

MTA
New York City Transit

**MTA New York City Transit
2005 Preliminary Budget
July Financial Plan 2005 – 2008**

MISSION STATEMENT

The mission of MTA New York City Transit is to provide customers with safe, reliable and convenient public transportation in a cost effective manner.

FINANCIAL OVERVIEW

MTA NYC Transit carries out its mission by providing effective and cost-efficient transportation services through:

- a subway system operating more than 6,100 subway cars on 27 routes over 233 route miles and 660 miles of mainline track, serving 468 stations located in four of the City's boroughs;
- a bus system operating more than 4,400 buses on 207 local and 36 express routes for more than 118 million miles per year; and
- Access-a-Ride, a paratransit service that operates throughout the City under private contract to serve persons whose disabilities preclude their use of bus and subway services.

Despite a generally unfavorable economic environment, the 2005 Preliminary Budget provides sufficient funding to maintain NYC Transit's high standard of service reliability, with no reduction in maintenance, safety and security standards for employees and customers and generally maintains existing service levels. This is accomplished primarily through the implementation of organizational and operating efficiencies that optimize the use of resources to achieve agency goals. In addition, the Preliminary Budget proposes an increase in the express bus fare, bringing the farebox operating ratio of this costly premium service more in line with that of local bus and commuter railroads. The Preliminary Budget also includes a bus service adjustment to revise off-peak local and express bus schedules to accommodate a seated passenger load at the maximum load point on each route. This is not expected to have a significant impact on customers. However, the MTA financial picture in 2006 is less optimistic and consequently, more significant service adjustments will be a necessary element in closing a sizable budget gap.

2005 Preliminary Budget – Baseline

MTA NYC Transit's Preliminary 2005 Budget includes total expenses before depreciation of \$5,379.4 million, consisting of \$4,671.7 million of non-reimbursable expenses and \$707.7 million of reimbursable expenses. Total revenues are projected to be \$3,528.4 million, of which \$2,820.7 million are operating revenues and \$707.7 million are capital reimbursements. Total

full-time and full-time equivalent positions are 47,673 (42,357 non-reimbursable positions and 5,316 reimbursable positions). The above information excludes the effect of Programs to Eliminate the Gap (PEGs) and a proposed increase in express bus fares, which are presented separately on the attached financial tables.

Programs to Eliminate the Gap, described below, yield deficit reductions of \$124.3 million, with position reductions of 2,136, including an adjustment to convert part-time positions into full-time equivalents. A proposed increase in express bus fares, also described below, is projected to result in deficit reductions of \$19.5 million and position reductions of 58.

The provision of quality service is paramount to MTA NYC Transit. To ensure this goal, the 2005 Preliminary Budget includes additional funding necessary to properly maintain fleet and other equipment integral to NYC Transit system operations. Highlights of these investments include:

- **Subway Car Maintenance** – To properly maintain the subway fleet, the Scheduled Maintenance System (SMS) protocol defines car maintenance work to be done on 4-year, 6-year, 7-year and 12-year cycles. Each year, in anticipation of the coming year's program, final work scopes are defined and resources are adjusted accordingly. The 2005 Preliminary Budget provides increased funding of \$7.3 million and 54 positions to support the enhanced SMS requirements and additional work on deteriorated car floors, A/C compressor motors and R46 motor leads.
- **Bus Maintenance** – The Department of Buses is responsible for ensuring that safe, reliable buses are available for service and that all buses maintain high performance standards throughout their vehicle lives. The 2005 budget supports this objective by providing an additional \$6.5 million and 8 positions for improved maintenance activities.
- **Fare Collection and Security Equipment Maintenance** – The 2005 Preliminary Budget increases funding by \$7.6 million and 83 positions to properly maintain Automated Fare Collection (AFC) and closed circuit television (CCTV) equipment. Improved AFC equipment maintenance will now include a Scheduled Maintenance System (SMS) protocol to reduce equipment failures and improve the reliability and availability of MetroCard Vending Machines (MVMs), low turnstiles, and High Exit/Entry Turnstiles (HEETs). Also included in this program are the maintenance requirements for the more than 1,000 CCTV units added in 2004, as well as improved quality control in the Central Electronics Shop.

Major assumptions and reconciliations to the February Plan are discussed later in this section.

2006-2008 Projections

MTA NYC Transit's projections for 2006-2008 reflect total expenses before depreciation as follows: 2006-\$5,626.9 million, 2007-\$5,858.6 million, 2008-\$6,110.2 million. Non-reimbursable expenses before depreciation are projected as follows: 2006-\$4,913.7 million,

2007-\$5,133.9, 2008-\$5,367.6 million. Reimbursable expenses are projected as follows: 2006-\$713.2 million, 2007-\$724.7 million, 2008-\$742.6 million. Total revenues are projected as follows: 2006-\$3,576.5 million, 2007-\$3,635.1 million, 2008-\$3,695.1 million. Operating revenues are projected as follows: 2006-\$2,863.3 million, 2007-\$2,910.4 million, 2008-\$2,952.6 million. Capital reimbursements are projected as follows: 2006-\$713.2 million, 2007-\$724.7 million, 2008-\$742.6 million. Total full-time and full-time equivalent positions are projected to be 47,641 in 2006, 47,627 in 2007, and 47,624 in 2008. Non-reimbursable positions are projected to be 42,431 in 2006, 42,457 in 2007, and 42,464 in 2008. Reimbursable positions are projected to be 5,210 in 2006, 5,170 in 2007, and 5,160 in 2008. The above information excludes the effect of Programs to Eliminate the Gap and a proposed increase in express bus fares, which are presented separately in the attached financial tables.

Programs to Eliminate the Gap, described below, generate deficit reductions of \$256.4 million in 2006, \$234.4 million in 2007 and \$288.9 million in 2008. Position reductions are projected to be 3,930 in 2006, 3,767 in 2007 and 3,960 in 2008, including an adjustment to convert part-time positions into full-time equivalents. The proposed increase in express bus fares, also described below, is projected to result in deficit reductions of \$20.0 million and position reductions of 58 each year.

Major assumptions and reconciliations to the February Plan, again, are discussed later in this section.

GAP CLOSING MEASURES

2005 Programs to Eliminate the Gap (PEGs)

MTA NYC Transit has developed programs that will save \$124.3 million in 2005. These reductions are largely achieved through administrative streamlining and operating efficiencies, which account for \$70.7 million of the savings cited.

Administrative savings include reductions in virtually all departments and divisions, which will be achieved with little impact on NYC Transit operations. These reductions save \$39.7 million and 233 positions in 2005. Significant reductions include 22 positions and \$3.2 million in the Technology and Information Services Division, made possible by a reorganization initiated in 2004; 28 positions and \$2.6 million in savings from consolidations within the Electronics Maintenance Division, which eliminated duplication of administrative and support functions and increased supervisory and managerial spans of control; and savings of 25 positions and \$2.3 million from administrative functions in the Department of Buses. Also included are savings of \$11.8 million for hourly-rated employee health benefit costs, made possible by actions of the Employee Benefits Office since NYC Transit assumed responsibility for administering those benefits. The savings largely resulted from careful reviews of benefit eligibility lists and removing dependents found to be ineligible.

The Preliminary Budget also includes savings in other operating areas. While the scope of work will remain the same, the Department of Buses has extended its current three-year bus upgrade cycle to a four-year schedule, saving \$3.6 million and 49 positions in 2005. This is not expected to significantly impact bus reliability. The Department of Subways currently operates work

trains out of three yards: 207th Street in Manhattan, Linden and 38th Street in Brooklyn. The 207th Street location was established as a temporary location to accommodate work train movement during the Manhattan Bridge closure. With the bridge re-opening, this location is no longer required, saving \$1.0 million and 15 positions, with no impact on operations. In addition, savings of \$1.9 million and 12 positions will be realized through reduced warehousing costs in the Department of Supply Logistics by eliminating positions and reducing overtime and Other Than Personal Services costs.

Cleaner efficiencies in the Departments of Subways and Buses account for an additional \$2.4 million of savings in 2005. In 2003, the Department of Subways began maintaining cleaner vacancies generated by attrition to help reduce the budget deficit for a period of two years. The organization has been able to maintain acceptable cleaning levels despite these vacancies through better supervision and redeployment of cleaners to “hot spots” where conditions warrant. Consequently, the 2005 Preliminary Budget maintains this cleaning standard with the number of cleaners remaining at the 2004 incumbent level. The Department of Buses will minimally reduce the number of cleaner positions, eliminating one cleaner from each of its 18 depots and two shops. Nine positions dedicated to administration of the Work Experience Program (WEP) have been eliminated to more closely align staffing with the current number of program participants, saving \$1.3 million in 2005.

The Station Automation Plan reflects changes in booth operations as part of NYC Transit's ongoing effort to modernize the way we do business in order to operate more efficiently and better serve our customers. With the introduction of Automated Fare Collection, the traditional role of the station agent in booths collecting money, emptying turnstiles, dispensing and accounting for tokens has now changed dramatically (tokens were eliminated in May 2003) and customer service has become a greater part of their job. MetroCard Vending Machines (MVMs) and MetroCard Express Machines (MEMs) now provide customers with the convenience of purchasing MetroCards at locations other than station booths, with the added convenience of being able to use credit or debit cards. In May 2004, the Station Customer Assistant pilot began. Under this pilot program, at ten locations, Station Agents are working outside the booth to provide customer assistance, while remaining in contact by radio and portable transmitters. If successful, this pilot will be expanded to re-deploy station agents as customer assistant agents. The pilot has received very favorable customer reviews to date.

The 2005 Preliminary Budget proposal incorporates plans to automate 49 full-time booths and all remaining 115 part-time booths, commencing in April 2005. This follows the success of MTA NYC Transit's automation of 45 part-time booths in 2003 and 17 in early 2004. Many of these locations are now open more hours of the day than when they were staffed and ridership has increased or remained constant at these locations. Most importantly, crime has not increased. Under the Station Automation Plan there will be at least one booth open at all stations at all times, and station complexes may have additional staff. All control areas to be automated will be equipped with talkback communication equipment that will transmit to the full-time service booth and to the Station Command Center. Where required, CCTV cameras will be installed and will be digitally recorded and transmitted to the full-time booth still in operation. In addition, emergency gates will be equipped for access by both the NYPD and FDNY. The 2005

Preliminary Budget will save \$8.3 million in 2005, and \$29.5 million when fully implemented in 2006.

Service adjustments and related savings made possible by the adjustments account for \$41.6 million savings and a reduction of 788 positions in 2005. The off-peak bus schedule revisions to accommodate a seated passenger load at the busiest point along a route will save a projected \$38.4 million and 647 positions. On affected routes, the average off-peak customer load at the busiest point is estimated to increase from approximately 28 to 33 passengers on a standard bus (below the seating capacity), and the average bus headway is estimated to increase by approximately two to three minutes on affected routes. Peak period service is not affected under this proposal. The Preliminary Budget also proposes a change in "G" line service. This line now terminates at Court Square in Queens on weekdays; evening, night and weekend service currently terminates at Forest Hills-71st Avenue. This proposal, saving \$1.0 million and 12 positions in 2005, will establish Court Square as the northern terminal for "G" service at all times; passengers wishing to reach the Queens Boulevard line and Forest Hills-71st Avenue can transfer at Court Square.

Reductions in support functions made possible by the service changes described above save \$13.4 million and 134 positions in 2005. These include reductions in training coverage positions, employee uniform costs and maintenance and dispatcher positions.

Further savings of \$12.0 million and 212 positions are achieved in other service support activities in 2005. This includes One Person Train Operation (OPTO) on two lines. OPTO will be implemented on the "L" and "G" lines in April 2005 and November 2005 respectively. This initiative will save \$3.5 million in 2005 and \$6.4 million annually thereafter, and eliminates 107 positions. OPTO on the "L" line is being implemented in conjunction with installation of Communication Based Train Control (CBTC), a more advanced train control system than the wayside signal system currently in place. Trains will be equipped with on-board closed circuit televisions, allowing the train operator to monitor the platform as the trains enter and leave the station. The "G" line currently provides weekend service with OPTO. Under this proposal, OPTO will be expanded to the "G" line at all times. Furthermore, miscellaneous support reductions in Rapid Transit Operations account for savings of \$6.0 million and the elimination of 89 positions in 2005, increasing to \$6.5 million and 98 positions in 2006. Similar efficiencies in other departments account for the remaining 2005 service support reductions of \$2.5 million and 16 positions.

In addition, beginning in January 2005, the Preliminary Budget proposes increasing the fare for express bus service to \$6.00. Express bus routes are the most expensive ones to operate and despite the fare increase, the farebox operating ratio for express bus service will remain lower than that for local routes and commuter railroads. This proposal will reduce the deficit by \$19.5 million in 2005.

Public hearings will be required for the Station Automation Plan, the "G" line change and fare policy components of this proposal. MTA NYC Transit will consult with employee unions, as appropriate, on the implementation of programs contained in the budget proposal.

In 2006, however, the MTA financial plan requires closing a major funding gap. MTA NYC Transit's financial plan includes \$256.4 million in reductions toward closing this gap. While \$84.7 million of these savings comes from administrative and operational streamlining, the remaining \$171.7 million in savings is a result of additional service reductions required to balance the budget. As described below, this includes changes to subway service spans and headways, discontinuation of bus routes with low-cost recovery and late night bus service, and further changes in off-peak bus loading guidelines.

To achieve some of these budget reductions, Board approval will be necessary.

2006 PEG Actions

In 2006, total service related changes account for \$171.7 million of \$256.4 million PEG savings. Service adjustments and related savings made possible by those adjustments account for \$156.1 million and 2,546 positions.

Subway service changes include operating weekday evening subway service at policy headways, saving \$6.1 million and 72 positions in 2006. On all lines, NYC Transit would operate a 10 minute headway starting at 9 PM, a 12 minute headway at 10 PM, a 15 minute headway at 11 PM, and a 20 minute headway at midnight. On Subdivision "B" lines, Saturday service would operate every ten minutes and Sunday service every 10-12 minutes. Subdivision "A" routes already operate at reduced frequency on Saturdays and Sundays to allow for construction projects. Average wait times would generally increase by approximately 1-2 minutes, with some customers experiencing an increase in crowding. The budget proposal would also save \$2.5 million and 24 positions by reducing the frequency of overnight subway service, from every 20 minutes to every 30 minutes between 1 AM and 5 AM. Finally, savings of \$19.5 million and 375 positions would be attained in 2006 by implementing reductions in service span on several routes, and midday and peak frequency would be reduced on numerous routes as well. These changes would impact customers systemwide, and would result in additional crowding and longer waits. More customers would be required to stand during off-peak periods, and the likelihood of not being able to board a train due to excessive crowding would increase, particularly during peak periods.

Bus service changes reduce bus operator, maintenance, and fuel requirements based on reductions in vehicle miles, vehicle hours, and peak bus requirements. Savings of \$47.5 million and 690 positions would be achieved in 2006 by discontinuing 33 local bus routes with low cost recovery. Low cost recovery routes that maintain route spacing standards would remain in service. As noted earlier, beginning in February 2005, off-peak service guidelines will be changed to accommodate 100% of a seated passenger load at the busiest load point along a route, saving \$41.9 million annually and 647 positions. Beginning in 2006, off-peak service guidelines would be changed to 125% of a seated passenger load at the busiest load point, saving an additional \$31.6 million and 447 positions. Compared to the 100% guideline that would be implemented in 2005, on affected routes the average off-peak customer load at the busiest point is estimated to increase from approximately 33 to 40 passengers on a standard 40-foot bus, and the average bus headway is estimated to increase by approximately one to two minutes. Finally,

overnight bus service would be discontinued on 95 routes between 1 AM and 5 AM, saving \$8.7 million and 145 positions in 2006. Customers would either be required to use subway service, or would have no transit service available during those hours.

Reductions in support functions made possible by the service changes described above save \$20.0 million and 197 positions in 2006. These include reductions in training coverage positions, employee uniform costs and maintenance and dispatcher positions.

To achieve some of these budget reductions, Board approval will be necessary.

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MTA New York City Transit
July Financial Plan 2005 - 2008
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

Revenue

	2003 Actuals	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
Farebox Revenue:						
Subway	\$1,667.300	\$1,794.027	\$1,804.128	\$1,826.810	\$1,852.984	\$1,875.304
Bus	698.600	753.640	762.159	771.863	782.669	791.970
Paratransit	5.100	6.317	7.271	8.362	9.616	11.058
Fare Media Liability	25.300	11.600	13.100	12.700	13.000	13.300
Total Farebox Revenue	\$2,396.300	\$2,565.584	\$2,586.658	\$2,619.735	\$2,658.269	\$2,691.632
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	103.800	103.766	103.766	103.766	103.766	103.766
Paratransit Reimbursement	31.400	37.359	40.031	46.513	54.736	63.094
Other	82.940	98.282	90.256	93.262	93.662	94.062
Total Other Operating Revenue	218.140	239.407	234.053	243.541	252.164	260.922
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$2,614.440	\$2,804.991	\$2,820.711	\$2,863.276	\$2,910.433	\$2,952.554

Expenses

Labor:						
Payroll	2,290.782	2,332.864	2,383.828	2,438.407	2,497.686	2,561.464
Overtime	206.161	193.960	192.783	200.277	201.864	208.199
Total Salaries & Wages	2,496.943	2,526.824	2,576.611	2,638.684	2,699.550	2,769.663
Health and Welfare	523.938	539.842	608.066	665.058	726.933	794.163
Pensions	198.247	302.883	441.491	530.766	570.692	615.179
Other Fringe Benefits	204.668	179.048	186.058	191.533	195.796	200.230
Total Fringe Benefits	926.853	1,021.773	1,235.615	1,387.357	1,493.421	1,609.572
Reimbursable Overhead	(160.683)	(142.756)	(129.150)	(129.178)	(131.101)	(134.149)
Total Labor Expenses	\$3,263.113	\$3,405.841	\$3,683.076	\$3,896.863	\$4,061.870	\$4,245.086

Non-Labor:

Traction and Propulsion Power	107.055	114.198	123.250	123.349	124.083	124.642
Fuel for Buses and Trains	55.740	69.579	58.201	55.336	56.261	57.771
Insurance	25.457	27.864	26.427	26.850	27.406	28.014
Claims	80.528	70.701	72.643	74.582	76.571	78.609
Paratransit Service Contracts	109.228	145.735	172.712	203.994	240.863	283.821
Mtce. and Other Operating Contracts	156.805	194.222	178.120	184.165	186.278	187.792
Professional Service Contracts	101.650	92.052	87.690	85.840	85.431	87.428
Materials & Supplies	235.909	235.438	238.506	230.497	241.540	239.336
Other Business Expenses	28.197	29.613	31.058	32.229	33.596	35.142
Total Non-Labor Expenses	\$900.569	\$979.402	\$988.607	\$1,016.842	\$1,072.029	\$1,122.555

Other Expense Adjustments:

Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Total Expenses before

Depreciation	\$4,163.682	\$4,385.243	\$4,671.683	\$4,913.705	\$5,133.899	\$5,367.641
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Depreciation	828.957	912.200	986.800	1,060.400	1,139.500	1,221.700
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Total Expenses	\$4,992.639	\$5,297.443	\$5,658.483	\$5,974.105	\$6,273.399	\$6,589.341
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Baseline Net Surplus/(Deficit)	(\$2,378.199)	(\$2,492.452)	(\$2,837.772)	(\$3,110.829)	(\$3,362.966)	(\$3,636.787)
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Program to Eliminate the Gap	0.000	16.502	124.254	256.385	234.438	288.949
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Increase Express Bus Fare	0.000	0.000	19.470	19.985	19.985	19.985
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Net Surplus/(Deficit)	(\$2,378.199)	(\$2,475.950)	(\$2,694.048)	(\$2,834.459)	(\$3,108.543)	(\$3,327.853)
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MTA New York City Transit
July Financial Plan 2005 - 2008
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	2003 Actuals	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<u>Revenue</u>						
Farebox Revenue:						
Subway	\$1,667.300	\$1,794.027	\$1,804.128	\$1,826.810	\$1,852.984	\$1,875.304
Bus	698.600	753.640	762.159	771.863	782.669	791.970
Paratransit	5.100	6.317	7.271	8.362	9.616	11.058
Fare Media Liability	25.300	11.600	13.100	12.700	13.000	13.300
Total Farebox Revenue	\$2,396.300	\$2,565.584	\$2,586.658	\$2,619.735	\$2,658.269	\$2,691.632
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	103.800	103.766	103.766	103.766	103.766	103.766
Paratransit Reimbursement	31.400	37.359	40.031	46.513	54.736	63.094
Other	82.940	98.282	90.256	93.262	93.662	94.062
Total Other Operating Revenue	218.140	239.407	234.053	243.541	252.164	260.922
Capital and Other Reimbursements	778.416	776.126	707.719	713.185	724.665	742.576
Total Revenue	\$3,392.856	\$3,581.117	\$3,528.430	\$3,576.461	\$3,635.098	\$3,695.130
<u>Expenses</u>						
Labor:						
Payroll	2,632.665	2,681.955	2,712.594	2,768.960	2,832.959	2,904.427
Overtime	272.249	249.322	243.905	252.268	254.913	262.676
Total Salaries & Wages	2,904.914	2,931.277	2,956.499	3,021.228	3,087.872	3,167.103
Health and Welfare	537.420	557.104	627.170	685.749	749.345	818.442
Pensions	199.867	310.151	453.775	546.233	587.963	634.468
Other Fringe Benefits	284.134	264.057	264.033	269.553	274.723	280.864
Total Fringe Benefits	1,021.421	1,131.312	1,344.978	1,501.535	1,612.031	1,733.774
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$3,926.335	\$4,062.589	\$4,301.477	\$4,522.763	\$4,699.903	\$4,900.877
Non-Labor:						
Traction and Propulsion Power	107.427	114.198	123.250	123.349	124.083	124.642
Fuel for Buses and Trains	55.743	69.579	58.201	55.336	56.261	57.771
Insurance	25.457	27.864	26.427	26.850	27.406	28.014
Claims	81.056	70.701	72.643	74.582	76.571	78.609
Paratransit Service Contracts	109.228	145.735	172.712	203.994	240.863	283.821
Mtce. and Other Operating Contracts	197.030	229.378	205.307	211.352	213.465	214.979
Professional Service Contracts	118.101	109.077	102.982	101.071	100.662	102.659
Materials & Supplies	293.604	299.497	282.995	273.014	283.404	281.353
Other Business Expenses	28.117	32.751	33.408	34.579	35.946	37.492
Total Non-Labor Expenses	\$1,015.763	\$1,098.780	\$1,077.925	\$1,104.127	\$1,158.661	\$1,209.340
Other Expense Adjustments:						
Other	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$4,942.098	\$5,161.369	\$5,379.402	\$5,626.890	\$5,858.564	\$6,110.217
Depreciation	828.957	912.200	986.800	1,060.400	1,139.500	1,221.700
Total Expenses	\$5,771.055	\$6,073.569	\$6,366.202	\$6,687.290	\$6,998.064	\$7,331.917
Baseline Net Surplus/(Deficit)	(\$2,378.199)	(\$2,492.452)	(\$2,837.772)	(\$3,110.829)	(\$3,362.966)	(\$3,636.787)
Program to Eliminate the Gap	0.000	16.502	124.254	256.385	234.438	288.949
Increase Express Bus Fare	0.000	0.000	19.470	19.985	19.985	19.985
Net Surplus/(Deficit)	(\$2,378.199)	(\$2,475.950)	(\$2,694.048)	(\$2,834.459)	(\$3,108.543)	(\$3,327.853)

MTA New York City Transit
July Financial Plan 2005 - 2008
Cash Receipts & Expenditures
(\$ in millions)

	2003 Actuals	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<u>Receipts</u>						
Farebox Revenue	\$2,399.200	\$2,563.184	\$2,595.358	\$2,628.735	\$2,679.569	\$2,701.332
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	103.800	103.766	103.766	103.766	103.766	103.766
Paratransit Reimbursement	31.400	37.307	39.990	46.411	54.750	63.128
Other	75.540	223.736	90.256	93.262	93.662	94.062
Total Other Operating Revenue	210.740	364.809	234.012	243.439	252.178	260.956
Capital and Other Reimbursements	820.165	785.328	716.969	707.083	717.273	733.843
Total Receipts	\$3,430.105	\$3,713.321	\$3,546.339	\$3,579.257	\$3,649.020	\$3,696.131
<u>Expenditures</u>						
Labor:						
Payroll	2,700.633	2,674.073	2,703.696	2,759.631	2,823.044	2,894.849
Overtime	278.366	248.667	243.185	251.502	254.112	261.898
Total Salaries & Wages	2,978.999	2,922.740	2,946.881	3,011.133	3,077.156	3,156.747
Health and Welfare	502.543	549.257	627.170	685.749	749.345	818.442
Pensions	215.226	214.896	320.271	507.261	570.928	627.593
Other Fringe Benefits	260.166	270.801	263.212	268.796	273.919	280.087
Total Fringe Benefits	977.935	1,034.954	1,210.653	1,461.806	1,594.192	1,726.122
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$3,956.934	\$3,957.694	\$4,157.534	\$4,472.939	\$4,671.348	\$4,882.869
Non-Labor:						
Traction and Propulsion Power	107.575	114.198	123.250	123.349	124.083	124.642
Fuel for Buses and Trains	55.399	70.659	58.201	55.336	56.261	57.771
Insurance	25.457	27.864	26.427	26.850	27.406	28.014
Claims	71.600	53.950	61.086	62.599	64.511	67.734
Paratransit Service Contracts	110.249	142.616	169.512	199.794	240.863	283.821
Mtce. and Other Operating Contracts	202.303	229.378	205.307	211.352	213.465	214.979
Professional Service Contracts	125.824	105.413	86.282	84.371	83.962	85.959
Materials & Supplies	279.167	290.566	277.423	269.514	279.904	277.853
Other Business Expenditures	28.832	32.751	33.407	34.578	35.945	37.492
Total Non-Labor Expenditures	\$1,006.406	\$1,067.395	\$1,040.895	\$1,067.743	\$1,126.400	\$1,178.265
Other Expenditure Adjustments:						
Other	56.600	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$56.600	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$5,019.940	\$5,025.089	\$5,198.429	\$5,540.682	\$5,797.748	\$6,061.134
Baseline Net Cash Deficit	(\$1,589.835)	(\$1,311.768)	(\$1,652.090)	(\$1,961.425)	(\$2,148.728)	(\$2,365.003)
Program to Eliminate the Gap						
Increase Express Bus Fare	0.000	16.502	124.254	256.385	234.438	288.949
	0.000	0.000	19.470	19.985	19.985	19.985
Net Cash Deficit	(\$1,589.835)	(\$1,295.266)	(\$1,508.366)	(\$1,685.055)	(\$1,894.305)	(\$2,056.069)

MTA New York City Transit
July Financial Plan 2005 - 2008
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2003 Actuals	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<u>Receipts</u>						
Farebox Revenue	\$2.900	(\$2.400)	\$8.700	\$9.000	\$21.300	\$9.700
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	0.000	(0.052)	(0.041)	(0.102)	0.014	0.034
Other	(7.400)	125.454	0.000	0.000	0.000	0.000
Total Other Operating Revenue	(7.400)	125.402	(0.041)	(0.102)	0.014	0.034
Capital and Other Reimbursements	41.749	9.202	9.250	(6.102)	(7.392)	(8.733)
Total Receipt Adjustments	\$37.249	\$132.204	\$17.909	\$2.796	\$13.922	\$1.001
<u>Expenditures</u>						
Labor:						
Payroll	(67.968)	7.882	8.898	9.329	9.915	9.578
Overtime	(6.117)	0.655	0.720	0.766	0.801	0.778
Total Salaries & Wages	(74.085)	8.537	9.618	10.095	10.716	10.356
Health and Welfare	34.877	7.847	0.000	0.000	0.000	0.000
Pensions	(15.359)	95.255	133.504	38.972	17.035	6.875
Other Fringe Benefits	23.968	(6.744)	0.821	0.757	0.804	0.777
Total Fringe Benefits	43.486	96.358	134.325	39.729	17.839	7.652
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	(\$30.599)	\$104.895	\$143.943	\$49.824	\$28.555	\$18.008
Non-Labor:						
Traction and Propulsion Power	(0.148)	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.344	(1.080)	0.000	0.000	0.000	0.000
Insurance	0.000	0.000	0.000	0.000	0.000	0.000
Claims	9.456	16.751	11.557	11.983	12.060	10.875
Paratransit Service Contracts	(1.021)	3.119	3.200	4.200	0.000	0.000
Mtce. and Other Operating Contracts	(5.273)	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	(7.723)	3.664	16.700	16.700	16.700	16.700
Materials & Supplies	14.437	8.931	5.572	3.500	3.500	3.500
Other Business Expenditures	(0.715)	0.000	0.001	0.001	0.001	0.000
Total Non-Labor Expenditures	\$9.357	\$31.385	\$37.030	\$36.384	\$32.261	\$31.075
Other Expenditure Adjustments:						
Other	(56.600)	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	(\$56.600)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	(\$40.593)	\$268.484	\$198.882	\$89.004	\$74.738	\$50.084
Depreciation Adjustment	828.957	912.200	986.800	1,060.400	1,139.500	1,221.700
Baseline Total Cash Conversion Adj.	\$788.364	\$1,180.684	\$1,185.682	\$1,149.404	\$1,214.238	\$1,271.784
Program to Eliminate the Gap	0.000	0.000	0.000	0.000	0.000	0.000
Increase Express Bus Fare	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$788.364	\$1,180.684	\$1,185.682	\$1,149.404	\$1,214.238	\$1,271.784

MTA New York City Transit
2004-2008 Financial Plan
Year-To-Year Major Changes by Category-Baseline Narrative

TOTAL REVENUES

Farebox Revenue

- Annual improvements in subway/bus farebox revenue are based largely on Global Insight's forecasted growth in NYC employment as follows: 2005-1.37%, 2006-1.44%, 2007-1.25%, and 2008-0.88%.
- Annual improvements in paratransit farebox revenue are based on assumed annual ridership growth rates of 15% consistent with current ridership growth.

Other Operating Revenue

- Annual revenue increases represent primarily contractually-capped increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses.
- 2004 includes non-recurring insurance reimbursements of \$10.1 million associated with losses in prior years.

Capital and Other Reimbursements

- Reimbursements are projected to decrease by \$68.4 million or 8.8% from 2004 to 2005 due to the scheduled completion of a number of significant capital projects. These include both projects undertaken by in-house construction forces (e.g., Critical Signal Safety Phase II, Tunnel Lighting) and contractor projects with substantial NYCT support requirements (e.g., Stillwell Avenue Reconstruction, ATS/Rail Control Center, Nassau Loop Reconfiguration). An additional factor is the completion of the warranty period for R142, R142A, and R143 cars, as these contracts provided for warranty labor to be supplied by NYCT employees.
- Annual increases are projected from 2006 through 2008 to provide for reimbursement consistent with projected CPI increases in labor expenses and actuarial-based pension increases as explained below.

TOTAL EXPENSES

Payroll

- 2004-2005 reflects primarily pattern bargaining with an effective rate in 2005 of 2.84%.
- 2006-2008 includes primarily CPI rate increases with effective rates as follows: 2006-2.21%, 2007-2.54%, and 2008-2.80%.
- Annualization of savings programs implemented during 2004 and the non-recurrence of the 2004 vacation cash-in largely resulted in \$20.0 million of non-reimbursable expense savings from 2004 to 2005.
- Reimbursable expenses decreased by \$20.3 million from 2004 to 2005, due to the completion of a number of significant capital projects.

Overtime

- 2004-2008 payroll wage rate increase assumptions apply.
- \$6.6 million of non-reimbursable overtime requirements relating to vacancies and special needs in 2004 that are not projected to recur in 2005.
- Reimbursable expenses decrease by \$4.2 million from 2004 to 2005, due to the completion of a number of significant capital projects.

Health & Welfare

- Inflation assumptions are as follows: 2005-12.9%, and 2006 through 2008-9.3%.
- Re-estimates of expenses/usage results in reduced expense projections.

Pension

- Significant projected increases in expenses are based upon information from pension plan actuaries.

Other Fringe Benefits

- Inflation assumptions consistent with payroll rate increase assumptions.
- Reimbursable expenses decreased by \$7.0 million from 2004 to 2005 due to the completion of a number of significant capital projects.

Traction and Propulsion Power

- Reflects NYPA rate increases effective April 1, 2004 (6.5%) and January 1, 2005 (5.3%) and Global Insight inflation assumptions as follows: 2005-1.83%, 2006-0.09%, 2007-0.61%, and 2008-0.44%.

Fuel for Buses and Trains

- 2004 includes significant spikes in fuel prices representing an effective rate increase of 21.6%.
- 2005-2008 inflation/(deflation) assumptions are based upon Global Insight's estimates as follows: 2005-(18.4%), 2006-(6.2%), 2007-1.8%, and 2008-2.8%.

Insurance

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.

Claims

- 2004 reflects a reduction of \$5.0 million due to a reassessment of reserve requirements.
- Assumes annual inflation of 2.5% for 2005 through 2008.

Paratransit Service Contracts

- Inflation assumptions are based upon current carrier contracts.
- Significant expense increases are based upon projected annual ridership growth of 15%.
- 2004 non-reimbursable expenses include \$1.3 million of non-recurring expenses from 2003 timing adjustments.

Maintenance and Other Operating Contracts

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.
- Facility power cost inflation is based upon NYPA rate increases effective April 1, 2004 (6.5%) and January 1, 2005 (5.3%).
- Approximately \$20.8 million of non-reimbursable expense reductions occurred in 2005 largely due to 2004 non-recurring expenses, including \$4.8 million of 2003 timing adjustments and various expense re-estimates.
- Reimbursable expenses decreased by \$8.0 million from 2004 to 2005, due to the completion of a number of significant capital projects.

Professional Service Contracts

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.
- Approximately \$8.8 million of non-reimbursable expense reductions occurred in 2005, largely due to 2004 non-recurring expenses including \$1.5 million of 2003 timing adjustments and various expense re-estimates.
- Reimbursable expenses decreased by \$1.7 million from 2004 to 2005, due to the completion of a number of significant capital projects.

Materials and Supplies

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.50%, 2006-1.17%, 2007-1.23%, and 2008-1.31%.
- 2004 non-reimbursable expenses include \$2.4 million of non-recurring expenses from 2003 timing adjustments.
- Non-reimbursable expense levels year-to-year tend to fluctuate, due to the timing of subway and bus scheduled maintenance programs.
- Reimbursable expenses decreased by \$19.6 million from 2004 to 2005, due to the completion of a number of significant capital projects.

Other Business Expenses

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.
- Reimbursable expenses decreased by \$0.8 million from 2004 to 2005, due to the completion of a number of significant capital projects.

Depreciation

- Annual expense increases are due to projections of additional capital assets reaching beneficial use. Examples of these assets include subway station rehabilitations, track-work, new subway cars and buses.

TOTAL RECEIPTS

Farebox Receipts

- Annual improvements in subway/bus farebox revenue are based largely on Global Insight's forecasted growth in NYC employment as follows: 2005-1.37%, 2006-1.44%, 2007-1.25%, and 2008-0.88%.
- Includes cash adjustments for expired MetroCard values and the timing of counting cash, which can cause some annual fluctuations in cash received.

- Annual improvements in paratransit farebox revenue are based on assumed annual ridership growth rates of 15%, consistent with current ridership growth.

Other Operating Receipts

- Annual revenue increases represent primarily contractually-capped increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses.
- 2004 includes non-recurring receipts as follows: insurance reimbursements of \$10.1 million associated with losses in prior years; cash reimbursements of \$103.1 million relating to revenue losses/incurred expenses associated with the WTC attack; and cash reimbursements of \$21.1 million relating to Transit Adjudication Bureau Funds (timing from 2003) and interest draw-downs of funds accumulated in prior years.

Capital and Other Reimbursements

- Accrued reimbursements are projected to decrease by \$68.4 million or 8.8% from 2004 to 2005 due to the scheduled completion of a number of significant capital projects. These include both projects undertaken by in-house construction forces (e.g., Critical Signal Safety Phase II, Tunnel Lighting) and contractor projects with substantial NYCT support requirements (e.g., Stillwell Avenue Reconstruction, ATS/Rail Control Center, Nassau Loop Reconfiguration). An additional factor is the completion of the warranty period for R142, R142A, and R143 cars, as these contracts provided for warranty labor to be supplied by NYCT employees.
- Annual accrued increases are projected from 2006 through 2008 to provide for reimbursement consistent with projected CPI increases in labor expenses and actuarial-based pension increases as explained below.
- Cash adjustments are reflected annually to recognize the change in timing of receipts. The only significant change year-over-year is from 2005 to 2006 when receipts are projected to decrease by \$15.4 million.
- 2004 includes a \$7.1 million favorable cash timing adjustment originally anticipated to be received in 2003.

TOTAL EXPENDITURES

Payroll

- 2004-2005 reflects primarily pattern bargaining with an effective rate in 2005 of 2.84%.
- 2006-2008 includes primarily CPI rate increases with effective rates as follows: 2006-2.21%, 2007-2.54%, and 2008-2.80%.
- Non-reimbursable expenses decreased by \$20.0 million from 2004 to 2005, largely due to the annualization of savings programs implemented during 2004 and the non-recurrence of the 2004 vacation cash-in.
- Reimbursable expenses decreased by \$20.3 million from 2004 to 2005, due to the completion of a number of significant capital projects.
- 2004 includes an unfavorable \$1.8 million timing adjustment from 2003.

Overtime

- 2004-2008 payroll wage rate increase assumptions apply.
- \$6.6 million of non-reimbursable overtime requirements relating to vacancies and special needs in 2004 are projected not to recur in 2005.
- Reimbursable expenses decreased by \$4.2 million from 2004 to 2005, due to the completion of a number of significant capital projects.

Health & Welfare

- Inflation assumptions are as follows: 2005-12.9%, and 2006 through 2008-9.3%.
- Re-estimates of expenses/usage results in reduced expense projections.
- 2004 includes an unfavorable \$1.0 million timing adjustment from 2003.

Pension

- Significant projected increases in expenses are based upon information from pension plan actuaries.
- Significant cash payment fluctuations result annually, due to the effect of prepaying pension expenses. The year-over-year effects are projected as follows: 2005/2004-\$38.2 million, 2006/2005-\$(94.5) million, 2007/2006-\$(21.9) million, and 2008/2007-\$(10.2) million.

Other Fringe Benefits

- Inflation assumptions consistent with payroll rate increase assumptions.
- Reimbursable expenses decreased by \$7.0 million from 2004 to 2005 due to the completion of a number of significant capital projects.

Traction and Propulsion Power

- Reflects NYPA rate increases effective April 1, 2004 (6.5%) and January 1, 2005 (5.3%) and the Global Insight inflation assumptions as follows: 2005-1.83%, 2006-0.09%, 2007-0.61%, and 2008-0.44%.

Fuel for Buses and Trains

- 2004 includes significant spikes in fuel prices representing an effective rate increase of 21.6%.
- 2005-2008 inflation/(deflation) assumptions are based upon Global Insight's estimates as follows: 2005-(18.4)%, 2006-(6.2)%, 2007-1.8%, and 2008-2.8%.
- 2004 includes an unfavorable \$1.1 million timing adjustment from 2003.

Insurance

- Inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.

Claims

- Assumes annual inflation of 2.5% for 2005 through 2008.

Paratransit Service Contracts

- Inflation assumptions are based upon current carrier contracts.
- Significant expense increases are based on projected annual ridership growth of 15%.
- 2004 non-reimbursable expenses include \$1.3 million of non-recurring expenses from 2003 timing adjustments.

Maintenance and Other Operating Contracts

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.
- Facility power cost inflation based upon NYPA rate increases effective April 1, 2004 (6.5%) and January 1, 2005 (5.3%).

- Approximately \$20.8 million of non-reimbursable expense reductions occurred in 2005 largely due to 2004 non-recurring expenses including \$4.8 million of 2003 timing adjustments and various expense re-estimates.
- Reimbursable expenses decreased by \$8.0 million from 2004 to 2005, due to the completion of a number of significant capital projects.

Professional Service Contracts

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.
- Approximately \$8.8 million of non-reimbursable expense reductions occurred in 2005 largely due to 2004 non-recurring expenses including \$1.5 million of 2003 timing adjustments and various expense re-estimates.
- Reimbursable expenses decreased by \$1.7 million from 2004 to 2005, due to the completion of a number of significant capital projects.

Materials and Supplies

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.50%, 2006-1.17%, 2007-1.23%, and 2008-1.31%.
- 2004 non-reimbursable expenses include \$2.4 million of non-recurring expenses from 2003.
- Non-reimbursable expense levels year-to-year tend to fluctuate due to the timing of subway car and bus scheduled maintenance programs.
- Reimbursable expenses decreased by \$19.6 million from 2004 to 2005, due to the completion of a number of significant capital projects.

Other Business Expenditures

- 2005-2008 inflation assumptions are based upon Global Insight's estimates as follows: 2005-1.28%, 2006-1.60%, 2007-2.07%, and 2008-2.22%.
- Reimbursable expenses decreased by \$0.8 million from 2004 to 2005, due to the completion of a number of significant capital projects.

MTA New York City Transit
July Financial Plan 2005 - 2008
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2004	2005	Change 2005-2004	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007
<u>Revenue</u>									
Farebox Revenue:									
Subway	\$1,794.027	\$1,804.128	\$10.101	\$1,826.810	\$22.682	\$1,852.984	\$26.174	\$1,875.304	\$22.320
Bus	753.640	762.159	8.519	771.863	9.704	782.669	10.806	791.970	9.301
Paratransit	6.317	7.271	0.954	8.362	1.091	9.616	1.254	11.058	1.442
Fare Media Liability	11.600	13.100	1.500	12.700	(0.400)	13.000	0.300	13.300	0.300
Total Farebox Revenue	\$2,565.584	\$2,586.658	\$21.074	\$2,619.735	\$33.077	\$2,658.269	\$38.534	\$2,691.632	\$33.363
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	103.766	103.766	0.000	103.766	0.000	103.766	0.000	103.766	0.000
Paratransit Reimbursement	37.359	40.031	2.672	46.513	6.482	54.736	8.223	63.094	8.358
Other	98.282	90.256	(8.026)	93.262	3.006	93.662	0.400	94.062	0.400
Total Other Operating Revenue	239.407	234.053	(5.354)	243.541	9.488	252.164	8.623	260.922	8.758
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$2,804.991	\$2,820.711	\$15.720	\$2,863.276	\$42.565	\$2,910.433	\$47.157	\$2,952.554	\$42.121
<u>Expenses</u>									
Labor:									
Payroll	2,332.864	2,383.828	(50.964)	2,438.407	(54.579)	2,497.686	(59.279)	2,561.464	(63.778)
Overtime	193.960	192.783	1.177	200.277	(7.494)	201.864	(1.587)	208.199	(6.335)
Total Salaries & Wages	2,526.824	2,576.611	(49.787)	2,638.684	(62.073)	2,699.550	(60.866)	2,769.663	(70.113)
Health and Welfare	539.842	608.066	(68.224)	665.058	(56.992)	726.933	(61.875)	794.163	(67.230)
Pensions	302.883	441.491	(138.608)	530.766	(89.275)	570.692	(39.926)	615.179	(44.487)
Other Fringe Benefits	179.048	186.058	(7.010)	191.533	(5.475)	195.796	(4.263)	200.230	(4.434)
Total Fringe Benefits	1,021.773	1,235.615	(213.842)	1,387.357	(151.742)	1,493.421	(106.064)	1,609.572	(116.151)
Reimbursable Overhead	(142.756)	(129.150)	(13.606)	(129.178)	0.028	(131.101)	1.923	(134.149)	3.048
Total Labor Expenses	\$3,405.841	\$3,683.076	(\$277.235)	\$3,896.863	(\$213.787)	\$4,061.870	(\$165.007)	\$4,245.086	(\$183.216)
Non-Labor:									
Traction and Propulsion Power	114.198	123.250	(9.052)	123.349	(0.099)	124.083	(0.734)	124.642	(0.559)
Fuel for Buses and Trains	69.579	58.201	11.378	55.336	2.865	56.261	(0.925)	57.771	(1.510)
Insurance	27.864	26.427	1.437	26.850	(0.423)	27.406	(0.556)	28.014	(0.608)
Claims	70.701	72.643	(1.942)	74.582	(1.939)	76.571	(1.989)	78.609	(2.038)
Paratransit Service Contracts	145.735	172.712	(26.977)	203.994	(31.282)	240.863	(36.869)	283.821	(42.958)
Mtce. and Other Operating Contracts	194.222	178.120	16.102	184.165	(6.045)	186.278	(2.113)	187.792	(1.514)
Professional Service Contracts	92.052	87.690	4.362	85.840	1.850	85.431	0.409	87.428	(1.997)
Materials & Supplies	235.438	238.506	(3.068)	230.497	8.009	241.540	(11.043)	239.336	2.204
Other Business Expenses	29.613	31.058	(1.445)	32.229	(1.171)	33.596	(1.367)	35.142	(1.546)
Total Non-Labor Expenses	\$979.402	\$988.607	(\$9.205)	\$1,016.842	(\$28.235)	\$1,072.029	(\$55.187)	\$1,122.555	(\$50.526)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$4,385.243	\$4,671.683	(\$286.440)	\$4,913.705	(\$242.022)	\$5,133.899	(\$220.194)	\$5,367.641	(\$233.742)
Depreciation	912.200	986.800	(74.600)	1,060.400	(73.600)	1,139.500	(79.100)	1,221.700	(82.200)
Total Expenses	\$5,297.443	\$5,658.483	(\$361.040)	\$5,974.105	(\$315.622)	\$6,273.399	(\$299.294)	\$6,589.341	(\$315.942)
Baseline Net Surplus/(Deficit)	(\$2,492.452)	(\$2,837.772)	(\$345.320)	(\$3,110.829)	(\$273.057)	(\$3,362.966)	(\$252.137)	(\$3,636.787)	(\$273.821)
Program to Eliminate the Gap	16.502	124.254	107.752	256.385	132.131	234.438	(21.947)	288.949	54.511
Increase Express Bus Fare	0.000	19.470	19.470	19.985	0.515	19.985	0.000	19.985	0.000
Net Surplus/(Deficit)	(\$2,475.950)	(\$2,694.048)	(\$218.098)	(\$2,834.459)	(\$140.411)	(\$3,108.543)	(\$274.084)	(\$3,327.853)	(\$219.310)

REIMBURSABLE

[illegible]

MTA New York City Transit
July Financial Plan 2005 - 2008
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2004	2005	Change 2005-2004	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007
Revenue									
Farebox Revenue:									
Subway	\$1,794.027	\$1,804.128	\$10.101	\$1,826.810	\$22.682	\$1,852.984	\$26.174	\$1,875.304	\$22.320
Bus	753.640	762.159	8.519	771.863	9.704	782.669	10.806	791.970	9.301
Paratransit	6.317	7.271	0.954	8.362	1.091	9.616	1.254	11.058	1.442
Fare Media Liability	11.600	13.100	1.500	12.700	(0.400)	13.000	0.300	13.300	0.300
Total Farebox Revenue	\$2,565.584	\$2,586.658	\$21.074	\$2,619.735	\$33.077	\$2,658.269	\$38.534	\$2,691.632	\$33.363
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	103.766	103.766	0.000	103.766	0.000	103.766	0.000	103.766	0.000
Paratransit Reimbursement	37.359	40.031	2.672	46.513	6.482	54.736	8.223	63.094	8.358
Other	98.282	90.256	(8.026)	93.262	3.006	93.662	0.400	94.062	0.400
Total Other Operating Revenue	239.407	234.053	(5.354)	243.541	9.488	252.164	8.623	260.922	8.758
Capital and Other Reimbursements	776.126	707.719	(68.407)	713.185	5.466	724.665	11.480	742.576	17.911
Total Revenue	\$3,581.117	\$3,528.430	(\$52.687)	\$3,576.461	\$48.031	\$3,635.098	\$58.637	\$3,695.130	\$60.032
Expenses									
Labor:									
Payroll	2,681.955	2,712.594	(30.639)	2,768.960	(56.366)	2,832.959	(63.999)	2,904.427	(71.468)
Overtime	249.322	243.905	5.417	252.268	(8.363)	254.913	(2.645)	262.676	(7.763)
Total Salaries & Wages	2,931.277	2,956.499	(25.222)	3,021.228	(64.729)	3,087.872	(66.644)	3,167.103	(79.231)
Health and Welfare	557.104	627.170	(70.066)	685.749	(58.579)	749.345	(63.596)	818.442	(69.097)
Pensions	310.151	453.775	(143.624)	546.233	(92.458)	587.963	(41.730)	634.468	(46.505)
Other Fringe Benefits	264.057	264.033	0.024	269.553	(5.520)	274.723	(5.170)	280.864	(6.141)
Total Fringe Benefits	1,131.312	1,344.978	(213.666)	1,501.535	(156.557)	1,612.031	(110.496)	1,733.774	(121.743)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$4,062.589	\$4,301.477	(\$238.888)	\$4,522.763	(\$221.286)	\$4,699.903	(\$177.140)	\$4,900.877	(\$200.974)
Non-Labor:									
Traction and Propulsion Power	114.198	123.250	(9.052)	123.349	(0.099)	124.083	(0.734)	124.642	(0.559)
Fuel for Buses and Trains	69.579	58.201	11.378	55.336	2.865	56.261	(0.925)	57.771	(1.510)
Insurance	27.864	26.427	1.437	26.850	(0.423)	27.406	(0.556)	28.014	(0.608)
Claims	70.701	72.643	(1.942)	74.582	(1.939)	76.571	(1.989)	78.609	(2.038)
Paratransit Service Contracts	145.735	172.712	(26.977)	203.994	(31.282)	240.863	(36.869)	283.821	(42.958)
Mtce. and Other Operating Contracts	229.378	205.307	24.071	211.352	(6.045)	213.465	(2.113)	214.979	(1.514)
Professional Service Contracts	109.077	102.982	6.095	101.071	1.911	100.662	0.409	102.659	(1.997)
Materials & Supplies	299.497	282.995	16.502	273.014	9.981	283.404	(10.390)	281.353	2.051
Other Business Expenses	32.751	33.408	(0.657)	34.579	(1.171)	35.946	(1.367)	37.492	(1.546)
Total Non-Labor Expenses	\$1,098.780	\$1,077.925	\$20.855	\$1,104.127	(\$26.202)	\$1,158.661	(\$54.534)	\$1,209.340	(\$50.679)
Other Expense Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$5,161.369	\$5,379.402	(\$218.033)	\$5,626.890	(\$247.488)	\$5,858.564	(\$231.674)	\$6,110.217	(\$251.653)
Depreciation	912.200	986.800	(74.600)	1,060.400	(73.600)	1,139.500	(79.100)	1,221.700	(82.200)
Total Expenses	\$6,073.569	\$6,366.202	(\$292.633)	\$6,687.290	(\$321.088)	\$6,998.064	(\$310.774)	\$7,331.917	(\$333.853)
Baseline Net Surplus/(Deficit)	(\$2,492.452)	(\$2,837.772)	(\$345.320)	(\$3,110.829)	(\$273.057)	(\$3,362.966)	(\$252.137)	(\$3,636.787)	(\$273.821)
Program to Eliminate the Gap	16.502	124.254	107.752	256.385	132.131	234.438	(21.947)	288.949	54.511
Increase Express Bus Fare	0.000	19.470	19.470	19.985	0.515	19.985	0.000	19.985	0.000
Net Surplus/(Deficit)	(\$2,475.950)	(\$2,694.048)	(\$218.098)	(\$2,834.459)	(\$140.411)	(\$3,108.543)	(\$274.084)	(\$3,327.853)	(\$219.310)

MTA New York City Transit
July Financial Plan 2005 - 2008
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2004	2005	Change 2005-2004	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007
<u>Receipts</u>									
Farebox Revenue	\$2,563.184	\$2,595.358	\$32.174	\$2,628.735	\$33.377	\$2,679.569	\$50.834	\$2,701.332	\$21.763
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:									
Fare Reimbursement	103.766	103.766	0.000	103.766	0.000	103.766	0.000	103.766	0.000
Paratransit Reimbursement	37.307	39.990	2.683	46.411	6.421	54.750	8.339	63.128	8.378
Other	223.736	90.256	(133.480)	93.262	3.006	93.662	0.400	94.062	0.400
Total Other Operating Revenue	364.809	234.012	(130.797)	243.439	9.427	252.178	8.739	260.956	8.778
Capital and Other Reimbursements	785.328	716.969	(68.359)	707.083	(9.886)	717.273	10.190	733.843	16.570
Total Receipts	\$3,713.321	\$3,546.339	(\$166.982)	\$3,579.257	\$32.918	\$3,649.020	\$69.763	\$3,696.131	\$47.111
<u>Expenditures</u>									
Labor:									
Payroll	2,674.073	2,703.696	(29.622)	2,759.631	(55.936)	2,823.044	(63.413)	2,894.849	(71.805)
Overtime	248.667	243.185	5.481	251.502	(8.316)	254.112	(2.610)	261.898	(7.786)
Total Salaries & Wages	2,922.740	2,946.881	(24.141)	3,011.133	(64.252)	3,077.156	(66.023)	3,156.747	(79.591)
Health and Welfare	549.257	627.170	(77.913)	685.749	(58.579)	749.345	(63.596)	818.442	(69.097)
Pensions	214.896	320.271	(105.375)	507.261	(186.990)	570.928	(63.667)	627.593	(56.665)
Other Fringe Benefits	270.801	263.212	7.589	268.796	(5.584)	273.919	(5.123)	280.087	(6.168)
Total Fringe Benefits	1,034.954	1,210.653	(175.699)	1,461.806	(251.153)	1,594.192	(132.386)	1,726.122	(131.930)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$3,957.694	\$4,157.534	(\$199.840)	\$4,472.939	(\$315.405)	\$4,671.348	(\$198.409)	\$4,882.869	(\$211.521)
Non-Labor:									
Traction and Propulsion Power	114.198	123.250	(9.052)	123.349	(0.099)	124.083	(0.734)	124.642	(0.559)
Fuel for Buses and Trains	70.659	58.201	12.458	55.336	2.865	56.261	(0.925)	57.771	(1.510)
Insurance	27.864	26.427	1.437	26.850	(0.423)	27.406	(0.556)	28.014	(0.608)
Claims	53.950	61.086	(7.136)	62.599	(1.513)	64.511	(1.912)	67.734	(3.223)
Paratransit Service Contracts	142.616	169.512	(26.896)	199.794	(30.282)	240.863	(41.069)	283.821	(42.958)
Mtce. and Other Operating Contracts	229.378	205.307	24.071	211.352	(6.045)	213.465	(2.113)	214.979	(1.514)
Professional Service Contracts	105.413	86.282	19.131	84.371	1.911	83.962	0.409	85.959	(1.997)
Materials & Supplies	290.566	277.423	13.143	269.514	7.909	279.904	(10.390)	277.853	2.051
Other Business Expenditures	32.751	33.407	(0.656)	34.578	(1.171)	35.945	(1.367)	37.492	(1.547)
Total Non-Labor Expenditures	\$1,067.395	\$1,040.895	\$26.500	\$1,067.743	(\$26.848)	\$1,126.400	(\$58.657)	\$1,178.265	(\$51.865)
Other Expenditure Adjustments:									
Other	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$5,025.089	\$5,198.429	(\$173.340)	\$5,540.682	(\$342.253)	\$5,797.748	(\$257.066)	\$6,061.134	(\$263.386)
Baseline Net Cash Deficit	(\$1,311.768)	(\$1,652.090)	(\$340.322)	(\$1,961.425)	(\$309.335)	(\$2,148.728)	(\$187.303)	(\$2,365.003)	(\$216.275)
Program to Eliminate the Gap	16.502	124.254	107.752	256.385	132.131	234.438	(21.947)	288.949	54.511
Increase Express Bus Fare	0.000	19.470	19.470	19.985	0.515	19.985	0.000	19.985	0.000
Net Cash Deficit	(\$1,295.266)	(\$1,508.366)	(\$213.100)	(\$1,685.055)	(\$176.689)	(\$1,894.305)	(\$209.250)	(\$2,056.069)	(\$161.764)

MTA New York City Transit
July Financial Plan 2005 - 2008
Ridership/Traffic Volume (Utilization)
(in millions)

	2003 Actuals	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
Subway	1,384.069	1,426.894	1,442.403	1,459.820	1,479.918	1,497.058
Bus	735.263	751.464	760.200	768.982	778.761	787.179
Paratransit*	3.564	4.093	4.711	5.418	6.230	7.165
Baseline Total Ridership	2,122.896	2,182.451	2,207.314	2,234.220	2,264.909	2,291.402
Impact of:						
Program to Eliminate the Gap	0.000	0.000	(11.258)	(50.309)	(50.309)	(50.309)
Increase Express Bus Fare	0.000	0.000	(0.574)	(0.574)	(0.574)	(0.574)
Total Ridership	2,122.896	2,182.451	2,195.482	2,183.337	2,214.026	2,240.519

* Paratransit ridership includes guests and personal care attendants.

MTA New York City Transit
2004-2008 Financial Plan
Summary of Major Plan-to-Plan Changes-Baseline Narrative

2004: July Financial Plan vs. February Financial Plan

Revenue Changes

- Fare media liability (expired MetroCard revenue) is projected to increase by \$11.6 million due to a re-estimate of revenue received for fare media projected not to be utilized.
- Capital reimbursements improve by \$5.8 million due to a change in mix and timing of reimbursable projects.
- Farebox revenue re-estimate resulting in an improvement of \$3.4 million.

Expense Changes

- Bus fuel expenses are projected to grow by \$22.2 million, due to significant fuel price increases.
- Depreciation expenses increase \$17.0 million, due to a re-estimate of capital assets reaching beneficial use.
- \$11.0 million of expenses originally planned for 2003 are now projected to be incurred in 2004.
- Electric power expenses increase by \$5.5 million, due to a NYPA price increase effective April 1, 2004.
- Health & welfare costs are projected to decrease by \$18.8 million due to a reassessment of costs and usage.
- Public liability “claims” expenses are reduced by \$5.0 million based upon a reassessment of reserve requirements.
- Bus depot material requirements increase by \$5.1 million.

Cash Adjustments

- Fare media/farebox revenue cash timing adjustments of \$(8.0) million.
- WTC insurance reimbursement increase of \$7.9 million.
- Offset to non-cash depreciation expense increase of \$17.0 million.
- Offset to non-cash claims expense decrease of \$(5.0) million.
- 2003 cash timing adjustments affecting 2004 of \$15.2 million.

2005: July Financial Plan vs. February Financial Plan

Revenue Changes

- Fare media liability (expired MetroCard revenue) is projected to increase by \$13.1 million, due to a re-estimate of revenue received for fare media projected not to be utilized.
- Farebox revenue re-estimate resulting in a decrease of \$4.5 million.

Expense Changes

- Bus fuel expenses are projected to grow by \$8.0 million, due to significant fuel price increases arising in 2004.
- Depreciation expenses increase \$21.3 million, due to a re-estimate of capital assets reaching beneficial use.
- Electric power expenses increase \$16.1 million, due to NYPA price increases effective April 1, 2004 (6.5%) and January 1, 2005 (5.3%).
- Health & welfare costs increase by \$19.7 million, due to revised inflation assumptions.
- Health & welfare costs are projected to decrease by \$22.4 million, due to a reassessment of costs and usage.
- Excess employee/average pay rates/attrition/hiring assumptions were re-estimated resulting in an expense reduction of \$20.0 million.
- Public liability "claims" expenses were reduced by \$5.0 million based upon a reassessment of reserve requirements.
- Bus depot material requirements increase \$4.4 million.
- Automated fare control maintenance requirements increase \$5.7 million.

Cash Adjustments

- Offset to non-cash depreciation expense increase of \$21.3 million.
- Offset to non-cash claims expense decrease of \$(5.0) million.

2006: July Financial Plan vs. February Financial Plan

Revenue Changes

- Fare media liability (expired MetroCard revenue) is projected to increase by \$12.7 million due to a re-estimate of revenue received for fare media projected not to be utilized.
- Farebox revenue re-estimate resulting in an increase of \$4.4 million.
- Capital reimbursements decrease by \$4.3 million, due to change in mix and timing of reimbursable projects.

Expense Changes

- Depreciation expenses increase \$24.7 million, due to a re-estimate of capital assets reaching beneficial use.
- Electric power expenses increase \$16.1 million, due to NYPA price increases effective April 1, 2004 (6.5%) and January 1, 2005 (5.3%).
- Health & welfare costs increase by \$27.2 million, due to revised inflation assumptions.

- Health & welfare costs are projected to decrease by \$23.6 million, due to a reassessment of costs and usage.
- Excess employee/average pay rates/attrition/hiring assumptions were re-estimated resulting in an expense reduction of \$17.9 million.
- Other inflation adjustments are projected to reduce expenses by \$35.7 million, due largely to revised salary & wage inflation assumptions.
- Public liability “claims” expenses are reduced by \$5.0 million based upon a reassessment of reserve requirements.
- Bus depot material requirements increase \$4.4 million.
- Automated fare control maintenance requirements increase \$5.6 million.

Cash Adjustments

- Offset to non-cash depreciation expense increase of \$24.7 million.
- Offset to non-cash claims expense decrease of \$(5.0) million.

2007: July Financial Plan vs. February Financial Plan

Revenue Changes

- Fare media liability (expired MetroCard revenue) is projected to increase by \$13.0 million due to a re-estimate of revenue received for fare media projected not to be utilized.
- Farebox revenue re-estimate resulting in an increase of \$4.9 million.
- Capital reimbursements decrease by \$9.3 million, due to change in mix and timing of reimbursable projects.

Expense Changes

- Depreciation expenses increase \$28.1 million, due to a re-estimate of capital assets reaching beneficial use.
- Electric power expenses increase \$16.2 million, due to a NYPA price increase effective April 1, 2004.
- Health & welfare costs increase by \$35.6 million, due to revised inflation assumptions.
- Health & welfare costs are projected to decrease by \$26.7 million, due to a reassessment of costs and usage.
- Excess employee/average pay rates/attrition/hiring assumptions were re-estimated resulting in an expense reduction of \$18.2 million.
- Other inflation adjustments are projected to reduce expenses by \$61.4 million, due largely to revised salary & wage inflation assumptions.
- Public liability “claims” expenses are reduced by \$5.0 million based upon a reassessment of reserve requirements.
- Bus depot material requirements increase \$4.4 million.
- Automated fare control maintenance requirements increase \$5.6 million.

Cash Adjustments

- Fare media/farebox revenue cash timing adjustments of \$15.7 million.
- Offset to non-cash depreciation expense increase of \$28.1 million.
- Offset to non-cash claims expense decrease of \$(5.0) million.

Other Assumptions

Total Non-reimbursable and Reimbursable Positions

- Year-over-year, there were no significant changes in positions by department caused by re-estimates of expenses and revenues.

Ridership/Utilization

- Annual improvements in subway/bus ridership are based largely on Global Insight's forecasted growth in NYC employment as follows: 2005-1.37%, 2006-1.44%, 2007-1.25%, and 2008-0.88%.
- Annual improvements in paratransit ridership are based on assumed annual growth rates of 15% consistent with current ridership growth.

MTA New York City Transit
July Financial Plan 2005 - 2008
Summary of Changes Between Financial Plans by Category
(\$ in millions)

NON-REIMBURSABLE

	2004	2005	2006	2007
2004 February Financial Plan - Operating Cash Income/(Deficit)	(\$1,316.995)	(\$1,632.959)	(\$1,930.199)	(\$2,112.643)
Changes:				
Revenue				
Farebox Revenue- Bus, Subway and Paratransit	3.399	(4.494)	4.367	4.924
Farebox Media Liability- Expired Card Value	11.600	13.100	12.700	13.000
Other Operating Revenue	0.865	(0.008)	0.494	(0.546)
Year End 2003 Results Timing	(0.396)	0.000	0.000	0.000
Other	0.031	0.016	0.050	0.049
Sub-Total Revenue Changes	\$15.499	\$8.614	\$17.611	\$17.427
Expenses				
Bus Fuel Inflation	(22.153)	(8.028)	(1.435)	(0.953)
Power (NYPA) Rate Increase	(5.500)	(16.080)	(16.081)	(16.173)
Health & Welfare Inflation Change	4.329	(19.704)	(27.184)	(35.624)
Depreciation Reestimate	(17.000)	(21.300)	(24.700)	(28.100)
Year End 2003 Results Timing	(10.960)	0.000	0.000	0.000
Excess Employee/Base Pay Reestimate	0.000	20.028	17.915	18.190
Health & Welfare Cost/Usage Reestimates	18.784	22.419	23.637	26.688
Other Inflation Adjustments	0.000	2.960	35.655	61.382
Claims Reserve Reestimate	5.000	5.000	5.000	5.000
Bus Depot Material Requirements	(5.100)	(4.419)	(4.419)	(4.419)
Automated Fare Control Maintenance	0.000	(5.716)	(5.616)	(5.616)
Other New Maintenance Requirements	(0.558)	(4.428)	(4.392)	(4.155)
Other New Needs	(2.062)	(5.378)	(3.604)	(3.604)
Power Usage	(3.915)	(3.915)	(3.915)	(3.915)
Subway Car Floor Program	0.000	(3.504)	(6.139)	0.031
Subway Car Scheduled Maintenance Systems	0.000	(0.889)	(3.057)	(1.037)
Vacation Cash-In	(6.000)	0.000	0.000	0.000
Telephone/Data Communications	4.433	1.350	1.350	1.350
UTS Training Dispatchers	(0.928)	0.000	0.000	0.000
Signal Flagging Overtime	(1.290)	0.000	0.000	0.000
Paratransit Reestimate	2.927	4.165	4.691	5.227
Bus Base Pay	2.799	0.000	0.000	0.000
Bus Shop Reestimate	(1.000)	0.000	0.000	0.000
OA Pension Prepayments-Interest Savings	2.822	2.807	0.000	0.000
Electronic Maintenance Overtime/Material	(3.742)	0.000	0.000	0.000
Bus Supervisor Overtime	(1.127)	(1.207)	(1.207)	(1.207)
Uniform Reestimate	1.594	1.730	(1.188)	(1.188)
Bus Shuttle Maintenance	(1.268)	(1.401)	(1.401)	(1.401)
R-160 Crew and Maintenance Training	0.000	1.751	(0.551)	(1.200)
Clean Fuel Bus Costs	0.000	0.982	0.006	0.006
Other Reestimates	0.915	2.467	1.309	(1.294)
Sub-Total Expense Changes	(\$39.000)	(\$30.310)	(\$15.326)	\$7.988
Cash Adjustments:				
Revenue				
Fare Media Liability/Fare Revenue	(8.000)	3.100	3.400	15.700
WTC Insurance Reimbursement	7.900	0.000	0.000	0.000
Expense				
Depreciation	17.000	21.300	24.700	28.100
Eliminate Health & Welfare Deposit Requirement	1.200	0.000	0.000	0.000
Year End 2003 Results Timing	8.056	0.000	0.000	0.000
Claims Reserve Reestimate	(5.000)	(5.000)	(5.000)	(5.000)
Payroll Cash Flow Timing/Other	(1.627)	(0.726)	(0.910)	(0.807)
Sub-Total Cash Adjustment Changes	\$19.529	\$18.674	\$22.190	\$37.993
Total Baseline Changes	(\$3.972)	(\$3.022)	\$24.475	\$63.408
Program to Eliminate the Gap	16.502	124.254	256.385	234.438
Increase Express Bus Fare	0.000	19.470	19.985	19.985
Eliminate 2004 Budget Additional Agency PEG	0.000	(25.400)	(49.600)	(92.100)
Total Changes	\$12.530	\$115.302	\$251.245	\$225.731
2004 July Financial Plan - Operating Cash Income/(Deficit)	(\$1,304.465)	(\$1,517.657)	(\$1,678.954)	(\$1,886.912)

MTA New York City Transit
July Financial Plan 2005 - 2008
Summary of Changes Between Financial Plans by Category
(\$ in millions)

REIMBURSABLE

	2004	2005	2006	2007
2004 February Financial Plan - Operating Cash Income/(Deficit)	\$3.662	\$8.146	(\$7.265)	(\$8.446)
<i>Changes:</i>				
Revenue				
Capital Reimbursements	5.848	1.115	(4.253)	(9.272)
Sub-Total Revenue Changes	\$5.848	\$1.115	(\$4.253)	(\$9.272)
Expenses	(5.848)	(1.115)	4.253	9.272
Sub-Total Expense Changes	(\$5.848)	(\$1.115)	\$4.253	\$9.272
Cash Adjustments:				
Revenue				
Capital Reimbursements	(1.599)	1.145	1.164	1.053
Year End 2003 Results Timing	7.136	0.000	0.000	0.000
Expense	0.000	0.000	0.000	0.000
Sub-Total Cash Adjustment Changes	\$5.537	\$1.145	\$1.164	\$1.053
Total Baseline Changes	\$5.537	\$1.145	\$1.164	\$1.053
Programmatic New Needs	0.000	0.000	0.000	0.000
Program to Eliminate the Gap	0.000	0.000	0.000	0.000
Total Changes	\$5.537	\$1.145	\$1.164	\$1.053
2004 July Financial Plan - Operating Cash Income/(Deficit)	\$9.199	\$9.291	(\$6.101)	(\$7.393)

MTA New York City Transit
July Financial Plan 2005 - 2008
Summary of Changes Between Financial Plans by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2004	2005	2006	2007
2004 February Financial Plan - Operating Cash Income/(Deficit)	(\$1,313.333)	(\$1,624.813)	(\$1,937.464)	(\$2,121.089)
Changes:				
Revenue				
Farebox Revenue- Bus, Subway and Paratransit	3.399	(4.494)	4.367	4.924
Farebox Media Liability- Expired Card Value	11.600	13.100	12.700	13.000
Other Operating Revenue	0.865	(0.008)	0.494	(0.546)
Year End 2003 Results Timing	(0.396)	0.000	0.000	0.000
Capital Reimbursements	5.848	1.115	(4.253)	(9.272)
Other	0.031	0.016	0.050	0.049
Sub-Total Revenue Changes	\$21.347	\$9.729	\$13.358	\$8.155
Expenses				
Bus Fuel Inflation	(22.153)	(8.028)	(1.435)	(0.953)
Power (NYPA) Rate Increase	(5.500)	(16.080)	(16.081)	(16.173)
Health & Welfare Inflation Change	4.329	(19.704)	(27.184)	(35.624)
Depreciation Reestimate	(17.000)	(21.300)	(24.700)	(28.100)
Year End 2003 Results Timing	(10.960)	0.000	0.000	0.000
Other Inflation Adjustments	0.000	2.960	35.655	61.382
Excess Employee/Base Pay Reestimate	0.000	20.028	17.915	18.190
Health & Welfare Cost/Usage Reestimates	18.784	22.419	23.637	26.688
Claims Reserve Reestimate	5.000	5.000	5.000	5.000
Bus Depot Material Requirements	(5.100)	(4.419)	(4.419)	(4.419)
Automated Fare Control Maintenance	0.000	(5.716)	(5.616)	(5.616)
Other New Maintenance Requirements	(0.558)	(4.428)	(4.392)	(4.155)
Other New Needs	(2.062)	(5.378)	(3.604)	(3.604)
Power Usage	(3.915)	(3.915)	(3.915)	(3.915)
Subway Car Floor Program	0.000	(3.504)	(6.139)	0.031
Subway Car Scheduled Maintenance Systems	0.000	(0.889)	(3.057)	(1.037)
Reimbursable Expenses	(5.848)	(1.115)	4.253	9.272
Vacation Cash-In	(6.000)	0.000	0.000	0.000
Telephone/Data Communications	4.433	1.350	1.350	1.350
UTS Training Dispatchers	(0.928)	0.000	0.000	0.000
Signal Flagging Overtime	(1.290)	0.000	0.000	0.000
Paratransit Reestimate	2.927	4.165	4.691	5.227
Bus Base Pay	2.799	0.000	0.000	0.000
Bus Shop Reestimate	(1.000)	0.000	0.000	0.000
OA Pension Prepayments-Interest Savings	2.822	2.807	0.000	0.000
Electronic Maintenance Overtime/Material	(3.742)	0.000	0.000	0.000
Bus Supervisor Overtime	(1.127)	(1.207)	(1.207)	(1.207)
Uniform Reestimate	1.594	1.730	(1.188)	(1.188)
Bus Shuttle Maintenance	(1.268)	(1.401)	(1.401)	(1.401)
R-160 Crew and Maintenance Training	0.000	1.751	(0.551)	(1.200)
Clean Fuel Bus Costs	0.000	0.982	0.006	0.006
Other Reestimates	0.915	2.467	1.309	(1.294)
Sub-Total Expense Changes	(\$44.848)	(\$31.425)	(\$11.073)	\$17.260
Cash Adjustments:				
Revenue				
Fare Media Liability/Fare Revenue	(8.000)	3.100	3.400	15.700
WTC Insurance Reimbursement	7.900	0.000	0.000	0.000
Expense				
Depreciation	17.000	21.300	24.700	28.100
Capital & Other Reimbursements	(1.599)	1.145	1.164	1.053
Eliminate Health & Welfare Deposit Requirement	1.200	0.000	0.000	0.000
Year-End 2003 Results Timing	15.192	0.000	0.000	0.000
Claims Reserve Reestimate	(5.000)	(5.000)	(5.000)	(5.000)
Payroll Cash Flow Timing/Other	(1.627)	(0.726)	(0.910)	(0.807)
Sub-Total Cash Adjustment Changes	\$25.066	\$19.819	\$23.354	\$39.046
Total Baseline Changes	\$1.565	(\$1.877)	\$25.639	\$64.461
Program to Eliminate the Gap	16.502	124.254	256.385	234.438
Increase Express Bus Fare	0.000	19.470	19.985	19.985
Eliminate 2004 Budget Additional Agency PEG	0.000	(25.400)	(49.600)	(92.100)
Total Changes	\$18.067	\$116.447	\$252.409	\$226.784

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MTA New York City Transit
July Financial Plan 2005 - 2008
Summary of the Programs to Eliminate the Gap
(\$ in millions)

Favorable/(Unfavorable)

LIST of PROGRAMS

Administration:

	2004		2005		2006		2007		2008	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
Subways Senior Vice President (SVP) Administrative Reductions	-	\$.000	2	\$.165	2	\$.165	2	\$.165	2	\$.165
Perform Fewer Track Gap Measurements	-	\$.000	-	\$.162	-	\$.162	-	\$.162	-	\$.162
Maintenance of Way (MOW) Administrative Reductions	-	\$.000	16	\$1.365	16	\$1.365	16	\$1.365	16	\$1.365
Car Equipment Operations Support Reduction	-	\$.000	14	\$1.008	14	\$1.008	14	\$1.008	14	\$1.008
Elevator & Escalator Personnel Reduction	-	\$.000	6	\$.433	6	\$.433	6	\$.433	6	\$.433
Electro-Mechanical Personnel Reduction	-	\$.000	3	\$.151	3	\$.151	3	\$.151	3	\$.151
Infrastructure Capital Construction Reduction	-	\$.000	1	\$.114	1	\$.114	1	\$.114	1	\$.114
Infrastructure Replace Hourlies with Clericals	-	\$.000	-	\$.068	-	\$.068	-	\$.068	-	\$.068
Signals 2 Position Reduction	-	\$.000	2	\$.228	2	\$.228	2	\$.228	2	\$.228
Apprenticeship Program	45	\$.975	60	\$2.437	74	\$2.862	74	\$3.076	74	\$3.076
Buses Administrative Support Reductions	-	\$.000	21	\$1.900	21	\$1.900	21	\$1.900	21	\$1.900
Buses Depot Superintendent Reductions	-	\$.000	4	\$.426	4	\$.464	4	\$.464	4	\$.464
Reduce Outside Counsel Fees	-	\$.000	(4)	\$.891	(4)	\$.891	(4)	\$.891	(4)	\$.891
Reduce Law Staff	-	\$.000	4	\$.456	4	\$.452	4	\$.452	4	\$.452
Reduce Law Other Than Personal Services (OTPS) & Other Expenses	-	\$.000	-	\$1.535	-	\$1.485	-	\$1.485	-	\$1.485
Reduce Office of the Executive Vice President (EVP) Staff	1	\$.071	2	\$.390	2	\$.390	2	\$.390	2	\$.390
Phase out Tuition Reimbursement Program	-	\$.000	1	\$.363	1	\$.666	1	\$.666	1	\$.666
Eliminate Apprenticeship Program	6	\$.259	7	\$.616	8	\$.711	8	\$.759	8	\$.759
Reduce Human Resources Positions & Other Than Personal Services (OTPS)	-	\$.000	7	\$.581	8	\$.694	8	\$.694	8	\$.694
Token Scrap Revenue	-	\$.500	-	\$.000	-	\$.000	-	\$.000	-	\$.000
Reduce Office of Management & Budget (OMB) Staff	1	\$.213	1	\$.123	1	\$.123	1	\$.123	1	\$.123
Marketing, Administration and Other Savings	-	\$.000	4	\$1.979	4	\$1.979	4	\$1.979	4	\$1.979
Reduce Technology & Information Systems (TIS) Staffing	-	\$.262	23	\$2.509	23	\$2.509	23	\$2.509	23	\$2.509
Technology & Information Systems Efficiency/Productivity Savings	-	\$.262	(1)	\$.680	(1)	\$.680	(1)	\$.680	(1)	\$.680
Electronics Maintenance Division Span of Control Savings	-	\$.000	28	\$2.630	28	\$2.630	28	\$2.630	28	\$2.630
Reduce Automated Fare Control (AFC) Back-Office Staff	-	\$.000	3	\$.257	3	\$.257	3	\$.257	3	\$.257
Fringe Benefit Reforecast - Health & Welfare Management Action	-	\$11.800	-	\$11.800	-	\$11.800	-	\$11.800	-	\$11.800
Reduce Normal Replacement Costs of Data Processing Equipment	-	\$.000	-	\$3.518	-	\$.000	-	\$.000	-	\$.000
Reduce Employee Recognition Program Positions	-	\$.000	5	\$.447	5	\$.447	5	\$.447	5	\$.447
Warehouse Inventory Cycle Count Savings	-	\$.100	-	\$.150	-	\$.150	-	\$.150	-	\$.150
Reduce Materiel Positions & Other Than Personal Services (OTPS)	1	\$.248	11	\$1.132	11	\$1.132	11	\$1.132	11	\$1.132
Reduce Controller's Staff & Overtime	-	\$.000	5	\$.502	5	\$.502	5	\$.502	5	\$.502
Reduce Paratransit Administration Staff	-	\$.000	8	\$.653	8	\$.653	8	\$.653	8	\$.653
Sub-Total Administration	54	\$14.690	233	\$39.669	249	\$37.071	249	\$37.333	249	\$37.333

Customer Convenience & Amenities:

Work Experience Program (WEP) Program Reduction	-	\$.000	9	\$1.287	9	\$1.287	9	\$1.287	9	\$1.287
Eliminate Cleaner Vacancies	-	\$.000	-	\$1.247	-	\$1.247	-	\$1.151	-	\$1.151
Reduce Station Operations Support Unit	-	\$.000	2	\$.155	2	\$.155	2	\$.155	2	\$.155
Station Automation Plan	-	(\$4.000)	620	\$8.301	620	\$29.455	620	\$29.455	620	\$29.455
Reduce Training Float in Stations	-	\$.000	11	\$.652	11	\$.652	11	\$.652	11	\$.652
Depot Cleaner Reductions	-	\$.000	20	\$1.134	20	\$1.134	20	\$1.134	20	\$1.134
Encode Time and Value on MetroCards	-	\$.000	1	\$.376	1	\$.706	1	\$.706	1	\$.706
Reduce/Eliminate Customer Service Programs	-	\$.000	8	\$.598	8	\$.598	8	\$.598	8	\$.598
Sub-Total Customer Convenience & Amenities	-	(\$4.000)	671	\$13.750	671	\$35.234	671	\$35.138	671	\$35.138

MTA New York City Transit
July Financial Plan 2005 - 2008
Summary of the Programs to Eliminate the Gap
(\$ in millions)

	Favorable/(Unfavorable)									
	2004		2005		2006		2007		2008	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
<u>SERVICE</u>										
<u>Service Direct:</u>										
Subway Service Plan - G Line to Court Square 24x7	-	\$.000	12	\$ 1.029	12	\$ 1.211	12	\$ 1.211	12	\$ 1.211
Bus Service Plan - Guideline Based Adjustments	-	\$.000	23	\$ 2.273	23	\$ 2.481	23	\$ 2.481	23	\$ 2.481
Bus Service Plan - Off Peak Guidelines @ 100%/125% Seated Load ('05/'06 + beyond)	-	\$.000	647	\$38.415	1,094	\$73.475	1,094	\$73.475	1,094	\$73.475
Bus Service Plan - Average Rate and Availability Offset	-	\$.000	(28)	(\$13.573)	(86)	(\$25.443)	(86)	(\$25.443)	(86)	(\$25.443)
Subway Service Plan - Policy Headways Evenings and Weekends	-	\$.000	-	\$.000	72	\$6.092	72	\$6.092	72	\$6.092
Subway Service Plan - 30 Minute Overnight Headways	-	\$.000	-	(\$.000)	24	\$2.524	24	\$2.524	24	\$2.524
Subway Service Plan - 10% Service Cut	-	\$.000	-	(\$.000)	375	\$19.506	375	\$19.506	375	\$19.506
Bus Service Plan - Discontinue Local Routes with Low Cost-Recovery	-	\$.000	-	\$.000	690	\$47.490	690	\$47.490	690	\$47.490
Bus Service Plan - Discontinue Remaining Late Night Service	-	\$.000	-	\$.000	145	\$8.743	145	\$8.743	145	\$8.743
Sub-Total Service Direct	-	\$.000	654	\$28.144	2,349	\$136.079	2,349	\$136.079	2,349	\$136.079
<u>Service Spinoff:</u>										
Rapid Transit Operations Training Float Reduction	-	\$.000	27	\$5.031	2	\$ 1.841	2	\$.122	2	\$.122
Bus Dispatcher Reductions	-	\$.000	24	\$ 1.811	71	\$5.842	71	\$5.842	71	\$5.842
Bus Training Program Reductions	-	\$.000	76	\$5.667	73	\$5.970	73	\$4.929	39	\$2.738
Additional Bus Shop Maintenance Reductions	-	\$.000	-	\$.018	7	\$ 1.474	30	\$4.171	8	\$ 1.315
Bus Assistant General Superintendent Reductions	-	\$.000	2	\$.213	9	\$ 1.044	9	\$ 1.044	9	\$ 1.044
Bus Maintenance Support Reductions	-	\$.000	1	\$.106	2	\$.232	2	\$.232	2	\$.232
Bus Line Supervisor Reductions	-	\$.000	4	\$.308	18	\$ 1.512	18	\$ 1.512	18	\$ 1.512
Uniform and Footwear Savings	-	\$.520	-	\$.282	-	\$.775	-	\$.775	-	\$.775
Additional Bus Administrative Support Reductions	-	\$.000	-	\$.000	2	\$.195	2	\$.195	2	\$.195
Bus Shop Management/Supervisory Reductions	-	\$.000	-	\$.000	4	\$.368	4	\$.368	4	\$.368
Bus Transportation Command Center	-	\$.000	-	\$.000	3	\$.277	3	\$.277	3	\$.277
Eliminate Training and Employment Center Positions	-	\$.000	-	\$.000	3	\$.259	3	\$.259	3	\$.259
Reduce Labor Relations Field Operations Positions	-	\$.000	-	\$.000	3	\$.217	3	\$.217	3	\$.217
Sub-Total Service Spinoff	-	\$.520	134	\$13.436	197	\$20.006	220	\$19.943	164	\$14.896
<u>Service Support:</u>										
One Person Train Operation (OPTO) - G Line	-	\$.000	36	\$.365	36	\$2.190	36	\$2.190	36	\$2.190
One Person Train Operation (OPTO) - L Line	-	\$.000	71	\$3.154	71	\$4.204	71	\$4.204	71	\$4.204
Rapid Transit Operations (RTO) Support Reductions	-	\$.000	89	\$5.950	98	\$6.492	98	\$6.729	98	\$6.729
Traffic Checker Productivity Savings	-	\$.198	5	\$ 1.923	5	\$ 2.153	5	\$ 2.153	5	\$ 2.153
Eliminate Revenue Collections Booth Truck Crew	-	\$.000	5	\$.297	5	\$.297	5	\$.297	5	\$.297
Joint Coin/Bill Processing	-	\$.000	6	\$.275	6	\$.275	6	\$.275	6	\$.275
Sub-Total Service Support	-	\$.198	212	\$11.964	221	\$15.611	221	\$15.848	221	\$15.848
SUB-TOTAL SERVICE	-	\$.718	1,000	\$53.544	2,767	\$171.696	2,790	\$171.870	2,734	\$166.823

MTA New York City Transit
July Financial Plan 2005 - 2008
Summary of the Programs to Eliminate the Gap
(\$ in millions)

	Favorable/(Unfavorable)									
	2004		2005		2006		2007		2008	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
<u>Maintenance:</u>										
Worktrain Train Operator Savings	-	\$,000	9	\$,991	9	\$,991	9	\$,991	9	\$,991
Car Equipment Overtime & Night Differential Reductions	-	\$,000	-	\$,442	-	\$,442	-	\$,442	-	\$,442
Reschedule Car Equipment Facility Roof Repairs	-	\$,000	-	\$,000	-	\$,000	-	\$,000	-	\$,000
Concrete Work Support Reduction	-	\$,000	3	\$,209	3	\$,209	3	\$,209	3	\$,209
Booth Heating Ventilation & Air Conditioning (HVAC) Maintenance Reduction	-	\$,000	27	\$,917	27	\$,917	27	\$,917	27	\$,917
Close Work Train Operations at 207th St. Yard	-	\$,000	15	\$,008	15	\$,008	15	\$,008	15	\$,008
Eliminate Emergency Generator Maintenance Investment	-	\$,000	2	\$,138	2	\$,138	2	\$,138	2	\$,138
Reduce Production Equipment Maintenance	-	\$,000	11	\$,806	11	\$,806	11	\$,806	11	\$,806
Track Geometry Car Thermal Imaging Readings Reduction	-	\$,000	1	\$,070	1	\$,070	1	\$,070	1	\$,070
Track Surfacing Support Reduction	-	\$,000	4	\$,259	4	\$,259	4	\$,259	4	\$,259
Emergency Alarm Maintenance Cycle Extension	-	\$,000	7	\$,439	7	\$,439	7	\$,439	7	\$,439
Increase Bus Shop Maintenance to a 4 Year Cycle	-	\$5,094	49	\$3,642	54	(\$,265)	(132)	(\$27,970)	117	\$22,802
Reduce Amsterdam Annex Quota	-	\$,000	25	\$1,693	25	\$1,693	25	\$1,693	25	\$1,693
Central Maintenance Facility Management/Supervisory Reductions	-	\$,000	11	\$,967	11	\$,967	11	\$,967	11	\$,967
Electronics Maintenance Division Other Than Personal Services (OTPS) Reductions	-	\$,000	-	\$1,050	-	\$1,050	-	\$1,050	-	\$1,050
Reduce Warehousing Costs	-	\$,000	12	\$1,931	12	\$1,931	12	\$1,931	12	\$1,931
Sub-Total Maintenance	-	\$5,094	176	\$16,562	181	\$11,655	(5)	(\$16,050)	244	\$34,722
<u>Other:</u>										
Office of System Safety Savings Plan	-	\$,000	5	\$,412	5	\$,412	5	\$,412	5	\$,412
Reduce Contracted Security Services at New Revenue Facility	-	\$,000	-	\$,317	-	\$,317	-	\$,317	-	\$,317
Sub-Total Other	-	\$,000	5	\$,729	5	\$,729	5	\$,729	5	\$,729
Total PEGS	54	\$16,502	2,085	\$124,254	3,873	\$256,385	3,710	\$229,020	3,903	\$274,745
<i>Unspecified Reductions</i>	-	\$,000	-	\$,000	-	\$,000	-	\$5,418	-	\$14,204
Total Reductions	54	\$16,502	2,085	\$124,254	3,873	\$256,385	3,710	\$234,438	3,903	\$288,949

¹ Reflects the impact of amendments on year-end positions.

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**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Subways Senior Vice President - Administrative Reductions

Background Details:	In 2004, the Senior Vice President's Office had 40 non-reimbursable positions in the Administration and Finance unit, including 21 Professional, Technical and Engineering positions.
----------------------------	---

PEG Description/Implementation Plan:	This proposal eliminates two analyst positions from Administration and Finance. One position was assigned to the Unified Timekeeping System (UTS) project to install, train and support end-users of UTS (an automated timekeeping, pick, crew and local personnel management system. The second position was assigned to Financial Control. There will be no impact as a result of this reduction.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.165	\$0.165	\$0.165	\$0.165
Total Reduction in Positions Required	0	2	2	2	2
Current Vacancies	4	4	4	4	4
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Perform Fewer Track Gap Measurements

Background Details:	Gap measurements are performed by engineering personnel in order to ensure that spaces between cars and platform edges are within specified limits. Currently gap measurements are taken every two years. This work is currently performed on overtime.
----------------------------	---

PEG Description/Implementation Plan:	With this proposal, gap measurements will be performed only when there is either a change to the track configuration or platform, or as a result of a specific safety concern. No adverse impact is anticipated.
---	--

PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005
---------------------------------	----------	--------------------------------------	----------

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.162	\$0.162	\$0.162	\$0.162
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Maintenance of Way (MOW) - Administrative Reductions

Background Details:	MOW Administration provides support for the divisions of track, infrastructure, electrical, and electronics maintenance. In 2004, there were a total of 103 non-reimbursable positions. Elimination of 16 positions represents a 16% reduction.
----------------------------	---

PEG Description/Implementation Plan:	MOW Administration will reduce 16 non-reimbursable positions from its staffing level. The reductions includes positions transferred as part of the Technology and Information Systems /Metro Card Operations reorganization, as well as existing positions from Administration and Personnel, Finance, Safety and the MOW Operations Center.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

Financial Impact (Operating)
Net Savings (in millions)

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
Net Savings (in millions)	\$0.000	\$1.365	\$1.365	\$1.365	\$1.365

Total Reduction in Positions Required

0 16 16 16 16

Current Vacancies

16 16 16 16 16

Impact on Operations:

Ridership Per Week (in thousands)
Mean Distance Between Failure
On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Car Equipment Operations Support Reduction

Background Details:	Operation Support positions in Car Equipment perform central and field office administrative work, as well as engineering and quality assurance functions.
----------------------------	--

PEG Description/Implementation Plan:	This proposal will reduce 14 support positions from various areas within Car Equipment.		
PEG Implementation Date:	1-Jan-05	When will PEG savings begin?:	1-Jan-05

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$1.008	\$1.008	\$1.008	\$1.008

Total Reduction in Positions Required

0 14 14 14 14

Current Vacancies

3 3 3 3 3

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Elevator and Escalator Personnel Reduction

Background Details:	The positions are responsible for the planning and scheduling functions for the Elevator & Escalator and Hydraulics Sub-divisions in Infrastructure.
----------------------------	--

PEG Description/Implementation Plan:	This proposal will eliminate 2 hourly Elevator & Escalator (1 day/1 night) and 1 Professional Technical; 3 hourly Hydraulics positions (1 position per shift) for planning and scheduling. These functions will be absorbed by field supervision.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$0.433	\$0.433	\$0.433	\$0.433

Total Reduction in Positions Required

0 6 6 6 6

Current Vacancies

7 7 7 7 7

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Electro-Mechanical Personnel Reduction

Background Details: The clerical positions perform general office functions (answering telephones, filing, etc.). The cleaner is a dedicated position to perform the cleaning duties at Sands Street.

PEG Description/Implementation Plan: This proposal will eliminate 2 clerical positions in Engineering and Technical Field Support and Hydraulics, and the cleaner at Sands Street. The clerical work will be absorbed by remaining personnel and the cleaning duties will be performed other cleaners not dedicated to Sands Street.

PEG Implementation Date: 1/1/2005 **When will PEG savings begin?:** 1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.151	\$0.151	\$0.151	\$0.151
Total Reduction in Positions Required	0	3	3	3	3
Current Vacancies	(2)	(2)	(2)	(2)	(2)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Infrastructure Capital Construction Reduction

Background Details:	The Infrastructure Capital Construction (ICC) Sub-division performs in-house construction including but not limited to station rehabilitation projects. Although the workforce performing this work is reimbursable, the management oversight is non-reimbursable, since by accounting convention, it is captured in the overhead rate. There are currently 12 non-reimbursable field superintendents in ICC.
----------------------------	---

PEG Description/Implementation Plan:	This proposal will eliminate 1 of the 12 field superintendent positions in Infrastructure's Capital Construction unit. Work will be reassigned among the remaining managerial personnel.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$0.114	\$0.114	\$0.114	\$0.114

Total Reduction in Positions Required

0	1	1	1	1
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Current Vacancies

3	3	3	3	3
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Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Infrastructure Replace Hourlies with Clericals

Background Details:	These positions are assigned to office functions in Infrastructure's Elevator & Escalator and Hydraulics sections. They perform timekeeping, answer telephones and receive trouble calls for electro-mechanical equipment at locations city-wide.
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PEG Description/Implementation Plan:	This proposal will replace 3 hourly positions assigned to office functions in Infrastructure's Elevator & Escalator and Hydraulics subdivisions with 3 clerical positions. The hourly incumbents will be reassigned to field duties.
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PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005
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Financial Impact (Operating)
Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$0.068	\$0.068	\$0.068	\$0.068

Total Reduction in Positions Required

0 0 0 0 0

Current Vacancies

3 3 3 3 3

Impact on Operations:
Ridership Per Week (in thousands)
Mean Distance Between Failure
On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Signals - 2 Position Reduction

Background Details:	Superintendents are assigned various geographical areas throughout the system on a 24-hour, 7-day per week basis. These managers augment various trouble responses. In addition, they monitor the daily activities of their assigned personnel engaged in maintenance, testing and inspection of signal devices on the trackway.
----------------------------	--

PEG Description/Implementation Plan:	This proposal will increase the managerial span of control within Signals.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.228	\$0.228	\$0.228	\$0.228
Total Reduction in Positions Required	0	2	2	2	2
Current Vacancies	(1)	(1)	(1)	(1)	(1)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Modify Apprenticeship Program

Background Details:	This PEG assumes that the Apprentice Program will be modified such that new apprentice classes are reduced by 50% from the contractual level and limited to current incumbents only.
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PEG Description/Implementation Plan:	Beginning with the July 2004 apprentice class, limit the class and subsequent classes to 50% of the contractual level and include current employees only.		
PEG Implementation Date:	7/1/2004	When will PEG savings begin?:	7/1/2004

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.975	\$2.437	\$2.862	\$3.076	\$3.076
Total Reduction in Positions Required	45	60	74	74	74
Current Vacancies	(6)	(6)	(6)	(6)	(6)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Buses Administrative Support Reductions

Background Details:	Reduces administrative support positions.
----------------------------	---

PEG Description/Implementation Plan:	Eliminates 21 administrative support positions in the offices of Senior Vice President, Industrial Standards, Facilities, Transportation, Training and Operations Support.			
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008	
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$1.900	\$1.900	\$1.900	\$1.900	
Total Reduction in Positions Required	0	21	21	21	21	
Current Vacancies	0	(3)	(3)	(3)	(3)	(3)
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Buses Depot Superintendent Reductions

Background Details:	Each Borough will eliminate one general superintendent with the exception of Staten Island. Each depot has one general superintendent with administrative responsibilities.
----------------------------	---

PEG Description/Implementation Plan:	Beginning in February 2005, four superintendents located at the four smallest depots will be eliminated.		
PEG Implementation Date:	2/1/2005	When will PEG savings begin?:	2/1/2005

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$0.426	\$0.464	\$0.464	\$0.464

Total Reduction in Positions Required

Current Vacancies

0	4	4	4	4
(6)	(6)	(6)	(6)	(6)

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Reduce Outside Counsel Fees

Background Details:	Reduce outside counsel costs by staffing to budgeted levels for attorneys and increasing staff by hiring four new positions (3 attorneys and 1 administrative associate).
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PEG Description/Implementation Plan:	Positions scheduled to be filled effective January 2005 with the resulting savings spread over the remainder of the year.		
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05

Financial Impact (Operating)

Net Savings (in millions)

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
Net Savings (in millions)	\$0.000	\$0.891	\$0.891	\$0.891	\$0.891

Total Addition in Positions Required

Current Vacancies

Total Addition in Positions Required	0	(4)	(4)	(4)	(4)
Current Vacancies	1	1	1	1	1

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Reduce Law Staff

Background Details:	Reduce operating cost by reducing staff size (4 full time and 5 part time positions). In addition, overtime will be reduced.
----------------------------	--

PEG Description/Implementation Plan:	Excluding the reduction of the summer intern position (May and June of 2004), all other position reductions (4 full time and 5 part time Hearing Referees) will be effective as of January 2005. The full time positions are shown below. Unscheduled overtime will also be reduced beginning in January 2005.		
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.456	\$0.452	\$0.452	\$0.452
Total Reduction in Positions Required	0	4	4	4	4
Current Vacancies	5	5	5	5	5
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Reduce Law Other Than Personal Service & Other Expenses

Background Details:	Reduce operating expenses by discontinuing the use of outside professional services in the processing of medical exams, witness statements, note of issue reviews and summary of judgment notices. These functions will now be processed using in-house resources or contracting for consultants at lower rates. Operating cost will also be reduced by using computerized legal research programs as opposed to hardcopy services and discontinuing the storage of files on CD's. Additionally, NYCT is actively seeking the recovery of claims paid via No-Fault provisions from other parties.
----------------------------	---

PEG Description/Implementation Plan:	All initiatives are effective as of January 2005. The reduction of library costs in a one time savings measure (2005 only).			
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.535	\$1.485	\$1.485	\$1.485
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Reduce Office of the Executive Vice President's Staff

Background Details:	Reduce staff (clerical and managerial) within the Executive Vice-President's Office and reduce miscellaneous Other Than Personal Services to correspond with prior year's actual expenditures.
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PEG Description/Implementation Plan:	The clerical quota reduction takes effect as of January 2004. The managerial and Other Than Personal Service (OTPS) reductions are effective January 2005.
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PEG Implementation Date:	Jan-04	When will PEG savings begin?:	Jan-04
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Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.071	\$0.390	\$0.390	\$0.390	\$0.390

Total Reduction in Positions Required

1	2	2	2	2
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Current Vacancies

0	0	0	0	0
---	---	---	---	---

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Phase out Tuition Reimbursement Program

Background Details:	In the past few years the tuition reimbursement costs have escalated due to greater participation. In order to meet savings targets, Human Resources proposes to phase out the program entirely.
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PEG Description/Implementation Plan:	The elimination of this program is set to begin January 2005 and completed by EOY 2005.		
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$0.363	\$0.666	\$0.666	\$0.666

Total Reduction in Positions Required

0 1 1 1 1

Current Vacancies

(3) (3) (3) (3) (3)

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Eliminate Training Staff - Apprenticeship Program

Background Details:	Instructor positions may be eliminated as new apprentices will not be hired.
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PEG Description/Implementation Plan:	New apprentices were anticipated to start July 1, 2004. These apprentices will not be hired.		
PEG Implementation Date:	Jul-04	When will PEG savings begin?:	Jul-04

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.259	\$0.616	\$0.711	\$0.759	\$0.759
Total Reduction in Positions Required	6	7	8	8	8
Current Vacancies	(1)	(1)	(1)	(1)	(1)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Reduce Human Resources Positions & Other Than Personal Services

Background Details:	Reduce various Human Resources quota to meet savings target. Areas impacted include the elimination of the High School Intern Program and the elimination of the in-house production of training videos. Instead of producing training videos, vendor materials will be used. OTPS savings include reductions in outside training costs, civil service exam advertising fees, and background investigation fees.
----------------------------	--

PEG Description/Implementation Plan:	All reductions will begin January 2005 except for the elimination of an Administrative Manager that will begin in January 2006.		
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.581	\$0.694	\$0.694	\$0.694
Total Reduction in Positions Required	0	7	8	8	8
Current Vacancies	(7)	(7)	(7)	(7)	(7)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Token Scrap Revenue

Background Details:	Scrap revenue from obsolete subway tokens.
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PEG Description/Implementation Plan:	One time scrap revenue credit of \$500,000 for obsolete tokens.		
PEG Implementation Date:	Jan-04	When will PEG savings begin?:	Jan-04

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.500	\$0.000	\$0.000	\$0.000	\$0.000

Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies	0	0	0	0	0

Impact on Operations:
Ridership Per Week (in thousands)
Mean Distance Between Failure
On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Reduce Office of Management and Budget Staff

Background Details:	Reduce Office of Management and Budget Staff and maintain vacancies to meet savings target.
----------------------------	---

PEG Description/Implementation Plan:	One Manager's position will be reduced effective 2004, and hiring will be delayed for additional 2004 savings.		
PEG Implementation Date:	Jan-04	When will PEG savings begin?:	Jan-04

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.213	\$0.123	\$0.123	\$0.123	\$0.123
Total Reduction in Positions Required	1	1	1	1	1
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration

Program: Marketing, Administration and Other Savings

Background Details:	Eliminate quota vacancies in Marketing and Public Affairs, reduce Other Than Personal Services costs in Marketing, eliminate funding for the MTA General Advertising account, for specialty MetroCards and for outside temporary services used to process Metro Card claims. Increase the expected amount of revenue for programs such as Metro Card promotions, Co-Op Program and Poetry-in-Motion. Additionally, chargeback the MTA for all printing, bindery and mailing expenses incurred by Marketing in support of the Transit Museum.
----------------------------	--

PEG Description/Implementation Plan:	Budget reductions and increased revenue streams will start January 2005.			
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.979	\$1.979	\$1.979	\$1.979
Total Reduction in Positions Required	0	4	4	4	4
Current Vacancies	4	4	4	4	4
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration

Program: Reduce Technology and Information Systems Staffing

Background Details:	This program reduces a total of 23 positions starting in 2005, in a variety of areas: 1 in Internet Resources; 3 in Internal Controls; 5 in Applications; 7 in Administration; and 7 in Computing Service and Support. In addition, Technology and Information Systems is reducing approximately \$300,000 annually in overtime and night
----------------------------	---

PEG Description/Implementation Plan:	Position reduction is effective starting January 2005. Overtime and night differential savings begin in mid-2004				
PEG Implementation Date:	mid-2004	When will PEG savings begin?: mid-2004			

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008	
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.262	\$2.509	\$2.507	\$2.506	\$2.507	\$2.508

Total Reduction in Positions Required	0	23	23	23	23	
Current Vacancies	(15)	(15)	(15)	(15)	(15)	(15)

Impact on Operations:

Ridership Per Week (in thousands)
Mean Distance Between Failure
On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration

Program: Technology and Information Systems Efficiency/Productivity Savings

Background Details:	Investment of one position will result in savings regarding the Automated Fare Control Area Controller Maintenance. In addition, maintenance of SAS Software maintenance will be done by in-house staff; frequency of disaster recovery drills will be reduced from four times per year to two; and mainframe costs will be reduced as a result of decreased code inefficiencies.
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PEG Description/Implementation Plan:	Mid-2004			
PEG Implementation Date:	Jul-04	When will PEG savings begin?:	Jul-04	

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.262	\$0.680	\$0.680	\$0.680	\$0.680

Total Addition in Positions Required

0 (1) (1) (1) (1)

Current Vacancies

8 8 8 8 8

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Electronics Maintenance Division Span of Control Savings

Background Details:	As a result of the Technology and Information Systems / MetroCard Operations reorganization and consolidation of similar titles and functions, considerable savings can be achieved.
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PEG Description/Implementation Plan:	Consolidating Electronics Maintenance Division units will enable span of control savings (management and supervision) and eliminate duplication of administrative and support functions in all divisions.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$2.630	\$2.630	\$2.630	\$2.630
Total Reduction in Positions Required	0	28	28	28	28
Current Vacancies	8	8	8	8	8
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Reduce Automated Fare Control Back-Office Staff

Background Details:	Reduce Automated Fare Control back office staff at 34th Street as a result of the reorganization producing greater efficiencies.
----------------------------	--

PEG Description/Implementation Plan:	Reduce 3 positions by combining functions.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.257	\$0.257	\$0.257	\$0.257
Total Reduction in Positions Required	0	3	3	3	3
Current Vacancies	3	3	3	3	3
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration

Program: Fringe Benefits Reforecast -- Health and Welfare Management Actions

Background Details:	This program represents savings in health and welfare costs due to actions taken by the Employee Benefits office since NYCT's assumption of responsibility for administering the plan in July 2003. The savings are primarily due to removal of ineligible employees, retirees, and dependents who were being carried as eligible by HIP and GHI. Total covered lives at the two carriers were reduced by 4,040 (7.1%) between February and August 2003.
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PEG Description/Implementation Plan:	The PEG was largely implemented during the course of 2003.			
PEG Implementation Date:	1/1/2004	When will PEG savings begin?:	1/1/2004	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$11.800	\$11.800	\$11.800	\$11.800	\$11.800
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration

Program: Reduce Normal Replacement Costs of Data Processing Equipment

Background Details:	Reduce normal replacement costs for data processing equipment by \$3.5 million in 2005 only by extending the replacement cycle from 5 to 6 years on eligible equipment. Equipment would be replaced only on an emergency basis during 2005.
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PEG Description/Implementation Plan:	Effective starting January 2005.			
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$3.518	\$0.000	\$0.000	\$0.000
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Reduce Employee Recognition Program Positions

Background Details:	Reduce the Employee Recognition Program (ERP) by 70%. ERP will continue to administer four core programs: The 20, 25 & 30 Exemplary Years of Service, Safe Driving, Managerial Awards and Medals of Excellence. The following seven programs will be eliminated: Safe Driving Depot Recognition, 10 & 15 Year Exemplary Years of Service, 10 & 15 Year Safe Driving, Employee Appreciation Week, 35+ Years of Service, Chaplain's Luncheon and Unit Citation and Achievement Award.
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PEG Description/Implementation Plan: Effective starting January 2005.	
PEG Implementation Date:	Jan-05
When will PEG savings begin?:	Jan-05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.447	\$0.447	\$0.447	\$0.447
Total Reduction in Positions Required	0	5	5	5	5
Current Vacancies	(6)	(6)	(6)	(6)	(6)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Warehouse Inventory Cycle Count Savings

Background Details:	Savings based on the following 3 items: (1) NYCT will assume some of the reports previously done by the vendor. (2) Reduce the number of vendor representatives actually performing cycle counts by 2 at various warehouse locations. (3) Reduce the number of inventory cycle counts from a range of 6-7 times per year to 4-5 times per year at the various warehouse locations. Counters are employed by New York State Industries for the Disabled.
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PEG Description/Implementation Plan:	Jul-04		
PEG Implementation Date:	Jul-04	When will PEG savings begin?:	Jul-04

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.100	\$0.150	\$0.150	\$0.150	\$0.150
 Total Reduction in Positions Required	 0	 0	 0	 0	 0
Current Vacancies	0	0	0	0	0
 <i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Reduce Materiel Positions and Other Than Personal Services

Background Details:	Reduce 11 positions (1 Managerial, 7 Professional Technical and 3 Admin/Clericals) in a variety of areas: solicitation management, vendor relations, logistics and procurement. Reduce Other Than Personal Services in various areas including: reduce the cost of bid advertising by changing from the New York Post to the New York Observer and by posting the Addenda on NYCT's website instead of using overnight mail, reduce the number of construction/demolition disposals by substituting vendor roll-off service at Truxton transfer station, and increase the revenue generated from the sale of bid packages to potential vendors.
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PEG Description/Implementation Plan:	One clerical position quota would be eliminated effective July 2004 along with \$219K in Other Than Personal Services, all other reductions are effective January 2005.		
PEG Implementation Date:	Jul-04	When will PEG savings begin?:	Jul-04

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.248	\$1.132	\$1.132	\$1.132	\$1.132
Total Reduction in Positions Required	1	11	11	11	11
Current Vacancies	(5)	(5)	(5)	(5)	(5)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Reduce Controller's Staff and Overtime

Background Details:	Reduce Controller's staff by 5 positions and reduce overtime in all sections.
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PEG Description/Implementation Plan:			
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.502	\$0.502	\$0.502	\$0.502
Total Reduction in Positions Required	0	5	5	5	5
Current Vacancies	1	1	1	1	1
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Administration
Program: Paratransit Administration Reduction

Background Details:	Eliminate provision for administrative staff increase (8 quota). The provision reflected an increase in staff to provide administrative support commensurate with projected increases in Access-A-Ride service levels. Operating efficiencies eliminate the need for increased staff.
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PEG Description/Implementation Plan:			
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.653	\$0.653	\$0.653	\$0.653
Total Reduction in Positions Required	0	8	8	8	8
Current Vacancies	0	8	8	8	8
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Customer Convenience & Amenities
Program: Work Experience Program Consolidation

Background Details:	<p>The Work Experience Program (WEP) began in 1999 with the expectation of receiving 1,000 WEP's from the City -- 500 in Department of Car Equipment (DCE) and 500 in Stations. These positions were assigned to augment subway car and station cleaning. At that time 58 positions were budgeted (Senior Vice President - 11 positions, DCE - 23 positions, Stations - 24 positions) to administer, coordinate and oversee the WEP program. This program never lived up to its potential because the City was never able to supply the Authority with 1,000 WEP's weekly; in March 2004, the program had less than 400 participants. Consequently, WEP program support has already been downsized by 50% to more closely reflect the size of the program. Positions have been eliminated as follows: in 2000 (-2 positions), 2001 (-1 position) 2002 (-18 positions), 2003 (-1 position) and 2004 (- 7 positions). An additional 9 positions will be eliminated in 2005, to continue the Authority's effort of sizing the WEP program more closely with the actual number of WEP's received from the City.</p>
PEG Description/Implementation Plan:	<p>This proposal consolidates the number of locations from which the WEP program participants will be deployed. As a result there is reduction of 9 of the remaining 29 WEP support positions; in DCE -- 5 positions and \$97k in Material & Supplies; and in Stations -- 4 positions and \$65k in Material & Supplies. This proposal assumes retention of 40 Lead Cleaners, payroll savings reflect reduced Lead Cleaner premiums of \$166k in DCE and \$183k in Stations. Note: Although when the program originated the stations component was budgeted in the Stations Division, it has since been transferred to Service Delivery Operations Support, and this is where the 2005 reduction will be made.</p>
PEG Implementation Date:	<div style="display: flex; justify-content: space-between;"> 1/1/2005 When will PEG savings begin?: 1/1/2005 </div>

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.287	\$1.287	\$1.287	\$1.287
Total Reduction in Positions Required	0	9	9	9	9
Current Vacancies	(7)	(7)	(7)	(7)	(7)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Customer Convenience & Amenities

Program: Eliminate Cleaner Vacancies

Background Details:	There are currently 1,210 cleaners budgeted in the Division of Car Equipment. Prior budget initiatives included savings by maintaining the vacancies generated by attrition. As of March 2004, there are 79 vacancies and by the end of 2004, it is projected that there will be 106 vacancies. The current budget for 2005 assumed continued attrition of 3.0 per month, offset by the hiring of 6 positions per month.
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PEG Description/Implementation Plan:	This proposal will maintain the vacancy level at the end of 2004, estimated to be 106 positions, and is revised to include hiring of 3 per month, intended only to replace 2005 vacancies created through attrition.			
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005	

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$1.247	\$1.247	\$1.151	\$1.151

Total Reduction in Positions Required

0 0 0 0 0

Current Vacancies

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Customer Convenience & Amenities
Program: Reduce Station Operations Support Unit

Background Details:	It's the policy of MTA New York City Transit to provide customers with timely and accurate information regarding service changes. In support of this principle and to centralize responsibility for posting, tracking, replacing and removing service notices and brochures in stations, this function will be transferred from Division of Stations to the Division of Operation Planning General Order Support unit effective May 17, 2004.
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PEG Description/Implementation Plan:	This program will commence as a pilot program no later than April 18, 2004. District #3, in the Division of Stations, will be the pilot location. The District consists of 86 stations divided into 10 zones throughout Manhattan and Brooklyn. If the pilot period is successful (after a minimum of 30 days), the program will be expanded to additional districts.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.155	\$0.155	\$0.155	\$0.155
Total Reduction in Positions Required	0	2	2	2	2
Current Vacancies	(24)	(24)	(24)	(24)	(24)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Customer Convenience & Amenities

Program: Station Automation Plan

Background Details:	The changes in booth operations are part of NYC Transit's ongoing effort to modernize the way we do business in order to operate more efficiently and better serve our customers. In particular, the changes are an outgrowth of the introduction of Automated Fare Collection (AFC) in 1994. With the installation of MetroCard activated High Entry/Exit Turnstiles (HEETs), NYCT has provided increased means of entry to the system. As expected, the success of MetroCard and advent of MetroCard Vending Machines and HEETs offer many opportunities to make station booth operations more efficient and cost-effective.
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PEG Description/Implementation Plan:	This proposal incorporates plans to automate 49 full-time booths proposed in the 2003 public hearings, and all remaining 115 part-time booths, commencing April 2005. Station Agent positions will be reduced at the rate of 67 per month, with the final 64 positions eliminated in December. This will also allow for a reduction of 4 Managerial and 16 Supervisory positions. The operating assumption is that there will be one booth open at all station complexes and the booths selected for closure had the lowest registrations at these locations. Talk back units similar to those installed at the 62 part time booths closed in 2003 and early 2004 will be installed at these locations. These will transmit to the full-time booth and to the Station Command Center. Where required CCTV cameras will be installed and will be digitally recorded and transmitted to the full-time booth. Emergency gates will be equipped for access by NYPD and FDNY. In addition, if the Station Customer Assistance pilot program proves successful, it will be expanded. This program redeploys Station Agents outside the booth, with the ability to move around the station while remaining in contact by radio and portable transmitter. Station Automation Plan savings are initially offset in part by implementation costs (beginning in 2004).
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PEG Implementation Date: 4/1/2005 **When will PEG savings begin?:** 4/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	(\$4.000)	\$8.301	\$29.455	\$29.455	\$29.455
Total Reduction in Positions Required	0	620	620	620	620
Current Vacancies	9	9	9	9	9
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Customer Convenience & Amenities

Program: Reduce Training Float in Stations

Background Details:	Stations training float provides backfill resources for Station Agents in training. The requirement fluctuates with hiring needs.
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PEG Description/Implementation Plan:	In conjunction with the proposal to eliminate 600 Station Agent positions starting in April 2005, NYCT will be in full attrition mode and without hiring required, savings can be attained through elimination of the training float allocation.			
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.652	\$0.652	\$0.652	\$0.652
Total Reduction in Positions Required	0	11	11	11	11
Current Vacancies	(8)		(8)	(8)	(8)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Customer Convenience & Amenities

Program: Depot Cleaner Reductions

Background Details:	Depot cleaners perform a variety of functions including washing and sweeping of buses, removing graffiti on buses, as well as other facility cleaning functions. The 2004 Budget includes 474 cleaners at 18 depots and two shops.
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PEG Description/Implementation Plan:	This program eliminates one cleaner from each of the 18 depots as well as one from each of the two shops leaving Department of Buses with 454 cleaners.			
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.134	\$1.134	\$1.134	\$1.134
Total Reduction in Positions Required	0	20	20	20	20
Current Vacancies	20	20	20	20	20
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Customer Convenience & Amenities
Program: Encode Time and Value on MetroCards

Background Details:	Current policy dictates that value-based cards may be reused only for value-based transactions; while time-based cards may not be reused. This program will allow both time-based and value based transactions on the same card.
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PEG Description/Implementation Plan:	Implementation of policy change will result in reduced encoding and card stock costs and one position savings. Customer Service assistance is required to educate customers of policy change and may result in increased Customer Service claims.			
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	6/1/2005	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.376	\$0.706	\$0.706	\$0.706
Total Reduction in Positions Required	0	1	1	1	1
Current Vacancies	5	5	5	5	5
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Customer Convenience & Amenities
Program: Reduce/Eliminate Customer Service Programs

Background Details:	Eliminate delay verification for customers and eliminate Customer Service representatives at Metro North's Grand Central Station Information Booth. Reduce the weekday operating hours of the Metro Card telephone information line from 16 hours to 8 hours per day and reduce the operating hours of the Travel Information Center by one hour from 6am to 10pm to 6am to 9pm.
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PEG Description/Implementation Plan:	Reductions are scheduled to be implemented January 2005.		
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.598	\$0.598	\$0.598	\$0.598
Total Reduction in Positions Required	0	8	8	8	8
Current Vacancies	10	10	10	10	10
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Direct Service
Program: Subway Service Plan G Line to Court Square 24x7

Background Details:	Currently, the G-line operates from Smith/9th Streets in Brooklyn to Court Square, Queens during the rush-hours and midday. During the evening/late night and weekends the G-line operates from Smith/9th Streets to Forest Hills - 71 st Ave., Queens. Reducing the length of the G Line will reduce the number of car miles operated annually.			
PEG Description/Implementation Plan:	This proposal would short-line the G-line, terminating at Court Square at all times, eliminating weekend and evening/late night service between Court Square and Forest Hills - 71 st Ave. Passengers for local stations could use the "R" "weekday evenings and weekends, and the "E" late nights. In 2005, this will result in a reduction of 5 train crews, approximately \$0.2 million savings in car maintenance and savings of \$0.2 million in traction power consumption; annualized savings are slightly higher. With reduced service, a loss of revenue is anticipated, partially offsetting planned savings.			
PEG Implementation Date:	20-Feb-05	When will PEG savings begin?:	20-Feb-05	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.029	\$1.211	\$1.211	\$1.211
Total Reduction in Positions Required	0	12	12	12	12
Current Vacancies	(217)	(217)	(217)	(217)	(217)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)		(1)	(1)	(1)	(1)
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Direct
Program: Bus Service Plan - Guideline Based Adjustments

Background Details:	This proposal makes adjustments to existing service to meet NYCT Transit service guidelines.
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PEG Description/Implementation Plan:	Beginning in February 2005, adjustments to service will be made to comply with NYCT adopted service guidelines. These are routine adjustments to the system that are made each year. This program reduces maintenance requirements based on reductions in vehicle miles, vehicle hours, and peak bus requirements. Related bus fuel savings are also included.			
PEG Implementation Date:	1-Feb-05	When will PEG savings begin?:	1-Feb-05	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$2.273	\$2.481	\$2.481	\$2.481
Total Reduction in Positions Required	0	23	23	23	23
Current Vacancies	(4)	(4)	(4)	(4)	(4)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Direct
Program: Bus Service Plan - 100% Off-Peak Seated Load

Background Details:	Change off-peak bus guideline to allow 100% of a seated load in 2005 and 125% of a seated load in 2006. Upon implementation of the 100% seated load proposal, service will be scheduled so that on average at the point where ridership is highest in the peak direction, all seats will be occupied with no standees. Upon implementation of the 125% seated load proposal, service will be scheduled so that on average at the point where ridership is highest in the peak direction, all seats will be occupied with nine standees per standard bus and 14 standees per articulated bus.
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PEG Description/Implementation Plan:	Beginning in February 2005, off peak loading guidelines will be changed to 100% of a seated load. Beginning in 2006, off peak loading guidelines will be changed to 125% of a seated load. At 100% of a seated load, the average off-peak customer load at the busiest point is estimated to increase from approximately 28 to 33 passengers on a standard bus, and the average frequency is estimated to increase by approximately 2 to 3 minutes. On an incremental basis from 100% to 125%, the average off-peak customer load at the busiest point is estimated to increase from approximately 33 to 40 passengers on a standard bus, and the average frequency is estimated to increase by approximately 1 to 2 minutes. This program reduces bus operator, as well as, maintenance requirements based on reductions in vehicle miles, vehicle hours, and peak bus requirements. Related bus fuel savings are also included with reduced service.		
PEG Implementation Date:	2/1/2005	When will PEG savings begin?:	2/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$38.415	\$73.475	\$73.475	\$73.475
Total Reduction in Positions Required	0	647	1094	1094	1094
Current Vacancies	41	41	41	41	41
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)		(215)	(400)	(400)	(400)
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Direct
Program: Bus Service Plan - Average Rate and Availability Offset

Background Details:	The reduction of bus operators due to proposed service changes results in higher average pay rates for the remaining operators since those with less seniority are removed first. Similarly, the remaining more senior bus operators are entitled to more vacation time, or less available time for work, requiring additional staffing to provide coverage. These additional costs are offsets to the savings from the proposed 2005 and 2006 service plans.
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PEG Description/Implementation Plan:			
PEG Implementation Date:	2/1/2005	When will PEG savings begin?:	2/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	(\$13.573)	(\$25.443)	(\$25.443)	(\$25.443)
Total Reduction in Positions Required	0	(28)	(86)	(86)	(86)
Current Vacancies	(4)	(4)	(4)	(4)	(4)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Spinoff
Program: Training Float - Rapid Transit Operations

Background Details:	Rapid Transit Operation's (RTO) training float provides backfill resources for supervisory and hourly positions in training. The requirement fluctuates with hiring needs.
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PEG Description/Implementation Plan:	RTO is reducing its induction training float (for new hires) as a result of the Subway Service Reduction. Fewer train crews and support operations staff are required if reduced service plans are implemented.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$5.031	\$1.841	\$0.122	\$0.122
Total Reduction in Positions Required	0	27	2	2	2
Current Vacancies	(87)	(87)	(87)	(87)	(87)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Spinoff
Program: Bus Dispatcher Reductions

Background Details: There are two types of dispatcher activities, road operations and depot based support service functions. Road dispatchers have fixed and mobile posts. At fixed posts dispatchers are responsible for keeping buses moving (short turning, detouring, etc.) at key intersecting points while service dispatchers are assigned to the depots to perform administrative and timekeeping duties, shifter supervision, Human Resources duties related to bus operators, bus assignments and overall supervision of bus operators.

PEG Description/Implementation Plan: As a result of service reductions, beginning in February 2005, 24 dispatcher positions will be eliminated. This reduction will increase to 71 dispatchers in 2006. Road dispatchers' AM and PM posts will be combined providing coverage for primarily PM peak; various fixed and mobile dispatchers will be eliminated; some relief and extra positions will be eliminated. Some depot based dispatcher functions will be combined in the depot as the number of bus operators are reduced.

PEG Implementation Date: 1-Feb-05 **When will PEG savings begin?:** 1-Feb-05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.811	\$5.842	\$5.842	\$5.842
Total Reduction in Positions Required	0	24	71	71	71
Current Vacancies	(5)	(5)	(5)	(5)	(5)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Spinoff
Program: Bus Training Program Reductions

Background Details:	Eliminate bus operators and bus maintainers used for backfill while incumbents are being trained for new duties and reduce maintenance and transportation training managers.
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PEG Description/Implementation Plan:	Due to planned service reductions and the resultant need to hire less bus operators and bus maintainers, training requirements and related backfill requirements will decrease. This will also reduce the level of training staff.			
PEG Implementation Date:	1-Feb-05	When will PEG savings begin?:	1-Feb-05	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$5.667	\$5.970	\$4.929	\$2.738
Total Reduction in Positions Required	0	76	73	73	39
Current Vacancies	(13)	(13)	(13)	(13)	(13)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Spinoff
Program: Additional Bus Shop Maintenance Reductions

Background Details:	Due to service reductions, the Shop's activities are impacted as the level of service and number of peak buses are reduced.
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PEG Description/Implementation Plan: Currently the Shop performs bus overhauls on a three year cycle; this is being extended to a four year cycle. The maintenance performed during the new cycle will be basically the same as the old cycle; while the scope remains the same, the length of time between shop interventions is being extended. To mitigate any potential impacts, a reserve fund for use in addressing any requirements that may result from this change has been established.

PEG Implementation Date: 1/1/2005 **When will PEG savings begin?:** 1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.018	\$1.474	\$4.172	\$1.315
Total Reduction in Positions Required	0	0	7	30	8
Current Vacancies	34	34	34	34	34
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure (MDBF)					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Spinoff
Program: Bus Assistant General Superintendent Reductions

Background Details:	Assistant General Superintendents (AGS) were added to mega depots to address rapidly growing operating needs. Currently there are twelve maintenance AGS positions and twelve transportation AGS positions.
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PEG Description/Implementation Plan:	Eliminate 9 Depot Assistant General Superintendents (5 Maintenance and 4 Transportation AGS positions). Two positions will be eliminated as of February 2005, and the remaining 7 positions will be eliminated in 2006.			
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PEG Implementation Date:	2/1/2005	When will PEG savings begin?:	2/1/2005
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	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.213	\$1.044	\$1.044	\$1.044
Total Reduction in Positions Required	0	2	9	9	9
Current Vacancies	(8)	(8)	(8)	(8)	(8)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Spinoff
Program: Bus Maintenance Support Reductions

Background Details: Maintenance Support will reduce 2 maintenance support staff positions.

PEG Description/Implementation Plan: As a result of service reductions, eliminate 2 positions, 1 beginning in February 2005, and the other 1 in 2006. This proposal will reduce supervisory field presence in two maintenance support units.

PEG Implementation Date: 2/1/2005 **When will PEG savings begin?:** 2/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.106	\$0.232	\$0.232	\$0.232
Total Reduction in Positions Required	0	1	2	2	2
Current Vacancies	(3)	(3)	(3)	(3)	(3)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Spinoff
Program: Bus Line Supervisor Reductions

Background Details:	As a result of service reductions, eliminate staff responsible for maintenance supervision in the Depots. Currently, there are 339 Line Supervisors.
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PEG Description/Implementation Plan:	Beginning in February 2005, 4 line maintenance supervisors will be eliminated from the depots due to lesser maintenance requirements resulting from service reductions. This reduction will increase to 18 positions in 2006.		
PEG Implementation Date:	2/1/2005	When will PEG savings begin?:	2/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.308	\$1.512	\$1.512	\$1.512
Total Reduction in Positions Required	0	4	18	18	18
Current Vacancies	(3)	(3)	(3)	(3)	(3)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
mean distance between failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Service-Spinoff
Program: Uniform & Footwear Savings

Background Details:	Savings in uniform and footwear expenses corresponding to service reductions.
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PEG Description/Implementation Plan:	Will be implemented in accordance to the service reductions.		
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.520	\$0.282	\$0.775	\$0.775	\$0.775
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Service Support
Program: One Person Train Operations - G Line

Background Details:	Currently the G-line operates with One Person Train Operation (OPTO) on weekends.
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PEG Description/Implementation Plan:	This proposal will provide for full-time One Person Train Operation (OPTO) on the 'G' line, effective November 2005. Station mounted Closed Circuit Televisions will be installed at select G-Line stations to further ensure safe operations.		
PEG Implementation Date:	November-05	When will PEG savings begin?:	November-05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.365	\$2.190	\$2.190	\$2.190
Total Reduction in Positions Required	0	36	36	36	36
Current Vacancies	(360)	(360)	(360)	(360)	(360)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Service Support
Program: One Person Train Operation - L Line

Background Details:	This program is associated with the installation of Communication Based Train Control (CBTC) system on the Canarsie ("L") line. The CBTC system will automatically control the speed of trains within the CBTC monitored territory and ensure that train operators keep safe control of trains. The beneficial use date is scheduled for April 2005 and it will be NYCT policy to operate One Person Train Operation (OPTO) on the L-line.
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PEG Description/Implementation Plan:	The implementation of full-time OPTO on the "L" line is planned for April 2005. Station mounted Closed Circuit Televisions will be installed at all stations. Full implementation of CBTC would realize a savings of 79 Conductor positions, however a modest investment in platform coverage (4 Conductors and 4 Train Service supervisors) is required during rush hours at the busiest stations to assist with the boarding and alighting process, and in supervisory coverage to assure an expeditious response to any and all problems.		
PEG Implementation Date:	4/1/2005	When will PEG savings begin?:	4/1/2005

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$3.154	\$4.204	\$4.204	\$4.204

Total Reduction in Positions Required

Current Vacancies

0	71	71	71	71
(367)	(367)	(367)	(367)	(367)

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
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PEG Category: Service Support
Program: Rapid Transit Operations Support Reductions

Background Details:	Rapid Transit Operations (RTO) operates Subways' fleet of revenue and non-revenue cars 24-hours a day, 7 days a week. Their primary mission is to ensure the delivery of safe, reliable, cost-efficient, around the clock train service. In addition to the train crews, a variety of positions are required to support the service delivery. Major task performed include, but are not limited to put-ins and lay-ups (yard moves), switching (relaying), train routing (tower operations), platform/passenger control, train dispatching, crew assignment and fitness for duty assessment.
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PEG Description/Implementation Plan:	Over the years, a number of supervisory and hourly positions have been reduced as a result of improved service performance and reduced customer injuries, specifically draggings. As RTO is maintaining current service performance benchmarks, this proposal will reduce 89 support positions assigned to tower operations, dispatching, train switching and platform/passenger control throughout Subdivision's A and B.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$5.950	\$6.492	\$6.729	\$6.729
Total Reduction in Positions Required	0	89	98	98	98
Current Vacancies	(674)	(674)	(674)	(674)	(674)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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PEG Category: Service Support

Program: Traffic Checker Productivity Savings

Background Details:	Reduce 69 part-time traffic checkers, 4 analysts and 1 confidential secretary by EOY 2005. An additional 10 part-time traffic checkers will be reduced in 2006.
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PEG Description/Implementation Plan:	Improved traffic checking operation scheduling will reduce travel time and the need for meal pay starting in 2004. In 2006, additional improvements are expected to yield additional savings. Operations Planning will also discontinue data collection and reporting related to the Service Performance Program (on-time performance, wait assessment), resulting in 2005 savings.		
PEG Implementation Date:	2004	When will PEG savings begin?:	2004

Financial Impact (Operating)

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
Net Savings (in millions)	\$0.198	\$1.923	\$2.153	\$2.153	\$2.153

Total Reduction in Positions Required

	0	5	5	5	5
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Current Vacancies	(9)	(9)	(9)	(9)	(9)
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Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
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PEG Category: Service Support
Program: Eliminate Revenue Collections Booth Truck Crew

Background Details: Reduce the frequency of station booth pickups from twice a week to once a week at 51 locations.

PEG Description/Implementation Plan: Eliminate one truck crew consisting of five collecting agents.

PEG Implementation Date: 1/1/2005 **When will PEG savings begin?:** 1/1/2005

Other Issues:

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.297	\$0.297	\$0.297	\$0.297
Total Reduction in Positions Required	0	5	5	5	5
Current Vacancies	24	24	24	24	24
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Service Support
Program: Joint Coin/Bill Processing

Background Details:	Quota savings reflects operational changes associated with occupancy of the new consolidated revenue facility and system changes under development. Coin-only and bill-only cashiers will be replaced by cashiers processing both coin and currency.
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PEG Description/Implementation Plan:	Budgeted to start January 2005.			
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.275	\$0.275	\$0.275	\$0.275
Total Reduction in Positions Required	0	6	6	6	6
Current Vacancies	5	5	5	5	5
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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PEG Category: Maintenance
Program: Worktrain Train Operator Savings

Background Details:	Worktrain Train Operator's main responsibility is to transfer non-revenue equipment, relieve personnel and avert hours of service violations, provide field support for service delivery, support main shop car moves for the Department of Car Equipment and support non-reimbursable work performed by Maintenance of Way including the loading/unloading of track material and equipment.
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PEG Description/Implementation Plan:	Subdivision "C" will eliminate 9 Train Operator positions supporting the "B" division work train work program on the midnight tour. The overtime budget will be reduced as well.
PEG Implementation Date:	When will PEG savings begin?:

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.991	\$0.991	\$0.991	\$0.991
Total Reduction in Positions Required	0	9	9	9	9
Current Vacancies	233	233	233	233	233
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Maintenance
Program: Car Equipment Overtime & Night Differential Reductions

Background Details: Car Equipment has been underrunning its overtime and night differential budgets in recent years.

PEG Description/Implementation Plan: This proposal will reduce overtime by \$242k and night differential by \$200k.

PEG Implementation Date: 1-Jan-05 **When will PEG savings begin?:** 1-Jan-05

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$0.442	\$0.442	\$0.442	\$0.442

Total Reduction in Positions Required

0 0 0 0 0

Current Vacancies

0 0 0 0 0

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
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PEG Category: Maintenance
Program: Reschedule Car Equipment Facility Roof Repairs

Background Details:	During the 1999 budget cycle, funding was provided for an initiative to address deteriorated roofing conditions at Car Equipment facilities; moderate annual funding was provided to maintain roofs once initial repairs were made. Through this initiative, Car Equipment is currently repairing roofs at the Jerome Maintenance shop and at the 239th Street shop, as well as designing repairs for the Coney Island Administration building.			
PEG Description/Implementation Plan:	This is a one-time savings proposal that will save \$1million in 2005 from rescheduling the repair of roofs at the Jerome Maintenance shop and Coney Island Administration building.			
PEG Implementation Date:	1-Jan-05	When will PEG savings begin?:	1-Jan-05	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.000	\$0.000	\$0.000	\$0.000
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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PEG Category: Maintenance
Program: Concrete Work Support Reduction

Background Details:	The Structures and Facilities/Subway Nights sub-division provides support to Track, Signal and Power maintenance for small (30 to 115 feet) concrete cuts and pours.
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PEG Description/Implementation Plan:	This proposal will eliminate 3 of 19, or 16% of masonry positions in Structures and Facilities night forces. This will reduce the amount of support provided for Track, Signal and Power maintenance resulting in a slight increase in response time for trouble calls.
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PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005
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Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$0.209	\$0.209	\$0.209	\$0.209

Total Reduction in Positions Required

0 3 3 3 3

Current Vacancies

(3) (3) (3) (3) (3)

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
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PEG Category: Maintenance
Program: Heating and Ventilation Air Conditioning (HVAC) Maintenance Reduction

Background Details: Currently Type I HVAC maintenance (cleaning, lubricating, inspecting and minor repairs) is performed approximately once a month for token booth air conditioners and twice monthly on unit heaters located in shops and barns. Bi-weekly preventative maintenance of central, window and split air conditioning units is performed in the towers and locker rooms. Mobile gangs address all trouble calls.

PEG Description/Implementation Plan: This proposal will eliminate 12 HVAC positions performing Type I maintenance; this work will be performed in conjunction with the Type II maintenance cycle which incorporates all Type I procedures along with more in-depth service involving the dismantling of equipment and more thorough cleaning. In addition, 12 HVAC positions performing bi-weekly preventative maintenance will be eliminated; this work will now be done on a trouble call basis. Finally, 3 positions within the emergency response mobile gangs will be eliminated. This proposal has minimal impact on HVAC maintenance operations.

PEG Implementation Date: 1/1/2005 **When will PEG savings begin?:** 1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.917	\$1.917	\$1.917	\$1.917
Total Reduction in Positions Required	0	27	27	27	27
Current Vacancies	(3)	(3)	(3)	(3)	(3)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Maintenance
Program: Close Work Train Operations at 207th St. Yard

Background Details:	Work Trains operate out of three locations: 207th Street in the Manhattan, Linden and 38th Street yards in Brooklyn.
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PEG Description/Implementation Plan:	Due to the re-opening of the Manhattan Bridge, the 207th Street Yard is no longer needed for work train operations. Work will shift to 38th Street yard and Linden yard. This proposal will have no impact on operations.
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PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005
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Financial Impact (Operating)

Net Savings (in millions)

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
Net Savings (in millions)	\$0.000	\$1.008	\$1.008	\$1.008	\$1.008

Total Reduction in Positions Required

Current Vacancies

Total Reduction in Positions Required	0	15	15	15	15
Current Vacancies	21	21	21	21	21

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
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PEG Category: Maintenance
Program: Eliminate Emergency Generator Maintenance Investment

Background Details:	There are approximately 30 fixed plant emergency generators located systemwide. Additional units come on-line as various shop, barn and building capital improvement projects are completed. During 1999, 2 positions were added to the Production Equipment group to service the additional fixed plant emergency generators that had been installed since the mid-1980's. There are 4 positions dedicated to this function.
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PEG Description/Implementation Plan:	This proposal will eliminate the 1999 staffing increase, reducing the number of positions assigned to emergency generator maintenance by 50%. The 30 day inspection cycle will double to 60 days, and light maintenance will be performed on an as-needed basis.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.138	\$0.138	\$0.138	\$0.138
Total Reduction in Positions Required	0	2	2	2	2
Current Vacancies	(2)	(2)	(2)	(2)	(2)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Maintenance
Program: Reduce Production Equipment Maintenance

Background Details:	As part of Track Operations, there were 83 non-reimbursable positions assigned to Production Equipment in 2004, including 4 managers and 66 hourly positions.
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PEG Description/Implementation Plan:	This proposal will eliminate one manager and 10 hourly positions. The span of control for the remaining superintendents will be extended. Shop equipment maintenance support will be reduced by 7 positions. Compressor and generator maintenance will be extended from monthly to bi-monthly. In addition, three dedicated positions for the rail benders at the 38th Street and Westchester yards will be eliminated. Assignment of a Track Equipment Maintainer will be made as required. Minimal impact is anticipated.			
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.806	\$0.806	\$0.806	\$0.806
Total Reduction in Positions Required	0	11	11	11	11
Current Vacancies	3	3	3	3	3
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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PEG Category: Maintenance
Program: Track Geometry Car Thermal Imaging Readings Reduction

Background Details:	The track geometry car is a self-propelled automated all-weather vehicle capable of continuously measuring several track parameters such as horizontal alignment (curvature), track surface (vertical alignment), tunnel clearance measurements, and third rail height and gauge. There are two positions (one hourly and one supervisor) dedicated in Third Rail to support the Track Geometry Car's thermal imaging readings and review the output for the purpose of identifying hot spots along the third rail.
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PEG Description/Implementation Plan:	This proposal will eliminate 1 of the 2 positions. The hourly position will be eliminated and this work will continue to be performed by the supervisor.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.070	\$0.070	\$0.070	\$0.070
Total Reduction in Positions Required	0	1	1	1	1
Current Vacancies	9	9	9	9	9
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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PEG Category: Maintenance
Program: Track Surfacing Support Reduction

Background Details:	Positions in Track Construction are assigned to perform surfacing of Type I ballasted track. Surfacing is the adjustment of the profiling and alignment track.
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PEG Description/Implementation Plan:	This proposal will eliminate 4 positions in Track Construction assigned to track surfacing. This reduction impact will be minimal due to the recent purchase of 4 new tampers. The new tampers allow this work to be done mechanically rather than manually.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

Financial Impact (Operating)

Net Savings (in millions)

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
Net Savings (in millions)	\$0.000	\$0.259	\$0.259	\$0.259	\$0.259

Total Reduction in Positions Required

Current Vacancies

Total Reduction in Positions Required	0	4	4	4	4
Current Vacancies	19	19	19	19	19

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Maintenance
Program: Emergency Alarm Maintenance Cycle Extension

Background Details:	In the event of an emergency, track sections are de-energized via 190 emergency alarm panels. Failure of emergency alarm equipment means power will not come off when an emergency alarm is pulled; emergency alarm activations occur 40 times per year, on average. Further, each substation is equipped with a 60 cell battery and battery charger. In the event AC power is lost, these backup batteries allow for the safe shutdown of a substation and provide power to operate relays and control equipment. Failure of a battery charger will result in the lack of battery capacity for critical power operations and operation of the system will be affected.
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PEG Description/Implementation Plan:	This proposal extends the maintenance cycle for emergency alarm panels and battery chargers. A reduction of 1 supervisor and 4 hourly positions will extend the emergency alarm panel cycle from once per year to once every two years. The reduction of 2 hourly positions will extend the battery charger maintenance cycle from once every three years to once every 4 years. Minimal impact is anticipated.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$0.439	\$0.439	\$0.439	\$0.439

Total Reduction in Positions Required

Current Vacancies

0	7	7	7	7
(3)	(3)	(3)	(3)	(3)

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
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PEG Category: Maintenance
Program: Increase Bus Shop Maintenance to a 4 Year Cycle

Background Details:	Implementation of a four-year bus upgrade cycle from the current three-year schedule. Generally, engines, transmissions and other parts are replaced. The buses are also painted and have body work performed on them.

PEG Description/Implementation Plan:	Currently the shop performs bus overhauls on a three year cycle; this is being extended to a four year cycle. The maintenance performed during the new cycle will be basically the same as the old cycle; while the scope remains the same, the length of time between shop interventions is being extended. To mitigate any potential impacts, a reserve fund for use in addressing any requirements that may result from this change has been established.			
PEG Implementation Date:	1/1/2004	When will PEG savings begin?:	1/1/2004	

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$5.094	\$3.642	(\$0.265)	(\$27.970)	\$22.802

Total Reduction in Positions Required

Current Vacancies

0	49	54	(132)	117
51	51	51	51	51

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

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**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Maintenance
Program: Reduce Amsterdam Annex Quota

Background Details:	While this depot is not currently in use, it was planned to be used as swing space when other depots are being renovated.
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PEG Description/Implementation Plan:	Eliminates 25 budgeted positions associated with the use of Amsterdam depot during other depot renovations. Depending upon the level of service reductions, this depot may not be needed as swing space if depots need renovation.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.693	\$1.693	\$1.693	\$1.693
Total Reduction in Positions Required	0	25	25	25	25
Current Vacancies	42	42	42	42	42
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Maintenance
Program: Central Maintenance Facility Management/Supervisory Reductions

Background Details: This is a reduction to the Central Maintenance Facilities' managerial, supervisory and clerical staff.

PEG Description/Implementation Plan: Due to the implementation of a four-year bus upgrade cycle from the current three-year schedule, two managers, eight supervisors and one clerical position from the Shop will be eliminated resulting in a supervisory to hourly ratio of 1:15.

PEG Implementation Date: 1/1/2005 **When will PEG savings begin?:** 1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.967	\$0.967	\$0.967	\$0.967
Total Reduction in Positions Required	0	11	11	11	11
Current Vacancies	(8)	(8)	(8)	(8)	(8)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Maintenance
Program: Electronics Maintenance Division Other Than Personal Services Reductions

Background Details:	Reduce Other Than Personal Services costs.
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PEG Description/Implementation Plan:	Reduce materials and supplies through improved forecasting, larger quantity purchases, using drawdown contracts, and identifying more competitive vendors. Reduce rental and miscellaneous accounts by increased monitoring and reducing budget to actuals.
PEG Implementation Date:	When will PEG savings begin?:

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.050	\$1.050	\$1.050	\$1.050
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Maintenance
Program: Reduce Warehousing Costs

Background Details:	Reduce warehousing costs by reducing managerial, clerical, supervisory quota and hourly overtime, Other Than Personal Services costs and by downgrading some stockworkers from Level II to Level I.
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PEG Description/Implementation Plan:	The implementation will start as of January 2005.		
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$1.931	\$1.931	\$1.931	\$1.931
Total Reduction in Positions Required	0	12	12	12	12
Current Vacancies	(2)	(2)	(2)	(2)	(2)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
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PEG Category: Other
Program: Office of System Safety Savings Plan

Background Details:	Reduce 3 of 28 Safety Specialists and 2 support positions. As a result of the quota reductions the department will need to prioritize support efforts and will reduce or delay assistance and technical consulting to NYCT managers on a number of issues determined to be non-life threatening or posing an immediate threat to the health of employees or customers.
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PEG Description/Implementation Plan:	Budget plan is scheduled to be implemented in January 2005.			
PEG Implementation Date:	Jan-05	When will PEG savings begin?:	Jan-05	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.412	\$0.412	\$0.412	\$0.412
Total Reduction in Positions Required	0	5	5	5	5
Current Vacancies	1	1	1	1	1
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Other
Program: Reduce Contracted Security Services at New Revenue Facility

Background Details:	Reduce contracted security services at new consolidated revenue facility by reducing staffing levels. Savings also reflects the elimination of one security guard for the Jay Street Reduced Fare and Customer Information Service Centers to be staffed through the Division of Security.
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PEG Description/Implementation Plan:	Reduce contracted security staffing levels. The impact would be reduced to an acceptable level through concentration of Closed Circuit Television coverage, reassignment of security personnel assigned to alarm response and meal relief when available, and special attention to these areas by both in-house and contracted security supervision and management.		
PEG Implementation Date:	1/1/2005	When will PEG savings begin?:	1/1/2005

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.317	\$0.317	\$0.317	\$0.317
Total Reduction in Positions Required	0	0	0	0	0
Current Vacancies	0	0	0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

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**MTA New York City Transit
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Program to Eliminate the Gap Worksheet**

PEG Category: Direct Service
Program: Subway Service Policy Headways Evenings and Weekends

Background Details: Currently, NYCT evening and weekend subway service on many lines adheres to passenger loading guidelines rather than policy headways. Running policy headways will reduce the number of car miles operated annually.

PEG Description/Implementation Plan: This proposal is to operate policy headways evenings and weekends instead of scheduling according to loading guidelines starting in 2006. On all lines in the evening, NYCT will operate a 10 minute headway starting at 9 p.m., a 12 minute headway at 10 p.m., a 15 minute headway at 11 p.m., and a 20 minute headway at midnight. In addition, on Saturdays, NYCT will operate a 10 minute headway and on Sundays, will operate a 10 - 12 minute headway, on all Subdivision B lines. This will result in a reduction of 25 train crews, approximately \$1.6 million savings in car maintenance and savings of \$2.2 million in traction power consumption. With reduced service, a loss of revenue is anticipated, lowering planned savings.

PEG Implementation Date: 1-Jan-06 **When will PEG savings begin?:** 1-Jan-06

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$6.092	\$6.092	\$6.092
Total Reduction in Positions Required	0	0	72	72	72
Current Vacancies	(217)	(217)	(217)	(217)	(217)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)			(37)	(37)	(37)
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Direct Service
Program: Subway Service Plan - 30 Minute Overnight Headways

Background Details: Currently, NYCT runs subway service every 20 minutes between 1 a.m. and 5 a.m.. Increasing the headways will result in fewer car miles operated annually.

PEG Description/Implementation Plan: This proposal is to extend the 20 minute headway to 30 minutes between 1 a.m. and 5 a.m., seven days a week starting in 2006. There will be some standing passengers on some lines. This will result in a reduction of 5 train crews, approximately \$1 million savings in car maintenance and savings of \$1.4 million in traction power consumption. With reduced service, a loss of revenue is anticipated, lowering planned savings.

PEG Implementation Date: 1-Jan-06 **When will PEG savings begin?:** 1-Jan-06

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$2.524	\$2.524	\$2.524
Total Reduction in Positions Required	0	0	24	24	24
Current Vacancies	(217)	(217)	(217)	(217)	(217)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)			(28)	(28)	(28)
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Direct Service
Program: Subway Service Plan - 10% Cut

Background Details:	Reduce the span of service on several routes, reduce midday service frequency on most routes, and reduce peak period service on many routes.			
PEG Description/Implementation Plan:	This proposal reflects an approximate 10% service reduction on most subway lines starting in 2006 through span and midday reductions as well as peak period adjustments. This will result in a reduction of 156 train crews, approximately \$4.7m savings in car maintenance and savings of \$6.3 million in traction power consumption. With reduced service, and the potential for customer dissatisfaction, a loss of revenue is anticipated, offsetting planned savings.			
PEG Implementation Date:	1-Jan-06	When will PEG savings begin?:	1-Jan-06	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$19.506	\$19.506	\$19.506
Total Reduction in Positions Required	0	0	375	375	375
Current Vacancies	(217)	(217)	(217)	(217)	(217)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)			(164)	(164)	(164)
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Direct
Program: Bus Service Plan - Low Cost Recovery Local Routes

Background Details:	Discontinue all service on local bus routes with less than two-thirds systemwide cost recovery, excluding routes retained for route spacing.
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PEG Description/Implementation Plan:	Beginning in January 2006, eliminate low cost recovery local routes. This program reduces bus operator, as well as, maintenance requirements based on reductions in vehicle miles, vehicle hours, and peak bus requirements. Related bus fuel savings are also included with reduced service. This proposal includes the elimination of 33 bus routes.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008	
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$47.490	\$47.490	\$47.490	\$47.490
 Total Reduction in Positions Required	 0	 0	 690	 690	 690	
Current Vacancies	41	41	41	41	41	
 <i>Impact on Operations:</i>						
Ridership Per Week (in thousands)			(276)	(276)	(276)	
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Direct
Program: Bus Service Plan - Discontinue Late Night Bus Service

Background Details:	Elimination of remaining bus service between 1 a.m. and 5 a.m.
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PEG Description/Implementation Plan:	Beginning in January 2006, late night bus service will be discontinued. This program reduces bus operator, as well as, maintenance requirements based on reductions in vehicle miles, vehicle hours, and peak bus requirements. Related bus fuel savings are also included with reduced service. This proposal entails the elimination of overnight service on 95 routes.			
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006	

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$8.745	\$8.745	\$8.745
Total Reduction in Positions Required	0	0	145	145	145
Current Vacancies	16	16	16	16	16
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)			(60)	(60)	(60)
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service Spinoff
Program: Additional Bus Administrative Support Reductions

Background Details: Due to service reductions, administrative support positions will be eliminated.

PEG Description/Implementation Plan: Eliminates 2 administrative support positions in HR and Operations Support.

PEG Implementation Date: Jan-06 **When will PEG savings begin?:** Jan-06

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.195	\$0.195	\$0.195
Total Reduction in Positions Required	0	0	2	2	2
Current Vacancies	6	6	6	6	6
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service-Spinoff
Program: Bus Shop Management/Supervisory Reductions

Background Details: As a result of service reductions, The Central Maintenance Facility will reduce 1 management and 3 supervisory positions at its two facilities, East New York and Zerega.

PEG Description/Implementation Plan: Beginning in 2006, 3 maintenance supervisors and 1 superintendents will be eliminated due to lesser maintenance support requirements as a result of service reductions.

PEG Implementation Date: Jan-06 **When will PEG savings begin?:** Jan-06

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.368	\$0.368	\$0.368
Total Reduction in Positions Required	0	0	4	4	4
Current Vacancies	(9)	(9)	(9)	(9)	(9)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
mean Distance between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service-Spinoff
Program: Bus Transportation Command Center

Background Details: The Command Center coordinates all communications to and between buses and manages all customer communications and correspondence. Currently, there are 82 budgeted positions in the Command Center, 62 of whom are dispatchers.

PEG Description/Implementation Plan: As a result of service reductions, beginning in 2006, 3 positions will be reduced in the Transportation Command Center. A dispatcher will be eliminated due to the automation of the accident desk function planned for year end. The elimination of another dispatcher and a console director are tied to the service reductions.

PEG Implementation Date: 1-Jan-06 **When will PEG savings begin?:** 1-Jan-06

Financial Impact (Operating)

Net Savings (in millions)

2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
\$0.000	\$0.000	\$0.277	\$0.277	\$0.277

Total Reduction in Positions Required

Current Vacancies

0	0	3	3	3
(6)	(6)	(6)	(6)	(6)

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other (Identify Appropriate Indicator):

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service-Spinoff
Program: Eliminate Training and Employment Center Positions

Background Details:	As a result of decreased hiring due to service reductions, two instructors and one other position can be eliminated.
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PEG Description/Implementation Plan:	Budgeted to take effect January 2006 or as service reductions dictate.		
PEG Implementation Date:	Jan-06	When will PEG savings begin?:	Jan-06

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.259	\$0.259	\$0.259
 Total Reduction in Positions Required	0	0	3	3	3
Current Vacancies	(4)	(4)	(4)	(4)	(4)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

**MTA New York City Transit
July Financial Plan 2005 - 2008
Program to Eliminate the Gap Worksheet**

PEG Category: Service-Spinoff
Program: Reduce Labor Relations Field Operations Positions

Background Details:	This proposal reduces Field Operations staffing and presumes that staffing levels across NYCT will be reduced as a result of the 2006 targets. Labor Relations will support fewer discipline hearings and fewer contract grievances relating to the reduced workforce. Savings is based on reductions in operating service levels.
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PEG Description/Implementation Plan:	Budgeted to start effective January 2006.		
PEG Implementation Date:	Jan-04	When will PEG savings begin?:	Jan-05

	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.217	\$0.217	\$0.217
Total Reduction in Positions Required	0	0	3	3	3
Current Vacancies	(3)	(3)	(3)	(3)	(3)
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other (Identify Appropriate Indicator):					

MTA New York City Transit
July Financial Plan 2005 - 2008
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

Departments	2003 Actuals*	2004 Mid-Year Forecast	2005 Preliminary Budget	2006	2007	2008
Subways						
Sr. Vice President	0	577	577	577	541	540
Service Delivery	0	14,326	14,223	14,149	14,151	14,162
Maintenance of Way & Rolling Stock	0	12,890	12,925	12,809	12,789	12,804
Subtotal	0	27,793	27,725	27,535	27,481	27,506
Buses						
Buses excl. Paratransit	0	14,242	14,251	14,381	14,458	14,430
Paratransit	0	109	109	109	109	109
Subtotal	0	14,351	14,360	14,490	14,567	14,539
Exec. Vice President						
Executive Vice President	0	21	20	20	20	20
Operations Planning	0	435	454	453	453	453
Human Resources	0	462	474	470	470	470
Revenue Control	0	591	613	613	613	613
Office of Management & Budget	0	36	36	36	36	36
Technology & Information Systems	0	563	537	535	534	534
Materiel	0	266	266	265	265	265
Supply Logistics	0	570	563	563	563	563
Controller	0	241	241	241	241	241
Subtotal	0	3,185	3,204	3,196	3,195	3,195
Office of the President	0	5	5	5	5	5
System Safety	0	93	93	93	93	93
Law	0	307	306	306	306	306
Corporate Communications	0	298	298	298	298	298
Labor Relations	0	105	105	105	105	105
Capital Program Management	0	1,566	1,566	1,566	1,566	1,566
Non-Departmental	0	3	11	47	11	11
Baseline Total Positions	47,768	47,706	47,673	47,641	47,627	47,624
Non-Reimbursable	42,278	42,018	42,357	42,431	42,457	42,464
Reimbursable	5,490	5,688	5,316	5,210	5,170	5,160
Total Full-Time	47,480	47,458	47,426	47,394	47,380	47,377
Total Full-Time-Equivalents	288	248	247	247	247	247
Impact of:						
Program to Eliminate the Gap	0	(54)	(2,136)	(3,930)	(3,767)	(3,960)
Increase Express Bus Fare	0	0	(58)	(58)	(58)	(58)
Total Positions	47,768	47,652	45,479	43,653	43,802	43,606

*In early 2004, a major departmental reorganization was implemented resulting in the above new departmental structure. There is no 2003 incumbent data available that is comparable to the new structure.

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