may indicate with respect to any item of the Annual Statement of Financial Disclosure that information with respect thereto is lacking and will be supplied in a supplemental statement to be filed no later than the seventh (7th) day following the date to which that Employee could have received an automatic extension to file their income tax returns for that year. The ~~State Ethics~~ Commission on Public Integrity may also grant hardship applications.

(b) If an Employee fails to file the Annual Statement of Financial Disclosure or omits relevant information, he or she shall be subject to discipline, up to and including denial of discretionary salary increases ~~dismissal~~. In addition, criminal or civil penalties may be imposed as set forth in Chapter 9 below.

## Chapter 7: Books And Records

### Section 7.01 Accuracy and Completeness of Financial Records

(a) Employees who are involved in the preparation of the MTA Agency's financial records must ensure that the accounting and financial records of their MTA Agency meet the highest standards of accuracy and completeness. Reporting accurate and complete information about the MTA Agency's financial condition is an essential responsibility of all Employees.

(b) If you have reason to believe that any of the MTA Agency's financial records are not being maintained in an accurate or complete manner, you are expected to report this immediately to your General Counsel's Office, your Agency's Chief Financial Officer, the Auditor General, or the Chief Compliance Officer.

### Section 7.02 Financial Statements And Accounts

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Employees who are involved in the preparation of the MTA Agency's financial statements must do so according to generally accepted accounting principles and other applicable accounting standards and rules, so that the statements fairly and completely reflect the operations and financial condition of the MTA Agency.

### Chapter 8: Other Ethics Issues

#### Section 8.01 Nepotism

It is the policy of the MTA Agencies to ensure that all job opportunities at MTA Agencies are based on merit and qualifications. Employees are prohibited from participating in any hiring or employment decision relating to a family member. If a hiring or employment matter arises relating to a family member, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter. There will be no preferential treatment for family members of current Employees and/or union officials.

MTA Agencies ~~also cannot permit~~ must ensure that contracting opportunities ~~to be~~ based only on ~~other than~~ merit and qualifications. There will be no preferential treatment for family members of current or former Employees and/or union officials. Employees are prohibited from taking part in any contracting decision: (i) relating to a family member; or (ii) relating to any entity in which either they or a family member is an officer, director or partner, or in which a family member owns or controls 10% or more of the stock (or 1% or more if in the case of a corporation whose stock is regularly traded on an established securities exchange) of such entity. If a contracting matter arises relating to a family member, then the employee must advise his or her supervisor of the relationship, and must be recused from any and all discussions or decisions relating to the matter.

An MTA Employee can not participate in any decision to invest MTA funds in any security of any entity in which that employee or any relative of that employee has a financial interest, is an underwriter, or receives any brokerage, origination or servicing fees

MTA Employees should consult with their Agency's Human Resources Department to determine their Agency's policy for avoiding Nepotism. Any such avoidance of Nepotism policy must be consistent with this Section of the Code ~~and Executive Order No. 1 issued by Governor Eliot Spitzer on January 1, 2007.~~

#### Section 8.02 Business Relationships between Employees

MTA managers and supervisors are prohibited from hiring MTA Employees that they directly or indirectly supervise or manage to work for or with them as full-time, part-time, or temporary employees or as consultants in any outside business entity.

#### Section 8.03 Financial Transactions between Employees

## METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

MTA managers and supervisors are prohibited from engaging in financial transactions with MTA Employees that they directly or indirectly supervise or manage. MTA managers and supervisors may not obtain or use or attempt to use the credit of any MTA Employee that they directly or indirectly supervise or manage as applicant, maker, co-signer, or endorser of any credit instrument in any connection with a loan or similar transaction.

# METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

## Section 8.04 Prohibition Against the Use of MTA Property

MTA supplies, equipment, computers, personnel and other resources may not be utilized for non-governmental purposes, including for personal purposes or for outside activities of any kind except as may be specifically authorized herein:

- a) Official stationery may not be used for non-governmental purposes, nor may MTA resources be used to mail personal correspondence. The designation "personal" on MTA Agency stationery means only that the contents are meant for the personal viewing of the addressee and not that the sender is acting unofficially. All letters and other written materials printed on such official stationery are considered official, and thus the designation "unofficial" has no meaning and may not be used.
- b) Under no circumstances may MTA mail, postage, internal office mail, or inter-city couriers be used for non-governmental purposes.
- c) MTA telephones may not be used for non-governmental long-distance calls, except for toll-free calls, collect calls, and calls billed to a personal telephone number. MTA telephones may be used for incidental and necessary personal local calls that are of limited number and duration and do not conflict with the proper exercise of the duties of the MTA employee.
- d) MTA computers may be used for incidental and necessary personal purposes, such as sending personal electronic mail messages, provided that such use is in a limited amount and duration and does not conflict with the proper exercise of the duties of the MTA employee.
- e) MTA vehicles shall be used for official business or incidental use associated with official business away from an employee's official work station. Individuals who are authorized by their Agency to use a vehicle for personal purposes shall keep records of such use, and the value of such personal use shall be calculated and reported as personal income to such individual for tax purposes.

Any Agency policy regarding use of MTA property must be consistent with or more restrictive than this Section of the Code.



# METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

## Chapter 9: Discipline/Penalty for Violation of this Code or State Ethics Laws

### Section 9.01 General

Employees who violate any provision of the State Ethics Laws or of this Code may be subject to disciplinary action consistent with that administered for violations of the rules and regulations of the applicable MTA Agency, including ~~the denial of discretionary salary increases, reprimand, suspension, or~~ up to and including termination.

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### Section 9.02 Civil Penalties

A violation of Public Officers Law Sections 73(2), (3), (4), (5), (7), (8), (12), and Sections 73-a, may result in the ~~State Ethics Commission on Public Integrity~~ imposing a civil penalty of up to ~~ten~~ forty thousand dollars ~~(\$10,000) 40,000~~ and the value of any gift, compensation, or benefit received as a result of such violation. These sections include but are not limited to prohibitions concerning gifts, future employment, and financial interests in MTA contracts as well as obligations in connection with the filing of Annual Statements of Financial Disclosure.

A violation of Public Officers Law Sections 74, may result in the Commission on Public Integrity imposing a civil penalty of up to ten thousand dollars (\$10,000) and the value of any gift, compensation, or benefit received as a result of such violation.

### Section 9.03 Criminal Penalties

A violation of Public Officers Law Section 73(2), (3), (4), (5), (7), (8), (12), and Section 73-a, may result, in lieu of civil penalties, the ~~State Ethics Commission on Public Integrity~~ referring the violation to the New York State Attorney General or local prosecutor for criminal prosecution as a Class A misdemeanor, punishable by imprisonment for up to one year and a fine up to one thousand dollars (\$1,000).

## METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

### APPENDIX A: Contact Information for each Agency's Honoraria Disclosure Unit

#### MTA Headquarters

~~Lamond Kearse~~

~~646-252-1329~~

Michael Amrick

212-878-7422

#### MTA New York City Transit

Barbara Jansen

347-643-8101

#### MTA Long Island Rail Road

John Curcio

718-558-8297

#### MTA Long Island Bus

John Mallios

516-542-0100 x4430

#### MTA Metro-North Railroad

Richard Bernard

212-340-4933

#### MTA Bridges and Tunnels

Catherine Sweeney

646-252-7421

#### MTA Capital Construction

Anthony D'Amico

646-252-4200

#### MTA Bus Company

~~Cheryl Hartell~~

~~516-542-0100~~

Cheryl Hartell

516-542-0100 x4429

*To obtain a current list, you can call the Helpline at 888-U-ASK MTA or go to the MTA Intranet Home Page and click Compliance.*

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## APPENDIX B: Form for Annual Report of Receipt of Honoraria

### ANNUAL REPORT OF HONORARIUM

Employee's Name \_\_\_\_\_

Title \_\_\_\_\_

Department/Division \_\_\_\_\_  
# \_\_\_\_\_

Office Phone \_\_\_\_\_

Source of Honoraria	Date Received	Nature of Activity	Description of Event	Location of Activity	Amount Received
Madison Avenue Baseball Group	1/1/05	Speech on Baseball Trivia	Annual Baseball Conference	Cooperstown, NY	\$500

If you need additional space, complete and sign a separate Annual Report of Honorarium form. Separate forms must be attached and submitted at the time.

- The above organizations do not do business with my Agency
- The service was not part of my individual duties
- Service was performed on other than work time or was charged to accrued leave

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- Agency resources were not used to prepare or deliver service
- My Agency did not reimburse my travel expenses

Employee Signature \_\_\_\_\_ Date: \_\_\_\_\_

This form can be obtained from your Agency's Honoraria Disclosure Unit or the MTAHQ Intranet Home Page by clicking on the word Compliance and following the links.

VOID 2009

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## APPENDIX C: AGENCY ETHICS COMMITTEE CONTACT INFORMATION

### MTA Headquarters

Lamond Kears  
646-252-1329

### MTA New York City Transit

David Goldenberg  
718-694-5454

### MTA Long Island Rail Road

John Curcio  
718-558-8297

### MTA Long Island Bus

Cheryl Hartell  
516-542-0100 x4429

### MTA Metro-North Railroad

Richard Bernard ~~Bernard~~ Seth Cummins  
212-340-4933

### MTA Bridges and Tunnels

Bob O'Brien  
646-252-7617

### MTA Capital Construction

Veronique Hakim  
646-252-4274

### MTA Bus Company

~~Helene Fromm~~  
~~212-878-0252~~

Cheryl Hartell  
516-542-0100 x4429

*To obtain a current list you can call the Helpline at 888 U ASK MTA or go to the MTA Intranet Home Page and click Compliance.*

# METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

## APPENDIX D: CONSANGUINITY OR AFFINITY CHART

### CONSANGUINITY AND AFFINITY RELATIONSHIP CHART

MTA Employee					
Consanguinity (includes individuals related to the MTA Employee)			Affinity (includes the MTA Employee's Spouse and individuals related to the Spouse)		
First Degree	Second Degree	Third Degree	First Degree	Second Degree	Third Degree
Father or Mother	Grandparents	Great Grandparents	Spouse	Grandparents	Great Grandparents
Son or Daughter (& Spouse)	Grandchildren (& Spouse)	Great Grandchildren (& Spouse)	Father or Mother	Grand Children	Great Grandchildren
	Uncle or Aunt (& Spouse)	Great Uncle or Aunt (& Spouse)	Son or Daughter	Uncle or Aunt	Great Uncle or Aunt
	First Cousin (& Spouse)	Children of Great Uncle or Aunt (& Spouse)		First Cousin	Children of Great Uncle or Aunt
	Nephew or Niece (& Spouse)	Second Cousin (& Spouse)		Nephew or Niece	Second Cousin
	Brother or Sister (& Spouse)	Children of First Cousin (& Spouse)		Brother or Sister	Children of First Cousin
		Grand Nephew or Niece (& Spouse)			Grand Nephew or Niece

MTA Employee is the starting point from which all degrees of relationship are calculated.

## METROPOLITAN TRANSPORTATION AUTHORITY ALL AGENCY CODE OF ETHICS

~~Under the Degrees of Consanguinity, where Spouse is indicated, the relationship of the spouse is in the same degree as that of the person related by consanguinity, but the spouse is related only by affinity.~~

DRAFT



Document comparison by Workshare Professional on Wednesday, December 02, 2009  
1:21:48 PM

Input:	
Document 1 ID	file://K:/PROJECT FILES/Code of Ethics Project/2009 Revisions/All Agency Code/2007 All Agency Code of Ethics Rev8 .doc
Description	2007 All Agency Code of Ethics Rev8
Document 2 ID	file://K:/PROJECT FILES/Code of Ethics Project/2009 Revisions/All Agency Code/2009 All Agency Code of Ethics Revision 23.doc
Description	2009 All Agency Code of Ethics Revision 23
Rendering set	Standard

Legend:	
<u>Insertion</u>	
<del>Deletion</del>	
Moved from	
Moved to	
Style change	
Format change	
Insertion of deletion	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:		
	Count	
Insertions	195	
Deletions	182	
Moved from	2	
Moved to	2	
Style change	0	
Format changed	0	
Total changes	381	



## SUMMARY

### *2009 Substantive Revisions: Board Member Code of Ethics*

- The definition for Family was revised to remove the explanatory chart. The definition as revised generally tracks the definition for relative contained in Public Officers Law § 73(1) (m).
- The definition of gift was revised by removing the benchmark of \$10 as to what constitutes nominal value. The Commission on Public Integrity does not define nominal value as a monetary amount but rather as items of “insignificant value, as for example, a regular cup of coffee or a soft drink.”
- Section 4.06 was revised pursuant to Governor Paterson’s Executive Order No. 7 of 2008, which prohibits a Board Member from making or offering to make any monetary contribution to the campaign of the Governor, or to any political campaign committee organized by or for the specific benefit of the Governor. In addition no Board Member may request or demand that any other person make or offer to make any monetary contribution to the campaign of the Governor, or to any political campaign committee organized by or for the specific benefit of the Governor.



**Metropolitan Transportation Authority**

# **BOARD MEMBERS'**

## **CODE OF ETHICS**

**INTEGRITY**

**ACCOUNTABILITY**

**COMPLIANCE**

**TRANSPARENCY**

Adopted by the Board December 2009

As Board Members of the MTA, we have been entrusted with the responsibility of overseeing the operation of an organization that serves more than 2.4 billion people on its subways, buses and railroads and almost 300 million people on its bridges and tunnels each year. The MTA is committed to fostering a climate of transparency and the highest ethical standards in its operations and in its dealings with the public. In accordance with the Public Authorities Accountability Act of 2005, the MTA Board is required to adopt a Board Member Code of Ethics that reflects these goals. The Board Member Code of Ethics is intended to provide guidance with respect to applicable laws and standards governing ethical conduct and help Board Members recognize and deal with ethical issues that they may confront in their capacity as Board Members.

The principal source of most New York State law governing the ethical conduct of Board Members is Section 74 of the Public Officers Law of the State of New York, which establishes certain rules with respect to conflicts of interest. Copies of this statute are available from the Commission on Public Integrity directly ([www.nysethics.com](http://www.nysethics.com)) or from the MTA Compliance Department. Under this section, no Board Member “should have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, which is in substantial conflict with the proper discharge of his duties in the public interest.”

Board Members are encouraged to bring questions about particular circumstances that may implicate the State Ethics Law or one or more of the provisions of this Code to me or to either the MTA General Counsel or the Chief Compliance Officer.

Each MTA Board Member brings his or her unique personal experiences and perspectives to bear in making official decisions on behalf of the MTA as a whole. We have a duty to exhibit high standards of integrity and commitment in the performance of our official duties. I am proud of the tremendous progress that MTA has made in improving its corporate governance practices, and this Board Member Code of Ethics reaffirms and memorializes MTA’s commitment to the highest ethical standards in the manner in which it conducts its official business.

**Jay H. Walder**  
Chairman and Chief Executive Officer

## Chapter 1: DEFINITIONS/STRUCTURE

### Section 1.01

### Definitions

As used in this Code, capitalized terms, except where it is clear by the context that another meaning is intended, shall have the following meanings:

**Annual Statement of Financial Disclosure** means the financial disclosure statement required to be filed with the Commission on Public Integrity by certain public employees and board members under the State Ethics in Government Act, Public Officers Law Section 73-a.

**Board Member** means the Chairman or any of the individuals appointed to serve as a Member of the Board, both voting and non-voting, of the Metropolitan Transportation Authority. All Board Members also serve *ex officio* as members of MTA New York City Transit, Manhattan and Bronx Surface Transit Operating Authority, MTA Long Island Rail Road, MTA Metro-North Railroad, MTA Long Island Bus, MTA Bus Company, MTA Capital Construction Company, the Staten Island Rapid Transit Operating Authority, the First Mutual Transportation Assurance Company, MTA Bridges and Tunnels, and all future affiliated or subsidiary entities of the MTA. All of such entities are hereinafter collectively referred to as the MTA.

**Business** means any activity, paid or unpaid, by a Board Member or any individual, firm, company, corporation or other entity, wherein the goal or objective is obtaining monetary income or other things of value or operating an enterprise. Such activity may be for profit or not-for-profit.

**Code** means this MTA Board Member Code of Ethics.

**Confidential Information** means information whether or not set forth in writing that is available to a Board Member only because of such Member's position and which is treated by the MTA as being confidential or which the Board Member has reason to believe is confidential. Information does not have to be formally labeled "confidential" to be confidential. Confidential information includes information disclosed during an executive session of the MTA Board.

**Compensation** means any money, thing of value or financial benefit conferred, directly or indirectly, in whatever form, in return for services rendered or to be rendered. With regard to matters undertaken by a firm, corporation or association, compensation shall mean net revenues, as defined in accordance with generally accepted accounting principles.

**Employment** means performance of services, for or on behalf of any entity or individual, to obtain economic or other material benefit.

**Family Member** means any person living in the same household as an MTA Employee, domestic partner, and any person who is a direct descendant of that MTA Employee's Grandparents or the spouse of such descendant.

**Gift** means the transfer, without equivalent consideration, of any thing or benefit, tangible or intangible, having more than nominal value, including, but not limited to, loans, forbearance, services, travel, gratuities of any kind, favors, money, meals, refreshments, entertainment, hospitality, promises, tickets to entertainment or sporting events, weekend trips, golf outings, loans of equipment, or other thing or benefit. (See definition of "Items of Nominal Value" below.)

**Items of Nominal Value** means items such as mugs, key rings, calendars, pens and the like that are of minimal value unless such items are being given under circumstances where it reasonably can be inferred that such item was intended to influence the Board Member in the performance of such Board Member's official duties. For purposes of determining the value of an item of nominal value, the Commission on Public Integrity has advised that the value is not reduced by virtue of it being embossed or otherwise marked with a company logo, identification, or advertising.

**New York State Agency** means any New York State department, or division, board, commission, or bureau of any state department, any public benefit corporation, public authority, or commission at least one of whose members is appointed by the Governor, or the State University of New York, or the City University of New York, including all their constituent units except community colleges of the State University of New York and the independent institutions operating statutory or contract colleges on behalf of the State. All MTA Agencies are New York State Agencies for purposes of this Code.

**Prohibited Source** means:

- (a) a Vendor, including any person or non-governmental seller of goods or services, bidder, proposer, consultant, contractor, trade, contractor or industry association, or any other person/entity with which the MTA is doing business, as well as those persons and business entities who have expressed an interest in doing business with the MTA, or who have a history of doing business with the MTA in the recent past;
- (b) a tenant or licensee of the MTA; and
- (c) another individual or non-governmental entity who, on its own behalf or on behalf of another non-governmental entity: (1) is regulated by the MTA, (2) appears before the MTA on other than ministerial matters, (3) lobbies or attempts to influence the MTA's procurements or positions on legislation or regulation, (4) is involved in litigation adverse to the MTA and no final order has been issued, or (5) has received or applied for funds from the MTA within the preceding year.

**Representative Capacity** means the representation of the interests of a client or other person pursuant to an agreement express or implied, for compensation for services

**Regulatory agency** shall mean the banking department, insurance department, state liquor authority, department of agriculture and markets, department of education, department of environmental conservation, department of health, division of housing and community renewal, department of state (other than the division of corporations and state records), department of public service, the industrial board of appeals in the department of labor and the department of law (other than when the attorney general or his agents or employees are performing duties specified in Section Sixty-Three of the Executive Law such as investigation, prosecution and defense of actions in which the State is interested).

**Solicitation** means any request, invitation, or suggestion (oral or written) made under circumstances where it reasonably could be concluded that the individual or entity receiving same is being asked to, or is expected to, comply with a request, invitation, or suggestion.

**Commission on Public Integrity** means the Commission established within the New York Department of State under Section 94 of the New York Executive Law.

**State Ethics Law** means New York Public Officers Law Section 74 and the rules and regulations promulgated there under as may be amended or modified by the New York State Legislature.

## **Section 1.02 Training**

Under the Public Authorities Accountability Act of 2005, all new Board Members are required to participate in an orientation program to familiarize new members with their legal, fiduciary, financial, and ethical responsibilities. Existing Board Members are required to participate in continuing education regarding their ethical and fiduciary obligations.

## **Section 1.03 Ethics & Financial Disclosure Questions**

All Board members are required to complete the Annual Statement of Financial Disclosure. Questions concerning the Annual Statement of Financial Disclosure may be directed to the Chairman, the MTA General Counsel, or the MTA Chief Compliance Officer, who may direct you to the New York Commission on Public Integrity.

Any questions regarding this Code may be directed to the Chairman or to the MTA General Counsel, or the MTA Chief Compliance Officer. Any general question regarding the State Ethics Law may also be directed to the Commission on Public Integrity.

The Commission on Public Integrity website contains numerous guidance and reference documents. The Commission on Public Integrity can provide guidance on specific issues, often by phone, and otherwise by rendering written informal and formal opinions.



## **Chapter 2: DUTIES**

### **Section 2.01 Confidentiality**

The State Ethics Law requires Board Members to maintain the confidentiality of Confidential Information entrusted to them by the MTA and any other confidential information about the MTA that comes to them, from whatever source, in their capacity as Board Members, except when disclosure is authorized or legally mandated. A Board Member shall not use Confidential Information to further his or her own interest. Board Members are expected to maintain this confidentiality both while Board Members and after their services to the MTA have ended.

### **Section 2.02 Compliance with Laws, Rules and Regulations**

Board Members shall comply with all applicable laws, rules and regulations applicable to the MTA.

### **Section 2.03 Encouraging The Reporting of Any Illegal or Unethical Behavior**

Board Members shall encourage ethical behavior and take steps to ensure that the MTA: (a) encourages Employees to report violations of laws, rules, regulations or the MTA's Code of Ethics to appropriate personnel; and (b) encourages Employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.

### **Section 2.04 Duty to Disclose**

Board Members shall promptly report any violation or possible violation of this Code, as well as any actual or potential violation of laws, regulations, or policies and procedures to the Chairman or the Chairman of the Audit Committee.

### **Section 2.05 Corporate Directorships or Board Memberships**

In order to protect against conflicts of interest in violation of the State Ethics Law, Board Members should inform the Chairman or the Chairman of the Audit Committee prior to accepting a position as a director, officer, or board member of a corporation or charitable organization. The Chairman or Chairman of the Audit Committee, as the case may be, may direct the Chief Compliance Officer, as needed, to review the business of the company or organization to determine whether a conflict of interest exists between the MTA and the Company and to advise, as necessary, on steps to address any such conflict.

## **Section 2.06 Law Firm and Other Professional Association**

The State Ethics Law provides that Board members are not permitted to accept other employment that will impair the independence of judgment in the exercise of their official duties. Accordingly, Board Members should inform the Chairman or the Chairman of the Audit Committee prior to affiliating with a law firm, accounting firm or other business that provides services to the MTA. The Chairman or Chairman of the Audit Committee, as the case may be, may direct the Chief Compliance Officer, as needed, to determine whether a conflict of interest exists between the MTA and the Company and to advise, as necessary, on steps to address any such conflict.

## **Chapter 3: GIFTS, EVENTS, RECEPTIONS, AND MEALS**

### **Section 3.01 Gifts**

The State Ethics Law provides that Board members should not by their conduct give reasonable basis for the impression that any person can improperly influence them or enjoy their favor in the performance of their official duties. In the Code of Ethics applicable to its employees, MTA has adopted a zero-tolerance policy for Gifts as has the State Governor, in issuing Executive Order No. 1 of 2007. The defined term "Gift" does not include items of truly nominal value. (See definitions of "Gifts" and "Items of Nominal Value"). Board members are required to adhere to the zero-tolerance policy on gifts, as contained in the MTA Code of Ethics.

As is the case with employees, Board Members may accept Gifts from employees of a Prohibited Source if these Gifts are reflective of a personal relationship independent of the relationship between the Prohibited Source and the MTA.

### **Section 3.02 Reporting Gift or Gift Offers**

A Board Member to whom a Gift is offered or given arising out of his or her affiliation with MTA shall promptly report such offer or Gift either to the Chairman or to the Chairman of the Audit Committee. Board Members should promptly return Gifts to the person or entity giving the Gift.

### **Section 3.03 Business Meals**

It is possible that Board Members may receive invitations for business meals from Prohibited Sources. To the extent that those invitations arise out of the Board Member's affiliation with MTA, such invitations should be viewed with caution because acceptance of such invitations may create the impression that they can be improperly influenced in the performance of their official duties. Board Members may accept free, modest meals in the course of and for the purpose of conducting MTA Agency business at a Prohibited Source's

facility or when attending a seminar or conference in connection with MTA business and meals or refreshments are provided to all participants.

#### **Section 3.04        Awards, Plaques and Honors**

Awards and plaques publicly presented in recognition of a Board Member's service to the MTA may be accepted. However, Board Members should notify the Chairman or the Chairman of the Audit Committee prior to accepting such an award, plaque, or honor presented by a Prohibited Source. The Board Member or their designee(s) may attend functions sponsored and paid for by Prohibited Sources when attendance is related and appropriate to that attendee's official duties or when the purpose of attendance is the performance of a ceremonial or other function that is appropriate to that attendee's official duties with their MTA Agency. In such cases, however, the Board Member shall provide advance written notice of such invitation to the Chairman or to the Chairman of the Audit Committee.

### **Chapter 4: CONFLICTS OF INTEREST**

#### **Section 4.01        Financial or Business Interest**

In order to preserve independence of judgment in the exercise of their official duties, Board Members shall not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, or accept any non-governmental employment, which is in substantial conflict with the proper discharge of the Board Member's duties in the public interest.

#### **Section 4.02        Unwarranted Privileges**

Board Members shall not use or attempt to use their official position to secure unwarranted privileges or exemption for the Board Member or others.

#### **Section 4.03        Undue Influence**

Board Members' conduct should not give reasonable basis for the impression that any person can improperly influence the Board Member or unduly enjoy the Board Member's favor in the performance of the Board Member's official duties, or that the Board Member is affected by the kinship, rank, position or influence of any party or person.

#### **Section 4.04        Course of Conduct**

Board Members should endeavor to pursue a course of conduct which will not raise suspicion among the public that they are likely to be engaged in acts that are in violation of the Board Members' trust.

#### Section 4.05      **Recusal/Conflict of Interest**

Board Members must not only avoid conflicts of interest with the MTA but also even the appearance of a conflict. If a Board Member believes he or she has an actual or potential conflict of interest with the MTA on a particular matter, or if the Board Member becomes aware that he or she has an actual or potential conflict of interest on a particular matter during a Committee or Board meeting, the Board Member shall promptly notify the Chairman of the Board or the Chairman of the Committee and shall immediately recuse themselves from further consideration of or action on such matter.

**NOTE:**      **Recusal** requires that the Board Member not participate in any discussion, decision or vote by the Board or Committee that in any way relates to the matter that gives rise to the conflict of interest. Whenever practicable, the Board Member must leave the Board room until any discussion about the matter that gives rise to the conflict of interest has concluded.

#### Section 4.06      **Financial Interest**

No Board Member or firm or association of which such Board Member is a member, or corporation, ten per cent or more of the stock of which is owned or controlled directly or indirectly by such Board Member, shall sell any goods or services to the MTA, unless such goods or services are provided pursuant to an award of contract after public notice and competitive bidding or after a competitive request for proposal process. For the purposes of this paragraph, the term "services" shall not include employment as an employee.

This paragraph shall not preclude a firm, association or corporation from selling goods or services to the MTA if the interested Board Member did not participate in any way on behalf of any party in the bidding, solicitation or negotiation process, does not share in the net revenues derived from that sale and does not participate in the decision to award the contract.

Except as permitted above, no Board Member shall be in any way or any manner interested, directly or indirectly, in any contract made by the MTA.

No Board Member, pursuant to Paterson Executive Order No. 7, may make or offer to make any monetary contribution to the campaign of the Governor, or to any political campaign committee organized by or for the specific benefit of the Governor.

No Board Member may request or demand that any other person make or offer to make any monetary contribution to the campaign of the Governor, or to any political campaign committee organized by or for the specific benefit of the Governor.

#### **Section 4.07 Compensation**

No Board Members, other than in the proper discharge of official duties as a Board Member of the MTA or as an officer or employee of a federal, state or local government or agency, shall receive, directly or indirectly, or enter into any agreement, express or implied, for any compensation for the appearance or rendition of services by the Board Member or another in relation to any case, proceeding, application or other matter before the MTA..

A Board Member who is a member, associate, retired member, of counsel to, or shareholder of, any firm, association or corporation which is appearing or rendering services, with or without compensation, in connection with any matter before, or transacting any business with, the MTA shall not communicate as to the merits of such cause with an officer (including another Board Member) or employee of the MTA, without first disclosing the nature and extent of his or her interest in the matter before, or business being transacted with, the MTA.

#### **Section 4.08 Appearance before MTA**

A Board Member may appear before the MTA (i) in a representative capacity on behalf of an employee organization, a federal, state or local government or agency, or a transportation advocacy organization or (ii) in connection with a ministerial action.

#### **Section 4.09 Nepotism in Hiring and Contracting**

No person who has served as a Board Member shall take part in any hiring or employment decision relating to a family member. If such matter arises the Board Member must notify the Chairman and recuse themselves from any discussions or decisions related to that matter.

No person who has served as a Board Member shall take part in any contracting decision: (1) relating to a family member: or (2) relating to any entity in which a family member is an officer, director or partner, or in which a family member owns or controls 10% or more of the stock of such entity. If such matter arises the Board Member must notify the Chairman and recuse themselves from any discussions or decisions related to that matter

#### **Section 4.010 Prohibition Against the Use of MTA Property**

MTA supplies, equipment, computers, personnel and other resources may not be utilized for non-governmental purposes, including for personal purposes or for outside activities of any kind. This prohibition includes but is not limited to the following:

- a) Official stationery may not be used for non-governmental purposes, nor may MTA resources be used to mail personal correspondence. The designation "personal" on MTA stationery means only that the contents are meant for the personal viewing of the addressee and not that the sender is acting unofficially. All letters and other written materials printed on such official stationery are considered official, and thus the designation "unofficial" has no meaning and may not be used.

- b) Under no circumstances may MTA mail, postage, internal office mail, or inter-city couriers be used for non-governmental purposes.
- c) MTA telephones may not be used for non-governmental long-distance calls, except for toll-free calls, collect calls, and calls billed to a personal telephone number. MTA telephones may be used for incidental and necessary personal local calls that are of limited number and duration and do not conflict with the proper exercise of the duties of the MTA Board Member.
- d) MTA computers may be used for incidental and necessary personal purposes, such as sending personal electronic mail messages, provided that such use is in a limited amount and duration and does not conflict with the proper exercise of the duties of the MTA Board Member

## **Chapter 5: POST BOARD SERVICE RESTRICTIONS**

### **Section 5.01 Two-Year Post Service Bar**

No person who has served as a Board Member shall, within a period of two years after the termination of such service, appear or practice before the MTA or receive compensation for any services rendered by such former Board Member on behalf of any person or any non-governmental firm, corporation, association or other entity in relation to any case, proceeding or application or other matter before the MTA.

### **Section 5.02 Lifetime Bar**

No person who has served as a Board Member shall, after the termination of such service, appear, practice, communicate or otherwise render services before the MTA or receive compensation for any such services rendered by such former, Board Member on behalf of any person or any non-governmental firm, corporation, association or other entity in relation to any case, proceeding, application or transaction with respect to which such person was directly and personally concerned during the period of his or her service.

**Exception:** The restrictions contained in this paragraph shall not apply to any appearance, practice, communication or rendition of services before the MTA, or to the receipt of compensation for any such services rendered by a former Board Member, which is made while carrying out official duties as an elected official or employee of a federal, state or local government or one of its agencies.

### **Section 5.03 Waiver of Post Service Bar**

To the extent permitted by law, nothing contained in this Code shall be construed or applied to prohibit the MTA, at any time, from contracting with or hiring any former Board Member to provide services to the MTA for a specific matter in circumstances in which contracting with or hiring such former Board Member would be in the public interest due to such

former Board Member's specialized knowledge of the matter and the efficient and cost-effective results that contracting with or hiring such former Board Member would produce.



Metropolitan Transportation Authority

## **BOARD MEMBERS'**

## **CODE OF ETHICS**

**COMMITMENT**  
**INTEGRITY**

**ACCOUNTABILITY**

**INTEGRITY**  
**COMPLIANCE**

**TRANSPARENCY**

Adopted by the Board ~~March 2007~~ December  
2009



## METROPOLITAN TRANSPORTATION AUTHORITY BOARD CODE OF ETHICS

As Board Members of the MTA, we have been entrusted with the responsibility of overseeing the operation of an organization that serves more than 2.4 billion people on its subways, buses and railroads and almost 300 million people on its bridges and tunnels each year. The MTA is committed to fostering a climate of transparency and the highest ethical standards in its operations and in its dealings with the public. In accordance with the Public Authorities Accountability Act of 2005, the MTA Board is required to adopt a Board Member Code of Ethics that reflects these goals. The Board Member Code of Ethics is intended to provide guidance with respect to applicable laws and standards governing ethical conduct and help Board Members recognize and deal with ethical issues that they may confront in their capacity as Board Members.

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Each MTA Board Member brings his or her unique personal experiences and perspectives to bear in making official decisions on behalf of the MTA as a whole. We have a duty to exhibit high standards of integrity and commitment in the performance of our official duties. I am proud of the tremendous progress that MTA has made in improving its corporate governance practices, and this Board Member Code of Ethics reaffirms and memorializes MTA’s commitment to the highest ethical standards in the manner in which it conducts its official business.

Peter S. Kalikow

Jay H. Walder

Chairman and Chief Executive Officer

## **Chapter 1: DEFINITIONS/STRUCTURE**

### **Section 1.01**

### **Definitions**

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## METROPOLITAN TRANSPORTATION AUTHORITY BOARD CODE OF ETHICS

**Employment** means performance of services, for or on behalf of any entity or individual, to obtain economic or other material benefit.

**Family Member** means any person living in the same household as an MTA Employee, domestic partner, and any person ~~related to the Employee within the third degree of consanguinity or affinity. See attached chart. (See Appendix A)~~ who is a direct descendant of that MTA Employee's Grandparents or the spouse of such descendant.

### Family Member

**Gift** means the transfer, without equivalent consideration, of any thing or benefit, tangible or intangible, having more than nominal value, including, but not limited to, loans, forbearance, services, travel, gratuities of any kind, favors, money, meals, refreshments, entertainment, hospitality, promises, tickets to entertainment or sporting events, weekend trips, golf outings, loans of equipment, or other thing or benefit. (See definition of "Items of Nominal Value" below.)

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- (a) a Vendor, including any person or non-governmental seller of goods or services, bidder, proposer, consultant, contractor, trade, contractor or industry association, or any other person/entity with which the MTA is doing business, as well as those persons and business entities who have expressed an interest in doing business with the MTA, or who have a history of doing business with the MTA in the recent past;
- (b) a tenant or licensee of the MTA; and
- (c) another individual or non-governmental entity who, on its own behalf or on behalf of another non-governmental entity: (1) is regulated by the MTA, (2)

## METROPOLITAN TRANSPORTATION AUTHORITY BOARD CODE OF ETHICS

appears before the MTA on other than ministerial matters, (3) lobbies or attempts to influence the MTA's procurements or positions on legislation or regulation, (4) is involved in litigation adverse to the MTA and no final order has been issued, or (5) has received or applied for funds from the MTA within the preceding year.

**Representative Capacity** means the representation of the interests of a client or other person pursuant to an agreement express or implied, for compensation for services

**Regulatory agency** shall mean the banking department, insurance department, state liquor authority, department of agriculture and markets, department of education, department of environmental conservation, department of health, division of housing and community renewal, department of state (other than the division of corporations and state records), department of public service, the industrial board of appeals in the department of labor and the department of law (other than when the attorney general or his agents or employees are performing duties specified in Section Sixty-Three of the Executive Law such as investigation, prosecution and defense of actions in which the State is interested).

**Solicitation** means any request, invitation, or suggestion (oral or written) made under circumstances where it reasonably could be concluded that the individual or entity receiving same is being asked to, or is expected to, comply with a request, invitation, or suggestion.

~~State Ethics~~ **Commission on Public Integrity** means the Commission established within the New York Department of State under Section 94 of the New York Executive Law.

**State Ethics Law** means New York Public Officers Law Section 74 and the rules and regulations promulgated there under as may be amended or modified by the New York State Legislature.

### Section 1.02 Training

Under the Public Authorities Accountability Act of 2005, all new Board Members are required to participate in an orientation program to familiarize new members with their legal, fiduciary, financial, and ethical responsibilities. Existing Board Members are required to participate in continuing education regarding their ethical and fiduciary obligations.

### Section 1.03 Ethics & Financial Disclosure Questions

All Board members are required to complete the Annual Statement of Financial Disclosure. Questions concerning the Annual Statement of Financial Disclosure may be directed to the Chairman, the MTA General Counsel, or the MTA Chief Compliance Officer, who may direct you to the New York ~~State Ethics~~ Commission on Public Integrity.

Any questions regarding this Code may be directed to the Chairman or to the MTA General Counsel, or the MTA Chief Compliance Officer. Any general question regarding the State

Ethics Law may also be directed to the ~~New York State Ethics Commission~~ on Public Integrity.

The ~~State Ethics Commission~~ on Public Integrity website contains numerous guidance and reference documents, <http://www.dos.state.ny.us/cthe/ethics.html>. The ~~State Ethics Commission~~ on Public Integrity can provide guidance on specific issues, often by phone, and otherwise by rendering written informal and formal opinions.

## **Chapter 2: DUTIES**

### **Section 2.01 Confidentiality**

The State Ethics Law requires Board Members to maintain the confidentiality of Confidential Information entrusted to them by the MTA and any other confidential information about the MTA that comes to them, from whatever source, in their capacity as Board Members, except when disclosure is authorized or legally mandated. A Board Member shall not use Confidential Information to further his or her own interest. Board Members are expected to maintain this confidentiality both while Board Members and after their services to the MTA have ended.

### **Section 2.02 Compliance with Laws, Rules and Regulations**

Board Members shall comply with all applicable laws, rules and regulations applicable to the MTA.

### **Section 2.03 Encouraging The Reporting ~~Of~~ Any Illegal ~~Or~~ Unethical Behavior**

Board Members shall encourage ethical behavior and take steps to ensure that the MTA: (a) encourages Employees to report violations of laws, rules, regulations or the MTA's Code of Ethics to appropriate personnel; and (b) encourages Employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.

### **Section 2.04 Duty to Disclose**

Board Members shall promptly report any violation or possible violation of this Code, as well as any actual or potential violation of laws, regulations, or policies and procedures to the Chairman or the Chairman of the Audit Committee.

### **Section 2.05 Corporate Directorships or Board Memberships**

In order to protect against conflicts of interest in violation of the State Ethics Law, Board Members should inform the Chairman or the Chairman of the Audit Committee prior to

## **METROPOLITAN TRANSPORTATION AUTHORITY BOARD CODE OF ETHICS**

accepting a position as a director, officer, or board member of a corporation or charitable organization. The Chairman or Chairman of the Audit Committee, as the case may be, may direct the Chief Compliance Officer, as needed, to review the business of the company or organization to determine whether a conflict of interest exists between the MTA and the Company and to advise, as necessary, on steps to address any such conflict.

**Section 2.06 Law Firm and Other Professional Association**

The State Ethics Law provides that Board members are not permitted to accept other employment that will impair the independence of judgment in the exercise of their official duties. Accordingly, Board Members should inform the Chairman or the Chairman of the Audit Committee prior to affiliating with a law firm, accounting firm or other business that provides services to the MTA. The Chairman or Chairman of the Audit Committee, as the case may be, may direct the Chief Compliance Officer, as needed, to determine whether a conflict of interest exists between the MTA and the Company and to advise, as necessary, on steps to address any such conflict.

**Chapter 3: GIFTS, EVENTS, RECEPTIONS, AND MEALS**

**Section 3.01 Gifts**

The State Ethics Law provides that Board members should not by their conduct give reasonable basis for the impression that any person can improperly influence them or enjoy their favor in the performance of their official duties. In the Code of Ethics applicable to its employees, MTA has adopted a zero-tolerance policy for Gifts as has the State Governor, in issuing Executive Order No. 1 of 2007. The defined term "Gift" does not include items of truly nominal value. (See definitions of "Gifts" and "Items of Nominal Value"). Board members are required to adhere to the zero-tolerance policy on gifts, as contained in the MTA Code of Ethics ~~and Executive Order No. 1 of 2007.~~

As is the case with employees, Board Members may accept Gifts from employees of a Prohibited Source if these Gifts are reflective of a personal relationship independent of the relationship between the Prohibited Source and the MTA.

**Section 3.02 Reporting Gift or Gift Offers**

A Board Member to whom a Gift is offered or given arising out of his or her affiliation with MTA shall promptly report such offer or Gift either to the Chairman or to the Chairman of the Audit Committee. Board Members should promptly return Gifts to the person or entity giving the Gift.

**Section 3.03 Business Meals**

It is possible that Board Members may receive invitations for business meals from Prohibited Sources. To the extent that those invitations arise out of the Board Member's affiliation with MTA, such invitations should be viewed with caution because acceptance of such invitations may create the impression that they can be improperly influenced in the performance of their official duties. Board Members may accept free, modest meals in the course of and for the purpose of conducting MTA Agency business at a Prohibited Source's

facility or when attending a seminar or conference in connection with MTA business and meals or refreshments are provided to all participants.

**Section 3.04            Awards, Plaques and Honors**

Awards and plaques publicly presented in recognition of a Board Member's service to the MTA may be accepted. However, Board Members should notify the Chairman or the Chairman of the Audit Committee prior to accepting such an award, plaque, or honor presented by a Prohibited Source. The Board Member or their designee(s) may attend functions sponsored and paid for by Prohibited Sources when attendance is related and appropriate to that attendee's official duties or when the purpose of attendance is the performance of a ceremonial or other function that is appropriate to that attendee's official duties with their MTA Agency. In such cases, however, the Board Member shall provide advance written notice of such invitation to the Chairman or to the Chairman of the Audit Committee.

**Chapter 4: CONFLICTS OF INTEREST**

**Section 4.01            Financial or Business Interest**

In order to preserve independence of judgment in the exercise of their official duties, Board Members shall not have any interest, financial or otherwise, direct or indirect, or engage in any business or transaction or professional activity or incur any obligation of any nature, or accept any non-governmental employment, which is in substantial conflict with the proper discharge of the Board Member's duties in the public interest.

**Section 4.02            Unwarranted Privileges**

Board Members shall not use or attempt to use their official position to secure unwarranted privileges or exemption for the Board Member or others.

**Section 4.03            Undue Influence**

Board Members' conduct should not give reasonable basis for the impression that any person can improperly influence the Board Member or unduly enjoy the Board Member's favor in the performance of the Board Member's official duties, or that the Board Member is affected by the kinship, rank, position or influence of any party or person.

**Section 4.04            Course of Conduct**

Board Members should endeavor to pursue a course of conduct which will not raise suspicion among the public that they are likely to be engaged in acts that are in violation of the Board Members' trust.



**Section 4.05      Recusal/Conflict of Interest**

Board Members must not only avoid conflicts of interest with the MTA but also even the appearance of a conflict. If a Board Member believes he or she has an actual or potential conflict of interest with the MTA on a particular matter, or if the Board Member becomes aware that he or she has an actual or potential conflict of interest on a particular matter during a Committee or Board meeting, the Board Member shall promptly notify the Chairman of the Board or the Chairman of the Committee and shall immediately recuse themselves from further consideration of or action on such matter.

**NOTE:**      **Recusal** requires that the Board Member not participate in any discussion, decision or vote by the Board or Committee that in any way relates to the matter that gives rise to the conflict of interest. Whenever practicable, the Board Member must leave the Board room until any discussion about the matter that gives rise to the conflict of interest has concluded.

**Section 4.06      Financial Interest**

No Board Member or firm or association of which such Board Member is a member, or corporation, ten per cent or more of the stock of which is owned or controlled directly or indirectly by such Board Member, shall sell any goods or services to the MTA, unless such goods or services are provided pursuant to an award of contract after public notice and competitive bidding or after a competitive request for proposal process. For the purposes of this paragraph, the term "services" shall not include employment as an employee.

This paragraph shall not preclude a firm, association or corporation from selling goods or services to the MTA if the interested Board Member did not participate in any way on behalf of any party in the bidding, solicitation or negotiation process, does not share in the net revenues derived from that sale and does not participate in the decision to award the contract.

Except as permitted above, no Board Member shall be in any way or any manner interested, directly or indirectly, in any contract made by the MTA.

No Board Member, pursuant to Paterson Executive Order No. 7, may make or offer to make any monetary contribution to the campaign of the Governor, or to any political campaign committee organized by or for the specific benefit of the Governor.

No Board Member may request or demand that any other person make or offer to make any monetary contribution to the campaign of the Governor, or to any political campaign committee organized by or for the specific benefit of the Governor.

**Section 4.07 Compensation**

No Board Members, other than in the proper discharge of official duties as a Board Member of the MTA or as an officer or employee of a federal, state or local government or agency, shall receive, directly or indirectly, or enter into any agreement, express or implied, for any compensation for the appearance or rendition of services by the Board Member or another in relation to any case, proceeding, application or other matter before the MTA..

A Board Member who is a member, associate, retired member, of counsel to, or shareholder of, any firm, association or corporation which is appearing or rendering services, with or without compensation, in connection with any matter before, or transacting any business with, the MTA shall not communicate as to the merits of such cause with an officer (including another Board Member) or employee of the MTA, without first disclosing the nature and extent of his or her interest in the matter before, or business being transacted with, the MTA.

**Section 4.08 Appearance before MTA**

A Board Member may appear before the MTA (i) in a representative capacity on behalf of an employee organization, a federal, state or local government or agency, or a transportation advocacy organization or (ii) in connection with a ministerial action.

**Section 4.09 Nepotism in Hiring and Contracting**

No person who has served as a Board Member shall take part in any hiring or employment decision relating to a family member. If such matter arises the Board Member must notify the Chairman and recuse themselves from any discussions or decisions related to that matter.

No person who has served as a Board Member shall take part in any contracting decision: (1) relating to a family member: or (2) relating to any entity in which a family member is an officer, director or partner, or in which a family member owns or controls 10% or more of the stock of such entity. If such matter arises the Board Member must notify the Chairman and recuse themselves from any discussions or decisions related to that matter

**Section 4.010 Prohibition Against the Use of MTA Property**

MTA supplies, equipment, computers, personnel and other resources may not be utilized for non-governmental purposes, including for personal purposes or for outside activities of any kind. This prohibition includes but is not limited to the following:

- a) Official stationery may not be used for non-governmental purposes, nor may MTA resources be used to mail personal correspondence. The designation "personal" on MTA stationery means only that the contents are meant for the personal viewing of the addressee and not that the sender is acting unofficially. All letters and other

written materials printed on such official stationery are considered official, and thus the designation "unofficial" has no meaning and may not be used.

- b) Under no circumstances may MTA mail, postage, internal office mail, or inter-city couriers be used for non-governmental purposes.
- c) MTA telephones may not be used for non-governmental long-distance calls, except for toll-free calls, collect calls, and calls billed to a personal telephone number. MTA telephones may be used for incidental and necessary personal local calls that are of limited number and duration and do not conflict with the proper exercise of the duties of the MTA Board Member.
- d) MTA computers may be used for incidental and necessary personal purposes, such as sending personal electronic mail messages, provided that such use is in a limited amount and duration and does not conflict with the proper exercise of the duties of the MTA Board Member

## **Chapter 5: POST BOARD SERVICE RESTRICTIONS**

### **Section 5.01 Two-Year Post Service Bar**

No person who has served as a Board Member shall, within a period of two years after the termination of such service, appear or practice before the MTA or receive compensation for any services rendered by such former Board Member on behalf of any person or any non-governmental firm, corporation, association or other entity in relation to any case, proceeding or application or other matter before the MTA.

### **Section 5.02 Lifetime Bar**

No person who has served as a Board Member shall, after the termination of such service, appear, practice, communicate or otherwise render services before the MTA or receive compensation for any such services rendered by such former, Board Member on behalf of any person or any non-governmental firm, corporation, association or other entity in relation to any case, proceeding, application or transaction with respect to which such person was directly and personally concerned during the period of his or her service.

**Exception:** The restrictions contained in this paragraph shall not apply to any appearance, practice, communication or rendition of services before the MTA, or to the receipt of compensation for any such services rendered by a former Board Member, which is made while carrying out official duties as an elected official or employee of a federal, state or local government or one of its agencies.

### **Section 5.03 Waiver of Post Service Bar**

## **METROPOLITAN TRANSPORTATION AUTHORITY BOARD CODE OF ETHICS**

To the extent permitted by law, nothing contained in this Code shall be construed or applied to prohibit the MTA, at any time, from contracting with or hiring any former Board Member to provide services to the MTA for a specific matter in circumstances in which contracting with or hiring such former Board Member would be in the public interest due to such former Board Member's specialized knowledge of the matter and the efficient and cost-effective results that contracting with or hiring such former Board Member would produce.

# METROPOLITAN TRANSPORTATION AUTHORITY BOARD CODE OF ETHICS

## APPENDIX A: CONSANGUINITY OR AFFINITY CHART

### CONSANGUINITY AND AFFINITY RELATIONSHIP CHART

MTA Board Member					
Consanguinity (includes individuals related to the MTA Board Member)			Affinity (Includes the MTA Board Member's Spouse and individuals related to the Spouse)		
First Degree	Second Degree	Third Degree	First Degree	Second Degree	Third Degree
Father or Mother	Grandparents	Great-Grandparents	Spouse	Grandparents	Great-Grandparents
Son or Daughter (& Spouse)	Grandchildren (& Spouse)	Great Grandchildren (& Spouse)	Father or Mother	Grand Children	Great Grandchildren
	Uncle or Aunt (& Spouse)	Great Uncle or Aunt (& Spouse)	Son or Daughter	Uncle or Aunt	Great Uncle or Aunt
	First Cousin (& Spouse)	Children of Great Uncle or Aunt (& Spouse)		First Cousin	Children of Great Uncle or Aunt
	Nephew or Niece (& Spouse)	Second Cousin (& Spouse)		Nephew or Niece	Second Cousin
	Brother or Sister (& Spouse)	Children of First Cousin (& Spouse)		Brother or Sister	Children of First Cousin
		Grand Nephew or Niece (& Spouse)			Grand Nephew or Niece

MTA Board Member is the starting point from which all degrees of relationship are calculated.

Under the Degrees of Consanguinity, where Spouse is indicated, the relationship of the spouse is in the same degree as that of the person related by consanguinity, but the spouse is related only by affinity.



Document comparison by Workshare Professional on Monday, November 30, 2009 9:37:40 AM

Input:	
Document 1 ID	file://K:/PROJECT FILES/Code of Ethics Project/2009 Revisions/Board Code/2007 Board Code of Ethics no Markup rev4.DOC
Description	2007 Board Code of Ethics no Markup rev4
Document 2 ID	file://K:/PROJECT FILES/Code of Ethics Project/2009 Revisions/Board Code/2009 Board Code of Ethics Revision 3.DOC
Description	2009 Board Code of Ethics Revision 3
Rendering set	Standard

Legend:	
<u>Insertion</u>	
<del>Deletion</del>	
<del>Moved from</del>	
<u>Moved to</u>	
Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	23
Deletions	78
Moved from	0
Moved to	0
Style change	0
Format changed	0
Total changes	101





# Staff Summary

<b>Subject</b> Revisions Governance Guidelines
<b>Department</b> Corporate Compliance
<b>Department Head Name</b> Lamond W. Kearse
<b>Department Head Signature</b>
<b>Project Manager Name</b> N/A

<b>Date</b> DECEMBER 2, 2009
<b>Vendor Name</b> N/A
<b>Contract Number</b> N/A
<b>Contract Manager Name</b> N/A
<b>Table of Contents Ref #</b> N/A

Board Action					
Order	To	Date	Approval	Info	Other
1	Corporate Governance	12/9/09	X		
2	Board	12/16/09	X		

Internal Approvals			
Order	Approval	Order	Approval
1	Chief Compliance Officer		
2	Legal		

## Narrative

**Purpose:** To seek Board approval of the proposed revisions to the MTA Governance Guidelines.

**Discussion:** On May 6, 2009, the New York State legislature enacted S 5451 and A 8180, commonly referred to as the MTA Rescue legislation (the "Legislation"), which was subsequently signed into law by Governor Paterson as Chapter 25 of the Laws of 2009. Part II of the Legislation amended, among other things, certain sections of the Public Authorities Law addressing the role and responsibilities of the MTA Chairman. Revisions to the Governance Guidelines are proposed to conform to the Legislation.

A copy of the revised Governance Guidelines along with a redline version is included in the materials provided to the Board.

**Recommendation:** That the Board adopt the proposed revisions to the Governance Guidelines.

## METROPOLITAN TRANSPORTATION AUTHORITY

### GOVERNANCE GUIDELINES

*The following mission statement and governance guidelines, as amended, have been recommended by the Governance Committee and approved by the Chairman and a majority of the members of the MTA Board and, along with the laws of the State of New York, the MTA By-laws, the by-laws of certain MTA subsidiaries and component units, and the charters and key practices of certain Committee of the Board, provide the framework for the governance of the MTA and its subsidiaries and component units. The Chairman and the Governance Committee will review these guidelines and other aspects of MTA governance annually or more often if deemed necessary.*

*Adopted by the Board on December 16, 2009*

**Prepared by  
MTA Corporate Compliance**



**Metropolitan Transportation Authority**

New York City Transit  
Long Island Rail Road  
Long Island Bus  
Metro-North Railroad  
Bridges and Tunnels  
Capital Construction  
Bus Company

### **The Mission of the Metropolitan Transportation Authority**

The Metropolitan Transportation Authority (“MTA”) is the public benefit corporation of the State of New York responsible for an integrated mass transportation system for the City of New York and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties. The statutory purposes set forth in the MTA enabling act are:

“the continuance, further development and improvement of commuter transportation and other services related thereto within the metropolitan commuter transportation district, including but not limited to such transportation by railroad, omnibus, marine and air, in accordance with the provisions of this title. It shall be the further purpose of the authority, consistent with its status as the ex officio board of both the New York city transit authority and the triborough bridge and tunnel authority, to develop and implement a unified mass transportation policy for such district.” (*Public Authorities Law §1264(1)*)

These Governance Guidelines apply to MTA and the other public benefit corporations under common control of MTA (collectively with MTA, the “MTA Agencies”). The MTA Agencies consist of:

- Metropolitan Transportation Authority
- Triborough Bridge and Tunnel Authority
- New York City Transit Authority
- Manhattan and Bronx Surface Transit Operating Authority
- The Long Island Rail Road Company
- Metro-North Commuter Railroad Company
- Staten Island Rapid Transit Operating Authority
- Metropolitan Suburban Bus Authority
- MTA Bus Company
- MTA Capital Construction Company
- First Mutual Transportation Assurance Company

### **Governance Guidelines**

#### **1. Functions of the MTA Chairman/Chief Executive Officer.**

(a) The Chairman of the MTA shall be primarily responsible for providing leadership to the MTA Board in performing oversight of the senior management in the effective and ethical management of the MTA Agencies’ integrated mass transportation system. The Chairman, inter alia, convenes and presides over Board meetings, establishes Board committees and appoints committee members and chairs, and shall serve as the principal liaison between MTA management and the Board.

(b) The Chairman, pursuant to statute, is the chief executive officer of the Authority and shall have responsibility to discharge the executive and administrative functions and

powers of the Authority. In discharging the executive and administrative functions and powers of the Authority, the Chairman shall, inter alia, be responsible for (i) managing the day-to-day operations of the MTA's integrated mass transportation system, (ii) coordinating the development and approval by the Board of long term strategy for the maintenance and expansion of that system, (iii) overseeing and providing appropriate direction to the President of each of the MTA's constituent Agencies and (iv) appointing, disciplining, and removing officers or employees.

2. **Functions of the MTA Board.** The Board shall meet no less than 11 times a year at which the Board shall review and discuss reports by management on the performance of the MTA, its plans and prospects, as well as immediate issues facing the MTA. Board members are expected to attend all scheduled meetings of the Board and meetings of Committees on which they serve. The entire Board shall be responsible for the general oversight of the Authority's senior management in furtherance of the effective and ethical management of the entire MTA, as required by law. In addition to this general responsibility, the entire Board (with the assistance of Committees of the Board as appropriate) shall also perform a number of specific functions, including
  - (a) providing counsel and oversight on the evaluation, development and compensation of senior management. When determining compensation for the Chairman/Chief Executive Officer, the Board, as required by law, shall act without the participation of the Chairman/Chief Executive Officer;
  - (b) reviewing, approving and monitoring fundamental financial and business strategies and major actions, including fundamental financial and management controls;
  - (c) assessing major risks facing the MTA and reviewing options for the mitigation of these risks; and
  - (d) ensuring processes are in place for maintaining the integrity of the MTA, including the integrity of the financial statements of the MTA (and the financial statements of the MTA subsidiaries or component units that are required by law to issue separate financial statements), the integrity of the MTA's compliance with law and ethics (including by adopting and updating codes of ethics applicable to MTA directors, officers and employees that at a minimum incorporate the standards established in section seventy-four of the Public Officers Law), the integrity of the MTA's relationships with customers and suppliers, and the integrity of the MTA's relationship with the public at large.
  - (e) establishing written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or board member of the authority; investments; travel; the

acquisition of real property; the disposition of real and personal property; and the procurement of goods and services; and

- (f) adopting a defense and indemnification policy and disclose such plan to any and all prospective board members.

3. **Functions of Senior Management:** The Chairman/Chief Executive Officer serves ex officio as the chair and chief executive officer of each of affiliated and subsidiary MTA Agencies and is responsible for appointing such other officials and employees (including, in his or her discretion, an Executive Director) as he or she determines is necessary and appropriate. These other officials and employees serve under the direction and at the pleasure of the Chairman/Chief Executive Officer. The Presidents of the MTA's constituent Agencies, pursuant to the direction of the Chairman/Chief Executive Officer, are primarily responsible for the general management and operations of such constituent Agencies.
4. **Committees of the Board.** The Chairman has established the following Committees to assist him and the Board in discharging their responsibilities: (1) the Audit Committee; (2) the Committee on Finance; (3) the Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority; (4) the Committee on Operation of the Metro-North Commuter Railroad; (5) the Committee on Operation of the Long Island Rail Road and the Metropolitan Suburban Bus Authority; (6) the Committee on Operations of the Triborough Bridge and Tunnel Authority; (7) the Committee on Capital Program Oversight; (8) the Capital Construction, Planning, and Real Estate Committee; (9) the Safety and Security Committee; (10) the Diversity Committee, and (11) the Corporate Governance Committee. The current charters and key practices of these Committees shall be maintained on the MTA website. The Committees may hold meetings in conjunction with the entire Board, as appropriate.
5. **Self-Assessment.** The Board, as a whole, and each of the Committees, individually, will perform an annual self-assessment. The Board will be requested to provide their assessments of the effectiveness of the Board, as a whole, and of the Committees on which they serve. The individual assessments will be organized and summarized for discussion with the Board and the Committees.
6. **Setting Agendas for Meetings of the Board.** The Chairman shall be responsible for the agenda of the Board meetings. Upon the request of the Chairman, an Agency President shall report to the Board regarding that Agency's operations, finances, and performance (with specific reference to the benchmarks established for that Agency) since the last time such Agency President reported to a meeting of the Board. The Chairman, or Committee chair as appropriate in consultation with the Chairman, shall determine the nature and extent of information that shall be provided regularly to Board members before each scheduled Board or Committee meeting. Committee chairs shall report to the entire Board for approval the matters discussed or recommended at Committee meetings as appropriate. Board members are urged to make suggestions for agenda items, or

additional pre-meeting materials, to the Chairman, or the appropriate Committee chair at any time.

7. **Ethics and Conflicts of Interest.** The Chairman, Board members and the other officers and employees of the MTA are expected to act ethically at all times, to acknowledge their adherence to the policies comprising the MTA All-Agency and MTA Board Members Codes of Ethics and to comply in all respects with the Codes of Ethics. If an actual or potential conflict of interest arises for an MTA Board Member, the MTA Member shall promptly inform the Chairman. All Board members will recuse themselves from any discussion or decision affecting their personal or commercial interests. Other than in such instances where jurisdiction over a conflict matter lies with the New York State Commission on Public Integrity, the Board shall resolve any unresolved conflict of interest question involving the Chairman, a Vice Chairman, an MTA Member, the Auditor General, or an Agency President, and the Chairman shall resolve any unresolved conflict of interest issue involving any other officer of the MTA. If a significant conflict exists and cannot be resolved, the MTA Board Member should resign.
8. **Oversight of Significant MTA Policies.** The Board shall ensure that the MTA has policies addressing significant issues, and shall regularly review and, as appropriate, suggest changes or additions to, all such statements of significant MTA policy. Each statement of a significant MTA policy should be published in an accessible manner.
9. **Access of Senior Management to the Board.** Senior management are encouraged to, from time to time, bring managers into meetings of the Board who (a) can provide additional insight into the items being discussed because of personal involvement in these areas, an/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.
10. **Access to Independent Advisors.** The Board or any Committee thereof shall have the right at any time to retain independent outside financial, legal or other advisors.
11. **MTA Member Orientation.** Each new MTA Board member shall, within three months of appointment as an MTA Board member, spend a day at MTA headquarters for personal briefing by the Chairman and other senior management on the MTA's strategic plans, its financial statements, and its key policies and practices. In addition, within one year of appointment, each new MTA Board member must participate in State-approved training regarding their legal, fiduciary, financial and ethical responsibilities. The Chief Executive Officer, the MTA General Counsel and Chief Compliance Officer shall be responsible for providing additional orientation materials and programs for new Board members, as appropriate. MTA Board members shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of the MTA and to adhere to the highest standards.

## METROPOLITAN TRANSPORTATION AUTHORITY

### GOVERNANCE GUIDELINES

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*Adopted by the Board on December ~~17~~, 2008 16, 2009*

**Prepared by  
MTA Corporate Compliance**



**Metropolitan Transportation Authority**

New York City Transit  
Long Island Rail Road  
Long Island Bus  
Metro-North Railroad  
Bridges and Tunnels  
Capital Construction  
Bus Company

## **The Mission of the Metropolitan Transportation Authority**

The Metropolitan Transportation Authority ("MTA") is the public benefit corporation of the State of New York responsible for an integrated mass transportation system for the City of New York and Dutchess, Nassau, Orange, Putnam, Rockland, Suffolk and Westchester counties. The statutory purposes set forth in the MTA enabling act are:

"the continuance, further development and improvement of commuter transportation and other services related thereto within the metropolitan commuter transportation district, including but not limited to such transportation by railroad, omnibus, marine and air, in accordance with the provisions of this title. It shall be the further purpose of the authority, consistent with its status as the ex officio board of both the New York city transit authority and the triborough bridge and tunnel authority, to develop and implement a unified mass transportation policy for such district." (Public Authorities Law §1264(1))

These Governance Guidelines apply to MTA and the other public benefit corporations under common control of MTA (collectively with MTA, the "MTA Agencies"). The MTA Agencies consist of:

- Metropolitan Transportation Authority
- Triborough Bridge and Tunnel Authority
- New York City Transit Authority
- Manhattan and Bronx Surface Transit Operating Authority
- The Long Island Rail Road Company
- Metro-North Commuter Railroad Company
- Staten Island Rapid Transit Operating Authority
- Metropolitan Suburban Bus Authority
- MTA Bus Company
- MTA Capital Construction Company
- First Mutual Transportation Assurance Company

## **Governance Guidelines**

### **1. Functions of the MTA ~~Chair~~Chairman/Chief Executive Officer.**

(a) The ~~Chair~~Chairman of the MTA shall be primarily responsible for (a) providing leadership to the MTA Board in performing oversight of the Authority's Executive Director and other senior management in the effective and ethical management of the MTA Agencies's integrated mass transportation system, and (b) coordinating the development and approval by the Board of long term strategy for the maintenance and expansion of that system, with the assistance of the Executive Director. The Chairman, inter alia, convenes and presides over Board meetings, establishes Board committees and appoints committee members and chairs, and shall serve as the principal liaison between MTA management and the Board.



(b) The Chairman, pursuant to statute, is the chief executive officer of the Authority and shall have responsibility to discharge the executive and administrative functions and powers of the Authority. In discharging the executive and administrative functions and powers of the Authority, the Chairman shall, inter alia, be responsible for (i) managing the day-to-day operations of the MTA's integrated mass transportation system, (ii) coordinating the development and approval by the Board of long term strategy for the maintenance and expansion of that system, (iii) overseeing and providing appropriate direction to the President of each of the MTA's constituent Agencies and (iv) appointing, disciplining, and removing officers or employees.

2. **Functions of the MTA Board.** The Board shall meet no less than 11 times a year at which the Board shall review and discuss reports by management on the performance of the MTA, its plans and prospects, as well as immediate issues facing the MTA. Board members are expected to attend all scheduled meetings of the Board and meetings of Committees on which they serve. The entire Board shall be responsible for the general oversight of the Authority's ~~Executive Director and other~~ senior management in furtherance of the effective and ethical management of the entire MTA, as required by law. In addition to this general responsibility, the entire Board (with the assistance of Committees of the Board as appropriate) shall also perform a number of specific functions, including

~~(a) appointing, evaluating and compensating the Executive Director;~~

(a) (b) providing counsel and oversight on the selection, evaluation, development and compensation of senior management but subject to the provisions of 3(a) "Functions of Senior Management - Executive Director". When determining compensation for the Chairman/Chief Executive Officer, the Board, as required by law, shall act without the participation of the Chairman/Chief Executive Officer;

(b) (e) reviewing, approving and monitoring fundamental financial and business strategies and major actions, including fundamental financial and management controls;

(c) (d) assessing major risks facing the MTA and reviewing options for the mitigation of these risks; and

(d) (c) ensuring processes are in place for maintaining the integrity of the MTA, including the integrity of the financial statements of the MTA (and the financial statements of the MTA subsidiaries or component units that are required by law to issue separate financial statements), the integrity of the MTA's compliance with law and ethics (including by adopting and updating codes of ethics applicable to MTA directors, officers and employees that at a minimum incorporate the standards established in section seventy-four of the Public Officers Law), the integrity of the MTA's relationships with customers

and suppliers, and the integrity of the MTA's relationship with the public at large.

- (e) ~~(f)~~ establishing written policies and procedures on personnel including policies protecting employees from retaliation for disclosing information concerning acts of wrongdoing, misconduct, malfeasance, or other inappropriate behavior by an employee or board member of the authority; investments; travel; the acquisition of real property; the disposition of real and personal property; and the procurement of goods and services; and
- (f) ~~(g)~~ adopting a defense and indemnification policy and disclose such plan to any and all prospective board members.

3. **Functions of Senior Management:** The Chairman/Chief Executive Officer serves ex officio as the chair and chief executive officer of each of affiliated and subsidiary MTA Agencies and is responsible for appointing such other officials and employees (including, in his or her discretion, an Executive Director) as he or she determines is necessary and appropriate. These other officials and employees serve under the direction and at the pleasure of the Chairman/Chief Executive Officer. The Presidents of the MTA's constituent Agencies, pursuant to the direction of the Chairman/Chief Executive Officer, are primarily responsible for the general management and operations of such constituent Agencies.

~~(a) **Executive Director.** The Executive Director of the MTA shall serve as the chief executive officer of the Authority and shall have responsibility to discharge the executive and administrative functions and powers of the Authority. In discharging the executive and administrative functions and powers of the Authority, the Executive Director shall, inter alia, be responsible for (i) managing the day-to-day operations of the MTA's integrated mass transportation system; (ii) assisting the Chair in coordinating the development and approval by the Board of long-term strategy for the maintenance and expansion of that system; (iii) overseeing and providing appropriate direction to the President of each of the MTA's constituent authorities and (iv) appointing, disciplining, and removing officers or employees.~~

~~(b) **Agency Presidents.** The Presidents of the MTA's constituent authorities are primarily responsible for the general management and operations of such constituent authorities.~~

4. **Committees of the Board.** The Chairman has established the following Committees to assist him and the Board in discharging their responsibilities: (1) the Audit Committee; (2) the Committee on Finance; (3) the Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority (which is also responsible for the MTA Bus Company); (4) the Committee on Operations Operation of the MTA's North Connector Railroad; (5) the Committee on Operation of the Long

Island Rail Road and the Metropolitan Suburban Bus Authority; ~~(5) the Committee on Operations of the Metro-North Commuter Railroad;~~ (6) the Committee on Operations of the Triborough Bridge and Tunnel Authority; (7) the Committee on Capital Program Oversight; (8) the Capital Construction, Planning, and Real Estate Committee; (9) the Safety and Security Committee; (10) the Diversity Committee, and (11) the Corporate Governance Committee. The current charters and key practices of these Committees shall be maintained on the MTA website. The Committees may hold meetings in conjunction with the entire Board, as appropriate.

5. **Self-Evaluation Assessment.** The Board, as a whole, and each of the Committees, individually, will perform an annual self-evaluation~~assessment~~. The Board will be requested to provide their assessments of the effectiveness of the Board, as a whole, and of the Committees on which they serve. The individual assessments will be organized and summarized for discussion with the Board and the Committees.
  
6. **Setting Agendas for Meetings of the Board.** The Chairman ~~in consultation with the Executive Director~~ shall be responsible for the agenda of the Board meetings. At each meeting ~~Upon the request of the Board~~ Chairman, ~~one~~ an Agency President shall report to the Board regarding that Agency's operations, finances, and performance (with specific reference to the benchmarks established ~~by the Executive Director~~ for that Agency) since the last time such Agency President reported to a meeting of the Board. ~~At the December meeting of the Board, the Chairman shall set forth a schedule of reports to be made by the Agency Presidents, such that each Agency President shall make a report to a meeting of the Board approximately one time every 7 months.~~ The Chairman, or Committee chair as appropriate ~~in consultation with the Executive Director~~ Chairman, shall determine the nature and extent of information that shall be provided regularly to Board members before each scheduled Board or Committee meeting. Committee chairs shall report to the entire Board for approval the matters discussed or recommended at Committee meetings as appropriate. Board members are urged to make suggestions for agenda items, or additional pre-meeting materials, ~~to the Executive Director, the Chairman, or the appropriate Committee chair at any time.~~
  
7. **Ethics and Conflicts of Interest.** The Chairman, Board members, ~~as well as the Executive Director~~ and the other officers and employees of the MTA are expected to act ethically at all times, to acknowledge their adherence to the policies comprising the MTA All-Agency and MTA Board Members Codes of Ethics and to comply in all respects with the Codes of Ethics. If an actual or potential conflict of interest arises for an MTA Board Member, the MTA Member shall promptly inform the Chairman ~~and the Executive Director~~. All Board members will recuse themselves from any discussion or decision affecting their personal or commercial interests. Other than in such instances where jurisdiction over a conflict matter lies with the New York State Commission on Public Integrity, the Board shall resolve any unresolved conflict of interest question involving the Chairman, a Vice Chairman, an MTA Member, ~~the Executive Director~~, the Auditor General, or an Agency President, and the ~~Executive Director~~ Chairman shall resolve any unresolved conflict of interest issue involving any other officer of the MTA. If a significant conflict exists and cannot be resolved, the MTA Board Member should resign.

8. **Oversight of Significant MTA Policies.** The Board shall ensure that the MTA has policies addressing significant issues, and shall regularly review and, as appropriate, suggest changes or additions to, all such statements of significant MTA policy. Each statement of a significant MTA policy should be published in an accessible manner.
9. **Access of Senior Management to the Board.** ~~The Executive Director and~~ seniorSenior management are encouraged to, from time to time, bring managers into meetings of the Board who (a) can provide additional insight into the items being discussed because of personal involvement in these areas, an/or (b) are managers with future potential that the senior management believes should be given exposure to the Board.
10. **Access to Independent Advisors.** The Board or any Committee thereof shall have the right at any time to retain independent outside financial, legal or other advisors.
11. **MTA Member Orientation.** Each new MTA Board member shall, within three months of appointment as an MTA Board member, spend a day at MTA headquarters for personal briefing by the Chairman, ~~Executive Director~~ and other senior management on the MTA's strategic plans, its financial statements, and its key policies and practices. In addition, within one year of appointment, each new MTA Board member must participate in State-approved training regarding their legal, fiduciary, financial and ethical responsibilities. The ~~Chief Executive Director~~Officer, the MTA General Counsel and Chief Compliance Officer shall be responsible for providing additional orientation materials and programs for new Board members, as appropriate. MTA Board members shall participate in such continuing training as may be required to remain informed of best practices, regulatory and statutory changes relating to the effective oversight of the management and financial activities of the MTA and to adhere to the highest standards.

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**METROPOLITAN TRANSPORTATION AUTHORITY  
CORPORATE GOVERNANCE GUIDELINES WITH RESPECT  
TO LABOR RELATIONS MATTERS  
[PROPOSED]**

These Corporate Governance Guidelines for Labor Relations have been adopted by the Board of the Metropolitan Transportation Authority (“MTA” and the “Board”) and apply to the MTA and the other public benefit corporations under common control of the MTA (collectively the MTA, the “MTA Agencies”). The MTA Agencies consist of:

- Metropolitan Transportation Authority
- Triborough Bridge and Tunnel Authority
- New York City Transit Authority (“NYCT”)
- Manhattan and Bronx Surface Transit Operating Authority
- The Long Island Rail Road Company
- Metro-North Commuter Railroad Company
- Staten Island Rapid Transit Operating Authority
- Metropolitan Suburban Bus Authority
- MTA Bus Company
- MTA Capital Construction Company
- First Mutual Transportation Assurance Company

**Purpose**

These Labor Relations Corporate Governance Guidelines are established to ensure that the Board is kept apprised of material developments affecting collective bargaining and in furtherance of the Board’s oversight of MTA management with respect to the collective bargaining matters of the MTA Agencies.

Pursuant to the Public Authorities Law §2824(1)(a), the members of the Board are charged with executing direct oversight of the CEO and the senior management of MTA Agencies in the effective and ethical management of the MTA Agencies. Given the significance of labor relations to the performance and financial stability of the MTA Agencies, it is appropriate to set forth the roles of the Board and management with respect to labor matters.

#### **Chief Executive Officer Functions and Responsibilities**

Pursuant to Public Authorities Law §1263(4)(a), the Chairman is the chief executive officer of the MTA and as such is responsible for the discharge of the executive and administrative functions and powers of the MTA Agencies. Those executive and administrative functions and powers include management of labor relations at the MTA Agencies.

#### **Board Member Functions and Responsibilities**

The MTA Board is responsible for

1. oversight of the Chair/CEO and other MTA senior management in the effective and ethical management of the labor relations of MTA Agencies;
2. considering, and determining whether to ratify, collective bargaining agreements negotiated by MTA management.

To carry out these responsibilities, the Board must be properly informed. Toward that end, below are Governance Guidelines with respect to labor matters.



**Responsibilities of the MTA Chairman/CEO, MTA Director of Labor Relations and Agency Presidents to the Board with Respect to Labor Matters**

1. The Chairman/CEO, as the official with executive and administrative responsibility for labor matters, shall serve as the principal liaison between management and the Board with respect to labor matters. The Chairman/CEO may act through his designee, the MTA Director of Labor Relations, in connection with providing the Board with information regarding the labor matters of the MTA Agencies that is relevant both to specific decisions that the Board is required to make and to the Board's effective fulfillment of its oversight responsibility.

2. The Chairman/CEO shall assure that members of the Board receive regular briefings or communiqués concerning significant developments with respect to labor matters. Such briefings or communications, which customarily shall be made by the MTA Director of Labor Relations, shall be provided as needed to keep members of the Board apprised of significant developments with respect to labor matters. Significant developments shall include, but not be limited to,

- the forthcoming expiration of a major collective bargaining agreement (CBA) ;
- key bargaining objectives;
- the status of negotiations with respect an impactful CBA, including the parties' negotiating positions;
- proposed agreement to interest arbitration;
- the status of impasse proceedings, if any, leading to Taylor Law public interest arbitration or, in the case of the commuter rail lines,

the status of bargaining-related proceedings under the Railway Labor Act;

- pending contract modifications or interpretations with a substantial cost.

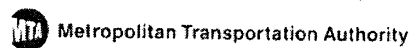
3. Contracts reached by management and ratified by the Union, shall customarily be presented to the relevant Board operating committee(s) and the Finance Committee by the Director of Labor Relations, prior to being presented to the Board for action. There may be instances, however, where time constraints require direct briefing of the Board without prior Committee briefings.

4. The Director of Labor Relations shall work with the MTA Agency Presidents to ensure that members of the Board are furnished with all material information pertinent to labor matters scheduled before the Board. In the event either the President of an MTA Agency or the Director of Labor Relations believes a labor matter not already on the Board agenda should be added, the chairman shall be informed.

5. Collective bargaining matters shall be managed by MTA headquarters through the Chair/CEO and the Director of Labor Relations. The Presidents of the MTA Agencies are primarily responsible for the general management and operations of their respective organizations, and shall be responsible for day-to-day matters affecting labor relations.



# Staff Summary



Subject						Date			
Revisions to the MTA By-Laws						December 16, 2009			
Department						Vendor Name			
General Counsel						N/A			
Department Head Name						Contract Number			
James Henly						N/A			
Department Head Signature						Contract Manager Name			
						N/A			
Project Manager Name						Table of Contents Ref #			
N/A									
Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Corporate Governance					2	Chief Compliance Officer		
2	Board					1	Legal		
Narrative									
<p><b>Purpose:</b> To seek Board approval of proposed revisions to the MTA By-laws.</p> <p><b>Discussion:</b> On May 6, 2009, the New York State legislature enacted S 5451 and A 8180, commonly referred to as the MTA Rescue legislation (the "Legislation"), which was subsequently signed into law by Governor Paterson as Chapter 25 of the Laws of 2009. Part H of the Legislation amended, among other things, certain sections of the Public Authorities Law addressing the role and responsibilities of the MTA Chairman. Amendments to the MTA By-laws are proposed to conform to the Legislation. Other revisions, such as allowing email notice to board members of a special meeting and the process for approving indemnification of the chairman or other employees of the MTA reflect existing MTA practices and procedures. A copy of the By-laws with the proposed revisions marked and annotated to explain the changes is included in the materials provided to board members.</p> <p><b>Recommendation:</b> That the Board adopt the proposed revisions to the MTA By-laws.</p>									

## **BY-LAWS METROPOLITAN TRANSPORTATION AUTHORITY**

### **ARTICLE 1. OFFICES**

The principal office of the Metropolitan Transportation Authority (the "Authority") shall be located in the City of New York, County of New York. The Authority may have such other offices as the board may designate or as the business of the Authority may require from time to time.

### **ARTICLE II. THE BOARD**

**Section 1. General Affairs.** The business and affairs of the Authority shall be managed by its board.

**Section 2. Number, Tenure and Qualifications.** The Authority ("the board" or "the board of the Authority") as used herein shall consist of all of those persons who from time to time hold office as chairman or members of the Metropolitan Transportation Authority pursuant to §1263 of the Public Authorities Law of the State of New York. Each member shall hold office for the term established by law and until his successor shall have been appointed and qualified. Members shall meet all requirements of law respecting their qualification for office.

**Section 3. Regular Meetings.** A regular meeting of the board shall be held without other notice than these by-laws at 9:30 A.M. on the fourth Wednesday of each month except that there shall be no regular meeting in the month of August and except that in the months of November and December the regular meetings shall be held on the third Wednesday of the month. The board may provide by resolution for the time and place for the holding of additional regular meetings without other notice than such resolution. The chairman may adjust the date and time of any regular meeting by written notice provided to members at least forty-eight hours prior to such adjusted date and time. Such written notice shall be provided to members by the same means required by Section 4(b) of Article II of these by-Laws for delivery of notice to members of special meetings.

**Section 4. Special Meetings.** (a) Special meetings of the board may be called by the chairman or, in his or her absence or in case of his or her disability, a vice chairman. In addition, a special meeting of the board shall be called by the secretary or in his or her absence by an assistant secretary upon the request of any two members. The person or persons authorized to call special meetings of the board may fix the time and any place within the City of New York as the place for holding any special meeting of the board called or requested by them.

(b) Written notice of each special meeting shall be given by the chairman or secretary or by an assistant secretary, specifying the time and place of the meeting. Such notice shall be addressed to each member at the

member's postal address on record with the Authority and deposited with the U.S. Postal Service at least forty-eight hours prior to the time fixed for such meeting, and in addition, sent by facsimile or email to each member having a facsimile number or email address on record with the Authority at least forty-eight hours prior to the time fixed for such special meeting.. Such notice shall state the purpose of such meeting, and no business other than that stated in the notice shall be transacted at such special meeting unless every member of the Authority then in office is present, and it is unanimously agreed to consider matters other than those specifically provided for in the notice of such meeting. Notwithstanding the foregoing, in the event of an emergency the chairman may call a special meeting without advance notice and by means other than the delivery of a writing to the members.

**Section 5. Open Meetings.** All meetings of the board shall be conducted in compliance with the provisions of the Open Meetings Law, being Chapter 511 of the Laws of 1976, as amended, and with all rules and regulations promulgated thereunder.

**Section 6. Quorum.** A majority of the whole number of voting members of the board as defined in §1263 (1) (a) of the Public Authorities Law of the State of New York then in office shall constitute a quorum for the transaction of any business or the exercise of any power of the Authority. Those members of the board appointed upon the recommendation of the chief executive officers of Dutchess, Orange, Putnam and Rockland counties (the "Hudson Valley Member" or "Hudson Valley Members") shall be considered to be a single member, and the presence of that member for purposes of determining a quorum shall be ascertained pursuant to section 10 of this article. Except as otherwise specified by law, for the transaction of any business or exercise of any power of the Authority, the Authority shall have power to act by a majority of the voting members of the board present at any meeting at which a quorum is in attendance with the chairman having one additional vote in the event of a tie vote. For purposes of determining a tie vote, an abstention shall be counted as a vote against a motion. If a meeting is validly called but a quorum is not present, a majority of the members of the board then present may adjourn the meeting from time to time without further notice.

**Section 7. Attendance at Meetings.** Any one or more members of the board or of a committee thereof may attend a meeting of such board or committee by means of a conference telephone or similar communications equipment allowing all persons attending the meeting to hear each other at the same time; however, attendance by such means shall not constitute presence at a meeting for the purposes of section 6, section 8 or section 10 of this Article.

**Section 8. Presumption of Assent.** A member of the board who is present at a meeting of the board at which action on any matter is taken shall be presumed to have assented to the action taken unless his abstention or dissent is stated at the

meeting, which dissent or abstention shall be duly entered in the minutes of the meeting.

**Section 9. Committees.** The chairman may establish one or more committees of the board, each committee to consist of one or more of the members and each of which committees shall have and may exercise the powers conferred upon it by the chairman. Such committees shall have such names as shall be given them by the chairman. The chairman shall also establish such committees of the board as shall be mandated by law. Except in an emergency, the chairman and each board member shall be given advance written notice of the time and place of any meeting of any committee of the board.

**Section 10. Quorum and Voting for members of the Board from the counties of Dutchess, Orange, Putnam and Rockland.**

(a) The Hudson Valley Members shall be considered to be a single member. For the purposes of determining a quorum, such single voting member shall be considered present if one or more Hudson Valley Members is present.

(b) The single collective vote of the Hudson Valley Members shall be determined as follows:

(i) if at least three Hudson Valley Members are then in office: (A) if one such member is present, the single collective vote shall be recognized; (B) if two or more such members are present but only one such member votes, the single collective vote shall be recognized as the vote of such member; (C) if two or more such members are present and two or more such members vote, the majority vote shall be recognized as the single collective vote; and (D) if two or more such members are present and two or more of such members vote but no majority is achieved, the single collective vote shall not be recognized; and

(ii) if two or one Hudson Valley Member(s) are then in office: (A) if one such member is present, the single collective vote shall be recognized as the vote of such voting member; (B) if two such members are present but only one such member votes, the single collective vote shall be recognized as the vote of such voting member; and (C) if two such members are present and both vote, only a unanimous vote shall be recognized as the single collective vote.

To evidence the single collective vote, each such member that is present may be polled as to his vote and such poll shall be recorded in the minutes.

### **ARTICLE III. OFFICERS**

**Section 1. Number.** The officers of the Authority shall be a chairman, one or more vice chairmen (the number and exact designation thereof and the separate functions to be determined by the board if there is more than one), an executive

director, if one is appointed by the chairman, a counsel, other senior officials (the number and exact designation thereof and the separate functions to be determined by the chairman), and a secretary. The chairman shall be appointed and shall serve as provided by law. The vice chairmen shall be appointed by the board, upon recommendation by the Chairman, and shall serve at its pleasure. The executive director, if one is appointed by the chairman, shall serve at the pleasure of the chairman. Other senior officials, the counsel, and the secretary shall be appointed by the chairman and shall serve at the pleasure of the chairman. Such other officials or employees as may be deemed necessary may be appointed by the chairman, and each shall serve at the pleasure of the chairman.

**Section 2. Chairman.** (a) The chairman shall serve as the chairman of the board of the Authority and as the chief executive officer of the Authority. The chairman shall be responsible for providing leadership to the board as it oversees the management of the Authority. The chairman shall preside at all meetings of the board. The chairman may delegate any or all of his or her powers relating to the leadership of the board to a vice-chairman. In the event of a tie vote, the chairman may cast an additional vote.

(b) The chairman shall also serve as the chief executive officer of the Authority. As chief executive officer of the Authority, the chairman shall be responsible for the discharge of the executive and administrative functions and powers of the Authority.

**Section 3. The Vice Chairman.** In the event of the chairman's death or inability to act, or in the event the position of chairman is for any other reason vacant, a vice chairman designated by the board shall perform the duties of the chairman and when so acting, shall have all the powers of and be subject to all the restrictions upon the chairman. Such powers and duties shall terminate upon the appointment by the Governor of a successor chairman as provided by law or upon the cessation of the chairman's inability to act.

**Section 4. Such Other Officials and Employees.** The chairman may, in his or her judgment, appoint such other officials and employees, including an executive director, as shall in his or her judgment be needed to discharge the executive and administrative functions and powers of the of the Authority. The chairman may delegate such of his or her powers relating to the discharge of the executive and administrative functions, including the administration and day to day operations of the Authority as the chairman may deem appropriate to such other officials and employees.

**Section 5. The Agency Presidents.** The presidents of the subsidiary and affiliate agencies of the Authority are primarily responsible for the general management and operation of their agencies.



**Section 6. The Secretary.** The secretary shall keep the minutes of the proceedings of the board, see that all notices are duly given as required by law, be custodian of the corporate records and of the seal of the Authority, see to it that the seal of the Authority is affixed to all documents the execution of which on behalf of the Authority under its seal is duly authorized, and in general shall perform all duties incident to the office of secretary. The chairman may appoint one or more assistant secretaries who may perform the duties of the secretary in the event of the absence, disability or incapacity of the secretary.

**Section 7. Salaries.** The salaries fixed by the chairman for those officers and employees appointed by the chairman shall at all times be within the amounts budgeted therefore by the board.

#### **ARTICLE IV. CONTRACTS, LOANS, CHECKS AND DEPOSITS**

**Section 1. Contracts.** The board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

**Section 2. Loans.** No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board. Such authority may be general or confined to specific instances.

**Section 3. Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Authority shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the board.

**Section 4. Deposits.** All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the board may select.

#### **ARTICLE V. FISCAL YEAR**

The fiscal year of the Authority shall begin on the first day of January and end on the thirty-first day of December in each year.

#### **ARTICLE VI. CORPORATE SEAL**

The board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Authority and the words "Corporate Seal".

## ARTICLE VII. INDEMNIFICATION

The Authority shall save harmless and indemnify any person (or his or her estate) who shall have served as a member, officer or employee of the Authority or of a subsidiary of the Authority against financial loss, including punitive damages, or litigation expense incurred in connection with any claim, demand, suit, action or proceeding, whether civil or criminal, or the defense thereof, and arising out of (a) any transaction of the Authority or of a subsidiary of the Authority, or (b) any act or failure to act by any such member, officer or employee while engaged in the discharge of his or her duties on behalf of the Authority or its subsidiaries, or the discharge of his or her duties as a fiduciary of a benefit plan for Authority employees or employees of a subsidiary of the Authority. In the event any such claim, demand, suit, action or proceeding shall occur, such member, officer or employee shall be saved harmless and indemnified as herein provided unless such individual is determined by the Authority or its designee not to have acted, in good faith, for a purpose which he or she reasonably believed to be in the best interests of the Authority or of its subsidiaries or affiliates, and, in criminal actions or proceedings, in addition, not to have had reasonable cause to believe that his or her conduct was lawful. The provisions of this Article shall inure only to the members, officers and employees of the Authority or of its subsidiaries, and to their estates, shall not enlarge or diminish the rights of any other party, and shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance. The foregoing shall be conditional on (a) the prompt delivery to the Authority of a copy of the summons, complaint, process, notice, demand or pleading commencing any such claim, demand, suit, action or proceeding; and, in civil cases only, (b) a contemporaneous offer to name counsel to the Authority as counsel to the member, officer or employee in the defense of such claim, demand, suit, action or proceeding; (c) the full cooperation of the member, officer or employee, in the event the offer is accepted, in making of such defense; and (d) an agreement that the Authority may enter into a settlement on behalf of the member, officer or employee. If the Authority or its designee determines that the defense shall not be provided by counsel for the Authority because of a conflict of interests or other grounds warranting separate counsel, the member, officer or employee may select another attorney and the Authority shall pay reasonable attorney's fees and expenses incurred by or on behalf of such member, officer or employee represented by outside counsel. The Authority's payment of such fees and expenses may be conditioned upon the member, officer or employee's agreement that more than one member, officer or employee shall be represented by the same counsel. The provisions of Section 18 of the Public Officers Law relating to defense and indemnification shall supplement and be available in addition to the provisions of this Article; provided, however, that in the event of any conflict between the substantive provisions of this Article and those of Section 18 of the Public Officers Law, the provisions that afford the greater protection to such members, officers and employees shall control. In the event

that the chairman or other member requests indemnification under this section, such request shall be submitted to the board for its determination. In the event that an officer or employee, other than the chairman, requests indemnification under this section, such request shall be determined by the chairman. The provisions of this Article replace and supersede the provisions of the prior Article VII governing Indemnification, and govern any claim, demand, suit, action or proceeding that is pending as of the date of the adoption of this Article.

#### **ARTICLE VIII. AMENDMENTS**

These by-laws may be altered, amended or repealed and new by-laws may be adopted by the board at any regular or special meeting as to which nature of the proposed alterations, amendments or repeals have been sent in writing to the members of the board together with the notice of meeting if it is a special meeting or if at a regular meeting at least seventy-two hours in advance of such regular meeting.

## BY-LAWS METROPOLITAN TRANSPORTATION AUTHORITY

### ARTICLE 1. OFFICES

The principal office of the Metropolitan Transportation Authority (the "Authority") shall be located in the City of New York, County of New York. The Authority may have such other offices as the board may designate or as the business of the Authority may require from time to time.

### ARTICLE II. THE BOARD

**Section 1. General Affairs.** The business and affairs of the Authority shall be managed by its board.

**Section 2. Number, Tenure and Qualifications.** The Authority ("the board" or "the board of the Authority") as used herein shall consist of all of those persons who from time to time hold office as chairman or members of the Metropolitan Transportation Authority pursuant to §1263 of the Public Authorities Law of the State of New York. Each member shall hold office for the term established by law and until his successor shall have been appointed and qualified. Members shall meet all requirements of law respecting their qualification for office.

**Section 3. Regular Meetings.** A regular meeting of the board shall be held without other notice than these by-laws at 9:30 A.M. on the fourth Wednesday of each month except that there shall be no regular meeting in the month of August and except that in the months of November and December the regular meetings shall be held on the third Wednesday of the month. The board may provide by resolution for the time and place for the holding of additional regular meetings without other notice than such resolution. The chairman may adjust the date and time of any regular meeting by written notice provided to members at least forty-eight hours prior to such adjusted date and time. Such written notice shall be provided to members by the same means required by Section 4(b) of Article II of these by-Laws for delivery of notice to members of special meetings.<sup>1</sup>

**Section 4. Special Meetings.** (a) Special meetings of the board may be called by the chairman or, in his or her absence or in case of his or her disability, a vice chairman. In addition, a Special Meetings ~~special meeting~~ of the board shall be called by the secretary or in his or her absence by an assistant secretary upon the request of any two members. The person or persons authorized to call special meetings of the board may fix the time and any place within the City of

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<sup>1</sup> Occasions have arisen in the past where the time or date of a regular meeting has been adjusted by the Chairman with notice. The by-laws should more explicitly provide for such inevitable adjustments.

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New York as the place for holding any special meeting of the board called or requested by them.

(b) Written notice of each special meeting shall be given by the chairman or secretary or by an assistant secretary, specifying the time and place of the meeting. Such notice shall be addressed to the respective members at such address as each member notifies at the member's postal address on record with the Authority is his official address for the receipt of such notices and shall be deposited in the post office and deposited with the U.S. Postal Service at least forty-eight hours prior to the time fixed for such meeting, and in addition, sent by facsimile or email to each member having a facsimile number or email address on record with the Authority at least forty-eight hours prior to the time fixed for such special meeting.<sup>2</sup> Such notice shall ~~also~~ state the purpose of such meeting, and no business other than that stated in the notice shall be transacted at such special meeting unless every member of the Authority then in office is present, and it is unanimously agreed to consider matters other than those specifically provided for in the notice of such meeting. Notwithstanding the foregoing, in the event of an emergency the chairman may call a special meeting without advance notice and by means other than the delivery of a writing to the members.

**Section 5. Open Meetings.** All meetings of the board shall be conducted in compliance with the provisions of the Open Meetings Law, being Chapter 511 of the Laws of 1976, as amended, and with all rules and regulations promulgated thereunder.

**Section 6. Quorum.** A majority of the whole number of voting members of the board as defined in §1263 (1) (a) of the Public Authorities Law of the State of New York then in office shall constitute a quorum for the transaction of any business or the exercise of any power of the Authority. Those ~~voting~~ members of the board ~~from~~ appointed upon the recommendation of the chief executive officers of Dutchess, Orange, Putnam and Rockland counties (the "Hudson Valley Member" or "Hudson Valley Members")<sup>3</sup> shall be considered to be a single member, and the presence of that member for purposes of determining a quorum shall be ascertained pursuant to section ~~44~~10 of this article. Except as otherwise specified by law, for the transaction of any business or exercise of any power of the Authority, the Authority shall have power to act by a majority of the voting members of the board present ~~and voting~~ at any meeting at which a quorum is in attendance. with the chairman having one additional vote in the event of a tie vote. For purposes of determining a tie vote, an abstention shall be counted as a vote against a motion. If a meeting is validly called but a quorum is not present, a

<sup>2</sup> Notice has routinely been given by both mailing and electronic means, where available. This change simply reflects this practice.

<sup>3</sup> The use of the defined term "Hudson Valley Members" describes the members from Dutchess, Orange, Putnam and Rockland counties who share one vote and who are each appointed by the county executive of such county, and negates the need to fully describe them whenever they are mentioned in the by-laws.

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majority of the members of the board then present may adjourn the meeting from time to time without further notice.<sup>4</sup>

**Section 7. Attendance at Meetings.** Any one or more members of the board or of a committee thereof may attend a meeting of such board or committee by means of a conference telephone or similar communications equipment allowing all persons attending the meeting to hear each other at the same time; however, attendance by such means shall not constitute presence ~~in person~~ at a meeting for the purposes of section 6, section 8 or section 10 of this Article.<sup>5</sup>

**Section 8. Presumption of Assent.** A member of the board who is present at a meeting of the board at which action on any matter is taken shall be presumed to have assented to the action taken unless his abstention or dissent is stated at the meeting, which dissent or abstention shall be duly entered in the minutes of the meeting.

**Section 9. Committees.** The chairman may establish one or more committees of the board, each committee to consist of one or more of the members and each of which committees shall have and may exercise the powers conferred upon it by the chairman. Such committees shall have such names as shall be given them by the chairman. The chairman shall also establish such committees of the board as shall be mandated by law. Except in an emergency, the chairman, ~~the executive director~~ and each board member shall be given advance written notice of the time and place of any meeting of any committee of the board.

~~**Section 10. Executive Director.** On recommendation of the chairman, the board shall appoint an executive director who shall be responsible for discharge of the executive and administrative functions and powers of the Authority, including the administration and the day-to-day operations of the Authority, and who shall not be a member of the Authority.~~  
**Section 11. Quorum, and Voting and Committee Membership for members of the Board from the counties of Dutchess, Orange, Putnam and Rockland.**

(a) ~~The voting members of the board from Dutchess, Orange, Putnam and Rockland counties~~ Hudson Valley Members shall be considered to be a

<sup>4</sup> Public Authorities Law § 1263 (3) (a) and (b) provides the applicable quorum standard which is a majority of "members then in office"; the majority of member present standard for acting by majority vote; and provides for the tie breaking vote of the chairman. Under the majority of members present standard for passing a motion an abstention and "nay" vote have the same effect.

<sup>5</sup> The change makes clear, as required by the Open Meetings Law that a member may not be counted present for purposes of quorum (sections 6 and 11) or voting (section 8) unless physically present.

<sup>6</sup> The section describing the executive director was deleted since the Public Authorities Law no longer provides for the appointment of an executive director by the board; the revised law allows the chairman to appoint an executive director and other officials and employees as in his judgment are necessary to discharge the executive and administrative functions of the authority.

single member. For the purposes of determining a quorum, ~~the~~such single voting member of the board constituting the members from Dutchess, Orange, Putnam and Rockland counties shall be considered present if one or more members Hudson Valley Members is present.

(b) The single collective vote of the members from Dutchess, Orange, Putnam and Rockland counties Hudson Valley Members shall be determined as follows:

~~(i) if at least three members of the board from Dutchess, Orange, Putnam and Rockland counties~~ (i) if at least three Hudson Valley Members are then in office: (A) if one such member is present, the single collective vote shall be recognized; (B) if two or more such members are present but only one such member votes, the single collective vote shall be recognized as the vote of such member; (C) if two or more such members are present and two or more such members vote, the majority vote shall be recognized as the single collective vote; and (D) if two or more such members are present and two or more of such members vote but no majority is achieved, the single collective vote shall not be recognized; and

~~(ii) if two or one member(s) of the board from Dutchess, Orange, Putnam and Rockland counties~~ Hudson Valley Member(s) are then in office: (A) if one such member is present, the single collective vote shall be recognized as the vote of such voting member; (B) if two such members are present but only one such member votes, the single collective vote shall be recognized as the vote of such voting member; and (C) if two such members are present and both vote, only a unanimous vote shall be recognized as the single collective vote.

To evidence the single collective vote, each such member that is present may be polled as to his vote and such poll shall be recorded in the minutes.

### ARTICLE III. OFFICERS

**Section 1. Number.** The officers of the Authority shall be a chairman, one or more vice chairmen (the number and exact designation thereof and the separate functions to be determined by the board if there is more than one), an executive director, ~~if one is appointed by the chairman, a counsel, deputy executive directors~~ other senior officials (the number and exact designation thereof and the separate functions to be determined by the ~~executive director~~ chairman), and a secretary. The chairman shall be appointed and shall serve as provided by law. The vice chairmen shall be appointed by the board, upon recommendation by the Chairman, and shall serve at its pleasure. The executive director ~~shall be, if one is appointed by the board on the recommendation of the chairman and, shall serve at its~~ the pleasure. The deputy executive directors of the chairman. Other

senior officials<sup>7</sup>, the counsel, and the secretary shall be appointed by the executive director~~chairman~~ and shall serve at his or her~~the~~ pleasure of the chairman. Such other ~~officers~~officials or employees as may be deemed necessary may be ~~provided for by resolution of the board, but they shall be appointed by the executive director~~chairman, and each shall serve at his or her~~the~~ pleasure of the chairman.

**Section 2. Chairman.** (a) The chairman shall ~~preside at all meetings of the board and is primarily~~serve as the chairman of the board of the Authority and as the chief executive officer of the Authority. The chairman shall be responsible for providing leadership to the Authority and the board as it oversees the management of the Authority and, with the assistance of the executive director, for coordinating the development and approval by the board of a long term strategy for the Authority's operations. The chairman shall ~~preside at all meetings of the board~~. The chairman may delegate any or all of his or her powers relating to the leadership of the board to a vice-chairman. In the event of a tie vote, the chairman may cast an additional vote.

(b) The chairman shall also serve as the chief executive officer of the Authority. As chief executive officer of the Authority, the chairman shall be responsible for the discharge of the executive and administrative functions and powers of the Authority.<sup>8</sup>

**Section 3. The Vice Chairman.** In the event of the chairman's death or inability to act, or in the event the position of chairman is for any other reason vacant, the~~a~~ vice chairman designated by the board shall perform the duties of the chairman and when so acting, shall have all the powers of and be subject to all the restrictions upon the chairman. Such powers and duties shall terminate upon the appointment by the Governor of a successor chairman as provided by law or upon the cessation of the chairman's inability to act.<sup>9</sup>

**Section 4. The Executive Director.** ~~The executive director shall have the powers, duties and functions enumerated by law and in Article II, Section 10 of these By laws.~~

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<sup>7</sup> This change is made to track the Public Authorities Law which refers to "other officials and employees" and covers those positions currently titled as "deputy executive directors".

<sup>8</sup> This change is made to reflect the revisions to the Public Authorities Law which gives the chairman the additional role/responsibility of the chief executive officer.

<sup>9</sup> This language clarifies the fact that the Vice Chairman's term as acting chairman will end upon the appointment of a new chairman by the governor, or, if the Vice Chairman is acting as chairman due to the chairman's inability to act, for example, due to illness or travel, the Vice Chairman's term as acting chairman ends upon the chairman's return after his illness or travel.



**Section 4. Such Other Officials and Employees.**<sup>10</sup> The chairman may, in his or her judgment, appoint such other officials and employees, including an executive director, as shall in his or her judgment be needed to discharge the executive and administrative functions and powers of the of the Authority. The chairman may delegate such of his or her powers relating to the discharge of the executive and administrative functions, including the administration and day to day operations of the Authority as the chairman may deem appropriate to such other officials and employees.

**Section 5. The Agency Presidents.** The presidents of the subsidiary and affiliate agencies of the Authority are primarily responsible for the general management and operation of their agencies.

**Section 6. The Secretary.** The secretary shall keep the minutes of the proceedings of the board, see that all notices are duly given as required by law, be custodian of the corporate records and of the seal of the Authority, see to it that the seal of the Authority is affixed to all documents the execution of which on behalf of the Authority under its seal is duly authorized, and in general shall perform all duties incident to the office of secretary. The ~~executive director~~chairman may appoint one or more assistant secretaries who may perform the duties of the secretary in the event of the absence, disability or incapacity of the secretary.

**Section 7. Salaries.** The salaries fixed by the chairman ~~and the executive director~~ for those officers and employees appointed by ~~them~~the chairman shall at all times be within the amounts budgeted therefore by the board.

#### **ARTICLE IV. CONTRACTS, LOANS, CHECKS AND DEPOSITS**

**Section 1. Contracts.** The board may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Authority, and such authority may be general or confined to specific instances.

**Section 2. Loans.** No loans shall be contracted on behalf of the Authority and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board. Such authority may be general or confined to specific instances.

**Section 3. Checks, Drafts, etc.** All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name

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<sup>10</sup> This change reflects the changes in the Public Authorities Law which allow the chairman to appoint such other officials and employees as in the chairman's discretion are needed to discharge the chairman's executive and administrative functions. It also allows the chairman to delegate so much of his authority to such officials and employees as is necessary for them to perform their roles.

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of the Authority shall be signed by such officer or officers, agent or agents of the Authority and in such manner as shall from time to time be determined by resolution of the board.

**Section 4. Deposits.** All funds of the Authority not otherwise employed shall be deposited from time to time to the credit of the Authority in such banks, trust companies or other depositories as the board may select.

#### **ARTICLE V. FISCAL YEAR**

The fiscal year of the Authority shall begin on the first day of January and end on the thirty-first day of December in each year.

#### **ARTICLE VI. CORPORATE SEAL**

The board shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the Authority and the words "Corporate Seal".

#### **ARTICLE VII. INDEMNIFICATION**

The Authority shall save harmless and indemnify any person (or his or her estate) who shall have served as a member, officer or employee of the Authority or of a subsidiary of the Authority against financial loss, including punitive damages, or litigation expense incurred in connection with any claim, demand, suit, action or proceeding, whether civil or criminal, or the defense thereof, and arising out of (a) any transaction of the Authority or of a subsidiary of the Authority, or (b) any act or failure to act by any such member, officer or employee while engaged in the discharge of his or her duties on behalf of the Authority or its subsidiaries, or the discharge of his or her duties as a fiduciary of a benefit plan for Authority employees or employees of a subsidiary of the Authority. In the event any such claim, demand, suit, action or proceeding shall occur, such member, officer or employee shall be saved harmless and indemnified as herein provided unless such individual is determined by the Authority or its designee not to have acted, in good faith, for a purpose which he or she reasonably believed to be in the best interests of the Authority or of its subsidiaries or affiliates, and, in criminal actions or proceedings, in addition, not to have had reasonable cause to believe that his or her conduct was lawful. The provisions of this Article shall inure only to the members, officers and employees of the Authority or of its subsidiaries, and to their estates, shall not enlarge or diminish the rights of any other party, and shall not impair, limit or modify the rights and obligations of any insurer under any policy of insurance. The foregoing shall be conditional on (a) the prompt delivery to the Authority of a copy of the summons, complaint, process, notice, demand or pleading commencing any such claim, demand, suit, action or proceeding; and, in civil cases only, (b) a contemporaneous offer to

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name counsel to the Authority as counsel to the member, officer or employee in the defense of such claim, demand, suit, action or proceeding; (c) the full cooperation of the member, officer or employee, in the event the offer is accepted, in making of such defense; and (d) an agreement that the Authority may enter into a settlement on behalf of the member, officer or employee. If the Authority or its designee determines that the defense shall not be provided by counsel for the Authority because of a conflict of interests or other grounds warranting separate counsel, the member, officer or employee may select another attorney and the Authority shall pay reasonable attorney's fees and expenses incurred by or on behalf of ~~an~~such member, officer or employee represented by outside counsel. The Authority's payment of such fees and expenses may be conditioned upon ~~an~~the member, officer or employee's agreement that more than one member, officer or employee shall be represented by the same counsel. The provisions of Section 18 of the Public Officers Law relating to defense and indemnification shall supplement and be available in addition to the provisions of this ~~article~~Article; provided, however, that in the event of any conflict between the substantive provisions of this Article and those of Section 18 of the Public Officers Law, the provisions that afford the greater protection to such members, officers and employees shall control. In the event that the chairman or other member requests indemnification under this section, such request shall be submitted to the board for its determination. In the event that an officer or employee, other than the chairman, requests indemnification under this section, such request shall be determined by the chairman.<sup>11</sup> The provisions of this Article replace and supersede the provisions of the prior Article VII governing Indemnification, and govern any claim, demand, suit, action or proceeding that is pending as of the date of the adoption of this Article.

## ARTICLE VIII. AMENDMENTS

These by-laws may be altered, amended or repealed and new by-laws may be adopted by the board at any regular or special meeting as to which nature of the proposed alterations, amendments or repeals have been sent in writing to the members of the board together with the notice of meeting if it is a special meeting or if at a regular meeting at least seventy-two hours in advance of such regular meeting.

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<sup>11</sup> This change incorporates the process approved by the board in 2006 for handling indemnification requests.

Document comparison done by DeltaView on Monday, November 30, 2009  
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Input:	
Document 1	WORLD\DOX://S:\LEGAL\corporat\CBLUE\CAB0048.DOC
Document 2	WORLD\DOX://S:\LEGAL\corporat\CBLUE\CAB0752.DOC
Rendering set	Standard

Legend:	
<u>Insertion</u>	
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Style change	
Format change	
<del>Moved deletion</del>	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	80
Deletions	56
Moved from	3
Moved to	3
Style change	2
Format changed	0
Total changes	144



# Staff Summary

Subject	Date
<b>Amendment of Charters</b>	<b>December 16, 2009</b>
Department	Vendor Name
<b>Corporate Compliance</b>	<b>N/A</b>
Department Head Name	Contract Number
<b>Lamond Kearse</b>	<b>N/A</b>
Department Head Signature	Contract Manager Name
	<b>N/A</b>
Project Manager Name	Table of Contents Ref #
<b>N/A</b>	

Board Action						Internal Approvals			
Order	To	Date	Approval	Info	Other	Order	Approval	Order	Approval
1	Corporate Governance					1	Chief Compliance Officer		
2	Board					2	Legal <i>CSH</i>		

## Narrative

**Purpose:** To seek Board approval of proposed amendments to the committee charters.

The committee charters would be amended to add language to paragraph four that outlines the responsibilities of the staff to provide each committee with relevant information regarding matters before the committee. The new language also requires the staff to provide the information the committee needs to perform its monitoring and oversight function.

The Audit committee charter is amended to delete any references to "Executive Director" and replace those references with "Chairman/CEO."

**Discussion:** When the committee charters were first drafted, the purpose of the charter was to spell out the role and responsibilities of the committee. This revision rounds out the charter by clarifying responsibilities of the staff to furnish information relevant to the work of the committees.

**Recommendation:** That the Board adopt the proposed amendments to the committee charters.

## **The Metropolitan Transportation Authority**

### **AUDIT COMMITTEE**

This Charter for the Audit Committee was adopted by the Board Chair and a majority of the members of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. , This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

#### **I. PURPOSE**

The Audit Committee (the "Committee") shall assist and provide guidance to the Board Chair and the Board in monitoring and overseeing (a) the conduct of the MTA's financial reporting process, the application of accounting principles, and the engagement of the MTA's outside accountants; (b) the MTA's internal controls and risk management systems; and (c) general matters relating to legal, regulatory and ethical compliance at the MTA (hereinafter referred to as the "Purpose").

#### **II. COMMITTEE AUTHORITY**

The Committee's role is one of oversight. In carrying out this oversight function, the chairperson of the Committee (the "Committee Chair") and the vice-chairperson of the Committee (the "Committee Vice-Chair") shall have additional responsibilities, as set forth in Section VI of this Charter. The Committee Chair and/or the Committee Vice-Chair regularly shall report to the entire Committee their findings with respect to these additional responsibilities and refer to the entire Committee for its consideration any matter relating thereto as the Committee Chair and/or the Committee Vice-Chair deem necessary or appropriate. MTA Audit Services' organizational independence is derived from its reporting structure as it reports to the MTA Audit Committee and MTA Chairman/CEO.

Notwithstanding these oversight responsibilities, the MTA and each of its subsidiary corporations and affiliates are responsible for preparing their own financial statements and the respective outside auditors are responsible for auditing the respective financial statements. The Committee, the Committee Chair, and the Committee Vice-Chair recognize that the Auditor General and the outside auditors have more time, knowledge and detailed information about the MTA and each of its subsidiary corporations and affiliates than do Committee members. Consequently, in carrying out its oversight responsibilities, no member of the Committee shall be deemed to provide (i) any expert or special assurance as to the financial statements of the MTA or of any subsidiary corporation or affiliate or (ii) any professional certification as to the work of any outside auditor.

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the Committee Chairman and/or Vice

Chairman shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual board members to access books, records or staff in connection with the performance of their fiduciary duties as board members. With the prior approval of the Board Chair or a majority of the Board, the Committee may retain, compensate and/or terminate outside counsel, auditors or other experts as it deems necessary and will receive adequate funding from the MTA to engage such advisors in accordance with MTA procedures.

### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the Committee Chair and the Committee Vice-Chair. A member of the Committee may be removed, for cause or without cause, by the Board Chair. In the absence of the Committee Chair or the Committee Vice-Chair at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. No member of the Committee shall be employed by (a) the MTA, or (b) a private entity that does, or is likely to do, business with the MTA. Insofar as practicable, at least one member of the Committee shall have financial experience.

### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 6 times per year, and more frequently as circumstances dictate. The Committee will cause to be kept adequate minutes of all its proceedings and records of any action taken and will report on its proceedings and any action taken to the next full meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, the Chief Compliance Officer, any officer or staff of the MTA, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Auditor General shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to the Purpose, (2) provide the chairperson of the Committee with all information regarding the Purpose that is material to the Committee's monitoring and oversight of the Purpose, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the Purpose.



## **V. COMMITTEE REPORTS.**

The Committee Chair shall report on the Committee's proceedings, and any recommendations made.

## **VI. KEY RESPONSIBILITIES OF COMMITTEE CHAIR AND VICE-CHAIR**

The following responsibilities are set forth as a guide. The Committee Chair and the Committee Vice-Chair are authorized to carry out these and such other responsibilities assigned by the Committee, the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To assist the Committee in fulfilling its purpose, the Committee Chair and/or the Committee Vice-Chair shall:

### *Auditors, Financial Statements & Accounting Policies:*

1. review and discuss with the Auditor General, the relevant MTA employees, each outside auditor, and the internal auditors any audit problems or difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information and advise the Committee as to how to resolve any disagreements regarding financial reporting;
2. inquire as to each outside auditor's view of the accounting treatment related to significant new transactions or other significant matters or events not in the ordinary course of business;
3. review and discuss with the Auditor General, the relevant MTA employees, and each outside auditor any material financial or non-financial arrangements that do not appear on the financial statements of the MTA (or of any subsidiary corporation or affiliate);
4. review and discuss with the Auditor General and each outside auditor: (i) any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement and (iii) any "management" or "internal control" letter issued, or proposed to be issued, by any outside auditor to the MTA (including to any subsidiary corporation or affiliate);
5. review with the Auditor General and the outside auditor the periodic financial statements and footnotes of the MTA (and of each subsidiary corporation or affiliate, as applicable) and discussing the adequacy of the system of internal and the appropriateness of the accounting principles used, and the judgments made, in the preparation of such periodic financial statements;

6. meet annually (or more frequently if necessary) with each respective outside auditor (without the Auditor General or any other officers or staff of the MTA present) to discuss the periodic financial statements of the MTA (and of each subsidiary corporation or affiliate, as applicable).

*Internal Controls & Risk Management:*

7. together with the Auditor General and the Chief Compliance Officer, review, discuss and (if necessary) investigate compliance with MTA policies and/or refer instances of non-compliance to the MTA Inspector General for investigation;
8. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant employees of the MTA, and each outside auditor: (i) any significant deficiencies in the design or operation of the internal controls of the MTA (ii) any fraud, whether or not material, involving any MTA employees and (iii) related findings and recommendations of the outside auditors together with management's responses;
9. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant MTA employees, and each outside auditor the MTA's risk assessment and risk management systems, and oversee the underlying policies with respect to risk assessment and risk management;
10. together with the Auditor General and the Chief Compliance Officer, serve as the point of contact for the MTA Inspector General, including by reviewing all reports and draft reports delivered to the MTA by the MTA Inspector General, and being available to meet with the MTA Inspector General as part of the Inspector General's audits of the MTA's books and records;
11. recognizing the statutory obligations of the MTA Inspector General, and without denigrating from those obligations, seek to communicate with the MTA Inspector General with respect to any matter the Committee Chair and/or Vice Chair, the entire Committee, the Board Chair, the Board or the MTA Inspector General deem appropriate;

*Miscellaneous:*

12. submit to the entire Committee for its consideration any matters (including matters relating to the foregoing) that the Committee Chair and/or Committee Vice-Chair deem should appropriately be considered by the entire Committee; and
13. report regularly to the Committee on the findings and recommendations of the Committee Chair and the Committee Vice-Chair relating to the foregoing, and on any other matters the Committee Chair and/or the Committee Vice-Chair deem appropriate or the Committee, the Board Chair or the Board request.

## VII. KEY RESPONSIBILITIES OF THE COMMITTEE

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

### *Auditors, Financial Reporting & Accounting Policies:*

1. in consultation with the Auditor General and the officer primarily responsible for the finances of the MTA and each subsidiary corporation and affiliate, oversee the work of the MTA's outside auditor and provide guidance to the Board Chair and the Board with respect to the appointment (and if appropriate dismissal), evaluation, compensation of the outside MTA's auditors;
2. review and provide guidance to the Board with respect to any auditing and non-auditing services provided to the MTA by any of the MTA's the outside auditor;
3. review and provide guidance to the Board with respect to the annual audit plan and risk assessment as proposed by the Auditor General in consultation with the MTA Chairman/CEO and the President of each subsidiary corporation and affiliate;
4. review and discuss with the Auditor General, the relevant MTA employees, each outside auditor, and the internal auditors: (i) any significant audit findings during the year, including the status of previous audit recommendations; (ii) any changes required in the scope of the audit plan; (iii) the audit budget and staffing; and (iv) the coordination of audit efforts, status of the internal audit plan and the adequacy of internal audit resources (both numbers and capabilities);
5. review and discuss with the Auditor General, the relevant MTA employees, and the outside auditor accounting policies that may be viewed as critical, as well as any recent or proposed significant changes in MTA accounting policies; and inquire as to the outside auditors' views as to the application of accounting principles;
6. monitor the consistency and comparability of the financial reporting processes of the MTA;
7. monitor the integrity, consistency and comparability of the financial reports and other financial information provided by the MTA to any other governmental or regulatory body, the public or other users thereof, including reconciliations where necessary;

8. review and provide guidance to the Board with respect to the appointment, compensation and (if necessary) dismissal of the Auditor General;
9. at least annually, review with the Auditor General a report by each outside auditor describing: (i) such outside auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) all relationships between the outside auditor and the MTA (or any subsidiary corporation or affiliate);
10. on an annual basis, in each case together with the Auditor General: (i) review a formal written statement from each outside auditor delineating all relationships between such outside auditor and the MTA; (ii) actively engage in a dialogue with each outside auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of such outside auditor and take appropriate action in response to such outside auditor's report to satisfy itself of such auditor's independence; (iii) consider whether, in the interest of assuring continuing independence of each outside auditor, the MTA's respective outside auditors should be rotated; and (iv) set clear hiring policies for employees or former employees of the outside auditors;

*Internal Controls & Risk Management:*

11. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant MTA employees, and each outside auditor the adequacy of the MTA's internal and disclosure controls and procedures;
12. together with the Chief Compliance Officer, review and discuss with the relevant MTA employees, and each outside auditor any significant risks or exposures and assess the steps such employees have taken to minimize such risks;
13. review periodically with the Chief Compliance Officer and the General Counsels of the MTA and each subsidiary corporation and affiliate: (i) legal and regulatory matters that may have a material impact on the financial statements of the MTA (or any subsidiary corporation or affiliate); and (ii) the scope and effectiveness of compliance policies and programs;

*Ethics & Conflicts of Interests:*

14. together with the Chief Compliance Officer, review periodically with the relevant MTA employees the level of compliance with all applicable ethics codes, guidelines, and regulations;

*Miscellaneous:*

15. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
16. review and reassess the adequacy of this Charter annually;
17. consider any matter referred to the entire Committee by the Committee Chair and/or Vice-Chair; and
18. report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate, or the Board Chair or the Board request.

## **The Metropolitan Transportation Authority**

### **AUDIT COMMITTEE**

This Charter for the Audit Committee was adopted by the Board Chair and a majority of the members of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. , This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

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#### **I. PURPOSE**

The Audit Committee (the "Committee") shall assist and provide guidance to the Board Chair and the Board in monitoring and overseeing (a) the conduct of the MTA's financial reporting process, the application of accounting principles, and the engagement of the MTA's outside accountants; (b) the MTA's internal controls and risk management systems; and (c) general matters relating to legal, regulatory and ethical compliance at the MTA (hereinafter referred to as the "Purpose").

#### **II. COMMITTEE AUTHORITY**

The Committee's role is one of oversight. In carrying out this oversight function, the chairperson of the Committee (the "Committee Chair") and the vice-chairperson of the Committee (the "Committee Vice-Chair") shall have additional responsibilities, as set forth in Section VI of this Charter. The Committee Chair and/or the Committee Vice-Chair regularly shall report to the entire Committee their findings with respect to these additional responsibilities and refer to the entire Committee for its consideration any matter relating thereto as the Committee Chair and/or the Committee Vice-Chair deem necessary or appropriate. MTA Audit Services' organizational independence is derived from its reporting structure as it reports to the MTA Audit Committee and MTA Chairman/CEO.

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Notwithstanding these oversight responsibilities, the MTA and each of its subsidiary corporations and affiliates are responsible for preparing their own financial statements and the respective outside auditors are responsible for auditing the respective financial statements. The Committee, the Committee Chair, and the Committee Vice-Chair recognize that the Auditor General and the outside auditors have more time, knowledge and detailed information about the MTA and each of its subsidiary corporations and affiliates than do Committee members. Consequently, in carrying out its oversight responsibilities, no member of the Committee shall be deemed to provide (i) any expert or special assurance as to the financial statements of the MTA or of any subsidiary corporation or affiliate or (ii) any professional certification as to the work of any outside auditor.

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the Committee Chairman and/or Vice

Chairman shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual board members to access books, records or staff in connection with the performance of their fiduciary duties as board members. With the prior approval of the Board Chair or a majority of the Board, the Committee may retain, compensate and/or terminate outside counsel, auditors or other experts as it deems necessary and will receive adequate funding from the MTA to engage such advisors in accordance with MTA procedures.

### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the Committee Chair and the Committee Vice-Chair. A member of the Committee may be removed, for cause or without cause, by the Board Chair. In the absence of the Committee Chair or the Committee Vice-Chair at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. No member of the Committee shall be employed by (a) the MTA, or (b) a private entity that does, or is likely to do, business with the MTA. Insofar as practicable, at least one member of the Committee shall have financial experience.

### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 6 times per year, and more frequently as circumstances dictate. The Committee will cause to be kept adequate minutes of all its proceedings and records of any action taken and will report on its proceedings and any action taken to the next full meeting of the Board. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, the Chief Compliance Officer, any officer or staff of the MTA, or any other persons whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Auditor General shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to the Purpose, (2) provide the chairperson of the Committee with all information regarding the Purpose that is material to the Committee's monitoring and oversight of the Purpose, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the Purpose.

## **V. COMMITTEE REPORTS.**

The Committee Chair shall report on the Committee's proceedings, and any recommendations made.

## **VI. KEY RESPONSIBILITIES OF COMMITTEE CHAIR AND VICE-CHAIR**

The following responsibilities are set forth as a guide. The Committee Chair and the Committee Vice-Chair are authorized to carry out these and such other responsibilities assigned by the Committee, the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To assist the Committee in fulfilling its purpose, the Committee Chair and/or the Committee Vice-Chair shall:

### *Auditors, Financial Statements & Accounting Policies:*

1. review and discuss with the Auditor General, the relevant MTA employees, each outside auditor, and the internal auditors any audit problems or difficulties encountered in the course of audit work, including any restrictions on the scope of activities or access to required information and advise the Committee as to how to resolve any disagreements regarding financial reporting;
2. inquire as to each outside auditor's view of the accounting treatment related to significant new transactions or other significant matters or events not in the ordinary course of business;
3. review and discuss with the Auditor General, the relevant MTA employees, and each outside auditor any material financial or non-financial arrangements that do not appear on the financial statements of the MTA (or of any subsidiary corporation or affiliate);
4. review and discuss with the Auditor General and each outside auditor: (i) any accounting adjustments that were noted or proposed by the auditors but were "passed" (as immaterial or otherwise), (ii) any communications between the audit team and the audit firm's national office respecting auditing or accounting issues presented by the engagement and (iii) any "management" or "internal control" letter issued, or proposed to be issued, by any outside auditor to the MTA (including to any subsidiary corporation or affiliate);
5. review with the Auditor General and the outside auditor the periodic financial statements and footnotes of the MTA (and of each subsidiary corporation or affiliate, as applicable) and discussing the adequacy of the system of internal and the appropriateness of the accounting principles used, and the judgments made, in the preparation of such periodic financial statements;



6. meet annually (or more frequently if necessary) with each respective outside auditor (without the Auditor General or any other officers or staff of the MTA present) to discuss the periodic financial statements of the MTA (and of each subsidiary corporation or affiliate, as applicable).

*Internal Controls & Risk Management:*

7. together with the Auditor General and the Chief Compliance Officer, review, discuss and (if necessary) investigate compliance with MTA policies and/or refer instances of non-compliance to the MTA Inspector General for investigation;
8. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant employees of the MTA, and each outside auditor: (i) any significant deficiencies in the design or operation of the internal controls of the MTA (ii) any fraud, whether or not material, involving any MTA employees and (iii) related findings and recommendations of the outside auditors together with management's responses;
9. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant MTA employees, and each outside auditor the MTA's risk assessment and risk management systems, and oversee the underlying policies with respect to risk assessment and risk management;
10. together with the Auditor General and the Chief Compliance Officer, serve as the point of contact for the MTA Inspector General, including by reviewing all reports and draft reports delivered to the MTA by the MTA Inspector General, and being available to meet with the MTA Inspector General as part of the Inspector General's audits of the MTA's books and records;
11. recognizing the statutory obligations of the MTA Inspector General, and without denigrating from those obligations, seek to communicate with the MTA Inspector General with respect to any matter the Committee Chair and/or Vice Chair, the entire Committee, the Board Chair, the Board or the MTA Inspector General deem appropriate;

*Miscellaneous:*

12. submit to the entire Committee for its consideration any matters (including matters relating to the foregoing) that the Committee Chair and/or Committee Vice-Chair deem should appropriately be considered by the entire Committee; and
13. report regularly to the Committee on the findings and recommendations of the Committee Chair and the Committee Vice-Chair relating to the foregoing, and on any other matters the Committee Chair and/or the Committee Vice-Chair deem appropriate or the Committee, the Board Chair or the Board request.

## VII. KEY RESPONSIBILITIES OF THE COMMITTEE

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

### *Auditors, Financial Reporting & Accounting Policies:*

1. in consultation with the Auditor General and the officer primarily responsible for the finances of the MTA and each subsidiary corporation and affiliate, oversee the work of the MTA's outside auditor and provide guidance to the Board Chair and the Board with respect to the appointment (and if appropriate dismissal), evaluation, compensation of the outside MTA's auditors;
2. review and provide guidance to the Board with respect to any auditing and non-auditing services provided to the MTA by any of the MTA's the outside auditor;
3. review and provide guidance to the Board with respect to the annual audit plan and risk assessment as proposed by the Auditor General in consultation with the MTA, Chairman/CEO and the President of each subsidiary corporation and affiliate;
4. review and discuss with the Auditor General, the relevant MTA employees, each outside auditor, and the internal auditors: (i) any significant audit findings during the year, including the status of previous audit recommendations; (ii) any changes required in the scope of the audit plan; (iii) the audit budget and staffing; and (iv) the coordination of audit efforts, status of the internal audit plan and the adequacy of internal audit resources (both numbers and capabilities);
5. review and discuss with the Auditor General, the relevant MTA employees, and the outside auditor accounting policies that may be viewed as critical, as well as any recent or proposed significant changes in MTA accounting policies; and inquire as to the outside auditors' views as to the application of accounting principles;
6. monitor the consistency and comparability of the financial reporting processes of the MTA;
7. monitor the integrity, consistency and comparability of the financial reports and other financial information provided by the MTA to any other governmental or regulatory body, the public or other users thereof, including reconciliations where necessary;

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8. review and provide guidance to the Board with respect to the appointment, compensation and (if necessary) dismissal of the Auditor General;
9. at least annually, review with the Auditor General a report by each outside auditor describing: (i) such outside auditor's internal quality-control procedures; (ii) any material issues raised by the most recent internal quality-control review, or peer review, of the firm, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, regarding one or more independent audits carried out by the firm, and any steps taken to deal with any such issues; and (iii) all relationships between the outside auditor and the MTA (or any subsidiary corporation or affiliate);
10. on an annual basis, in each case together with the Auditor General: (i) review a formal written statement from each outside auditor delineating all relationships between such outside auditor and the MTA; (ii) actively engage in a dialogue with each outside auditor with respect to any disclosed relationships or services that may impact the objectivity and independence of such outside auditor and take appropriate action in response to such outside auditor's report to satisfy itself of such auditor's independence; (iii) consider whether, in the interest of assuring continuing independence of each outside auditor, the MTA's respective outside auditors should be rotated; and (iv) set clear hiring policies for employees or former employees of the outside auditors;

*Internal Controls & Risk Management:*

11. review and discuss with the Auditor General, the Chief Compliance Officer, the relevant MTA employees, and each outside auditor the adequacy of the MTA's internal and disclosure controls and procedures;
12. together with the Chief Compliance Officer, review and discuss with the relevant MTA employees, and each outside auditor any significant risks or exposures and assess the steps such employees have taken to minimize such risks;
13. review periodically with the Chief Compliance Officer and the General Counsels of the MTA and each subsidiary corporation and affiliate: (i) legal and regulatory matters that may have a material impact on the financial statements of the MTA (or any subsidiary corporation or affiliate); and (ii) the scope and effectiveness of compliance policies and programs;

*Ethics & Conflicts of Interests:*

14. together with the Chief Compliance Officer, review periodically with the relevant MTA employees the level of compliance with all applicable ethics codes, guidelines, and regulations;

*Miscellaneous:*

15. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
16. review and reassess the adequacy of this Charter annually;
17. consider any matter referred to the entire Committee by the Committee Chair and/or Vice-Chair; and
18. report regularly to the Board on Committee findings and recommendations and any other matters the Committee deems appropriate, or the Board Chair or the Board request.

**The Metropolitan Transportation Authority**  
**COMMITTEE ON OPERATIONS OF**  
**THE TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**

This Charter for the Committee on Operations of the Triborough Bridge and Tunnel Authority was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

**I. PURPOSE**

The Committee on Operations of the Triborough Bridge and Tunnel Authority (the "Committee") shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the Triborough Bridge and Tunnel Authority (together with its subsidiaries, "B&T").

**II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA and/or the B&T. The foregoing is not intended to alter or curtail existing rights of individual board members to access books, records or staff in connection with the performance of their fiduciary duties as board members.

**III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

**IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The President of the B&T shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her organization.

## **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

## **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. monitor and update the Board Chair and the Board on the operating performance of B&T, including information on the service and conditions of the bridges and tunnels operated by B&T and the operation, maintenance, construction and reconstruction of B&T projects;
2. monitor and update the Board Chair and the Board on the finances of B&T, including financial reports the use of funds by the B&T, and the collection and distribution of B&T revenue, such as tolls, fees and rentals charged for the use of B&T projects;
3. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of B&T that require Board approval;
4. review and make recommendations to the Board Chair and the Board on proposed projects of B&T and monitor the status of such projects;
5. review and make recommendations to the Board Chair and the Board regarding B&T policy changes;

6. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of B&T: (i) legal and regulatory matters that may have a material impact on B&T; and (ii) the scope and effectiveness of compliance policies and programs;
7. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
8. review and assess the adequacy of this Charter annually; and
9. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

**The Metropolitan Transportation Authority**  
**COMMITTEE ON OPERATIONS OF**  
**THE TRIBOROUGH BRIDGE AND TUNNEL AUTHORITY**

This Charter for the Committee on Operations of the Triborough Bridge and Tunnel Authority was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

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**I. PURPOSE**

The Committee on Operations of the Triborough Bridge and Tunnel Authority (the "Committee") shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the Triborough Bridge and Tunnel Authority (together with its subsidiaries, "B&T").

**II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA and/or the B&T. The foregoing is not intended to alter or curtail existing rights of individual board members to access books, records or staff in connection with the performance of their fiduciary duties as board members.

**III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

**IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.



The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The President of the B&T shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her organization.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. monitor and update the Board Chair and the Board on the operating performance of B&T, including information on the service and conditions of the bridges and tunnels operated by B&T and the operation, maintenance, construction and reconstruction of B&T projects;
2. monitor and update the Board Chair and the Board on the finances of B&T, including financial reports the use of funds by the B&T, and the collection and distribution of B&T revenue, such as tolls, fees and rentals charged for the use of B&T projects;
3. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of B&T that require Board approval;
4. review and make recommendations to the Board Chair and the Board on proposed projects of B&T and monitor the status of such projects;
5. review and make recommendations to the Board Chair and the Board regarding B&T policy changes;

6. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of B&T: (i) legal and regulatory matters that may have a material impact on B&T; and (ii) the scope and effectiveness of compliance policies and programs;
7. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
8. review and assess the adequacy of this Charter annually; and
9. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

## **The Metropolitan Transportation Authority**

### **CAPITAL CONSTRUCTION, PLANNING AND REAL ESTATE COMMITTEE**

Real Estate and Capital Construction Committee Charters were originally adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. On the 13<sup>th</sup> day of December, 2006, these charters were merged to reflect the combining of the two committees into the Capital Construction, Planning and Real Estate Committee (the "Committee"). This charter was amended on the 17<sup>th</sup> day of December 2008 and was further amended on December \_\_\_\_\_, 2009.

#### **I. PURPOSE**

The Capital Construction, Planning and Real Estate Committee (the "Committee") shall assist the Board Chair and the Board (1) by reviewing, providing guidance, and making recommendations with respect to all of the MTA's real estate related matters, and (2) by overseeing the operations of the MTA Capital Construction Company ("MTACC"), including the MTACC's implementation of system expansion and security-related capital projects.

#### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual board members to access books, records or staff in connection with the performance of their fiduciary duties as board members.

#### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding

public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The President of the MTA Capital Construction Company and the MTA Director of Real Estate shall each (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to the MTA Capital Construction Company and MTA's real estate related matters, as the case maybe; (2) provide the chairperson of the Committee with all information (a) regarding the operations of MTA Capital Construction Company that is material to the Committee's monitoring and oversight of the MTA Capital Construction Company's operations or (b) information regarding MTA's real estate matters that is material to the Committee's monitoring and oversight of such real estate related matters, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of MTA Capital Construction Company or MTA's real estate matters.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall, with respect to the MTACC:

1. Monitor the performance and finances of the MTACC;
2. Review and make recommendations to the Board Chair and the Board with respect to proposed procurements relating to the operations of the MTACC that require the approval of the Board;
3. Review and make recommendations to the Board Chair and the Board with respect to contract procurement solicitations relating to capital projects undertaken by the MTACC that require the approval of the Board;

4. Monitor the progress of all capital projects undertaken by the MTACC, and report, as necessary, to the Board Chair and the Board with respect thereto;
5. Monitor the budget and the schedule of all capital projects undertaken by the MTACC;
6. Monitor the progress of contract commitments and completions with respect to all capital projects undertaken by the MTACC;
7. Track the funding needs of all capital projects undertaken by the MTACC, as well as the availability of funds to meet such needs from all sources of funding;
8. Review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of the MTACC: (i) legal and regulatory matters that may have a material impact on the MTACC; and (ii) the scope and effectiveness of compliance policies and programs;

With respect to the MTA Real Estate Department, the Committee shall:

1. Review and make recommendations to the Board with respect to the leasing and acquisition of real property; the licensing of customer services and amenities; the maximizing of advertising opportunities; the disposition or conveyance of interests in real property; the management of occupancies on the property of the MTA; and the adoption or amendment of any policies relating thereto;
2. Review and make recommendations to the Board with respect to the procurement of certain professional services in support of the activities of the real estate department, including real estate brokerage and other specialized consultant services;
3. Review the MTA's offering and management of leasing, licensing, or other business opportunities on the property of the MTA and its subsidiaries and affiliates;
4. Provide support and guidance to the MTA in the formulation of its real estate policies and procedures.

In addition, the Committee shall:

1. Set the annual agenda for the Committee;
2. Review and assess the adequacy of this Charter annually;

3. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and
4. Report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

## **The Metropolitan Transportation Authority**

### **CAPITAL CONSTRUCTION, PLANNING AND REAL ESTATE COMMITTEE**

Real Estate and Capital Construction Committee Charters were originally adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. On the 13<sup>th</sup> day of December, 2006, these charters were merged to reflect the combining of the two committees into the Capital Construction, Planning and Real Estate Committee (the "Committee"). This charter was amended on the 17<sup>th</sup> day of December 2008 and was further amended on December \_\_\_\_\_, 2009.

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#### **I. PURPOSE**

The Capital Construction, Planning and Real Estate Committee (the "Committee") shall assist the Board Chair and the Board (1) by reviewing, providing guidance, and making recommendations with respect to all of the MTA's real estate related matters, and (2) by overseeing the operations of the MTA Capital Construction Company ("MTACC"), including the MTACC's implementation of system expansion and security-related capital projects.

#### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual board members to access books, records or staff in connection with the performance of their fiduciary duties as board members.

#### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding

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public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The President of the MTA Capital Construction Company and the MTA Director of Real Estate shall each (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to the MTA Capital Construction Company and MTA's real estate related matters, as the case may be; (2) provide the chairperson of the Committee with all information (a) regarding the operations of MTA Capital Construction Company that is material to the Committee's monitoring and oversight of the MTA Capital Construction Company's operations or (b) information regarding MTA's real estate matters that is material to the Committee's monitoring and oversight of such real estate related matters, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of MTA Capital Construction Company or MTA's real estate matters.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall, with respect to the MTACC:

1. Monitor the performance and finances of the MTACC;
2. Review and make recommendations to the Board Chair and the Board with respect to proposed procurements relating to the operations of the MTACC that require the approval of the Board;
3. Review and make recommendations to the Board Chair and the Board with respect to contract procurement solicitations relating to capital projects undertaken by the MTACC that require the approval of the Board;

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4. Monitor the progress of all capital projects undertaken by the MTACC, and report, as necessary, to the Board Chair and the Board with respect thereto;
5. Monitor the budget and the schedule of all capital projects undertaken by the MTACC;
6. Monitor the progress of contract commitments and completions with respect to all capital projects undertaken by the MTACC;
7. Track the funding needs of all capital projects undertaken by the MTACC, as well as the availability of funds to meet such needs from all sources of funding;
8. Review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of the MTACC: (i) legal and regulatory matters that may have a material impact on the MTACC; and (ii) the scope and effectiveness of compliance policies and programs;

With respect to the MTA Real Estate Department, the Committee shall:

1. Review and make recommendations to the Board with respect to the leasing and acquisition of real property; the licensing of customer services and amenities; the maximizing of advertising opportunities; the disposition or conveyance of interests in real property; the management of occupancies on the property of the MTA; and the adoption or amendment of any policies relating thereto;
2. Review and make recommendations to the Board with respect to the procurement of certain professional services in support of the activities of the real estate department, including real estate brokerage and other specialized consultant services;
3. Review the MTA's offering and management of leasing, licensing, or other business opportunities on the property of the MTA and its subsidiaries and affiliates;
4. Provide support and guidance to the MTA in the formulation of its real estate policies and procedures.

In addition, the Committee shall:

1. Set the annual agenda for the Committee;
2. Review and assess the adequacy of this Charter annually;

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3. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and
4. Report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

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## **The Metropolitan Transportation Authority**

### **CAPITAL PROGRAM OVERSIGHT COMMITTEE**

This Charter for the Capital Program Oversight Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

#### **I. PURPOSE**

The Capital Program Oversight Committee (the "Committee") shall assist the Board Chair and the Board in fulfilling their responsibility to monitor the implementation of the MTA's five-year capital program.

#### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson and/or vice-chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 6 or more members of the Board, and shall include the Board Chair; the Chair of the Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority; the Chair of the Committee on Operations of the Triborough Bridge and Tunnel Authority; the Chair of the Committee on Operations of the MetroNorth Commuter Railroad; the Chair of the Committee on Operations of the Long Island Rail Road and Metropolitan Suburban Bus Authority; and the Chair of the MTA Capital Construction Committee. All other members of the Committee shall be appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall serve as the chairperson of the Committee and shall appoint the vice-chairperson of the Committee. In the absence of the chairperson or vice-chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Director of the Office of Construction Oversight and the Deputy Executive Director of Administration, and/or his or her designee, shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda, (2) provide the chairperson of the Committee with all information regarding the MTA's five year capital program that is material to the Committee's monitoring and oversight of the MTA's five year capital program, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the MTA's five year capital program.

#### **V. COMMITTEE REPORTS**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Monitor the current and future availability of funds to be utilized for such capital improvement programs and plans;
2. Monitor the contracts awards of the MTA to insure that such awards are consistent with:
  - a. provisions of law authorizing United States content and New York State content;
  - b. any collective bargaining agreements;

- c. provisions of law providing for participation by minority and women-owned businesses;
  - d. New York State labor laws;
  - e. competitive bidding requirements including those regarding sole source contracts; and
  - f. any other relevant requirements established by law.
- 3. Monitor the award of contracts to determine if such awards are consistent with the manner in which the work was traditionally performed in the past;
- 4. Review the relationship between capital expenditures pursuant to each such capital program plan and current and future operating budget requirements;
- 5. Monitor the progress of capital elements described in each approved capital program plan;
- 6. Monitor the expenditures incurred and to be incurred for each such element;
- 7. Identify capital elements not progressing on schedule, ascertain responsibility therefor and recommend those actions required or appropriate to accelerate their implementation;
- 8. Consult as necessary with other New York State departments, agencies and divisions with respect to the foregoing;
- 9. Provide guidance to the Board Chair and the Board with respect to the appointment (and if appropriate dismissal), evaluation, and compensation of an independent engineering firm to provide an independent review with respect to the foregoing;
- 10. In consultation with the Office of Construction Oversight, oversee the work of such independent engineering firm;
- 11. Together with the Office of Construction Oversight, review the periodic reports provided by such independent engineering firm; and
- 12. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
- 13. Review and assess the adequacy of this Charter annually; and
- 14. Report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests.

## **The Metropolitan Transportation Authority**

### **CAPITAL PROGRAM OVERSIGHT COMMITTEE**

This Charter for the Capital Program Oversight Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

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#### **I. PURPOSE**

The Capital Program Oversight Committee (the "Committee") shall assist the Board Chair and the Board in fulfilling their responsibility to monitor the implementation of the MTA's five-year capital program.

#### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson and/or vice-chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 6 or more members of the Board, and shall include the Board Chair; the Chair of the Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority; the Chair of the Committee on Operations of the Triborough Bridge and Tunnel Authority; the Chair of the Committee on Operations of the MetroNorth Commuter Railroad; the Chair of the Committee on Operations of the Long Island Rail Road and Metropolitan Suburban Bus Authority; and the Chair of the MTA Capital Construction Committee. All other members of the Committee shall be appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall serve as the chairperson of the Committee and shall appoint the vice-chairperson of the Committee. In the absence of the chairperson or vice-chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Director of the Office of Construction Oversight and the Deputy Executive Director of Administration, and/or his or her designee, shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda, (2) provide the chairperson of the Committee with all information regarding the MTA's five year capital program that is material to the Committee's monitoring and oversight of the MTA's five year capital program, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the MTA's five year capital program.

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#### **V. COMMITTEE REPORTS**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Monitor the current and future availability of funds to be utilized for such capital improvement programs and plans;
2. Monitor the contracts awards of the MTA to insure that such awards are consistent with:
  - a. provisions of law authorizing United States content and New York State content;
  - b. any collective bargaining agreements;

- c. provisions of law providing for participation by minority and women-owned businesses;
  - d. New York State labor laws;
  - e. competitive bidding requirements including those regarding sole source contracts; and
  - f. any other relevant requirements established by law.
- 3. Monitor the award of contracts to determine if such awards are consistent with the manner in which the work was traditionally performed in the past;
- 4. Review the relationship between capital expenditures pursuant to each such capital program plan and current and future operating budget requirements;
- 5. Monitor the progress of capital elements described in each approved capital program plan;
- 6. Monitor the expenditures incurred and to be incurred for each such element;
- 7. Identify capital elements not progressing on schedule, ascertain responsibility therefor and recommend those actions required or appropriate to accelerate their implementation;
- 8. Consult as necessary with other New York State departments, agencies and divisions with respect to the foregoing;
- 9. Provide guidance to the Board Chair and the Board with respect to the appointment (and if appropriate dismissal), evaluation, and compensation of an independent engineering firm to provide an independent review with respect to the foregoing;
- 10. In consultation with the Office of Construction Oversight, oversee the work of such independent engineering firm;
- 11. Together with the Office of Construction Oversight, review the periodic reports provided by such independent engineering firm; and
- 12. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
- 13. Review and assess the adequacy of this Charter annually; and
- 14. Report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests.



## **The Metropolitan Transportation Authority**

### **CORPORATE GOVERNANCE COMMITTEE**

This Charter for the Corporate Governance Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December 2008 and further amended on December \_\_\_\_, 2009.

#### **I. PURPOSE**

The Corporate Governance Committee (the "Committee") shall assist the Board Chair and the Board in: (i) developing and recommending to the Board, policies to promote honest and ethical conduct by Board members, officers, and employees, and enhance public confidence in the MTA; (ii) developing, recommending to the Board and overseeing implementation of MTA policies relating to corporate governance, including the MTA Corporate Governance Principles; and (iii) reviewing on a regular basis the overall corporate governance of the MTA and recommending improvements when necessary (hereinafter referred to as the "Purpose").

#### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 11 or more members of the Board and shall include the Board Chair, and the chairs of each committee of the Board. All other members of the Committee shall be appointed by the Board Chair. At all times, the Committee shall include at least one member from among those recommended for appointment to the Board by the Mayor of the City of New York. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall be the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair. No member of the Committee shall be employed by (a) the MTA, or (b) a private entity that does, or is likely to do, business with the MTA.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 2 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with

copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Chief Compliance Officer shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to the Purpose, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of the Purpose, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the Purpose.

## **V. COMMITTEE REPORTS**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

## **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purposes, the Committee shall:

1. coordinate and oversee the annual self-evaluation of the role and performance of the Board, its committees, and management in the governance of the MTA;
2. develop and recommend to the Board, oversee the implementation and effectiveness of, and recommend modifications as appropriate to, any policies or documents relating to the governance of the MTA, including the MTA Corporate Governance Principles;
3. consider corporate governance issues that arise from time to time, and develop appropriate recommendations for the Board regarding such matters;
4. review, and as necessary recommend to the Board any revisions to, MTA policies regarding the procurement of goods and services;
5. monitor the MTA's compliance with MTA policy and the laws and requirements of the State of New York with respect to procurement lobbying;

6. review, and as necessary recommend to the Board any revisions to, MTA policies regarding the protection of whistleblowers from retaliation;
7. review and assess the adequacy of this Charter annually;
8. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and
9. report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

**The Metropolitan Transportation Authority**  
**CORPORATE GOVERNANCE COMMITTEE**

This Charter for the Corporate Governance Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December 2008 and further amended on December \_\_\_\_\_, 2009.

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**I. PURPOSE**

The Corporate Governance Committee (the "Committee") shall assist the Board Chair and the Board in: (i) developing and recommending to the Board, policies to promote honest and ethical conduct by Board members, officers, and employees, and enhance public confidence in the MTA; (ii) developing, recommending to the Board and overseeing implementation of MTA policies relating to corporate governance, including the MTA Corporate Governance Principles; and (iii) reviewing on a regular basis the overall corporate governance of the MTA and recommending improvements when necessary (hereinafter referred to as the "Purpose").

**II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

**III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 11 or more members of the Board and shall include the Board Chair, and the chairs of each committee of the Board. All other members of the Committee shall be appointed by the Board Chair. At all times, the Committee shall include at least one member from among those recommended for appointment to the Board by the Mayor of the City of New York. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall be the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair. No member of the Committee shall be employed by (a) the MTA, or (b) a private entity that does, or is likely to do, business with the MTA.

**IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 2 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with

copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Chief Compliance Officer shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to the Purpose, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of the Purpose, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the Purpose.

#### **V. COMMITTEE REPORTS**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purposes, the Committee shall:

1. coordinate and oversee the annual self-evaluation of the role and performance of the Board, its committees, and management in the governance of the MTA;
2. develop and recommend to the Board, oversee the implementation and effectiveness of, and recommend modifications as appropriate to, any policies or documents relating to the governance of the MTA, including the MTA Corporate Governance Principles;
3. consider corporate governance issues that arise from time to time, and develop appropriate recommendations for the Board regarding such matters;
4. review, and as necessary recommend to the Board any revisions to, MTA policies regarding the procurement of goods and services;
5. monitor the MTA's compliance with MTA policy and the laws and requirements of the State of New York with respect to procurement lobbying;

6. review, and as necessary recommend to the Board any revisions to, MTA policies regarding the protection of whistleblowers from retaliation;
7. review and assess the adequacy of this Charter annually;
8. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and
9. report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

# **The Metropolitan Transportation Authority**

## **DIVERSITY COMMITTEE**

This Diversity Committee Charter was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on this 17th day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

### **I. PURPOSE**

The Diversity Committee (the "Committee") shall assist the Board Chair and the Board by reviewing, providing guidance, and making recommendations with respect to the diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies.

### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least four (4) times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Director of the Department of Diversity/Civil Rights shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Consult with the MTA Department of Diversity/Civil Rights and diversity representatives from the MTA's affiliate and subsidiary agencies with respect to the setting of priorities for the MTA's diversity and outreach agenda;
2. Receive regular reports from the MTA Department of Diversity/Civil Rights and diversity representatives from the MTA's affiliate and subsidiary agencies regarding upcoming diversity and outreach events;
3. Receive regular reports from the MTA Department of Diversity/Civil Rights regarding the certification of disadvantaged, minority- and women-owned businesses and the setting of goals for disadvantaged, minority- and women-owned business participation on agency contracts;
4. Receive regular reports from the MTA Department of Diversity/Civil Rights and from staff of MTA affiliate and subsidiary agencies regarding the status of Equal Employment Opportunity ("EEO") programs, including, as applicable, EEO investigations, EEO compliance and reporting, and Title VI program compliance and reporting;



5. Receive regular reports from MTA Department of Diversity/Civil Rights regarding contractor compliance with goals for such participation and, if applicable, action plans to achieve compliance;
6. Set the annual agenda for the Committee;
7. Review and assess the adequacy of this Charter annually;
8. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and
9. Report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or that the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

## **The Metropolitan Transportation Authority**

### **DIVERSITY COMMITTEE**

This Diversity Committee Charter was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on this 17th day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

#### **I. PURPOSE**

The Diversity Committee (the "Committee") shall assist the Board Chair and the Board by reviewing, providing guidance, and making recommendations with respect to the diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies.

#### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least four (4) times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Director of the Department of Diversity/Civil Rights shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing diversity programs and initiatives undertaken by MTA and its subsidiary and affiliate agencies

## V. COMMITTEE REPORTS.

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

## VI. KEY RESPONSIBILITIES

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Consult with the MTA Department of Diversity/Civil Rights and diversity representatives from the MTA's affiliate and subsidiary agencies with respect to the setting of priorities for the MTA's diversity and outreach agenda;
2. Receive regular reports from the MTA Department of Diversity/Civil Rights and diversity representatives from the MTA's affiliate and subsidiary agencies regarding upcoming diversity and outreach events;
3. Receive regular reports from the MTA Department of Diversity/Civil Rights regarding the certification of disadvantaged, minority- and women-owned businesses and the setting of goals for disadvantaged, minority- and women-owned business participation on agency contracts;
4. Receive regular reports from the MTA Department of Diversity/Civil Rights and from staff of MTA affiliate and subsidiary agencies regarding the status of Equal Employment Opportunity ("EEO") programs, including, as applicable, EEO investigations, EEO compliance and reporting, and Title VI program compliance and reporting;

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5. Receive regular reports from MTA Department of Diversity/Civil Rights regarding contractor compliance with goals for such participation and, if applicable, action plans to achieve compliance;
6. Set the annual agenda for the Committee;
7. Review and assess the adequacy of this Charter annually;
8. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter; and
9. Report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or that the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

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# **The Metropolitan Transportation Authority**

## **FINANCE COMMITTEE**

This Charter for the Finance Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December 2008 and further amended on December \_\_\_\_\_, 2009.

### **I. PURPOSE**

The Finance Committee (the "Committee") shall assist the Board Chair and the Board in reviewing, providing guidance, and making recommendations with respect to the MTA's core financial policies.

### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Chief Financial Officer and/or the Director of Budgets and Financial Management shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of the MTA's core financial policies, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the MTA's core financial policies.

## **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

## **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Review the MTA's annual budget, and ensure that the MTA operates on a self sustaining basis, as required by applicable law, and with support from various levels of government.
2. Monitor the MTA's compliance during the fiscal year with its annual budget.
3. Review the financial requirements of the MTA's capital plans.
4. Review annually the proposed plan to meet the financial requirements of the MTA's capital plans, as well as any financing proposals during the fiscal year that deviate from the proposed financial plan for that year.
5. Review any proposal relating to the incurrence (or repayment) of material indebtedness or other financing arrangement.
6. Review any proposed procurements submitted to the Committee by the Chief Procurement Officer.
7. Oversee the operations of MTA headquarters, including by reviewing proposed procurements for MTA headquarters that require Board approval.

8. Oversee the operations of the First Mutual Transportation Assurance Company ("FMTAC"), including by reviewing proposed procurements for FMTAC.
9. Review annually the scope and terms of the MTA's insurance policies and coverage.
10. Monitor the economic performance of the various MTA pension plans.
11. Review and assess the adequacy of this Charter annually;
12. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
13. Report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

## **The Metropolitan Transportation Authority**

### **FINANCE COMMITTEE**

This Charter for the Finance Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December 2008 and further amended on December \_\_\_\_\_, 2009.

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#### **I. PURPOSE**

The Finance Committee (the "Committee") shall assist the Board Chair and the Board in reviewing, providing guidance, and making recommendations with respect to the MTA's core financial policies.

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#### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

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#### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

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#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.



The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The Chief Financial Officer and/or the Director of Budgets and Financial Management shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda, (2) provide the chairperson of the Committee with all information that is material to the Committee's monitoring and oversight of the MTA's core financial policies, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the MTA's core financial policies.

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## **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

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## **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Review the MTA's annual budget, and ensure that the MTA operates on a self sustaining basis, as required by applicable law, and with support from various levels of government.
2. Monitor the MTA's compliance during the fiscal year with its annual budget.
3. Review the financial requirements of the MTA's capital plans.
4. Review annually the proposed plan to meet the financial requirements of the MTA's capital plans, as well as any financing proposals during the fiscal year that deviate from the proposed financial plan for that year.
5. Review any proposal relating to the incurrence (or repayment) of material indebtedness or other financing arrangement.
6. Review any proposed procurements submitted to the Committee by the Chief Procurement Officer.
7. Oversee the operations of MTA headquarters, including by reviewing proposed procurements for MTA headquarters that require Board approval.

8. Oversee the operations of the First Mutual Transportation Assurance Company ("FMTAC"), including by reviewing proposed procurements for FMTAC.
9. Review annually the scope and terms of the MTA's insurance policies and coverage.
10. Monitor the economic performance of the various MTA pension plans.
11. Review and assess the adequacy of this Charter annually;
12. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
13. Report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

**The Metropolitan Transportation Authority**  
**COMMITTEE ON OPERATIONS OF**  
**THE LONG ISLAND RAIL ROAD AND**  
**THE METROPOLITAN SUBURBAN BUS AUTHORITY**

This Charter for the Committee on Operations of the Long Island Railroad and the Metropolitan Suburban Bus Authority was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and was further amended on December \_\_\_\_\_, 2009.

**I. PURPOSE**

The Committee on Operations of the Long Island Railroad and the Metropolitan Suburban Bus Authority (the "Committee") shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the Long Island Railroad Company and the Metropolitan Suburban Bus Authority (referred to as "Long Island Bus" or "LIB" and with LIRR as the "LIRR/LIB").

**II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA and/or the LIRR/LIB. The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

**III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

**IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings, which shall include records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be

governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, LIRR/LIB or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The President of the LIRR and the President of LIB shall each (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her respective organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her respective organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her respective organization.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. monitor and update the Board Chair and the Board on the operating performance of the LIRR/LIB, including information on railroad and bus service, safety and paratransit;
2. monitor and update the Board Chair and the Board on the finances of the LIRR/LIB, including financial reports, ridership reports, and the use of LIRR/LIB funds;
3. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of the LIRR/LIB that require Board approval;
4. review and make recommendations to the Board Chair and the Board on proposed capital projects of the LIRR/LIB and monitor the status of such projects;

5. review and make recommendations to the Board Chair and the Board regarding service and policy changes that require Board approval;
6. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of the LIRR/LIB: (i) legal and regulatory matters that may have a material impact on the LIRR/LIB; and (ii) the scope and effectiveness of compliance policies and programs;
7. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
8. review and assess the adequacy of this Charter annually; and
9. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

**The Metropolitan Transportation Authority**  
**COMMITTEE ON OPERATIONS OF**  
**THE LONG ISLAND RAIL ROAD AND**  
**THE METROPOLITAN SUBURBAN BUS AUTHORITY**

This Charter for the Committee on Operations of the Long Island Railroad and the Metropolitan Suburban Bus Authority was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and was further amended on December \_\_\_\_\_, 2009.

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**I. PURPOSE**

The Committee on Operations of the Long Island Railroad and the Metropolitan Suburban Bus Authority (the "Committee") shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the Long Island Railroad Company and the Metropolitan Suburban Bus Authority (referred to as "Long Island Bus" or "LIB" and with LIRR as the "LIRR/LIB").

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**II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA and/or the LIRR/LIB. The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

**III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

**IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings, which shall include records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be

governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, LIRR/LIB or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The President of the LIRR and the President of LIB shall each (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her respective organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her respective organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her respective organization.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. monitor and update the Board Chair and the Board on the operating performance of the LIRR/LIB, including information on railroad and bus service, safety and paratransit;
2. monitor and update the Board Chair and the Board on the finances of the LIRR/LIB, including financial reports, ridership reports, and the use of LIRR/LIB funds;
3. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of the LIRR/LIB that require Board approval;
4. review and make recommendations to the Board Chair and the Board on proposed capital projects of the LIRR/LIB and monitor the status of such projects;

5. review and make recommendations to the Board Chair and the Board regarding service and policy changes that require Board approval;
6. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of the LIRR/LIB: (i) legal and regulatory matters that may have a material impact on the LIRR/LIB; and (ii) the scope and effectiveness of compliance policies and programs;
7. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
8. review and assess the adequacy of this Charter annually; and
9. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.



**The Metropolitan Transportation Authority**  
**COMMITTEE ON OPERATIONS OF**  
**THE METRONORTH COMMUTER RAILROAD**

This Charter for the Committee on the Operations of the MetroNorth Commuter Railroad was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

**I. PURPOSE**

The Committee on the Operations of the MetroNorth Commuter Railroad (the "Committee") shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the MetroNorth Commuter Railroad Company ("MetroNorth").

**II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA and/or MetroNorth. The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

**III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

**IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings, which shall include records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public

notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, MetroNorth or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The President of MetroNorth shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her organization.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. monitor and update the Board Chair and the Board on the operating performance of MetroNorth, including information on railroad service and safety;
2. monitor and update the Board Chair and the Board on the finances of MetroNorth, including financial reports, ridership reports, and the use of funds by MetroNorth;
3. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of MetroNorth that require Board approval;
4. review and make recommendations to the Board Chair and the Board on proposed capital projects of MetroNorth and monitor the status of such projects;
5. review and make recommendations to the Board Chair and the Board regarding MetroNorth service and policy changes that require Board approval;

6. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of MetroNorth: (i) legal and regulatory matters that may have a material impact on MetroNorth; and (ii) the scope and effectiveness of compliance policies and programs;
7. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
8. review and assess the adequacy of this Charter annually; and
9. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

**The Metropolitan Transportation Authority**  
**COMMITTEE ON OPERATIONS OF**  
**THE METRONORTH COMMUTER RAILROAD**

This Charter for the Committee on the Operations of the MetroNorth Commuter Railroad was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

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**I. PURPOSE**

The Committee on the Operations of the MetroNorth Commuter Railroad (the "Committee") shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the MetroNorth Commuter Railroad Company ("MetroNorth").

**II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA and/or MetroNorth. The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

**III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

**IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings, which shall include records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public

notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, MetroNorth or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information at the Committee requests. The President of MetroNorth shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her organization.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. monitor and update the Board Chair and the Board on the operating performance of MetroNorth, including information on railroad service and safety;
2. monitor and update the Board Chair and the Board on the finances of MetroNorth, including financial reports, ridership reports, and the use of funds by MetroNorth;
3. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of MetroNorth that require Board approval;
4. review and make recommendations to the Board Chair and the Board on proposed capital projects of MetroNorth and monitor the status of such projects;
5. review and make recommendations to the Board Chair and the Board regarding MetroNorth service and policy changes that require Board approval;

6. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of MetroNorth: (i) legal and regulatory matters that may have a material impact on MetroNorth; and (ii) the scope and effectiveness of compliance policies and programs;
7. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
8. review and assess the adequacy of this Charter annually; and
9. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

## **The Metropolitan Transportation Authority**

### **COMMITTEE ON OPERATIONS OF THE NEW YORK CITY TRANSIT AUTHORITY, THE MANHATTAN AND BRONX SURFACE TRANSIT OPERATING AUTHORITY AND THE STATEN ISLAND RAPID TRANSIT OPERATING AUTHORITY**

This Charter for the Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on this 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

#### **I. PURPOSE**

The Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority (the "Committee") shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority (collectively, the "NYCT"). In addition to the Committee's oversight responsibilities over NYCT operations, the members of the Committee shall also separately assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the MTA Bus Company.

#### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA, the NYCT and/or the MTA Bus Company. The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson and the vice-chairperson of the Committee. The vice-chairperson of the Committee shall be a person recommended to the Board by the Mayor of the City of New York. In the absence of the chairperson at a meeting of the Committee, the vice-chairperson shall chair such meeting. In the absence of the chairperson and the vice-

chairperson, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings, which shall include records of any action taken.

Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, the NYCT, the MTA Bus Company or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The President of NYCT and the President of MTA Bus Company shall each (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her respective organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her respective organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her organization.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall, with respect to NYCT:

1. monitor and update the Board Chair and the Board on the operating performance of NYCT, including information on subway and bus service, crime, safety and paratransit;



2. monitor and update the Board Chair and the Board on the finances of NYCT, including financial reports, ridership reports, and the use of funds by the NYCT;
3. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of NYCT that require Board approval;
4. review and make recommendations to the Board Chair and the Board on proposed capital projects of NYCT and monitor the status of such projects;
5. review and make recommendations to the Board Chair and the Board regarding NYCT service and policy changes that require Board approval;
6. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of NYCT: (i) legal and regulatory matters that may have a material impact on NYCT; and (ii) the scope and effectiveness of compliance policies and programs;

With respect to the MTA Bus Company, the Committee shall:

1. monitor and update the Board Chair and the Board on the operating performance of the MTA Bus Company;
2. monitor and update the Board Chair and the Board on the finances of the MTA Bus Company, including financial reports, ridership reports, and the use of funds by the MTA Bus Company;
3. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of the MTA Bus Company that require Board approval;
4. review and make recommendations to the Board Chair and the Board on proposed capital projects of the MTA Bus Company and monitor the status of such projects;
5. review and make recommendations to the Board Chair and the Board regarding MTA Bus Company service and policy changes that require Board approval;
6. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of the MTA Bus Company: (i) legal and regulatory matters that may have a material impact on the MTA Bus Company; and (ii) the scope and effectiveness of compliance policies and programs.

In addition, the Committee shall have the following responsibilities:

1. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
2. review and assess the adequacy of this Charter annually; and
3. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

**The Metropolitan Transportation Authority**

**COMMITTEE ON OPERATIONS OF  
THE NEW YORK CITY TRANSIT AUTHORITY,  
THE MANHATTAN AND BRONX SURFACE TRANSIT  
OPERATING AUTHORITY AND THE STATEN ISLAND  
RAPID TRANSIT OPERATING AUTHORITY**

This Charter for the Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on this 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December \_\_\_\_\_, 2009.

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**I. PURPOSE**

The Committee on Operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority (the "Committee") shall assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the New York City Transit Authority, the Manhattan and Bronx Surface Transit Operating Authority and the Staten Island Rapid Transit Operating Authority (collectively, the "NYCT"). In addition to the Committee's oversight responsibilities over NYCT operations, the members of the Committee shall also separately assist the Board Chair and the Board in fulfilling their responsibility to monitor and oversee the operations of the MTA Bus Company.

**II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA, the NYCT and/or the MTA Bus Company. The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

**III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson and the vice-chairperson of the Committee. The vice-chairperson of the Committee shall be a person recommended to the Board by the Mayor of the City of New York. In the absence of the chairperson at a meeting of the Committee, the vice-chairperson shall chair such meeting. In the absence of the chairperson and the vice-

chairperson, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 11 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings, which shall include records of any action taken.

Committee members will be furnished with copies of the minutes of each meeting.

Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, the NYCT, the MTA Bus Company or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The President of NYCT and the President of MTA Bus Company shall each (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to his or her respective organization, (2) provide the chairperson of the Committee with all information regarding the affairs of his or her respective organization that is material to the Committee's monitoring and oversight of the operations of such organization, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing the operations of his or her organization.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall, with respect to NYCT:

1. monitor and update the Board Chair and the Board on the operating performance of NYCT, including information on subway and bus service, crime, safety and paratransit;

2. monitor and update the Board Chair and the Board on the finances of NYCT, including financial reports, ridership reports, and the use of funds by the NYCT;
3. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of NYCT that require Board approval;
4. review and make recommendations to the Board Chair and the Board on proposed capital projects of NYCT and monitor the status of such projects;
5. review and make recommendations to the Board Chair and the Board regarding NYCT service and policy changes that require Board approval;
6. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of NYCT: (i) legal and regulatory matters that may have a material impact on NYCT; and (ii) the scope and effectiveness of compliance policies and programs;

With respect to the MTA Bus Company, the Committee shall:

1. monitor and update the Board Chair and the Board on the operating performance of the MTA Bus Company;
2. monitor and update the Board Chair and the Board on the finances of the MTA Bus Company, including financial reports, ridership reports, and the use of funds by the MTA Bus Company;
3. review and make recommendations to the Board Chair and the Board regarding proposed procurement contracts of the MTA Bus Company that require Board approval;
4. review and make recommendations to the Board Chair and the Board on proposed capital projects of the MTA Bus Company and monitor the status of such projects;
5. review and make recommendations to the Board Chair and the Board regarding MTA Bus Company service and policy changes that require Board approval;
6. review periodically with the Counsel of the MTA, the Chief Compliance Officer, and the Counsel of the MTA Bus Company: (i) legal and regulatory matters that may have a material impact on the MTA Bus Company; and (ii) the scope and effectiveness of compliance policies and programs.

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In addition, the Committee shall have the following responsibilities:

1. conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;
2. review and assess the adequacy of this Charter annually; and
3. report regularly to the Board Chair and the Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

## **The Metropolitan Transportation Authority**

### **SAFETY & SECURITY COMMITTEE**

This Charter for the Safety & Security Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December \_\_\_\_, 2009.

#### **I. PURPOSE**

The Safety & Security Committee (the "Committee") shall assist the Board Chair and the Board by reviewing, providing guidance, and making recommendations with respect to safety and security on an MTA-wide basis.

#### **II. COMMITTEE AUTHORITY**

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### **III. COMMITTEE MEMBERSHIP**

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### **IV. COMMITTEE MEETINGS**

The Committee shall meet on a regularly-scheduled basis at least 4 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Director of Security and the Director of Operations Support and/or his or her designee shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to safety and security on an MTA-wide basis, (2) provide the chairperson of the Committee with all information regarding safety and security on an MTA-wide basis that is material to the Committee's monitoring and oversight of safety and security on an MTA-wide basis, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing safety and security on an MTA-wide basis.

## **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

## **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Monitor the implementation of the annual safety goals and programs of the MTA and each of its subsidiaries and constituent authorities;
2. Monitor the safety record of the MTA and each of its subsidiaries and constituent authorities, including by selecting and reviewing key safety indicators;
3. Provide a forum for the open discussion of safety and security issues among representatives from the MTA and each of its subsidiaries and constituent agencies;
4. Facilitate the identification of approaches and solutions that address MTA-wide safety and security issues;
5. Set the annual agenda for the Committee;
6. Review and assess the adequacy of this Charter annually;
7. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;



8. Report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

## The Metropolitan Transportation Authority

### SAFETY & SECURITY COMMITTEE

This Charter for the Safety & Security Committee was adopted by the Board Chair and a majority of the members of Board of the Metropolitan Transportation Authority, a public benefit corporation established under the laws of the State of New York (together with any other entity or corporation for which the members of the Metropolitan Transportation Authority serve as a board of directors, the "MTA"), on the 29th day of July, 2004. This charter was amended on the 17<sup>th</sup> day of December, 2008 and further amended on December 2009.

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#### I. PURPOSE

The Safety & Security Committee (the "Committee") shall assist the Board Chair and the Board by reviewing, providing guidance, and making recommendations with respect to safety and security on an MTA-wide basis.

#### II. COMMITTEE AUTHORITY

In discharging its role, the Committee is empowered to investigate any matter brought to its attention. To facilitate any such investigation, the chairperson of the Committee shall have access to all books, records, facilities and staff of the MTA (including any of its subsidiary corporations or affiliates). The foregoing is not intended to alter or curtail existing rights of individual Board members to access books, records or staff in connection with the performance of their fiduciary duties as Board members.

#### III. COMMITTEE MEMBERSHIP

The Committee shall consist of 3 or more members of the Board, appointed by the Board Chair. If not otherwise a member of the Committee, each Vice-Chair of the Board shall be an *ex officio* member of the Committee. The Board Chair shall appoint the chairperson of the Committee. In the absence of the chairperson at a meeting of the Committee, the Board Chair shall appoint a temporary chairperson to chair such meeting. A member of the Committee may be removed, for cause or without cause, by the Board Chair.

#### IV. COMMITTEE MEETINGS

The Committee shall meet on a regularly-scheduled basis at least 4 times per year, and more frequently as circumstances dictate. The Committee shall cause to be kept adequate minutes of all its proceedings and records of any action taken. Committee members will be furnished with copies of the minutes of each meeting. Meetings of the Committee shall be open to the public, and the Committee shall be governed by the rules regarding public meetings set forth in the applicable provisions of the Public Authorities Law and Article 7 of the Public Officers Law that relate to public notice, public speaking and the conduct of executive session. The Committee may form and assign responsibilities to subcommittees when appropriate.

The Committee may request that any member of the Board, the Auditor General, any officer or staff of the MTA, or any other person whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. The Director of Security and the Director of Operations Support and or his or her designee shall (1) furnish the Committee with all material information pertinent to matters appearing on the Committee agenda relating to safety and security on an MTA-wide basis, (2) provide the chairperson of the Committee with all information regarding safety and security on an MTA-wide basis that is material to the Committee's monitoring and oversight of safety and security on an MTA-wide basis, and (3) inform the chairperson of the Committee of any matters not already on the Committee agenda that should be added to the agenda in order for the Committee to be adequately monitoring and overseeing safety and security on an MTA-wide basis.

#### **V. COMMITTEE REPORTS.**

The chairperson of the Committee shall report on the Committee's proceedings, and any recommendations made.

#### **VI. KEY RESPONSIBILITIES**

The following responsibilities are set forth as a guide with the understanding that the Committee may diverge as appropriate given the circumstances. The Committee is authorized to carry out these and such other responsibilities assigned by the Board Chair or the Board, from time to time, and take any actions reasonably related to the mandate of this Charter.

To fulfill its purpose, the Committee shall:

1. Monitor the implementation of the annual safety goals and programs of the MTA and each of its subsidiaries and constituent authorities;
2. Monitor the safety record of the MTA and each of its subsidiaries and constituent authorities, including by selecting and reviewing key safety indicators;
3. Provide a forum for the open discussion of safety and security issues among representatives from the MTA and each of its subsidiaries and constituent agencies;
4. Facilitate the identification of approaches and solutions that address MTA-wide safety and security issues;
5. Set the annual agenda for the Committee;
6. Review and assess the adequacy of this Charter annually;
7. Conduct an annual self-evaluation of the performance of the Committee, including its effectiveness and compliance with this Charter;

8. Report regularly to the Board Chair and Board on Committee findings and recommendations and any other matters the Committee deems appropriate or the Board Chair or the Board requests, and maintain minutes or other records of Committee meetings and activities.

