

MTA 2006 Final Proposed Budget

November Financial Plan 2006 – 2009



November 2005



Metropolitan Transportation Authority

TABLE OF CONTENTS

I. Introduction

Letter from Executive Director.....	I-1
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II. MTA Consolidated 2006-2009 Financial Plan

2006: Where the Dollars come From and Where the Dollars Go.....	II-1
2005-2009 Financial Plan: Statement of Operations.....	II-2
Reconciliation to July Plan.....	II-7
Debt Service Allocation by Agency.....	II-9
Farebox Operating and Recovery Ratios.....	II-11

III. Major Assumptions 2006-2009 Baseline Projections

Utilization (Ridership, Traffic and Revenue).....	III-1
Subsidies.....	III-9
Debt Service.....	III-39
Debt Service Affordability Statement.....	III-43
Agency Baseline Assumptions	III-47
Positions (Headcount).....	III-67

IV. Gap Closing Programs and other Policy Actions

Proposed Policy Actions.....	IV-1
2006 Agency PEGs.....	IV-6
Post 2006 Agency PEGs.....	IV-11
Fare and Toll Yields 2007 and 2009.....	IV-13

V. Other MTA Consolidated Materials

2004-2009 Consolidated Statements of Operations by Category (Accrued (Non-Reimbursable and Reimbursable), Cash).....	V-1
Year-to-Year Changes by Category.....	V-5
Non-Recurring Revenues and Savings, and MTA Reserves.....	V-6
2004-2009 MTA Financial Plan Detail (alternate format).....	V-9

VI. MTA Capital Program Information

2005 Program Funding by Elements, 2005 Project Commitments and Total Costs by Agency.....	VI-1
Forecast of Project Completions 2006-2009.....	VI-15
Project Completions with Operating Impacts Exceeding \$1 Million.....	VI-23

VII. Agency Financial Plans

Bridges and Tunnels.....	VII-1
Capital Construction Company.....	VII-45
Long Island Bus.....	VII-61
Long Island Rail Road.....	VII-85
Metro-North Railroad.....	VII-123
MTA Headquarters, Inspector General, and First Mutual Transportation Assurance Company.....	VII-169
New York City Transit.....	VII-221
Staten Island Railway.....	VII-301
MTA Bus Company.....	VII-335

VIII. Appendix

Executive Director Certification.....	VIII-1
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I. Introduction

Memorandum



Metropolitan Transportation Authority

State of New York

Date November 16, 2005

To Chairman Kalikow and MTA Board Members

From Katherine N. Lapp

A handwritten signature in blue ink, appearing to read "K. N. Lapp", written over the printed name.

Re **MTA 2006 Final Proposed Budget November Financial Plan 2006-2009**

I am transmitting for your consideration the 2006 Final Proposed Budget and the four-year Financial Plan for 2006-2009, which reflects developments that have occurred since issuance of the July Financial Plan, including the passage of the State Bond Act last week which ensures that the 2005-2009 Capital Program is on track.

As described at the July meeting, the MTA's projected 2005 operating budget surplus, which at that time was estimated to be \$833 million, was generated by three major sources:

- The unexpected continuation of the regional real estate boom.
- Debt Service savings related to unprecedented low interest rates for MTA's fixed and variable rate debt.
- New taxes enacted by the State in May and effective in 2005 to support the 2005-2009 Capital Program.

Of the projected \$833 million surplus in July, \$481 million was generated from factors that would be non-recurring in future years; notably the real estate boom and low interest rates. As such, it was recommended that the non-recurring \$481 million be used in a prudent fashion to generate recurring benefits to the MTA and its riders without exacerbating the large budget gaps forecast in the later years of the financial plan. The balance of the surplus, together with other actions, would be used to help balance 2006 and 2007.

The 2005 surplus is now projected to be just over \$1 billion (\$1,044 million), which compares favorably with the July Plan's projected \$833 million – a \$211 million increase. The corresponding baseline changes for 2006 and 2007 also have improved since July by \$158 million and \$145 million, respectively; 2008 and 2009 have worsened by \$34 million and \$63 million, respectively.

\$50 million is recommended to fund a similar initiative in 2006 after an evaluation of the 2005 promotion.

The recent Katrina and Rita hurricanes have substantially affected energy prices. The July Plan had contained significant increases in fuel reflecting market trends occurring in the early part of 2005. The November Plan provides additional funding of \$21 million in 2005, \$49 million in 2006, and roughly \$30 million annually thereafter to offset increases to energy costs. Most of this increase is to provide for the effects of higher fuel costs on our electric power bills, which reflect a pass along of these higher costs. The energy price escalations are also anticipated to negatively affect consumer spending, thus resulting in a reduction in sales tax revenues. The extensive property damage caused by these hurricanes has also had a negative affect on insurance premiums. This proposed budget adds \$8 million in 2006 to maintain adequate insurance coverage throughout the MTA. Also, heightened terrorism alerts have increased overtime costs for MTA police and agency employees; in 2005, \$22 million was added to cover these costs.

In the July Plan, the MTA General Reserve was valued at \$40 million annually. This proposed budget assumes that the 2005 amount will not be needed. The November Plan redistributes this year's unspent reserve and allocates it evenly in 2006 through 2009, with \$10 million added to each year. This would bring the General Reserve to \$50 million annually. There are significant downside risks, however, that could materially impact MTA during the current financial plan period, including continued volatile energy and insurance costs, both of which have a commensurate impact on inflation and interest rates. Moreover, terrorism threats are expected to continue for the foreseeable future straining both the operating and capital budgets. To that end, I am recommending that the General Reserve be increased to \$75 million annually beginning in 2006 – this is roughly 0.75% of the MTA operating budget. Use of the unspent 2005 reserve reduces the impact on the financial plan to a net \$25 million annually. The level of the annual reserve will be reassessed in the next plan to ensure that we maintain the appropriate contingency reserve for MTA's \$10 billion budget.

The strategies for closing the out-year gaps remain consistent with the plan outlined in July. First the \$200 million set aside from the 2004 surplus will be added to the plan in 2006. Agencies have proposed "PEGs" (2006 Agency Programs to Eliminate the Gap), which are now valued to save \$18 million in 2005 and \$42 million in 2006; associated headcount savings are estimated to be 143 positions in 2006. These figures are virtually identical to those proposed in the July Plan with the exception of the LIRR, which eliminated one PEG that would have reduced train crew staff by 14 positions and saved approximately \$2 million per year. Instead, it will achieve savings through reductions in consulting services, adjustments to inspection schedules for the new M7 cars and staff scheduling efficiencies. These actions will more than offset the cost of restoring the 14 positions proposed for elimination in the July Plan. The net cash balances

As I reported to you in my memorandum dated October 18th and at last month's Board meeting, recent monthly real estate tax receipts and lower rates for debt service have exceeded the expectations in the July Plan. The 2005 closing balance now reflects an additional \$224 million from these sources, bringing the total non-recurring portion of the \$1 billion closing cash balance to \$705 million.

This Budget Proposal reflects the recommendations outlined last month, which proposed that \$700 million of the non-recurring surplus be spent as follows:

- ✓ Reduce Unfunded Pension Liabilities (\$450 million) by paying down \$450 million of the \$2.2 billion of unfunded accrued liabilities, thus generating \$42 million in annual savings;
- ✓ Address needs in Capital Security (\$100 million) to ensure existing projects remain on schedule and fund immediate capital needs, such as CCTV cameras in 60 subway stations and on buses as a pilot program, installing Emergency Exit release devices on gates in subway stations and subway car seat locks. After the World Trade Center attack, MTA established \$591 million in the Capital Budget to fund security enhancements at critical infrastructure and facilities. As the design process has progressed, total project costs have been revised to reflect the best available information. To address projected increases in costs from the original project estimates made in 2002, the MTA will be utilizing security experts to re-evaluate capital security priorities and a value-engineering process to determine whether these projects should be modified or re-ordered. It is proposed that these funds will be dedicated to mitigating necessary cost increases;
- ✓ Provide Agency Service Enhancements (\$50 million in 2006, \$35 million annually thereafter) to cover intensive cleaning programs in NYCT as well as the commuter railroads; increased commuter railroad train service (to address overcrowding, reduce the time of gaps between trains and to provide additional weekend and off-peak service) and additional K-9 teams and patrol presence by MTA Police. These funds would also be used to delay implementation of NYCT's revised off-peak seated load bus guidelines until 2007;
- ✓ Customer (Holiday) Fare Initiatives (\$50 million in 2005 and \$50 million in 2006). The 2005 initiative will offer half-fare on subways and local buses on weekends from Thanksgiving through New Year's Day; holiday bonuses for time-based MetroCards; and bonus trips for commuter railroad customers. This initiative was endorsed by the Board at its meeting last month. An additional

after Gap closing and Policy actions for 2005 and 2006 are now forecast to be \$462 million and \$220 million, respectively.

The 2006 Agency PEGs will also reduce the 2007 through 2009 gaps by \$44 million, \$47 million and \$50 million, respectively. In addition, agencies have also proposed cost reduction measures that will commence after 2006, which will further improve the out-year gaps by \$3 million in 2007, \$16 million in 2008 and \$24 million in 2009. These programs were included in the July Plan. The November Plan also continues to assume that MTA will implement modest fare and toll increases bi-annually; for this plan period, these will take place in 2007 and 2009. The estimated yield from these increases is virtually the same as the July Plan. After taking into account these gap closing measures, the November Plan's net cash balance includes deficits of \$152 million in 2007, \$797 million in 2008 and \$934 million in 2009.

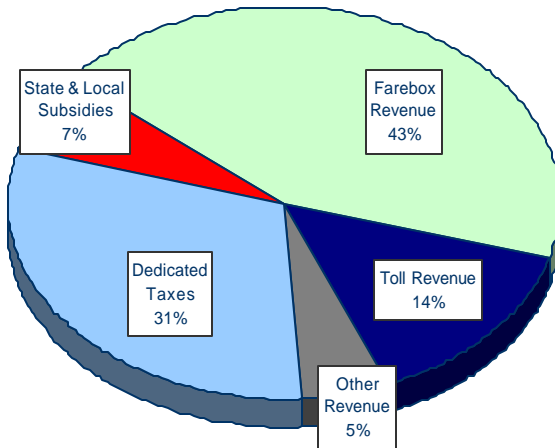
As was the case in July, our short-term fiscal position has improved with additional taxes and debt savings generated by the continuation of the real estate market's boom and slower increases in interest rates. If the market falls at a slower pace than the plan projects, our position could be better next year. This would certainly assist in the solutions that must be developed to deal with the structural deficits that are looming just two years from now. These gaps have not improved since the July Plan largely because of the effect of the current energy price escalations on the economy and inflation. In addition in accordance with past practices, the agencies are in the process of completing their year-end reviews of their capital needs in the context of the approved 2005-2009 Capital Plan. Those amendments together with any funding changes will be brought to the Board early next year.

I look forward to public and Board input on this plan over the coming weeks culminating with the adoption of the 2006 Budget by the Board in December.

II. MTA Consolidated 2006-2009 Financial Plan

MTA 2006 Final Proposed Budget Baseline Before Gap Closing and Other Actions

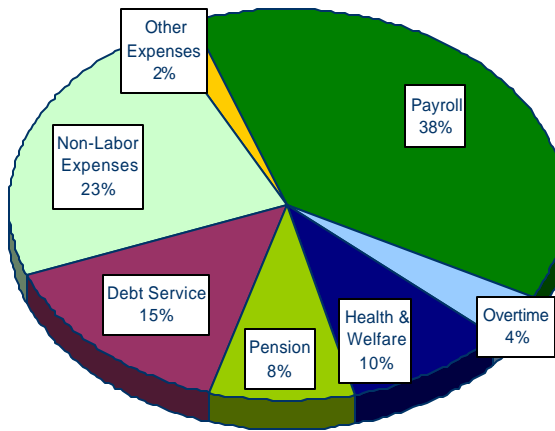
Where the Dollars Come From...



By Revenue Source (in millions)	
Farebox Revenue	\$3,727
Toll Revenue	1,238
Other Revenue	428
Dedicated Taxes	2,621
State & Local Subsidies	568
Total	\$8,582

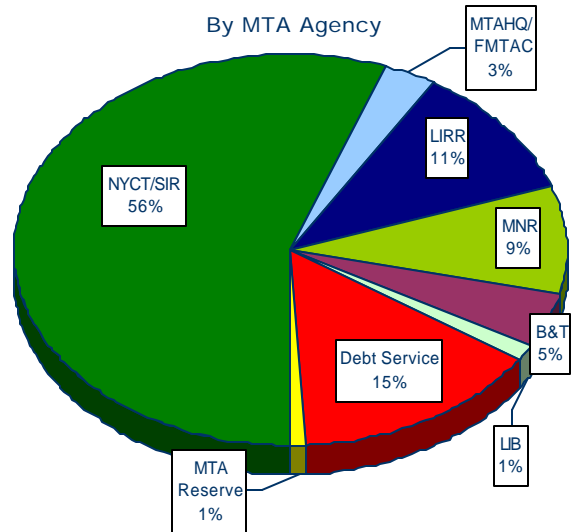
Where the Dollars Go...

By Expense Category



By Expense Category (in millions)	
Payroll	\$3,481
Overtime	351
Health & Welfare	862
Pension	734
Debt Service	1,340
Non-Labor Expenses	2,116
Other Expenses	181
Total	\$9,065
<i>Expenses exclude depreciation.</i>	

By MTA Agency



By MTA Agency (in millions)	
NYCT/SIR	\$5,032
MTAHQ/FMTAC	285
LIRR	1,012
MNR	790
B&T	418
LIB	112
Debt Service	1,340
MTA Reserve	75
Total	\$9,065
<i>Expenses exclude depreciation.</i>	

The net difference between revenues and expenses is offset through the use of prior year cash balances and cash flow timing adjustments (\$2,680 million) and depreciation (\$1,579 million). This results in a baseline year-end cash surplus of \$618 million.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006 - 2009
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line Number		2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
8	Non-Reimbursable						
11	Operating Revenue						
12	Farebox Revenue	\$3,425	\$3,623	\$3,727	\$3,771	\$3,814	\$3,835
13	Toll Revenue	1,097	1,207	1,238	1,240	1,247	1,249
14	Other Revenue (Excludes B&T Investment Income for Capital)	336	394	401	411	423	435
15	Capital and Other Reimbursements	23	26	27	29	31	32
16	Total Operating Revenue	\$4,881	\$5,250	\$5,394	\$5,450	\$5,515	\$5,551
18	Operating Expense						
19	Labor Expenses:						
20	Payroll	\$3,303	\$3,376	\$3,481	\$3,564	\$3,687	\$3,787
21	Overtime	350	375	351	356	365	376
22	Health & Welfare	711	787	862	941	1,034	1,132
23	Pensions	480	646	734	753	758	756
24	Other-Fringe Benefits	405	372	383	395	409	421
25	Reimbursable Overhead	(233)	(237)	(271)	(265)	(269)	(271)
26	Sub-total Labor Expenses	\$5,016	\$5,319	\$5,540	\$5,744	\$5,983	\$6,202
28	Non-Labor Expenses:						
29	Traction and Propulsion Power	203	249	264	266	270	279
30	Fuel for Buses and Trains	95	137	158	145	139	141
31	Insurance	19	28	39	43	47	52
32	Claims	130	141	148	153	157	162
33	Paratransit Service Contracts	135	160	192	223	260	304
34	Maintenance and Other Operating Contracts	411	502	522	528	523	542
35	Professional Service Contracts	180	240	224	226	232	240
36	Materials & Supplies	363	405	418	442	480	485
37	Other Business Expenses	143	104	151	153	158	164
38	Sub-total Non-Labor Expenses	\$1,679	\$1,966	\$2,116	\$2,179	\$2,268	\$2,369
40	Other Expense Adjustments:						
41	Other	(\$1)	(\$7)	(\$7)	(\$7)	(\$7)	(\$8)
42	General Reserve	0	0	75	75	75	75
43	Sub-total Other Expense Adjustments	(\$1)	(\$7)	\$68	\$68	\$68	\$67
45	Total Operating Expense Before Depreciation	\$6,693	\$7,278	\$7,725	\$7,992	\$8,319	\$8,638
47	Depreciation	\$1,344	\$1,479	\$1,629	\$1,794	\$1,941	\$2,102
49	Total Operating Expense (Excluding B&T Depreciation)	\$7,991	\$8,709	\$9,304	\$9,730	\$10,199	\$10,672
51	Net Operating Deficit Before Subsidies and Debt Service	(\$3,111)	(\$3,459)	(\$3,910)	(\$4,280)	(\$4,684)	(\$5,121)
53	Dedicated Taxes and State/Local Subsidies	\$2,822	\$3,385	\$3,188	\$3,325	\$3,318	\$3,373
55	Debt Service (excludes Service Contract Bonds)	(848)	(1,038)	(1,340)	(1,485)	(1,631)	(1,817)
57	Net Deficit After Subsidies and Debt Service	(\$1,137)	(\$1,112)	(\$2,062)	(\$2,440)	(\$2,997)	(\$3,564)
59	Conversion to Cash Basis: Depreciation	\$1,344	\$1,479	\$1,629	\$1,794	\$1,941	\$2,102
60	Conversion to Cash Basis: All Other	149	170	7	(22)	(55)	(53)
61	Net Cash Balance from Previous Year	151	507	1,044	618	0	0
63	Baseline Net Cash Balance	\$507	\$1,044	\$618	(\$49)	(\$1,111)	(\$1,516)
65	GAP CLOSING & POLICY ACTIONS:						
67	Customer Fare Programs		(50)	(50)	0	0	0
68	Service Enhancements		0	(50)	(35)	(35)	(35)
69	Capital Security Addition		(100)	0	0	0	0
70	Pension Liability Reduction		(450)	0	0	0	0
71	Pension Earnings (@8%)		0	42	42	42	42
72	Real Estate Tax Stabilization Account		0	200	0	0	0
73	2006 Agency Program to Eliminate the Gap		18	42	44	47	50
74	Post 2006 Agency Program to Eliminate the Gap		0	0	3	16	24
75	2007 Increased Fare and Toll Yields		0	0	241	244	245
76	2009 Increased Fare and Toll Yields		0	0	0	0	257
77	Adjusted Net Cash Balance from Previous Year		0	(582)	(398)	0	0
80	Net Cash Surplus/(Deficit)	\$507	\$462	\$220	(\$152)	(\$797)	(\$934)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006 - 2009
MTA Consolidated Accrued Statement of Operations By Agency
(\$ in millions)

Line Number		2004	2005 November	2006 Final Proposed	2007	2008	2009
	Non-Reimbursable	Actual	Forecast	Budget			
8							
9	<u>Total Operating Revenue</u>						
10	Bridges and Tunnels (Excludes Investment Income)	\$1,130	\$1,253	\$1,290	\$1,291	\$1,299	\$1,302
11	Capital Construction Company	0	0	0	0	0	0
12	Long Island Bus	41	42	42	42	41	42
13	Long Island Rail Road	437	465	476	484	491	500
14	Metro-North Railroad	433	469	481	488	495	502
15	MTA Headquarters	14	51	53	54	56	56
16	New York City Transit	2,814	2,958	3,040	3,077	3,119	3,136
17	Staten Island Railway	5	5	5	6	6	6
18	First Mutual Transportation Assurance Company	7	7	7	7	8	8
19	Total	\$4,881	\$5,250	\$5,394	\$5,450	\$5,515	\$5,551
20							
21	<u>Total Operating Expenses before Depreciation</u> ¹						
22	Bridges and Tunnels	\$319	\$347	\$392	\$401	\$410	\$425
23	Capital Construction Company	0	0	0	0	0	0
24	Long Island Bus	102	107	112	115	118	122
25	Long Island Rail Road	890	979	1,012	1,050	1,120	1,159
26	Metro-North Railroad	728	754	790	822	863	911
27	MTA Headquarters	242	301	310	320	330	342
28	New York City Transit	4,391	4,768	5,005	5,182	5,380	5,581
29	Staten Island Railway	26	26	27	28	29	30
30	First Mutual Transportation Assurance Company	(2)	3	7	5	2	(0)
31	Other	(1)	(7)	68	68	68	67
32	Total	\$6,693	\$7,278	\$7,725	\$7,992	\$8,319	\$8,638
33							
34	<u>Depreciation</u>						
35	Bridges and Tunnels	\$46	\$48	\$50	\$57	\$61	\$67
36	Capital Construction Company	0	0	0	0	0	0
37	Long Island Bus	0	0	0	0	0	0
38	Long Island Rail Road	220	250	274	275	259	256
39	Metro-North Railroad	158	185	195	200	207	214
40	MTA Headquarters	21	23	25	25	22	20
41	New York City Transit	892	962	1,075	1,228	1,382	1,535
42	Staten Island Railway	7	10	10	10	10	10
43	First Mutual Transportation Assurance Company	0	0	0	0	0	0
44	Total	\$1,344	\$1,479	\$1,629	\$1,794	\$1,941	\$2,102
45							
46	<u>Net Operating Income/(Deficit)</u>						
47	Bridges and Tunnels (Excludes Depreciation)	\$811	\$906	\$897	\$890	\$889	\$877
48	Capital Construction Company	0	0	0	0	0	0
49	Long Island Bus	(60)	(66)	(70)	(73)	(77)	(81)
50	Long Island Rail Road	(674)	(765)	(810)	(841)	(888)	(915)
51	Metro-North Railroad	(453)	(470)	(504)	(533)	(574)	(623)
52	MTA Headquarters	(249)	(272)	(283)	(291)	(296)	(305)
53	New York City Transit	(2,469)	(2,772)	(3,039)	(3,333)	(3,643)	(3,981)
54	Staten Island Railway	(29)	(31)	(32)	(33)	(34)	(35)
55	First Mutual Transportation Assurance Company	9	4	0	3	5	8
56	Other	1	7	(68)	(68)	(68)	(67)
57	Total	(\$3,111)	(\$3,459)	(\$3,910)	(\$4,280)	(\$4,684)	(\$5,121)

Note: ¹ Excludes Debt Service

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006 - 2009
MTA Consolidated Cash Receipts and Expenditures
(\$ in millions)

Line Number	CASH RECEIPTS AND EXPENDITURES	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
9							
10							
11	Receipts						
12	Farebox Revenue	\$3,466	\$3,671	\$3,766	\$3,817	\$3,860	\$3,878
13	Other Operating Revenue	469	417	398	407	421	433
14	Capital and Other Reimbursements	1,107	1,105	1,182	1,175	1,190	1,198
15	Total Receipts	\$5,043	\$5,193	\$5,346	\$5,399	\$5,471	\$5,510
16							
17	Expenditures						
18	<u>Labor:</u>						
19	Payroll	\$3,581	\$3,665	\$3,812	\$3,871	\$4,004	\$4,091
20	Overtime	392	430	402	405	415	427
21	Health and Welfare	706	805	876	957	1,052	1,148
22	Pensions	393	502	701	774	785	787
23	Other Fringe Benefits	456	446	469	477	493	504
24	Reimbursable Overhead	0	0	0	0	0	(0)
25	Total Labor Expenditures	\$5,528	\$5,848	\$6,260	\$6,484	\$6,748	\$6,958
26							
27	<u>Non-Labor:</u>						
28	Traction and Propulsion Power	\$203	\$249	\$264	\$266	\$270	\$279
29	Fuel for Buses and Trains	92	137	158	144	138	140
30	Insurance	33	40	40	45	54	52
31	Claims	88	117	111	122	119	123
32	Paratransit Service Contracts	130	157	188	223	260	304
33	Maintenance and Other Operating Contracts	380	472	448	422	433	447
34	Professional Service Contracts	190	244	225	225	231	236
35	Materials & Supplies	464	496	522	545	584	593
36	Other Business Expenditures	112	110	161	173	169	174
37	Total Non-Labor Expenditures	\$1,692	\$2,023	\$2,118	\$2,165	\$2,259	\$2,350
38							
39	<u>Other Expenditure Adjustments:</u>						
40	Other	\$39	\$85	\$74	\$76	\$81	\$84
41	General Reserve	0	0	75	75	75	75
42	Total Other Expenditure Adjustments	\$39	\$85	\$149	\$151	\$156	\$159
43							
44	Total Expenditures	\$7,259	\$7,956	\$8,527	\$8,801	\$9,163	\$9,467
45							
46	Net Cash Deficit Before Subsidies and Debt Service	(\$2,217)	(\$2,763)	(\$3,180)	(\$3,402)	(\$3,692)	(\$3,957)
47							
48	Dedicated Taxes and State/Local Subsidies	\$3,008	\$3,941	\$3,637	\$3,745	\$3,721	\$3,748
49							
50	Debt Service (excludes Service Contract Bonds)	(435)	(641)	(883)	(1,010)	(1,140)	(1,307)
51							
52	Net Cash Balance from Previous Year	151	507	1,044	618	0	0
53							
54	Baseline Net Cash Surplus/(Deficit)	\$507	\$1,044	\$618	(\$49)	(\$1,111)	(\$1,516)
55							
56	<u>GAP CLOSING & POLICY ACTIONS:</u>						
57							
58	Customer Fare Programs		(50)	(50)	0	0	0
59	Service Enhancements		0	(50)	(35)	(35)	(35)
60	Capital Security Addition		(100)	0	0	0	0
61	Pension Liability Reduction		(450)	0	0	0	0
62	Pension Earnings (@8%)		0	42	42	42	42
63	Real Estate Tax Stabilization Account		0	200	0	0	0
64	2006 Agency Program to Eliminate the Gap		18	42	44	47	50
65	Post 2006 Agency Program to Eliminate the Gap		0	0	3	16	24
66	2007 Increased Fare and Toll Yields		0	0	241	244	245
67	2009 Increased Fare and Toll Yields		0	0	0	0	257
68							
69	Adjusted Net Cash Balance from Previous Year		0	(582)	(398)	0	0
70							
71	Net Cash Surplus/(Deficit)	\$507	\$462	\$220	(\$152)	(\$797)	(\$934)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006 - 2009
MTA Consolidated Cash Statement of Operations By Agency
(\$ in millions)

Line Number		2004	2005	2006			
		Actuals	November	Final	2007	2008	2009
8							
9	<u>Total Receipts</u>						
10	Capital Construction Company	\$10	\$18	\$27	\$31	\$32	\$33
11	Long Island Bus	47	47	47	47	47	47
12	Long Island Rail Road	639	644	686	708	718	731
13	Metro-North Railroad	594	638	658	675	689	690
14	MTA Headquarters	45	93	96	98	101	103
15	New York City Transit	3,694	3,739	3,819	3,825	3,870	3,890
16	Staten Island Railway	7	6	6	7	7	7
17	First Mutual Transportation Assurance Company	7	7	7	7	8	8
18	Total	\$5,043	\$5,193	\$5,346	\$5,399	\$5,471	\$5,510
19							
20	<u>Total Expenditures</u>						
21	Capital Construction Company	\$10	\$18	\$27	\$31	\$32	\$33
22	Long Island Bus	100	114	117	120	123	130
23	Long Island Rail Road	1,097	1,121	1,227	1,275	1,341	1,383
24	Metro-North Railroad	871	914	987	1,010	1,070	1,105
25	MTA Headquarters	255	392	376	387	397	411
26	New York City Transit	4,938	5,366	5,684	5,867	6,087	6,290
27	Staten Island Railway	28	27	28	29	30	31
28	First Mutual Transportation Assurance Company	7	7	7	7	8	8
29	Other	(46)	(4)	75	75	75	75
30	Total	\$7,259	\$7,956	\$8,527	\$8,801	\$9,163	\$9,467
31							
32	<u>Net Operating Surplus/(Deficit)</u>						
33	Capital Construction Company	0	0	0	0	0	0
34	Long Island Bus	(52)	(67)	(70)	(73)	(77)	(83)
35	Long Island Rail Road	(457)	(477)	(541)	(567)	(623)	(652)
36	Metro-North Railroad	(277)	(276)	(329)	(335)	(381)	(414)
37	MTA Headquarters	(210)	(300)	(280)	(288)	(296)	(307)
38	New York City Transit	(1,244)	(1,627)	(1,865)	(2,042)	(2,217)	(2,400)
39	Staten Island Railway	(22)	(21)	(22)	(22)	(23)	(24)
40	First Mutual Transportation Assurance Company	0	0	0	(0)	(0)	0
41	Other	46	4	(75)	(75)	(75)	(75)
42	Total	(\$2,217)	(\$2,763)	(\$3,180)	(\$3,402)	(\$3,692)	(\$3,957)

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Metropolitan Transportation Authority
November Financial Plan 2006 - 2009
MTA Consolidated July Financial Plan Compared with November Financial Plan
Cash Reconciliation
(\$ in millions)

	Favorable/(Unfavorable)				
	2005	2006	2007	2008	2009
July Plan Baseline Net Cash Surplus/(Deficit)	\$833	\$461	(\$194)	(\$1,077)	(\$1,453)
<u>Changes to the November Plan</u>					
Subsidies	195	16	41	17	15
<i>Real Estate Transaction Taxes (MRT/Urban)</i>	182	0	0	0	0
<i>Petroleum Business Tax</i>	13	(20)	5	5	5
<i>Metropolitan Mass Transportation Operating Assistance</i>	0	36	36	12	11
General Reserve	40	(35)	(35)	(35)	(35)
Use of MRT Prior Year Balances	(40)	10	10	10	10
Debt Service	42	2	(18)	(28)	(63)
Agency Baseline Changes	(34)	(51)	(24)	(8)	1
<i>Toll/Farebox Revenue</i>	0	27	21	25	29
<i>Overtime</i>	(22)	(2)	0	(0)	(0)
<i>Health & Welfare</i>	18	21	24	25	26
<i>Pensions</i>	(2)	3	10	12	18
<i>Energy</i>	(21)	(49)	(34)	(27)	(27)
<i>Insurance</i>	1	(8)	(11)	(13)	(16)
<i>Security Reallocation/Funding</i>	(21)	(19)	(21)	(21)	(23)
<i>Additional Baseline Re-estimates/Cash Adjustments</i>	13	(24)	(12)	(9)	(6)
Other	8	5	13	11	8
Net Cash Balance from Previous Year		211	158	0	0
Total Changes	\$211	\$158	\$145	(\$34)	(\$63)
November Plan Baseline Net Cash Surplus/(Deficit)	\$1,044	\$618	(\$49)	(\$1,111)	(\$1,516)
<u>GAP CLOSING & POLICY ACTIONS:</u>					
Customer Fare Programs	(50)	(50)	0	0	0
Service Enhancements	0	(50)	(35)	(35)	(35)
Capital Security Addition	(100)	0	0	0	0
Pension Liability Reduction	(450)	0	0	0	0
Pension Earnings (@8%)	0	42	42	42	42
Real Estate Tax Stabilization Account	0	200	0	0	0
2006 Agency Program to Eliminate the Gap	18	42	44	47	50
Post 2006 Agency Program to Eliminate the Gap	0	0	3	16	24
2007 Increased Fare and Toll Yields	0	0	241	244	245
2009 Increased Fare and Toll Yields	0	0	0	0	257
Adjusted Net Cash Balance from Previous Year	0	(582)	(398)	0	0
Net Cash Surplus/(Deficit)	\$462	\$220	(\$152)	(\$797)	(\$934)

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Metropolitan Transportation Authority
November Financial Plan 2006 - 2009
Summary of Total Budgeted Debt Service
(\$ in millions)

Line Number		ACTUAL	FORECAST				
		2004	2005	2006	2007	2008	2009
9	<u>New York City Transit:</u>						
10							
11	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$191.154	\$242.569	\$295.841	\$298.755	\$298.611	\$298.772
12	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	2.622	43.034	98.274	168.165	263.133
13	2 Broadway Certificates of Participation - NYCT Lease Portion	18.301	23.133	17.516	17.518	19.221	19.226
14	2 Broadway Certificates of Participation - Additional NYCT Share of MTA Lease Portion	1.838	2.453	1.759	1.759	1.931	1.931
15	Transportation Resolution Commercial Paper	2.977	11.045	30.694	30.694	30.694	30.694
16	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	126.260	162.724	170.763	173.995	174.089	174.232
17	<u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs</u>	<u>0.000</u>	<u>0.000</u>	<u>9.001</u>	<u>27.214</u>	<u>50.253</u>	<u>81.557</u>
18	Sub-Total MTA Paid Debt Service	\$340.530	\$444.546	\$568.609	\$648.211	\$742.964	\$869.546
19							
20	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$133.400	\$124.404	\$141.794	\$143.621	\$143.548	\$143.581
21	<u>Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds</u>	<u>76.155</u>	<u>73.943</u>	<u>84.328</u>	<u>85.658</u>	<u>85.751</u>	<u>85.695</u>
22	Sub-Total B&T Paid Debt Service	\$209.555	\$198.346	\$226.121	\$229.279	\$229.299	\$229.276
23							
24							
25	Total NYCT Debt Service	\$550.084	\$642.892	\$794.730	\$877.489	\$972.263	\$1,098.822
26							
27	<u>Commuter Railroads:</u>						
28							
29	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	\$67.074	\$154.719	\$219.545	\$221.708	\$221.600	\$221.720
30	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	2.800	39.290	73.462	99.453	135.653
31	Transportation Resolution Commercial Paper	1.654	6.494	14.685	14.685	14.685	14.685
32	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	25.476	32.046	32.965	33.588	33.607	33.634
33	<u>Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs</u>	<u>0.000</u>	<u>0.000</u>	<u>7.415</u>	<u>18.682</u>	<u>27.250</u>	<u>31.966</u>
34	Sub-Total MTA Paid Debt Service	\$94.205	\$196.060	\$313.899	\$362.125	\$396.595	\$437.659
35							
36	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$59.710	\$55.683	\$63.467	\$64.285	\$64.252	\$64.267
37	<u>Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds</u>	<u>31.317</u>	<u>32.487</u>	<u>37.050</u>	<u>37.634</u>	<u>37.675</u>	<u>37.651</u>
38	Sub-Total B&T Paid Debt Service	\$91.026	\$88.170	\$100.517	\$101.919	\$101.927	\$101.917
39							
40	Total CRR Debt Service	\$185.231	\$284.230	\$414.416	\$464.044	\$498.523	\$539.576
41							
42	<u>Bridges and Tunnels:</u>						
43							
44	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	\$72.450	\$73.487	\$87.006	\$88.127	\$88.083	\$88.103
45	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	33.806	29.209	33.311	33.836	33.873	33.851
46	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	4.448	15.645	31.578	49.342
47	2 Broadway Certificates of Participation - TBTA Lease Portion	2.744	3.417	2.626	2.626	2.882	2.883
48	2 Broadway Certificates of Participation - Additional TBTA Share of MTA Lease Portion	3.756	5.014	3.595	3.595	3.945	3.946
49							
50	Total Debt Service	\$112.757	\$111.127	\$130.986	\$143.830	\$160.361	\$178.125
51							
52	<u>MTA Total:</u>						
53							
54	Budgeted Gross Debt Service for Existing Bonds	\$816.801	\$981.270	\$1,166.068	\$1,181.207	\$1,181.089	\$1,181.506
55	2 Broadway Certificates of Participation	26.640	34.017	25.496	25.500	27.979	27.986
56	Transportation Resolution Commercial Paper	4.631	17.539	45.380	45.380	45.380	45.380
57	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	5.423	82.324	171.737	267.618	398.787
58	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.000	16.416	45.895	77.503	113.522
59	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	4.448	15.645	31.578	49.342
60							
61	Total Debt Service	\$848.072	\$1,038.249	\$1,340.132	\$1,485.364	\$1,631.147	\$1,816.523

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**METROPOLITAN TRANSPORTATION AUTHORITY
NOVEMBER FINANCIAL PLAN 2006 -2009
FAREBOX RECOVERY AND FAREBOX OPERATING RATIOS
ANNUAL BUDGET and FORECASTS
BEFORE GAP CLOSING and POLICY ACTIONS**

FAREBOX RECOVERY RATIOS

	<u>2005</u> <u>November Plan</u>	<u>2006</u> <u>Forecast</u>	<u>2007</u> <u>Forecast</u>	<u>2008</u> <u>Forecast</u>	<u>2009</u> <u>Forecast</u>
New York City Transit	44.4%	42.7%	40.7%	38.7%	37.0%
Staten Island Railway	12.2%	12.2%	12.8%	12.6%	12.3%
Long Island Rail Road	32.2%	30.3%	29.7%	28.9%	28.9%
Metro-North Railroad	42.5%	40.2%	38.9%	37.2%	36.0%
Long Island Bus	<u>34.3%</u>	<u>33.0%</u>	<u>32.4%</u>	<u>31.8%</u>	<u>30.9%</u>
MTA Total Agency Average	42.1%	40.2%	38.6%	36.9%	35.5%

FAREBOX OPERATING RATIOS

	<u>2005</u> <u>November Plan</u>	<u>2006</u> <u>Forecast</u>	<u>2007</u> <u>Forecast</u>	<u>2008</u> <u>Forecast</u>	<u>2009</u> <u>Forecast</u>
New York City Transit	58.9%	57.8%	56.3%	54.8%	53.0%
Staten Island Railway	17.6%	17.5%	18.1%	17.7%	17.0%
Long Island Rail Road	44.8%	44.1%	43.4%	41.3%	40.6%
Metro-North Railroad	57.4%	56.4%	55.7%	53.5%	51.0%
Long Island Bus	<u>35.6%</u>	<u>34.3%</u>	<u>33.6%</u>	<u>32.8%</u>	<u>31.9%</u>
MTA Total Agency Average	56.1%	55.1%	53.9%	52.2%	50.4%

Note:

Does not include 2006 PEGs or 2007 and 2009 fare/toll increase.

Farebox recovery ratio has a long-term focus. It includes costs that are not funded in the current year, except in an accounting-ledger sense, but are, in effect, passed on to future years. Those costs include depreciation and interest on long-term debt. Approximately 10% (and sometimes more) of MTA costs are not recovered in the current year from farebox revenues, other operating revenues or subsidies. That is why MTA operating statements generally show deficits. In addition, the recovery ratio allocates centralized MTA services to the Agencies, such as Security, the costs of the Inspector General, Civil Rights, Audit, Risk Management and Legal.

Farebox operating ratio focuses on Agency operating financial performance. It reflects the way MTA meets its statutory and bond-covenant budget-balancing requirements, and it excludes certain cost that are not subject to Agency control, but are provided centrally by MTA.

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III. Major Assumptions – 2006-2009 Baseline Projections

Utilization (Ridership, Traffic and Revenue)

UTILIZATION

The following review of Agency utilization reflects baseline Agency utilization projections, and does not include effects of the proposed PEGs, Holiday Fare Initiatives, service enhancements, or 2007 and 2009 fare and toll increases. These impacts are discussed in the **Gap Closing and Other Policy Actions** section.

2005 Ridership, Traffic and Revenue

The 2005 November Forecast for MTA consolidated ridership is projected to total 2,392.5 million passengers, while crossings at Bridges and Tunnels (B&T) facilities are projected to total 300.7 million vehicular crossings. New York City Transit (NYCT) combined subway and bus ridership for the 2005 November Forecast is expected to be 2,206.0 million, while Long Island Rail Road (LIRR) is projecting 79.6 million passengers and Metro-North Railroad (MNR) is projecting 72.9 million passengers for its East-of-Hudson operations. Staten Island Railway (SIR) ridership is estimated to be 3.4 million, and Long Island Bus (LIB) fixed route ridership is estimated to be 30.6 million.

Farebox revenue for the 2005 November Forecast is estimated to be \$3,594.8 million, and toll revenue is estimated to be \$1,207.4 million. NYCT combined subway and bus farebox revenue for the 2005 November Forecast is expected to be \$2,677.3 million, while LIRR is projecting \$439.3 million in farebox revenue and MNR is projecting \$437.8 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be \$3.2 million, and LIB fixed route farebox revenue is estimated to be \$37.2 million.

The 2005 November Forecasts are based on actual results through August 2005 for NYCT, SIR, MNR, LIB and B&T, and through July 2005 for LIRR.

MTA ridership for the 2005 November Forecast is expected to increase on all MTA operations from 2004 ridership levels, while the 2005 November Forecast for traffic at B&T facilities is expected to slightly decline from the 2004 traffic level. The 2005 November Forecast for fare and toll revenues projects increases for all MTA operations over 2004 fare and toll revenue levels.

The 2005 November Forecast for MTA consolidated ridership is projected to increase by 42.3 million trips – a 1.8% increase – over 2004 MTA consolidated ridership. NYCT ridership for the 2005 November Forecast is expected to surpass the 2004 ridership level by 39.4 million passengers, a 1.8% increase. The 2005 November Forecast for Commuter Rail ridership is also estimated to be greater than 2004 ridership levels, with LIRR projecting a 0.3 million, or 0.4%, ridership increase and MNR projecting a 2.1 million, or 3.0%, ridership improvement. SIR is projecting a 0.1 million, or 2.4%, increase in ridership, while LIB is projecting a ridership increase of 0.4 million, or 1.3%.

The 2005 November Forecast for B&T traffic is expected to decline by 2.3 million crossings, a 0.8% decrease, over the 2004 traffic level.

Ridership, traffic and revenue levels in 2005 incorporate the impact of fare and toll increases that went into effect on February 27, 2005 for NYCT, SIR and LIB, on March 1, 2005 for LIRR and MNR, and on March 13, 2005 for B&T.

At NYCT, the basic two-dollar single-trip fare and the MetroCard pay-per-ride bonus of 20 percent with a \$10 minimum purchase (or six trips for the price of five trips) did not change in 2005. Also remaining unchanged was the seven-dollar price for the one-day unlimited-ride Fun Pass. The 30-day unlimited-ride MetroCard increased in price from \$70 to \$76 and the price of the 7-day unlimited-ride MetroCard increased from \$21 to \$24. The price of a single express bus ride increased from \$4 to \$5, and the price of the 7-day express bus pass increased from \$33 to \$41. As a result of the fare increases, the NYCT average non-student fare – the average fare excluding revenue and trips made with student passes – rose from \$1.25 to \$1.31, an increase of 4.8%. Fare increases on SIR and LIB were consistent with the fare increases for NYCT.

At LIRR, fares increased by 5% across-the-board. Additionally, there were changes to three other fare components: the one-way off-peak discount was reduced from 30% to 27.5% of the one-way peak fare; the 9% discount provided to Mail-N-Ride customers, and applied to the LIRR portion of joint monthly LIRR-MetroCards, was reduced to a 5% discount, and; those purchasing tickets on LIRR trains are now subject to a higher on-board differential, which was increased from three dollars to five dollars per ticket. As with LIRR, the fare increase for the New York State portion of MNR included an across-the-board 5% fare increase, an increase in the on-board differential from \$3 to \$5, and a reduction from 9% to 5% in discount on the MNR portion of the joint MNR-MetroCard pass. The MNR fare change, though, also included a 1% commutation discount reduction in the outer-most fare zones where the commutation discount had been greater than 48 percent; other fare zones at the 48 percent discount level were unchanged by this component of the increase. Finally, reverse commute travel during the morning – outbound from 5:30 AM to 9:00 AM – became subject to peak period fares.

B&T cash and E-ZPass tolls for passenger cars at major facilities – Bronx-Whitestone, Triborough and Throgs Neck Bridges and the Brooklyn-Battery and Queens Midtown Tunnels – increased by 50 cents, to \$4.50 per crossing for cash and to \$4 for E-ZPass; at the Verrazano-Narrows Bridge, where tolls are only collected in the westbound direction, the toll increased by one dollar to \$9 for cash tolls and to \$8 for E-ZPass. At the minor facilities – the Henry Hudson, Cross Bay and Marine Parkway Bridges – cash and E-ZPass tolls increased 25 cents to \$2.25 per crossing for cash transactions, and to \$1.75 for E-ZPass transactions at the Henry Hudson Bridge. At the Cross Bay and Marine Parkway Bridges, E-ZPass transactions increased from \$1.33 to \$1.50 per crossing. The base cash toll for commercial vehicles increased by one dollar at the major facilities and by fifty cents at the minor facilities, and the base E-ZPass toll for commercial vehicles increased by 80 cents at the major facilities and by 40 cents at the

minor facilities. Additional charges for both passenger cars and commercial vehicles that are assessed for towed items and for multiple axles also increased.

MTA consolidated ridership for the 2005 November Forecast is expected to surpass the 2005 Mid-Year Forecast projection by 13.8 million trips, a 0.6% increase; this increase reflects the effect of updated actual results of operation. NYCT ridership for the November Forecast is expected to surpass the Mid-Year Forecast ridership level by 11.9 million passengers, a 0.5% increase. The November Forecast for Commuter Rail ridership is also estimated to be greater than the Mid-Year Forecast level, with LIRR projecting a 1.3 million, or 1.62%, ridership increase and MNR projecting a 0.3 million, or 0.4%, ridership improvement. SIR is projecting a 0.1 million, or -3.1%, decrease in ridership, while LIB is projecting a ridership increase of 0.5 million, or 1.6%. At B&T facilities, the November Forecast projects an increase of 0.8 million additional vehicular crossings, a 0.3% increase, over the Mid-Year Forecast projection.

MTA consolidated farebox revenue in the November Forecast is projected to decline by \$7.4 million from the Mid-Year Forecast, a 0.2% decrease. NYCT farebox revenue is projected to decrease \$11.7 million, a 0.4% decrease; LIRR farebox revenue is projected to increase \$2.4 million, or 0.6%; MNR farebox revenue is projected to increase \$2.2 million, or 0.5%; LIB farebox revenue is projected to decline \$0.1 million, or -0.3%, and; SIR farebox revenue is projected to decline \$0.2 million, a 7.0% decrease. The November Forecast for B&T toll revenue is projected to increase \$0.5 million, or less than 0.1%, over the Mid-Year Forecast projection.

NYCT's improvement in ridership from the Mid-Year Forecast is the result of less ridership loss than anticipated from the February 27 fare increase. Farebox revenue is lower than the Mid-Year Forecast projection due to a lower than anticipated average fare as market share shifted to 30-day unlimited ride passes from pay-per-ride options to a larger degree than projected.

LIRR ridership improvement from the Mid-Year Forecast is due to better than expected ridership in the monthly commutation and off-peak markets, while the reduction in the revenue estimate reflects lower-than-anticipated average-yield per ticket since the March 1 fare increase. Beginning in October, LIRR increased AM peak service and early afternoon service from Penn Station, but while these service increases are expected to improve standee situations, they are not expected to result in measurable changes to farebox revenue and ridership.

MNR's November Plan improvement in ridership and farebox revenue is attributed to greater than projected ridership trends from June through August 2005, and the improvement from the Mid-Year Forecast reflects \$2.0 million in additional farebox revenue as a result of that trend. Additionally, MNR is anticipating \$0.2 million in revenue from additional late night service from Grand Central Terminal introduced in October.

LIB ridership growth relative to the Mid-Year Forecast is the result of less ridership loss than anticipated from the February 27 fare increase, as well as improvement in the economy in LIB's service area. As with the experience at NYCT, more LIB customers took advantage of MetroCard discounts in the wake of the fare increase, resulting in slightly lower farebox revenue relative to the Mid-Year Forecast.

SIR ridership and farebox revenue in the November Plan reflect lower levels than anticipated in the Mid-Year Forecast, as additional ridership growth from economic improvements did not translate into increased utilization of SIR service.

B&T vehicle crossings and toll revenue are higher in the November Plan as the result of favorable summer weather. Partially offsetting the weather-related traffic improvement is a two-cent reduction in the average toll per crossing compared with post-toll increase expectations.

2006 Ridership, Traffic and Revenue

MTA consolidated ridership for 2006 is expected to surpass the 2006 Preliminary projection by 36.5 million trips, an increase of 1.5%. NYCT ridership for 2006 is expected to surpass the 2006 Preliminary ridership level by 34.9 million passengers, a 1.6% increase. The 2006 Final Proposed Budget forecast for Commuter Rail ridership is also estimated to be greater than the Preliminary Budget level, with LIRR projecting a 0.8 million, or 1.0%, ridership increase and MNR projecting a 0.4 million, or 0.5%, ridership improvement. SIR is projecting a 0.1 million, or -1.8%, decrease in ridership, while LIB is projecting a ridership increase of 0.5 million, or 1.5%. At B&T facilities, 2006 reflects no change in vehicular crossings over the 2006 Preliminary forecast.

MTA consolidated farebox revenue in 2006 is projected to increase by \$24.6 million from the 2006 Preliminary forecast, a 0.7% increase. NYCT farebox revenue is projected to increase \$18.8 million, a 0.7% increase; LIRR farebox revenue is projected to increase \$3.6 million, or 0.6%; MNR farebox revenue is projected to increase \$3.6 million, or 0.8%; LIB farebox revenue is projected to decline \$0.1 million, or -0.2%, and; SIR farebox revenue is projected to decline \$0.2 million, a 5.5% decrease. In 2006, B&T toll revenue is projected to decline \$6.0 million, or -0.5%, over the 2006 Preliminary forecast.

NYCT's improvement in ridership from the 2006 Preliminary forecast reflects the improvement in 2005 ridership levels, as well as favorable regional economic conditions. Farebox revenue, which improved from the 2006 Preliminary forecast, is tempered by lower average fares than were expected after the February 27 fare increase as customers took further advantage of MetroCard discounts.

The adjustment in LIRR's 2006 Final Proposed Budget forecast for ridership and farebox revenue relative to the 2006 Preliminary forecast reflects continued adjustments based on ridership trends during the first seven months of 2005, as well as a due to a slight decline in the average yield per passenger. MNR's improvement in ridership and

farebox revenue is attributed to a continuation of projected ridership trends, as well as additional ridership and revenue from the additional of late night service from Grand Central Terminal that was introduced in October.

SIR's change in 2006 ridership and farebox revenue from the 2006 Preliminary forecast reflects the lower-than-expected ridership trend during the first eight months of 2005.

LIB ridership is modestly higher in 2006, the result of continuing trends for 2005. Fixed route farebox revenue is lower than the 2006 Preliminary forecast due to lower average fares, a reflection of customers increasingly taking advantage of MetroCard discounts.

B&T vehicle crossings are expected to be lower in 2006 than previously projected in the 2006 Preliminary forecast, reflecting the impact from changes in regional economic assumptions. The lower vehicular crossing estimate, along with an average toll that is two cents lower than estimated for the Mid-Year Forecast, results in toll revenue that is lower than the toll revenue projections incorporated in the 2006 Preliminary forecast.

2007 – 2009 Ridership, Traffic and Revenue

MTA consolidated ridership for the November Plan is expected to surpass the July Plan projection by 33.6 million trips in 2007, by 36.8 million trips in 2008 and by 39.8 million trips in 2009, increases of 1.4%, 1.5% and 1.6%, respectively, over the July Plan forecast. MTA consolidated farebox revenue in the November Plan is projected to increase by \$18.8 million in 2007, by \$22.9 million in 2008 and by \$26.7 million in 2009, increases of 0.5%, 0.6% and 0.7% respectively, from the July Plan forecast.

NYCT ridership for the November Plan is expected to surpass the July Plan ridership level by 32.1 million passengers in 2007, a 1.4% increase; ridership levels are projected to exceed the July Plan levels for 2008 by 35.3 million passengers and for 2009 by 38.2 million passengers, increases of 1.6% and 1.7%, respectively. NYCT farebox revenue for 2007 is projected to increase \$12.9 million, or 0.5%, over the farebox revenue projection in the July Plan; farebox revenue is expected to exceed the July Plan estimates by \$17.0 million in 2008 and by \$20.8 million in 2009, increases of 0.6% and 0.7%, respectively. These increases from the July Plan are the result the improvement in 2005 ridership levels, as well as favorable regional economic conditions.

LIRR ridership is projected to increase by 0.7 million in 2007 and by 0.8 million in both 2008 and 2009 from the July Plan ridership levels, increases of 0.7% in 2007 and 0.8% in both 2008 and 2009. LIRR farebox revenue is estimated to be above the July Plan levels by \$2.5 million in both 2007 and 2008, and by \$2.6 million in 2009, an increase of 0.6% each year over the July Plan forecast.

MNR ridership is projected to increase by 0.4 million each year from 2007 to 2009 relative to the July Plan ridership level, an increase of 0.5% each year. MNR farebox revenue is estimated to be above the July Plan levels by \$3.6 million per year, a 0.8% increase each year, over the farebox revenue levels in the July Plan forecast.

SIR ridership is projected to be 0.1 million less per year for 2007 to 2009 than the ridership estimate in the July Plan, decreases of 1.9% in 2007, 2.0% in 2008 and 2.2% in 2009. For 2007 to 2009, farebox revenue in the November Plan is expected to be \$0.2 million less than the farebox revenue level projected in the July Plan, declines of 5.2% in 2007, 5.3% in 2008 and 6.2% in 2009.

LIB ridership is modestly higher and farebox revenue is modestly lower than levels in the July Plan. Ridership is up 0.5 million, a 1.5% increase, and farebox revenue is down \$0.1 million, a 0.2% decrease.

At B&T facilities, the November Plan projects a decline over the July Plan projection of 0.4 million vehicular crossings in 2007, a decline of 0.3 million crossings in 2008 and a decline of 0.4 million crossings in 2009, a 0.1% decrease for each year. Toll revenue has also been adjusted downwards from the July Plan, decreasing by \$7.6 million in 2007, decreasing \$7.4 million in 2008 and decreasing \$7.7 million in 2009, a 0.6% decrease for each year.

MTA Consolidated Utilization

Plan-to-Plan Comparison

Baseline Before Gap-Closing Actions

MTA Agency Ridership and Traffic Projections, in millions

November Financial Plan 2006-2009					
	November Forecast				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Traffic					
Bridges & Tunnels	300.7	301.4	302.3	304.7	305.6
Ridership					
Long Island Bus ¹	30.6	30.8	30.9	31.1	31.1
Long Island Rail Road	79.6	80.4	81.9	83.0	84.5
Metro-North Railroad ²	72.9	73.9	75.0	76.1	76.8
New York City Transit ^{1, 3}	2,206.0	2,249.7	2,270.4	2,292.5	2,296.7
Staten Island Railway	3.4	3.5	3.8	3.8	3.8
<i>Total Ridership</i>	<i>2,392.5</i>	<i>2,438.3</i>	<i>2,462.0</i>	<i>2,486.6</i>	<i>2,492.9</i>

July Financial Plan 2006-2009					
	Mid-Year Forecast				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Traffic					
Bridges & Tunnels	299.9	301.4	302.6	305.0	306.0
Ridership					
Long Island Bus ¹	30.2	30.3	30.5	30.6	30.6
Long Island Rail Road	78.3	79.6	81.1	82.2	83.7
Metro-North Railroad ²	72.6	73.5	74.6	75.7	76.4
New York City Transit ^{1, 3}	2,194.1	2,214.7	2,238.4	2,257.2	2,258.5
Staten Island Railway	3.5	3.6	3.9	3.9	3.9
<i>Total Ridership</i>	<i>2,378.7</i>	<i>2,401.8</i>	<i>2,428.4</i>	<i>2,449.7</i>	<i>2,453.2</i>

Plan-to-Plan Changes					
	Favorable / (Unfavorable)				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Traffic					
Bridges & Tunnels	0.8	0.0	(0.4)	(0.3)	(0.4)
Ridership					
Long Island Bus ¹	0.5	0.5	0.5	0.5	0.5
Long Island Rail Road	1.3	0.8	0.7	0.8	0.8
Metro-North Railroad ²	0.3	0.4	0.4	0.4	0.4
New York City Transit ^{1, 3}	11.9	34.9	32.1	35.3	38.2
Staten Island Railway	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)
<i>Total Ridership</i>	<i>13.8</i>	<i>36.5</i>	<i>33.6</i>	<i>36.8</i>	<i>39.8</i>

¹ Excludes Paratransit Operations.

² Metro-North Railroad ridership and farebox revenue figures are for East-of-Hudson service (Hudson, Harlem and New Haven Lines) only.

³ Excludes Fare Media Liability.

MTA Consolidated Utilization

Plan-to-Plan Comparison

Baseline Before Gap-Closing Actions

MTA Agency Fare and Toll Revenue Projections, in millions

November Financial Plan 2006-2009					
	November Forecast				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Toll Revenue					
Bridges & Tunnels	\$1,207.4	\$1,238.3	\$1,239.6	\$1,247.4	\$1,249.1
Fare Revenue					
Long Island Bus ¹	\$37.2	\$37.4	\$37.6	\$37.8	\$38.0
Long Island Rail Road	439.3	448.4	456.8	463.1	471.3
Metro-North Railroad ²	437.8	448.8	455.4	461.6	467.2
New York City Transit ^{1, 3}	2,677.3	2,758.9	2,784.7	2,813.4	2,818.8
Staten Island Railway	3.2	3.3	3.7	3.7	3.7
<i>Total Farebox Revenue</i>	<i>3,594.8</i>	<i>3,696.9</i>	<i>3,738.2</i>	<i>3,779.6</i>	<i>3,799.1</i>

July Financial Plan 2006-2009					
	Mid-Year Forecast				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Toll Revenue					
Bridges & Tunnels	\$1,206.9	\$1,244.3	\$1,247.2	\$1,254.8	\$1,256.8
Fare Revenue					
Long Island Bus ¹	\$37.3	\$37.5	\$37.7	\$37.9	\$38.1
Long Island Rail Road	436.8	445.9	454.2	460.5	468.7
Metro-North Railroad ²	435.6	445.2	451.9	458.1	463.6
New York City Transit ^{1, 3}	2,689.0	2,740.1	2,771.7	2,796.4	2,798.0
Staten Island Railway	3.5	3.5	3.9	3.9	4.0
<i>Total Farebox Revenue</i>	<i>3,602.2</i>	<i>3,672.3</i>	<i>3,719.4</i>	<i>3,756.8</i>	<i>3,772.4</i>

Plan-to-Plan Changes					
	Favorable / (Unfavorable)				
	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Toll Revenue					
Bridges & Tunnels	\$0.5	(\$6.0)	(\$7.6)	(\$7.4)	(\$7.7)
Fare Revenue					
Long Island Bus ¹	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)	(\$0.1)
Long Island Rail Road	2.4	2.5	2.5	2.6	2.6
Metro-North Railroad ²	2.2	3.6	3.6	3.6	3.6
New York City Transit ^{1, 3}	(11.7)	18.8	12.9	17.0	20.8
Staten Island Railway	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
<i>Total Farebox Revenue</i>	<i>(7.4)</i>	<i>24.6</i>	<i>18.8</i>	<i>22.9</i>	<i>26.7</i>

¹ Excludes Paratransit Operations.

² Metro-North Railroad ridership and farebox revenue figures are for East-of-Hudson service (Hudson, Harlem and New Haven Lines) only.

³ Excludes Fare Media Liability.

Subsidies

SUBSIDIES - Major Assumptions

Overview

The following pages contain accrual and cash summary tables for the subsidies and dedicated taxes. Following these are additional tables detailing the changes between the November Plan and the July Plan. Detailed narratives describing each subsidy, forecast methodologies and explanations of changes since the July Plan follow. Note that the details of Bridges and Tunnels operations that produce the Operating Surplus Transfer subsidy are discussed in the B&T section of this report.

As shown on the tables that follow, Dedicated Taxes & State and Local Subsidies for the November 2005 Forecast total \$3.393 billion, on a cash basis, which is \$167 million higher than the Mid-Year Forecast. This is due largely to substantially higher forecasts for real estate taxes (\$154.2 million¹). PBT cash receipts are also higher than July (\$12.6 million) due largely to the timing of new Department of Motor Vehicle (DMV) fees.

During the period 2006 to 2009, the November Financial Plan projects that overall Dedicated Taxes & State and Local Subsidies, on a cash basis, will increase over the levels projected in the July Plan by \$36 million in 2006, \$73 million in 2007, \$47 million in 2008 and \$43 million in 2009. The improvement in these years over the July Plan largely reflects higher forecasts for state business taxes and lower MRT-2 funding for security projects in the November Plan.²

The July Plan incorporated new State revenues to fund MTA operating and capital commitments. These included a one-eighth percent increase to the regional sales tax, a nickel increase in the Mortgage Recording Tax (MRT) and an increase in Department of Motor Vehicle (DMV) fees. The November Plan revises the estimates for these additional taxes in the following ways:

- MRT-1 reflects the benefits of the continuing real estate boom
- Sales taxes are reduced to reflect the market effects of the current energy crisis on spending
- The DMV fees are adjusted to more accurately reflect the timing of these tax receipts

¹ These reflect the net value of MRT subsidy for MTA after statutory and internal allocations; gross cash tax receipts for MRT and Urban taxes are \$182 million higher than the July Plan.

² Security expenses in the MTAHQ budget were reclassified resulting in higher HQ expenses and lower MRT-2 usage.

The following table summarizes the November Plan changes to the estimate of new tax receipts from the July Plan.

Changes to New Taxes for MRT -1, MMTOA-Sales Taxes and DTF- DMV Fees					
	2005	2006	2007	2008	2009
<u>TOTAL NEW TAXES</u>					
November Plan	194.30	285.63	300.16	302.00	302.86
Mid-Year Forecast	<u>173.53</u>	<u>316.05</u>	<u>305.63</u>	<u>307.64</u>	<u>308.71</u>
<i>Variance</i>	\$20.77	(\$30.42)	(\$5.47)	(\$5.64)	(\$5.85)

MTA Consolidated Subsidies
November Financial Plan 2006 - 2009
Accrual Basis
(\$ in millions)

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metro. Mass Transp. Oper. Asst. (MMTOA)	\$767.4	\$983.6	\$1,273.9	\$1,318.3	\$1,281.8	\$1,315.3
Petroleum Business Tax (PBT) Receipts	558.2	552.5	616.0	631.0	634.0	636.4
Mortgage Recording Tax (MRT)	644.8	725.5	422.9	433.7	430.6	418.3
MRT Transfer to Suburban Counties	(59.2)	(37.8)	(27.4)	(16.0)	(16.4)	(16.3)
Use of MRT Prior Year Balances	0.0	44.8	10.0	10.0	10.0	10.0
Carryover Balances	0.0	15.1	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	(22.9)	(14.5)	(14.5)	(14.5)	(14.5)
Interest	0.0	0.6	0.0	0.0	0.0	0.0
Real Estate Stabilization Reserve	0.0	0.0	0.0	0.0	0.0	0.0
Urban Tax	337.6	503.9	327.5	355.1	370.4	379.2
Investment Income	6.3	6.3	12.6	15.5	17.0	21.3
	\$2,255.2	\$2,771.6	\$2,620.9	\$2,733.1	\$2,712.9	\$2,749.7
<i>State and Local Subsidies</i>						
State Operating Assistance	\$190.9	\$190.9	\$190.9	\$190.9	\$190.9	\$190.9
Local Operating Assistance	187.9	187.9	187.9	187.9	187.9	187.9
Nassau County Subsidy	7.4	10.5	10.5	10.5	10.5	10.5
CDOT Subsidy	51.6	52.1	51.7	62.3	71.4	84.9
Station Maintenance	128.5	133.1	136.6	140.4	144.7	149.3
AMTAP	0.0	38.9	0.0	0.0	0.0	0.0
	\$566.3	\$613.5	\$577.6	\$592.1	\$605.4	\$623.5
Commuter Operating Capital Transfer - MNR M-7	\$0.0	\$0.0	(\$10.0)	\$0.0	\$0.0	\$0.0
Total Dedicated Taxes & State and Local Subsidies	\$2,821.4	\$3,385.1	\$3,188.5	\$3,325.2	\$3,318.3	\$3,373.2
<i>Inter-agency Subsidy Transactions</i>						
B&T Operating Surplus Transfer	\$395.5	\$483.8	\$413.9	\$389.0	\$371.1	\$340.9
MTA Subsidy to Subsidiaries	43.4	31.5	32.3	32.8	33.7	34.9
	\$438.9	\$515.3	\$446.2	\$421.9	\$404.9	\$375.8
GROSS SUBSIDIES	\$3,260.3	\$3,900.3	\$3,634.7	\$3,747.0	\$3,723.1	\$3,749.0

MTA Consolidated Subsidies
November Financial Plan 2006 -2009
Summary of Changes Between November Plan and July Plan
Accrual Basis
(\$ in millions)

	2005	2006	2007	2008	2009
<u>Subsidies</u>					
<i>Dedicated Taxes</i>					
Metro. Mass Transp. Oper. Asst. (MMTOA)	1.5	34.9	36.9	11.9	10.7
Petroleum Business Tax (PBT) Receipts	10.9	(17.9)	4.6	4.6	4.2
Mortgage Recording Tax (MRT)	88.7	0.0	0.0	0.0	0.0
MRT Transfer to Suburban Counties	0.0	2.1	6.2	4.9	0.0
Use of MRT Prior Year Balances	(40.0)	10.0	10.0	10.0	10.0
Carryover Balances	0.0	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	11.9	13.0	15.0	15.1	16.6
Interest	0.0	0.0	0.0	0.0	0.0
Real Estate Stabilization Reserve	0.0	0.0	0.0	0.0	0.0
Urban Tax	85.8	0.0	0.0	0.0	0.0
Investment Income	0.0	0.0	0.0	0.0	0.0
	\$158.9	\$42.0	\$72.8	\$46.5	\$41.5
<i>State and Local Subsidies</i>					
State Operating Assistance	0.0	0.0	0.0	0.0	0.0
Local Operating Assistance	0.0	0.0	0.0	0.0	0.0
Nassau County Subsidy	0.0	0.0	0.0	0.0	0.0
CDOT Subsidy - Effect of Fare Increase & PEGs	(1.2)	(6.3)	(0.5)	(1.0)	(0.0)
Station Maintenance	1.3	1.2	1.1	1.1	0.8
AMTAP	0.0	0.0	0.0	0.0	0.0
	\$0.1	(\$5.1)	\$0.6	\$0.1	\$0.8
Commuter Operating Capital Transfer - MNR M-7	0.0	0.0	0.0	0.0	0.0
Total Dedicated Taxes & State and Local Subsidies	\$159.0	\$36.9	\$73.4	\$46.6	\$42.3
<i>Inter-agency Subsidy Transactions</i>					
B&T Operating Surplus Transfer	32.2	3.3	(3.3)	(4.4)	(7.4)
MTA Subsidy to Subsidiaries	(0.1)	0.2	(0.1)	(0.2)	(0.4)
	\$32.1	\$3.5	(\$3.4)	(\$4.6)	(\$7.8)
GROSS SUBSIDIES	\$191.1	\$40.5	\$70.0	\$42.0	\$34.4

MTA Consolidated Subsidies
November Financial Plan 2006 - 2009
Cash Basis
(\$ in millions)

	2004	2005	2006			
	Actual	November	Final			
Subsidies		Forecast	Proposed	2007	2008	2009
Dedicated Taxes						
Metro. Mass Transp. Oper. Asst. (MMTOA)	\$764.8	\$983.0	\$1,275.6	\$1,318.3	\$1,281.8	\$1,315.3
Petroleum Business Tax (PBT) Receipts	563.0	547.5	614.6	630.7	633.7	636.6
Mortgage Recording Tax (MRT)	637.3	725.5	422.9	433.7	430.6	418.3
MRT Transfer to Suburban Counties	(62.9)	(37.8)	(27.4)	(16.0)	(16.4)	(16.3)
Use of MRT Prior Year Balances	58.1	44.8	10.0	10.0	10.0	10.0
Carryover Balances	(43.1)	15.1	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	(26.4)	(22.9)	(14.5)	(14.5)	(14.5)	(14.5)
Interest	0.0	0.6	0.0	0.0	0.0	0.0
Real Estate Stabilization Reserve	(200.0)	0.0	0.0	0.0	0.0	0.0
Urban Tax	322.5	520.1	325.1	353.8	369.7	378.5
Investment Income	6.3	6.3	12.6	15.5	17.0	21.3
	\$2,019.6	\$2,782.2	\$2,619.0	\$2,731.5	\$2,711.9	\$2,749.3
State and Local Subsidies						
State Operating Assistance	\$195.9	\$190.9	\$190.9	\$190.9	\$190.9	\$190.9
Local Operating Assistance (18-b)	187.6	188.4	187.9	187.9	187.9	187.9
Nassau County Subsidy (includes 18-b local match)	7.4	10.5	10.5	10.5	10.5	10.5
CDOT Subsidy	56.6	52.1	51.7	62.3	71.4	84.9
Station Maintenance	125.7	130.4	134.0	137.4	141.4	145.8
AMTAP	0.0	38.9	0.0	0.0	0.0	0.0
	\$573.1	\$611.2	\$575.0	\$589.1	\$602.1	\$620.0
Commuter Operating Capital Transfer - MNR M-7	\$0.0	\$0.0	(\$10.0)	\$0.0	\$0.0	\$0.0
Total Dedicated Taxes & State and Local Subsidies	\$2,592.7	\$3,393.4	\$3,183.9	\$3,320.6	\$3,314.1	\$3,369.3
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	\$376.7	\$515.8	\$420.9	\$391.5	\$372.9	\$343.9
MTA Subsidy to Subsidiaries	43.4	31.5	32.3	32.8	33.7	34.9
Investment Income in HQ (non-MRT)	(5.2)	0.0	0.0	0.0	0.0	0.0
	\$414.9	\$547.3	\$453.2	\$424.3	\$406.7	\$378.8
GROSS SUBSIDIES	\$3,007.6	\$3,940.8	\$3,637.1	\$3,744.9	\$3,720.7	\$3,748.1

MTA Consolidated Subsidies
November Financial Plan 2006 - 2009
Summary of Changes Between November Plan and July Plan
Cash Basis
(\$ in millions)

<u>Subsidies</u>	2005	2006	2007	2008	2009
<i>Dedicated Taxes</i>					
Metro. Mass Transp. Oper. Asst. (MMTOA)	0.0	35.8	36.1	11.9	10.7
Petroleum Business Tax (PBT) Receipts	12.6	(20.0)	4.6	4.6	4.6
Mortgage Recording Tax (MRT)	88.7	0.0	0.0	0.0	0.0
MRT Transfer to Suburban Counties	0.0	2.1	6.2	4.9	0.0
Use of MRT Prior Year Balances	(40.0)	10.0	10.0	10.0	10.0
Carryover Balances	0.0	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	11.9	13.0	15.0	15.1	16.6
Interest	0.0	0.0	0.0	0.0	0.0
Real Estate Stabilization Reserve	0.0	0.0	0.0	0.0	0.0
Urban Tax	93.6	0.0	0.0	0.0	0.0
Investment Income	0.0	0.0	0.0	0.0	0.0
	\$166.9	\$40.9	\$71.9	\$46.5	\$41.9
<i>State and Local Subsidies</i>					
State Operating Assistance	0.0	0.0	0.0	0.0	0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0	0.0
Nassau County Subsidy (includes 18-b local match)	0.0	0.0	0.0	0.0	0.0
CDOT Subsidy - Effect of Fare Increase & PEGs	(1.2)	(6.3)	(0.5)	(1.0)	(0.0)
Station Maintenance	1.1	1.4	1.2	1.1	1.0
AMTAP	0.0	0.0	0.0	0.0	0.0
	(\$0.1)	(\$4.9)	\$0.7	\$0.2	\$1.0
Commuter Operating Capital Transfer - MNR M-7	0.0	0.0	0.0	0.0	0.0
Total Dedicated Taxes & State and Local Subsidies	\$166.8	\$36.0	\$72.6	\$46.7	\$42.9
<i>Inter-agency Subsidy Transactions</i>					
B&T Operating Surplus Transfer	29.0	6.2	(2.7)	(4.3)	(7.1)
MTA Subsidy to Subsidiaries	(0.1)	0.2	(0.1)	(0.2)	(0.4)
Unspecified PEGs	0.0	0.0	0.0	0.0	0.0
Investment Income in HQ (non-MRT)	0.0	0.0	0.0	0.0	0.0
	\$28.9	\$6.4	(\$2.7)	(\$4.5)	(\$7.5)
GROSS SUBSIDIES	\$195.6	\$42.4	\$69.8	\$42.2	\$35.4

METROPOLITAN MASS TRANSPORTATION OPERATING ASSISTANCE (MMTOA)

Metropolitan Mass Transportation Operating Assistance Taxes (MMTOA) consist of special State taxes imposed within the MTA Transportation District which, subject to State appropriation, supplement the general operating subsidies of transportation systems in the District. Up until 2005, MMTOA has been comprised of the following taxes: petroleum business tax (PBT), which is a small portion of the basic PBT imposed on petroleum businesses operating within New York State; sales tax of one-quarter of one percent (1/4%) imposed on sales and uses of certain tangible personal property and services; corporate franchise taxes imposed on certain transportation and transmission companies; and temporary corporate surcharges imposed on the portion of the franchise and other taxes of certain businesses attributable to the conduct of business within the transportation district.

Total Statewide MMTOA taxes for 2005 are estimated at \$1,463 million, of which \$1,399 million is allotted for Downstate transit properties. Of the Downstate allotment, \$182.5 million is earmarked to fund the State's 18-b obligations. The percentage allocation of MMTOA's downstate share that comes to NYCT/SIR represents 62.5%, and the share to the commuter railroads represent 27.9%. The percentage allocation has not changed from the July Plan. A portion was also allotted to Long Island Bus, city private buses and other downstate transportation properties. In 2005, there are no changes from the July Plan to the shares of the MTA total that goes to NYCT/SIR, the Commuter Railroads and Long Island Bus. Of the total MTA share, \$617.0 million is payable to NYCT and SIR, \$329.7 million to MTA for the commuter railroads, and \$36.3 million to Long Island Bus. MMTOA funds for the city private buses continue to be paid directly to New York City, which totally reimburse MTA for those bus lines run by the MTA Bus Company.

New Revenue

The July Financial Plan incorporated changes to MMTOA that reflect an additional 1/8th of a percent regional sales tax enacted by New York State in its 2005-06 Budget, which took effect on June 1, 2005. The majority of the additional tax revenues are for the benefit of MTA. In the July Plan, MTA's share of the new sales tax receipts was estimated at \$149.1 million, \$184.4 million, \$187.5 million, \$189.5 million and \$191.5 million in each of the years 2005 through 2009, respectively. However, based on year-to-date cash receipts through September 2005 and New York State Budget's Mid-Year Financial Plan Update, the sales tax levels in MMTOA were adjusted downward. The new projected receipts from new sales taxes are estimated at \$148.4 million in 2005, \$178.5 million in 2006, \$182.1 million in 2007, \$183.9 in 2008 and \$185.6 million in 2009. The new forecasts reduce the July Plan estimates by \$0.7 million, \$5.9 million, \$5.5 million, \$5.6 million and \$5.9 million in 2005 through 2009, respectively.

2005 November Forecast

The 2005 November Forecast reflects the enacted State Budget for MTA's MMTOA appropriation of \$983.0 million, which did not change from the July Plan level. However, receipts for the taxes collected by the State for State FY 2005-06 have been revised since the July Plan. Based on year-to-date collections through September and consistent with the State Budget's (DOB) Mid-Year Financial Plan Update, State FY 2005/2006 gross receipts in the MMTOA account are now forecast to be \$53.4 million higher than the receipts contained in the July Plan. The increase reflects higher Corporate Surcharge and Corporate Franchise taxes, partially offset by lower sales taxes. According to the State's Mid-Year Update, the increase in the corporate taxes is largely attributable to "stronger than expected growth in audit and compliance receipts."

Since most of this is captured in the year-to-date September results, the anticipated increase in receipts for the current year is likely. However, since the appropriations for MTA will not be modified for the current State Fiscal Year, the additional funds are not anticipated to benefit MTA until 2006 at the earliest. The increase in the corporate taxes is partially offset by lower sales taxes, which according to the State's Mid-Year Update, largely reflects the effect of "higher energy prices behaving as a 'tax' on household spending...DOB now expects slightly slower growth during the second half of the [fiscal] year."

The July Plan reflected an additional \$100 million in State MMTOA taxes to be generated during State FY 2005-06 (\$50.0 million in each year benefiting MTA in calendar 2006 and 2007), which was not included in the enacted State budget for the current year but was intended to be appropriated in SFY 2006-07 and SFY 2007-08 according to the assumptions for MTA financing developed by DOB. The November Plan continues to assume that the additional \$100 million generated in State FY 2005-06 will be appropriated for MTA in 2006 and 2007. As a result of the further net increase in the current fiscal year's MMTOA taxes, discussed above, the November Plan assumes an additional carryover of \$58.2 million will be appropriated in two equal installments benefiting MTA in 2006 and 2007.

2006 Final Proposed Budget

For 2006, total MTA MMTOA is estimated to be \$1,276 million, an increase of \$35.8 million over the July Plan estimate. Of this total, \$811.0 million is earmarked for NYCT and SIR, and \$422.7 million for the commuter railroads. These amounts assume an additional \$74.1 million (\$50 million was consistent with July, and additional \$24.1 million reflects the updated November forecast for the current State Fiscal Year) available from taxes collected in SFY 2005-06, not yet appropriated. In addition, \$41.9 million is allocated for Long Island Bus.

Compared with July, the increase in the 2006 MMTOA level is primarily the result of reforecast of the base MMTOA taxes to better reflect the 2005-06 NYS State Budget projections, driven primarily by increased forecast levels for Corporate Franchise Taxes and partially offset by reduced levels of sales taxes. The November Plan forecast for the sales taxes are consistent with the projections developed by DOB in the State's Mid-year Update. However, MTA has used a lower growth rate than the State for the corporate taxes. As noted above, the current year's increase for these taxes is largely attributable to audit and compliance receipts received in the first half of the state fiscal year. DOB's forecast assumes this is mostly recurring. MTA's assumption for the recurring portion of the receipts is somewhat lower than DOB, but still results in additional collections that will benefit 2006 as well as the out-years of the financial plan. In 2006, MTA's share of the additional MMTOA taxes collected in SFY 2006-07 is forecast to be \$10.7 million more than the July Plan.

The November Plan assumes that in 2006, the State's funding of its 18-b will revert back to the 2003 level of \$161.1 million. In addition, the November Plan retains the July Plan's percentage allocations of MMTOA's downstate share that comes to MTA, which was based on pre-2004 levels. NYCT/SIR's proposed appropriation represents 61.1% and appropriation to the Commuter Railroads represents 27.7%.

The 2006 forecast of the individual MMTOA taxes assumes the following tax growth rates from the 2005 level:

Sales Tax	13.3%
Petroleum Business Tax	5.1%
Corporate Franchise Tax	0.0%
Corporate Tax Surcharge	0.6%

Note that the 2006 sales tax percentage includes the full 12-month yield from the new tax, thus accounting for the large increase over the 2005 level. This, however, is lower than the July plan rate to take into account the downward re-estimate of the sales taxes.

2007 - 2009

In 2007, 2008, and 2009, the forecasts for MMTOA cash receipts are above the July Plan levels by \$36.1 million, \$11.9 million and \$10.7 million respectively. The 2007 projection includes the remaining \$74.1 million of base MMTOA taxes generated in the current State FY, discussed above.

The 2007 through 2009 forecasts assume the following tax growth rates.

		2007	2008	2009
Sales Tax		4.0%	4.2%	4.2%
Petroleum Business Tax		0.4%	0.4%	0.5%
Corporate Franchise Tax		0.0%	0.0%	0.0%
Corporate Tax Surcharge		3.2%	1.6%	0.7%

MMTOA STATE DEDICATED TAXES

November Financial Plan 2006 - 2009

Tax Yield Distribution 2004 - 2009

(\$ in millions)

	2005					
	2004	November				
	Actual	Forecast	2006	2007	2008	2009
<u>Forecast of MMTOA Gross Receipts (SFY):</u>						
Sales Tax	\$423.262	\$608.800	\$689.900	\$717.800	\$747.900	\$779.100
PBT	134.929	143.091	150.364	150.909	151.455	152.182
Corporate Franchise	58.991	73.400	73.400	73.400	73.400	73.400
Corporate Surcharge	540.016	638.100	633.998	654.289	664.995	669.898
Investment Income	4.931	0.000	0.000	0.000	0.000	0.000
Total Gross Receipts Available for Allocation	\$1,162.129	\$1,463.391	\$1,547.661	\$1,596.398	\$1,637.750	\$1,674.580

Allocation of Total Gross Receipts to DownState:

Total Gross Receipts	\$1,162.129	\$1,463.391	\$1,547.661	\$1,596.398	\$1,637.750	\$1,674.580
Less: Upstate Share of PBT	(60.718)	(64.391)	(67.664)	(67.909)	(68.155)	(68.482)
Upstate Percent Share of Investment Income	5.25%	4.40%	4.37%	4.25%	4.16%	4.09%
Less: Upstate Share of Investment Income	(0.259)	0.090	0.000	0.000	0.000	0.000
Total Net DownState Share Available for Allocation	\$1,101.152	\$1,399.090	\$1,479.998	\$1,528.489	\$1,569.595	\$1,606.098
Less: 18-B Adjustment	(174.645)	(182.540)	(161.093)	(161.093)	(161.093)	(161.093)
Adjusted Total Net DownState Share for Allocation	\$926.507	\$1,216.550	\$1,318.905	\$1,367.396	\$1,408.502	\$1,445.005

Allocation of Total Net DownState Share to NYCT/SIR:

NYCT/SIR Share	56.52%	62.51%	61.12%	61.12%	61.12%	61.12%
From Total Net DownState Share	\$622.328	\$874.624	\$904.624	\$934.264	\$959.389	\$981.701
Less: 18-B Adjustment	(149.950)	(152.021)	(146.395)	(146.395)	(146.395)	(146.395)
Adjusted Total Net DownState Share	\$472.378	\$722.603	\$758.229	\$787.869	\$812.994	\$835.306
From Carryover	(9.136)	(105.615)	52.808	52.808	0.000	0.000
Total NYCT/SIR Share of Net DownState Share	\$463.242	\$616.988	\$811.037	\$840.676	\$812.994	\$835.306
Total SIR Share	1.436	1.913	2.514	2.606	2.520	2.589
Total NYCT Share of Net DownState Share	\$461.806	\$615.075	\$808.522	\$838.070	\$810.474	\$832.717

Allocation of Total Net DownState Share to MTA:

MTA Share	26.53%	27.91%	27.71%	27.71%	27.71%	27.71%
From Total Net DownState Share	\$292.087	\$390.458	\$410.111	\$423.549	\$434.939	\$445.054
Less: 18-B Adjustment	(14.678)	(18.139)	(8.736)	(8.736)	(8.736)	(8.736)
Adjusted Total Net DownState Share	\$277.409	\$372.319	\$401.375	\$414.813	\$426.203	\$436.318
From Carryover	(4.288)	(42.654)	21.327	21.327	0.000	0.000
Total MTA Share of Net DownState Share	\$273.121	\$329.665	\$422.702	\$436.140	\$426.203	\$436.318

Allocation of Total Net DownState Share to LIB:

LI Bus Share	2.99%	2.77%	2.77%	2.77%	2.77%	2.77%
From Total Net DownState Share	\$32.934	\$38.767	\$40.996	\$42.339	\$43.478	\$44.489
Less: Used for 18-B/other	(1.485)	(1.835)	(0.844)	(0.844)	(0.844)	(0.844)
Adjusted Total Net DownState Share	\$31.449	\$36.932	\$40.152	\$41.495	\$42.634	\$43.645
From Carryover	(3.060)	(0.603)	1.750	0.000	0.000	0.000
Total LIB Share of Net DownState Share	\$28.389	\$36.329	\$41.902	\$41.495	\$42.634	\$43.645

PETROLEUM BUSINESS TAXES (PBT) (Trust Fund Taxes)

The Statewide Dedicated Funds Pool is the repository for revenues from the following dedicated taxes and fees: petroleum business taxes, a business privilege tax imposed on petroleum businesses operating in New York State; motor fuel taxes, an excise tax levied with respect to gasoline and diesel motor fuels; and motor vehicle fees that are derived mainly from vehicle registration and driver license fees. Subject to statutory allocation under current State Law, thirty-four percent (34%) of the Dedicated Funds Pool is currently deposited in the Mass Transportation Trust Fund (MTTF) for MTA's benefit. Amounts transferred from the MTTF Account to the MTA's Dedicated Tax Fund constitute MTTF Receipts. For the purposes of budget preparations, MTTF Receipts are also referred to as PBT Receipts interchangeably. Eighty-five percent (85%) of the MTTF Receipts are payable to New York City Transit (NYCT) for the benefit of NYCT and SIR, and the remaining 15% to MTA for the benefit of LIRR and Metro-North.

MTA utilizes the MTTF Receipts (PBT) to pay debt service on MTA's Dedicated Tax Fund Bonds (DTF Bonds). Debt service on DTF Bonds is payable first from PBT Receipts and then, to the extent of any deficiency, from MMTOA Taxes. On an annual basis to date, PBT Receipts have been sufficient to meet all debt service commitments and no MMTOA Taxes have been used.

After debt obligations are satisfied, the remaining PBT funds are transferred for use by New York City Transit and the Commuter Railroads as a subsidy.

New Revenue

The July Financial Plan incorporated changes to PBT that reflect the projected receipts from new taxes appropriated in the 2005-06 NYS Enacted Budget, which affect certain Department of Motor Vehicle fees. The July Plan assumed that collections of this additional revenue would commence on January 1, 2006. The November Plan reflects the actual commencement date of October 2005, as well as a restatement of DMV receipts in 2006. The following schedule is a break out of the new taxes by category. Of the additional Statewide collections, MTA would receive approximately 34%. Total new tax receipts earmarked for the MTA are \$8.2 million in 2005, \$61.5 million in 2006, and \$71.1 million in each of the years 2007, 2008 and 2009. Compared with the July Plan, these are \$8.2 million higher in 2005, and \$24.5 million below in 2006. The forecast remains unchanged from the July Plan in 2007, 2008 and 2009.

New Taxes (In dollars)	Dollars in Millions				
	2005	2006	2007	2008	2009
PBT–Native American Share	\$0.0	\$ 3.1	\$ 4.1	\$ 4.1	\$ 4.1
Motor Fuel Tax – Native American Share	0.0	1.1	1.5	1.5	1.5
2005-06 DMV Fee Increases	8.2	57.3	65.5	65.5	65.5
Total	\$8.2	\$61.5	\$71.1	\$71.1	\$71.1

2005 November Forecast

The 2005 November Forecast estimates MTA PBT Receipts, on a cash basis, of \$547.5 million, an increase of \$12.6 million over the Mid-Year Forecast. The Plan reflects two changes to the PBT cash receipts from the Mid-Year Forecast. As discussed in the section immediately above, the new tax revenues from increases in DMV fees were reassessed to accurately reflect the commencement date of October 2005. This change to the July Plan resulted in additional PBT collections in 2005 of \$8.2 million. Additionally, due to an assessment of the actual receipts through October 2005 year-to-date, an adjustment to the PBT base yielded slightly higher PBT receipts in 2005 of \$4.4 million. Of the total MTA PBT allocation in the November Plan, 85% or \$467.9 million is earmarked for New York City Transit and 15%, or \$79.6 million, for the Commuter Railroads.

On an accrual basis, PBT estimates for 2005 are \$552.5 million, which is \$10.9 million above the Mid-Year Forecast. The accrual estimate is based on a one-month lag in the booking and collections of PBT proceeds.

2006 Final Proposed Budget

For 2006, PBT cash is estimated to be \$614.6 million or \$20.0 million lower than the July Plan estimate. This reflects the impact of changes to the July Plan, which included a re-estimate of the timing for the new DMV taxes, slightly offset by the favorable impact of the upward adjustment to the PBT base in 2005. (This is discussed in the “New Revenue” and “2005 November Forecast” Sections above). The 2006 forecast inflates the 2005 level by 2.6% before incorporating the new taxes.

On an accrual basis, PBT is estimated at \$616.0 million, a decrease of \$17.9 million from the July Plan level.

2007 - 2009

For 2007 through 2009, PBT cash estimates are \$630.7 million, \$633.7 million and \$636.6 respectively. The cash estimates in each of these years are slightly higher than forecasted in the July Plan, due to the favorable impact of the adjustment to the PBT base in 2005 reflected in the growth in the outer years. The 2007 through 2009 forecasts inflate the previous year's level by 1.2%, 0.5% and 0.5% respectively.

On an accrual basis, PBT estimates for 2007 through 2009 are \$631.0 million, \$634.0 million and \$636.4 million respectively.

SUMMARY OF DEDICATED TAX FUND PROJECTIONS

November Financial Plan 2006 - 2009

Tax Yield Distribution 2004 - 2009

(\$ in millions)

	2004	2005				
	Actual	November Forecast	2006	2007	2008	2009
Net Base PBT Collections Available for Distribution	\$979.253	\$961.626	\$966.434	\$969.334	\$974.180	\$953.872
<u>Forecast of Supplemental PBT Collections for Distribution:</u>						
Supplemental PBT Collections	\$676.600	\$685.396	\$684.025	\$692.234	\$695.695	\$695.695
Month Cash Lag / DOT Special Programs	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>	<u>0.000</u>
Net Supplemental PBT Collections Available for Distribution	\$676.600	\$685.396	\$684.025	\$692.234	\$695.695	\$695.695
Total Net PBT Collections Available for Distribution	\$1,655.853	\$1,610.397	\$1,807.727	\$1,855.108	\$1,863.905	\$1,872.284
<u>Distribution Shares:</u>						
MTA Total	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
Other Transit	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
Highway Trust Fund	63.00%	63.00%	63.00%	63.00%	63.00%	63.00%
General Fund	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Share Total	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
<u>Amount of Total Net Collections Available for the MTA:</u>						
MTA Total	\$562.990	\$547.535	\$614.627	\$630.737	\$633.728	\$636.576
<u>Accrued</u>						
MTA Total of Net Collections	\$562.990	\$552.549	\$615.970	\$630.986	\$633.965	\$636.388

MORTGAGE RECORDING TAXES (MRT)

The Mortgage Recording Taxes consist of two separate taxes: Mortgage Recording Tax-1 (MRT-1) and Mortgage Recording Tax-2 (MRT-2).

MRT-1 is imposed on the borrower for recorded mortgages of real property situated in New York State, subject to certain exclusions, and collected by New York City and the seven other counties within the MTA's service area, at the rate of three-tenths of one percent (3/10%) of the debt secured by certain real estate mortgages. (As discussed below, this rate was recently increased from one-quarter of one percent). It must be applied, first, to meet MTA Headquarters operating expenses and, second, to make deposits into the New York City Transit (NYCT) Account (55% of the remaining amount) and the Commuter Railroad Account (45% of the remaining amount).

Moneys in the NYCT Account are required to be used to pay operating and capital costs of the Transit Authority, its subsidiaries, and SIR. Moneys in the Commuter Railroad Account are required to be used first to pay up to \$20 million to the State Suburban Transportation Fund each year to finance certain types of highway capital projects in certain areas of the Transportation District. In the event the transfer would result in a Commuter Railroad operating deficit, the amount of the deficit is appropriated to the MTA for Commuter Railroad operating purposes, and not transferred to the Suburban Fund. After first making the required transfers to the State Suburban Transportation Fund, the balance in the Commuter Railroad Account is required to be used to pay operating and capital costs of the commuter railroad operations of MTA, other than SIR.

MRT-2 is a tax imposed on the institutional lender. It consists of one-quarter of one percent (1/4%) of certain recorded mortgages within New York State secured by real estate improved or to be improved by structures containing one to six dwelling units in the Authority's service area. MRT-2 Receipts are to be applied, first, to make deposits into the Payment Sub-accounts of Dutchess, Orange and Rockland counties and, second, to make deposits into the Corporate Purposes Sub-account for the purposes of paying operating and capital costs, including debt service and debt service reserve requirements, if any, incurred for the benefit of MTA, the Transit Authority and their respective subsidiaries.

Each year, MTA is required to transfer in equal quarterly installments, from the Corporate Transportation Account to the Metropolitan Transportation Authority's Dutchess, Orange and Rockland Fund (DORF) an annual amount of \$5.0 million, of which \$1.5 million is for each of the counties of Dutchess and Orange, and \$2.0 million is for the county of Rockland. Additionally, MTA must transfer from that Account to such fund for each of these three counties, respectively, an amount equal to the product of (i) the percentage by which such county's mortgage recording tax payment to MTA in the preceding calendar year increased over such payment in calendar year 1989 and (ii) \$1.5 million each for Dutchess and Orange Counties and \$2.0 million for Rockland County.

New Revenue

The July Financial Plan incorporates changes to MRT-1 that reflect an increase from 25 cents per hundred dollars of recorded mortgage to 30 cents, effective with the June 1, 2005 mortgage origination. The resulting effect is a 20% increase in the MRT-1 tax rate. Since MTA's receipts are lagged one month, the 2005 November Plan cash forecast assumes six months of the tax revenue at the new rate.

Forecast Methodology

Mortgage Recording Tax receipts are projected by utilizing 16 individual models. For each of eight jurisdictions – New York City and the seven suburban counties in the MTA region – there is an MRT-1 model and an MRT-2 model. In these models, which are time-service regression models with a log-log specification, tax collections are a function of the ten-year U.S. Treasury Note rate and population of the jurisdiction

2005 November Forecast

The 2005 November Plan Forecast is based on October year-to-date actual receipts, and forecasts for November and December are added to year-to-date actuals in order to obtain a 2005 estimate. For the November Plan, the 10-Year U.S. Treasury Note rate is estimated to be 4.4%. Population growth estimates for 2005 are 0.2% for New York City, 0.4% for the Nassau/Suffolk combined area, 0.2% for Westchester, 1.7% for Putnam, 1.2% for Dutchess, 0.6% for Rockland and 1.4% for Orange.

For 2005, MRT-1 receipts on a cash basis are estimated at \$426.9 million, an increase of \$56.2 million, or 15.2%, over the Mid-Year Forecast. The MRT-1 rate increase accounts for \$37.7 million of the total MRT-1 receipts, \$13.2 million – or 54% – greater than the \$24.5 million MTR-1 rate increase estimate in the Mid-Year Forecast. MRT-2 receipts on a cash basis are estimated at \$298.6 million, an increase of \$32.5 million, or 12.2%, over the Mid-Year Forecast. Overall, combined MRT is projected to be \$725.5 million, an increase of \$88.7 million, or 13.9%, over the MRT estimate in the Mid-Year Forecast.

The improvement from the Mid-Year Forecast reflects continued strength in real estate – both sales and refinancing activity – mainly the result of lower than anticipated mortgage interest rates. The Mid-Year Forecast expected real estate transaction activity to slow as interest rates increased during 2005, but rates have remained low and activity has stayed near or at record levels. Higher interest rates had been anticipated in the Mid-Year Forecast based on actions taken, and actions expected, by the Federal Reserve Board of Governors. In an effort to contain and control inflation as the U.S. economy emerged from the recent recession, the Fed began raising the Federal Funds Rate on June 30, 2004 from 1.00% to 1.25%. This increase has been followed by ten additional rate increases, and as of November 1 the Federal Funds Rate is 3.75%. Economists, including the MTA's economic consultant Global Insight, expect the Fed to continue increasing the Federal Funds Rate in the coming months. While receipts from these taxes have reached record levels, the booming real estate market is expected to drop significantly in 2006.

2006 - 2009

Even though the Federal Funds Rate has increased, short-term and long-term interest rates have not maintained their historic relationship with the Federal Funds Rates and have not increased sufficiently to dampen real estate transaction activity. Recently, both short-term and long-term rates have begun moving higher and, with continued Fed rate increases projected by economists, real estate activity is expected to slow down rather quickly. In particular, refinancing activity is expected to significantly fall off as mortgage rates increase. These factors are expected to result in significantly lower tax revenues in 2006 through 2009 compared with recent levels.

During the forecast period, the 10-Year U.S. Treasury Bill rate is expected to increase to 5.0% in 2006, 5.2% in 2007, 5.4% in 2008 and 5.7% in 2009. Population growth estimates are 0.3% per year for New York City, range from 0.3% to 0.4% per year for the Nassau/Suffolk area, range from 0.1% to 0.2% per year for Westchester, range from 1.4% to 1.7% per year for Putnam, range from 0.7% to 0.8% per year for Dutchess, range from 0.4% to 0.5% per year for Rockland and range from 0.9% to 1.0% per year for Orange.

The forecasts for 2006 through 2009 reflect these assumptions, and are unchanged from the July Plan. Over the Financial Plan period, MRT-1 receipts are projected to be \$263.4 million in 2006, \$271.2 million in 2007, \$271.3 million in 2008 and \$266.3 million in 2009. Of these amounts, the MRT-1 rate increase accounts for \$45.7 million in 2006, \$47.0 million in 2007, \$47.0 million in 2008 and \$46.2 million in 2009; these estimates are also unchanged from the July Plan. MRT-2 receipts are projected to be \$159.5 million in 2006, \$162.6 million in 2007, \$159.2 million in 2008 and \$152.0 in 2009. Total MRT receipts are forecast to be \$422.9 million in 2006, \$433.7 million in 2007, \$430.6 million in 2008 and \$418.3 million in 2009.

Additional Assumptions

In the July Plan, the MTA General Reserve was valued at \$40.0 million annually beginning in 2005 and is funded from MRT-2. Funding for the reserve is earmarked before the transfer to NYCT and Commuter Railroads subsidy accounts. In the November Plan, the 2005 amount is unspent and will be allocated evenly in 2006 through 2009, with \$10 million added to each year. This would bring the General Reserve to \$50 million annually. Because there are significant downside risks that could materially impact MTA during the current financial plan period, including volatile energy and insurance costs, both of which have a commensurate impact on inflation and interest rates, the November Plan further increases the general reserve to \$75 million annually beginning in 2006. Use of the unspent 2005 reserve reduces the impact on the financial plan to a net \$25 million annually.

MRT-2 is also used to reimburse the agencies for certain security expenses from a fund managed by MTA Police. Previous financial plans incorporated two sources for reimbursing agencies' security projects. Due to the growth in these areas and the ensuing need to properly account for capital and operating projects, it has become

necessary to modify the funding mechanisms for these projects. Those projects which are not eligible for capital funding, e.g., overtime, staffing, etc., will be reimbursed to the agencies from the MTAHQ Budget and will be funded by MRT-1. If expenditures for agency security projects are capitally eligible and therefore will affect depreciation and asset values in the MTA Financial Statements, then these will be funded by MRT-2. This change has resulted in an increase in MTAHQ's budget, while MRT-2 funding decreases by almost an equal amount.

SUMMARY OF MORTGAGE RECORDING TAX PROJECTIONS
November Financial Plan 2006 - 2009
Tax Yield Distribution 2004 - 2009
(\$ in millions)

	2004	2005				
	Actual	November Forecast	2006	2007	2008	2009
MORTGAGE RECORDING TAX #261-1						
<u>Receipts Available for Transfer to NYCT and CRs:</u>						
Total Gross Receipts	\$349.163	\$426.886	\$263.417	\$271.157	\$271.328	\$266.334
Carryover	(15.114)	15.114	0.000	0.000	0.000	0.000
Less: MTAHQ Operating Deficit	(219.165)	(274.081)	(284.550)	(291.534)	(295.539)	(304.194)
Net Receipts Available for Transfer	\$114.884	\$167.919	(\$21.133)	(\$20.377)	(\$24.211)	(\$37.860)

Allocation of Net Receipts to NYCT/SIR Account:

Opening Balance	\$0.000	\$15.777	\$0.000	\$0.000	\$0.000	\$0.000
NYCT/SIR Share	55%	55%	55%	55%	55%	55%
From Current Year Net Receipts	63.186	92.355	(11.623)	(11.207)	(13.316)	(20.823)
Interest	0.101	0.250	0.000	0.000	0.000	0.000
Carryover	(10.395)	0.000	0.000	0.000	0.000	0.000
Transfers from MRT-2	0.000	0.000	11.623	11.207	13.316	20.823
Total NYCT/SIR Net Cash Share	\$52.892	\$108.382	\$0.000	\$0.000	\$0.000	\$0.000
Total SIR Net Cash Share	0.164	0.336	0.000	0.000	0.000	0.000
Total NYCT Net Cash Share	\$52.728	\$108.046	\$0.000	\$0.000	\$0.000	\$0.000

Allocation of Net Receipts to Commuter Railroad Account:

Opening Balance - CR/SHF	\$14.532	\$27.359	\$0.000	\$0.000	\$0.000	\$0.000
Commuter Railroad Share	45%	45%	45%	45%	45%	45%
From Net Receipts	51.698	75.563	(9.510)	(9.170)	(10.895)	(17.037)
Interest	0.003	0.310	0.000	0.000	0.000	0.000
Carryover	(22.957)	0.000	0.000	0.000	0.000	0.000
Less: Suburban Highway Fund	(38.935)	(20.000)	0.000	0.000	0.000	0.000
Transfers from MRT-2	0.000	0.000	9.510	9.170	10.895	17.037
Total Commuter Railroad Net Cash Share	\$4.341	\$83.232	\$0.000	\$0.000	\$0.000	\$0.000

MORTGAGE RECORDING TAX #261-2

Receipts Available for Transfer to NYCT and CRs:

Total Receipts to Corporate Account	\$288.186	\$298.636	\$159.473	\$162.551	\$159.225	\$152.011
Opening Fund Balance (starting in 1998)	104.178	41.625	40.000	30.000	20.000	10.000
Transfer (to)/from Agency Operating Accounts	(26.367)	(22.882)	(14.500)	(14.500)	(14.500)	(14.500)
Reserve for Following Year/Cash Flow Provision	(46.098)	(40.000)	(30.000)	(20.000)	(10.000)	0.000
General Reserve	0.000	0.000	(75.000)	(75.000)	(75.000)	(75.000)
Real Estate Tax Stabilization Account	(200.000)	0.000	0.000	0.000	0.000	0.000
Investment Income	2.898	0.000	0.000	0.000	0.000	0.000
Total Receipts Available for Transfer	\$122.797	\$277.379	\$79.973	\$83.051	\$79.725	\$72.511

Use of Total Receipts:

DORF Opening Balance	\$3.750	\$4.473	\$0.000	\$0.000	\$0.000	\$0.000
Less: Transfer to MTA DORF Account	(20.250)	(22.262)	(27.415)	(15.980)	(16.389)	(16.269)
Less: Transfer to MTAHQ Funds	0.000	0.000	(21.133)	(20.377)	(24.211)	(37.860)
Net Receipts Available	\$106.297	\$259.590	\$31.425	\$46.694	\$39.125	\$18.382

Allocation of Net Receipts to NYCT/SIR Corporate Account:

Projected NYCT/SIR Share	85.00%	85.00%	85.00%	85.00%	85.00%	85.00%
From Net Receipts	\$90.352	\$220.651	\$26.711	\$39.690	\$33.257	\$15.624
Total NYCT/SIR Cash Share	\$90.352	\$220.651	\$26.711	\$39.690	\$33.257	\$15.624
Total SIR Cash Share	0.000	0.000	0.000	0.000	0.000	0.000
Total NYCT Cash Share	\$90.352	\$220.651	\$26.711	\$39.690	\$33.257	\$15.624

Allocation of Net Receipts to CRs Corporate Account:

Projected Commuter Railroad Share	15.00%	15.00%	15.00%	15.00%	15.00%	15.00%
From Net Receipts	\$15.945	\$38.938	\$4.714	\$7.004	\$5.869	\$2.757
Total Commuter Railroad Net Cash Share	\$15.945	\$38.938	\$4.714	\$7.004	\$5.869	\$2.757

URBAN TAXES

Urban Taxes consist of two taxes: a Mortgage Recording Tax imposed on New York City commercial properties' mortgages that exceed \$500,000; and, a Real Property Transfer Tax imposed on New York City commercial properties valued over \$500,000. Tax receipts are available only for transit purposes in New York City. New York City Transit (NYCT) is entitled to 90% of the revenues collected for its general operations. In addition, NYCT receives 6% of the revenues collected for partial reimbursement of Paratransit costs. The remaining 4% is earmarked as subsidy for the City private buses. The City will utilize these funds to reimburse MTA Bus expenses.

Forecast Methodology

Urban Tax receipts are projected by utilizing two models, one for the Mortgage Recording Tax (MRT) and one for the Real Property Transfer Tax (RPTT). In these models, which are time-series regression models with a log-log specification, tax collections are a function of the ninety-day U.S. Treasury Bill rate and New York City private-sector employment.

2005 November Forecast

Actual tax receipts to the MTA through October 2005 are included in the November Plan revenue projections, and forecasts for November and December are added to year-to-date actuals in order to obtain a 2005 estimate. For the November Plan, the 90-Day U.S. Treasury Bill rate is estimated to be 3.1%, and New York City private-sector employment is expected to grow by 1.3% over the 2004 employment level.

In the 2005 November Plan, Urban Tax receipts on a cash basis are estimated at \$520.1 million, an increase of \$93.6 million, or 22.0%, over the Mid-Year Forecast. This change reflects continued strong real estate activity, primarily fueled by lower than anticipated interest rates. The Mid-Year Forecast expected real estate transaction activity to slow as interest rates increased during 2005. Conversely, interest rates remained low – yet the specter of higher interest rates was ever present – and activity remained at or near record high levels. The expectation of higher interest rates was based on actions taken, and expected to be taken, by the Federal Reserve Board of Governors. In an effort to contain and control inflation as the U.S. economy emerged from the recent recession, the Fed began raising the Federal Funds Rate on June 30, 2004 from 1.00% to 1.25%. This increase has been followed by eleven further rate increases, and with the latest increase on November 1 the Federal Funds Rate is currently 4.0%. Economists, including the MTA's economic consultant Global Insight, expect the Fed to continue increasing the Federal Funds Rate in the months to come.

2006 to 2009

While the Federal Funds Rate has increased, short-term and long-term interest rates have not maintained their historic relationship with the Federal Funds Rate and have not

increased sufficiently to dampen real estate transaction activity. Recently, both short-term and long-term rates have begun moving higher and with continued Fed rate increases projected by economists, real estate activity is expected to slow down rather quickly. During the forecast period, the 90-Day U.S. Treasury Bill rate is expected to increase to: 4.3% in 2006; 4.5% in 2007; 4.7% in 2008; and, 4.9% in 2009. New York City private-sector employment is projected to grow by 1.3% in 2006, 1.0% in 2007, 0.9% in 2008 and 0.6% in 2009.

The November Plan forecasts for 2006 through 2009 reflect this assumption, and are unchanged from the Mid-Year Forecast. Over the Financial Plan period, Urban Tax receipts are forecast to be \$325.1 million in 2006, \$353.8 million in 2007, \$369.7 million in 2008 and \$378.5 million in 2009.

STATE AND LOCAL SUBSIDIES

State and Local Subsidies consist of New York State and Local Section 18-B Operating Assistance, Nassau County Subsidy, Station Maintenance and Connecticut Department of Transportation (CDOT) Subsidy to Metro-North Railroad. In addition the Commuter Railroads' subsidies include additional Mass Transit Assistance Program (AMTAP) aid, appropriated by the State and an operating capital transfer scheduled to be made in 2006.

New York State 18-b Operating Assistance is direct State aid to the MTA appropriated by the State Legislature on an annual basis. Each County in the MTA Transportation District is required by the transportation law to match the State amounts by making quarterly payments of Local 18-b Operating Assistance to the MTA. Beginning in 1994, the State earmarked a portion of the dedicated taxes to fund the State's obligations for 18-b payments.

Nassau County subsidies include of Nassau County's payment obligations to cover LIB's operating deficit. Nassau's Local 18-b match for LIB is also included in the Nassau County subsidy.

Connecticut Department of Transportation (CDOT) subsidy payments are made to Metro-North Railroad as reimbursement for expenses associated with commuter train operations by Metro-North in the State of Connecticut.

Station Maintenance subsidy is paid by the City and each of the seven counties in the MTA region for the operation, maintenance and use of Commuter System passenger stations within the City and each of the counties. Station Maintenance base amounts were established in 1999 and are subject to CPI (Consumer Price Index) adjustment each year thereafter.

2005 November Forecast

In the 2005 November Forecast, State and Local cash subsidy receipts are estimated at \$611.2 million, a very slight decrease from the July Forecast. This was due primarily to CDOT reforecast of Connecticut's share that was \$1.2 million lower than the July projections, and was offset by Station Maintenance receipts that were \$1.1 million favorable.

State and Local 18-b Operating Assistance to MTA has not changed in the last 15 years.

2006 Final Proposed Budget

In 2006, State and Local subsidy, on a cash basis, is \$4.9 million lower than the July Plan Forecast. This is due primarily to CDOT's subsidy, which is \$6.3

million lower than the July Plan levels. This is offset by minor favorable improvements in Station Maintenance resulting from higher CPI.

2007 - 2009

In 2007, 2008 and 2009, State and Local subsidy estimates are \$0.7 million, \$0.2 million and \$1.0 million above the July estimates, respectively. The changes primarily represent reforecast of CDOT and Station Maintenance.

In January 2004, the MTA Board authorized the exercise of a M-7 car option to permit Metro-North to accelerate the purchase of 120 additional cars. Included in the action was a provision for the Metro-North Operating Budget to transfer savings of \$10 million to the capital program. Metro-North's financial plan included the requisite \$10 million savings in 2004. Since this resulted in \$10 million of commuter rail subsidy savings, a commensurate operating capital transfer is included as a reduction to 2006 commuter rail subsidies. The car purchase payment schedule will require the transfer in that year.

MTA SUBSIDY TO SUBSIDIARIES

In the 2005 November Forecast, total estimated MTA subsidy payment to its subsidiaries on a cash basis is \$31.5 million, a slight reduction of \$0.1 million from the July Forecast. Staten Island Railroad's (SIR) share is \$17.5 million; Long Island Bus' (LIB) share is \$14.0 million.

SIR's share reflects amounts needed to cover the operating deficit after all other subsidies and operating revenues are allocated.

In 2006, the November Plan for MTA subsidy payment to LIB and SIR on a cash basis is \$32.3 million, an increase of \$0.2 million from the July Plan level.

For each of the years 2007 through 2009, MTA subsidy to its subsidiaries is \$32.8 million, \$33.7 million and \$34.9 million respectively. The Long Island Bus portion remains at \$14.0 million in each year.

MTA New York City Transit Subsidy Allocation
2004-2009
Cash Basis
(\$ in millions)

	2004	2005	2006	2007	2008	2009
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assist. (MMTOA)	461.8	615.1	808.5	838.1	810.5	832.7
Petroleum Business Tax (PBT) Receipts	478.5	467.9	525.3	539.0	541.6	544.0
Mortgage Recording Tax (MRT)	143.1	328.7	26.7	39.7	33.3	15.6
Urban Tax	322.5	520.1	325.1	353.8	369.7	378.5
	\$1,405.9	\$1,931.8	\$1,685.6	\$1,770.6	\$1,755.0	\$1,770.9
<i>State and Local Subsidies</i>						
State Operating Assistance	158.1	158.2	158.2	158.2	158.2	158.2
Local Operating Assistance	158.2	158.2	158.2	158.2	158.2	158.2
	\$316.2	\$316.4	\$316.4	\$316.4	\$316.4	\$316.4
Total Dedicated Taxes & State and Local Subsidies	\$1,722.2	\$2,248.2	\$2,002.0	\$2,086.9	\$2,071.4	\$2,087.3
<i>Inter-agency Subsidy Transactions</i>						
Bridges and Tunnels Operating Surplus Transfer	148.6	207.3	160.4	144.2	134.8	120.3
MTA Subsidy to Subsidiaries	13.0	0.0	0.0	0.0	0.0	0.0
	\$161.6	\$207.3	\$160.4	\$144.2	\$134.8	\$120.3
GROSS SUBSIDIES	\$1,883.8	\$2,455.5	\$2,162.4	\$2,231.1	\$2,206.2	\$2,207.5

MTA Commuter Railroad Subsidy Allocation
2004-2009
Cash Basis
(\$ in millions)

	2004	2005	2006	2007	2008	2009
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	273.1	329.7	422.7	436.1	426.2	436.3
Petroleum Business Tax (PBT) Receipts	84.4	79.6	89.4	91.7	92.1	92.6
Mortgage Recording Tax (MRT)	20.3	122.2	4.7	7.0	5.9	2.8
Investment Income	6.3	6.3	12.6	15.5	17.0	21.3
	\$384.1	\$537.7	\$529.4	\$550.3	\$541.2	\$553.0
<i>State and Local Subsidies</i>						
State Operating Assistance	30.6	29.3	29.3	29.3	29.3	29.3
Local Operating Assistance	28.9	29.7	29.3	29.3	29.3	29.3
CDOT Subsidy	56.6	52.1	51.7	62.3	71.4	84.9
Station Maintenance	125.7	130.4	134.0	137.4	141.4	145.8
AMTAP	0.0	38.9	0.0	0.0	0.0	0.0
	\$241.8	\$280.4	\$244.2	\$258.3	\$271.3	\$289.2
Commuter Operating Capital Transfer - MNR M-7 Acceleration	\$0.0	\$0.0	(\$10.0)	\$0.0	\$0.0	\$0.0
Total Dedicated Taxes & State and Local Subsidies	\$626.0	\$818.1	\$763.6	\$808.6	\$812.5	\$842.1
<i>Inter-agency Subsidy Transactions</i>						
Bridges and Tunnels Operating Surplus Transfer	228.0	308.5	260.5	247.3	238.1	223.6
GROSS SUBSIDIES	\$854.0	\$1,126.7	\$1,024.0	\$1,055.9	\$1,050.7	\$1,065.8

MTA Long Island Bus Subsidy Allocation
2004-2009
Cash Basis
(\$ in millions)

	2004	2005	2006	2007	2008	2009
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
MMTOA Allocation	28.4	36.3	41.9	41.5	42.6	43.6
	28.4	36.3	41.9	41.5	42.6	43.6
<i>State and Local Subsidies</i>						
State Operating Assistance	6.7	3.0	3.0	3.0	3.0	3.0
Nassau County Subsidy	7.4	10.5	10.5	10.5	10.5	10.5
	14.0	13.5	13.5	13.5	13.5	13.5
Total Dedicated Taxes & State and Local Subsidies	42.4	49.8	55.4	55.0	56.1	57.1
<i>Inter-agency Subsidy Transactions</i>						
MTA Subsidy to Subsidiaries	11.2	14.0	14.0	14.0	14.0	14.0
GROSS SUBSIDIES	\$53.6	\$63.8	\$69.4	\$69.0	\$70.1	\$71.1

MTA Staten Island Railway Subsidy Allocation
2004-2009
Cash Basis
(\$ in millions)

	2004	2005	2006	2007	2008	2009
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	1.4	1.9	2.5	2.6	2.5	2.6
Mortgage Recording Tax (MRT)	0.2	0.3	0.0	0.0	0.0	0.0
	\$1.6	\$2.2	\$2.5	\$2.6	\$2.5	\$2.6
<i>State and Local Subsidies</i>						
State Operating Assistance	0.5	0.5	0.5	0.5	0.5	0.5
Local Operating Assistance	0.5	0.5	0.5	0.5	0.5	0.5
	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0	\$1.0
Total Dedicated Taxes & State and Local Subsidies	\$2.6	\$3.2	\$3.5	\$3.6	\$3.5	\$3.6
<i>Inter-agency Subsidy Transactions</i>						
MTA Subsidy to Subsidiaries	19.2	17.5	18.3	18.8	19.7	20.9
GROSS SUBSIDIES	\$21.8	\$20.7	\$21.8	\$22.4	\$23.2	\$24.5

MTA Headquarters Subsidy Allocation
2004 - 2009
Cash Basis
(\$ in millions)

	2004	2005	2006	2007	2008	2009
<u>Subsidies</u>						
<i>Dedicated Taxes</i>						
<u>Mortgage Recording Tax</u>						
Net Receipts After Agency Transfers	488.8	275.9	401.5	397.0	401.4	410.0
<i>Adjustments</i>						
Funding of General Reserve	0.0	0.0	(75.0)	(75.0)	(75.0)	(75.0)
Diversion of MRT to Suburban Counties	(62.9)	(37.8)	(27.4)	(16.0)	(16.4)	(16.3)
Carryover/Opening Balances/Interest	0.0	58.8	0.0	0.0	0.0	0.0
Agency Security Costs from MRT	(26.4)	(22.9)	(14.5)	(14.5)	(14.5)	(14.5)
<i>Total Adjustments</i>	(89.3)	(1.9)	(116.9)	(105.5)	(105.9)	(105.8)
Net Funding of MTA Headquarters	\$399.5	\$274.1	\$284.5	\$291.5	\$295.5	\$304.2

Debt Service

Debt Service in the Financial Plan

The following table reflects debt service projections for 2005 through 2009 associated with approved Capital Programs, including the recently approved five-year capital program for the 2005–2009 period. The table compares all MTA and TBTA debt service as published in the MTA July 2005 Financial Plan with newly revised estimates for this November 2005 Financial Plan (this comparison excludes State Service Contract and Convention Center debt service which is fully paid by New York State).

Debt Service Forecast (\$ in millions)			
Year	July Plan Debt Service	November Plan Debt Service	Difference Favorable/(Unfavorable)
2005	1,080.2	1,038.2	42.0
2006	1,342.0	1,340.1	1.9
2007	1,467.5	1,485.4	(17.9)
2008	1,602.8	1,631.1	(28.3)
2009	<u>1,753.7</u>	<u>1,816.5</u>	<u>(62.8)</u>
Total:	\$7246.2	\$7,311.4	(\$65.2)

The unfavorable variance of \$65.2 million reflected in this November 2005 Plan is due primarily to an updated estimate of expenditures for capital projects, reflecting a faster pace of spending.

2005 Debt Service is updated to reflect actual deposits to debt service accounts from January through September.

Tax-exempt variable rate assumptions have been lowered to 3% for the remainder of 2005 and 3.5% for all of 2006.

The following is a summary of the key assumptions used to determine the debt service projections included in the financial plan.

Debt Issuance Assumptions:

Forecasted Borrowing Schedule	2005	2006	2007	2008	2009
New Money Bonds (\$ in millions)	527	2,279	1,906	2,676	3,197
Assumed Fixed-Rates					
Transportation Revenue Bonds	4.74%	4.81%	4.89%	4.96%	5.02%
Dedicated Tax Fund Bonds	4.61%	4.69%	4.76%	4.84%	4.89%
Triborough Bridge & Tunnel Authority	4.61%	4.69%	4.76%	4.84%	4.89%
Assumed Variable Rates	4.00%	4.00%	4.00%	4.00%	4.00%
Weighted Average Interest Rates **					
Transportation Revenue Bonds	4.55%	4.61%	4.67%	4.72%	4.77%
Dedicated Tax Fund Bonds	4.46%	4.52%	4.57%	4.63%	4.67%
Triborough Bridge & Tunnel Authority	4.46%	4.52%	4.57%	4.63%	4.67%

** Weighted Average of fixed and variable forecasted rates (see below for explanation)

- All debt is assumed to be issued as 30-year level debt, principal amortized over the life of the bonds.
- 2005 fixed-rate estimates derived from prevailing Fair Market Yield Curves for A- and AA- Transportation issuers using Bloomberg Information Service. Financial Plan years 2006 – 2009 derived by applying changes in U.S. Municipal Forward Curves to prevailing transportation curves.
- Split of fixed-rate debt versus variable rate debt each year is 75% / 25%.
- New bond issues calculated interest rate at time of issuance use weighted average of fixed and variable assumptions (actual fixed-rates in table above assumed for fixed-rate bonds).
- Cost of issuance is 2% of gross bonding amount.
- New money bonds for currently approved transit and commuter projects assumed issued 25% under the DTF credit and 75% under the Transportation credit.
- All bonds issued to finance TBTA capital projects issued under the TBTA General Revenue Resolution.
- No reserve funds.

Metropolitan Transportation Authority
Summary of Total Debt Service (\$ in millions)
2005 to 2009

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
<u>New York City Transit:</u>					
Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	242.569	295.841	298.755	298.611	298.772
Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	2.622	43.034	98.274	168.165	263.133
2 Broadway Certificates of Participation - NYCT Lease Portion	23.133	17.516	17.518	19.221	19.226
2 Broadway Certificates of Participation - Additional NYCT Share of MTA Lease Portion	2.453	1.759	1.759	1.931	1.931
Transportation Resolution Commercial Paper	11.045	30.694	30.694	30.694	30.694
Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	162.724	170.763	173.995	174.089	174.232
Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	<u>0.000</u>	<u>9.001</u>	<u>27.214</u>	<u>50.253</u>	<u>81.557</u>
<i>Sub-Total MTA Paid Debt Service</i>	444.546	568.609	648.211	742.964	869.546
 Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	 124.404	 141.794	 143.621	 143.548	 143.581
Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	<u>73.943</u>	<u>84.328</u>	<u>85.658</u>	<u>85.751</u>	<u>85.695</u>
<i>Sub-Total B&T Paid Debt Service</i>	198.346	226.121	229.279	229.299	229.276
Total NYCT Debt Service	642.892	794.730	877.489	972.263	1,098.822
<u>Commuter Railroads:</u>					
Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	154.719	219.545	221.708	221.600	221.720
Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	2.800	39.290	73.462	99.453	135.653
Transportation Resolution Commercial Paper	6.494	14.685	14.685	14.685	14.685
Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	32.046	32.965	33.588	33.607	33.634
Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	<u>0.000</u>	<u>7.415</u>	<u>18.682</u>	<u>27.250</u>	<u>31.966</u>
<i>Sub-Total MTA Paid Debt Service</i>	196.060	313.899	362.125	396.595	437.659
 Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	 55.683	 63.467	 64.285	 64.252	 64.267
Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	<u>32.487</u>	<u>37.050</u>	<u>37.634</u>	<u>37.675</u>	<u>37.651</u>
<i>Sub-Total B&T Paid Debt Service</i>	88.170	100.517	101.919	101.927	101.917
Total Commuter Railroad Debt Service	284.230	414.416	464.044	498.523	539.576
<u>Bridges and Tunnels:</u>					
Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	73.487	87.006	88.127	88.083	88.103
Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	29.209	33.311	33.836	33.873	33.851
Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	4.448	15.645	31.578	49.342
2 Broadway Certificates of Participation - TBTA Lease Portion	3.417	2.626	2.626	2.882	2.883
2 Broadway Certificates of Participation - Additional TBTA Share of MTA Lease Portion	5.014	3.595	3.595	3.945	3.946
Total Bridges and Tunnels Debt Service	111.127	130.986	143.830	160.361	178.125
<u>MTA Wide Total</u>					
Budgeted Gross Debt Service for Existing Bonds	981.270	1,166.068	1,181.207	1,181.089	1,181.506
2 Broadway Certificates of Participation	34.017	25.496	25.500	27.979	27.986
Transportation Resolution Commercial Paper	17.539	45.380	45.380	45.380	45.380
Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	5.423	82.324	171.737	267.618	398.787
Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	16.416	45.895	77.503	113.522
Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	4.448	15.645	31.578	49.342
Total MTA Wide Debt Service	1,038.249	1,340.132	1,485.364	1,631.147	1,816.523

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Debt Service Affordability Statement

MTA 2005 - 2009 Financial Plan

Debt Affordability Statement

\$ in millions

Forecasted Debt Service and Borrowing Schedule	Notes	2005	2006	2007	2008	2009
Combined MTA/TBTA Forecasted Debt Service Schedule	1, 2, 3 4	1,004.2	1,314.6	1,459.9	1,603.2	1,788.5
Forecasted New Money Bonds Issued	5	526.8	2,279.3	1,905.7	2,675.7	3,197.4

Forecasted Debt Service by Credit	Notes	2005	2006	2007	2008	2009
Transportation Revenue Bonds						
Pledged Revenues	6	\$ 7,353.6	\$ 7,018.3	\$ 7,132.9	\$ 7,126.6	\$ 7,135.8
Debt Service	10, 11	420.2	643.1	737.6	833.2	964.7
Debt Service as a % of Pledged Revenues		6%	9%	10%	12%	14%
Dedicated Tax Fund Bonds						
Pledged Revenues	7	\$ 547.5	\$ 614.6	\$ 630.7	\$ 633.7	\$ 636.6
Debt Service	11	194.8	220.1	253.5	285.2	321.4
Debt Service as a % of Pledged Revenues		36%	36%	40%	45%	50%
Triborough Bridge and Tunnel Authority General Revenue Bonds						
Pledged Revenues	8	\$ 908.2	\$ 899.7	\$ 892.8	\$ 892.0	\$ 880.1
Debt Service	11	253.6	296.7	311.7	327.5	345.3
Debt Service as a % of Total Pledged Revenues		28%	33%	35%	37%	39%
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds						
Pledged Revenues	9	\$ 654.7	\$ 603.0	\$ 581.1	\$ 564.6	\$ 534.9
Debt Service	11	135.6	154.7	157.1	157.3	157.2
Debt Service as a % of Total Pledged Revenues		21%	26%	27%	28%	29%

Cumulative Debt Service (Excluding State Service Contract Bonds)	Notes	2005	2006	2007	2008	2009
Total Debt Service		\$ 1,004.2	\$ 1,314.6	\$ 1,459.9	\$ 1,603.2	\$ 1,788.5
Operating Revenues and Subsidies		8,635.5	8,582.3	8,775.0	8,833.0	8,924.5
Total Debt Service as a % of Operating Revenues and Subsidies		12%	15%	17%	18%	20%
Fare and Toll Revenues		4,830.4	4,965.5	5,010.1	5,061.1	5,084.2
Total Debt Service as a % of Fare and Toll Revenue		21%	26%	29%	32%	35%
Non-reimbursable expenses		8,709.3	9,304.2	9,729.6	10,199.2	10,672.5
Total Debt Service as % of Non-reimbursable expenses		12%	14%	15%	16%	17%

Notes on the following page are an integral part of this statement.

Notes

- 1 Unhedged tax-exempt variable rate debt reflect assumed interest rates of 3.00% for remainder of 2005 (2005 estimates based on actuals for first nine months), 3.5% for 2006 and 4.00% for the remaining life of bonds.
- 2 Unhedged taxable variable rate debt assumed interest rate of 4.50% (2005 estimates based on actuals for first nine months).
- 3 Synthetic fixed-rate debt assumed at swap rate.
- 4 Total debt service excludes COPS lease payments, and includes debt service prepayments made in 2005.
- 5 New money bonds amortized as 30-year level debt. Assumes an increase in the MTA/TBTA bond cap by the State Legislature in conjunction with the 2005-09 Capital Program. New debt issued assumed 75% fixed-rate and 25% variable rate.
- 6 Transportation Revenue Bonds pledged revenues consist generally of the following: fares and other miscellaneous revenues from the transit and commuter systems, including advertising, rental income and certain concession revenues (not including Grand Central Terminal and Penn Station); revenues from the distribution to the transit and commuter system of TBTA surplus; State and local general operating subsidies; special tax-supported operating subsidies after the payment of debt service on the MTA Dedicated Tax Fund Bonds; New York City urban tax for transit; station maintenance and service reimbursements; and revenues from the investment of capital program funds. Pledged revenues secure Transportation Revenue Bonds before the payment of operating and maintenance expenses.
- 7 Dedicated Tax Fund pledged revenues consist generally of the following: petroleum business tax, motor fuel tax and motor vehicle fees deposited into the Dedicated Mass Transportation Trust Fund for the benefit of the MTA; and the petroleum business tax, district sales tax, franchise taxes and temporary franchise surcharges deposited into the Metropolitan Mass Transportation Operating Assistance Account for the benefit of the MTA. Thereafter, such payments are available to pay debt service on the MTA Transportation Revenue Bonds, and then any remaining amounts are available to be used to meet operating costs of the transit system, the commuter system, and SIRTOA.
- 8 Triborough Bridge and Tunnel Authority General Revenue Bond pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels. Pledged revenues secure TBTA General Revenue Bonds after the payment of TBTA operating and maintenance expenses, including certain reserves.
- 9 Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue Bonds.
- 10 Transportation Revenue debt service includes effect of deferred gain from debt restructuring and prepayments of debt service in 2005
- 11 Debt service schedules for each credit are attached as addendum hereto.

Special Notes

- 1 Debt service estimates reflect a Financial Plan assumption of \$9.3 billion of bonds as a funding source for the 2005-2009 Capital Programs. \$3 billion of bonding for Transit and Commuter projects is expected under the existing Transportation Revenue credit, \$1.2 billion for Bridge & Tunnel Projects will be done under the TBTA credits, and the remaining \$5.1 billion will be associated with new augmented fees and taxes authorized in the New York State budget.
- 2 Pledged revenues as discussed in above notes 7, 9, and 10 do not include proposed 2006 PEGs or 2007 fare/toll increase.

Metropolitan Transportation Authority (including Triborough Bridge and Tunnel Authority)
Total Budgeted Annual Debt Service
All Issuance to October 2005 (\$ in millions)

Fiscal Year	Transportation Revenue Resolution			Dedicated Tax Fund Resolution			TBTA General Revenue Resolution			TBTA Subordinate Resolution			MTA and TBTA Debt Service		
	Additional		Combined	Additional		Combined	Additional		Combined	Additional		Combined	Additional		Combined
	Existing DS	DS		Existing DS	DS		Existing DS	DS		Existing DS	DS		Existing DS	DS	
2005	414.8	5.4	420.2	194.8	-	194.8	253.6	-	253.6	135.6	-	135.6	998.8	5.4	1,004.2
2006	560.8	82.3	643.1	203.7	16.4	220.1	292.3	4.4	296.7	154.7	-	154.7	1,211.4	103.2	1,314.6
2007	565.8	171.7	737.6	207.6	45.9	253.5	296.0	15.6	311.7	157.1	-	157.1	1,226.6	233.3	1,459.9
2008	565.6	267.6	833.2	207.7	77.5	285.2	295.9	31.6	327.5	157.3	-	157.3	1,226.5	376.7	1,603.2
2009	565.9	398.8	964.7	207.9	113.5	321.4	296.0	49.3	345.3	157.2	-	157.2	1,226.9	561.7	1,788.5
2010	565.5	524.2	1,089.6	207.7	147.6	355.3	296.0	64.7	360.7	157.1	-	157.1	1,226.3	736.5	1,962.8
2011	565.7	593.0	1,158.7	207.9	170.3	378.3	294.9	77.3	372.2	157.3	-	157.3	1,225.8	840.6	2,066.4
2012	564.9	611.4	1,176.4	207.7	176.4	384.1	294.8	87.1	381.8	157.7	-	157.7	1,225.1	874.9	2,100.0
2013	566.1	611.4	1,177.6	209.6	176.4	386.0	295.6	92.1	387.7	157.1	-	157.1	1,228.5	879.9	2,108.4
2014	565.6	611.4	1,177.1	207.8	176.4	384.2	294.6	93.1	387.7	157.1	-	157.1	1,225.1	880.9	2,106.0
2015	565.8	611.4	1,177.3	208.1	176.4	384.4	294.7	93.1	387.8	157.4	-	157.4	1,226.0	880.9	2,106.9
2016	565.5	611.4	1,177.0	208.1	176.4	384.5	294.4	93.1	387.4	157.2	-	157.2	1,225.2	880.9	2,106.1
2017	565.4	611.4	1,176.8	208.5	176.4	384.9	294.9	93.1	387.9	160.9	-	160.9	1,229.7	880.9	2,110.6
2018	565.9	611.4	1,177.4	211.3	176.4	387.7	294.6	93.1	387.7	159.7	-	159.7	1,231.5	880.9	2,112.5
2019	566.9	611.4	1,178.4	207.8	176.4	384.2	294.5	93.1	387.5	157.4	-	157.4	1,226.6	880.9	2,107.5
2020	566.0	611.4	1,177.4	210.1	176.4	386.5	294.8	93.1	387.9	157.1	-	157.1	1,228.0	880.9	2,108.9
2021	565.8	611.4	1,177.3	209.5	176.4	385.9	292.0	93.1	385.1	157.6	-	157.6	1,224.9	880.9	2,105.9
2022	564.5	611.4	1,176.0	206.7	176.4	383.1	294.7	93.1	387.7	157.5	-	157.5	1,223.3	880.9	2,104.2
2023	574.0	611.4	1,185.5	209.8	176.4	386.2	290.5	93.1	383.5	157.3	-	157.3	1,231.6	880.9	2,112.6
2024	574.1	611.4	1,185.6	209.7	176.4	386.1	294.6	93.1	387.7	157.7	-	157.7	1,236.2	880.9	2,117.1
2025	573.3	611.4	1,184.7	209.9	176.4	386.3	294.5	93.1	387.6	157.0	-	157.0	1,234.7	880.9	2,115.6
2026	573.4	611.4	1,184.8	209.9	176.4	386.3	293.1	93.1	386.2	157.3	-	157.3	1,233.8	880.9	2,114.7
2027	574.1	611.4	1,185.5	209.8	176.4	386.2	293.0	93.1	386.1	157.4	-	157.4	1,234.3	880.9	2,115.2
2028	574.1	611.4	1,185.5	210.1	176.4	386.5	294.7	93.1	387.8	157.5	-	157.5	1,236.3	880.9	2,117.3
2029	574.2	611.4	1,185.6	210.0	176.4	386.4	292.7	93.1	385.8	157.4	-	157.4	1,234.2	880.9	2,115.1
2030	574.2	611.4	1,185.6	210.0	176.4	386.4	294.7	93.1	387.8	157.4	-	157.4	1,236.2	880.9	2,117.2
2031	571.5	611.4	1,182.9	208.7	176.4	385.1	317.0	93.1	410.1	155.0	-	155.0	1,252.3	880.9	2,133.2
2032	474.7	611.4	1,086.1	190.6	176.4	367.0	235.1	93.1	328.2	122.9	-	122.9	1,023.3	880.9	1,904.3
2033	170.2	611.4	781.7	60.1	176.4	236.5	8.9	93.1	102.0	14.6	-	14.6	253.8	880.9	1,134.7
2034	165.4	611.4	776.9	19.0	176.4	195.4	8.9	93.1	102.0	12.2	-	12.2	205.5	880.9	1,086.4
2035	129.3	595.2	724.5	-	176.4	176.4	7.4	93.1	100.5	-	-	-	136.8	864.7	1,001.4
2036	-	529.1	529.1	-	160.0	160.0	-	88.6	88.6	-	-	-	-	777.7	777.7
2037	-	439.7	439.7	-	130.5	130.5	-	77.4	77.4	-	-	-	-	647.7	647.7
2038	-	343.8	343.8	-	98.9	98.9	-	61.5	61.5	-	-	-	-	504.2	504.2
2039	-	212.7	212.7	-	62.9	62.9	-	43.7	43.7	-	-	-	-	319.3	319.3
2040	-	87.3	87.3	-	28.8	28.8	-	28.4	28.4	-	-	-	-	144.4	144.4
2041	-	18.4	18.4	-	6.1	6.1	-	15.8	15.8	-	-	-	-	40.3	40.3
2042	-	-	-	-	-	-	-	6.0	6.0	-	-	-	-	6.0	6.0
2043	-	-	-	-	-	-	-	1.0	1.0	-	-	-	-	1.0	1.0
2044	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2045	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Notes:

Does not include debt service for State Service Contract Bonds and Convention Center Bonds, which is paid by NY State. Also excludes COPS lease payments.
Includes interest budgeted for Transportation Revenue Commercial Paper and debt service on bonds that will defease the CP in December 2005.

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Agency Baseline Assumptions

Agency Baseline Assumptions

This section describes those assumptions associated with the Baseline Plan. The November 2005 Preliminary Budget and Financial Plan is an update of the July Financial Plan. The following summarizes net accrual and cash forecasts contained in the November Plan contributing to MTA consolidated annual closing cash balances.

For the July Plan, the Agencies were asked to identify savings against the February Plan of \$50 million in 2006 and \$100 million for 2007 and the outer years. The objective of this action was to produce savings that would not only reduce expenses in the short-term, but would also result in long-term improvements to MTA's financial picture. Some of these savings were captured in the baseline through favorable expense re-estimates. The remaining savings came from the 2006 PEG Program that was not part of the baseline; but rather was included below-the-line as part of MTA gap-closing actions. The baseline re-estimates and specific PEG initiatives achieved the targeted savings without a negative impact on service, operations, safety or security. The current 2006 PEG Program has changed very little from the July Plan. Only the LIRR changed any PEGs at all; eliminating one PEG and replacing it with several smaller PEGs. This resulted in a slight net increase in the value of its PEG Program. The details of the MTA 2006 PEG Program are included in a subsequent section of this report called "PEGs and Other Policy Actions".

For the November Plan, Agencies were instructed to maintain expense levels contained in the July Plan. The exceptions were uncontrollable cost increases and expense increases resulting from changes to the inflation forecasts. The savings that were generated in the July Plan are also a part of the November Plan.

The July Plan when compared with the February Plan was characterized by significant increases in the areas of inflation, energy, and maintenance. In addition, enhancements to service and cleaning as well as a reforecast of the 2005 PEG Program increased spending levels. Favorable toll/farebox revenue and baseline re-estimates partially offset some of the above-mentioned baseline increases.

Inflation

While there was a significant increase in the July Plan due to inflation, changes in inflationary assumptions between the July Plan and November Plan are minimal resulting in a slight increase in costs in 2006 and slightly decreased costs in the years 2007 and out. The November 2006 Plan uses the following September 2005 Global Insight projections for the New York City region Consumer Price Index for All Urban Consumers (CPI-U): 2.77% in 2006; 2.58% in 2007; 2.91% in 2008; 3.07% in 2009. The rates used in July were: 2.57% in 2006; 2.79% in 2007; 2.94% in 2008; 3.18% in 2009. The projections used in the July Plan assumed that energy prices would remain relatively high for 2005 and then gradually fall during 2006. The inflation projections for the November Plan assume even higher energy prices for the remainder of 2005, with a slower decline in 2006 than expected in the earlier projections. The change in the energy price assumption has significant implications on inflation forecasts since the cost for manufacturing and delivering goods, as well as the operation of the workplace, are all affected by energy costs.

Energy

The July Plan (and to a greater extent - the February Plan) included increases for Energy (especially fuel) that were anticipated at that time. Energy rates are now expected to increase beyond what was anticipated in the July Plan. Fuel for Buses and Trains is rising especially fast due in large part to Hurricanes Katrina and Rita. While these costs are expected to stabilize in 2007, they are likely to do so at a level that is significantly higher than the July Plan. Overall energy costs are rising by \$49 million in 2006 when compared with the July Plan. Detailed assumptions for energy forecasts can be found later in this section.

Maintenance

The 2006 November Plan will continue to fund those maintenance needs that were addressed in the July Plan: NYCT added the necessary resources required to improve maintenance and cleaning standards system-wide. It also revised its Bus Shop Maintenance program which resulted in additional costs in the out-years. Metro-North increased the number of overhauls for its Genesis Locomotive fleet. The LIRR funded programs for signal modernization, fleet maintenance improvements and increased training. The July Plan identified an overall maintenance increase of \$71 million.

In the July Plan, both the LIRR and Metro-North included additional costs to replace some of the concrete ties purchased in 1997/1998 (21,000 Metro-North and 16,000 LIRR) that were deteriorating well in advance of normal expectations and needed to be replaced before the upcoming winter to prevent future service disruptions; this work commenced earlier this year. The tie manufacturer has provided the 37,000 replacement ties at its cost, but has not agreed to pay installation and the other costs associated with the tie replacement. Further negotiations for the reimbursement of additional ties purchased in 1997/1998, as well as the related labor and other associated costs, are on-going. These costs in the November Plan have been revised slightly based on re-estimates: the LIRR Forecast includes total costs of \$7 million in 2005, \$14 million in 2006, \$7 million in 2007, \$0.7 million in 2008 and \$0.8 million in 2009. For years 2008 and 2009, costs are only for spot replacements. The Metro-North Forecast, which includes costs of \$6 million in 2005 and \$7 million in 2006, does not include the cost of all of its 1997/1998 ties. Metro-North is currently evaluating the remaining 1997/1998 ties to determine whether replacement of those ties will be necessary, and whether additional monies (not included in this Plan) will be needed. In addition, the LIRR is examining ties that were installed in 2001, to see if they will need replacing (also not included in the Plan).

Metro-North is adding additional funds in the November Plan of \$4 million in 2006, \$5 million in 2007, \$5 million in 2008 and \$1 million in 2009 to enhance the cyclical maintenance program on its M-3 electric car fleet. This will improve reliability by enabling Metro-North to perform more maintenance in a preventative rather than reactionary manner.

Cleaning and Service Enhancements

The November Plan will include the funding for cleaning and service enhancements that were identified in the July Plan: NYCT added \$6 million in new cleaning initiatives to improve track infrastructure and station cleanliness in subways and to reduce the number of track fires. On the commuter rail side, both Metro-North and the LIRR added additional service in the July Plan at a combined cost of \$3 million. Metro-North proposed additional late-night service; while the LIRR proposed improvements in service for the AM Peak and early-afternoon service from Penn Station. The November Plan estimate of this service has been slightly adjusted upwards by \$0.6 million. Both NYCT and LIRR proposed additional service in order to match expanded Staten Island Ferry service. In addition to these enhancements that were included in the July Plan and are part of the baseline submission, MTA is proposing additional improvements; the details can be found in the section titled "PEGs and Other Policy Actions".

2005 PEG Program Re-Forecast

The July Plan captured reductions in the 2005 PEG Program that resulted in additional costs for 2005 and each following year. However, the impact on the Financial Plan was mitigated by the fact that the February Financial Plan contained a \$20 million PEG implementation provision as a contingency for delays or cancellations affecting the 2005 PEG Program. Also, NYCT is experiencing lower-than-anticipated costs associated with excess employees; these costs are expected to be approximately \$10 million less than assumed in the adopted budget.

Primary among the PEG slippages identified in July were delays in the implementation of the 100% Off-Peak Bus Guidelines and the "L" line One Person Train Operation (OPTO). In addition, increases to off-peak bus headways were now limited to five minutes on all routes in any hour, which resulted in additional forecasted costs in the out-years.

There are a few additional changes to the 2005 PEG Program in the November Plan. For NYCT, the "L" Line OPTO PEG is being eliminated. In addition, the 100% Off-Peak Seated Load Guideline PEG is now being proposed to be delayed one year, until January 2007. This action is not contained in NYCT baseline numbers and is described in the section titled "PEGs and Other Policy Actions". The LIRR has reinstated 14 maintainers/cleaners for its Right of Way and will not be mothballing two locomotives that had been reflected in the July Plan.

Major Changes from the July Plan

Since the November Plan is an update of the July Plan, changes are more rate driven than program driven. The following table details the major changes in the Agency Baseline Forecasts between the July and November Plans:

MTA CONSOLIDATED
SUMMARY OF BASELINE RE-ESTIMATES
NOVEMBER CHANGES FROM JULY PLAN

Favorable/(Unfavorable)
(\$ in millions)

	2005	2006	2007	2008	2009
Farebox/Toll Revenue	\$0	\$27	\$21	\$25	\$29
Overtime	(\$22)	(\$2)	\$0	(\$0)	(\$0)
Health & Welfare	\$18	\$21	\$24	\$25	\$26
Pensions	(\$2)	\$3	\$10	\$12	\$18
Energy	(\$21)	(\$49)	(\$34)	(\$27)	(\$27)
Insurance	\$1	(\$8)	(\$11)	(\$13)	(\$16)
Security Reallocation/Funding *	(\$21)	(\$19)	(\$21)	(\$21)	(\$23)
Baseline Re-Estimates/Cash Adjustments	\$13	(\$24)	(\$12)	(\$9)	(\$6)
Net Change	(\$34)	(\$51)	(\$24)	(\$8)	\$1
<i>* This is mostly offset by MRT-2 funding.</i>					

The baseline is increasing in each year from the July Plan primarily as a result of higher costs for overtime, energy and insurance partially offset by increases in farebox revenue and lower costs for health & welfare and pensions. Explanations for these changes can be found in the pages that follow. In addition, the baseline is increasing due to a reclassification of security expenses in the Headquarters Budget, which includes an increase for NYCT Platform Control Teams.

In addition to the changes in the major expenses categories noted in the chart, baseline re-estimates/cash adjustments are also impacting the Plan. Re-estimates in 2005 and 2006 are significantly impacted by Metro-North multi-year, retroactive wage cash adjustments (RWA) that are associated with unsettled labor agreements. These are \$29 million favorable in 2005 and \$27 million unfavorable in 2006. The benefit of Metro-North's 2003 pension pre-payment of \$20 million has been moved from 2005 to 2006, partially offsetting the impacts of the RWA's. In 2007, unfavorable baseline expense re-estimates at the LIRR, due primarily to the impact of maintenance and service initiatives, and at MTAHQ, which has additional administrative requirements are partially offset by favorable baseline expense re-estimates at NYCT and B&T, due primarily to the impact of reimbursable charges and an increase in reimbursements. Unfavorable expense re-estimates at NYCT for additional paratransit ridership and a new need at MTAHQ for additional administrative requirements impacted the baseline re-estimate in 2008 and 2009.

Security

The July Plan included a \$10 million fund at the corporate level to address security concerns through an enhanced police presence as well as education to improve public awareness. These funds still remain within the baseline. In the November Plan, MTA is now proposing to fund \$100 million in Capital Security initiatives including the purchase of cameras and other technology improvements. The details can be found in the section titled "PEGs and Other Policy Actions".

Due to the growth in spending by Agencies on security projects and the need to follow appropriate accounting procedures, MTA Headquarters will reimburse the Agencies for amounts spent on security projects that are not eligible for capital funding. Examples include the use of overtime, increased staffing, training and advertising campaigns. This, in turn, will affect MRT-1 usage calculations and will also result in substantial increases to MTA Headquarters' budget in every year. This increase in MTA HQ expenses will be offset by reductions in MRT-2 funding.

Accrued Baseline Assumptions

The following presents Agency baseline assumptions supporting the Accrued Statement of Operations. Additional detail is available in each Agency section.

2005 November Forecast

Overall, MTA's 2005 November Baseline Forecast is very close to the Mid-year Forecast. It projects a Net Operating Deficit Before Subsidies and Debt Service of \$3,459 million, \$5 million (0.2%) better than the Mid-Year Forecast. Total Operating Revenue of \$5,250 million is \$10 million higher than Forecast and Total Operating Expenses of \$8,709 million are \$5 million higher. The 2005 November Baseline Forecast does not include any of the \$18 million in 2005 savings from those PEGs in 2006 PEG Program that start in 2005.

Revenue

Combined Farebox and Toll Revenue is expected to be virtually on target with the Mid-Year Forecast. The table in the Utilization section details changes in ridership by Agency. Other Revenue is increasing by \$7 million due primarily to higher paratransit urban tax yields and higher advertising revenue.

Expenses

Overtime expenses are expected to increase \$22 million from the the Mid-Year Forecast due to vacancy coverage and service disruptions, and heightened security. Health & Welfare costs are decreasing \$18 million from the Mid-Year Forecast due to lower rates. This decrease in the 2005 base results in savings throughout the Plan period.

Overall energy costs are increasing over the Mid-Year Forecast. Traction and Propulsion Power is increasing \$3 million as a result of lower rates and Fuel for Buses and Trains is increasing \$17 million due to higher fuel prices.

Costs for Claims are increasing \$11 million over the Mid-Year Forecast based primarily on revisions in the assessment of FMTAC claims liability.

Costs for Maintenance and Other Operating Contracts are decreasing by \$20 million due primarily to HQ reclassification adjustments to Other Business Expenses.

Professional Services Costs are \$36 million higher in 2005 due primarily to a reclassification of security-related expenses into HQ Professional Services.

2006 Final Proposed Budget

MTA's 2006 Final Proposed Baseline Budget projects a Net Operating Deficit before Subsidies and Debt Service of \$3,910 million. This is \$71 million worse than the July Preliminary Budget. Total Operating Revenue is \$31 million better than the Preliminary Budget due primarily to Passenger Revenue that is \$33 million higher due to higher ridership at NYCT and both commuter railroads. When compared with the 2006 Preliminary Budget, expenses are \$66 million higher. Increases in costs for Energy, Claims, and Security reclassification are partially offset by reduced costs for Health & Welfare and increased reimbursable overhead.

Total Operating Revenue of \$5,394 million is \$143 million higher than the 2005 November Forecast as farebox and toll forecasts include a full year of the 2005 fare/toll increase.

Total 2006 Operating Expenses of \$9,304 million are \$595 million higher than the 2005 November Forecast due to contractual wage increases, inflation, increases in depreciation and increases in maintenance and cleaning requirements.

Expense reclassifications are responsible for major changes within several categories between 2005 and 2006 in MTA Headquarters Final Forecast. During the second quarter closing process it was determined that certain expenses needed to be reclassified. As a result, beginning with 2006 a significant level of expenses formerly captured within Maintenance and Other Operating Contracts (\$42.0 million in 2006) will now be captured in Other Business Expenses. Costs formerly captured in Professional Service Contracts (\$4.9 million) and Materials & Supplies (\$2.1 million) are also being moved there as well. Other Business Expenses are increasing by a total of \$49.3 million as a result of the reclassification.

2007 – 2009 Forecast

The November 2006 Plan uses the following rates for All Urban Consumers (CPI-U): 2.77% in 2006; 2.58% in 2007; 2.91% in 2008; 3.07% in 2009. These rates are a primary driver of expense growth. The following pages provide a more detailed description of the assumptions used in formulating the 2006 Preliminary Budget and the forecasts for the years 2007 through 2009.

<p>For 2006, the Net Operating Deficit and Total Operating Expense levels that are referenced on this page have been amended from the November 16, 2005 printed report to accurately reflect the MTA Consolidated financial tables in this report.</p>
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OTHER OPERATING REVENUE

MTA Consolidated Other Revenue is forecasted to be \$7 million or 2.7% higher than the 2005 July Plan. The July Plan to November Plan increases in 2005 are mostly the result of NYCT estimating higher Urban Tax yields based upon the strong local real estate market which increased Paratransit revenues and projected higher advertising revenues and a B&T write-off of reserve for legal fees associated with the sale of New York Coliseum. The plan to plan changes in 2006 through 2009 were slightly favorable.

Other Revenue growth from 2005 through 2009 was influenced by a number of different factors including government reimbursements, fees and contractual and inflationary increases.

NYCT's reduction from 2005 to 2006 resulted mostly from a decline (from a very high level) in Paratransit Urban Tax revenue, which was based upon a very strong 2005 real estate market. NYCT's year-to-year increases from 2006 through 2009 are primarily NYC reimbursements that are limited contractually and serve to partially fund the annual growth in Paratransit expenses. LIRR's year-to-year growth is primarily due to contractual and inflationary increases. MNR's 2005 increase reflects higher net retail GCT tenant and miscellaneous event revenues and higher utility revenues due to the delayed withdrawal of all outside buildings from the GCT power grid now scheduled to be completed by January 1, 2006. These increases are offset by the delayed implementation of higher West of Hudson parking fees, which are scheduled to be implemented beginning in 2006. MNR plan-to-plan changes include the initiation of higher West of Hudson parking fees and contractually based increases in GCT tenant fees and advertising fees. B&T Other Revenue is expected to decrease in 2008 primarily due to expected changes in allocation formulas among E-ZPass agencies. Headquarters year-to-year growth is primarily due to contractual and inflationary increases.

PAYROLL

Payroll expenses from 2006 through 2009 were influenced by a number of different factors including pattern settlement increases, Global Insight inflation assumptions, deferred salaries & wages, and capital project activity. Pattern settlement increases were assumed for represented personnel (either settled or pending). Regional CPI growth was assumed for 2007 and outer years for non-represented personnel and represented personnel upon contract expiration.

Results of collective bargaining for MTA Agencies are a major driving force on payrolls. As of November 2005, 39 units (63%) representing 50,163 employees (91%) have settled contracts through 2005 and 2006. Most of the remaining 23 units representing 5,114 employees are in negotiations. In general, MTA Agencies reflect pattern bargaining agreement increases of 3.0% in 2005 and 2006.

Global Insight CPI inflation assumptions for the MTA Region used in the November Plan were adjusted upward in 2006 and adjusted downward in 2007 through 2009 from

assumptions used in the July Plan. The November Plan for 2006 uses the following August, 2005 Global Insight All Urban Consumers (CPI-U) rates: 2.77% in 2006, 2.56% in 2007, 2.91% in 2008 and 3.07% in 2009. Global Insight CPI rates used in the July, 2005 Plan were as follows: 2.57% in 2006, 2.79% in 2007, 2.94% in 2008, and 3.18% in 2009.

Payroll Assumptions: 2005 November Forecast

MTA consolidated payroll expenses are forecasted to be \$1 million higher than the 2005 July Plan. NYCT and LIRR increased by almost \$2 million each. NYCT's increase is primarily related to departmental reassessment of labor spending levels. LIRR's increase was primarily due to a slight increase in headcount as the attrition rate was slower than expected. MNR and MTA HQ decreased by \$0.9 million and \$0.8 million, respectively. MNR and MTA HQ's slight decreases were due primarily to revised rates and re-estimated expenses.

Payroll Assumptions: 2006 Final Proposed Budget

MTA consolidated payroll expenses are forecasted to be \$1 million higher than the July Plan. MNR and MTA HQ increased by approximately \$1 million each, and were partially offset by decreases of \$1 million each at LIRR and NYCT.

NYCT's increase from 2005 to 2006 primarily reflects the Global Insight CPI rate adjustments.

Increases at the LIRR and MNR reflect pattern bargaining of 3.0% for represented employees and CPI increases of 2.57% for non-represented employees. Additional MNR increases are primarily related to additional security-based initiatives and increased maintenance.

MTAHQ's increase reflects the full-year impact of the MTA Police labor agreement and a Global Insight CPI rate adjustment for non-represented employees.

Increases at B&T and LIB reflect a CPI rate of 2.77%. B&T's increase also contains contractual step-up increases and increased funding for the repair and maintenance of the centralized access and monitoring control system.

Payroll Assumptions: 2007 – 2009

Changes against the July Plan were insignificant.

MTA Agency payroll expenses in 2007 through 2009 primarily reflect CPI rate increases provided by Global Insight of 2.56% in 2007, 2.91% in 2008 and 3.07% in 2009.

NYCT payroll increases primarily reflect CPI-U adjustments provided by Global Insight. Additional increases at LIRR are related to headcount changes each year associated with new needs, changes in programs and Capital Program activity. Additional increases at MNR are primarily due to increased support for GCT security initiatives,

improvements to systems and facilities, increased service levels and coverage on all lines, additional car cleaning staff, and additional administrative oversight and quality assurance functions in key operating areas. Payroll increases in B&T, LIB, HQ and SIR primarily reflect CPI-U adjustments provided by Global Insight, with B&T reflecting additional increases for contractual step-ups.

OVERTIME

The November 2006 Plan uses the following August, 2005 Global Insight All Urban Consumers (CPI-U) rates: 2.77% in 2006, 2.56% in 2007, 2.91% in 2008 and 3.07% in 2009. Global Insight CPI rates used in the July, 2005 Plan were as follows: 2.57% in 2006, 2.79% in 2007, 2.94% in 2008, and 3.18% in 2009.

Overtime Assumptions: 2005 November Forecast

MTA consolidated overtime expenses are forecasted to be \$22 million or 6.3% higher than the 2005 Mid-Year Forecast. The bulk of this increase is due to large increases at NYCT (\$16 million), MNR (\$2 million), MTAHQ (\$2 million) and B&T (\$1 million).

NYCT's increase in November from July reflects payroll rate assumptions and higher 2005 requirements caused by vacancy coverage, service disruptions, and adverse winter weather. MNR's increase reflects payroll rate assumptions and additional increases due to emergency-related overtime coverage. MTAHQ's increase over the 2005 Mid-Year Forecast primarily reflects MTAPD overtime due to heightened security. LIRR's increase reflects a wage assumption of 3.0% and additional increases for vacancy and emergency-related coverage. Smaller increases at other Agencies reflect CPI related adjustments.

Overtime Assumptions: 2006 Preliminary Budget

MTA consolidated overtime expenses are forecasted to be \$2 million or 0.6% higher than the 2005 July Plan. The LIRR's \$3 million increase over the July Plan is due primarily to higher relief day overtime. MNR's \$1 million increase over the July Plan is due primarily to increased emergency coverage. Compared with the July Plan, NYCT has a favorable \$2 million variance.

Overtime costs are decreasing by \$24 million between 2005 and 2006. NYCT's \$25 million reduction from 2005 to 2006 is due primarily to additional overtime requirements for vacancy coverage, responses to service disruptions, and inclement weather not anticipated to recur in 2006. MTAHQ's \$1 million decrease from 2005 to 2006 is due primarily to contractually agreed increases in MTAPD straight-time shifts, reducing the amount of security-related overtime estimated in 2006. B&T is decreasing slightly from 2005 to 2006 due primarily to a reduction in the amount of security-related overtime estimated in 2006. LIRR's \$2 million increase from 2005 to 2006 is due primarily to the change in Capital Program activity and new needs, partially offset by a decrease in anticipated weather-related overtime.

Overtime Assumptions: 2007 – 2009

Changes against the July Plan were minimal. MTA Agency overtime expenses in 2007 through 2009 primarily reflect CPI rate increases provided by Global Insight of 2.56% in 2007, 2.91% in 2008 and 3.07% in 2009. Additional increases at LIRR are due primarily to changes in Capital Program activity and new needs. Additional increases at MNR are due primarily to additional emergency-related coverage.

HEALTH & WELFARE

MTA Consolidated Health and Welfare costs are forecasted to be \$18 million lower in 2005 than the July Plan, and more than \$20 million lower in each of the out-years. The reduced base in 2005 results in lower costs throughout the plan years.

The inflators for Health and Welfare are unchanged from the July Plan and are consistent with the New York State Empire Plan's most recent report. An inflator of 9.3% is assumed for years 2006 through 2009. Lower Health & Welfare rates than planned in 2005 resulted in lower expenses for some Agencies from the July Plan. The inflator of 9.3% is applied to these lower rates, the impact of which is reflected in the November Forecast.

NYCT's November Plan expenses are lower than the July Plan by \$15 million in 2005 and \$16 million in 2006, primarily due to lower-than-planned rate increases. NYCT reductions from the July Plan continue in each of the years 2007 to 2009 by over \$20 million in each year.

MTA Consolidated Pensions

MTA Consolidated Pensions November Financial Plan (\$ in millions)

	2005	2006	2007	2008	2009
Accrual					
Non-Reimbursable	\$646	\$734	\$753	\$758	\$756
Reimbursable	27	36	44	44	46
Total Accrual	673	770	797	802	802
Cash	\$502	\$701	\$774	\$785	\$787

The November Plan changes only modestly from the July Plan mainly due to no major changes in the underlying actuarial assumptions. Changes are primarily due to decreases caused by revised assumptions for pension plan participation at Metro-North.

MTA Consolidated Pensions
November Financial Plan vs. July Financial Plan
Favorable / (Unfavorable)
(\$ in millions)

	2005	2006	2007	2008	2009
Accrual					
Non-Reimbursable	(\$3)	\$3	\$10	\$12	\$18
Reimbursable	2	0	(4)	(4)	(5)
Total Accrual	(1)	3	6	8	13
Cash	\$7	\$8	\$14	\$16	\$22
Benefit of the MNR Prior Year Pre-Payment	(\$20)	\$20			

Accrual Assumptions

The accrued pension expense increase from 2005 to 2006 is nearly \$100 million, of which over \$80 million is in the NYCERS Plan reflecting the continued amortization of the losses in the equities that resulted from the bear market of 2000 to 2002. The NYCERS increase is consistent with the certification by the Chief Actuary of the New York City Pension Plans. The increase from 2006 to 2007 is approximately \$25 million, almost all of which is in the NYCERS Plan and continues to reflect the amortization of the losses in the equities. The changes to 2008 and 2009 are very modest in large part because by that time all the NYCERS losses will have been amortized with the balance comprised of small adjustments throughout the other pension plans.

The Actuary for the New York City Retirement Systems has proposed a number of revisions to the actuarial assumptions used to calculate pension costs. A number of these revisions require the approval of the New York State Legislature before they can be implemented. At the present time, pension costs in the financial plan for the City as well as the MTA are based on existing assumptions and do not reflect the revised assumptions.

Metro-North's non-reimbursable figures decrease \$15 million in 2005 and decrease \$9 million in 2006 from the July Plan. The changes reflect current funding requirements for the MTA Defined Benefit Plan (covering management staff and represented employees who joined the plan in 2004) and the MNR Defined Contribution Plan (for those represented employees who have not joined the MTA Defined Benefit Plan). The July Plan assumed that approximately 3,400 represented employees would transfer into the MTA Defined Benefit Plan from the MNR Defined Contribution Plan in 2005. The November Plan now assumes that these represented employees will remain in that plan in both 2005 and 2006 with total accrued expenses of \$34 million in 2005 and \$35 million in 2006. Thereafter, pension expenses increase to \$37 million in 2007, \$38 million in 2008 and \$39 million in 2009.

The forecast for MaBSTOA costs changes little from the July Plan. Changes are based upon a recent forecast for the Annual Required Contribution from the actuary, Milliman, USA that is somewhat reduced by NYCT primarily due to the effect of prior year prepayments on interest earnings.

Cash Assumptions

The significant change between cash and accrual in 2005 results from a number of factors. For the NYCERS Plan the accruals recognize liabilities sooner than the required cash payments. For the MaBSTOA and LIRR pension plans prior year payments reduce the cash needs in 2005. Recently enacted New York State legislation provided for a one-time cash benefit in 2004 by delaying a December payment until January for the NYSLRS plans. For 2006 to 2009 the differences between accrual and cash are far less significant.

Metro-North's cash figures decrease \$5 million in 2005 and \$37 million in 2006. The July plan assumed that certain represented employees would transfer to the MTA Defined Benefit Plan from the Defined Contribution Plan. The July Plan assumed a \$20 million prepayment made in 2003 would be taken in 2005. The November Plan now assumes this prepayment will be taken in 2006. MNR has revised the budgeting of employee pension contributions consistent with MTA-wide cash classifications. These contributions are included in payroll, rather than pensions.

ENERGY

Traction and Propulsion

MTA agencies receive electric power from the New York Power Authority (NYPA) within New York City and Westchester, from the Long Island Power Authority (LIPA) in Nassau and Suffolk Counties, from Connecticut Light & Power (CL&P) and other utilities in Connecticut, and from New York State Electric & Gas Corporation (NYSEG) in upstate New York. NYPA accounts for approximately 75% of the total MTA supply. NYCT gets 100% of its power from NYPA.

Natural gas prices have climbed dramatically during 2005 and especially since Hurricanes Katrina and Rita. However, although NYPA costs have increased, NYPA and its customers have taken steps to mitigate the impact of these higher gas prices; approximately 1/3 of the supply is fixed price nuclear power; approximately 1/3 of the supply is lower than market price upstate power based on transmission contracts; and the final 1/3 are in City gas-run plants, but because they have excess capacity, MTA benefits from these sales into the energy market.

NYPA rates were fixed for 2005 (at a cost significantly above 2004 due to the restructuring of NYPA's nuclear assets). LIPA rates have gone up \$7 million versus the 2005 July Plan for LIRR as a result of higher tariff and fuel cost adjustments. It should be noted that MTA is negotiating with LIPA regarding power rates and LIPA's use of LIRR's right-of-way for power distribution. For MNR, there were lower than anticipated fuel cost adjustments for CL&P.

NYPA electricity costs for 2006 are expected to rise 5% over the 2005 July Plan. For years 2007 through 2009, electricity costs have remained consistent with previous inflator adjustments, but at the higher 2005 base. In addition to CPI increases, MNR has incorporated the net effect of new car procurements and retirements for years 2005 through 2009 in anticipation of the M-7 and M-8 car procurements. LIRR has calculated its 2005 energy expenses based on actual expenses through March 2005. In addition, LIRR has used historical data, the M-7 delivery schedule, and price inflators to calculate expenses for 2006 through 2009. Agency projections for power reflect current contracts with utilities. However, given the volatility of the current energy market, there is a strong risk that these costs will be at higher than planned levels, since utility contracts contain discrete provisions to pass along fuel cost increases.

Fuel for Buses and Trains

Fuel prices have risen throughout the year, and especially since Hurricane Katrina. The average price for a gallon of diesel went from \$1.35 at the beginning of the year to \$1.68 by July, and to \$2.16 following Katrina. As a result, the Agencies have had to substantially increase their budgets. Compared to the July Plan, NYCT increased its budget for 2005 by \$15 million; for LIRR, the increase is \$2 million; for LIB, the increase is \$1 million for MNR, there is no increase because previous forecasts for fuel deliveries in Connecticut were already in the higher range. Fuel costs rise significantly for 2006, compared to the July Plan (NYCT - \$28 million; LIRR - \$5 million; MNR - \$5 million; and LIB - \$2 million). Thereafter, in years 2007 through 2010, consistent with the previous inflation forecasts, costs decrease in the outer years; fuel prices will come down, but not to the levels forecast in the July Plan.

INSURANCE

Insurance expenses increase each year of the plan. Hurricane-related property devastation along the Gulf of Mexico has impacted the property and liability insurance markets and upcoming premium renewals for related insurance coverage will consequently be higher than the July Forecast. Based upon preliminary contract negotiations, the impact of the hurricanes will result in approximately \$8 million in cost increases in 2006 that are expected to increase by 10% annually thereafter. The increases are captured in MTA Headquarters' Insurance figures; however, the February 2006 Plan will allocate these costs by individual Agency.

Year-to-year increases are driven by a growth rate of approximately 10% per annum based on an assessment of market conditions made by MTA's Risk Management Department. The exceptions are property and liability-related insurance expenses that are forecast in the November Plan to increase at a higher rate of at least 20% for 2006 based upon recent losses affecting the insurance industry. These increases cause higher expenses for 2006 to 2009 than were previously identified in the July Plan.

The First Mutual Transportation Assurance Company's (FMTAC) is incorporated into MTA consolidated financials. Increases in Insurance premiums paid by MTA Agencies to FMTAC are necessary in order to maintain the appropriate capital and reserve levels

pursuant to the State of New York Insurance guidelines. These premiums are recorded on FMTAC's financial statements as credits to insurance expenses

MAINTENANCE AND OTHER OPERATING CONTRACTS

Maintenance and Other Operating Contract expenses in the 2005 November Forecast of \$502 million are \$20 million less than the July Plan. This decrease is primarily due to re-estimates of departmental spending at NYCT of \$11 million and a reallocation of security funding changes by MTA HQ of \$7 million. Maintenance and Other Operating Contract expenses in the November Plan also decrease for 2006 to 2009 with reductions of approximately \$40 million each year. These changes are primarily caused by the previously mentioned reclassification of expenses at MTA HQ. In 2006, \$42 million in expenses previously considered Maintenance and Other Operating Contracts are reclassified as Other Business Expenses and an additional decrease of \$7 million is the result of a reallocation of security funding changes. Total favorable changes at MTA HQ of approximately \$50 million per year impact 2006 to 2009. Partially offsetting MTA HQ's favorable 2006 to 2009 changes are increases to Maintenance and Other Operating Contracts at NYCT, which are caused by higher heating fuel and non-traction energy costs.

On a year-to-year basis, Maintenance and Other Operating Contracts expenses increase \$20 million in 2006 and \$6 million in 2007. These costs decline by \$5 million in 2008 and then increase by \$19 million in 2009. Changes from 2005 are primarily due to an increase of \$18 million at NYCT and a \$7 million reallocation of security expenses at MTA HQ. The bulk of NYCT's increase is made up of \$6 million in power and heating fuel inflation, \$3 million in shop and facility maintenance, \$3 million in compressor and HVAC maintenance and \$2 million for a new refuse removal contract. Changes for 2006 through 2009 generally reflect inflators provided by Global Insight and are also impacted by non-propulsion energy price increases.

PROFESSIONAL SERVICE CONTRACTS

MTA Consolidated Professional Service Contracts are forecast to be \$36 million higher in 2005 than the July Plan. Increases of approximately \$30 million over the July Plan are also forecasted for each of the years 2006 through 2009. MTAHQ's November Plan expense increased over the July Plan by \$36 million in 2005 and by a comparable amount in each of the subsequent years. \$21 million of MTAHQ's 2005 increase is due to the switch in security funding from MRT-2 to MRT-1, and \$13 million is due to reclassification adjustments from Maintenance and Repair and Office Furniture and Equipment. NYCT had expense increases of \$3 million in 2005, \$5 million in 2006 and 2007, \$7 million in 2008 and \$7 million in 2009. NYCT increases in expenses are primarily due to higher Worker's Compensation Board costs. B&T decreased their expenses in 2005 by \$2 million from the July Plan due to a re-estimate of professional services expenses, lower general engineering services expenses, and reductions in procurement credit card expenses.

Increases in Professional Service Contracts for all agencies for 2006 through 2009 are inflated primarily by Global Insight's Regional CPI-U forecasts.

MTAHQ had a decrease of \$19 million in expenses from 2005 to 2006, primarily due to reclassification adjustments affecting other business expenses and security funding. In 2006 NYCT had a decrease of \$5 million in their expenses primarily due to Data Processing outsourcing transitional costs not recurring in 2006. The LIRR had a decrease of \$2 million in expenses from 2005 to 2006, primarily due to nonrecurring expenses incidental to project work. B&T expenses increase in years 2006 and 2007 by \$2 and \$1 million, respectively, due to a re-estimate of bond insurance fees, legal services, training and planning studies, and CPI-U increases. MNR's expenses increased in 2006 over 2005 by \$2 million primarily due to the restoration of a 2005 reduction for MTA Police service charges for the New Haven line.

MATERIAL & SUPPLIES

MTA Consolidated Materials and Supplies are forecasted to be \$7 million lower in 2005 than the July Plan. In 2005 B&T is \$5 million lower than the July Plan primarily due to lower E-ZPass tag expenses. MTAHQ's expenses decrease from the July Plan by \$4 million in 2005 and approximately \$6 million in each of the subsequent years, primarily due to reclassification adjustments to other business expenses. NYCT expenses increase by \$12 million in 2006 over the July Plan due to the rescheduling of expenses from 2005 for system-related projects/purchasing delays. The increase in 2007 of \$3 million is due to a rescheduling of the funding for the Station Customer Assistance Program from 2005.

All-Agency increases in Material and Supplies for 2006 through 2009 are inflated primarily by Global Insight's Regional CPI-U forecasts.

The LIRR's expense for 2006 represents an increase of \$9 million over 2005, primarily due to Maintenance of Equipment material needs associated with changes in the Life Cycle Maintenance program and an increased fleet size. This also accounts for most of the changes between 2007 and 2009, which also reflect increases associated with the operation of the Arch Street Shop. MTAHQ's expense decreases in 2006 by \$2 million from 2005, due to an expense reclassification. Increases in 2007, 2008 and 2009 are due to inflators. B&T's expense increases by \$5 million in 2006 over 2005 primarily due to E-ZPass tag purchases, but decrease in 2007 by \$10 million due to completion of the E-ZPass tag replacement program. Expenses in 2008 over 2007 increase by \$3 million due to the estimated inventory flows required to meet tag needs associated with new and existing accounts.

OTHER BUSINESS EXPENSES

MTA Consolidated Other Business Expenses are forecasted to be \$11 million higher in 2005 than the July Plan. The bulk of this increase is due to a FMTAC increase of \$4 million, Metro-North increases of \$4 million (due to equipment write-offs) and a NYCT

increase of \$2 million. In each of the years 2006 through 2009, November Plan expenses are projected to increase by approximately \$55 million over the July Plan. The bulk of this increase is due to MTAHQ's expenses which increase over the July Plan in 2006 through 2009 for the same reasons as stated above.

Increases in Other Business Expenses in 2005-2009 are inflated primarily by MTA Regional CPI-U forecasts provided by Global Insight.

MTAHQ had an increase of \$49 million in expenses from 2005 to 2006 (impacting outer years as well), primarily due to reclassification adjustments from Maintenance and Other Operating Contracts, Professional Services and Materials and Supplies.

Status of the 2005 PEGs

The 2005 Adopted Budget, as presented in the February Plan, contained Agency generated savings called Programs to Eliminate the Gap (PEGs) of \$140 million and 1,273 positions. The 2005 July Mid-Year Forecast resulted in re-estimated savings of \$136 million and 1,025 positions, a reduction of \$5 million and 248 positions. The MTA has developed a quarterly monitoring and reporting program that is designed to measure and report progress on PEGs with a value of \$1 million or greater. The Agencies monitor the smaller PEGs as well. The attached table summarizes the results of the 2nd Quarter, 2005 PEG Monitoring Program.

Second Quarter Results

In the first quarter, the Agencies reported results to MTAHQ for 69 PEGs with full-year savings of \$102 million and 991 positions, as per the 2005 Adopted Budget. In the 2005 July Mid-Year Forecast, full-year savings for these PEGs were re-estimated at \$101 million and 758 positions. Of the \$101 million, 38.2% of the full-year dollar savings were achieved at the end of the 2nd Quarter, and 79.9% of the total planned savings for the quarter, \$38 million, were achieved.

Results by Agency

NYCT – In the first quarter, 29 PEGs were subject to quarterly reporting, with full-year savings of \$52 million and 799 positions, as per the 2005 Adopted Budget. In the 2005 July Mid-Year Forecast, full-year savings for these PEGs were re-estimated at \$52 million and 566 positions. These account for 87.9% of the total PEG program dollar savings of \$59 million and 85.2% of the position reductions of 664. Results for the second quarter show that \$15 million or 60.1% of the planned PEG savings of \$24.5 million were realized. Additionally, 28.4% of the planned full-year PEG savings subject to quarterly reporting were realized in the second quarter.

LIRR – In the first quarter, 16 PEGs were subject to quarterly reporting with full-year savings of \$22 million and 86 positions, as per the 2005 Adopted Budget. In the 2005 July Mid-Year Forecast, full-year savings for these PEGs were re-estimated at \$20 million and 86 positions. These account for 47.9% of the total PEG program dollar savings of \$41 million and 42.2% of the position reductions of 204. Results for the second quarter show that \$8 million or 96.7% of the planned PEG savings of \$8 million were realized. Additionally, 41.1% of the planned full-year PEG savings subject to quarterly reporting were realized in the second quarter.

MNR – In the first quarter, eight PEGs were subject to quarterly reporting with full-year savings of \$7 million and 92 positions, as per the 2005 Adopted Budget. These savings remained unchanged in the 2005 July Mid-Year Forecast, and account for 67.3% of the total PEG program dollar savings of \$11 million, and 76.0% of the position reductions of 121. Results for the second quarter show that \$3 million or 100% of the planned PEG savings were realized. Additionally, 42.0% of the planned full-year PEG savings subject to quarterly reporting were realized in the second quarter.

MTA HQ – In the first quarter, three PEGs were subject to quarterly reporting with full-year savings of \$13 million and five positions, as per the 2005 Adopted Budget. These savings remained unchanged in the 2005 July Mid-Year Forecast, and account for 87.8% of the total PEG program dollar savings of \$15 million, and 29.4% of the position reductions of 17. Results for the second quarter show that planned savings of \$12 million were exceeded by \$.4 million or 3.2%. Additionally, 91.8% of the planned full-year PEG savings were subject to quarterly reporting in the second quarter.

B&T – In the first quarter, two PEGs were subject to quarterly reporting with full-year savings of \$7 million and zero positions, as per the 2005 Adopted Budget. In the 2005 July Mid-Year Forecast, full-year savings for monitored PEGs were re-estimated at \$8 million and zero positions. These account for 96.6% of the total PEG program dollar savings of \$8 million and 0.0% of the position reductions of one. Since these PEGs are not scheduled to begin until July, 2005, there were no results to report in the second quarter.

LIB – In the first quarter, one PEG was subject to quarterly reporting with full-year savings of \$1 million and 9 positions, as per the 2005 Adopted Budget. These savings remained unchanged in the 2005 July Mid-Year Forecast, and account for 71.5% of the total PEG program dollar savings of \$1.4 million, and 100.0% of the position reductions of 9. Results for the second quarter show that \$0.5 million or 100% of the planned PEG savings were realized. Additionally, 49.8% of the planned full-year PEG savings subject to quarterly reporting which were realized in the second quarter.

2005 November Forecast

The 2005 November Forecast saw changes to a number of PEGs. The effects of these (described below) will be reflected in the 3rd Quarter results of the PEG Monitoring Program.

NYCT – PEG changes will reduce 2005 PEG savings by \$.6 million.

LIRR – PEG changes will reduce 2005 PEG savings by \$.7 million.

Metropolitan Transportation Authority
2nd Quarter 2005
Peg Monitoring Summary
(\$ in millions)

MTA Agencies	July Plan 2005 PEG Total		2005 PEGs * Monitored		2005 PEGs Monitored as % of Total PEGs		2nd Quarter Results (ytd)				% of 2005 Monitored PEGs Implemented at end of Quarter
							"Planned" Savings	"Realized" Savings	Variance Fav/(Unfav)	"Realized" Savings as % of "Planned" Savings	
	Pos	(\$)	Pos	(\$)	Pos	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
New York City Transit	664	59.096	566	51.919	85.2%	87.9%	24.519	14.744	(9.775)	60.1%	28.4%
Long Island Rail Road	204	40.720	86	19.508	42.2%	47.9%	8.296	8.020	(0.276)	96.7%	41.1%
Metro North Rail Road	121	10.680	92	7.186	76.0%	67.3%	3.019	3.019	0.000	100.0%	42.0%
MTA Bridges & Tunnels	1	8.037	0	7.762	0.0%	96.6%	0.000	0.000	0.000	0.0%	0.0%
MTA Headquarters	17	15.013	5	13.188	29.4%	87.8%	11.727	12.104	0.377	>100.0%	91.8%
Long Island Bus	9	1.399	9	1.000	100.0%	71.5%	0.498	0.498	0.000	100.0%	49.8%
Staten Island Rail	9	0.730	0	0.000	0.0%	0.0%	0.000	0.000	0.000	0.0%	0.0%
MTA CONSOLIDATED	1025	135.674	758	100.563	74.0%	74.1%	48.059	38.385	(9.674)	79.9%	38.2%
PEG Implementation Prov.		(20.000)									
MTA CONSOLIDATED	1025	115.674	758	100.563	74.0%	86.9%	48.059	38.385	(9.674)	79.9%	38.2%

* The value of the 2005 PEGs were re-estimated in the July Plan's 2005 Mid-Year Forecast.
These values reflect the July Plan.

INFLATION FACTORS
BASED ON THE CONSUMER PRICE INDEX
Source: Global Insight
Date: September 7, 2005

Line Number		FORECAST				
		2005	2006	2007	2008	2009
9						
10	CPI-U National (US City Average):					
11	Annual change	1.0307	1.0220	1.0170	1.0186	1.0209
12	Post - 2005 cumulative change		1.0220	1.0394	1.0587	1.0808
13	Post - 2006 cumulative change			1.0170	1.0359	1.0576
14						
15	CPI-U Regional (MTA Region):					
16	Annual change	1.0372	1.0277	1.0256	1.0291	1.0307
17	Post - 2005 cumulative change		1.0277	1.0540	1.0847	1.1180
18	Post - 2006 cumulative change			1.0256	1.0554	1.0878
19						
20	Medical Services:					
21	Annual change	1.0315	1.0344	1.0368	1.0371	1.0351
22	Post - 2005 cumulative change		1.0344	1.0725	1.1123	1.1513
23	Post - 2006 cumulative change			1.0368	1.0753	1.1130
24						
25	Metal & Metal Products:					
26	Annual change	1.0517	0.9734	0.9783	1.0005	1.0007
27	Post - 2005 cumulative change		0.9734	0.9523	0.9528	0.9535
28	Post - 2006 cumulative change			0.9783	0.9788	0.9795
29						
30	Transportation Equipment:					
31	Annual change	0.9998	1.0191	1.0188	1.0121	1.0074
32	Post - 2005 cumulative change		1.0191	1.0383	1.0508	1.0586
33	Post - 2006 cumulative change			1.0188	1.0311	1.0388
34						
35	PPI - Refined Petroleum Products					
36	Annual change	1.3105	1.0300	0.9099	0.9279	0.9792
37	Post - 2005 cumulative change		1.0300	0.9372	0.8696	0.8515
38	Post - 2006 cumulative change			0.9099	0.8443	0.8267
39						
40	PPI - Fuels and Related Products, Electric Power					
41	Annual change	1.1743	1.0425	0.9384	0.9536	0.9762
42	Post - 2005 cumulative change		1.0425	0.9783	0.9329	0.9107
43	Post - 2006 cumulative change			0.9384	0.8949	0.8735
44						
45	Current-Dollar GDP: (Chained Price Index, Gross Domestic Product)					
46	Annual change	1.0629	1.0536	1.0501	1.0568	1.0525
47	Post - 2005 cumulative change		1.0536	1.1064	1.1692	1.2306
48	Post - 2006 cumulative change			1.0501	1.1097	1.1680
49						
50	Corporate Profits Before Taxes					
51	Annual change	1.3245	0.9907	1.0101	1.0282	0.9985
52	Post - 2005 cumulative change		0.9907	1.0007	1.0289	1.0274
53	Post - 2006 cumulative change			1.0101	1.0386	1.0370
54						
55	Regional Disposable Personal Income in Current Dollars (Total):					
56	Annual change					
57	Post - 2005 cumulative change					
58	Post - 2006 cumulative change					
59						
60	Regional Disposable Personal Income in Current Dollars (Per Capita):					
61	Annual change					
62	Post - 2005 cumulative change					
63	Post - 2006 cumulative change					
64						
65	90-Day T-Bill Rate (in percent):	0.0311	0.0432	0.0448	0.0466	0.0485
66						
67	Chain Price Index, Industrial Structure:					
68	Annual change	1.0614	1.0507	1.0394	1.0389	1.0395
69	Post - 2005 cumulative change		1.0507	1.0921	1.1346	1.1794
70	Post - 2006 cumulative change			1.0394	1.0798	1.1225
71						
72	PPI - Fuels and Related Products, Gas Fuels					
73	Annual change	1.2262	1.0837	0.9120	0.9276	0.9204
74	Post - 2005 cumulative change		1.0837	0.9883	0.9168	0.8438
75	Post - 2006 cumulative change			0.9120	0.8460	0.7786

Positions (Headcount)

Positions (Headcount)

2005 November Forecast

MTA consolidated baseline positions of 63,814 in 2005 are 23 higher than the July Mid-Year Forecast. Non-Reimbursable positions are forecast to increase by 68 and Reimbursable positions to decrease by 45. Total positions increase by 14 at MNR, 9 at NYCT and LIRR, and 2 at MTA HQ, while positions decrease by 11 at MTACC.

MNR's increase is made up of an increase of 10 Non-Reimbursable positions and 4 Reimbursable positions. Position increases in Operations (+12) and Maintenance (+2) are primarily due to additional late night service.

NYCT's increase is made up an increase of 10 Non-Reimbursable positions and a decrease of 1 Reimbursable position. Position increases in Maintenance (+40), Public Safety (+6) and Administration (+1), are offset by decreases in Operations (-38).

LIRR's increase is made up of an increase of 44 Non-Reimbursable positions and a decrease of 35 Reimbursable positions. Anticipated hiring in Track and Signals is the primary reason for the increase. Position increases in Maintenance (+51) and Administration (+11), are partially offset by decreases in Operations (-36) and Engineering/Capital (-17).

MTA CC's decrease of 11 Reimbursable positions is made up of a decrease in Engineering/Capital (-14) and an increase in Administration of (+3). The decrease is primarily due to delays in the awarding of major construction contracts.

2006 Final Proposed Budget

For the years 2006 and beyond, MTA is also categorizing employees by Occupational Group. Within each functional category, positions are categorized into three groups with their approximate percentage of the 2006 Budget total in parentheses:

1. Managers/Supervisors (15%)
2. Professional, Technical, Clerical (13%)
3. Operational Hourlies (72%)

In 2006, MTA will begin reporting on a monthly basis by this categorization.

2006 vs. 2005

MTA consolidated 2006 baseline positions of 64,298 are 484 higher than the 2005 Forecast. Non-Reimbursable positions increase by 256 and Reimbursable

positions increase by 228. Positions increase by 230 at LIRR, 84 at NYCT, 79 at MTA CC and 80 at MNR, with minor increases at SIR, MTA HQ and B&T. Some of these headcount increases have resulted from NYCT, LIRR and MNR service enhancements, set to begin in 2006.

LIRR's increase is made up of 179 Reimbursable positions and 51 Non-Reimbursable positions. Position increases are in Maintenance (+196), Operations (+26), and Administration (+8). Reimbursable position increases are consistent with anticipated levels of capital funding in 2006, and Non-Reimbursable positions are associated with a variety of programmatic requirements (e.g., administrative, concrete ties, maintenance) starting in 2006.

NYCT's increase is made up of an increase of 145 Non-Reimbursable positions and a decrease of 61 Reimbursable positions. Position increases in Maintenance (+265) and Administration (+6), are partially offset by decreases in Operations (-137), Engineering/Capital (-47) and Public Safety (-3). Position increases reflect investments in maintenance, most notably the cleaning initiatives in track and infrastructure, while position decreases in Operations reflects the "100% Seated Load" plan (the proposal to defer this until 2007 is included as a below the line service initiative – see PEGs and Other Actions) and position decreases in Engineering reflect reductions in the overall 2005 - 2009 Capital Program.

MTA CC's increase of 79 Reimbursable positions assumes that major construction contracts delayed in 2005 will be awarded in 2006.

MNR's increase is made up of 49 Non-Reimbursable positions and 31 Reimbursable positions. Position increases in Maintenance (+81) and Operations (+13), are partially offset by decreases in Administration (-14). Position increases are primarily due to the additional late night service.

November Forecast vs. Mid-Year Forecast

Baseline positions are increasing by 251 compared with the July Plan. Non-Reimbursable positions increase by 144 and Reimbursable positions increase by 107. Positions increase by 251 at NYCT, 81 at MNR and 6 at MTA HQ, while positions decrease by 83 at the LIRR, 3 at SIR and 1 at B&T.

NYCT's increase over the the July Plan is made up of 144 Non-Reimbursable and 107 Reimbursable positions. Positions increase in Operations (+218), Maintenance (+72) and Public Safety (+10), and decrease in Engineering/Capital (-47) and Administration (-2). The overall position increase is due to restoration of the OPTO "L" line elimination, bus service adjustments and employee availability, conversion of revenue Redbird cars to work trains, installation of antenna cable and all other programmatic and technical changes.

MNR's increase is made up of 49 Non-Reimbursable and 32 Reimbursable positions. Positions increase in Maintenance (+65) and Operations (+18), and decrease in Engineering/Capital (-2).

LIRR's decrease from the Mid-Year Forecast is made up of 50 Non-Reimbursable and 33 Reimbursable reductions. Positions decrease in Maintenance (-48), Operations (-29) and Engineering/Capital (-17), and increase in Administration (+11). Reductions are due to project management and signal reorganizations as well as a headcount realignment related to the latest Capital Program schedule and force account requirements. Additional reductions result from changes in the hiring plan for train service personnel.

2007-2009

Total forecasted position levels decrease by 317 from the end of 2006 to the end of 2009. Positions drop by 269 in 2007, increase by 117 in 2008, and drop again by 165 in 2009. Agencies with the largest position changes at the end of the three-year period are NYCT with a reduction of 460, MNR with an increase of 166 and LIRR with a reduction of 25.

NYCT's decrease is made up of reductions of 377 Reimbursable and 83 Non-Reimbursable positions. Positions decrease in Maintenance (-311), Operations (-85), Public Safety (-39) and Administration (-25). The large reduction in positions is primarily due to reductions in the overall 2005 - 2009 Capital Program.

MNR positions increase by 166 positions from the end of 2006 to the end of 2009. The bulk of this increase is due to planned hiring of security improvement maintainers, coach cleaners, quality control staff, and train crews related to planned increases in train service levels.

When compared with the July Plan, positions are higher in each of the out-years: by 99 in 2007; 24 in 2008, and 20 in 2009. Position increases in 2007 for NYCT and MNR are partially offset by a decrease for LIRR. The primary drivers behind NYCT's increase are Subways Security Platform coverage, Cleaning Initiatives, OPTO "L" line Elimination, R160 Acceptance Testing and Bus Service Adjustments/Employee Availability.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006 - 2009
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents by Function and Agency

FUNCTION	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Administration</i>	4,343	4,378	4,361	4,362	4,355
NYC Transit	2,237	2,243	2,225	2,225	2,218
Long Island Rail Road	631	639	639	639	639
Metro-North Railroad	548	534	535	536	536
Bridges & Tunnels	148	147	147	147	147
Headquarters	637	641	641	641	641
Long Island Bus	91	91	91	91	91
Staten Island Railway	31	31	31	31	31
Capital Construction Company	20	52	52	52	52
<i>Operations</i>	28,240	28,142	28,088	28,082	28,121
NYC Transit	22,667	22,530	22,473	22,452	22,445
Long Island Rail Road	1,993	2,019	2,019	2,010	2,010
Metro-North Railroad	1,909	1,922	1,925	1,949	1,995
Bridges & Tunnels	797	797	797	797	797
Headquarters	0	0	0	0	0
Long Island Bus	775	775	775	775	775
Staten Island Railway	99	99	99	99	99
Capital Construction Company	0	0	0	0	0
<i>Maintenance</i>	27,597	28,147	28,001	28,131	27,935
NYC Transit	20,092	20,357	20,182	20,273	20,046
Long Island Rail Road	3,502	3,698	3,693	3,704	3,704
Metro-North Railroad	3,204	3,285	3,317	3,345	3,376
Bridges & Tunnels	387	390	390	390	390
Headquarters	0	0	0	0	0
Long Island Bus	259	259	259	259	259
Staten Island Railway	153	158	160	160	160
Capital Construction Company	0	0	0	0	0
<i>Engineering/Capital</i>	2,029	2,029	2,013	2,007	2,007
NYC Transit	1,566	1,519	1,519	1,519	1,519
Long Island Rail Road	93	93	77	71	71
Metro-North Railroad	114	114	114	114	114
Bridges & Tunnels	186	186	186	186	186
Headquarters	0	0	0	0	0
Long Island Bus	19	19	19	19	19
Staten Island Railway	0	0	0	0	0
Capital Construction Company	51	98	98	98	98
<i>Public Safety</i>	1,605	1,602	1,566	1,564	1,563
NYC Transit	586	583	547	545	544
Long Island Rail Road	0	0	0	0	0
Metro-North Railroad	0	0	0	0	0
Bridges & Tunnels	297	297	297	297	297
Headquarters	719	719	719	719	719
Long Island Bus	3	3	3	3	3
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006 - 2009
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents by Function and Agency

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Baseline Total Positions</i>	63,814	64,298	64,029	64,146	63,981
NYC Transit	47,148	47,232	46,946	47,014	46,772
Long Island Rail Road	6,219	6,449	6,428	6,424	6,424
Metro-North Railroad	5,775	5,855	5,891	5,944	6,021
Bridges & Tunnels	1,815	1,817	1,817	1,817	1,817
Headquarters	1,356	1,360	1,360	1,360	1,360
Long Island Bus	1,147	1,147	1,147	1,147	1,147
Staten Island Railway	283	288	290	290	290
Capital Construction Company	71	150	150	150	150
<i>Non-Reimbursable</i>	57,281	57,537	57,457	57,657	57,588
NYC Transit	41,899	42,044	41,968	42,109	41,961
Long Island Rail Road	5,648	5,699	5,657	5,663	5,665
Metro-North Railroad	5,229	5,278	5,314	5,367	5,444
Bridges & Tunnels	1,770	1,772	1,772	1,772	1,772
Headquarters	1,322	1,326	1,326	1,326	1,326
Long Island Bus	1,133	1,133	1,133	1,133	1,133
Staten Island Railway	280	285	287	287	287
Capital Construction Company	0	0	0	0	0
<i>Reimbursable</i>	6,533	6,761	6,572	6,489	6,393
NYC Transit	5,249	5,188	4,978	4,905	4,811
Long Island Rail Road	571	750	771	761	759
Metro-North Railroad	546	577	577	577	577
Bridges & Tunnels	45	45	45	45	45
Headquarters	34	34	34	34	34
Long Island Bus	14	14	14	14	14
Staten Island Railway	3	3	3	3	3
Capital Construction Company	71	150	150	150	150
<i>Total Full-Time</i>	63,510	63,910	63,671	63,821	63,664
NYC Transit	46,958	46,958	46,702	46,803	46,569
Long Island Rail Road	6,219	6,449	6,428	6,424	6,424
Metro-North Railroad	5,770	5,850	5,886	5,939	6,016
Bridges & Tunnels	1,815	1,817	1,817	1,817	1,817
Headquarters	1,356	1,360	1,360	1,360	1,360
Long Island Bus	1,038	1,038	1,038	1,038	1,038
Staten Island Railway	283	288	290	290	290
Capital Construction Company	71	150	150	150	150
<i>Total Full-Time-Equivalents</i>	304	388	358	325	317
NYC Transit	190	274	244	211	203
Long Island Rail Road	0	0	0	0	0
Metro-North Railroad	5	5	5	5	5
Bridges & Tunnels	0	0	0	0	0
Headquarters	0	0	0	0	0
Long Island Bus	109	109	109	109	109
Staten Island Railway	0	0	0	0	0
Capital Construction Company	0	0	0	0	0

Metropolitan Transportation Authority
November Financial Plan 2006-2009
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP		Final Proposed 2006	2007	2008	2009
Administration	Managers/Supervisors	1,602	1,589	1,589	1,588
	Professional, Technical, Clerical	2,743	2,739	2,740	2,734
	Operational Hourlies	33	33	33	33
	Total Administration	4,378	4,361	4,362	4,355
Operations	Managers/Supervisors	2,888	2,861	2,867	2,868
	Professional, Technical, Clerical	1,158	1,150	1,163	1,163
	Operational Hourlies	24,096	24,077	24,052	24,090
	Total Operations	28,142	28,088	28,082	28,121
Maintenance	Managers/Supervisors	4,436	4,385	4,401	4,375
	Professional, Technical, Clerical	2,611	2,581	2,596	2,607
	Operational Hourlies	21,100	21,035	21,134	20,953
	Total Maintenance	28,147	28,001	28,131	27,935
Engineering/Capital	Managers/Supervisors	492	479	474	474
	Professional, Technical, Clerical	1,535	1,532	1,531	1,531
	Operational Hourlies	2	2	2	2
	Total Engineering/Capital	2,029	2,013	2,007	2,007
Public Safety	Managers/Supervisors	141	128	127	127
	Professional, Technical, Clerical	157	141	140	139
	Operational Hourlies	1,304	1,297	1,297	1,297
	Total Public Safety	1,602	1,566	1,564	1,563
MTA Consolidated	Managers/Supervisors	9,559	9,442	9,458	9,432
	Professional, Technical, Clerical	8,204	8,143	8,170	8,174
	Operational Hourlies	46,535	46,444	46,518	46,375
	Total MTA Consolidated	64,298	64,029	64,146	63,981
Baseline Total Positions		64,298	64,029	64,146	63,981
Non-Reimbursable		57,537	57,457	57,657	57,588
Reimbursable		6,761	6,572	6,489	6,393
Total Full-Time		63,910	63,671	63,821	63,664
Total Full-Time Equivalents		388	358	325	317

IV. Gap Closing and other Policy Actions

IV. Gap Closing Programs and Other Policy Actions

Proposed Policy Actions

The Agency sections of the November Plan include baseline financial submissions as well as information on below-the-line PEGs. This section details Gap Closing and Other below-the-line Policy actions that are being proposed by the Executive Director.

Agency Service Enhancements

The July Plan included significant debt service savings, of which approximately \$10 million was identified as recurring. That Plan proposed earmarking these savings for service improvements including: intensive cleaning initiatives affecting track, infrastructure and stations at NYCT Subways; additional service to match increased Staten Island Ferry service for NYCT Bus and SIR; and, for the commuter railroads, increased peak service, increased early afternoon service from Penn Station for LIRR and expanded late-night service from Grand Central Terminal for MNR.

As a result of MTA's improved finances, the MTA Executive Director is recommending an additional \$50 million be made available in 2006 to fund additional service enhancements. Of this, \$17 million will be used to defer for one year (until January 2007) implementation of the change in NYCT's off-peak bus guidelines. The July Plan and the NYCT baseline plan for November assumes this program will be implemented in 2006. The remaining funds will be allocated among MTA agencies for various enhancements to benefit customers, including increased cleaning initiatives, additional service and a greater police presence.

Cleaning Initiatives - NYCT is proposing improvements to station cleaning through better refuse collection and an increase in general cleaning. Improvements to track cleaning and maintenance will also deter fires and improve reliability. This would be accomplished by better refuse collection, improving water intrusion remediation in tunnels, and scraping of steel dust from track roadbeds.

The LIRR is proposing to improve the appearance of its fleet by adding Car Appearance Maintainer positions in order to increase the level of lay-up cleanings and to reduce the time between extraordinary (heavy) cleanings from 90 to 60 days on its electric fleet. In addition, it would fund the creation of a Quality of Life Maintenance Team to address graffiti removal, expand heavy-duty power washing of stations, underpasses and other infrastructure, and perform right of way clean up, particularly in station areas.

At Metro-North, car cleaners are also being added. These initiatives will reduce the time between extraordinary cleanings from 90 to 60 days on its entire fleet. Lay-up cleaning efforts will also be improved.

Service Initiatives - The LIRR has proposed several service enhancements for implementation starting in 2006 as follows:

- Provide additional Main Line/Huntington service to address overcrowding on Ronkonkoma and Huntington trains. To accomplish this, weekend service to Huntington would be provided on the half-hour; Ronkonkoma trains will no longer stop at Carle Place, Mineola and New Hyde Park; and, scheduled connecting service to Port Jefferson branch trains will be removed from Ronkonkoma trains. The changes are expected to result in an increase in ridership.
- Restore Hempstead train number 719, which was cut from the 2005 operating budget. This action will increase LIRR's AM car requirement by four cars.
- Add late evening service on the Montauk Branch in order to provide hourly service to Patchogue in response to customer complaints of service gaps and to address a service gap between Patchogue and Speonk. Specifically, LIRR will add an additional eastbound train originating at Penn Station and making selected stops from Babylon to Patchogue, an additional eastbound train originating at Penn Station and making selected stops from Babylon to Speonk, and an additional westbound train to Penn Station making selected stops from Patchogue to Babylon. This is expected to generate increased ridership.
- Add additional weekend service on the Port Washington Branch to provide half-hour service. This increase in service will address growth in weekend ridership and from the MTA's City Ticket initiative.

MNR plans to expand service to growing markets on all three East-of-Hudson Lines. These enhancements will add service both weekdays and weekends, with the focus on three growing markets: early morning commuters, weekend discretionary customers, and weekday commutation/discretionary customers (customers traveling at the fringes of the PM peak period). In total, these enhancements are expected to add 50 to 60 weekly trains which will generate increased ridership.

The components of the MNR enhancement include:

- Expanded service on all three lines during the fringes of the PM peak periods (3:00PM to 5:00PM and 7:00PM to 9:00PM);
- Expanded Harlem Line and New Haven Line service on weekends;
- Improved service on all three lines during the early AM peak period (5:30AM to 7:00AM).

MTAHQ proposals for MTA Police include, through 2007, the hiring of 41 additional police officers, as follows:

- Expand the K-9 Unit by 25 officer/dog teams, with 10 added in 2005, 10 added in 2006 and 5 added in 2007.
- Add 16 officers to enhance MTAPD's visibility at terminals, stations, within rail yards and shops, and provide security inspections at key infrastructure throughout the system.

The Executive Director proposes that \$35 million be set aside annually to fund these Service Enhancement initiatives in 2007-2009. The implementation of these programs will result in headcount increases, the specific of which are still being developed. The delay of NYCT's Off-Peak Bus Seated Load Guideline PEG until 2007 will delay headcount savings of approximately 400 positions for a year. The other MTA-wide service and cleaning initiatives are likely to increase staffing by over 200 positions per year.

Security

The Executive Director is proposing that an additional \$100 million be set-aside from the 2005 operating surplus to cover capital security needs. One advantage of using the surplus for this purpose is that it will reduce the need for future debt service costs that would otherwise be incurred if the projects were funded through the capital budget. While an exact list of programs has not yet been established, a portion of this could cover some immediate security needs not in the MTA Capital Program. Monies could be used to fund Closed Circuit Security Cameras in 60 subway stations and to initiate a pilot program to install these cameras on some buses. In addition, NYCT will be installing Emergency Exit Buttons that will allow riders to exit more easily in the event of an emergency. NYCT will also be installing Subway Car Seat Locks in its 60 foot B-Division cars which have seats that can be opened (causing a potential security risk).

Also, in 2002, the MTA had a threat and vulnerability assessment completed; during which critical infrastructure and facilities were identified for security enhancement projects: \$591 million was set aside in the Capital Budget to move certain projects forward. At that time, the scopes of work were very conceptual and required the initiation of design work to further define these projects. As the design process has progressed, total project costs have been revised to reflect the best available current cost information. To address projected increases in cost from the original project estimates, the MTA will be utilizing security experts to re-evaluate capital security priorities and a value – engineering process to determine whether these projects should be modified or re-ordered. A portion of the \$100 million may be dedicated to offsetting necessary cost increases.

Pension Liability Reduction

The Executive Director is recommending that \$450 million of the 2005 operating surplus be used to pay down the accrued unfunded liabilities in MTA pensions plans, which currently exceed \$2 billion. By applying the \$450 million to the liabilities, MTA would recognize a savings of approximately \$42 million per year in contributions to these pension funds. The attractiveness of this proposal is that the benefit accrues to the benefit of the pension plans and the associated on-going savings to out-year MTA operating budgets.

2005 Holiday Season Customer Fare Initiatives

In order to provide immediate benefits for MTA riders, the MTA Executive Director has authorized Agency Presidents to implement the following promotional fare initiatives for MTA customers during the upcoming 2005 holiday season:

- Half-fare on local buses and subways (including NYCT, SIR, MTA Bus and LI Bus) on holidays and weekends beginning Thanksgiving Day through January 2, 2006, including Friday, November 25, 2005 and Monday, December 26, 2005. This initiative will also include NYCT Access-A-Ride and LIB Able Ride services.
- Half-fare on local buses and subways (including NYCT, SIR, MTA Bus and LI Bus) beginning December 24, 2005 through January 2, 2006. This initiative will also include NYCT Access-A-Ride and LIB Able Ride services.
- All 30-day \$76 MetroCards activated between Thanksgiving Day and December 31, 2005 (e.g., first swiped) will have four additional “free” bonus days.
- All 7-day \$24 MetroCards activated between Thanksgiving Day and December 31, 2005 (e.g., first swiped) will have one additional “free” bonus day.
- Currently eligible half-fare customers, e.g., seniors, disabled, students, will receive half-fare discounts on the MetroCard and local bus and subway special fares noted above.
- All 7-day \$41 Express Bus MetroCards activated on NYCT and MTA Bus between Thanksgiving Day and December 31, 2005 will have one “free” bonus day.
- A special \$76 Holiday MetroCard, valid from November 23, 2005 –the day before Thanksgiving – through January 1, 2006, will be available for cash-only sale at token booths.
- LIRR and MNR customers who purchase a December 2005 regular monthly ticket will also receive a special off-peak 10-trip ticket at no additional charge. This ticket

will be valid for off-peak travel through February 28, 2006, and it will be non-refundable and not for re-sale.

- LIRR and MNR customers who purchase a weekly ticket during the period November 20, 2005 through December 27, 2005 or any 10-trip during the period November 20, 2005 through December 31, 2005 will also receive a special off-peak round-trip ticket at no additional charge. This ticket will be valid for off-peak travel through February 28, 2006, and will be non-refundable and not for re-sale.
- Mail & Ride customers who purchase a joint LIRR/NYCT or joint MNR/NYCT December 2005 monthly ticket that includes a monthly unlimited-ride MetroCard will also receive: a free \$10 MetroCard (a \$12 value) valid for travel between November 23, 2005 and February 28, 2006; and, a special off-peak 10-trip ticket at no additional charge that will be valid for off-peak travel through February 28, 2006 and will be non-refundable and not for re-sale.

These promotional fare initiatives are expected to cost \$50 million in 2005. The benefits of this initiative are: it provides environmental benefits by encouraging use of mass transit for traveling in and around the metropolitan region during the holiday season – one of the most heavily traffic congested periods of the year; it enables MTA customers who are confronting record high gas and heating fuel prices to realize additional savings through increased use of mass transit; and, it contributes to the economic health of the region by providing additional incentives to use of mass transit for discretionary trips for shopping and entertainment.

An additional \$50 million is being set aside for another possible promotional initiative in 2006; a decision on a 2006 promotional initiative will be made after a review of the results of the 2005 initiative.

2006 Agency PEGs

The 2006 PEG Program is designed to achieve programmatic administrative and operational efficiencies without adversely impacting customer service, safety and security. In addition, it will produce recurring savings that will address future-year budget gaps and cover Agency spending requirements (discussed in previous section of this report).

The 2006 Program to Eliminate the Gap (PEG) includes savings of \$18 million in 2005, \$42 million in 2006, \$44 million in 2007, \$47 million in 2008 and \$50 million in 2009. Projected headcount reductions associated with these PEGs are 1 in 2005, 143 in 2006, 146 in 2007, 147 in 2008 and 147 in 2009. As mentioned earlier, these PEGs are in addition to the 2005 Peg program approved by the MTA Board in December of 2004 and included in the February 2005 Baseline.

These PEGS are virtually identical to those proposed in the July Plan with the exception of the LIRR, which eliminated one PEG that would have reduced train crew staff by 14 positions and saved approximately \$2 million per year. Instead, it will take active savings through scheduling efficiencies. Additional savings will result from an increase in the interval of M7 periodic inspections, and professional services savings will more than offset that increase.

Agencies were encouraged to start savings as soon as possible; therefore, some programs have begun in 2005 with savings of \$18 million. The LIRR is expected to generate approximately \$12 million per year starting in 2005 through the renegotiation of fees for the use of its right of way for power lines. NYCT will achieve approximately \$5 million in savings annually starting in 2005 as a result of management actions to achieve health & welfare savings.

NYCT's total PEG program is expected to save \$20 million in 2006, and when fully implemented in 2009, the Program will result in cost savings of \$24 million and a reduction of 119 positions. Administrative efficiencies of \$10 million and 23 position reductions carry through the plan period and include savings in new car acceptance support, human resources and circuit design staff. Various maintenance efficiencies will save another \$6 million annually.

The LIRR PEG program will achieve \$18 million in 2006 and annual savings approximating \$16 million, thereafter. The LIRR has three PEGs that will increase non-farebox revenue: additional parking fees at facilities under its control; placing the Babylon train station parking facility under the control of the Village of Babylon; and, additional revenue from lease fees for the use of its right-of-way that may generate as much as \$12 million per year. The additional parking fees are projected to generate an additional \$1 million in 2006, followed by \$1 million in subsequent years. The transfer of control of the Babylon station is expected to generate an additional \$.1 million per year beginning in 2006.

MNR's PEG program will yield savings of \$1 million in 2006, and when fully implemented in 2009, will result in savings of \$5 million. MNR is proposing to purchase an additional 36 ticket vending machines which will be placed at strategic locations. The expansion of the TVM network is expected to reduce the need for on-board ticket sales, reducing the incidence of customer travel without a fare being collected. It is expected farebox revenue will increase by \$2 million in 2006, \$3 million in 2007, \$5 million in 2008, and \$6 million in 2009. Ridership levels are not expected to change as a result of this PEG. The additional TVMs will require additional support staff and maintenance contracts, which will be offset by a reduction in ticket agents. The net financial impact of this initiative is \$1 million in 2006, growing to \$5 million in 2009.

The B&T PEG program is comprised of administrative efficiencies in payroll, revenue management and accounts payable that will result in the reduction of five positions. This PEG will yield savings of \$0.3 million in 2006, and \$0.4 million in years 2007 and beyond.

MTAHQ is expected to achieve administrative savings of \$2 million in 2006 that will grow to \$4 million in 2009. Headcount reductions in Financial Management/Budget, General Counsel, and Policy in will result in seven fewer positions and annual savings approximating \$1 million. MTAHQ is also proposing to lower operating costs by achieving efficiencies in professional services, temporary services, office equipment, materials & supplies, and other non-personnel services areas. These actions will yield savings of approximately \$2 million annually. Overtime efficiencies in the Police Department will save roughly \$1 million each year.

SIR PEG savings of \$0.4 million in 2006 will grow to \$0.5 million in 2009. Maintenance efficiencies will yield \$0.1 million in 2006 and \$0.2 million annually thereafter. Operational efficiencies will be achieved with the commissioning of the new SIR Control Center, which will eliminate five positions and ultimately save almost \$0.4 million annually.

2006 Agency PEGs - Positions

The 2006 Agency PEGs include headcount reductions of one in 2005, 143 in 2006, 146 in 2007, 147 in 2008 and 147 in 2009.

Agency PEGs are expected to result in position reductions at the end of 2009 of 119 at NYCT, 13 at LIRR, 7 at SIR, 7 at MTAHQ and 3 at B&T. For MNR, positions will increase by 2 as one PEG which reduces on-board ticket sales (for a net increase in revenue) requires additional technical support positions.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006-2009
Summary 2006 Agency Programs to Eliminate the Gap (PEGs)
(\$ in millions)

	2005		2006		2007		2008		2009	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
MTA-Wide										
NYC Transit	(4)	\$5.307	118	\$19.517	118	\$20.675	119	\$21.692	119	\$23.250
Long Island Rail Road	0	12.000	13	18.181	13	15.762	13	15.849	13	15.935
Metro-North Railroad	0	0.093	(2)	1.370	(2)	2.682	(2)	4.260	(2)	5.375
Bridges & Tunnels	0	0.000	3	0.269	3	0.309	3	0.309	3	0.309
MTA Headquarters	3	0.655	4	2.260	7	3.893	7	3.990	7	4.126
Long Island Bus	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Staten Island Railway	2	0.035	7	0.384	7	0.495	7	0.512	7	0.530
Capital Construction Company	0	0.000	0	0.000	0	0.000	0	0.000	0	0.000
Total MTA-Wide By Category	1	\$18.090	143	\$41.981	146	\$43.816	147	\$46.612	147	\$49.525
MTA-Wide by Category										
Administration:	(1)	\$5.462	30	\$12.981	33	\$14.695	34	\$14.882	34	\$15.029
Customer Convenience & Amenities:	0	0.093	(1)	2.360	(1)	3.699	(1)	5.305	(1)	6.449
Service:	0	0.000	35	7.247	35	5.054	35	6.032	35	7.627
Maintenance:	0	0.500	61	6.010	61	6.023	61	6.036	61	6.051
Revenue Enhancements:	0	12.000	0	12.604	0	13.104	0	13.104	0	13.104
Other :	2	0.035	18	0.779	18	1.241	18	1.253	18	1.265
Total MTA-Wide by Category	1	\$18.090	143	\$41.981	146	\$43.816	147	\$46.612	147	\$49.525

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

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006-2009
Summary 2006 Agency Programs to Eliminate the Gap (PEGs)
(\$ in millions)

	2005		2006		2007		2008		2009	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of AGENCY PROGRAMS										
Administration:										
NYC Transit	(4)	\$4.807	23	\$10.122	23	\$10.156	24	\$10.238	24	\$10.238
Long Island Rail Road	0	\$.000	0	\$.330	0	\$.337	0	\$.345	0	\$.356
Metro-North Railroad	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Bridges & Tunnels	0	\$.000	3	\$.269	3	\$.309	3	\$.309	3	\$.309
MTA Headquarters	3	\$.655	4	\$ 2.260	7	\$ 3.893	7	\$ 3.990	7	\$ 4.126
Long Island Bus	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Staten Island Railway	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Capital Construction Company	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Sub-Total Administration	(1)	\$5.462	30	\$12.981	33	\$14.695	34	\$14.882	34	\$15.029
Customer Convenience & Amenities:										
NYC Transit	0	\$.000	2	\$.117	2	\$.117	2	\$.117	2	\$.117
Long Island Rail Road	0	\$.000	0	\$.990	0	\$ 1.020	0	\$ 1.050	0	\$ 1.082
Metro-North Railroad	0	\$.093	(3)	\$ 1.253	(3)	\$ 2.562	(3)	\$ 4.138	(3)	\$ 5.250
Bridges & Tunnels	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
MTA Headquarters	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Long Island Bus	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Staten Island Railway	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Capital Construction Company	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Sub-Total Customer Convenience & Amenities	0	\$.093	(1)	\$ 2.360	(1)	\$ 3.699	(1)	\$ 5.305	(1)	\$ 6.449
Service:										
NYC Transit	0	\$.000	22	\$ 3.245	22	\$ 4.013	22	\$ 4.948	22	\$ 6.506
Long Island Rail Road	0	\$.000	13	\$ 4.002	13	\$ 1.041	13	\$ 1.084	13	\$ 1.121
Metro-North Railroad	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Bridges & Tunnels	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
MTA Headquarters	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Long Island Bus	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Staten Island Railway	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Capital Construction Company	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Sub-Total Service	0	\$.000	35	\$ 7.247	35	\$ 5.054	35	\$ 6.032	35	\$ 7.627

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006-2009
Summary 2006 Agency Programs to Eliminate the Gap (PEGs)
(\$ in millions)

	2005		2006		2007		2008		2009	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of AGENCY PROGRAMS										
Maintenance:										
NYC Transit	0	\$,500	58	\$5,499	58	\$5,499	58	\$5,499	58	\$5,499
Long Island Rail Road	0	\$,000	0	\$,255	0	\$,260	0	\$,266	0	\$,272
Metro-North Railroad	0	\$,000	1	\$,117	1	\$,120	1	\$,122	1	\$,125
Bridges & Tunnels	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
MTA Headquarters	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Long Island Bus	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Staten Island Railway	0	\$,000	2	\$,139	2	\$,144	2	\$,149	2	\$,155
Capital Construction Company	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Sub-Total Maintenance	0	\$,500	61	\$6,010	61	\$6,023	61	\$6,036	61	\$6,051
Revenue Enhancements:										
NYC Transit	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Long Island Rail Road	0	\$12,000	0	\$12,604	0	\$13,104	0	\$13,104	0	\$13,104
Metro-North Railroad	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Bridges & Tunnels	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
MTA Headquarters	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Long Island Bus	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Staten Island Railway	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Capital Construction Company	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Sub-Total Maintenance	0	\$12,000	0	\$12,604	0	\$13,104	0	\$13,104	0	\$13,104
Other :										
NYC Transit	0	\$,000	13	\$,534	13	\$,890	13	\$,890	13	\$,890
Long Island Rail Road	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Metro-North Railroad	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Bridges & Tunnels	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
MTA Headquarters	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Long Island Bus	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Staten Island Railway	2	\$,035	5	\$,245	5	\$,351	5	\$,363	5	\$,375
Capital Construction Company	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Sub-Total Other	2	\$,035	18	\$,779	18	\$1,241	18	\$1,253	18	\$1,265
Total Agency PEGs	1	\$18,090	143	\$41,981	146	\$43,816	147	\$46,612	147	\$49,525

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

Post – 2006 Agency PEGs

NYCT's PEG program will result in cost savings of \$2 million in 2007, \$14 in 2008 and \$20 in 2009. In 2007 and 2008, the NYCT PEG program will grow substantially. One Person Train Operations (OPTO) is scheduled to begin on the J line in the Fall of 2007, on the #7 line in December of 2007, on the M line (weekdays) in the Spring of 2008 and on the N line in the Fall of 2008.

MNR's PEG program will result in cost savings of \$0.4 million in 2007, \$1 million in 2008 and \$1 million in 2009. MNR has recently begun a process review that is expected to yield productivity savings by targeting various functions across departmental lines. This action is expected to achieve savings of \$250,000 in 2007, \$1 million in 2008 and \$1 million in 2009.

SIR PEG savings will result in cost savings of \$0.2 million in 2007, \$1 million in 2008 and \$2 million in 2009. The implementation of OPTO in 2008 will result in a reduction of 26 positions and savings approximating \$2 million per year.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006-2009
Summary Post 2006 Agency Programs to Eliminate the Gap (PEGs)
(\$ in millions)

	2007		2008		2009	
	<u>Positions¹</u>	<u>Dollars</u>	<u>Positions¹</u>	<u>Dollars</u>	<u>Positions¹</u>	<u>Dollars</u>
MTA-Wide						
NYC Transit	159	\$1.962	313	\$14.356	313	\$20.447
Long Island Rail Road	0	0.000	0	0.000	0	0.000
Metro-North Railroad	0	0.354	0	0.607	0	1.109
Bridges & Tunnels	2	0.087	2	0.087	2	0.087
MTA Headquarters	0	0.000	0	0.000	0	0.000
Long Island Bus	0	0.000	0	0.000	0	0.000
Staten Island Railway	4	0.239	17	1.225	30	2.285
Capital Construction Company	0	0.000	0	0.000	0	0.000
Total MTA-Wide By Category	165	\$2.642	332	\$16.275	345	\$23.928
MTA-Wide by Category						
Administration:	2	\$.441	2	\$.694	2	\$1.196
Customer Convenience & Amenities:	0	0.000	0	0.000	0	0.000
Service:	159	1.962	313	14.356	313	20.447
Maintenance:	4	0.239	4	0.250	4	0.258
Revenue Enhancements:	0	0.000	0	0.000	0	0.000
Other :	0	0.000	13	0.975	26	2.027
Total MTA-Wide by Category	165	\$2.642	332	\$16.275	345	\$23.928

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

Fare and Toll Yields 2007 and 2009

As part of the gap closing actions in the 2005 Adopted Budget, farebox and toll revenue yields were slated to be increased by 5% in 2007. The November Forecast projects this increase will yield \$241 million in 2007, \$244 in 2008 and \$245 million in 2009. Relative to both the Adopted Budget and the July Plan, these forecasts are unchanged for 2007 and are \$1 million greater for both 2008 and 2009.

A subsequent 5% farebox and toll revenue yield increase in 2009 was proposed as a gap closing action in the July Plan. This action is estimated to yield an additional \$257 million in 2009, an increase of \$1 million over the estimate in the July Plan.

MTA Consolidated Utilization

MTA Agency Fare and Toll Revenue Projections, in millions Including the Impact of 2006 PEGs and 2007 and 2009 Fare and Toll Increases (excludes effect of Holiday Fare Initiatives)

		Financial Plan 2006-2009				
		2005	2006	2007	2008	2009
Toll Revenue						
Bridges & Tunnels	- Baseline	\$1,207.4	\$1,238.3	\$1,239.6	\$1,247.4	\$1,249.1
	- 2006 PEGs	0.0	0.0	0.0	0.0	0.0
	- 2007 Toll Increase ⁴	0.0	0.0	62.0	62.4	62.5
	- 2009 Toll Increase ⁴	0.0	0.0	0.0	0.0	65.6
		\$1,207.4	\$1,238.3	\$1,301.6	\$1,309.8	\$1,377.2
Fare Revenue						
Long Island Bus ¹	- Baseline	\$37.2	\$37.4	\$37.6	\$37.8	\$38.0
	- 2006 PEGs	0.0	0.0	0.0	0.0	0.0
	- 2007 Toll Increase ⁴	0.0	0.0	1.9	1.9	1.9
	- 2009 Toll Increase ⁴	0.0	0.0	0.0	0.0	2.0
		\$37.2	\$37.4	\$39.5	\$39.7	\$41.9
Long Island Rail Road	- Baseline	\$439.3	\$448.4	\$456.8	\$463.1	\$471.3
	- 2006 PEGs	0.0	0.0	0.0	0.0	0.0
	- 2007 Toll Increase ⁴	0.0	0.0	22.8	23.2	23.6
	- 2009 Toll Increase ⁴	0.0	0.0	0.0	0.0	24.7
		\$439.3	\$448.4	\$479.6	\$486.2	\$519.6
Metro-North Railroad ²	- Baseline	\$437.8	\$448.8	\$455.4	\$461.6	\$467.2
	- 2006 PEGs	0.0	1.6	3.2	4.8	6.0
	- 2007 Toll Increase ⁴	0.0	0.0	15.1	15.4	15.6
	- 2009 Toll Increase ⁴	0.0	0.0	0.0	0.0	16.3
		\$437.8	\$450.4	\$473.8	\$481.8	\$505.0
New York City Transit ^{1, 3}	- Baseline	\$2,677.3	\$2,758.9	\$2,784.7	\$2,813.4	\$2,818.8
	- 2006 PEGs	0.0	0.0	0.0	0.0	0.0
	- 2007 Toll Increase ⁴	0.0	0.0	139.2	140.7	140.9
	- 2009 Toll Increase ⁴	0.0	0.0	0.0	0.0	148.0
		\$2,677.3	\$2,758.9	\$2,923.9	\$2,954.1	\$3,107.7
Staten Island Railway	- Baseline	\$3.2	\$3.3	\$3.7	\$3.7	\$3.7
	- 2006 PEGs	0.0	0.0	0.0	0.0	0.0
	- 2007 Toll Increase ⁴	0.0	0.0	0.2	0.2	0.2
	- 2009 Toll Increase ⁴	0.0	0.0	0.0	0.0	0.2
		\$3.2	\$3.3	\$3.9	\$3.9	\$4.1
Total Farebox Revenue	- Baseline	\$3,594.8	\$3,696.9	\$3,738.2	\$3,779.6	\$3,799.1
	- 2006 PEGs	0.0	1.6	3.2	4.8	6.0
	- 2007 Toll Increase ⁴	0.0	0.0	179.3	181.3	182.2
	- 2009 Toll Increase ⁴	0.0	0.0	0.0	0.0	191.2
		\$3,594.8	\$3,698.5	\$3,920.6	\$3,965.7	\$4,178.4
TOTAL FARE & TOLL REVENUE						
	- Baseline	\$4,802.2	\$4,935.2	\$4,977.8	\$5,027.1	\$5,048.2
	- 2006 PEGs	0.0	1.6	3.2	4.8	6.0
	- 2007 Toll Increase ⁴	0.0	0.0	241.2	243.6	244.6
	- 2009 Toll Increase ⁴	0.0	0.0	0.0	0.0	256.8
		\$4,802.2	\$4,936.8	\$5,222.2	\$5,275.5	\$5,555.5

¹ Excludes Paratransit Operations.

² Metro-North Railroad ridership and farebox revenue figures are for East-of-Hudson service (Hudson, Harlem and New Haven Lines) only.

³ Excludes Fare Media Liability.

⁴ Assumes full-year implementation of fare and toll increases.

V. Other MTA Consolidated Materials

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006 - 2009
MTA Consolidated Statement of Operations
Non-Reimbursable
(\$ in millions)

Non-Reimbursable	2004	2005	2006			
	Actuals	November Forecast	Final Proposed Budget	2007	2008	2009
<u>Operating Revenue</u>						
Fare & Toll Revenue	\$4,522	\$4,830	\$4,966	\$5,010	\$5,061	\$5,084
Other Revenue	359	420	428	440	454	467
Total Operating Revenue	\$4,881	\$5,250	\$5,394	\$5,450	\$5,515	\$5,551
<u>Operating Expenses</u>						
Labor Expenses:						
Labor	\$5,016	\$5,319	\$5,540	\$5,744	\$5,983	\$6,202
Non-Labor	1,678	1,959	2,110	2,173	2,261	2,361
General Reserve	0	0	75	75	75	75
Depreciation*	1,298	1,431	1,579	1,738	1,880	2,035
Total Operating Expenses	\$7,991	\$8,709	\$9,304	\$9,730	\$10,199	\$10,672
Net Operating Deficit Before Subsidies and Debt Service	(\$3,111)	(\$3,459)	(\$3,910)	(\$4,280)	(\$4,684)	(\$5,121)
Dedicated Taxes and State/Local Subsidies	\$2,822	\$3,385	\$3,188	\$3,325	\$3,318	\$3,373
Debt Service	(848)	(1,038)	(1,340)	(1,485)	(1,631)	(1,817)
Net Deficit After Subsidies and Debt Service	(\$1,137)	(\$1,112)	(\$2,062)	(\$2,440)	(\$2,997)	(\$3,564)
Conversion to Cash Basis: Depreciation	\$1,344	\$1,479	\$1,629	\$1,794	\$1,941	\$2,102
Conversion to Cash Basis: All Other	149	170	7	(22)	(55)	(53)
Opening Balance	151	507	1,044	618	0	0
Baseline Closing Cash Balance	\$1,644	\$2,156	\$2,680	\$2,391	\$1,886	\$2,048
Adjusted Net Cash Surplus/(Deficit)	\$507	\$1,044	\$618	(\$49)	(\$1,111)	(\$1,516)
<u>GAP CLOSING & OTHER POLICY ACTIONS:</u>						
Customer Fare Programs		(50)	(50)	0	0	0
Service Enhancements		0	(50)	(35)	(35)	(35)
Capital Security		(100)	0	0	0	0
Pension Liability Reduction		(450)	0	0	0	0
Pension Earnings (@8%)		0	42	42	42	42
Real Estate Tax Stabilization Account		0	200	0	0	0
2006 Agency Program to Eliminate the Gap		18	42	44	47	50
Post 2006 Agency Program to Eliminate the Gap		0	0	3	16	24
2007 Increased Fare and Toll Yields		0	0	241	244	245
2009 Increased Fare and Toll Yields		0	0	0	0	257
Net Cash Balance from Previous Year (Gap Actions only)		0	(582)	(398)	0	0
Net Cash Surplus/(Deficit)	\$507	\$462	\$220	(\$152)	(\$797)	(\$934)

* Excludes Depreciation for B&T

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006 - 2009
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line Number		2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
8	Non-Reimbursable						
11	Operating Revenue						
12	Farebox Revenue	\$3,425	\$3,623	\$3,727	\$3,771	\$3,814	\$3,835
13	Toll Revenue	1,097	1,207	1,238	1,240	1,247	1,249
14	Other Revenue (Excludes B&T Investment Income for Capital)	336	394	401	411	423	435
15	Capital and Other Reimbursements	23	26	27	29	31	32
16	Total Operating Revenue	\$4,881	\$5,250	\$5,394	\$5,450	\$5,515	\$5,551
18	Operating Expense						
19	Labor Expenses:						
20	Payroll	\$3,303	\$3,376	\$3,481	\$3,564	\$3,687	\$3,787
21	Overtime	350	375	351	356	365	376
22	Health & Welfare	711	787	862	941	1,034	1,132
23	Pensions	480	646	734	753	758	756
24	Other-Fringe Benefits	405	372	383	395	409	421
25	Reimbursable Overhead	(233)	(237)	(271)	(265)	(269)	(271)
26	Sub-total Labor Expenses	\$5,016	\$5,319	\$5,540	\$5,744	\$5,983	\$6,202
28	Non-Labor Expenses:						
29	Traction and Propulsion Power	203	249	264	266	270	279
30	Fuel for Buses and Trains	95	137	158	145	139	141
31	Insurance	19	28	39	43	47	52
32	Claims	130	141	148	153	157	162
33	Paratransit Service Contracts	135	160	192	223	260	304
34	Maintenance and Other Operating Contracts	411	502	522	528	523	542
35	Professional Service Contracts	180	240	224	226	232	240
36	Materials & Supplies	363	405	418	442	480	485
37	Other Business Expenses	143	104	151	153	158	164
38	Sub-total Non-Labor Expenses	\$1,679	\$1,966	\$2,116	\$2,179	\$2,268	\$2,369
40	Other Expense Adjustments:						
41	Other	(\$1)	(\$7)	(\$7)	(\$7)	(\$7)	(\$8)
42	General Reserve	0	0	75	75	75	75
43	Sub-total Other Expense Adjustments	(\$1)	(\$7)	\$68	\$68	\$68	\$67
45	Total Operating Expense Before Depreciation	\$6,693	\$7,278	\$7,725	\$7,992	\$8,319	\$8,638
47	Depreciation	\$1,344	\$1,479	\$1,629	\$1,794	\$1,941	\$2,102
49	Total Operating Expense (Excluding B&T Depreciation)	\$7,991	\$8,709	\$9,304	\$9,730	\$10,199	\$10,672
51	Net Operating Deficit Before Subsidies and Debt Service	(\$3,111)	(\$3,459)	(\$3,910)	(\$4,280)	(\$4,684)	(\$5,121)
53	Dedicated Taxes and State/Local Subsidies	\$2,822	\$3,385	\$3,188	\$3,325	\$3,318	\$3,373
55	Debt Service (excludes Service Contract Bonds)	(848)	(1,038)	(1,340)	(1,485)	(1,631)	(1,817)
57	Net Deficit After Subsidies and Debt Service	(\$1,137)	(\$1,112)	(\$2,062)	(\$2,440)	(\$2,997)	(\$3,564)
59	Conversion to Cash Basis: Depreciation	\$1,344	\$1,479	\$1,629	\$1,794	\$1,941	\$2,102
60	Conversion to Cash Basis: All Other	149	170	7	(22)	(55)	(53)
61	Net Cash Balance from Previous Year	151	507	1,044	618	0	0
63	Baseline Net Cash Balance	\$507	\$1,044	\$618	(\$49)	(\$1,111)	(\$1,516)
65	GAP CLOSING & POLICY ACTIONS:						
67	Customer Fare Programs		(50)	(50)	0	0	0
68	Service Enhancements		0	(50)	(35)	(35)	(35)
69	Capital Security Addition		(100)	0	0	0	0
70	Pension Liability Reduction		(450)	0	0	0	0
71	Pension Earnings (@8%)		0	42	42	42	42
72	Real Estate Tax Stabilization Account		0	200	0	0	0
73	2006 Agency Program to Eliminate the Gap		18	42	44	47	50
74	Post 2006 Agency Program to Eliminate the Gap		0	0	3	16	24
75	2007 Increased Fare and Toll Yields		0	0	241	244	245
76	2009 Increased Fare and Toll Yields		0	0	0	0	257
77	Adjusted Net Cash Balance from Previous Year		0	(582)	(398)	0	0
80	Net Cash Surplus/(Deficit)	\$507	\$462	\$220	(\$152)	(\$797)	(\$934)

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006 - 2009
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line Number				2006 Final Proposed Budget	2007	2008	2009
9	Reimbursable						
10		2004 Actual	2005 November Forecast				
11							
12	Operating Revenue						
13	Farebox Revenue	\$0	\$0	\$0	\$0	\$0	\$0
14	Toll Revenue	0	0	0	0	0	0
15	Other Revenue (Excludes B&T Investment Income for Capital)	0	0	0	0	0	0
16	Capital and Other Reimbursements	1,081	1,094	1,157	1,150	1,176	1,178
17	Total Operating Revenue	\$1,081	\$1,094	\$1,157	\$1,150	\$1,176	\$1,178
18							
19	Operating Expense						
20	Labor Expenses:						
21	Payroll	\$444	\$422	\$451	\$455	\$466	\$465
22	Overtime	88	78	75	74	76	77
23	Health & Welfare	33	37	43	48	53	55
24	Pensions	19	27	36	44	44	46
25	Other-Fringe Benefits	111	102	106	106	108	108
26	Reimbursable Overhead	233	235	269	264	269	270
27	Sub-total Labor Expenses	929.1	\$901	\$980	\$990	\$1,014	\$1,020
28							
29	Non-Labor Expenses:						
30	Traction and Propulsion Power	\$0	\$0	\$0	\$0	\$0	\$0
31	Fuel for Buses and Trains	0	0	0	0	0	0
32	Insurance	4	4	5	6	6	6
33	Claims	0	0	0	0	0	0
34	Paratransit Service Contracts	0	0	0	0	0	0
35	Maintenance and Other Operating Contracts	50	68	53	41	43	41
36	Professional Service Contracts	23	30	24	23	23	22
37	Materials & Supplies	80	84	88	83	83	83
38	Other Business Expenses	(6)	6	7	6	6	6
39	Sub-total Non-Labor Expenses	151.9	\$193	\$177	\$159	\$162	\$158
40							
41	Other Expense Adjustments:						
42	Other	0.0	\$0	\$0	\$0	\$0	\$0
43	Sub-total Other Expense Adjustments	0.0	\$0	\$0	\$0	\$0	\$0
44							
45	Total Operating Expense Before Depreciation	1,081	\$1,094	\$1,157	\$1,150	\$1,176	\$1,178
46							
47	Depreciation	\$0	\$0	\$0	\$0	\$0	\$0
48							
49	Total Operating Expense	\$1,081	\$1,094	\$1,157	\$1,150	\$1,176	\$1,178
50							
51	Baseline Surplus/(Deficit)	(\$0)	\$0	\$0	(\$0)	\$0	\$0

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2006 - 2009
MTA Consolidated Statement Of Operations By Category
(\$ in millions)

Line Number	Non-Reimbursable / Reimbursable	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
10							
11							
12							
13	Operating Revenue						
14	Farebox Revenue	\$3,425	\$3,623	\$3,727	\$3,771	\$3,814	\$3,835
15	Toll Revenue	1,097	1,207	1,238	1,240	1,247	1,249
16	Other Revenue (Excludes B&T Investment Income for Capital)	336	394	401	411	423	435
17	Capital and Other Reimbursements	1,104	1,120	1,185	1,179	1,206	1,211
18	Total Operating Revenue	\$5,962	\$6,344	\$6,551	\$6,600	\$6,690	\$6,730
19							
20	Operating Expense						
21	Labor Expenses:						
22	Payroll	\$3,747	\$3,798	\$3,932	\$4,019	\$4,152	\$4,252
23	Overtime	438	453	426	430	440	453
24	Health & Welfare	744	824	905	989	1,087	1,187
25	Pensions	499	673	770	797	802	802
26	Other-Fringe Benefits	516	474	489	501	516	529
27	Reimbursable Overhead	(0)	(2)	(2)	(1)	(0)	(1)
28	Sub-total Labor Expenses	\$5,945	\$6,220	\$6,520	\$6,734	\$6,998	\$7,222
29							
30	Non-Labor Expenses:						
31	Traction and Propulsion Power	\$203	\$249	\$264	\$266	\$270	\$279
32	Fuel for Buses and Trains	95	137	158	145	139	141
33	Insurance	23	33	44	49	54	58
34	Claims	130	141	148	153	157	162
35	Paratransit Service Contracts	135	160	192	223	260	304
36	Maintenance and Other Operating Contracts	462	571	575	569	566	583
37	Professional Service Contracts	203	270	248	249	256	261
38	Materials & Supplies	443	489	506	526	562	568
39	Other Business Expenses	137	109	157	159	165	170
40	Sub-total Non-Labor Expenses	\$1,831	\$2,159	\$2,294	\$2,339	\$2,429	\$2,527
41							
42	Other Expense Adjustments:						
43	Other	(\$1)	(\$7)	(\$7)	(\$7)	(\$7)	(\$8)
44	General Reserve	0	0	75	75	75	75
45	Sub-total Other Expense Adjustments	(\$1)	(\$7)	\$68	\$68	\$68	\$67
46							
47	Total Operating Expense Before Depreciation	\$7,774	\$8,372	\$8,882	\$9,142	\$9,495	\$9,816
48							
49	Depreciation	\$1,344	\$1,479	\$1,629	\$1,794	\$1,941	\$2,102
50							
51	Total Operating Expense (Excluding B&T Depreciation)	\$9,072	\$9,803	\$10,461	\$10,879	\$11,375	\$11,851
52							
53	Net Operating Deficit Before Subsidies and Debt Service	(\$3,111)	(\$3,459)	(\$3,910)	(\$4,280)	(\$4,684)	(\$5,121)
54							
55	Dedicated Taxes and State/Local Subsidies	\$2,822	\$3,385	\$3,188	\$3,325	\$3,318	\$3,373
56		0	0	0	0	0	0
57	Debt Service (excludes Service Contract Bonds)	(848)	(1,038)	(1,340)	(1,485)	(1,631)	(1,817)
58							
59	Net Deficit After Subsidies and Debt Service	(\$1,137)	(\$1,112)	(\$2,062)	(\$2,440)	(\$2,997)	(\$3,564)
60							
61	Conversion to Cash Basis: Depreciation	\$1,344	\$1,479	\$1,629	\$1,794	\$1,941	\$2,102
62	Conversion to Cash Basis: All Other	149	170	7	(22)	(55)	(53)
63	Net Cash Balance from Previous Year	151	507	1,044	618	0	0
64							
65	Baseline Net Cash Balance	\$507	\$1,044	\$618	(\$49)	(\$1,111)	(\$1,516)
66							
67	GAP CLOSING & POLICY ACTIONS:						
68							
69	Customer Fare Programs		(50)	(50)	0	0	0
70	Service Enhancements		0	(50)	(35)	(35)	(35)
71	Capital Security Addition		(100)	0	0	0	0
72	Pension Liability Reduction		(450)	0	0	0	0
73	Pension Earnings (@8%)		0	42	42	42	42
74	Real Estate Tax Stabilization Account		0	200	0	0	0
75	2006 Agency Program to Eliminate the Gap		18	42	44	47	50
76	Post 2006 Agency Program to Eliminate the Gap		0	0	3	16	24
77	2007 Increased Fare and Toll Yields		0	0	241	244	245
78	2009 Increased Fare and Toll Yields		0	0	0	0	257
79							
80	Adjusted Net Cash Balance from Previous Year		0	(582)	(398)	0	0
81							
82	Net Cash Surplus/(Deficit)	\$507	\$462	\$220	(\$152)	(\$797)	(\$934)

METROPOLITAN TRANSPORTATION AUTHORITY

November Financial Plan 2006 - 2009

Changes Year-to-Year By Category

Favorable/(Unfavorable)

7	Non-Reimbursable											
8												
9												
10												
11	Operating Revenue											
12	Farebox Revenue	\$3,425	\$3,623	\$198	\$3,727	\$104	\$3,771	\$43	\$3,814	\$43	\$3,835	\$21
13	Toll Revenue	1,097	1,207	110	1,238	31	1,240	1	1,247	8	1,249	2
14	Other Revenue (Excludes B&T Investment Income for Capital)	336	394	58	401	7	411	10	423	12	435	12
15	Capital and Other Reimbursements	23	26	3	27	1	29	1	31	2	32	2
16	Total Operating Revenue	\$4,881	\$5,250	\$370	\$5,394	\$143	\$5,450	\$56	\$5,515	\$65	\$5,551	\$37
17	Operating Expense											
18	Labor Expenses:											
19	Payroll	\$3,303	\$3,376	(\$74)	\$3,481	(\$105)	\$3,564	(\$83)	\$3,687	(\$123)	\$3,787	(\$100)
20	Overtime	350	375	(25)	351	24	356	(5)	365	(9)	376	(12)
21	Health & Welfare	711	787	(76)	862	(75)	941	(79)	1,034	(94)	1,132	(98)
22	Pensions	480	646	(165)	734	(88)	753	(19)	758	(5)	756	2
23	Other-Fringe Benefits	405	372	34	383	(11)	395	(12)	409	(14)	421	(13)
24	Reimbursable Overhead	(233)	(237)	4	(271)	33	(265)	(6)	(269)	4	(271)	2
25	Sub-total Labor Expenses	\$5,016	\$5,319	(\$303)	\$5,540	(\$221)	\$5,744	(\$204)	\$5,983	(\$240)	\$6,202	(\$218)
26												
27	Non-Labor Expenses:											
28	Traction and Propulsion Power	\$203	\$249	(\$47)	\$264	(\$15)	\$266	(\$2)	\$270	(\$4)	\$279	(\$9)
29	Fuel for Buses and Trains	95	137	(42)	158	(21)	145	14	139	6	141	(2)
30	Insurance	19	28	(9)	39	(10)	43	(5)	47	(4)	52	(5)
31	Claims	130	141	(11)	148	(7)	153	(5)	157	(5)	162	(5)
32	Paratransit Service Contracts	135	160	(25)	192	(32)	223	(31)	260	(37)	304	(44)
33	Maintenance and Other Operating Contracts	411	502	(91)	522	(20)	528	(5)	523	4	542	(19)
34	Professional Service Contracts	180	240	(59)	224	15	226	(2)	232	(6)	240	(7)
35	Materials & Supplies	363	405	(42)	418	(13)	442	(24)	480	(37)	485	(5)
36	Other Business Expenses	143	104	40	151	(47)	153	(3)	158	(5)	164	(5)
37	Sub-total Non-Labor Expenses	\$1,679	\$1,966	(\$287)	\$2,116	(\$150)	\$2,179	(\$63)	\$2,268	(\$88)	\$2,369	(\$101)
38												
39	Other Expense Adjustments:											
40	Other	(\$1)	(\$7)	(6)	(\$7)	0	(\$7)	(0)	(\$7)	(0)	(\$8)	(1)
41	General Reserve	0	0	0	75	(75)	75	0	75	0	75	0
42	Sub-total Other Expense Adjustments	(\$1)	(\$7)	(\$6)	\$68	(\$75)	\$68	(\$0)	\$68	(\$0)	\$67	(\$1)
43												
44	Total Operating Expense Before Depreciation	\$6,693	\$7,278	(\$585)	\$7,725	(\$447)	\$7,992	(\$267)	\$8,319	(\$327)	\$8,638	(\$319)
45												
46	Depreciation	1,344	1,479	(135)	1,629	(151)	1,794	(165)	1,941	(147)	2,102	(160)
47	Total Operating Expense (Excluding B&T Depreciation)	\$7,991	\$8,709	(\$718)	\$9,304	(\$595)	\$9,730	(\$425)	\$10,199	(\$470)	\$10,672	(\$473)
48												
49	Net Operating Deficit Before Subsidies and Debt Service	(\$3,111)	(\$3,459)	(\$348)	(\$3,910)	(\$452)	(\$4,280)	(\$369)	(\$4,684)	(\$405)	(\$5,121)	(\$437)
50												
51												
52	Dedicated Taxes and State/Local Subsidies	\$2,822	\$3,385	\$563	\$3,188	(\$197)	\$3,325	\$137	\$3,318	(\$7)	\$3,373	\$55
53	Debt Service (excludes Service Contract Bonds)	(848)	(1,038)	(190)	(1,340)	(302)	(1,485)	(145)	(1,631)	(146)	(1,817)	(185)
54	Net Deficit After Subsidies and Debt Service	(\$1,137)	(\$1,112)	\$25	(\$2,062)	(\$950)	(\$2,440)	(\$378)	(\$2,997)	(\$557)	(\$3,564)	(\$567)
55												
56												
57	Conversion to Cash Basis: Depreciation	\$1,344	\$1,479	\$135	\$1,629	\$151	\$1,794	\$165	\$1,941	\$147	\$2,102	\$160
58	Conversion to Cash Basis: All Other	149	170	21	7	(163)	(22)	(29)	(55)	(33)	(53)	2
59	Net Cash Balance from Previous Year	151	507	356	1,044	537	618	(426)	0	(618)	0	0
60	Baseline Net Cash Balance	\$507	\$1,044	\$537	\$618	(\$426)	(\$49)	(\$667)	(\$1,111)	(\$1,062)	(\$1,516)	(\$405)
61												
62	GAP CLOSING & OTHER POLICY ACTIONS:											
63												
64	Customer Fare Programs	\$0	(\$50)	(\$50)	(\$50)	\$0	\$0	\$50	\$0	\$0	\$0	\$0
65	Service Enhancements	0	0	0	(50)	(50)	(35)	15	(35)	0	(35)	0
66	Capital Security Addition	0	(100)	(100)	0	100	0	0	0	0	0	0
67	Pension Liability Reduction	0	(450)	(450)	0	450	0	0	0	0	0	0
68	Pension Earnings (@8%)	0	0	0	42	42	42	0	42	0	42	0
69	Real Estate Tax Stabilization Account	0	0	0	200	200	0	(200)	0	0	0	0
70	2006 Agency Program to Eliminate the Gap	0	18	18	42	24	44	2	47	3	50	3
71	Post 2006 Agency Program to Eliminate the Gap	0	0	0	0	0	3	3	16	14	24	8
72	2007 Increased Fare and Toll Yields	0	0	0	0	0	241	241	244	2	245	1
73	2009 Increased Fare and Toll Yields	0	0	0	0	0	0	0	0	0	257	257
74												
75	Adjusted Net Cash Balance from Previous Year	0	0	0	(582)	(582)	(398)	184	0	398	0	0
76												
77	Net Cash Surplus/(Deficit)	\$507	\$462	(\$45)	\$220	(\$242)	(\$152)	(\$373)	(\$797)	(\$645)	(\$934)	(\$137)

METROPOLITAN TRANSPORTATION AUTHORITY
NOVEMBER FINANCIAL PLAN 2006-2009
NON-RECURRING REVENUES AND SAVINGS
(\$ in millions)

Non-recurring revenues and savings with a value of \$1 million or more in calendar years 2005 through 2009.

Agency	2005 November Forecast	2006 Final Proposed Budget	2007 Plan	2008 Plan	2009 Plan
Bridges & Tunnels	\$4.7 Reduction in number of tag purchases for tag swap \$2.6 Reduction in E-ZPass CSC expenses against the contract, primarily due to higher than planned vacancies during the year for Customer Service Representatives and lower administrative costs from the tag swap program.	None	None	None	None
Subtotal	<u>\$7.2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long Island Bus	None	None	None	None	None
Subtotal	<u>\$0.0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Long Island Rail Road	\$ 30.0 MTA Pension Prepayment	\$ 3.0 Waiver to extend three year brake program to five year program	None	None	None
Subtotal	<u>\$30.0</u>	<u>\$ 3.0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Metro-North Railroad	\$2.4 Force Account Insurance Refund	\$ 2.0 Force Account Insurance Refund 0.5 Receipt of Prior Period Ferry Service Payments from NY State \$ 20.0 MTA Pension Prepayment	None \$ 1.5 Receipt of Prior Period Ferry Service Payments from NY State	None	None
Subtotal	<u>\$2.4</u>	<u>\$ 22.5</u>	<u>\$ 1.5</u>	<u>\$0.0</u>	<u>\$0.0</u>
Staten Island Railway	None	None	None	None	None
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MTA Capital Construction Company	None	None	None	None	None
Subtotal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MTA Headquarters	None	None	None	None	None
Subtotal	<u>\$0.0</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

METROPOLITAN TRANSPORTATION AUTHORITY
NOVEMBER FINANCIAL PLAN 2006-2009
NON-RECURRING REVENUES AND SAVINGS
(\$ in millions)

Non-recurring revenues and savings with a value of \$1 million or more in calendar years 2005 through 2009.

Agency	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
New York City Transit	<div>\$68.1 Timing of MaBSTOA Pension Payments</div> <div>\$10.8 Accumulated stabilization fund interest income</div> <div>\$7.2 Accumulated Transit Adjudication Bureau Fund Drawdown</div> <div>\$3.5 Reduce Normal Replacement Costs - Data Processing Equipment.</div>	None	None	None	None
Subtotal	\$89.6	\$ -	\$ -	\$ -	\$ -
MTA Transactions¹	<div>\$84.8 MRT carryover balances-reflects \$40 m of unused general reserve from 2004, MRT-1 funds made available after independent audit of MTAHQ deficit, and prior year interest earnings. This plan assumes no carryovers to later years.</div> <div>\$16.7 Benefit of NYCT Debt prepayment made in 2003. Factored in debt forecast.</div> <div>\$15.3 Benefit of CR Debt Prepayment made in early 2004; factored in debt forecast.</div> <div>\$23.0 Overfunding of B&T debt service accounts in 2004 used in 2005.</div> <div>\$25.0 Unspent cost of issuance funds from prior year bond issuances spent in 2005.</div>	<div>\$10.0 One-fourth of unspent General Reserve from 2005</div>	<div>\$10.0 One-fourth of unspent General Reserve from 2005</div>	<div>\$10.0 One-fourth of unspent General Reserve from 2005</div>	<div>\$ 10.0 One-fourth of unspent General Reserve from 2005</div>
Subtotal	\$164.8	\$10.0	\$ 10.0	\$ 10.0	\$ 10.0
Total Non-Recurring Resources (>or = \$1million)	\$294.1	\$35.5	\$11.5	\$10.0	\$10.0

NOTE: Positive cash balances are carried into the following year.

¹ Excludes New York State Funds that need to be appropriated.

METROPOLITAN TRANSPORTATION AUTHORITY
NOVEMBER FINANCIAL PLAN 2006 - 2009
MTA OPERATING BUDGET RESERVES - BASELINE
(\$ in millions)

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>MTA Consolidated:</u>					
MTA General Reserve	-	\$75	\$75	\$75	\$75
Real Estate Stabilization Reserve ¹	\$200	-	-	-	-
MTA General Reserve Carryover	\$40	-	-	-	-

¹ This reserve was established in 2004 to cover potential shortfalls in real estate revenues. This is programmed for use in 2006 below the line as

SUMMARY
MTA CONSOLIDATED
MULTI-YEAR FINANCIAL PLAN
2006 - 2009
(\$ in millions)

Line Number		FORECAST				
		2005	2006	2007	2008	2009
9						
10	<u>Revenue Summary:</u>					
11						
12	Farebox Revenue	\$3,581.6	\$3,685.4	\$3,728.2	\$3,771.1	\$3,792.3
13	Other Revenue	369.4	371.3	382.8	397.6	409.5
14	Current Total Subsidies	3,815.2	3,470.3	3,580.6	3,554.8	3,578.4
15						
16	Total Revenue	\$7,766.2	\$7,526.9	\$7,691.6	\$7,723.5	\$7,780.1
17						
18	<u>Operating Expense Summary:</u>					
19						
20	Labor Expenses	5,041.1	5,247.3	5,437.3	5,663.3	5,866.4
21	Non-Labor Expenses	1,764.1	1,877.5	1,941.7	2,030.8	2,126.3
22	Depreciation	1,420.6	1,568.9	1,727.6	1,869.8	2,024.6
23	Debt Service	640.6	882.5	1,010.3	1,139.6	1,307.2
24						
25	Total Non-Reimbursable Expenses	\$8,866.4	\$9,576.2	\$10,117.0	\$10,703.5	\$11,324.6
26						
27	Total Net Revenue	(\$1,100.3)	(\$2,049.3)	(\$2,425.4)	(\$2,980.0)	(\$3,544.4)
28						
29	<u>Cash Adjustment Summary:</u>					
30						
31	Operating Cash Adjustments	\$1,595.9	\$1,622.8	\$1,760.0	\$1,871.5	\$2,029.1
32	Subsidy Cash Adjustments	41.1	0.7	(2.1)	(2.4)	(0.9)
33						
34	Total Cash Adjustment	\$1,637.0	\$1,623.5	\$1,757.9	\$1,869.0	\$2,028.2
35						
36	Gross Cash Balance	\$536.7	(\$425.8)	(\$667.4)	(\$1,111.0)	(\$1,516.2)
37						
48	Net Cash Balance from Previous Year	\$507.5	\$1,044.2	\$618.4	\$0.0	\$0.0
49						
50	Baseline Net Cash Surplus/(Deficit)	\$1,044.2	\$618.4	(\$49.0)	(\$1,111.0)	(\$1,516.2)

Excludes Gap Closing & Policy Actions

SUMMARY
MTA NEW YORK CITY TRANSIT
MULTI-YEAR FINANCIAL PLAN
2006 - 2009
(\$ in millions)

Line Number		FORECAST				
		2005	2006	2007	2008	2009
9						
10	<u>Revenue Summary:</u>					
11						
12	Farebox Revenue	\$2,704.5	\$2,788.2	\$2,816.0	\$2,846.4	\$2,853.8
13	Other Revenue	254.0	251.8	260.5	272.3	282.4
14	Current Total Subsidies	2,435.2	2,161.6	2,231.3	2,206.2	2,206.5
15						
16	Total Revenue	\$5,393.7	\$5,201.6	\$5,307.8	\$5,324.9	\$5,342.6
17						
18	<u>Operating Expense Summary:</u>					
19						
20	Labor Expenses	\$3,714.4	\$3,882.2	\$4,019.7	\$4,182.1	\$4,322.5
21	Non-Labor Expenses	1,053.9	1,122.8	1,162.0	1,197.5	1,258.8
22	Depreciation	962.3	1,074.5	1,228.1	1,381.7	1,535.3
23	Debt Service	444.5	568.6	648.2	743.0	869.5
24						
25	Total Non-Reimbursable Expenses	\$6,175.2	\$6,648.1	\$7,058.0	\$7,504.3	\$7,986.2
26						
27	Total Net Revenue	(\$781.4)	(\$1,446.5)	(\$1,750.2)	(\$2,179.4)	(\$2,643.6)
28						
29	<u>Cash Adjustment Summary:</u>					
30						
31	Operating Cash Adjustments	\$1,144.9	\$1,174.4	\$1,291.6	\$1,425.8	\$1,580.6
32	Subsidy Cash Adjustments	20.3	0.7	(0.2)	(0.0)	1.0
33						
34	Total Cash Adjustment	\$1,165.1	\$1,175.2	\$1,291.4	\$1,425.7	\$1,581.6
35						
36	Gross Cash Balance	\$383.7	(\$271.3)	(\$458.8)	(\$753.6)	(\$1,062.0)
37	Net Cash Balance from Previous Year	\$367.7	\$751.4	\$480.1	\$21.3	\$0.0
38						
39	Baseline Net Cash Surplus/(Deficit)	\$751.4	\$480.1	\$21.3	(\$732.3)	(\$1,062.0)

Excludes Gap Closing & Policy Actions

<p align="center"> SUMMARY MTA COMMUTER RAILROADS MULTI-YEAR FINANCIAL PLAN 2006 - 2009 (\$ in millions) </p>

Line Number		FORECAST				
		2005	2006	2007	2008	2009
9						
10	<u>Revenue Summary:</u>					
11						
12	Farebox Revenue	\$877.1	\$897.2	\$912.2	\$924.7	\$938.5
13	Other Revenue	115.4	119.5	122.2	125.3	127.1
14	Current Total Subsidies	1,379.9	1,308.6	1,349.3	1,348.6	1,371.9
15						
16	Total Revenue	\$2,372.4	\$2,325.3	\$2,383.8	\$2,398.6	\$2,437.5
17						
18	<u>Operating Expense Summary:</u>					
19						
20	Labor Expenses	\$1,326.7	\$1,365.1	\$1,417.6	\$1,481.2	\$1,543.9
21	Non-Labor Expenses	710.2	754.7	779.7	833.3	867.5
22	Depreciation	458.3	494.4	499.5	488.1	489.3
23	Debt Service	196.1	313.9	362.1	396.6	437.7
24						
25	Total Non-Reimbursable Expenses	\$2,691.3	\$2,928.1	\$3,059.0	\$3,199.2	\$3,338.3
26						
27	Total Net Revenue	(\$318.9)	(\$602.8)	(\$675.2)	(\$800.7)	(\$900.8)
28						
29	<u>Cash Adjustment Summary:</u>					
30						
31	Operating Cash Adjustments	\$451.1	\$448.4	\$468.4	\$445.7	\$448.6
32	Subsidy Cash Adjustments	20.8	(0.0)	(1.9)	(2.4)	(2.0)
33						
34	Total Cash Adjustment	\$471.9	\$448.3	\$466.5	\$443.3	\$446.6
35						
36	Gross Cash Balance	\$153.0	(\$154.5)	(\$208.7)	(\$357.4)	(\$454.2)
37						
38	Net Cash Balance from Previous Year	\$139.8	\$292.8	\$138.3	\$0.0	\$0.0
39						
40	Baseline Net Cash Surplus/(Deficit)	\$292.8	\$138.3	(\$70.4)	(\$357.4)	(\$454.2)

Excludes Gap Closing & Policy Actions

SUMMARY
MTA STATEN ISLAND RAILWAY
MULTI-YEAR FINANCIAL PLAN
2006 - 2009
(\$ in millions)

Line Number		FORECAST				
		2005	2006	2007	2008	2009
9						
10	<u>Revenue Summary:</u>					
11						
12	Farebox Revenue	\$3.2	\$3.3	\$3.7	\$3.7	\$3.7
13	Other Revenue	2.0	2.0	2.0	2.0	2.0
14	State/City Subsidies	3.2	3.5	3.6	3.5	3.6
15						
16	Total Revenue Before MTA Subsidy	\$8.5	\$8.8	\$9.3	\$9.2	\$9.3
17						
18	<u>Non-Reimbursable Expense Summary:</u>					
19						
20	Labor Expenses	\$21.1	\$21.5	\$22.4	\$23.2	\$24.3
21	Non-Labor Expenses	5.1	5.7	5.7	5.8	5.9
22	Depreciation	10.3	10.3	10.3	10.3	10.3
23						
24	Total Non-Reimbursable Expenses	\$36.5	\$37.5	\$38.4	\$39.3	\$40.6
25						
26						
27	Total Net Revenue	(\$28.1)	(\$28.7)	(\$29.2)	(\$30.1)	(\$31.3)
28						
29	<u>Cash Adjustment Summary:</u>					
30						
31	Operating Cash Adjustments	\$10.3	\$10.3	\$10.3	\$10.3	\$10.3
32	Subsidy Cash Adjustments	0.0	0.0	0.0	0.0	0.0
33						
34	Total Cash Adjustment	\$10.3	\$10.3	\$10.3	\$10.3	\$10.3
35						
36	Gross Cash Balance	(\$17.7)	(\$18.3)	(\$18.8)	(\$19.7)	(\$20.9)
37						
38	MTA Internal Subsidy before PEGs	17.5	18.3	18.8	19.7	20.9
39						
40	Net Cash Balance from Previous Year	\$0.2	\$0.0	\$0.0	\$0.0	\$0.0
41						
42						
43	Baseline Net Cash Surplus/(Deficit)	\$0.0	(\$0.0)	\$0.0	(\$0.0)	\$0.0

Excludes Gap Closing Actions

SUMMARY
MTA LONG ISLAND BUS
MULTI-YEAR FINANCIAL PLAN
2006 - 2009
(\$ in millions)

Line
Number

	FORECAST				
	2005	2006	2007	2008	2009
<u>Revenue Summary:</u>					
Farebox Revenue	\$38.2	\$38.5	\$38.6	\$38.8	\$39.0
Other Revenue	3.5	3.7	3.2	2.5	2.5
State/Local Subsidies	50.4	53.6	55.0	56.1	57.1
Total Revenue Before MTA Subsidy	\$92.2	\$95.8	\$96.8	\$97.5	\$98.6
<u>Non-Reimbursable Expense Summary:</u>					
Labor Expenses	\$84.7	\$88.2	\$91.3	\$94.7	\$98.5
Non-Labor Expenses	22.6	24.0	23.8	23.7	23.8
Depreciation	0.0	0.0	0.0	0.0	0.0
Total Non-Reimbursable Expenses	\$107.3	\$112.2	\$115.1	\$118.5	\$122.3
Total Net Revenue	(\$15.1)	(\$16.5)	(\$18.3)	(\$21.0)	(\$23.7)
<u>Cash Adjustment Summary:</u>					
Operating Cash Adjustments	(\$1.8)	\$0.6	\$0.5	\$0.6	(\$2.4)
Subsidy Cash Adjustments	(0.6)	1.8	0.0	0.0	0.0
Total Cash Adjustment	(\$2.4)	\$2.3	\$0.5	\$0.6	(\$2.4)
Gross Cash Balance	(\$17.6)	(\$14.2)	(\$17.7)	(\$20.4)	(\$26.1)
MTA Internal Subsidy	14.0	14.0	14.0	14.0	14.0
Net Cash Balance from Previous Year	\$3.7	\$0.2	\$0.0	\$0.0	\$0.0
Baseline Net Cash Surplus/(Deficit)	\$0.2	\$0.0	(\$3.7)	(\$6.4)	(\$12.1)

Excludes Gap Closing Actions

MTA BRIDGES & TUNNELS
MULTI-YEAR FINANCIAL PLAN
2006 - 2009
(\$ in millions)

Line Number	NON-REIMBURSABLE	FORECAST				
		2005	2006	2007	2008	2009
9						
10						
11	Operating Revenue					
12	Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
13	Vehicle Toll Revenue	1,207.393	1,238.291	1,239.576	1,247.438	1,249.134
14	Other Operating Revenue	19.250	23.964	23.061	20.915	21.036
15	Capital and Other Reimbursements	25.873	27.355	28.676	30.550	32.171
16	Investment Income	2.320	2.506	2.598	2.703	2.813
17	Total Revenue	\$1,254.836	\$1,292.116	\$1,293.912	\$1,301.606	\$1,305.155
18						
19	Operating Expenses					
20	<u>Labor:</u>					
21	Payroll	\$106.185	\$110.842	\$114.783	\$119.685	\$124.972
22	Overtime	23.149	22.628	22.070	22.685	23.345
23	Health and Welfare	25.717	28.380	30.806	33.682	36.825
24	Pensions	9.711	13.773	17.247	17.684	18.308
25	Other Fringe Benefits	12.678	13.870	14.403	15.112	15.775
26	Reimbursable Overhead	(5.430)	(6.254)	(6.415)	(6.594)	(6.788)
27	Total Labor Expenses	\$172.011	\$183.239	\$192.894	\$202.254	\$212.437
28						
29	<u>Non-Labor:</u>					
30	Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -
31	Fuel for Buses and Trains	-	-	-	-	-
32	Insurance	9.235	10.558	11.561	12.663	13.878
33	Claims	0.000	0.000	0.000	0.000	0.000
34	Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
35	Maintenance and Other Operating Contracts	125.511	152.029	159.200	154.078	157.464
36	Professional Service Contracts	13.878	15.590	16.970	17.243	17.554
37	Materials & Supplies	23.888	28.791	18.305	21.094	21.391
38	Other Business Expenses	2.087	2.222	2.224	2.253	2.287
39	Total Non-Labor Expenses	\$174.600	\$209.190	\$208.260	\$207.331	\$212.574
40						
41	<u>Other Expense Adjustments:</u>					
42	Other	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
43	Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
44						
45	Total Expenses Before Depreciation	\$346.610	\$392.429	\$401.154	\$409.585	\$425.011
46						
47	Add: Depreciation	47.600	50.200	56.500	61.200	66.700
48						
49	Total Expenses After Depreciation	\$394.210	\$442.629	\$457.654	\$470.785	\$491.711
50						
51	Less: Depreciation	(47.600)	(50.200)	(56.500)	(61.200)	(66.700)
52						
53	Total Expenses	\$346.610	\$392.429	\$401.154	\$409.585	\$425.011
54						
55	Baseline Net Income/(Deficit)	\$908.226	\$899.687	\$892.758	\$892.021	\$880.144
56						
57	2006 Agency Program to Eliminate the Gap	0.000	0.269	0.309	0.309	0.309
58	Post 2006 Agency Program to Eliminate the Gap	0.000	0.000	0.087	0.087	0.087
59	Net Surplus/(Deficit)	\$908.226	\$899.956	\$893.154	\$892.417	\$880.540
60						

REIMBURSABLE		FORECAST				
		2005	2006	2007	2008	2009
Revenue						
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	12.592	13.974	14.856	15.473	16.030	
Investment Income	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$12.592	\$13.974	\$14.856	\$15.473	\$16.030	
Expenses						
<u>Labor:</u>						
Payroll	\$4.910	\$4.965	\$5.093	\$5.235	\$5.389	
Overtime	0.037	0.207	0.400	0.400	0.400	
Health and Welfare	1.223	1.358	1.487	1.628	1.783	
Pensions	0.431	0.522	0.770	0.899	0.927	
Other Fringe Benefits	0.561	0.668	0.691	0.717	0.743	
Reimbursable Overhead	5.430	6.254	6.415	6.594	6.788	
Total Labor Expenses	\$12.592	\$13.974	\$14.856	\$15.473	\$16.030	
<u>Non-Labor:</u>						
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	
Fuel for Buses and Trains	-	-	-	-	-	
Insurance	-	-	-	-	-	
Claims	-	-	-	-	-	
Paratransit Service Contracts	-	-	-	-	-	
Maintenance and Other Operating Contracts	-	-	-	-	-	
Professional Service Contracts	-	-	-	-	-	
Materials & Supplies	-	-	-	-	-	
Other Business Expenses	-	-	-	-	-	
Total Non-Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Other Expense Adjustments:</u>						
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	\$12.592	\$13.974	\$14.856	\$15.473	\$16.030	
Add: Depreciation	-	-	-	-	-	-
Total Expenses After Depreciation	\$12.592	\$13.974	\$14.856	\$15.473	\$16.030	
Less: Depreciation	-	-	-	-	-	-
Total Expenses	\$12.592	\$13.974	\$14.856	\$15.473	\$16.030	
Net Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

NON-REIMBURSABLE / REIMBURSABLE

FORECAST

2005 2006 2007 2008 2009

Revenue

Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,207.393	1,238.291	1,239.576	1,247.438	1,249.134
Other Operating Revenue	19.250	23.964	23.061	20.915	21.036
Capital and Other Reimbursements	38.465	41.329	43.532	46.023	48.201
Investment Income	2.320	2.506	2.598	2.703	2.813
Total Revenue	\$1,267.428	\$1,306.090	\$1,308.768	\$1,317.079	\$1,321.185

Expenses

Labor:

Payroll	\$ 111.095	\$ 115.807	\$ 119.876	\$ 124.920	\$ 130.361
Overtime	23.186	22.835	22.470	23.085	23.745
Health and Welfare	26.940	29.738	32.293	35.310	38.608
Pensions	10.142	14.295	18.017	18.583	19.235
Other Fringe Benefits	13.239	14.538	15.094	15.829	16.518
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$184.603	\$197.213	\$207.750	\$217.727	\$228.467

Non-Labor:

Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-
Insurance	9.235	10.558	11.561	12.663	13.878
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	125.511	152.029	159.200	154.078	157.464
Professional Service Contracts	13.878	15.590	16.970	17.243	17.554
Materials & Supplies	23.888	28.791	18.305	21.094	21.391
Other Business Expenses	2.087	2.222	2.224	2.253	2.287
Total Non-Labor Expenses	\$174.600	\$209.190	\$208.260	\$207.331	\$212.574

Other Expense Adjustments:

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

Total Expenses Before Depreciation	\$359.202	\$406.403	\$416.010	\$425.058	\$441.041
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Add: Depreciation	47.600	50.200	56.500	61.200	66.700
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Total Expenses After Depreciation	\$406.802	\$456.603	\$472.510	\$486.258	\$507.741
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Less: Depreciation	(47.600)	(50.200)	(56.500)	(61.200)	(66.700)
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Total Expenses	\$359.202	\$406.403	\$416.010	\$425.058	\$441.041
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Baseline Net Income/(Deficit)	\$908.226	\$899.687	\$892.758	\$892.021	\$880.144
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2006 Agency Program to Eliminate the Gap	0.000	0.269	0.309	0.309	0.309
Post 2006 Agency Program to Eliminate the Gap	0.000	0.000	0.087	0.087	0.087

Net Surplus/(Deficit)	\$908.226	\$899.956	\$893.154	\$892.417	\$880.540
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FORECAST					
	2005	2006	2007	2008	2009
<u>Deductions from Net Operating Income:</u>					
Investment Income	\$2.320	\$2.506	\$2.598	\$2.703	\$2.813
Total Debt Service	397.644	457.624	475.028	491.588	509.318
Construction Reserve and Capital Reimbursement Funds	14.402	13.193	13.417	13.667	13.952
Capital Projects	10.099	12.491	12.703	12.940	13.210
Gain on Escrow (2003 Only)	-	-	-	-	-
Total Deductions from Net Operating Income	\$424.465	\$485.814	\$503.746	\$520.897	\$539.293
Net Income Available for Transfer to MTA and NYCT	\$483.761	\$413.873	\$389.011	\$371.124	\$340.850
<u>Distribution of Funds to MTA:</u>					
Investment Income in Current Year	\$2.320	\$2.506	\$2.598	\$2.703	\$2.813
Accrued Current Year Allocation	284.969	257.739	246.186	237.248	222.104
Total Accrued Amount Distributed to MTA	\$287.289	\$260.245	\$248.784	\$239.951	\$224.917
<u>Distribution of Funds to NYCT:</u>					
First \$24 million of Surplus reserved for NYCT	\$24.000	\$24.000	\$24.000	\$24.000	\$24.000
Additional Accrued Current Year Allocation	174.793	132.134	118.826	109.876	94.746
Total Accrued Amount Distributed to NYCT	\$198.793	\$156.134	\$142.826	\$133.876	\$118.746
<u>Actual Cash Transfer to MTA and NYCT:</u>					
From Current Year Surplus	\$308.523	\$260.462	\$247.341	\$238.142	\$223.619
Investment Income in Prior Year	1.368	2.320	2.506	2.598	2.703
Total Cash Amount Distributed to MTA	\$309.891	\$262.782	\$249.847	\$240.740	\$226.322
Total Cash Amount Distributed to NYCT	\$207.296	\$160.400	\$144.157	\$134.771	\$120.259

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FORECAST					
	2005	2006	2007	2008	2009
<u>Debt Service Detail by Agency:</u>					
B&T Own Purpose DS + Total BICs DS	\$111.127	\$130.986	\$143.830	\$160.361	\$178.125
NYCT Transportation DS + MRT Second Resolution DS	198.346	226.121	229.279	229.299	229.276
MTA Transportation DS + MRT Second Resolution DS	88.170	100.517	101.919	101.927	101.917
Total Debt Service by Agency	\$397.644	\$457.624	\$475.028	\$491.588	\$509.318
<u>Total Accrued Amount for Transfer to MTA and NYCT:</u>					
Total Adjusted Net Income Available for Transfer	\$881.405	\$871.497	\$864.039	\$862.712	\$850.168
Less: B&T Total Debt Service	(111.127)	(130.986)	(143.830)	(160.361)	(178.125)
Less: first \$24 million reserved for NYCT	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)
Remainder of Total Accrued Amount for Transfer	\$746.278	\$716.511	\$696.209	\$678.350	\$648.043
<u>Calculation of Actual Cash Transfer to MTA:</u>					
Distribution of Remainder to MTA					
Fifty Percent of Total Accrued Amount for Transfer	\$373.139	\$358.255	\$348.104	\$339.175	\$324.022
Less: MTA Total Debt Service	(88.170)	(100.517)	(101.919)	(101.927)	(101.917)
MTA's Accrued Current Year Allocation	\$284.969	\$257.739	\$246.186	\$237.248	\$222.104
Cash Conversion of MTA's Accrued Amount					
Current Year Amount	\$256.472	\$231.965	\$221.567	\$213.523	\$199.894
Balance of Prior Year	52.051	28.497	25.774	24.619	23.725
Cash Transfer to MTA	\$308.523	\$260.462	\$247.341	\$238.142	\$223.619
<u>Calculation of Actual Cash Transfer to NYCT:</u>					
Distribution of Remainder to NYCT					
Fifty Percent of Total Accrued Amount for Transfer	\$373.139	\$358.255	\$348.104	\$339.175	\$324.022
Less: NYCT Total Debt Service	(198.346)	(226.121)	(229.279)	(229.299)	(229.276)
Plus: first \$24 million reserved for NYCT	24.000	24.000	24.000	24.000	24.000
NYCT's Accrued Current Year Allocation	\$198.793	\$156.134	\$142.826	\$133.876	\$118.746
Cash Conversion of NYCT's Accrued Amount					
Current Year Amount	\$178.913	\$140.521	\$128.543	\$120.488	\$106.871
Balance of Prior Year	28.382	19.879	15.613	14.283	13.388
Cash Transfer to NYCT	\$207.296	\$160.400	\$144.157	\$134.771	\$120.259
<u>B & T Charged Debt Service Detail by Type:</u>					
Project Debt Service					
B & T Own Purpose Debt Service	\$111.127	\$130.986	\$143.830	\$160.361	\$178.125
NYCT Transportation Project Debt Service	198.346	226.121	229.279	229.299	229.276
MTA Transportation Project Debt Service	88.170	100.517	101.919	101.927	101.917
Total Project Debt Service	\$397.644	\$457.624	\$475.028	\$491.588	\$509.318

MTA NYC TRANSIT SUBSIDIES
MULTI-YEAR FINANCIAL PLAN
2006 - 2009
(\$ in millions)

Line Number		FORECAST				
		2005	2006	2007	2008	2009
9	<u>Available Accrued Subsidies:</u>					
10						
11	B & T Accrued Current Year Allocation	\$198.793	\$156.134	\$142.826	\$133.876	\$118.746
12	State Operating Assistance	158.180	158.180	158.180	158.180	158.180
14	Local Operating Assistance	158.180	158.180	158.180	158.180	158.180
15	MMTOA Allocation (NYS Regional Taxes)	615.075	808.522	838.070	810.474	832.717
16	Gross PBT Receipts (before DS)	472.427	526.414	539.247	541.793	543.864
17	Mortgage Recording Tax Transfer	328.698	26.711	39.690	33.257	15.624
18	Urban Tax (Excludes Paratransit)	503.893	327.490	355.100	370.434	379.156
19	MTA Internal Subsidy	0.000	0.000	0.000	0.000	0.000
20						
21	Total Gross Accrued Subsidies Available	\$2,435.246	\$2,161.632	\$2,231.294	\$2,206.194	\$2,206.467
22						
23	Less: PBT Debt Service for NYCT	(\$162.724)	(\$179.764)	(\$201.209)	(\$224.342)	(\$255.789)
24						
25	Total Net Accrued Subsidies Available	\$2,272.522	\$1,981.868	\$2,030.085	\$1,981.852	\$1,950.679
26						
27	Total Cash Flow Adjustments	\$20.259	\$0.729	(\$0.209)	(\$0.043)	\$1.042
28						
29						
30	Subsidy Cash Detail					
31	(\$ in millions)					
32						
33						
34	<u>Available Cash Subsidies:</u>					
35						
36	Net B&T Current Year Allocation	\$207.296	\$160.400	\$144.157	\$134.771	\$120.259
37	State Operating Assistance	158.180	158.180	158.180	158.180	158.180
38	Local Operating Assistance	158.180	158.180	158.180	158.180	158.180
39	MMTOA Allocation (NYS Regional Taxes)	615.075	808.522	838.070	810.474	832.717
40	Gross PBT Receipts	467.929	525.267	539.034	541.590	544.025
41	Mortgage Recording Tax Transfer	328.698	26.711	39.690	33.257	15.624
42	Urban Tax	520.147	325.101	353.773	369.698	378.524
43	MTA Internal Subsidy	0.000	0.000	0.000	0.000	0.000
44						
45	Total Gross Cash Subsidies Available	\$2,455.505	\$2,162.362	\$2,231.084	\$2,206.150	\$2,207.509
46						
47						
48	Subsidy Cash Flow Adjustment Detail					
49	(\$ in millions)					
50						
51						
52						
53	Net B&T Current Year Allocation	\$8.503	\$4.266	\$1.331	\$0.895	\$1.513
54	State Operating Assistance	0.000	0.000	0.000	0.000	0.000
55	Local Operating Assistance	0.000	0.000	0.000	0.000	0.000
56	MMTOA Allocation (NYS Regional Taxes)	0.000	0.000	0.000	0.000	0.000
57	Gross PBT Receipts	(4.498)	(1.147)	(0.213)	(0.203)	0.161
58	Mortgage Recording Tax Transfer	0.000	0.000	0.000	0.000	0.000
59	Urban Tax	16.254	(2.389)	(1.327)	(0.736)	(0.632)
60	MTA Internal Subsidy	0.000	0.000	0.000	0.000	0.000
61						
62	Total Cash Flow Adjustments	\$20.259	\$0.729	(\$0.209)	(\$0.043)	\$1.042

MTA COMMUTER RAILROAD SUBSIDIES
MULTI-YEAR FINANCIAL PLAN
2006 - 2009
(\$ in millions)

Line Number		FORECAST				
		2005	2006	2007	2008	2009
9	<u>Available Accrued Subsidies:</u>					
10						
11	B & T Accrued Current Year Allocation	\$284.969	\$257.739	\$246.186	\$237.248	\$222.104
12	State Operating Assistance	29.252	29.252	29.252	29.252	29.252
13	Local Operating Assistance	29.252	29.252	29.252	29.252	29.252
14	MMTOA Allocation (NYS Regional Taxes)	329.665	422.702	436.140	426.203	436.318
15	Gross PBT Receipts (before DS)	80.122	89.556	91.739	92.172	92.524
16	Mortgage Recording Tax Transfer	(350.796)	(54.127)	(55.670)	(49.645)	(31.894)
17	Mortgage Recording Tax - Other	42.783	0.000	0.000	0.000	0.000
18	Mortgage Recording Tax Gross Receipts	704.265	343.390	354.208	351.053	338.845
19	Station Maintenance	133.106	136.582	140.440	144.696	149.281
20	CDOT Subsidy	52.106	51.661	62.313	71.391	84.909
21	Investment Income	6.283	12.614	15.470	16.993	21.324
22	Additional Mass Transportation Assistance Program	38.935	0.000	0.000	0.000	0.000
23	Commuter Operating Capital Transfer MNR M-7 Acceleration	0.000	(10.000)	0.000	0.000	0.000
24						
25	Total Gross Accrued Subsidies Available	\$1,379.942	\$1,308.621	\$1,349.329	\$1,348.615	\$1,371.916
26						
27	Less: PBT Debt Service for CRs	(\$32.046)	(\$40.379)	(\$52.270)	(\$60.856)	(\$65.600)
28						
29	Total Net Accrued Subsidies Available	\$1,347.897	\$1,268.242	\$1,297.059	\$1,287.759	\$1,306.316
30						
31	Total Cash Flow Adjustments	\$20.797	(\$0.045)	(\$1.881)	(\$2.397)	(\$1.957)
32						
33	Subsidy Cash Detail					
34	(\$ in millions)					
35						
36	<u>Available Cash Subsidies:</u>					
37						
38	Net B&T Current Year Allocation	\$308.523	\$260.462	\$247.341	\$238.142	\$223.619
39	State Operating Assistance	29.252	29.252	29.252	29.252	29.252
40	Local Operating Assistance	29.720	29.252	29.252	29.252	29.252
41	MMTOA Allocation (NYS Regional Taxes)	329.665	422.702	436.140	426.203	436.318
42	Gross PBT Receipts	79.606	89.360	91.703	92.137	92.552
43	Mortgage Recording Tax Transfer	(350.796)	(54.127)	(55.670)	(49.645)	(31.894)
44	Mortgage Recording Tax - Other	42.783	0.000	0.000	0.000	0.000
45	Mortgage Recording Tax Gross Receipts	704.265	343.390	354.208	351.053	338.845
46	Station Maintenance	130.397	134.009	137.440	141.440	145.782
47	CDOT Subsidy	52.106	51.661	62.313	71.391	84.909
48	Investment Income	6.283	12.614	15.470	16.993	21.324
49	Additional Mass Transportation Assistance Program	38.935	0.000	0.000	0.000	0.000
50	Commuter Operating Capital Transfer MNR M-7 Acceleration	0.000	(10.000)	0.000	0.000	0.000
51						
52	Total Gross Cash Subsidies Available	\$1,400.740	\$1,308.576	\$1,347.448	\$1,346.217	\$1,369.959
53						
54	Subsidy Cash Flow Adjustment Detail					
55	(\$ in millions)					
56						
57	<u>Total Gross Subsidies Available</u>					
58						
59	Net B&T Current Year Allocation	23.554	2.723	1.155	0.894	1.514
60	State Operating Assistance	0.000	0.000	0.000	0.000	0.000
61	Local Operating Assistance	0.468	0.000	0.000	0.000	0.000
62	MMTOA Allocation (NYS Regional Taxes)	0.000	0.000	0.000	0.000	0.000
63	Gross PBT Receipts (before DS)	(0.516)	(0.195)	(0.036)	(0.035)	0.027
64	Mortgage Recording Tax Transfer	0.000	0.000	0.000	0.000	0.000
65	Mortgage Recording Tax - Other	0.000	0.000	0.000	0.000	0.000
66	Mortgage Recording Tax Gross Receipts	0.000	0.000	0.000	0.000	0.000
67	Station Maintenance	(2.709)	(2.573)	(3.000)	(3.257)	(3.499)
68	CDOT Subsidy	0.000	0.000	0.000	0.000	0.000
69	Investment Income	0.000	0.000	0.000	0.000	0.000
70	Additional Mass Transportation Assistance Program	0.000	0.000	0.000	0.000	0.000
71	Commuter Operating Capital Transfer MNR M-7 Acceleration	0.000	0.000	0.000	0.000	0.000
72						
73	Total Cash Flow Adjustments	\$20.797	(\$0.045)	(\$1.881)	(\$2.397)	(\$1.957)

CRR / NYCT COMBINED SUBSIDIES
MULTI-YEAR FINANCIAL PLAN
2006 - 2009
(\$ in millions)

Line Number		FORECAST				
		2005	2006	2007	2008	2009
9	Available Accrued Subsidies:					
10						
11	B & T Accrued Current Year Allocation	\$483.761	\$413.873	\$389.011	\$371.124	\$340.850
12	State Operating Assistance	187.432	187.432	187.432	187.432	187.432
13	Local Operating Assistance	187.432	187.432	187.432	187.432	187.432
14	MMTOA Allocation (NYS Regional Taxes)	944.740	1,231.225	1,274.210	1,236.677	1,269.035
15	Gross PBT Receipts (before DS)	552.549	615.970	630.986	633.965	636.388
16	Mortgage Recording Tax Transfer	(22.098)	(27.415)	(15.980)	(16.389)	(16.269)
17	Mortgage Recording Tax - Other	42.783	0.000	0.000	0.000	0.000
18	Mortgage Recording Tax Gross Receipts	704.265	343.390	354.208	351.053	338.845
19	Urban Tax	503.893	327.490	355.100	370.434	379.156
20	Station Maintenance	133.106	136.582	140.440	144.696	149.281
21	CDOT Subsidy	52.106	51.661	62.313	71.391	84.909
22	Investment Income	6.283	12.614	15.470	16.993	21.324
23	Additional Mass Transportation Assistance Program	38.935	0.000	0.000	0.000	0.000
24	MTA Internal Subsidy	0.000	0.000	0.000	0.000	0.000
25	Commuter Operating Capital Transfer MNR M-7 Acceleration	0.000	(10.000)	0.000	0.000	0.000
26						
27	Total Gross Accrued Subsidies Available	\$3,815.188	\$3,470.254	\$3,580.622	\$3,554.808	\$3,578.383
28						
29	Less: PBT Debt Service	(\$194.769)	(\$220.144)	(\$253.479)	(\$285.198)	(\$321.389)
30						
31	Total Net Accrued Subsidies Available	\$3,620.419	\$3,250.110	\$3,327.143	\$3,269.610	\$3,256.995
32						
33	Total Cash Flow Adjustments	\$41.057	\$0.684	(\$2.090)	(\$2.441)	(\$0.915)
34						
35	CRR / NYCT Combined					
36	Subsidy Cash Detail					
37	(\$ in millions)					
38						
39	Available Cash Subsidies:					
40						
41	Net B&T Current Year Allocation	\$515.819	\$420.862	\$391.498	\$372.912	\$343.878
42	State Operating Assistance	187.432	187.432	187.432	187.432	187.432
43	Local Operating Assistance	187.900	187.432	187.432	187.432	187.432
44	MMTOA Allocation (NYS Regional Taxes)	944.740	1,231.225	1,274.210	1,236.677	1,269.035
45	Gross PBT Receipts (before DS)	547.535	614.627	630.737	633.728	636.576
46	Mortgage Recording Tax Transfer	(22.098)	(27.415)	(15.980)	(16.389)	(16.269)
47	Mortgage Recording Tax - Other	42.783	0.000	0.000	0.000	0.000
48	Mortgage Recording Tax Gross Receipts	704.265	343.390	354.208	351.053	338.845
49	Urban Tax	520.147	325.101	353.773	369.698	378.524
50	Station Maintenance	130.397	134.009	137.440	141.440	145.782
51	CDOT Subsidy	52.106	51.661	62.313	71.391	84.909
52	Investment Income	6.283	12.614	15.470	16.993	21.324
53	Additional Mass Transportation Assistance Program	38.935	0.000	0.000	0.000	0.000
54	MTA Internal Subsidy	0.000	0.000	0.000	0.000	0.000
55	Commuter Operating Capital Transfer MNR M-7 Acceleration	0.000	(10.000)	0.000	0.000	0.000
56						
57	Total Gross Cash Subsidies Available	\$3,856.245	\$3,470.938	\$3,578.532	\$3,552.368	\$3,577.468
58						
59	CRR / NYCT Combined					
60	Subsidy Cash Flow Adjustment Detail					
61	(\$ in millions)					
62						
63	Total Gross Subsidies Available					
64						
65	Net B&T Current Year Allocation	\$32.057	\$6.989	\$2.486	\$1.789	\$3.027
66	State Operating Assistance	0.000	0.000	0.000	0.000	0.000
67	Local Operating Assistance	0.468	0.000	0.000	0.000	0.000
68	MMTOA Allocation (NYS Regional Taxes)	0.000	0.000	0.000	0.000	0.000
69	Gross PBT Receipts (before DS)	(5.014)	(1.342)	(0.249)	(0.237)	0.188
70	Mortgage Recording Tax Transfer	0.000	0.000	0.000	0.000	0.000
71	Mortgage Recording Tax - Other	0.000	0.000	0.000	0.000	0.000
72	Mortgage Recording Tax Gross Receipts	0.000	0.000	0.000	0.000	0.000
73	Urban Tax	16.254	(2.389)	(1.327)	(0.736)	(0.632)
74	Station Maintenance	(2.709)	(2.573)	(3.000)	(3.257)	(3.499)
75	CDOT Subsidy	0.000	0.000	0.000	0.000	0.000
76	Investment Income	0.000	0.000	0.000	0.000	0.000
77	Additional Mass Transportation Assistance Program	0.000	0.000	0.000	0.000	0.000
78	MTA Internal Subsidy	0.000	0.000	0.000	0.000	0.000
79	Commuter Operating Capital Transfer MNR M-7 Acceleration	0.000	0.000	0.000	0.000	0.000
80						
81	Total Cash Flow Adjustments	\$41.057	\$0.684	(\$2.090)	(\$2.441)	(\$0.915)

<p align="center">MTA STATEN ISLAND RAILWAYS SUBSIDIES MULTI-YEAR FINANCIAL PLAN 2006 - 2009 (\$ in millions)</p>

Line Number		FORECAST				
		2005	2006	2007	2008	2009
9						
10	<u>Available Accrued Subsidies:</u>					
11						
12	State Operating Assistance	\$0.492	\$0.492	\$0.492	\$0.492	\$0.492
13	Dedicated Taxes (MMTOA)	1.913	2.514	2.606	2.520	2.589
14	City Operating Assistance	0.492	0.492	0.492	0.492	0.492
15	Mortgage Recording Tax	0.336	0.000	0.000	0.000	0.000
17						
18	Total Accrued Subsidies Available	\$3.232	\$3.498	\$3.590	\$3.504	\$3.573
19						
20						
21	<u>Available Cash Subsidies:</u>					
22						
23	State Operating Assistance	\$0.492	\$0.492	\$0.492	\$0.492	\$0.492
24	Dedicated Taxes (MMTOA)	1.913	2.514	2.606	2.520	2.589
25	City Operating Assistance	0.492	0.492	0.492	0.492	0.492
26	Mortgage Recording Tax	0.336	0.000	0.000	0.000	0.000
28						
29	Total Cash Subsidies Available	\$3.232	\$3.498	\$3.590	\$3.504	\$3.573
30						
31						
32	<u>Cash Flow Adjustment Detail:</u>					
33						
34	State Operating Assistance	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
35	Dedicated Taxes (MMTOA)	0.000	0.000	0.000	0.000	0.000
36	City Operating Assistance	0.000	0.000	0.000	0.000	0.000
37	Mortgage Recording Tax	0.000	0.000	0.000	0.000	0.000
38	City Subsidy	0.000	0.000	0.000	0.000	0.000
39						
40	Total Cash Flow Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA LONG ISLAND BUS SUBSIDIES
MULTI-YEAR FINANCIAL PLAN
2006 - 2009
(\$ in millions)

Line
Number

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FORECAST					
	2005	2006	2007	2008	2009
<u>Available Accrued Subsidies:</u>					
NON-NEW YORK STATE DETAIL					
(\$ in millions)					
Nassau County	\$10.500	\$10.500	\$10.500	\$10.500	\$10.500
Total Non-New York State Subsidies	\$10.500	\$10.500	\$10.500	\$10.500	\$10.500
NEW YORK STATE DETAIL					
(\$ in millions)					
<u>18-B Program:</u>					
General Fund	\$2.077	\$2.077	\$2.077	\$2.077	\$2.077
MTOA	0.884	0.884	0.884	0.884	0.884
Total 18-B Program Subsidies	\$2.961	\$2.961	\$2.961	\$2.961	\$2.961
<u>Non 18-B MTOA Program:</u>					
MTOA	\$36.932	\$40.152	\$41.495	\$42.634	\$43.645
Total Non 18-B MTOA Program Subsidies	\$36.932	\$40.152	\$41.495	\$42.634	\$43.645
Total New York State Subsidies	\$39.893	\$43.113	\$44.456	\$45.595	\$46.606
Total Baseline Accrued Subsidies Available	\$50.393	\$53.613	\$54.956	\$56.095	\$57.106
MTA Subsidy	14.000	14.000	14.000	14.000	14.000
Total Accrued Subsidies Available	\$64.393	\$67.613	\$68.956	\$70.095	\$71.106

	FORECAST				
	2005	2006	2007	2008	2009
<u>Available Cash Subsidies:</u>					
NON-NEW YORK STATE CASH DETAIL					
(\$ in millions)					
Nassau County	\$10.500	\$10.500	\$10.500	\$10.500	\$10.500
Total Non-New York State Subsidies	\$10.500	\$10.500	\$10.500	\$10.500	\$10.500
NEW YORK STATE CASH DETAIL					
(\$ in millions)					
General Fund	\$2.077	\$2.077	\$2.077	\$2.077	\$2.077
MTOA	0.884	0.884	0.884	0.884	0.884
Total 18-B Program Subsidies	\$2.961	\$2.961	\$2.961	\$2.961	\$2.961
<u>Non 18-B MTOA Program:</u>					
From Total Net DownState Share	\$38.767	\$40.996	\$42.339	\$43.478	\$44.489
Less: Used for 18-B/other	(1.835)	(0.844)	(0.844)	(0.844)	(0.844)
Adjusted Total Net DownState Share	\$36.932	\$40.152	\$41.495	\$42.634	\$43.645
From Carryover	(0.603)	1.750	0.000	0.000	0.000
Total Non 18-B MTOA Subsidies	\$36.329	\$41.902	\$41.495	\$42.634	\$43.645
Additional State Aid	0.000	0.000	0.000	0.000	0.000
Total New York State Cash Subsidies	\$39.290	\$44.863	\$44.456	\$45.595	\$46.606
Total Cash Subsidies Available	\$49.790	\$55.363	\$54.956	\$56.095	\$57.106
MTA Subsidy	14.000	14.000	14.000	14.000	14.000
Total Cash Subsidies Available	\$63.790	\$69.363	\$68.956	\$70.095	\$71.106
<u>Cash Flow Adjustment Detail:</u>					
Nassau County	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Federal	0.000	0.000	0.000	0.000	0.000
Additional Nassau County Subsidy	0.000	0.000	0.000	0.000	0.000
18-B MTOA	(0.000)	0.000	0.000	0.000	0.000
Non 18-B MTOA	(0.603)	1.750	0.000	0.000	0.000
DMTTF Operating (PBT)	0.000	0.000	0.000	0.000	0.000
Additional State General Fund Aid	0.000	0.000	0.000	0.000	0.000
Total Cash Flow Adjustments	(\$0.603)	\$1.750	\$0.000	\$0.000	\$0.000

VI. MTA Capital Program Information

New York City Transit and SIRTOA: 2005 Commitments
Summed by Element
(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

2005-2009 MTA Board Approved Plan				Funding for 2005 Commitments				
Project ID	Category Description	Element Description	Project Description	Total Project Value	2005 Commitments	MTA Funding	Federal Funding	Local Funding
For All Projects included in Pre-2005-2009 Plans:								
S30101/02	STATEN ISLAND RAILWAY	MISCELLANEOUS	Sir: Station Rehab:: Joc Work For 6 Stations	\$9.5	\$1.1	\$1.1		
S40701/06	STATEN ISLAND RAILWAY	MISCELLANEOUS	Sir: Power: Rehabilitate Four Substation Enclosures	\$3.1	\$2.8	\$2.3		\$0.5
Subtotal SIRTOA Miscellaneous				\$12.6	\$3.9	\$3.4	\$0.0	\$0.5
T40302/A0	BUSES	BUS REPLACEMENT	Purchase 55 Articulated Buses	\$129.3	\$27.4	\$27.4		
Subtotal Bus Replacement				\$129.3	\$27.4	\$27.4	\$0.0	\$0.0
T40404/M2	PASSENGER STATIONS	FARE COLLECTION, STATIONS	Fare Control Modernization: Fare Media Ph 1 - Des	\$0.5	\$0.5	\$0.5		
T40404/M4	PASSENGER STATIONS	FARE COLLECTION, STATIONS	AFC Replacement Ph 1:Station Controllers	\$10.3	\$10.0	\$10.0		
T40404/M6	PASSENGER STATIONS	FARE COLLECTION, STATIONS	AFC Miscellaneous Tasks	\$10.5	\$10.5	\$10.5		
Subtotal Fare Collection Stations				\$21.3	\$21.0	\$21.0	\$0.0	\$0.0
T40411/2R	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Rockaway Park: RKY	\$5.6	\$4.4	\$4.4		
T40411/4N	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Mosholu Parkway: Jerome Avenue Line	\$13.8	\$13.0	\$13.0		
Subtotal Station Rehabilitation				\$19.4	\$17.3	\$17.3	\$0.0	\$0.0
T40604/02	LINE EQUIPMENT	PUMPING FACILITIES	Pumping Facilities: 6 Locs: 8Av Line	\$21.9	\$3.2	\$3.2		
Subtotal Pumping Facilities				\$21.9	\$3.2	\$3.2	\$0.0	\$0.0
T40703/26	LINE STRUCTURES	LINE STRUCTURE REHABILITATION	Retaining Wall:SBC	\$2.0	\$2.0	\$2.0		
Subtotal Line Structure Rehabilitation				\$2.0	\$2.0	\$2.0	\$0.0	\$0.0
T40803/FE	SIGNALS AND COMMUNICATIONS	SIGNAL MODERNIZATION	E 180 St Interlocking - Design	\$4.5	\$3.1	\$3.1		
Subtotal Signal Modernization				\$4.5	\$3.1	\$3.1	\$0.0	\$0.0
T40806/RB	SIGNALS AND COMMUNICATIONS	COMMUNICATIONS SYSTEMS	Communications Room - 98 Stations IND/BMT	\$50.3	\$0.5	\$0.5		
Subtotal Communication Systems				\$50.3	\$0.5	\$0.5	\$0.0	\$0.0
T40807/01	SIGNALS AND COMMUNICATIONS	COMMAND CENTER MODERNIZATION	Backup Command Center	\$13.9	\$10.2	\$10.2		
Subtotal Command Center Modification				\$13.9	\$10.2	\$10.2	\$0.0	\$0.0
T40902/SE	POWER	SUBSTATIONS, IRT/BMT	Substation Enclosures (8 Locations)	\$19.4	\$14.7	\$14.7		
Subtotal Power Substations				\$19.4	\$14.7	\$14.7	\$0.0	\$0.0
T41203/KP	DEPOTS	DEPOT CONSTRUCTION	Bus Terminal: Kings Plaza	\$2.8	\$1.8	\$1.8		
Subtotal Depot Construction				\$2.8	\$1.8	\$1.8	\$0.0	\$0.0
T41204/01	DEPOTS	DEPOT REHABILITATION	Paratransit AVL	\$17.3	\$16.3	\$16.3		
T41204/06	DEPOTS	DEPOT REHABILITATION	Purchase 501 Portable Radios	\$2.2	\$2.2	\$2.2		
T41204/4C	DEPOTS	DEPOT REHABILITATION	Parallelogram Lifts: 5 Depots	\$7.5	\$1.4	\$1.4		
T41204/EN	DEPOTS	DEPOT REHABILITATION	ENY Base Shop Conversion/Rehab - Design	\$5.0	\$5.0	\$5.0		
T41204/HU	DEPOTS	DEPOT REHABILITATION	Bus Locator System	\$13.6	\$5.8		\$5.8	
Subtotal Depot Rehabilitation				\$45.6	\$30.7	\$24.9	\$5.8	\$0.0

New York City Transit and SIRTOA: 2005 Commitments
Summed by Element
(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

Project ID	Category Description	Element Description	Project Description	Funding for 2005 Commitments				
				Total Project Value	2005 Commitments	MTA Funding	Federal Funding	Local Funding
T41302/O4	SERVICE VEHICLES	WORK TRAINS	Purchase 36 Dual-Mode Cwr Handler/Flatcars	\$14.7	\$8.4	\$8.4		
T41302/O5	SERVICE VEHICLES	WORK TRAINS	Overhaul Of Nine Hose & Reach Cars	\$1.5	\$1.3	\$1.3		
T41302/O6	SERVICE VEHICLES	WORK TRAINS	Locomotive Modernization Pilot	\$2.1	\$1.6	\$1.6		
T41302/P4	SERVICE VEHICLES	WORK TRAINS	Purchase 9 Diesel-Electric Locomotives	\$32.1	\$31.1	\$31.1		
Subtotal Work Trains				\$50.4	\$42.2	\$42.2	\$0.0	\$0.0
T41605/T1	MISCELLANEOUS	ENGINEERING SERVICES	Test Pits Contracts	\$4.6	\$1.1	\$1.1		
Subtotal Engineering Services				\$4.6	\$1.1	\$1.1	\$0.0	\$0.0
T41606/F3	MISCELLANEOUS	ENVIRONMENTAL AND SAFETY	Fire Alarms: 126Th St Depot	\$1.7	\$1.6	\$1.6		
Subtotal Environmental and Safety				\$1.7	\$1.6	\$1.6	\$0.0	\$0.0
T41607/EN	MISCELLANEOUS	EMPLOYEE FACILITIES	Employee Fac: Dekalb Av/4Th Av	\$2.4	\$2.4	\$2.4		
Subtotal Employee Facilities				\$2.4	\$2.4	\$2.4	\$0.0	\$0.0
Total Pre-2005-2009				\$402.1	\$183.0	\$176.7	\$5.8	\$0.5

For Projects Included in the 2005-2009 Plan:

S50701/01	STATEN ISLAND RAILWAY	MISCELLANEOUS	Track/Switch Rehab: St.George Interlocking	\$36.1	\$2.0	\$2.0		
S50701/02	STATEN ISLAND RAILWAY	MISCELLANEOUS	Station Structural Repairs - SIR	\$4.9	\$0.3			\$0.3
S50701/03	STATEN ISLAND RAILWAY	MISCELLANEOUS	Rehabilitate Station Houses - SIR	\$1.8	\$0.1	\$0.1		
S50701/08	STATEN ISLAND RAILWAY	MISCELLANEOUS	Repair 6 Bridges, Viaduct And Culvert - SIR	\$14.3	\$0.7	\$0.7		
Subtotal SIRTOA Miscellaneous				\$57.1	\$3.1	\$2.8	\$0.0	\$0.3
T50101/01	SUBWAY CARS	NEW SUBWAY CARS	New Subway Cars: 47 A - Division Subway Cars	\$75.9	\$75.6	\$75.6		
Subtotal New Subway Cars				\$75.9	\$75.6	\$75.6	\$0.0	\$0.0
T50302/01	BUSES	BUS REPLACEMENT	Purchase 150 Clean Fuel Standard	\$73.1	\$73.1	\$43.5		\$29.6
T50302/03	BUSES	BUS REPLACEMENT	Purchase New 187 Paratransit Vehicles - 2005	\$10.6	\$10.6	\$10.6		
Subtotal Bus Replacement				\$83.7	\$83.7	\$54.1	\$0.0	\$29.6
T50407/01	PASSENGER STATIONS	STATION ESCALATORS/ELEVATORS	Replace 8 Escalators: Roosevelt Island-E63Rd St	\$35.3	\$35.3	\$35.3		
T50407/02	PASSENGER STATIONS	STATION ESCALATORS/ELEVATORS	Escalator Replacement: 10 Escalators: Parsons Blvd-Archer	\$31.7	\$31.7	\$31.7		
T50407/04	PASSENGER STATIONS	STATION ESCALATORS/ELEVATORS	Replace: 5 Escalators: Van Wyck-Archer Ave Line	\$32.3	\$1.8	\$1.8		
Subtotal Station Escalators/Elevators				\$99.2	\$68.7	\$68.7	\$0.0	\$0.0
T50411/01	PASSENGER STATIONS	STATION REHABILITATION	Water Condition Remedy-2005	\$3.9	\$3.9	\$3.9		
T50411/03 & T40411/3J	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Avenue M: Brighton Line-Brooklyn	\$22.5	\$21.8	\$21.8		
T50411/04 & T40411/3K	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Neck Road: Brighton Line-Brooklyn	\$20.4	\$19.8	\$19.8		
T50411/05 & T40411/3Q	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Avenue H: Brighton Line-Brooklyn	\$25.4	\$23.5	\$23.5		
T50411/06 & T40411/3R	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Avenue J: Brighton Line-Brooklyn	\$22.9	\$22.1	\$22.1		
T50411/07 & T40411/3S	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Avenue U: Brighton Line-Brooklyn	\$22.2	\$21.6	\$21.6		
T50411/09 & T40411/2A	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: 59Th Street: Broadway/7Th Av Line	\$38.4	\$36.4		\$36.4	
T50411/10 & T40411/2B	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: 59Th Street: 8Th Av Line-Ind	\$62.0	\$57.0		\$57.0	
T50411/12	PASSENGER STATIONS	STATION REHABILITATION	Station Railings 2005	\$3.1	\$3.1	\$3.1		
T50411/13 & T40402/S2	PASSENGER STATIONS	STATION REHABILITATION	Station Structural Remediation: Kings Highway: Brighton Line	\$20.1	\$19.5	\$19.5		
T50411/14 & T400703/NB	PASSENGER STATIONS	STATION REHABILITATION	Station Structural Remediation: Newkirk Av Station Phase 2	\$24.0	\$23.1	\$23.1		
T50411/15 & T40411/01	PASSENGER STATIONS	STATION REHABILITATION	Station Normal Replacement: Wall Street/ Lexington Avenue	\$48.4	\$45.9		\$45.9	
T50411/16	PASSENGER STATIONS	STATION REHABILITATION	Rehab: Times Sq, Phase III	\$62.4	\$3.1	\$3.1		
T50411/17	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Fort Hamilton Parkway: West End Line	\$14.4	\$0.8	\$0.8		
T50411/18	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: 71St Street: West End Line-Brooklyn	\$15.0	\$0.8	\$0.8		

New York City Transit and SIRTOA: 2005 Commitments
Summed by Element
(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

Project ID	Category Description	Element Description	Project Description	Funding for 2005 Commitments				
				Total Project Value	2005 Commitments	MTA Funding	Federal Funding	Local Funding
T50411/19	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: 79th Street: West End Line-Brooklyn	\$13.7	\$0.8	\$0.8		
T50411/20	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: 18th Avenue: West End Line-Brooklyn	\$13.4	\$0.8	\$0.8		
T50411/21	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: 20th Avenue: West End Line-Brooklyn	\$13.7	\$0.8	\$0.8		
T50411/24	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: 62nd Street: West End Line	\$11.5	\$0.6	\$0.6		
T50411/25	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Bay Parkway: West End Line	\$12.7	\$0.7	\$0.7		
T50411/26	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: 9th Avenue: West End Line	\$12.2	\$0.6	\$0.6		
T50411/31	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Bay 50th Street: West End Line-Bklyn	\$13.3	\$0.7	\$0.7		
T50411/32	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: 25th Avenue: West End Line	\$13.1	\$0.7	\$0.7		
T50411/38	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Morrison-Sound View Avs: Pelham Ln-Irt	\$19.1	\$0.8	\$0.8		
T50411/42	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Chambers Street/Nassau Loop	\$10.0	\$1.6	\$1.6		
T50411/47	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Parkchester/E 177th St: Pelham Line	\$21.5	\$0.9	\$0.9		
T50411/48	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: St. Lawrence Av: Pelham Line	\$16.4	\$0.7	\$0.7		
T50411/49	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Elder Avenue: Pelham Line	\$15.8	\$0.7	\$0.7		
T50411/50	PASSENGER STATIONS	STATION REHABILITATION	Station Rehab: Whitlock Avenue: Pelham Line	\$14.2	\$0.6	\$0.6		
Subtotal Station Rehabilitation				\$605.8	\$313.5	\$174.2	\$139.3	\$0.0
T50413/03	PASSENGER STATIONS	DISABLED ACCESSIBILITY	ADA: Columbus Circle Complex	\$2.7	\$2.7		\$2.7	
T50413/04	PASSENGER STATIONS	DISABLED ACCESSIBILITY	ADA: 135Th St-Lenox Av Line	\$16.3	\$14.7		\$14.7	
T50413/05 & T40413/01	PASSENGER STATIONS	DISABLED ACCESSIBILITY	ADA: Kings Highway-Brighton Line	\$7.4	\$7.3	\$7.3		
T50413/06	PASSENGER STATIONS	DISABLED ACCESSIBILITY	ADA: Bowling Green/Lexington Line	\$10.1	\$10.1	\$7.4	\$2.7	
T50413/07 & T40413/07	PASSENGER STATIONS	DISABLED ACCESSIBILITY	ADA: Church Avenue/ Culver Line	\$24.0	\$23.2	\$23.2		
T50413/10	PASSENGER STATIONS	DISABLED ACCESSIBILITY	ADA: Bay Parkway/West End Line	\$15.4	\$0.2	\$0.2		
T50413/15	PASSENGER STATIONS	DISABLED ACCESSIBILITY	ADA: Chambers Street/Nassau Loop	\$0.0	\$0.4	\$0.4		
Subtotal Disabled Accessibility				\$75.9	\$58.7	\$38.5	\$20.1	\$0.0
T50414/01	PASSENGER STATIONS	OTHER STATION IMPROVEMENTS	Station Signage (2005)	\$2.8	\$2.8	\$2.8		
T50414/03	PASSENGER STATIONS	OTHER STATION IMPROVEMENTS	Intermodal/Transfer Facilities: Myrtle-Wyckoff	\$6.3	\$0.4	\$0.4		
T50414/04	PASSENGER STATIONS	OTHER STATION IMPROVEMENTS	Platform Rehab - 4 Stations-Brighton Line	\$8.6	\$8.6	\$8.6		
T50414/05	PASSENGER STATIONS	OTHER STATION IMPROVEMENTS	Bowling Green Entrance Canopy	\$2.7	\$2.7		\$2.7	
T50414/14	PASSENGER STATIONS	OTHER STATION IMPROVEMENTS	Customer Communications System	\$7.2	\$2.0	\$2.0		
Subtotal Other Station Improvements				\$27.6	\$16.5	\$13.8	\$2.7	\$0.0
T50502/01 & T40502/T6	TRACK	TRACK REHABILITATION	Mainline Track Rehab Program 2005	\$130.1	\$130.1	\$21.9	\$108.2	
T50502/02	TRACK	TRACK REHABILITATION	Track Force Account: 2005	\$35.0	\$35.0			\$35.0
T50502/03	TRACK	TRACK REHABILITATION	Welded Rail: Welded Rail Program 2005	\$10.3	\$10.3	\$2.9	\$7.4	
T50502/04	TRACK	TRACK REHABILITATION	Mainline Track Replacement: 2006	\$133.7	\$1.1	\$1.1		
Subtotal Track Rehabilitation				\$309.1	\$176.6	\$25.9	\$115.7	\$35.0
T50503/01	TRACK	SWITCH REPLACEMENT	Replace 36 Switches In House: 2005	\$38.6	\$38.6	\$7.7	\$30.9	
T50503/02	TRACK	SWITCH REPLACEMENT	Replace 36 Switches In House: 2006	\$41.5	\$1.8	\$1.8		
Subtotal Switch Replacement				\$80.1	\$40.4	\$9.5	\$30.9	\$0.0
T50602/01	LINE EQUIPMENT	TUNNEL LIGHTING	Tunnel Lighting Reh Boro Hall To Chambers/CLK	\$30.5	\$30.5	\$3.8	\$26.7	
T50602/02	LINE EQUIPMENT	TUNNEL LIGHTING	Tunnel Lighting Reh Bowling Green To City Hall:Lex	\$19.3	\$19.3	\$2.0	\$17.3	
T50602/04	LINE EQUIPMENT	TUNNEL LIGHTING	Tunnel Lighting RehCranberry Jn To Chambers	\$20.9	\$20.9	\$0.3	\$20.6	
T50602/05	LINE EQUIPMENT	TUNNEL LIGHTING	Tunnel Lighting Rehab: Times Square Shuttle	\$13.4	\$0.6	\$0.6		
T50602/07	LINE EQUIPMENT	TUNNEL LIGHTING	Tunnel Lighting Rehab: 207th St To 168th St-8th Av Line	\$48.6	\$1.1	\$1.1		
Subtotal Tunnel Lighting				\$132.7	\$72.3	\$7.7	\$64.6	\$0.0
T50603/01	LINE EQUIPMENT	VENTILATION FACILITIES	Fans: 2 Locations 6 Ave	\$66.5	\$66.5		\$66.5	
T50603/02	LINE EQUIPMENT	VENTILATION FACILITIES	Fans: Wrap Up: Archer Avenue	\$33.0	\$33.0	\$33.0		

New York City Transit and SIRTOA: 2005 Commitments
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Project ID	Category Description	Element Description	Project Description	Funding for 2005 Commitments				
				Total Project Value	2005 Commitments	MTA Funding	Federal Funding	Local Funding
T50603/03	LINE EQUIPMENT	VENTILATION FACILITIES	Fans: 4 Locations-QBL AST	\$110.7	\$3.4	\$3.4		
Subtotal Ventilation Facilities				\$210.3	\$102.9	\$36.4	\$66.5	\$0.0
T50604/01	LINE EQUIPMENT	PUMPING FACILITIES	Pumps: 10 Locations, Queens Blvd Line	\$37.1	\$37.1	\$9.7	\$27.4	
T50604/03	LINE EQUIPMENT	PUMPING FACILITIES	Deep Wells Rehab: Fulton Line	\$13.5	\$0.6	\$0.6		
T50604/05	LINE EQUIPMENT	PUMPING FACILITIES	Pumps: 3 Locations, Prospect Pk Line	\$16.8	\$0.9	\$0.9		
T50604/06	LINE EQUIPMENT	PUMPING FACILITIES	Pumps: 4 Locations, Pelham,Jerome,Lenox	\$0.0	\$0.7	\$0.7		
Subtotal Pumping Facilities				\$67.4	\$39.3	\$11.9	\$27.4	\$0.0
T50703/01	LINE STRUCTURES	LINE STRUCTURE REHABILITATION	Rehab Emergency Exits 2005-06: 50 Locs	\$11.8	\$11.8	\$3.6	\$8.3	
T50703/02	LINE STRUCTURES	LINE STRUCTURE REHABILITATION	Tunnel Rehab Joralemon Tube To Nevins St: E Pkwy Line	\$32.0	\$32.0	\$1.5	\$30.5	
T50703/03	LINE STRUCTURES	LINE STRUCTURE REHABILITATION	Overcoating: Repaint Bronx Park E To 241 St - WPR	\$21.2	\$21.2	\$21.2		
T50703/04	LINE STRUCTURES	LINE STRUCTURE REHABILITATION	Overcoating: 162 Street To 190 Street: JER	\$10.7	\$10.7	\$10.7		
T50703/05	LINE STRUCTURES	LINE STRUCTURE REHABILITATION	Stripping & Repaint: Mosholu Pk To Woodlawn JER	\$7.2	\$7.0	\$7.0		
T50703/06	LINE STRUCTURES	LINE STRUCTURE REHABILITATION	Structure Reh: 9th Ave To Bay 50th Street - WST	\$25.9	\$0.9	\$0.9		
T50703/07	LINE STRUCTURES	LINE STRUCTURE REHABILITATION	Elevated Structure Rehab: Culver Viaduct Phase II	\$110.6	\$4.4	\$4.4		
T50703/08	LINE STRUCTURES	LINE STRUCTURE REHABILITATION	Tunnel Reh: 168th St To Inwood-207th St - 8AVE	\$28.3	\$1.4	\$1.4		
T50703/09	LINE STRUCTURES	LINE STRUCTURE REHABILITATION	Tunnel Rehab: Whitehall To Canal St - Broadway Line	\$24.1	\$1.7	\$1.7		
T50703/31	LINE STRUCTURES	LINE STRUCTURE REHABILITATION	Stn Structural Work: Chambers St/ Nassau	\$12.5	\$0.3	\$0.3		
Subtotal Line Structure Rehabilitation				\$284.3	\$91.4	\$52.7	\$38.7	\$0.0
T50803/03	SIGNALS AND COMMUNICATIONS	SIGNAL MODERNIZATION	Stop Cable Repl: B-Div Locs	\$18.4	\$15.9	\$15.9		
T50803/05	SIGNALS AND COMMUNICATIONS	SIGNAL MODERNIZATION	Signal Systems: Jerome Line Middle Track Signalization	\$35.4	\$35.4		\$35.4	
T50803/08	SIGNALS AND COMMUNICATIONS	SIGNAL MODERNIZATION	Install CBTC Flushing Line	\$265.6	\$6.0	\$6.0		
T50803/12	SIGNALS AND COMMUNICATIONS	SIGNAL MODERNIZATION	Interlockings Bergen - W 8 CUL	\$222.0	\$4.2	\$4.2		
Subtotal Signal Modernization				\$541.4	\$61.5	\$26.1	\$35.4	\$0.0
T50806/09	SIGNALS AND COMMUNICATIONS	COMMUNICATIONS SYSTEMS	Platform Edge Cctv: 9 Stns Crosstown Ln	\$3.0	\$5.1	\$5.1		
T50806/11	SIGNALS AND COMMUNICATIONS	COMMUNICATIONS SYSTEMS	PA/CIS Phase III, B-Div: 69 Bmt/Ind Stns	\$0.0	\$2.0	\$2.0		
Subtotal Communication Systems				\$3.0	\$7.1	\$7.1	\$0.0	\$0.0
T50902/02	POWER	SUBSTATIONS	Substations: 70Th Avenue Ind/Queens Line	\$26.0	\$26.0		\$26.0	
T50902/03	POWER	SUBSTATIONS	Substations: Green Street Ind/Crosstown Line	\$20.6	\$20.6	\$20.6		
T50902/04	POWER	SUBSTATIONS	Substations Rehab: Greenwich Substation-8Th Av	\$28.6	\$28.6		\$28.6	
T50902/06	POWER	SUBSTATIONS	Rockwell Place Substation: Power Equipment	\$13.0	\$0.4	\$0.4		
T50902/07	POWER	SUBSTATIONS	Substations : Caton Avenue Ind/Prospect Park Line	\$22.9	\$0.4	\$0.4		
T50902/08	POWER	SUBSTATIONS	Substations E 193rd Street Ind/Concourse Line	\$19.8	\$0.3	\$0.3		
T50902/10	POWER	SUBSTATIONS	Substations: So Railroad Ave Ind/Queens Line	\$21.7	\$1.1	\$1.1		
T50902/11	POWER	SUBSTATIONS	Substations: Meserole Av Ind/Crosstown Line	\$26.9	\$1.3			
Subtotal Substations				\$179.5	\$78.7	\$22.9	\$54.6	\$0.0
T50904/01	POWER	POWER DISTRIBUTION	Circuit Breaker Houses-6 Locations	\$33.3	\$33.3	\$33.3		
T50904/02	POWER	POWER DISTRIBUTION	Power Distribution Facilities: Traction Pwr Cables:8Av Ln-Cra	\$17.6	\$17.6	\$17.6		
Subtotal Power Distribution				\$50.8	\$50.8	\$50.8	\$0.0	\$0.0
T51004/15	SHOPS	MAINTENANCE SHOPS	38Th St Yard/Shop Improvements-Bklyn	\$9.5	\$9.5	\$9.5		
Subtotal Maintenance Shops				\$9.5	\$9.5	\$9.5	\$0.0	\$0.0
T51102/01	YARDS	YARD IMPROVEMENTS	Yard Lighting: ENY, Canarsie, Fresh Pond	\$10.0	\$0.1	\$0.1		
T51102/03	YARDS	YARD IMPROVEMENTS	Yard Signals: Corona-Flushing Line	\$116.3	\$2.9	\$2.9		
T51102/04	YARDS	YARD IMPROVEMENTS	Yard Rehab: CCTV	\$7.7	\$0.2	\$0.2		
T51102/06	YARDS	YARD IMPROVEMENTS	Yard Fencing Upgrades	\$2.1	\$0.1	\$0.1		
Subtotal Yard Improvements				\$136.1	\$3.4	\$3.4	\$0.0	\$0.0

New York City Transit and SIRT OA: 2005 Commitments
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Project ID	Category Description	Element Description	Project Description	Funding for 2005 Commitments				
				Total Project Value	2005 Commitments	MTA Funding	Federal Funding	Local Funding
T51105/01	YARDS	YARD TRACK REHABILITATION	Yard Track Rehab 2005	\$2.5	\$2.5	\$0.3	\$2.3	
T51105/02	YARDS	YARD TRACK REHABILITATION	Yard Track Rehab 2006	\$2.8	\$0.2	\$0.2		
Subtotal Yard Track Rehabilitation				\$5.3	\$2.8	\$0.5	\$2.3	\$0.0
T51106/01	YARDS	YARD SWITCH REPLACEMENT	Yard Track Switches: Replace 20 Yard Switches: 2005	\$7.7	\$7.7	\$2.1	\$5.6	
T51106/02	YARDS	YARD SWITCH REPLACEMENT	Replace 20 Yard Switches: 2006	\$8.5	\$0.3	\$0.3		
Subtotal Yard Switch Replacement				\$16.2	\$8.0	\$2.4	\$5.6	\$0.0
T51203/02	DEPOTS	DEPOT REHAB AND RECONSTRUCTIO	Depot Rehab: Castleton Depot	\$14.0	\$0.4	\$0.4		
Subtotal Depot Rehab and Reconstruction				\$14.0	\$0.4	\$0.4	\$0.0	\$0.0
T51204/02	DEPOTS	DEPOT IMPROVEMENTS	Fluid Application And Monitoring System	\$5.4	\$5.4	\$5.4		
T51204/03	DEPOTS	DEPOT IMPROVEMENTS	Replace Roofs: J.Gleason, C.Stengel	\$5.9	\$9.0	\$9.0		
T51204/07	DEPOTS	DEPOT IMPROVEMENTS	Lifts/Compressors:Stengel/Manhattanville	\$15.6	\$1.1	\$1.1		
Subtotal Depot Improvements				\$26.9	\$15.6	\$15.6	\$0.0	\$0.0
T51302/03	SERVICE VEHICLES	SERVICE VEHICLES	Purchase 2 New Ballast Regulators	\$7.8	\$0.5	\$0.5		
Subtotal Service Vehicles				\$7.8	\$0.5	\$0.5	\$0.0	\$0.0
T51602/02	MISCELLANEOUS	MISCELLANEOUS	Capital Revolving Fund	\$25.0	\$5.0	\$5.0		
Subtotal Miscellaneous				\$25.0	\$5.0	\$5.0	\$0.0	\$0.0
T51604/02	MISCELLANEOUS	MANAGEMENT INFORMATION SYSTEM	Hp Server Consolidation/Replacement	\$9.0	\$9.0	\$9.0		
T51604/04	MISCELLANEOUS	MANAGEMENT INFORMATION SYSTEM	PBX Network Upgrade And IP Management	\$7.0	\$0.2	\$0.2		
Subtotal Management Information Systems				\$16.0	\$9.2	\$9.2	\$0.0	\$0.0
T51605/02	MISCELLANEOUS	ENGINEERING SERVICES	Boring Services: Bklyn, Qns, SI (2005)	\$1.8	\$1.8	\$1.8		
T51605/03	MISCELLANEOUS	ENGINEERING SERVICES	Boring Services: Manhattan, Bronx (2005)	\$1.5	\$1.5	\$1.5		
T51605/04	MISCELLANEOUS	ENGINEERING SERVICES	Engineering Services (2005)	\$4.1	\$4.1	\$4.1		
T51605/05	MISCELLANEOUS	ENGINEERING SERVICES	Scope Development (2005)	\$9.3	\$9.3	\$9.3		
T51605/06	MISCELLANEOUS	ENGINEERING SERVICES	Concrete Batch Plant Inspection (2005)	\$1.1	\$1.1	\$1.1		
Subtotal Engineering Services				\$17.8	\$17.8	\$17.8	\$0.0	\$0.0
T51606/01	MISCELLANEOUS	ENVIRONMENTAL AND SAFETY	Asbestos Abatement 2005	\$5.8	\$5.8	\$5.8		
T51606/03	MISCELLANEOUS	ENVIRONMENTAL AND SAFETY	Groundwater And Soil Remediation: Consultant Svcs	\$6.4	\$6.4	\$6.4		
T51606/04	MISCELLANEOUS	ENVIRONMENTAL AND SAFETY	Fire Alarms & Sprinklers 5 Dos Locations	\$10.6	\$0.3	\$0.3		
T51606/07	MISCELLANEOUS	ENVIRONMENTAL AND SAFETY	Fire Alarm & Sprinkle System: 3 DOB Locations	\$11.0	\$0.3	\$0.3		
T5160612	MISCELLANEOUS	ENVIRONMENTAL AND SAFETY	Asbestos Abatement: Priority VI	\$6.8	\$0.8	\$0.8		
Subtotal Environmental and Safety				\$40.7	\$13.6	\$13.6	\$0.0	\$0.0
T51607/02	MISCELLANEOUS	EMPLOYEE FACILITIES	Employee Facilities: Columbus Circle, Ind & Irt Divisions	\$12.6	\$12.6		\$12.6	
T51607/04	MISCELLANEOUS	EMPLOYEE FACILITIES	Employee Facilities: Jamaica Yard Tower	\$4.4	\$4.4	\$4.4		
T51607/23	MISCELLANEOUS	EMPLOYEE FACILITIES	Employee Facilities: Chambers St/Nassau Loop	\$0.0	\$0.4	\$0.4		
T51607/24	MISCELLANEOUS	EMPLOYEE FACILITIES	Employee Facilities: Parkchester/E 177 St - Pelham	\$6.1	\$0.2	\$0.2		
T51607/41	MISCELLANEOUS	EMPLOYEE FACILITIES	Employee Facilities: 38Th St Yard-Tower-WST	\$2.5	\$2.5	\$2.5		
Subtotal Employee Facilities				\$25.6	\$20.0	\$7.4	\$12.6	\$0.0
Total 2005-2009				\$3,224.9	\$1,446.4	\$764.0	\$616.4	\$64.9
GRAND TOTAL				\$3,627.0	\$1,629.4	\$940.7	\$622.2	\$65.3

Long Island Rail Road: 2005 Commitments

Summed by element

(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

2005-2009 MTA Board Approved Plan				Funding for 2005 Commitments				
Project ID	Category Description	Element Description	Project Description	Total Project Value	2005 Commitments	MTA Funding	Federal Funding	Local Funding
For All Projects included in Pre-2005-2009 Plans:								
L301021J	ROLLING STOCK	PURCHASE DIESEL COACHES	Diesel Hauled Coach Purchase	\$245.8	\$2.2	\$2.2		
A401011L	ROLLING STOCK	REVENUE EQUIPMENT	M-3 Overhauls (LIRR)	\$26.0	\$0.7	\$0.7		
Subtotal Purchase Diesel Coaches 92-99				\$271.9	\$2.9	\$2.9	\$0.0	\$0.0
L4020424	PASSENGER STATIONS	STATION BUILDINGS	Atlantic Terminal	\$80.9	\$10.3		\$10.3	
L4020429	PASSENGER STATIONS	STATION BUILDINGS	Jamaica Station	\$226.8	\$0.1	\$0.1		
L4020433	PASSENGER STATIONS	STATION BUILDINGS	Rosedale Station	\$3.9	\$0.3	\$0.3		
L4020478	PASSENGER STATIONS	STATION BUILDINGS	Jamaica Central Control Fit-Out	\$10.6	\$0.7	\$0.7		
L4020480	PASSENGER STATIONS	STATION BUILDINGS	Jamaica Police Fit-Out	\$2.6	\$1.3	\$1.3		
Subtotal Station Buildings				\$324.7	\$12.7	\$2.3	\$10.3	\$0.0
L302055C	PASSENGER STATIONS	PARKING	Copague/Wyandanch Parking	\$3.0	\$1.3	\$1.3		
L40205J2	PASSENGER STATIONS	PARKING	Mineola Intermodal Center	\$25.0	\$23.1		\$23.1	
Subtotal Parking				\$28.0	\$24.4	\$1.3	\$23.1	\$0.0
L304024C	LINE STRUCTURES	TUNNELS	East River Tunnels Safety Imp	\$80.0	\$1.2	\$1.2		
L404024R	LINE STRUCTURES	TUNNELS	East River Tunnel Rehab	\$33.1	\$3.2	\$3.2		
L404024Y	LINE STRUCTURES	TUNNELS	East River Tunnel Ventilation	\$89.7	\$0.4	\$0.4		
Subtotal Tunnels				\$202.8	\$4.8	\$4.8	\$0.0	\$0.0
L40603Y9	SHOPS & YARDS	OTHER SHOPS & YARDS	EIS/Design Main Line Branch	\$4.0	\$3.2	\$3.2		
L4060339	SHOPS & YARDS	OTHER SHOPS & YARDS	Richmond Hill/Diesel Yards	\$22.5	\$15.0	\$15.0		
L406036R	SHOPS & YARDS	OTHER SHOPS & YARDS	Long Island City Yard	\$0.2	\$0.1	\$0.1		
L406037I	SHOPS & YARDS	OTHER SHOPS & YARDS	Automated Storage Upgrade	\$13.9	\$9.3	\$9.3		
Subtotal Other Shops and Yards				\$40.6	\$27.6	\$27.6	\$0.0	\$0.0
L406046V	SHOPS & YARDS	MISCELLANEOUS	Regulatory and Compliance	\$5.6	\$0.1	\$0.1		
Subtotal Miscellaneous				\$5.6	\$0.1	\$0.1	\$0.0	\$0.0
L308059B	MISCELLANEOUS	FREIGHT IMPROVEMENTS	Brooklyn\Queens Freight Projs	\$9.0	\$0.2	\$0.2		
Subtotal Freight Improvements				\$9.0	\$0.2	\$0.2	\$0.0	\$0.0
L40804PD	MISCELLANEOUS	MISCELLANEOUS	Program Development	\$2.9	\$2.0	\$2.0		
L40804PE	MISCELLANEOUS	MISCELLANEOUS	Program Development-Engineering	\$3.2	\$0.2	\$0.2		
Subtotal Miscellaneous				\$6.1	\$2.2	\$2.2	\$0.0	\$0.0
N40905FB	PLANNING AND CUSTOMER SERVICE\CUSTOMER SERVICE PROJECTS		Bellmore & Wantagh Stairs	\$0.8	\$0.8	\$0.8		
N40905FK	PLANNING AND CUSTOMER SERVICE\CUSTOMER SERVICE PROJECTS		Nassau Boulevard Station	\$1.4	\$0.1	\$0.1		
N40905FL	PLANNING AND CUSTOMER SERVICE\CUSTOMER SERVICE PROJECTS		Garden City Station	\$1.4	\$0.1	\$0.1		
Subtotal Planning and Customer Service				\$3.6	\$1.0	\$1.0	\$0.0	\$0.0
Total pre-2005-2009				\$892.4	\$75.8	\$42.3	\$33.5	\$0.0

For Projects Included in the 2005-2009 Plan:

L50101M7	ROLLING STOCK	REVENUE EQUIPMENT	M7 Procurement 158 Cars	\$356.7	\$345.3	\$345.3		
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Long Island Rail Road: 2005 Commitments

Summed by element

(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

2005-2009 MTA Board Approved Plan				Funding for 2005 Commitments				
Project ID	Category Description	Element Description	Project Description	Total Project Value	2005 Commitments	MTA Funding	Federal Funding	Local Funding
Subtotal Rolling Stock				\$356.7	\$345.3	\$345.3	\$0.0	\$0.0
L5020423	STATIONS	STATION AND BUILDINGS	Atlantic Terminal	\$11.0	\$11.0	\$11.0		
L502042B	STATIONS	STATION AND BUILDINGS	Broadway Station Platform Replacement	\$16.7	\$2.0		\$2.0	
L502042C	STATIONS	STATION AND BUILDINGS	Seaford Station Platform Replacement	\$5.1	\$1.5	\$1.5		
L502042G	STATIONS	STATION AND BUILDINGS	Babylon Branch Stair Replacement	\$11.8	\$0.7		\$0.7	
L502042Q	STATIONS	STATION AND BUILDINGS	Cold Spring Harbor Overpass	\$1.4	\$1.4	\$0.4	\$1.0	
L502042W	STATIONS	STATION AND BUILDINGS	Fare Collection/TVMs	\$5.5	\$5.5			
Subtotal Stations				\$51.5	\$22.1	\$12.9	\$3.7	\$0.0
L50301E1	TRACK	ANNUAL TRACK REHAB PROGRAM	Track Equipment	\$17.3	\$2.0		\$2.0	
L50301T1	TRACK	ANNUAL TRACK REHAB PROGRAM	2005 Annual Track Rehabilitation	\$43.5	\$35.1		\$35.1	
Subtotal Track				\$60.8	\$37.1	\$0.0	\$37.1	\$0.0
L50401B4	LINE STRUCTURES	BRIDGES	Atlantic Avenue Viaduct	\$2.5	\$2.5	\$2.5		
L50401B8	LINE STRUCTURES	BRIDGES	Woodhaven & Queens Blvd Bridges	\$1.8	\$1.8	\$1.8		
L50401B9	LINE STRUCTURES	BRIDGES	DB Bridge	\$0.5	\$0.5	\$0.5		
Subtotal Bridges				\$4.8	\$4.8	\$4.8	\$0.0	\$0.0
L50501S7	COMMUNICATIONS AND SIGNALS	COMMUNICATIONS IMPROVEMENTS	Fiber Optic Network	\$64.6	\$10.3		\$10.3	
L50501S8	COMMUNICATIONS AND SIGNALS	COMMUNICATIONS IMPROVEMENTS	AVPS Expansion	\$29.0	\$7.7	\$1.2	\$6.5	
L50501S9	COMMUNICATIONS AND SIGNALS	COMMUNICATIONS IMPROVEMENTS	Communications Pole Line Replacement	\$6.8	\$0.6		\$0.6	
Subtotal Communications				\$100.4	\$18.5	\$1.2	\$17.4	\$0.0
L50502SG	COMMUNICATIONS AND SIGNALS	SIGNAL IMPROVEMENTS	Signal Normal Replacement Prog	\$5.6	\$5.7	\$2.0	\$3.6	
L50502SL	COMMUNICATIONS AND SIGNALS	SIGNAL IMPROVEMENTS	Jay, Hall & Duntion Interlockings	\$16.0	\$16.0	\$7.6	\$8.4	
L50502SV	COMMUNICATIONS AND SIGNALS	SIGNAL IMPROVEMENTS	Valley Stream Interlocking	\$12.9	\$12.7	\$8.7	\$4.0	
L50502SX	COMMUNICATIONS AND SIGNALS	SIGNAL IMPROVEMENTS	Babylon to Speonk Signalization	\$51.9	\$11.0	\$4.0	\$7.0	
Subtotal Signals				\$86.4	\$45.4	\$22.3	\$23.0	\$0.0
L506016L	SHOPS AND YARDS	SHOPS AND YARDS	HVAV Shop Construction	\$35.3	\$4.0	\$4.0		
L506016M	SHOPS AND YARDS	SHOPS AND YARDS	Babylon Yard Reconfiguration	\$5.1	\$1.8		\$1.8	
L506016Y	SHOPS AND YARDS	SHOPS AND YARDS	LCM Shop Design and Construction	\$4.3	\$4.3	\$4.3		
Subtotal Shops and Yards				\$44.7	\$10.1	\$8.3	\$1.8	\$0.0
L50701PG	POWER	POWER	Substation Reconstruction	\$32.2	\$0.9	\$0.6	\$0.3	
L50701PH	POWER	POWER	Substation Component Replacement	\$45.9	\$1.5		\$1.5	
L50701PJ	POWER	POWER	Third Rail System - Cable	\$4.6	\$2.0		\$2.0	
L50701PK	POWER	POWER	Third Rail System - Protection	\$11.8	\$2.1		\$2.1	
L50701PM	POWER	POWER	Third Rail System - Composite	\$21.0	\$4.0		\$4.0	
L50701PS	POWER	POWER	Signal Power Line Replacement	\$3.5	\$1.3	\$0.2	\$1.1	
L50701PT	POWER	POWER	Power Pole Line Replacement	\$2.3	\$0.6	\$0.0	\$0.6	
Subtotal Power				\$121.3	\$12.3	\$0.8	\$11.5	\$0.0
L509048A	MISCELLANEOUS	MISCELLANEOUS	Electric Substation Remediation	\$11.0	\$0.8	\$0.8		
L509048B	MISCELLANEOUS	MISCELLANEOUS	Yaphank Landfill Remediation	\$4.9	\$0.7	\$0.7		
L509048C	MISCELLANEOUS	MISCELLANEOUS	Long Island City Car Wash Remediation	\$0.9	\$0.6	\$0.6		
L509048D	MISCELLANEOUS	MISCELLANEOUS	Richmond Hill	\$0.5	\$0.5	\$0.5		
L509048H	MISCELLANEOUS	MISCELLANEOUS	Holban Yard	\$0.4	\$0.4	\$0.4		

Long Island Rail Road: 2005 Commitments
Summed by element
(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

				Funding for 2005 Commitments				
Project ID	Category Description	Element Description	Project Description	Total Project Value	2005 Commitments	MTA Funding	Federal Funding	Local Funding
L509048K	MISCELLANEOUS	MISCELLANEOUS	Morris Park Environmental Study	\$4.1	\$2.3	\$2.3		
L509048L	MISCELLANEOUS	MISCELLANEOUS	Program Administration/Indirect	\$117.4	\$21.5	\$21.5		
L509048M	MISCELLANEOUS	MISCELLANEOUS	Independent Engineer	\$4.0	\$0.6	\$0.6		
Subtotal Miscellaneous				\$139.2	\$26.8	\$26.8	\$0.0	\$0.0
Total 2005-2009 Plan				\$965.8	\$522.4	\$422.4	\$94.5	\$0.0
GRAND TOTAL All plans 2005 Commitments				\$ 1,858.26	\$ 598.16	\$ 464.71	\$ 127.94	\$0.0

Metro-North Railroad: 2005 Commitments
Summed by Element
(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

005-2009 MTA Board Approved Plan							Funding for 2005 Commitments			
Project ID	Category Description	Element Description	Project Description	Total Project Value	\$2,005.0 Commitments	MTA Funding	Federal Funding	Local Funding		
For All Projects included in Pre-2005-2009 Plans:										
A4010107	ROLLING STOCK	REVENUE EQUIPMENT	West of Hudson Comet Overhauls	\$15.1	\$14.8	\$14.8				
Subtotal Revenue Equipment				\$15.1	\$14.8	\$14.8	\$0.0	\$0.0		
M4020101	STATIONS	GRAND CENTRAL TERMINAL	GCT Leaks Remediation	\$3.5	\$1.2	\$1.2				
M4020107	STATIONS	GRAND CENTRAL TERMINAL	GCT Elevator Rehabilitation	\$5.8	\$2.8	\$1.6	\$1.2			
M4020109	STATIONS	GRAND CENTRAL TERMINAL	GCT Hazmat Storage Room Renovation	\$0.3	\$0.5	\$0.5				
Subtotal Grand Central Terminal				\$9.7	\$4.5	\$3.3	\$1.2	\$0.0		
M4020207	STATIONS	OUTLYING STATIONS	Lower Harlem Station Rehab	\$13.7	\$12.4	\$12.4				
M4020208	STATIONS	OUTLYING STATIONS	Hudson Line Overpass Improvements	\$43.2	\$0.4	\$0.4				
M4020211	STATIONS	OUTLYING STATIONS	Upper Harlem Station Rehabilitation - Phase II	\$10.2	\$5.5	\$5.5				
M4020214	STATIONS	OUTLYING STATIONS	West of Hudson Station Rehabilitation	\$6.0	\$4.7	\$4.7				
M4020217	STATIONS	OUTLYING STATIONS	Upper Hudson Stations Improvements	\$8.0	\$6.3	\$6.3				
M4020219	STATIONS	OUTLYING STATIONS	Directional/Informational Station Signage	\$1.6	\$0.1	\$0.1				
Subtotal Outlying Stations				\$82.7	\$29.3	\$29.3	\$0.0	\$0.0		
M4020304	STATIONS	PARKING	Parking Expansion	\$3.8	\$0.5	\$0.5				
M4020308	STATIONS	PARKING	Pearl River Parking Expansion (Site II)	\$2.8	\$1.9	\$1.9				
M4020312	STATIONS	PARKING	Salisbury Mills/Otisville Parking Improvements	\$5.0	\$3.8	\$3.8				
M4020314	STATIONS	PARKING	Brewster Parking Expansion	\$2.8	\$2.2	\$2.2				
M4020316	STATIONS	PARKING	Irvington Station Parking Improvements	\$3.9	\$0.3	\$0.3				
Subtotal Parking				\$18.3	\$8.7	\$8.7	\$0.0	\$0.0		
M4030103	TRACK AND STRUCTURES	TRACK	Turnouts - Mainline/High Speed Rehabilitation	\$48.7	\$6.0	\$5.4	\$0.6			
M4030104	TRACK AND STRUCTURES	TRACK	Turnouts - Yards/Sidings Rehabilitation	\$4.3	\$1.2	\$1.0	\$0.2			
M4030111	TRACK AND STRUCTURES	TRACK	Port Jervis Line Track Rehabilitation	\$13.8	\$0.6	\$0.6				
Subtotal Track				\$66.8	\$7.7	\$6.9	\$0.8	\$0.0		
M4030203	TRACK AND STRUCTURES	STRUCTURES	Purchase MofW Equipment	\$7.6	\$0.1	\$0.1				
M4030205	TRACK AND STRUCTURES	STRUCTURES	Rehab/Replace Overhead Bridges	\$2.3	\$0.7	\$0.7				
M4030208	TRACK AND STRUCTURES	STRUCTURES	Replace Bridge Timbers	\$2.9	\$0.1	\$0.1				
Subtotal Structures				\$12.8	\$0.9	\$0.9	\$0.0	\$0.0		
M4050106	POWER	POWER	Replace Switchgear - 59th Street and 72nd Street	\$11.9	\$10.0		\$10.0			
Subtotal Power				\$11.9	\$10.0	\$0.0	\$10.0	\$0.0		
M4060101	SHOPS AND YARDS	SHOPS AND YARDS	Harmon Shop/Yard Rehabilitation	\$106.3	\$2.6	\$2.6				
M4060106	SHOPS AND YARDS	SHOPS AND YARDS	Port Jervis Yard Inspection Track	\$1.5	\$1.4	\$1.4				
Subtotal Shops and Yards				\$107.8	\$4.0	\$4.0	\$0.0	\$0.0		
M4080111	MISCELLANEOUS	MISCELLANEOUS	Miscellaneous Studies	\$6.3	\$1.3	\$1.3				
Subtotal Miscellaneous				\$6.3	\$1.3	\$1.3	\$0.0	\$0.0		
Total pre-2005-2009				\$331.3	\$81.1	\$69.2	\$12.0	\$0.0		

For Projects Included in the 2005-2009 Plan:

M5010101	ROLLING STOCK	REVENUE EQUIPMENT	Specification/Purchase Diesel Locomotives for non-GCT service	\$8.5	\$0.2	\$0.2		
M5010102	ROLLING STOCK	REVENUE EQUIPMENT	M-2 Critical Systems - 241 Cars	\$18.6	\$18.6	\$16.6	\$2.0	
M5010106	ROLLING STOCK	REVENUE EQUIPMENT	M-7 Purchase - 36 Cars	\$68.9	\$68.9	\$0.0		
M5010107	ROLLING STOCK	REVENUE EQUIPMENT	M-8 NHL Purchase - 100 Cars Metro-North Share	\$100.0	\$1.0	\$0.0		
Subtotal Revenue Equipment				\$196.0	\$88.7	\$16.8	\$2.0	\$0.0
M5020101	STATIONS	GRAND CENTRAL TERMINAL	GCT Trainshed Structural Repairs	\$16.8	\$0.8			
M5020103	STATIONS	GRAND CENTRAL TERMINAL	GCT Exterior Rehabilitation - East Fascade	\$5.2	\$5.1			
M5020105	STATIONS	GRAND CENTRAL TERMINAL	GCT Elevator Rehabilitation Phase III	\$4.3	\$0.4			
Subtotal Grand Central Terminal				\$26.3	\$6.2			

Metro-North Railroad: 2005 Commitments
Summed by Element
(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

Project ID	Category Description	Element Description	Project Description	Funding for 2005 Commitments				
				Total Project Value	\$2,005.0 Commitments	MTA Funding	Federal Funding	Local Funding
M5020201	STATIONS	OUTLYING STATIONS	Hudson Line Stations Improvements	\$94.1	\$2.1	\$1.1	\$1.0	
M5020202	STATIONS	OUTLYING STATIONS	Upper Hudson Line Stations Improvements	\$5.3	\$0.3	\$0.3		
M5020203	STATIONS	OUTLYING STATIONS	Poughkeepsie Station Building	\$2.9	\$0.5	\$0.5		
M5020208	STATIONS	OUTLYING STATIONS	Ticket Selling Machines	\$3.3	\$3.2	\$3.2		
Subtotal Outlying Stations				\$105.6	\$6.0	\$5.0	\$1.0	\$0.0
M5030101	TRACK AND STRUCTURES	TRACK	2005 Cyclical Track Program	\$11.9	\$11.9		\$11.9	
M5030102	TRACK AND STRUCTURES	TRACK	Turnouts Mainline/High Speed	\$44.6	\$17.7	\$5.9	\$11.9	
M5030103	TRACK AND STRUCTURES	TRACK	GCT Turnout and Switch Renewal	\$10.0	\$3.9	\$0.4	\$3.5	
M5030104	TRACK AND STRUCTURES	TRACK	Turnouts Yards	\$5.4	\$4.6	\$2.1	\$2.5	
Subtotal Track				\$71.9	\$38.1	\$8.3	\$29.8	\$0.0
M5030201	TRACK AND STRUCTURES	STRUCTURES	Replace/Repair Undergrade Bridge Program	\$30.1	\$4.0		\$4.0	
M5030202	TRACK AND STRUCTURES	STRUCTURES	Rehabilitate Culverts/Railtop Culverts	\$3.3	\$0.6	\$0.6		
M5030203	TRACK AND STRUCTURES	STRUCTURES	D.C. Substation/Signal House	\$2.2	\$0.5	\$0.5		
M5030204	TRACK AND STRUCTURES	STRUCTURES	Park Avenue Utility Bays Surveys	\$0.9	\$0.2	\$0.2		
M5030205	TRACK AND STRUCTURES	STRUCTURES	Replace Timbers Undergrade Bridges	\$2.8	\$0.8	\$0.8		
M5030209	TRACK AND STRUCTURES	STRUCTURES	Remove Obsolete Facilities	\$4.4	\$1.1	\$1.1		
M5030212	TRACK AND STRUCTURES	STRUCTURES	Clearance Inventory and Video	\$1.1	\$0.1	\$0.1		
M5030213	TRACK AND STRUCTURES	STRUCTURES	Bridge Walkways	\$2.1	\$1.1	\$1.1		
Subtotal Structures				\$46.9	\$8.3	\$4.4	\$4.0	\$0.0
M5030301	TRACK AND STRUCTURES	WEST OF HUDSON INFRASTRUCTURE	West of Hudson Track Program	\$36.7	\$9.2		\$9.2	
M5030302	TRACK AND STRUCTURES	WEST OF HUDSON INFRASTRUCTURE	West of Hudson Improvements	\$2.5	\$0.5	\$0.5		
M5030305	TRACK AND STRUCTURES	WEST OF HUDSON INFRASTRUCTURE	Undergrade Bridge Program West of Hudson	\$6.5	\$1.0	\$1.0		
Subtotal W o H Infrastructure				\$45.7	\$10.7	\$1.5	\$9.2	\$0.0
M5040105	COMMUNICATIONS & SIGNAL	COMMUNICATIONS & SIGNALS	Replace CTC Systems (OCC/ECC)	\$27.1	\$5.8	\$5.8		
M5040107	COMMUNICATIONS & SIGNAL	COMMUNICATIONS & SIGNALS	Signal System Replacement	\$28.0	\$0.3	\$0.3		
M5040110	COMMUNICATIONS & SIGNAL	COMMUNICATIONS & SIGNALS	Upgrade Grade Crossings	\$1.0	\$0.2	\$0.2		
M5040111	COMMUNICATIONS & SIGNAL	COMMUNICATIONS & SIGNALS	C&S Cable Replacement GCT to Mott Haven	\$4.2	\$0.6	\$0.6		
M5040113	COMMUNICATIONS & SIGNAL	COMMUNICATIONS & SIGNALS	Refurbish/Replace Electric Switch Machines	\$1.0	\$1.0	\$1.0		
M5040114	COMMUNICATIONS & SIGNAL	COMMUNICATIONS & SIGNALS	Replace High Cycle Rate Relays	\$0.8	\$0.8	\$0.8		
M5040115	COMMUNICATIONS & SIGNAL	COMMUNICATIONS & SIGNALS	Replace Track Relays	\$2.6	\$2.5		\$2.5	
M5040116	COMMUNICATIONS & SIGNAL	COMMUNICATIONS & SIGNALS	Replace Interlocking/Siding -West of Hudson	\$2.1	\$0.5	\$0.5		
Subtotal C & S				\$66.8	\$11.5	\$9.0	\$2.5	\$0.0
M5050102	POWER	POWER	Substation Retrofit - Harlem and Hudson Lines	\$13.1	\$11.9		\$11.9	
M5050103	POWER	POWER	Replace Harlem River Lift Bridge Breaker Houses	\$6.3	\$0.1	\$0.1		
M5050104	POWER	POWER	Aluminum 3rd Rail and E-Rail GCT Lower Level	\$2.1	\$2.1		\$2.1	
M5050105	POWER	POWER	Replace Substation Batteries	\$1.0	\$0.5	\$0.5		
M5050106	POWER	POWER	Replace Motor Alternators	\$6.0	\$0.4	\$0.4		
M5050107	POWER	POWER	Install High Speed DC Circuit Breaker Relay Protection	\$2.1	\$1.9	\$0.1	\$1.8	
M5050108	POWER	POWER	Harlem and Hudson Lines Power Improvements	\$44.2	\$0.1	\$0.1		
M5050109	POWER	POWER	Rehab Harlem and Hudson Lines Substations	\$10.9	\$0.3	\$0.3		
M5050110	POWER	POWER	Install Sectionalizing Switches GCT	\$4.2	\$0.2		\$0.2	
Subtotal Power				\$89.9	\$17.4	\$1.4	\$16.0	\$0.0
M5060103	SHOPS AND YARDS	SHOPS AND YARDS	Harmon Shop Replacement (Master Plan)	\$243.0	\$4.4		\$4.4	
Subtotal Shops and Yards				\$243.0	\$4.4	\$0.0	\$4.4	\$0.0
M5080102	MISCELLANEOUS	MISCELLANEOUS	Systemwide Lead/Asbestos Abatement	\$5.5	\$1.1	\$1.1		
M5080103	MISCELLANEOUS	MISCELLANEOUS	Environmental Remediation	\$2.2	\$0.5	\$0.5		
M5080104	MISCELLANEOUS	MISCELLANEOUS	Railroad Protective Liability	\$3.3	\$0.0	\$0.0		
M5080105	MISCELLANEOUS	MISCELLANEOUS	Independent Engineer	\$3.5	\$0.4	\$0.4		
M5080106	MISCELLANEOUS	MISCELLANEOUS	Program Administration	\$39.7	\$7.9	\$7.9		
M5080107	MISCELLANEOUS	MISCELLANEOUS	Program Scope Development	\$11.6	\$9.6	\$9.6		
M5080108	MISCELLANEOUS	MISCELLANEOUS	OCIP	\$13.1	\$13.1	\$13.1		
Subtotal Miscellaneous				\$78.9	\$32.6	\$32.6	\$0.0	\$0.0
Total 2005-2009				\$971.0	\$224.1	\$79.1	\$68.8	\$0.0
GRAND TOTAL All plans 2005 Commitments				\$1,302.3	\$305.2	\$148.3	\$80.7	\$0.0

Capital Construction Company: 2005 Commitments
Summed by Element
(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

2005-2009 MTA Board Approved Plan				Funding for 2005 Commitments				
Project ID	Category Description	Element Description	Project Description	Total Project Value	2005 Commitments	MTA Funding	Federal Funding	Local Funding
For All Projects included in Pre-2005-2009 Plans:								
G4090101	East Side Access	East Side Access	Program Management	\$78.6	\$12.0		\$12.0	
G4090103	East Side Access	East Side Access	Project Management	\$39.4	\$10.0		\$10.0	
G4090109	East Side Access	East Side Access	Real Estate	\$30.7	\$29.7	\$29.7		
G4090111	East Side Access	East Side Access	Owner Controlled Ins.Program	\$116.1	\$38.0	\$38.0		
G4090119	East Side Access	East Side Access	MH Tunnel Excavation	\$407.7	\$406.8	\$406.8		
G4090120	East Side Access	East Side Access	Queens Open Cut Excavation	\$102.1	\$102.1	\$102.1		
G4090125	East Side Access	East Side Access	Wood Interlocking	\$20.1	\$20.1	\$20.1		
G4090127	East Side Access	East Side Access	GCT Concourse Excavation	\$76.1	\$76.1	\$76.1		
G4090141	East Side Access	East Side Access	MH Approach Tunnel Excavation	\$11.9	\$0.0	\$0.0		
G4090142	East Side Access	East Side Access	Harold Construction	\$57.8	\$57.8	\$57.8		
G4090143	East Side Access	East Side Access	245 Park Avenue	\$5.8	\$5.8	\$5.8		
Subtotal ESA				\$946.3	\$758.4	\$736.4	\$22.0	\$0.0
G4100102	Full Length Second Ave Subway	Full Length Second Ave Subway	SAS Final Design	\$144.9	\$140.0	\$140.0		
G4100106	Full Length Second Ave Subway	Full Length Second Ave Subway	SAS Tunnels 92 St-62 St	\$423.8	\$423.8	\$423.8		
G4100107	Full Length Second Ave Subway	Full Length Second Ave Subway	SAS Real Estate	\$150.0	\$50.0	\$50.0		
G4100108	Full Length Second Ave Subway	Full Length Second Ave Subway	SAS Owner Controlled Insurance	\$25.0	\$28.1	\$28.1		
Subtotal SAS				\$743.7	\$641.9	\$641.9	\$0.0	\$0.0
G4120101	Downtown Projects	Fulton Street Transit Center	FSTC - Final Design	\$519.8	\$25.9		\$25.9	
G4120102	Downtown Projects	Fulton Street Transit Center	FSTC-Dey St Conc Struct Box	\$154.7	\$152.5		\$152.5	
Subtotal Fulton Street Transit Center				\$674.5	\$178.4	\$0.0	\$178.4	\$0.0
G4120201	Downtown Projects	South Ferry Terminal	South Ferry Terminal Structure	\$293.4	\$272.4		\$272.4	
G4120202	Downtown Projects	South Ferry Terminal	South Ferry Terminal Finishes	\$112.1	\$101.8		\$101.8	
Subtotal South Ferry Terminal				\$405.5	\$374.2	\$0.0	\$374.2	\$0.0
ET060102	World Trade Center Recovery	Line Equipment	2 Fans: South Ferry/Battery Pl: Structure	\$25.3	\$25.3	\$25.3		
ET060102	World Trade Center Recovery	Line Equipment	2 Fans: South Ferry/Battery Pl: Equipment	\$9.8	\$9.8	\$9.8		
Subtotal WTC				\$35.0	\$35.0	\$35.0	\$0.0	\$0.0
Total pre 2005-2009				\$2,805.0	\$1,987.8	\$1,413.3	\$574.6	\$0.0
For Projects Included in the 2005-2009 Plan:								
G5110102	Flushing Line Extension	Flushing Line Extension	#7 Line Extension to Javits Area	\$80.0	\$45.0			\$45.0
Subtotal #7 Line Extension				\$80.0	\$45.0	\$0.0	\$0.0	\$45.0
G5160101	MISCELLANEOUS	MTA CC Administration	MTA CCC Administration	\$75.0	\$9.5	\$9.5		
Subtotal MTA CC Administration				\$75.0	\$9.5	\$9.5	\$0.0	\$0.0
Total 2005-2009 Plan				\$155.0	\$54.5	\$9.5	\$0.0	\$45.0
GRAND TOTAL All plans 2005 Commitments				\$2,960.0	\$2,042.3	\$1,422.8	\$574.6	\$45.0

MTA Police Department: 2005 Commitments**Summed by Element**

(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

				Funding for 2005 Commitments				
ACE	Category Description	Element Description	Project Description	Total Project Value	\$2,005.0 Commitments	MTA Funding	Federal Funding	Local Funding
For Projects Included in the 2005-2009 Plan:								
N5100102/3	MTA POLICE DEPARTMENT	MTA PD PROJECTS	Nassau County District Office Purchase/Fit out	\$1.3	\$1.3	\$1.3		
Subtotal MTA PD Projects				\$1.3	\$1.3	\$1.3	\$0.0	\$0.0
Total 2005-2009				\$1.3	\$1.3	\$1.3	\$0.0	\$0.0

Bridges and Tunnels: 2005 Commitments
Summed by Element
(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

2005-2009 MTA Board Approved Plan				Funding for 2005 Commitments				
Project ID	Category Description	Element Description	Project Description	Total Project Value	2005 Commitments	MTA Funding	Federal Funding	Local Funding
For All Projects included in Pre-2005-2009 Plans:								
D402BW82	ROADWAYS & DECKS	BRONX WHITESTONE BRIDGE	Susp Span/Deck Replacement	\$186.5	\$0.7	\$0.7		
Subtotal Bronx Whitestone Bridge				\$186.5	\$0.7	\$0.7		
D402TB64	ROADWAYS & DECKS	TRIBOROUGH BRIDGE	Replacement of Deck, Viaducts, Susp. Span & Suspender Rop	\$202.3	\$11.1	\$11.1		
Subtotal Triborough Bridge				\$202.3	\$11.1	\$11.1		
D403AW39	TOLL PLAZAS	AGENCY-WIDE	Expansion of TRANSMIT System	\$5.1	\$2.6	\$2.6		
D403AW41	TOLL PLAZAS	AGENCY-WIDE	Toll Registry Systems Replacem	\$7.5	\$2.5	\$2.5		
Subtotal Toll Plazas Agency-wide				\$12.6	\$5.1	\$5.1		
D404AW32	UTILITIES	AGENCY-WIDE	Rotating Prism signs at Toll Plaza	\$8.3	\$4.8	\$4.8		
D405AW42	BUILDINGS & SITES	AGENCY-WIDE	Consolidated Revenue Facility	\$12.9	\$0.0	\$0.0		
Subtotal Agency-Wide				\$21.2	\$4.8	\$4.8		
D405MP08	BUILDINGS & SITES	MARINE PARKWAY BRIDGES	New Service Building (Modular)	\$8.9	\$4.0	\$4.0		
Subtotal Marine Parkway Bridges				\$8.9	\$4.0	\$4.0		
D405TB57	BUILDINGS & SITES	TRIBOROUGH BRIDGE	Tenant Relocation/New Building to House DPR	\$10.0	\$10.0	\$10.0		
Subtotal Triborough Bridge				\$10.0	\$10.0	\$10.0		
D405VN38	BUILDINGS & SITES	VERRAZANO-NARROWS BRIDGE	Rehab of Building Roofs at VN	\$2.0	\$1.2	\$1.2		
Subtotal Verrazano-Narrows Bridge				\$2.0	\$1.2	\$1.2		
Total pre-2005-2009				\$443.5	\$37.0	\$37.0	N/A	N/A

For Projects Included in the 2005-2009 Plan:

D501QM82	STRUCTURES	QUEENS MIDTOWN TUNNEL	Queens Midtown Tunnel Rehab 2nd Avenue Overpass	\$6.0	\$4.7	\$4.7		
D505QM01	BUILDINGS AND SITES	QUEENS MIDTOWN TUNNEL	QSB and FE Buildings Rehabilitation and Upgrade	\$7.1	\$1.1	\$1.1		
			Subtotal Queens Midtown Tunnel	\$13.1	\$5.8	\$5.8		
D501BW84	STRUCTURES	BRONX WHITESTONE BRIDGE	Bronx Whitestone Cable and Anchorage	\$11.8	\$6.4	\$6.4		
			Subtotal Bronx Whitestone Bridge	\$11.8	\$6.4	\$6.4		
D501TN85	STRUCTURES	THROGS NECK	Throgs Neck Suspended Span Cable Rewrapping	\$8.7	\$0.5	\$0.5		
D501TN87	STRUCTURES	THROGS NECK	Throgs Neck Anchorage and Tower Protection	\$11.8	\$0.4	\$0.4		
D502TN50	ROADWAYS & DECKS	THROGS NECK	Throgs Neck Replace Queens Approach Concrete Deck	\$17.7	\$2.1	\$2.1		
D502TN82	ROADWAYS & DECKS	THROGS NECK	Throgs Neck Rehab of Orthotropic Deck	\$69.3	\$1.0	\$1.0		
D504TN51	ROADWAYS & DECKS	THROGS NECK	Throgs Neck Rehab of Lighting System and Facility Power Upg	\$2.6	\$0.6	\$0.6		
			Subtotal Throgs Neck	\$110.1	\$4.7	\$4.7		

Bridges and Tunnels: 2005 Commitments
Summed by Element
(\$ in Millions)

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

Project ID	Category Description	Element Description	Project Description	Total Project Value	2005 Commitments	Funding for 2005 Commitments		
						MTA Funding	Federal Funding	Local Funding
D502HH04	ROADWAYS & DECKS	HENRY HUDSON BRIDGE	Henry Hudson Replace Cross Drainage	\$3.5	\$0.7	\$0.7		
D502HH80	ROADWAYS & DECKS	HENRY HUDSON BRIDGE	Henry Hudson Replace Lower Level Deck	\$50.9	\$5.4	\$5.4		
D503HH85	TOLL PLAZAS & TRAFFIC MGMT	HENRY HUDSON BRIDGE	Henry Hudson Upper Level Toll Plaza Deck	\$20.9	\$2.9	\$2.9		
Subtotal Henry Hudson				\$75.2	\$8.9	\$8.9		
D502VN80	ROADWAYS & DECKS	VERRAZANO-NARROWS BRIDGE	Verrazano Narrows Rehab Decks on Suspended Spans	\$66.3	\$9.5	\$9.5		
Subtotal Verrazano-Narrows Bridge				\$66.3	\$9.5	\$9.5		
D504AW82	UTILITIES	AGENCY-WIDE	Installation of Alternate Fuel Storage Tanks	\$1.9	\$1.1	\$1.1		
D505AW12	BUILDINGS AND SITES	AGENCY-WIDE	Agency Wide Haz Mat Abatement	\$4.3	\$2.1	\$2.1		
Subtotal Agency-Wide				\$6.2	\$3.2	\$3.2		
D504BB15	UTILITIES	BROOKLYN BATTERY TUNNEL	Brooklyn Battery Tunnel Expand and Upgrade Control System	\$5.2	\$0.6	\$0.6		
Subtotal Brooklyn Battery Tunnel				\$5.2	\$0.6	\$0.6		
D501TB66	STRUCTURES	TRIBOROUGH BRIDGE	Triborough Bridge Anchorage Rehab & Installation of Dehumid	\$11.3	\$0.4	\$0.4		
D502TB64	ROADWAYS AND DECKS	TRIBOROUGH BRIDGE	Triborough Bridge Replace Decks at RI	\$276.4	\$267.4	\$267.4		
D505TB59	BUILDINGS AND SITES	TRIBOROUGH BRIDGE	Triborough Bridge Rehab of Bldg 104	\$21.3	\$2.3	\$2.3		
Subtotal Triborough Bridge				\$309.0	\$270.2	\$270.2		
D506AW15	MISCELLANEOUS	AGENCY-WIDE	Independent Engineer	\$2.1	\$0.3	\$0.3		
D506AW18	MISCELLANEOUS	AGENCY-WIDE	Protective Liability Insurance	\$2.7	\$1.1	\$1.1		
D506AW21	MISCELLANEOUS	AGENCY-WIDE	Program Administration	\$6.8	\$1.7	\$1.7		
D506AW22	MISCELLANEOUS	AGENCY-WIDE	Miscellaneous	\$2.1	\$0.3	\$0.3		
D506AW28	MISCELLANEOUS	AGENCY-WIDE	Scope Development	\$3.2	\$1.7	\$1.7		
Subtotal Miscellaneous Agency-Wide				\$16.9	\$5.2	\$5.2		
Total 2005-2009 Plan				\$613.7	\$314.5	\$314.5	N/A	N/A
GRAND TOTAL All plans 2005 Commitments				\$1,057.3	\$351.5	\$351.5	N/A	N/A

New York City Transit and SIRT OA
2005 - 2009 Project Completions

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

Project ID	Description	Complete 06-09	Project Allocation
ET070101	1/9 Line Reconstruction (Wrap-up)	31-Jan-06	\$0.7
ET060102	2 Fans:South Ferry/Battery-BW7	31-Dec-07	\$26.3
T41607ED	Empl Fac Rockeflr Ctr 6AV DES	01-Jan-06	\$0.0
T41605MT	Material Inspection/Testing	01-Jan-06	\$10.7
T40101A2	Purchase 320 A Div Cars	01-Jan-06	\$490.2
T31302RG	Purch Rail Grinder	01-Jan-06	\$10.1
T41606A7	Asbestos Abate IQ Cnslt 2002	07-Jan-06	\$5.0
T31604CP	Integrate Capital Sys:Phs 1	15-Jan-06	\$14.6
T40602T3	Tun Ltg Carroll-Jay St 6AV	27-Jan-06	\$7.2
T40602T1	Tun Ltg Chrystie St Cut	27-Jan-06	\$3.6
T41606F6	Fire Sprinklers:Linden Shop	31-Jan-06	\$1.9
T41606A5	Asbestos Abate Priority V	31-Jan-06	\$9.1
T41605B3	Boring Services: M/Bx 2003	31-Jan-06	\$1.2
T41109CY	Canarsie Yard Signal Mod.	31-Jan-06	\$48.7
T41006LT	Rehab Linden Track Shop	31-Jan-06	\$9.2
T4100699	Rehab 99 St Ele/Lighting Shop	31-Jan-06	\$2.8
T30803CO	CBTC: Canarsie Phase 3B	31-Jan-06	\$6.0
T30803CN	CBTC: Canarsie (8Av-RkPky)	31-Jan-06	\$259.1
T40101CS	Cab Simulator for R160 cars	27-Feb-06	\$2.0
T40409PW	PA/CIS Wrap-Up	28-Feb-06	\$3.6
T414042R	D.O. #23 Rockaway Park	01-Mar-06	\$14.2
T5080609	Platform Edge CCTV 9 Stns XTN	31-Mar-06	\$5.1
T41605E1	MTA Independent Engineer: 2002	31-Mar-06	\$11.2
T40806A1	Antenna Cable Replacement	31-Mar-06	\$9.0
T406036A	Fans 6AV 3 locs	31-Mar-06	\$42.1
T40411W3	Water Condition Remedy 2004	09-Apr-06	\$3.4
T40703L1	Strip-Repaint AST	10-Apr-06	\$37.4
T41605CA	Concrete Batch Plnt Inspection	13-Apr-06	\$0.8
T40806RB	Comm Rms: 98 Stns - IND/BMT	27-Apr-06	\$50.2
T31403RB	Police Radio Comm Sys Exp/Upgr	30-Apr-06	\$139.6
T40902X8	Substn Mod 239th St	23-May-06	\$26.1
T41607PB	Emp Fac Pelham Bay Pkwy PEL	30-May-06	\$7.9
T5041414	Customer Communication Systems	31-May-06	\$2.0
T40603EX	Elizabeth St/Bowery 6AV	31-May-06	\$35.3
T40413A5	ADA 168th St 8AV	23-Jun-06	\$11.4
T404114M	Rehab Kingsbridge Rd JER	24-Jun-06	\$12.8
T404114L	Rehab Bedford Park Blvd JER	24-Jun-06	\$11.8
T404113H	Rehab Burnside Ave JER	24-Jun-06	\$13.1
T404113B	Rehab 183rd St JER	24-Jun-06	\$13.3
T40602T2	Tun Ltg 53rd St Tube QBL	27-Jun-06	\$12.6
T40803C2	Sys-wide Signal Ctrl Mods Ph2	30-Jun-06	\$25.1
T40703WE	Overcoat West End Line	30-Jun-06	\$7.4
T40703NL	Ovrcoat Sutter Av-New Lots NLT	30-Jun-06	\$10.4
T40413T2	ADA Times Square: Ph 2	30-Jun-06	\$9.8
T40411T2	Rehab Times Sq Complex Ph2	30-Jun-06	\$117.4
T40903S1	Rehab Harlem Substn 8AV	07-Jul-06	\$24.2

Project ID	Description	Complete 06-09	Project Allocation
T40413A6	ADA 231st St BW7	25-Jul-06	\$13.7
T40411A6	Rehab 231st St BW7	25-Jul-06	\$5.2
T41004A1	Recon: Corona Maint Shop	30-Jul-06	\$207.6
T41605B4	Boring Services: Bx/Q/SI 2003	31-Jul-06	\$1.0
T41204HU	Bus Locator System	23-Aug-06	\$9.6
T30806BS	Upgrade RTO Base Stations	31-Aug-06	\$14.5
T40806P2	PA/CIS: 156 Stations IRT	18-Sep-06	\$156.0
T41606U3	UST Connect: Mnville Depot	28-Oct-06	\$2.7
T41302P2	Purchase Tk Gm/Rail Ins Car	01-Nov-06	\$10.0
T41605C1	Concrete Cylinder Testing	23-Nov-06	\$0.7
T41606A1	Asbestos Dispos IQ Cnslt 2003	24-Nov-06	\$0.4
T41203BC	Grand Avenue Depot/CMF	30-Nov-06	\$261.7
T40806D2	Data Ntwk: IND/BMT-ATM	30-Nov-06	\$93.7
T40413AA	ADA Junction Blvd FLS	04-Dec-06	\$18.7
T41607LR	System Support Equip/Cabling	30-Dec-06	\$13.3
T41604I3	ISD: Systems (2002)	30-Dec-06	\$8.3
T404112R	Rehab Rockaway Park RKY	30-Dec-06	\$5.6
T5070301	Rehab 50 Emergency Exits 05-06	31-Dec-06	\$5.6
T41606EA	Environmental Analysis	31-Dec-06	\$8.7
T41602CR	Capital Revolving Fund	31-Dec-06	\$25.0
T41302O2	Convert 40 Rider, De-Icer Cars	31-Dec-06	\$4.4
T41203P1	Parking Expansion 4 Depots	31-Dec-06	\$14.6
T40302P1	Retrofit Particulate Filters	31-Dec-06	\$22.5
T40302A0	55 Articulated Buses	31-Dec-06	\$27.4
T40603EY	Fan: Stanton / Chrystie 6AV	31-Jan-07	\$25.4
T5060202	Tun Ltg Bowling Gr-Bkln Br LEX	14-Feb-07	\$19.3
T5060201	Tun Ltg Boro Hall-Chambers CLK	28-Mar-07	\$30.5
T404114N	Rehab Mosholu Pky JER	31-Mar-07	\$13.8
T40404M4	Replace AFC Electronics	31-Mar-07	\$10.3
T40903S3	Rehab Cliff St Substn 8AV	23-Apr-07	\$34.3
T40703E2	JAM EParkway-Cypress Hills	23-Apr-07	\$23.2
T404113P	Rehab Crescent St JAM	23-Apr-07	\$8.4
T404113O	Rehab Norwood Ave JAM	23-Apr-07	\$8.4
T404113N	Rehab Cleveland St JAM	23-Apr-07	\$8.4
T404113M	Rehab Van Siclen Ave JAM	23-Apr-07	\$8.5
T404113L	Rehab Alabama Ave JAM	23-Apr-07	\$8.9
T5041304	ADA 135th St LNX	30-Apr-07	\$14.7
T408039C	Concourse Fixed Block Signals	30-Apr-07	\$224.1
T40703WR	WPR Bronx Pk East-241 St	30-Apr-07	\$77.6
T40703LW	Strip-Repnt Bx Pk E-241 WPR	30-Apr-07	\$14.6
T404139B	ADA Pelham Pkwy WPR	30-Apr-07	\$4.2
T404132F	ADA 233rd St WPR	30-Apr-07	\$4.5
T404119B	Rehab Pelham Pky WPR	30-Apr-07	\$17.6
T404112O	Rehab 241st St WPR	30-Apr-07	\$20.4
T404112K	Rehab: Bronx Park East WPR	30-Apr-07	\$14.5
T404112J	Rehab: Allerton Ave WPR	30-Apr-07	\$14.5
T404112I	Rehab: Burke Ave WPR	30-Apr-07	\$13.1
T404112H	Rehab: 219th St WPR	30-Apr-07	\$14.8
T404112G	Rehab: 225th St WPR	30-Apr-07	\$13.2
T404112F	Rehab: 233rd St WPR	30-Apr-07	\$13.8
T404112E	Rehab: 238th St WPR	30-Apr-07	\$15.9

Project ID	Description	Complete 06-09	Project Allocation
T404112C	Rehab: Gun Hill Rd WPR	30-Apr-07	\$27.1
T40407E2	Repl 12 Esc Herald Square	22-May-07	\$38.9
T304027O	Rpr: Neck Rd-Brighton	31-May-07	\$0.5
T304027M	Rpr: Avenue M-Brighton	31-May-07	\$0.3
T41302O5	Overhaul 9 Hose and Reach Cars	30-Jun-07	\$1.5
T40803Z2	Signal Key-By Circuit Mods	30-Jun-07	\$29.6
T4041114	Rehab:E 105th St CNR	30-Jun-07	\$9.7
T4041113	Rehab:Livonia Av CNR	30-Jun-07	\$13.8
T4041112	Rehab:Sutter Av CNR	30-Jun-07	\$12.6
T4041111	Rehab:New Lots Av CNR	30-Jun-07	\$10.6
T41606A8	Asbestos Mon IQ Cnslt 2003	14-Jul-07	\$4.0
T41302P3	Purchase 12 Crane Cars	31-Jul-07	\$11.8
T416073A	Empl Fac Myrtle Ave CNR	03-Sep-07	\$8.1
T404133A	ADA Myrtle-Wyckoff Complex	03-Sep-07	\$17.8
T404113I	Rehab Wyckoff Ave MRT	03-Sep-07	\$9.8
T404113A	Rehab Myrtle Ave CNR	03-Sep-07	\$37.2
T4041115	Columbus Circle Cmplx Ph1 Fac	30-Sep-07	\$14.8
T40902SE	Substation Enclosures	30-Oct-07	\$19.4
S4070106	Rehab 4 Substation Enclosures	30-Nov-07	\$3.0
T41606U1	UST Groundwater Remediation	30-Dec-07	\$8.4
T40302S2	120 CNG Buses 2004	31-Dec-07	\$42.3
T4120401	Paratransit AVL M	28-Mar-08	\$17.3
T5160202	Capital Revolving Fund	31-Mar-08	\$5.0
T40603F1	Fans Rockwell Pl FUL	30-Apr-08	\$60.4
T40411PB	Rehab Pelham Bay Pkwy PEL DES	30-May-08	\$0.2
T40101B2	Purchase 660 B Div Cars	31-May-08	\$1,140.2
T406036B	Fans 6AV 4 locs	08-Jun-08	\$79.3
T40806T1	Systemwide App Migration Ph 1	30-Jun-08	\$35.2
T40803F2	Flushing Interlocking Ph 2	13-Jul-08	\$158.9
T41605T1	Test Pits Contracts	15-Jul-08	\$4.8
T5090204	Modernize Greenwich Substation	31-Jul-08	\$28.6
T41204BC	Manhattanville CNG Mods	30-Sep-08	\$48.8
T41602IO	Owner Controlled Insurance	01-Oct-08	\$124.0
T41302O6	Locomotive Modernization Pilot	01-Nov-08	\$2.1
T413043A	Vehicle Replc 2004	31-Dec-08	\$5.6
T41302P4	Purchase 9 Locomotives	15-May-09	\$32.1
T41302O4	Purch 54 CWR Handler/Flatcars	01-Jul-09	\$14.7
T304077F	Repl 2 Elev-2 Locs-DES	30-Nov-09	\$0.2
T40302E1	100 OTR Express Buses 2002 (Supension Mod)	31-Dec-09	\$5.1
T31503QP	63 St Con:Property Acq	31-Dec-09	\$18.3

Long Island Rail Road
2005 - 2009 Project Completions

Includes Projects in Pre- 2005-2009 Plans and Projects in the
 2005-2009 MTA Board Approved Plan

Project ID	Description	Complete 06-09	Project Allocation
L08A03W2	3rd Track at Mineola	Oct-06	41.9
L302059E	Valley Stream Parking	Apr-07	2.3
L4020424	Atlantic Terminal	Dec-06	80.9
L5020423	Atlantic Terminal	Dec-06	11.0
L4020429	Jamaica Station	Dec-06	226.8
L4020433	Rosedale Station	Jun-07	3.9
L4020480	Jamaica Police Fit Out	Dec-06	4.8
L40205J2	Mineola Intermodal Center	Nov-06	43.8
L404024R	East River Tunnel Rehab	Sep-06	33.1
L404024Y	East River Tunnel Ventilation	Feb-09	89.7
L405025J	Queens Interlocking	Dec-06	47.8
L40502E5	DOT Grade Crossings	Dec-08	7.1
L4060339	Richmond Hill Diesel Yard	Mar-07	22.5
L406037I	Automated Storage Upgrade - Hillside	Nov-06	13.9
L408043V	Simulator Building Expansion	Sep-06	1.2
L502042W	Ticket Vending Machines	Mar-06	5.5

Metro North Rail Road
2005 - 2009 Project Completions

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

Project ID	Description	Complete 06-09	Project Allocation
A401-01-01	Purchase M-7 Cars - 300 Cars	15-Dec-07	\$614.3
A401-01-02	M-2 Car Remanufacture	15-Dec-08	\$27.2
A401-01-07	West of Hudson Comet Overhauls	15-Nov-06	\$15.1
M402-01-01	GCT Leaks Remediation	15-Apr-07	\$3.4
M402-01-04	GCT Halls/Trainshed Fire Safety Design	15-Mar-06	\$0.4
M402-01-06	GCT Trainshed Rehabilitation Phase II	15-Dec-07	\$11.6
M402-01-07	GCT Elevator Rehabilitation	15-Nov-07	\$6.2
M402-01-08	GCT Vestibule Rehabilitation	15-Jan-06	\$0.7
M402-02-02	Automated Ticket Selling - Express TVMs	15-Dec-06	\$6.2
M402-02-07	Lower Harlem Station Rehab	15-Oct-06	\$15.4
M402-02-08	Hudson Line Overpass Improvements	15-Dec-06	\$43.0
M402-02-11	Upper Harlem Station Rehabilitation - Phase II	15-Nov-06	\$10.1
M402-02-13	Larchmont Station Improvements	15-Mar-06	\$12.4
M402-02-14	West of Hudson Station Rehabilitation	15-Jun-06	\$6.8
M402-02-16	Yankee Stadium Station - Preliminary Engineering	15-Feb-07	\$5.0
M402-02-17	Upper Hudson Stations Improvements	15-Jan-07	\$7.0
M402-02-20	Miscellaneous Station Improvements	15-Jan-06	\$0.7
M402-03-03	Parking Rehabilitation	15-Dec-06	\$0.3
M402-03-04	Parking Expansion	15-Feb-06	\$4.1
M402-03-08	Pearl River Parking Expansion (Site II)	15-Oct-06	\$2.4
M402-03-11	Beacon Parking & Access Improvements	15-Jul-06	\$8.9
M402-03-12	Salisbury Mills/Otisville Parking Improvements	15-Oct-06	\$4.6
M402-03-14	Brewster Parking Expansion	15-Dec-06	\$2.6
M402-03-16	Irvington Station Parking Improvements	15-Mar-07	\$3.7
M403-01-02	GCT Switch/Track Rehabilitation	15-Jun-06	\$7.7
M403-01-03	Turnouts - Mainline/High Speed Rehabilitation	15-Dec-06	\$49.1
M403-02-03	M of W Equipment	15-Mar-07	\$7.5
M403-02-05	Rehab/Replace Overhead Bridges	15-Apr-08	\$2.3
M403-02-12	Port Jervis Line Structures Rehabilitation	15-Mar-06	\$3.1
M404-01-07	Optimize Signal Relay Circuits	15-Jun-06	\$2.6
M404-01-10	Install Kit Room Backup	15-Jun-06	\$4.9
M404-01-19	Operations Control Center	15-Feb-08	\$2.9
M405-01-01	Replace Supply Substation - Bridge 23 Mt.Vernon	15-Jul-06	\$1.1
M405-01-02	GCT Third Rail Rehabilitation	15-Jul-06	\$3.2
M405-01-04	Replace Park Avenue Tunnel Alarm	15-Dec-06	\$0.3
M405-01-05	Replace Park Avenue Viaduct Alarm	15-Dec-06	\$0.1
M405-01-06	Replace Switchgear - 59th Street and 72nd Street	15-Sep-07	\$11.8
M406-01-01	Harmon Shop/Yard Rehabilitation	15-Dec-07	\$105.6
M406-01-06	Port Jervis Yard Inspection Track	15-Mar-06	\$1.4
M408-01-01	Systemwide Asbestos/Lead Abatement	15-Dec-06	\$5.9
M408-01-11	Miscellaneous Studies	15-Sep-06	\$5.9
M501-01-03	M-3A Midlife Remanufacture - 142 Cars	15-Dec-09	\$12.0
M501-01-07	M-8 NHL Purchase - 100 Cars	15-Dec-09	\$0.9
M502-01-01	GCT Trainshed Structural Repairs	15-Dec-09	\$16.8
M502-01-03	GCT Exterior Rehabilitation/Repainting	15-Aug-06	\$5.1

Project ID	Description	Complete 06-09	Project Allocation
M502-01-07	GCT Platform Improvements	15-Dec-09	\$0.6
M502-01-08	GCT Water Conveyance Utilities Improvements	15-Dec-09	\$0.3
M502-02-03	Poughkeepsie Station Building	15-Jan-06	\$0.5
M502-02-05	New Haven Line (NYS) Stations Improvements	15-Dec-09	\$4.0
M502-02-08	Ticket Selling Machines	15-Dec-06	\$3.2
M502-03-01	Parking Rehabilitation	15-Dec-09	\$0.5
M503-01-01	2005 Cyclical Track Program	15-Mar-06	\$11.9
M503-01-03	GCT Turnout and Switch Renewal	15-Dec-09	\$3.5
M503-02-01	Replace/Repair Undergrade Bridge Program	15-Dec-09	\$9.2
M503-02-04	Park Avenue Utility Bays Surveys	15-Dec-07	\$0.9
M503-03-05	Undergrade Bridge Program West of Hudson	15-Dec-09	\$1.7
M504-01-07	Signal System Replacement	15-Feb-06	\$2.5
M504-01-11	C&S Cable Replacement GCT to Mott Haven	15-Dec-09	\$0.4
M504-01-14	Replace High Cycle Rate Relays	15-Dec-09	\$0.8
M504-01-15	Design/Replace Track Relays - Harlem and Hudson Lines	15-Dec-09	\$1.7
M504-01-16	Replace Interlocking/Siding -West of Hudson	15-Dec-09	\$0.4
M505-01-02	Substation Retrofit - Harlem and Hudson Lines	15-Dec-09	\$13.1
M505-01-03	Replace Harlem River Lift Bridge Breaker Houses	15-Dec-09	\$0.7
M505-01-04	Aluminum 3rd Rail and E-Rail GCT Lower Level	15-May-08	\$2.1
M505-01-05	Replace Substation Batteries	15-Oct-09	\$0.5
M505-01-06	Replace Motor Alternators	15-Dec-09	\$0.5
M505-01-07	Install High Speed DC Circuit Breaker Relay Protection	15-Dec-09	\$1.8
M505-01-08	Harlem and Hudson Lines Power Improvements	15-Dec-09	\$2.5
M505-01-09	Rehab Harlem and Hudson Lines Substations	15-Dec-09	\$0.5
M505-01-10	Install Sectionalizing Switches GCT	15-Jul-07	\$3.8
M508-01-02	Systemwide Lead/Asbestos Abatement	15-Dec-09	\$0.5
M508-01-03	Environmental Remediation	15-Dec-09	\$0.5

Capital Construction Company
2005 - 2009 Project Completions

Includes Projects in Pre- 2005-2009 Plans and Projects in the
 2005-2009 MTA Board Approved Plan

Project ID	Description	Complete 06-09	Project Allocation
G4090143	245 Park Ave	30-Sep-06	\$5.8
G4120104	FSTC - 2/3 Rehab & 4/5 Stair	30-Nov-06	\$41.7
G4120201	South Ferry Terminal Structure	27-May-07	\$292.6
G4090120	Queens Open Cut Excavation	31-Jul-07	\$103.4
G4090125	Wood Interlocking	31-Oct-07	\$18.0
G4120102	FSTC-Dey St Conc Struct Box	01-Nov-07	\$152.5
G4090142	Harold Construction	31-Dec-07	\$57.8
G4120202	South Ferry Terminal Finishes	31-Dec-07	\$112.9
G4090107	GCT East Yd Track & Systems	30-Apr-08	\$58.7
G4090127	GCT Concourse Excavation	30-May-08	\$76.1
G4120101	Fulton Street Transit Center	03-Jun-09	\$525.9
G4090119	MH Tunnel Excavation	30-Mar-09	\$407.7

Bridges and Tunnels
2005 - 2009 Project Completions

Includes Projects in Pre- 2005-2009 Plans and Projects in the
2005-2009 MTA Board Approved Plan

Project ID	Description	Complete 06-09	Project Allocation
D401BW84	Replacement of Main Cable & Anchorage - Design	Dec-06	4.4
D401CB08	Deck and Drainage Rehab - Design	Mar-06	3.3
D401MP02	Structural Steel Repairs - Design	Jan-06	2.2
D401TN85	Suspended Span Cable Rewrapping - Design	Nov-05	2.1
D401TN 87	Fender Improvements - Design	Mar-06	7.0
D401VN36	Seismic Study	Feb-06	3.0
D402BB28	Rehab Tunnels Walls and roadway	Nov-06	81.5
D402BW82	Suspended Span Deck Replacement	Nov-06	186.5
D402TB65	Deck Replacement Manhattan Plaza & RI Junction - Design	Jan-07	23.8
D402VN17	Rehab Approach Span Decks - Design	Mar-06	4.0
D402VN28	Curb Plate/Scupper Installation	Jul-07	6.6
D403AW39	Expansion of TRANSMIT System	2007	5.1
D404AW32	Rotating Prism Signs at Toll Plazas	2006	8.3
D404MP05	Replacement of Elevators at North Tower	Mar-06	4.7
D404QM80	Replace/Rehab Exhaust & Supply Fans	Mar-08	36.6
D405BB21	Rehab Service Building	Jun-06	5.6
D405MP08	New Service Building	2006	9.2
D405VN38	Rehab of Building Roofs	2006	2.0
D502TB64	Deck Replacement Randalls Island & Wards Island Viaduct	2008	276.4

OPERATING IMPACTS EXCEEDING \$1 MILLION FOR CAPITAL PROJECTS REACHING BENEFICIAL USE IN 2006

Note; The following operating impact assumptions for capital projects reaching beneficial use in 2006 are all included in the current financial plan.

NEW YORK CITY TRANSIT CAPITAL PROJECTS

Project: Communication Based Train Control

This project will create operating impacts to three areas: Electrical, Car Equipment and Train Operations (RTO). In the electrical area there will be increased hardware operation and maintenance costs for the new equipment. In the car equipment area there will be a need for more engineering support for modifications, troubleshooting and upgrades. There will also be a need for monitoring the equipment performance and performing unscheduled repairs and inspections. In the RTO area there is a need for additional train dispatchers to monitor CBTC trains. These impacts total about \$3.1 million per year beginning in 2006.

Project: Grand Avenue Bus Maintenance Facility

This new depot will require additional personnel and additional operating and maintenance costs of about \$7.8 million beginning in 2007.

Project: Closed Circuit Television (CCTV): 9 stations – G Line

This project will provide an operating budget savings of about \$2.17 million per year beginning in 2006. The CCTV will reduce the need for personnel.

Project: Police Radio Communication System

This new communication system will significantly increase radio system assets. The costs to maintain these new assets will be about \$1.8 million per year beginning in 2007. (The cost in 2006 is about \$0.4 million).

LONG ISLAND RAIL ROAD CAPITAL PROJECTS

Project: Atlantic Terminal Renovation

Renovation of Atlantic Terminal is creating a major facility that will require additional resources to support. The project includes expansion of the public space at the terminal as well as construction of additional back-office space. The 2006 budget includes \$0.635 million for maintenance of the expanded facility. This annualizes to \$1.1 million in 2007.

Project: Jamaica Station

This is a multi-use project that links the Port Authority (PA) of New York and New Jersey's Air Train to JFK with the LIRR and NYC Transit. The project consists of a new office building, an Air Train passenger terminal, a new mezzanine bridge that provides

Air Train passengers with access to City and regional mass transit and rebuilt LIRR platforms and western pedestrian overpass. The LIRR has two operating budget components. First, a fifty percent shared responsibility with the PA for space jointly owned with the MTA and, secondly, the cost associated with the rebuilt platform and pedestrian overpass and the occupancy of three floors in the office building. The total operating cost of approximately \$2.1 million is partially offset by a reduction of \$1.2 million in lease costs.

Project: Mineola Intermodal Center

This project will result in the construction of a four-level parking garage and Intermodal Center near the Mineola station. The operating budget impact includes costs associated with maintaining and operating the parking facility as well as the adjacent building. Parking and lease revenue will offset the operating costs.

Project: Purchase of M-7's

As part of the LIRR's program of increasing the overall size of its rolling stock fleet and upgrading the M-3 component of the fleet, the LIRR will implement a Life Cycle Maintenance (LCM) program. In addition, as the overall size of the fleet increases there will be increases in the annual maintenance and operating costs. These costs will be determined as part of LCM Transition Team. The operating budget includes \$0.6 million for expenses in 2006 and over \$5 million per year beginning in 2007.

METRO-NORTH RAILROAD CAPITAL PROJECTS

Project: Purchase of Electric Fleet (336 M-7 cars)

The budget impact of the new M7s is calculated at an additional cost of \$1.3 M/yr, however Metro North's budget impact calculations combine this purchase with rolling stock retirements, yielding a steady-state net annual impact to the operating budget of about \$0.2 million per year savings.

Project: Ticket Selling Machines

The Phase 4 Ticket Vending Machine purchase of 36 machines will bring the total TVMs purchased in all phases to 266. In 2006, the project will realize an annual saving of \$1.3M vs the 2005 budget. By 2009, the project will yield a steady-state savings of \$5.5M/yr vs the 2005 budget.

BRIDGES AND TUNNELS CAPITAL PROJECTS

There are no capital projects entering beneficial use in 2006 that have an impact on the B&T's operating budget over \$1.0 million.

VII. Agency Financial Plans

Bridges and Tunnels

MTA Bridges and Tunnels
2006 Final Proposed Budget
November Financial Plan 2006–2009

MISSION STATEMENT/MAJOR HIGHLIGHTS

MTA Bridges and Tunnels (B&T) operates seven bridges and two tunnels that form essential links for vehicular highway transportation in the New York City metropolitan region, while providing significant financial support for mass transit. On an average day, more than 800,000 vehicles use the nine crossings, generating more than \$1.2 billion in annual toll revenue. With nearly two-thirds of this toll revenue dedicated to mass transit, B&T performs a unique and vital function on behalf of regional mobility.

B&T's mission is carried out through 14 different departments, including the Operations workforce that manages the facilities on a day-to-day basis, and the Engineering and Construction Department that is responsible for maintaining the structural integrity of the facilities. The Operations Department employs 70 percent of the workforce, with Engineering and Construction employing another 10 percent. Each of the other B&T departments perform a wide variety of critical functions in support of B&T's dual responsibilities of moving vehicles across its facilities as efficiently as possible and providing essential financial assistance to the other MTA agencies.

MTA Bridges & Tunnels continues to be successful in achieving its primary goals in 2005. Total Support to Mass Transit for 2005 is now projected to be \$772.6 million, \$49.4 million higher than what was projected in the Adopted Budget and \$16.7 million greater than the July Forecast. Compared to the Adopted Budget and the July Forecast, revenue is projected to be higher by \$16.8 million and \$6.5 million, respectively. Expenses are expected to be lower by \$16.8 million and \$3.3 million, respectively. Since 1968, when B&T became part of the MTA, approximately \$14.9 billion has been provided to the MTA for support to mass transit.

As part of its effort to meet its financial goals, in 2005, B&T began implementing the Executive Director's request to reduce non-mission critical OTPS expenditures. These efforts include instituting new purchasing procedures that place limits on procurement credit card spending, changing the replacement cycle for some B&T vehicles from five to six years, extending the replacement cycle for computer equipment an additional year, and placing new restrictions on travel and furniture purchases. In addition to these changes in procedures, B&T has reduced the vehicle fleet size resulting in the elimination of ten vehicles, brought the process of inspecting vehicles in-house, and began purchasing smaller-sized vehicles, including more hybrid vehicles and more light-duty, rather than medium-duty, wreckers.

Operationally, safety is the agency's first priority. The number of lost-time injuries for B&T employees is down significantly from 2004; through August 2005, the year-to-date lost time injuries were just 30, as compared to 34 during the same period a year ago. Collisions at the facilities were reduced significantly from 2003 to 2004, and B&T is maintaining that success so far this year. Through August of 2005, the average number of collisions with serious injury per million vehicles was 0.74, as compared to 0.76 during the same period in 2004, and the overall average collision rate through August 2005 was 5.47 collisions per million vehicles as compared to 5.10 collisions per million vehicles during the same period in 2004.

Customer satisfaction is also a key goal for B&T. In its most recent survey, B&T's customers rated their overall satisfaction at 7.4 out of 10, the agency's second highest rating ever. Overall satisfaction with the agency's E-ZPass system was 8.6 and the overall satisfaction of B&T's cash customers was 7.2, both among the highest ever recorded. A new survey was carried out in the fall of this year, and results should be available by year end.

One factor driving the improvement in customer satisfaction is the reduction in median queue time during peak periods. E-ZPass enabled B&T to maintain low average peak hour queue times while managing record level traffic volumes in 2004. This trend is continuing so far this year. Through the second quarter 2005, the median queue time was 16.0 seconds against a goal of 20.0 seconds. Almost 74% of all weekday B&T traffic and nearly 84% of all weekday truck traffic uses E-ZPass.

Finally, the E-ZPass Tag Replacement Program, begun in 2002, continues to be successful. E-ZPass tags are being replaced prior to the end of their useful service lives (ensuring that customers are not delayed in the toll lanes due to an expired tag) with new tags that include a number of features that improve tag performance and battery life. These new tags currently account for approximately 74% of the total active tags held by B&T customers. The tag replacement program will be completed by the end of 2006.

FINANCIAL OVERVIEW

B&T's Financial Plan, consistent with its strategic operating and financial goals, is projecting net operating income of \$4.5 billion for the next five years (2005-2009) before factoring in the Program to Eliminate the Gap (PEG).

B&T's pre-PEG headcount will be 1,817 in 2006. Between 1994 and 2000, B&T reduced its headcount by over 200 positions primarily due to the implementation of E-ZPass and other initiatives. Since September 11, 2001, B&T has been asked to play an increasing security role and has added 265 positions (through 2005) to the budget for that purpose, primarily to secure its bridges and tunnels. An additional seven positions (four in 2005 and three in 2006) have been added for the maintenance of a new centralized access and monitoring control security system.

For the 2005 to 2006 period, B&T projects a total of \$1,807.9 million in net operating income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$2,573.5 million in revenue offset by \$765.6 million in expenses. Taken together, 2005-2006 net operating income is \$5.0 million better than the July Financial Plan level. This financial success is being achieved while maintaining both the current service levels and B&T's continued commitment to safety and security.

- In 2007, B&T projects a total of \$892.8 million in net operating income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,308.8 million in revenue offset by \$416.0 million in expenses.
- In 2008, B&T estimates \$892.0 million in net operating income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,317.1 million in revenue offset by \$425.1 million in expenses.
- In 2009, B&T projects a total of \$880.1 million in net operating income before factoring in the Program to Eliminate the Gap (PEG). This consists of \$1,321.2 million in revenue offset by \$441.0 million in expenses.

2005 November Forecast

In the 2005 November Forecast, a total of \$908.2 million is projected in net operating income compared to \$874.6 in the 2005 Adopted Budget and \$898.4 in the 2005 July Mid-Year Budget. This consists of \$1,267.4 million in revenues, offset by \$359.2 million in expenses.

Revenues are higher than the July Mid-Year Forecast and the Adopted Budget by \$6.5 million and \$16.8 million, respectively. The increase from the July Mid-Year reflects primarily the write-off of the reserve for legal fees associated with the sale of the New York Coliseum (\$2.4 million), an increase in non-capital

reimbursable expenses for the adjustment in security wage levels (\$3.2 million), and higher toll revenue (\$0.5 million). The increase in revenue from the Adopted Budget is due primarily to higher toll revenue resulting from lower than expected traffic elasticities following the toll increase implemented on March 13, 2005. These gains in revenue were offset by an adjustment of non-capital reimbursements received for security expenses, due to the decrease in security-related overtime.

Operating expenses are composed of \$184.6 million in labor costs and \$174.6 million in non-labor expenses. Total expenses are lower by \$3.3 million from the July Mid-Year budget due to lower E-ZPass expenses (\$7.2 million) for both E-ZPass tag purchases and customer service center expenses, offset by higher than anticipated bridge painting expenses (\$3.9 million) at the Verrazano Narrows, Throgs Neck and Triborough Bridges due to favorable weather conditions. These activities will be discussed further in the Plan-to-Plan Summary of Changes. When compared to the Adopted Budget, total expenses are \$16.8 million lower due to reduced labor expenses (\$7.7 million) and lower non-labor costs (\$9.1 million).

In 2005, the total planned headcount is 1,815, which includes 45 capital reimbursable positions.

There are no new proposed PEGs in 2005.

2006 Final Proposed Budget - Baseline

In the 2006 Final Proposed Budget, a total of \$899.7 million is projected in net operating income for 2006 before factoring in the additional income resulting from PEGs. This consists of \$1,306.1 million in revenues, offset by \$406.4 million in expenses. Operating expenses are composed of \$197.2 million in labor costs and \$209.2 million in non-labor expenses.

In 2006, the total pre-PEG planned headcount will be 1,817, which includes 45 capital reimbursable positions. The 2006 Preliminary Budget also includes below-the-line gap closing actions of \$0.269 million for the reduction of three positions to bring total headcount to 1,814 in 2006. These actions will be discussed later in this document, under Gap Closing Measures. No new needs are anticipated in 2006.

Details regarding the reconciliation of the November Forecast to the July Mid-Year Budget and the assumptions for traffic and headcount are discussed in the Plan-to-Plan Summary of Changes and the Other Assumptions sections.

2007-2009 Projections

The 2007 projection for net operating income is \$892.8 million before factoring in the savings from PEGs. This consists of \$1,308.8 million in revenues, offset by \$416.0 million in expenses. Operating expenses are comprised of \$207.7 million in labor costs and \$208.3 million in non-labor expenses.

In 2007, the total pre-PEG planned headcount remains at 1,817, which includes 45 capital reimbursable positions. The 2007 projection also includes below-the-line gap closing actions of \$0.396 million and the reduction of five administrative positions to bring the total headcount to 1,812 in 2007. These actions are discussed later in this document under Gap Closing Measures. No new needs are anticipated at this time for 2007.

The 2008 and 2009 projections for net operating income are \$892.0 million and \$880.1 million, respectively, before factoring in the savings from PEGs. For 2008, this consists of \$1,317.1 million in revenues, offset by \$425.1 million in expenses. Operating expenses are composed of \$217.7 million in labor costs and \$207.3 million in non-labor expenses. For 2009, net operating income consists of \$1,321.2 million in revenues, offset by \$441.0 million in expenses. The expenses are composed of \$228.3 million in labor costs and \$212.6 million in non-labor expenses.

In 2008 and 2009, the total pre-PEG planned headcount remains at 1,817, which continues to include the 45 capital reimbursable positions. The 2008 and 2009 projections also include below-the-line gap closing actions of \$0.396 million for the respective years, resulting in a headcount of 1,812. These actions are discussed later in this document under Gap Closing Measures. As was the case for previous years, no new needs are anticipated at this time for 2008 and 2009.

Details for the reconciliations of the November Forecast to the July Mid-Year Budget are discussed in the Plan-to-Plan Summary of Changes and the Other Assumptions section.

GAP CLOSING MEASURES

There were no changes to the PEGs submitted in the July Mid-Year Budget. The details are outlined below.

2006 PEG Actions

Total PEG actions beginning in 2006 are projected to generate \$0.269 million. The major proposed initiatives are:

- A reduction of three positions: two administrative and one supervisory. These are comprised of (a) an administrative reduction in the Payroll Department due to payroll process efficiencies totaling \$0.041 million; and (b) two positions in Revenue Management, one administrative and one supervisory, totaling \$0.084 million, due to efficiencies in the revenue audit process.
- A reduction in baseline overtime due to processing efficiencies in the arrest procedure by having access to the NYPD's on-line booking system, thus reducing the amount of time required per arrest. This will result in an overtime reduction of \$0.144 million.

2007 PEG Actions

Total PEG actions beginning in 2007 are projected to generate an additional \$0.396 million in expense reductions. The proposed initiatives are:

- A reduction of one additional administrative position in the Payroll Department, totaling \$0.045 million, due to efficiencies in the payroll process brought about by the implementation of an automated timecard system now being developed.
- A reduction of an administrative position in the Accounts Payable Department resulting from the decline in numbers of capital vouchers and invoices brought about by the new administrative budget controls, totaling \$0.042 million.

2008 and 2009 PEG Projections

Assuming all of the above initiatives are adopted and can be implemented, total PEG savings will amount to \$0.396 million in 2008 to 2009.

No new PEGs are scheduled to begin in 2008 or 2009.

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2004	2005	2006			
	Actuals	November	Final			
		Forecast	Proposed	2007	2008	2009
			Budget			
Revenue						
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,096.988	1,207.393	1,238.291	1,239.576	1,247.438	1,249.134
Other Operating Revenue	9.719	19.250	23.964	23.061	20.915	21.036
Capital and Other Reimbursements	23.242	25.873	27.355	28.676	30.550	32.171
Investment Income	1.368	2.320	2.506	2.598	2.703	2.813
Total Revenue	\$1,131.317	\$1,254.836	\$1,292.116	\$1,293.912	\$1,301.606	\$1,305.155
Expenses						
Labor:						
Payroll	100.061	106.185	110.842	114.783	119.685	124.972
Overtime	23.391	23.149	22.628	22.070	22.685	23.345
Health and Welfare	23.461	25.717	28.380	30.806	33.682	36.825
Pensions	4.561	9.711	13.773	17.247	17.684	18.308
Other Fringe Benefits	12.292	12.678	13.870	14.403	15.112	15.775
Reimbursable Overhead	(5.361)	(5.430)	(6.254)	(6.415)	(6.594)	(6.788)
Total Labor Expenses	\$158.405	\$172.011	\$183.239	\$192.894	\$202.254	\$212.437
Non-Labor:						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	8.486	9.235	10.558	11.561	12.663	13.878
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	118.332	125.511	152.029	159.200	154.078	157.464
Professional Service Contracts	13.483	13.878	15.590	16.970	17.243	17.554
Materials & Supplies	18.324	23.888	28.791	18.305	21.094	21.391
Other Business Expenses	2.187	2.087	2.222	2.224	2.253	2.287
Total Non-Labor Expenses	\$160.811	\$174.600	\$209.190	\$208.260	\$207.331	\$212.574
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$319.216	\$346.610	\$392.429	\$401.154	\$409.585	\$425.011
Add: Depreciation	45.594	47.600	50.200	56.500	61.200	66.700
Total Expenses after Depreciation	\$364.810	\$394.210	\$442.629	\$457.654	\$470.785	\$491.711
Less: Depreciation	45.594	47.600	50.200	56.500	61.200	66.700
Total Expenses	\$319.216	\$346.610	\$392.429	\$401.154	\$409.585	\$425.011
Baseline Net Income/(Deficit)	\$812.102	\$908.226	\$899.687	\$892.758	\$892.021	\$880.144
2006 Program to Eliminate the Gap (PEGs)	-	-	0.269	0.309	0.309	0.309
Post-2006 Program to Eliminate the Gap (PEGs)	-	-	-	0.087	0.087	0.087
Net Income/(Deficit)	\$812.102	\$908.226	\$899.956	\$893.154	\$892.417	\$880.540

REIMBURSABLE

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MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE AND REIMBURSABLE
(Page 1 of 2)

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Revenue						
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,096.988	1,207.393	1,238.291	1,239.576	1,247.438	1,249.134
Other Operating Revenue	9.719	19.250	23.964	23.061	20.915	21.036
Capital and Other Reimbursements	35.753	38.465	41.329	43.532	46.023	48.201
Investment Income	1.368	2.320	2.506	2.598	2.703	2.813
Total Revenue	\$1,143.828	\$1,267.428	\$1,306.090	\$1,308.768	\$1,317.079	\$1,321.185
Expenses						
Labor:						
Payroll	105.178	111.095	115.807	119.876	124.920	130.361
Overtime	23.391	23.186	22.835	22.470	23.085	23.745
Health and Welfare	24.552	26.940	29.738	32.293	35.310	38.608
Pensions	4.793	10.142	14.295	18.017	18.583	19.235
Other Fringe Benefits	13.002	13.239	14.538	15.094	15.829	16.518
Reimbursable Overhead	-	-	-	-	-	-
Total Labor Expenses	\$170.916	\$184.603	\$197.213	\$207.750	\$217.727	\$228.467
Non-Labor:						
Traction and Propulsion Power	-	-	-	-	-	-
Fuel for Buses and Trains	-	-	-	-	-	-
Insurance	8.486	9.235	10.558	11.561	12.663	13.878
Claims	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-
Maintenance and Other Operating Contracts	118.332	125.511	152.029	159.200	154.078	157.464
Professional Service Contracts	13.483	13.878	15.590	16.970	17.243	17.554
Materials & Supplies	18.324	23.888	28.791	18.305	21.094	21.391
Other Business Expenses	2.187	2.087	2.222	2.224	2.253	2.287
Total Non-Labor Expenses	\$160.811	\$174.600	\$209.190	\$208.260	\$207.331	\$212.574
Other Expenses Adjustments:						
Other	-	-	-	-	-	-
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$331.727	\$359.202	\$406.403	\$416.010	\$425.058	\$441.041
Add: Depreciation	45.594	47.600	50.200	56.500	61.200	66.700
Total Expenses after Depreciation	\$377.321	\$406.802	\$456.603	\$472.510	\$486.258	\$507.741
Less: Depreciation	45.594	47.600	50.200	56.500	61.200	66.700
Total Expenses	\$331.727	\$359.202	\$406.403	\$416.010	\$425.058	\$441.041
Baseline Net Income/(Deficit)	\$812.102	\$908.226	\$899.687	\$892.758	\$892.021	\$880.144
2006 Program to Eliminate the Gap (PEGs)	-	-	0.269	0.309	0.309	0.309
Post-2006 Program to Eliminate the Gap (PEGs)				0.087	0.087	0.087
Net Income/(Deficit)	\$812.102	\$908.226	\$899.956	\$893.154	\$892.417	\$880.540

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE AND REIMBURSABLE
(Page 2 of 2)

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline Net Income/(Deficit)	\$ 812.102	\$ 908.226	\$ 899.687	\$ 892.758	\$ 892.021	\$ 880.144
<u>Deductions from Income:</u>						
Less: Capitalized Assets	4.184	10.099	12.491	12.703	12.940	13.210
Reserves	17.676	14.402	13.193	13.417	13.667	13.952
Adjusted Baseline Net Income/(Deficit)	\$ 790.242	\$ 883.725	\$ 874.003	\$ 866.637	\$ 865.415	\$ 852.981
Less: Debt Service	393.356	397.643	457.624	475.028	491.587	509.318
Income Available for Distribution	\$ 396.886	\$ 486.082	\$ 416.379	\$ 391.609	\$ 373.828	\$ 343.663
Distributable To:						
MTA - Investment Income	1.368	2.320	2.506	2.598	2.703	2.813
MTA - Distributable Income	241.938	284.969	257.738	246.185	237.248	222.104
NYCT - Distributable Income	153.579	198.793	156.135	142.826	133.877	118.746
Total Distributable Income:	\$ 396.885	\$ 486.082	\$ 416.379	\$ 391.609	\$ 373.828	\$ 343.663
Actual Cash Transfers:						
MTA - Investment Income	2.334	1.368	2.320	2.506	2.598	2.703
MTA - Transfers	228.048	308.536	260.461	247.340	238.142	223.618
NYCT - Transfers	148.633	207.307	160.401	144.157	134.772	120.259
Total Cash Transfers:	\$ 379.014	\$ 517.211	\$ 423.182	\$ 394.003	\$ 375.512	\$ 346.580
SUPPORT TO MASS TRANSIT:						
Total Revenues	1,143.828	1,267.428	1,306.090	1,308.768	1,317.079	1,321.185
Less: Net Operating Expenses	331.727	359.202	406.403	416.010	425.058	441.041
2006-2007 Program to Eliminate the GAP	-	-	0.269	0.396	0.396	0.396
Net Operating Income:	\$ 812.102	\$ 908.226	\$ 899.956	\$ 893.154	\$ 892.417	\$ 880.540
Deductions from Operating Income:						
B&T Debt Service	100.206	111.127	130.986	143.830	160.361	178.125
Capitalized Assets	4.184	10.099	12.491	12.703	12.940	13.210
Reserves	17.676	14.402	13.193	13.417	13.667	13.952
Total Deductions from Operating Inc:	\$ 122.066	\$ 135.628	\$ 156.670	\$ 169.951	\$ 186.967	\$ 205.288
Total Support to Mass Transit:	\$ 690.035	\$ 772.598	\$ 743.286	\$ 723.203	\$ 705.450	\$ 675.252

MTA Bridges and Tunnels
November Financial Plan 2006-2009
Year-to-Year Changes by Category - Accrual Basis

YEAR-TO-YEAR CHANGES: 2005-2009

Toll Revenue

- Toll revenues are estimated to reach \$1,207.4 million in 2005 and \$1,238.3 million in 2006. The growth of \$30.9 million is based on a full year's impact from the toll increase implemented on March 13, 2005, current traffic trends and economic forecasts provided by Global Insight.
- Projected revenues rise by \$1.3 million in 2007, \$7.9 million in 2008 (a leap year), and \$1.7 million in 2009, reflecting modest growth in regional (New York City, Long Island and Westchester) employment and other economic and operational considerations.
- Paid traffic is expected to reach 300.7 million vehicles in 2005, 301.4 million vehicles in 2006, 302.3 million in 2007, 304.7 million in 2008, and 305.6 million in 2009, 302.6 million in 2007, 305.0 million in 2008, and 306.0 million in 2009.

Other Operating Revenue

- Other Operating Revenue is estimated to increase by \$4.7 million in 2006 primarily due to a full year's collection of the \$1 per month E-ZPass account fee (an additional \$7.7 million offset primarily by the 2005 one-time write-off of the reserve for legal fees associated with the sale of the New York Coliseum)
- Total Other Operating Revenue declines by \$0.9 million in 2007 because the current E-ZPass Tag Swap Program, which routinely identifies accounts with lost tags that are subsequently assessed the appropriate fee, will be completed in 2006.
- Other Operating Revenue is projected to decrease by \$2.1 million in 2008, primarily due to a projected reduction in E-ZPass account maintenance fees based on potential changes in allocation formulas among E-ZPass agencies beginning in 2008.

Capital and Other Reimbursements

- Income from Capital and Other Reimbursements are projected to increase by approximately \$2.9 million in 2006, \$2.2 million in 2007, \$2.5 million in 2008, and \$2.2 million in 2009, due to an adjustment in wage levels for security personnel.

Investment Income

- The investment income plan for 2005 through 2009 reflects potential earnings on estimated fund balances based on Global Insight's forecasts for short-term investment yields.

Payroll

- In 2006, there is a total increase of \$4.5 million in payroll for contractual step-up increases, CPIU increases, and salaries for new personnel to repair and maintain the centralized access and monitoring control system.
- Expenses grow by \$4.1 million in 2007, \$5.0 million in 2008, and \$5.4 million in 2009 due to CPIU and contractual step-up increases.
- Pattern bargaining of 3% have been included in 2006 due to pending contract settlements. Out-year projections are 2.56% in 2007, 2.91% in 2008, and 3.07% in 2009, based on Global Insight's forecasts for national inflation applied to salaries and overtime.

Overtime

- There is a decrease of \$0.4 million between 2005 and 2006, which is largely the effect of a reduction in the amount of security-related overtime estimated in 2006.
- The decrease of \$0.4 million between 2006 and 2007 is due to a reduction in the overtime associated with capital construction.
- The year-over-year increases of \$0.6 million, \$0.7 million and \$0.7 million from 2007 to 2009 are the result of CPIU adjustments.

Health and Welfare

- The year-over-year increases from 2005 to 2009 are \$2.8 million, \$2.6 million, \$3.0 million and \$3.3 million. These increases are primarily due to a 9.34% CPIU for medical expenses that has been added to each year, based on estimates provided by the MTA.

Pensions

- The 2005 to 2007 increases reflect the latest NYCERS estimates received from the MTA. The increases for 2008 to 2009 are due to CPIU.

Other Fringe Benefits

- The year-over-year increases from 2005 to 2009 are \$0.1 million, \$0.6 million, \$0.7 million and \$0.7 million. These increases are due to the effect of CPIU inflators and estimates for Worker's Compensation based on information received from MTA Risk Management.

Insurance

- The increases of approximately \$1.1 million per year from 2006 through 2009 incorporate MTA Risk Management's estimates for property and general liability insurance.

Maintenance and Other Operating Contracts

- In 2006, expenses are \$26.5 million higher than 2005 primarily due to bridge painting requirements at the Throgs Neck, Verrazano-Narrows and Triborough Bridges (\$9.8 million) and potential start-up and transition costs for the new E-ZPass Customer Service Center contract (approximately \$10.0 million), higher E-ZPass Customer Service Center expenses for an adjustment in the staffing levels based on the contract (\$2.9 million), re-estimate of major maintenance (\$1.6 million), higher contractual costs for E-ZPass Equipment Maintenance (\$0.8 million) and other expenses adjusted by CPIU (\$1.4 million).
- The 2007 expenses increased by \$7.2 million over 2006 primarily due to additional bridge painting requirements (\$9.3 million) and CPIU increases offset by a net decline of \$2.3 million in estimated costs associated with the implementation of the new contract for running the E-ZPass Customer Service Center.
- In 2008, there is a decrease of \$5.1 million from 2007 primarily due to the expected completion of transitioning a new vendor for the E-ZPass Customer Service Center contract in 2007 (\$7.4 million) offset by CPIU increases.
- CPIU increases are 3.07% in 2005, 2.20% in 2006, 1.70% in 2007, 1.86% in 2008, and 2.09% in 2009, based on forecasts for national inflation provided by Global Insight.

Professional Service Contracts

- In 2006, expenses are \$1.7 million higher than 2005 primarily due to re-estimates of bond insurance fees (\$0.6 million), general engineering services (\$0.3 million) miscellaneous consulting services and advertising expenses (\$0.7 million) and CPIU increases.
- For 2007 expenses are \$1.4 million higher than 2006 primarily due to re-estimates of legal services, bond insurance services fees, training services and planning studies.
- In both 2008 and 2009, expenses are \$0.3 million higher, which is a result of CPIU increases.
- CPIU increases are 3.07% in 2005, 2.20% in 2006, 1.70% in 2007, 1.86% in 2008, and 2.09% in 2009, based on forecasts for national inflation provided by Global Insight.

Materials and Supplies

- In 2006, expenses are \$4.9 million higher than 2005 primarily due to increases in E-ZPass tag purchases from year to year.
- In 2007, expenses are \$10.4 million lower than 2006 primarily due to the completion of the E-ZPass tag replacement program (\$11.1 million). This is offset by increases from CPIU.
- The 2008 expenses are \$2.8 million higher primarily to cover the estimated inventory flows required to meet the tag needs associated with new and existing accounts (\$2.5 million). In addition, there are CPIU increases.
- For 2009, the increase of \$0.4 million in expenses is a result of CPIU increases.
- CPIU increases are 3.07% in 2005, 2.20% in 2006, 1.70% in 2007, 1.86% in 2008, and 2.09% in 2009, based on forecasts for national inflation provided by Global Insight.

Other Business Expenses

- For 2006 through 2008, the higher expenses reflect CPIU increases.
- CPIU increases are 3.07% in 2005, 2.20% in 2006, 1.70% in 2007, 1.86% in 2008, and 2.09% in 2009, based on forecasts for national inflation provided by Global Insight.

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2005 November Forecast	2006 Final Proposed Budget	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Revenue									
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,207.393	1,238.291	30.898	1,239.576	1.285	1,247.438	7.862	1,249.134	1.696
Other Operating Revenue	19.250	23.964	4.714	23.061	(0.903)	20.915	(2.146)	21.036	0.121
Capital and Other Reimbursements	25.873	27.355	1.482	28.676	1.321	30.550	1.874	32.171	1.621
Investment Income	2.320	2.506	0.186	2.598	0.092	2.703	0.105	2.813	0.110
Total Revenue	\$ 1,254.836	\$ 1,292.116	\$ 37.280	\$ 1,293.912	\$ 1.795	\$ 1,301.606	\$ 7.694	\$ 1,305.155	\$ 3.549
Expenses									
Labor:									
Payroll	\$ 106.185	\$ 110.842	\$ (4.657)	\$ 114.783	\$ (3.941)	\$ 119.685	\$ (4.902)	\$ 124.972	\$ (5.287)
Overtime	23.149	22.628	0.521	22.070	0.558	22.685	(0.615)	23.345	(0.660)
Health and Welfare	25.717	28.380	(2.663)	30.806	(2.426)	33.682	(2.876)	36.825	(3.143)
Pensions	9.711	13.773	(4.062)	17.247	(3.474)	17.684	(0.437)	18.308	(0.624)
Other Fringe Benefits	12.678	13.870	(1.192)	14.403	(0.533)	15.112	(0.709)	15.775	(0.663)
Reimbursable Overhead	(5.430)	(6.254)	0.824	(6.415)	0.161	(6.594)	0.179	(6.788)	0.194
Total Labor Expenses	\$ 172.011	\$ 183.239	\$ (11.229)	\$ 192.894	\$ (9.655)	\$ 202.254	\$ (9.360)	\$ 212.437	\$ (10.183)
Non-Labor:									
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	9.235	10.558	(1.323)	11.561	(1.003)	12.663	(1.102)	13.878	(1.215)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	125.511	152.029	(26.518)	159.200	(7.171)	154.078	5.122	157.464	(3.386)
Professional Service Contracts	13.878	15.590	(1.712)	16.970	(1.380)	17.243	(0.273)	17.554	(0.311)
Materials & Supplies	23.888	28.791	(4.903)	18.305	10.486	21.094	(2.789)	21.391	(0.297)
Other Business Expenses	2.087	2.222	(0.135)	2.224	(0.002)	2.253	(0.029)	2.287	(0.034)
Total Non-Labor Expenses	\$ 174.600	\$ 209.190	\$ (34.590)	\$ 208.260	\$ 0.930	\$ 207.331	\$ 0.929	\$ 212.574	\$ (5.243)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation	\$ 346.610	\$ 392.429	\$ (45.819)	\$ 401.154	\$ (8.724)	\$ 409.585	\$ (8.431)	\$ 425.011	\$ (15.426)
Add: Depreciation	47.600	50.200	(2.600)	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)
Total Expenses after Depreciation	\$ 394.210	\$ 442.629	\$ (48.419)	\$ 457.654	\$ (15.024)	\$ 470.785	\$ (13.131)	\$ 491.711	\$ (20.926)
Less: Depreciation	47.600	50.200	(2.600)	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)
Total Expenses	\$ 346.610	\$ 392.429	\$ (45.819)	\$ 401.154	\$ (8.724)	\$ 409.585	\$ (8.431)	\$ 425.011	\$ (15.426)
Baseline Net Income/(Deficit)	\$ 908.226	\$ 899.687	\$ (8.539)	\$ 892.758	\$ (6.929)	\$ 892.021	\$ (0.737)	\$ 880.144	\$ (11.877)
2006 Program to Eliminate the Gap (PEGs)	-	0.269	\$0.269	0.309	0.040	0.309	-	0.309	0.309
Post-2006 Program to Eliminate the Gap (PEGs)	-	-	\$0.000	0.087	0.087	0.087	-	0.087	0.087
Net Income/(Deficit)	\$ 908.226	\$ 899.956	\$ (8.270)	\$ 893.154	\$ (6.802)	\$ 892.417	\$ (0.737)	\$ 880.540	\$ (11.877)

REIMBURSABLE

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MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 1 of 2)

	Favorable/(Unfavorable)								
	2005 November Forecast	2006 Final Proposed Budget	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Revenue									
Farebox Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Vehicle Toll Revenue	1,207.393	1,238.291	30.898	1,239.576	1.285	1,247.438	7.862	1,249.134	1.696
Other Operating Revenue	19.250	23.964	4.714	23.061	(0.903)	20.915	(2.146)	21.036	0.121
Capital and Other Reimbursements	38.465	41.329	2.864	43.532	2.203	46.023	2.491	48.201	2.178
Investment Income	2.320	2.506	0.186	2.598	0.092	2.703	0.105	2.813	0.110
Total Revenue	\$ 1,267.428	\$ 1,306.090	\$ 38.662	\$ 1,308.768	\$ 2.678	\$ 1,317.079	\$ 8.311	\$ 1,321.185	\$ 4.106
Expenses									
Labor:									
Payroll	\$ 111.095	\$ 115.807	\$ (4.712)	\$ 119.876	\$ (4.069)	\$ 124.920	\$ (5.044)	\$ 130.361	\$ (5.441)
Overtime	23.186	22.835	0.351	22.470	0.365	23.085	(0.615)	23.745	(0.660)
Health and Welfare	26.940	29.738	(2.798)	32.293	(2.555)	35.310	(3.017)	38.608	(3.298)
Pensions	10.142	14.295	(4.153)	18.017	(3.722)	18.583	(0.566)	19.235	(0.652)
Other Fringe Benefits	13.239	14.538	(1.299)	15.094	(0.556)	15.829	(0.735)	16.518	(0.689)
Reimbursable Overhead	-	-	-	-	-	-	-	-	-
Total Labor Expenses	\$ 184.603	\$ 197.213	\$ (12.611)	\$ 207.750	\$ (10.537)	\$ 217.727	\$ (9.977)	\$ 228.467	\$ (10.740)
Non-Labor:									
Traction and Propulsion Power	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fuel for Buses and Trains	-	-	-	-	-	-	-	-	-
Insurance	9.235	10.558	(1.323)	11.561	(1.003)	12.663	(1.102)	13.878	(1.215)
Claims	-	-	-	-	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-	-	-	-	-
Maintenance and Other Operating Contracts	125.511	152.029	(26.518)	159.200	(7.171)	154.078	5.122	157.464	(3.386)
Professional Service Contracts	13.878	15.590	(1.712)	16.970	(1.380)	17.243	(0.273)	17.554	(0.311)
Materials & Supplies	23.888	28.791	(4.903)	18.305	10.486	21.094	(2.789)	21.391	(0.297)
Other Business Expenses	2.087	2.222	(0.135)	2.224	(0.002)	2.253	(0.029)	2.287	(0.034)
Total Non-Labor Expenses	\$ 174.600	\$ 209.190	\$ (34.590)	\$ 208.260	\$ 0.930	\$ 207.331	\$ 0.929	\$ 212.574	\$ (5.243)
Other Expenses Adjustments:									
Other	-	-	-	-	-	-	-	-	-
Total Other Expense Adjustments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses before Depreciation	\$ 359.202	\$ 406.403	\$ (47.201)	\$ 416.010	\$ (9.607)	\$ 425.058	\$ (9.048)	\$ 441.041	\$ (15.983)
Add: Depreciation	47.600	50.200	(2.600)	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)
Total Expenses after Depreciation	\$ 406.802	\$ 456.603	\$ (49.801)	\$ 472.510	\$ (15.907)	\$ 486.258	\$ (13.748)	\$ 507.741	\$ (21.483)
Less: Depreciation	47.600	50.200	(2.600)	56.500	(6.300)	61.200	(4.700)	66.700	(5.500)
Total Expenses	\$ 359.202	\$ 406.403	\$ (47.201)	\$ 416.010	\$ (9.607)	\$ 425.058	\$ (9.048)	\$ 441.041	\$ (15.983)
Baseline Net Income/(Deficit)	\$ 908.226	\$ 899.687	\$ (8.539)	\$ 892.758	\$ (6.929)	\$ 892.021	\$ (0.737)	\$ 880.144	\$ (11.877)
2006 Program to Eliminate the Gap (PEGs)	0.000	0.269	\$0.269	0.309	\$0.040	0.309	0.000	0.309	0.000
Post-2006 Program to Eliminate the Gap (PEGs)	0.000	0.000	\$0.000	0.087	\$0.087	0.087	0.000	0.087	0.000
Net Income/(Deficit)	\$ 908.226	\$ 899.956	\$ (8.270)	\$ 893.154	\$ (6.802)	\$ 892.417	\$ (0.737)	\$ 880.540	\$ (11.877)

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE
(Page 2 of 2)

	Favorable/(Unfavorable)								
	2005 November Forecast	2006 Final Proposed Budget	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Baseline Net Income/(Deficit)	\$ 908.226	\$ 899.687	\$ (8.539)	\$ 892.758	\$ (6.929)	\$ 892.021	\$ (0.737)	\$ 880.144	\$ (11.877)
<u>Deductions from Income:</u>									
Less: Capitalized Assets	10.099	12.491	(2.392)	12.703	(0.212)	12.940	(0.236)	13.210	(0.270)
Reserves	14.402	13.193	1.209	13.417	(0.224)	13.667	(0.250)	13.952	(0.286)
Adjusted Baseline Net Income/(Deficit)	\$ 883.725	\$ 874.003	\$ (9.722)	\$ 866.637	\$ (7.366)	\$ 865.415	\$ (1.223)	\$ 852.981	\$ (12.433)
Less: Debt Service	397.643	457.624	(59.981)	475.028	(17.404)	491.587	(16.559)	509.318	(17.731)
Income Available for Distribution	\$ 486.082	\$ 416.379	\$ (69.703)	\$ 391.609	\$ (24.770)	\$ 373.828	\$ (17.782)	\$ 343.663	\$ (30.164)
Distributable To:									
MTA - Investment Income	2.320	2.506	0.186	2.598	0.092	2.703	0.105	2.813	0.110
MTA - Distributable Income	284.969	257.738	(27.231)	246.185	(11.553)	237.248	(8.937)	222.104	(15.144)
NYCT - Distributable Income	198.793	156.135	(42.658)	142.826	(13.309)	133.877	(8.949)	118.746	(15.131)
Total Distributable Income:	\$ 486.082	\$ 416.379	\$ (69.703)	\$ 391.609	\$ (24.770)	\$ 373.828	\$ (17.781)	\$ 343.663	\$ (30.165)
Actual Cash Transfers:									
MTA - Investment Income	1.368	2.320	(0.952)	2.506	(0.186)	2.598	(0.092)	2.703	(0.105)
MTA - Transfers	308.536	260.461	48.075	247.340	13.120	238.142	9.199	223.618	14.523
NYCT - Transfers	207.307	160.401	46.906	144.157	16.244	134.772	9.385	120.259	14.513
Total Cash Transfers:	\$ 517.211	\$ 423.182	\$ 94.029	\$ 394.003	\$ 29.178	\$ 375.512	\$ 18.492	\$ 346.580	\$ 28.931
SUPPORT TO MASS TRANSIT:									
Total Revenues	1,267.428	1,306.090	38.662	1,308.768	2.678	1,317.079	8.311	1,321.185	4.106
Less: Net Operating Expenses	359.202	406.403	(47.201)	416.010	(9.607)	425.058	(9.048)	441.041	(15.983)
Program to Eliminate the Gap	-	0.269	0.269	0.396	0.127	0.396	-	0.396	-
Net Operating Income:	\$ 908.226	\$ 899.956	\$ (8.270)	\$ 893.154	\$ (6.802)	\$ 892.417	\$ (0.737)	\$ 880.540	\$ (11.877)
Deductions from Operating Income:									
B&T Debt Service	111.127	130.986	(19.859)	143.830	(12.844)	160.361	(16.531)	178.125	(17.764)
Capitalized Assets	10.099	12.491	(2.392)	12.703	(0.212)	12.940	(0.236)	13.210	(0.270)
Reserves	14.402	13.193	1.209	13.417	(0.224)	13.667	(0.250)	13.952	(0.286)
Total Deductions from Operating Inc:	\$ 135.628	\$ 156.670	\$ (21.042)	\$ 169.951	\$ (13.281)	\$ 186.967	\$ (17.017)	\$ 205.288	\$ (18.320)
Total Support to Mass Transit:	\$ 772.598	\$ 743.286	\$ (29.312)	\$ 723.203	\$ 6.478	\$ 705.450	\$ 16.280	\$ 675.252	\$ 6.443

MTA Bridges and Tunnels
November Financial Plan 2006-2009
Utilization

Ridership/Traffic Volume (Utilization)

Paid traffic volume is projected to reach 300.7 million vehicles in 2005, 0.8% less than the 2004 record high of 303.0 million vehicles. The estimated decline is based on current traffic trends, which may be influenced by higher fuel prices, as well as the toll increase implemented on March 13, 2005.

Traffic volumes are projected to grow an average of 0.4% per year from 2006 through 2009 and incorporate the current forecasts for regional employment and national inflation provided by Global Insight.

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Ridership/Traffic Volume (Utilization)
(in millions)

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline Total Toll Revenue	\$1,096.988	\$1,207.393	\$1,238.291	\$1,239.576	\$1,247.438	\$1,249.134
<i>Impact of:</i>						
Program to Eliminate the Gap (PEG)	0.000	0.000	0.000	0.000	0.000	0.000
Total Toll Revenue	\$1,096.988	\$1,207.393	\$1,238.291	\$1,239.576	\$1,247.438	\$1,249.134
 Baseline Total Traffic	 302.955	 300.668	 301.434	 302.262	 304.699	 305.636
<i>Impact of:</i>						
Program to Eliminate the Gap (PEG)	0.000	0.000	0.000	0.000	0.000	0.000
Total Traffic	302.955	300.668	301.434	302.262	304.699	305.636

MTA Bridges and Tunnels
November Financial Plan 2006-2009
Summary of Major Programmatic Changes Between Financial Plans

<u>PLAN-TO-PLAN</u>	<u>Favorable/ (Unfavorable) (\$ in millions)</u>
2005: November Financial Plan vs. July Financial Plan	\$9.8
• Additional toll revenue resulting primarily from highly favorable weather during the summer months, offset by a downward re-estimation of the average toll.	\$0.5
• Other Operating revenue for write off of reserve for legal fees associated with the sale of the New York Coliseum	\$2.4
• Increase in other non-capital reimbursements for the adjustment in security wage levels	\$3.2
• Increase in investment income due to higher fund balances than projected	\$0.4
• Re-estimate of energy cost primarily due to rate increases realized in the 3 rd quarter of 2005	(\$1.3)
• Increase in bridge painting expenses at the Verrazano Narrows, Throgs Neck and Triborough Bridges due to favorable weather conditions.	(\$3.9)
• Lower E-ZPass tag expenses due to reductions in the number of tag purchases for regular inventory and the tag swap program	\$4.7
• Lower E-ZPass Customer Service Center expenses against the contract, primarily due to higher than planned vacancies during the year for Customer Service Representatives and lower administrative costs from the tag swap program	\$2.6
• Re-estimate of training services expenses	\$0.3
• Other non-programmatic expense re-estimates (offset by inflation)	\$0.9

Favorable/
(Unfavorable)
(\$ in millions)

2006: November Financial Plan vs. July Financial Plan **(\$4.8)**

• Toll revenues decrease due to a \$0.02 downward re-estimate of the average toll	(\$6.0)
• Increase in other non-capital reimbursements for the adjustment in security wage levels	\$2.7
• Increase in investment income due to higher fund balances	\$0.1
• Re-estimate of energy cost primarily due to rate adjustments	(\$1.7)
• Increase in major maintenance expenses primarily due to higher cost estimates for biennial inspections scheduled at the Triborough and Verrazano Narrows Bridges	(\$1.0)
• Re-estimate of training services expenses	\$0.4
• Other non-programmatic expenses re-estimates (offset by inflation)	\$0.7

2007: November Financial Plan vs. July Financial Plan **(\$6.8)**

• Toll revenues decrease due to a \$0.02 downward re-estimate of the average toll and minor decline in projected traffic resulting from Global Insight's most recent forecast for inflation	(\$7.6)
• Increase in other non-capital reimbursements for the adjustment in security wage levels	\$2.1
• Increase in investment income due to higher fund balances	\$0.2
• Re-estimate of energy cost primarily due to rate increases in the 3 rd quarter of 2005	(\$1.6)
• Other non-programmatic expenses re-estimates (offset by inflation)	\$0.1

Favorable/
(Unfavorable)
(\$ in millions)

2008: November Financial Plan vs. July Financial Plan **(\$6.2)**

• Toll revenues decrease due to a \$0.02 downward re-estimate of the average toll and minor decline in projected traffic resulting from Global Insight's most recent forecast for inflation	(\$7.4)
• Increase in other non-capital reimbursements for the adjustment in security wage levels	\$2.1
• Increase in investment income	\$0.2
• Re-estimate of energy cost due to rate increases in the 3 rd quarter of 2005	(\$1.5)
• Other non-programmatic expenses re-estimates (offset by inflation)	\$0.4

2009: November Financial Plan vs. July Financial Plan **\$6.2**

• Toll revenues decrease due to a \$0.02 downward re-estimate of the average toll and minor decline in projected traffic resulting from Global Insight's most recent forecast for inflation	(\$7.7)
• Increase in other non-capital reimbursements for the adjustment in security wage levels	\$2.1
• Increase in investment income	\$0.1
• Re-estimate of energy cost primarily due to rate increased in the 3 rd quarter of 2005	(\$1.6)
• Other non-programmatic expenses re-estimates (offset by inflation)	\$0.9

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Net Operating Income	\$898.420	\$904.746	\$899.949	\$898.638	\$886.695
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Toll Revenue (due to lower average toll per vehicle)	\$0.501	(\$6.029)	(\$7.595)	(\$7.410)	(\$7.690)
Write-off of liability for New York Coliseum	2.376	-	-	-	-
Other Reimbursements	3.229	2.673	2.128	2.136	2.134
Investment Income	0.371	0.087	0.174	0.174	0.104
Sub-Total Non-Reimbursable Revenue Changes	\$6.477	(\$3.269)	(\$5.293)	(\$5.101)	(\$5.452)
Expenses					
Increases in Energy Costs due to rate adjustments	(\$1.321)	(\$1.753)	(\$1.679)	(\$1.624)	(\$1.574)
Increases in Major Maintenance/Bridge Painting	(3.942)	(0.955)	-	-	-
Reduction in E-ZPass tag purchases	4.673	-	-	-	-
Reduction in E-ZPass Customer Service Center expenses	2.567	-	-	-	-
Reduction in training services	0.285	0.385	-	-	-
Other Non-Programmatic Expense Re-Estimates	1.067	0.802	0.177	0.504	0.871
Sub-Total Non-Reimbursable Expense Changes	\$3.329	(\$1.521)	(\$1.502)	(\$1.121)	(\$0.703)
Total Non-Reimbursable Major Changes	\$9.806	(\$4.790)	(\$6.795)	(\$6.221)	(\$6.155)
<i>Reimbursable Major Changes</i>					
Revenue					
Sub-Total Reimbursable Revenue Changes					
Expenses					
Sub-Total Reimbursable Expense Changes					
Total Reimbursable Major Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Accrual Changes	\$9.806	(\$4.790)	(\$6.795)	(\$6.221)	(\$6.155)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$9.806	(\$4.790)	(\$6.795)	(\$6.221)	(\$6.155)
Baseline 2005 November Financial Plan - Net Operating Income	\$908.226	\$899.956	\$893.154	\$892.417	\$880.540

MTA Bridges and Tunnels
November Financial Plan 2006-2009
Summary of Changes Between Financial Plans

<u>PLAN-TO-PLAN</u>	<u>Favorable/ (Unfavorable) (\$ in millions)</u>
2005: November Financial Plan vs. July Financial Plan	\$9.8
• Toll Revenue: Additional toll revenue primarily resulting from highly favorable weather during the summer months, offset by a downward re-estimation of the average toll	\$0.5
• Other Operating Revenue: Write off of the reserve for legal fees associated with the sale of the New York Coliseum	\$2.4
• Capital and Other Reimbursements: Increase in other non-capital reimbursements for the adjustment in security wage levels	\$3.2
• Investment Income: Increase in investment income due to higher fund balances than projected	\$0.4
• Overtime: Increase in overtime expenses resulting from higher workload and security overtime	(\$1.3)
• Fringe Benefits: Lower health and welfare costs, in addition to lower pension re-estimates provided by NYCERS	\$0.7
• Insurance: Adjustment in auto insurance costs	\$0.1
• Maintenance and Other Operating:	(\$2.3)
- Increase in bridge painting expenses at the Verrazano Narrows, Throgs Neck and Triborough Bridges due to favorable weather conditions	(\$3.9)
- Lower E-ZPass Customer Service Center expenses against the contract, primarily due to higher than planned vacancies for Customer Service Representatives and lower administrative costs from the tag swap program	\$2.6
- Reduction in E-ZPass equipment maintenance expenses	\$0.5
- Re-estimate of energy expenses due to rate increases realized in 3 rd quarter 2005 and consumption	(\$1.5)
• Professional Service Contracts:	\$1.6
- Re-estimate of professional services expenses primarily for legal services, planning studies and training services	\$0.7
- Lower General Engineering Services expenses	\$0.4
- Further reductions in procurement credit card expenses since restrictions were placed on spending limits	\$0.2
- Other Professional Service Contract adjustments	\$0.3

Favorable/
(Unfavorable)
(\$ in millions)

2005: November Financial Plan vs. July Financial Plan (cont'd)

• Materials and Supplies:	\$4.6
- Lower E-ZPass tag expenses due to reduction in number of tag purchases for regular inventory and the tag swap program	\$4.7
- Other Materials and Supplies adjustments	(\$0.1)
• Other Business Expenses	(\$0.1)

2006: November Financial Plan vs. July Financial Plan **(\$4.8)**

• Toll Revenue: Re-estimate of toll revenues due to a \$0.02 downward adjustment of the average toll, based on the accumulation of additional actual information since the toll increase	(\$6.0)
• Capital and Other Reimbursements: Increase in other non-capital reimbursements for the adjustment in security wage levels	\$2.7
• Investment Income: Increase in investment income due to adjustment in interest rates	\$0.1
• Payroll: Increase in payroll expenses due to re-estimate of vacancy rates resulting from retirements	(\$0.2)
• Overtime: Increase in overtime primarily due to higher workload overtime in Operations	(\$0.4)
• Fringe Benefits: Lower pension expenses due to re-estimate from NYCERS	\$1.1
• Maintenance and Other Operating:	(\$2.9)
- Increase in major maintenance expenses due to higher cost estimates for biennial inspections scheduled at the Triborough and Verrazano Narrows Bridges	(\$1.0)
- Re-estimate of energy expenses due to rate increases realized in 3 rd quarter 2005 and consumption	(\$1.8)
- Other Maintenance and Other Operating adjustments	(\$0.1)
• Professional Service Contracts: Re-estimate of professional services expenses primarily for legal services, planning studies and training services	\$1.0
• Materials and Supplies	(\$0.1)
• Other Business Expenses	(\$0.1)

Favorable/
(Unfavorable)
(\$ in millions)

2007: November Financial Plan vs. July Financial Plan **(\$6.8)**

• Toll Revenue: Re-estimate of toll revenues due to a \$0.02 downward re-estimate of the average toll and minor decline in projected traffic resulting from Global Insight's most recent forecast for inflation	(\$7.6)
• Capital and Other Reimbursements: Increase in other non-capital reimbursements for the adjustment in security wage levels	\$2.1
• Investment Income: Increase in investment income due to adjustment in interest rates	\$0.2
• Payroll: Adjustment in payroll expenses largely due to lower CPIU	\$0.1
• Overtime: Increase in overtime primarily due to higher workload overtime in Operations	(\$0.3)
• Fringe Benefits: Lower health and welfare fringe benefit expenses due to lower CPIU	\$0.3
• Maintenance and Other Operating:	(\$1.5)
- Re-estimate of energy expenses due to rate increases realized in 3 rd quarter 2005	(\$1.6)
- Other Maintenance and Other Operating adjustments	\$0.1
• Professional Service Contracts	\$0.0
• Materials and Supplies	\$0.0
• Other Business Expenses	(\$0.1)

Favorable/
(Unfavorable)
(\$ in millions)

2008: November Financial Plan vs. July Financial Plan

(\$6.2)

• Vehicle Toll Revenue Re-estimate of toll revenues due to a \$0.02 downward re-estimate of the average toll and minor decline in projected traffic resulting from Global Insight's most recent forecast for inflation	(\$7.4)
• Capital and Other Reimbursements: Increase in other non-capital reimbursements for the adjustment in security wage levels	\$2.1
• Investment Income: Increase in investment income due to adjustment in interest rates	\$0.2
• Payroll: Adjustment in payroll expenses largely due to step-up increases caused by CPIU	(\$0.2)
• Overtime: Increase in overtime primarily due to higher workload overtime in Operations	(\$0.3)
• Fringe Benefits: Lower health and welfare fringe benefit expenses due to lower CPIU	\$0.3
• Maintenance and Other Operating:	(\$1.0)
- Re-estimate of energy expenses due to rate increases realized in 3 rd quarter 2005	(\$1.5)
- Other Maintenance and Other Operating adjustments	\$0.5
• Professional Service Contracts	\$0.0
• Materials and Supplies	\$0.1
• Other Business Expenses	\$0.0

Favorable/
(Unfavorable)
(\$ in millions)

2009: November Financial Plan vs. July Financial Plan

(\$6.2)

• Vehicle Toll Revenue: Re-estimate of toll revenues due to a 0.5% downward re-estimate of the average toll and minor decline in projected traffic resulting from Global Insight's most recent forecast for inflation	(\$7.7)
• Capital and Other Reimbursements: Increase in other non-capital reimbursements for the adjustment in security wage levels	\$2.1
• Investment Income: Increase in investment income due to adjustment in interest rates	\$0.1
• Payroll: Adjustment in payroll expenses largely due to step-up increases caused by CPIU	(\$0.4)
• Overtime: Increase in overtime primarily due to higher workload overtime in Operations	(\$0.2)
• Fringe Benefits: Lower health and welfare fringe benefit expenses due to lower CPIU	\$0.2
• Maintenance and Other Operating:	(\$0.6)
- Re-estimate of energy expenses due to rate increases realized in 3 rd quarter 2005	(\$1.6)
- Other Maintenance and Other Operating adjustments	\$0.6
• Professional Service Contracts	\$0.1
• Materials and Supplies	\$0.2
• Other Business Expenses	\$0.0

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Net Operating Income	\$898.420	\$904.746	\$899.949	\$898.638	\$886.695
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.501	(6.029)	(7.595)	(7.410)	(7.690)
Other Operating Revenue	2.376	-	-	-	-
Capital and Other Reimbursement	3.229	2.673	2.128	2.136	2.134
Investment Income	0.371	0.087	0.174	0.174	0.104
Total Revenue Changes	\$6.477	(\$3.269)	(\$5.293)	(\$5.101)	(\$5.452)
Expenses					
<i>Labor:</i>					
Payroll	\$0.000	(\$0.230)	\$0.088	(\$0.170)	(\$0.384)
Overtime	(1.336)	(0.386)	(0.292)	(0.291)	(0.247)
Health and Welfare	0.271	0.085	0.300	0.315	0.330
Pensions	0.317	1.134	-	-	0.011
Other Fringe Benefits	0.130	(0.052)	0.034	(0.019)	(0.070)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	(\$0.618)	\$0.551	\$0.129	(\$0.165)	(\$0.359)
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-
Insurance	0.110	(0.001)	0.001	0.003	0.005
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	(2.341)	(2.937)	(1.512)	(1.022)	(0.598)
Professional Service Contracts	1.573	1.069	(0.058)	0.006	0.070
Materials & Supplies	4.597	(0.119)	(0.007)	0.107	0.222
Other Business Expenses	0.008	(0.083)	(0.055)	(0.049)	(0.044)
Total Non-Labor Expense Changes	\$3.947	(\$2.072)	(\$1.632)	(\$0.955)	(\$0.344)
Total Expense Changes	\$3.329	(\$1.521)	(\$1.502)	(\$1.120)	(\$0.703)
Cash Adjustment Changes					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$9.806	(\$4.790)	(\$6.795)	(\$6.221)	(\$6.155)
Baseline 2005 November Financial Plan - Net Operating Income	\$908.226	\$899.956	\$893.154	\$892.417	\$880.540

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Net Operating Income	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Other Operating Revenue					
Capital and Other Reimbursement					
Investment Income					
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
<i>Labor:</i>					
Payroll					
Overtime					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Professional Service Contracts					
Materials & Supplies					
Other Business Expenses					
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2005 November Financial Plan - Net Operating Income	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Net Operating Income	\$898.420	\$904.746	\$899.949	\$898.638	\$886.695
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.501	(6.029)	(7.595)	(7.410)	(7.690)
Other Operating Revenue	2.376	-	-	-	-
Capital and Other Reimbursement	3.229	2.673	2.128	2.136	2.134
Investment Income	0.371	0.087	0.174	0.174	0.104
Total Revenue Changes	\$6.477	(\$3.269)	(\$5.293)	(\$5.101)	(\$5.452)
Expenses					
<i>Labor:</i>					
Payroll	\$0.000	(\$0.230)	\$0.088	(\$0.170)	(\$0.384)
Overtime	(1.336)	(0.386)	(0.292)	(0.291)	(0.247)
Health and Welfare	0.271	0.085	0.300	0.315	0.330
Pensions	0.317	1.134	-	-	0.011
Other Fringe Benefits	0.130	(0.052)	0.034	(0.019)	(0.070)
Reimbursable Overhead	-	-	-	-	-
Total Labor Expense Changes	(\$0.618)	\$0.551	\$0.129	(\$0.165)	(\$0.359)
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	-	-	-	-	-
Insurance	0.110	(0.001)	0.001	0.003	0.005
Claims	-	-	-	-	-
Paratransit Service Contracts	-	-	-	-	-
Maintenance and Other Operating Contracts	(2.341)	(2.937)	(1.512)	(1.022)	(0.598)
Professional Service Contracts	1.573	1.069	(0.058)	0.006	0.070
Materials & Supplies	4.597	(0.119)	(0.007)	0.107	0.222
Other Business Expenses	0.008	(0.083)	(0.055)	(0.049)	(0.044)
Total Non-Labor Expense Changes	\$3.947	(\$2.072)	(\$1.632)	(\$0.955)	(\$0.344)
Total Expense Changes	\$3.329	(\$1.521)	(\$1.502)	(\$1.120)	(\$0.703)
Cash Adjustment Changes					
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$9.806	(\$4.790)	(\$6.795)	(\$6.221)	(\$6.155)
Baseline 2005 November Financial Plan - Net Operating Income	\$908.226	\$899.956	\$893.154	\$892.417	\$880.540

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Summary of 2006 PEGs
(\$ in millions)

	Favorable/(Unfavorable)									
	2005 November Forecast		2006 Final Proposed Budget		2007		2008		2009	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
LIST of PROGRAMS										
Administration:										
- Reduction of supervisory position in Rev Mgmt.			1	\$.071	1	\$.071	1	\$.071	1	\$.071
- Reduction of admin position in Payroll Dept.			1	\$.041	1	\$.041	1	\$.041	1	\$.041
- Reduction of admin position in Revenue Mgmt.			1	\$.013	1	\$.053	1	\$.053	1	\$.053
- Reduce overtime for law-enforcing activities by decreasing arrest processing time			0	\$.144	0	\$.144	0	\$.144	0	\$.144
Sub-Total Administration	0	\$.000	3	\$.269	3	\$.309	3	\$.309	3	\$.309
Customer Convenience & Amenities:										
Sub-Total Customer Convenience & Amenities	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Service:										
Sub-Total Service	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Maintenance:										
Sub-Total Maintenance	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Revenue Enhancements:										
Sub-Total Revenue Enhancements	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Other:										
Sub-Total Other	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Total 2006 PEGs	0	\$.000	3	\$.269	3	\$.309	3	\$.309	3	\$.309

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Summary of Post-2006 PEGs
(\$ in millions)

	Favorable/(Unfavorable)					
	2007		2008		2009	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
LIST of PROGRAMS						
Administration:						
- Reduction of admin position in Payroll Dept.	1	\$.045	1	\$.045	1	\$.045
- Reduction of admin position in Accts Payable	1	\$.042	1	\$.042	1	\$.042
 Sub-Total Administration	 2	 \$.087	 2	 \$.087	 2	 \$.087
 Customer Convenience & Amenities:						
 Sub-Total Customer Convenience & Amenities	 0	 \$.000	 0	 \$.000	 0	 \$.000
 Service:						
 Sub-Total Service	 0	 \$.000	 0	 \$.000	 0	 \$.000
 Maintenance:						
 Sub-Total Maintenance	 0	 \$.000	 0	 \$.000	 0	 \$.000
 Revenue Enhancements:						
 Sub-Total Revenue Enhancements	 0	 \$.000	 0	 \$.000	 0	 \$.000
 Other:						
 Sub-Total Other	 0	 \$.000	 0	 \$.000	 0	 \$.000
Total Post-2006 PEGs	2	\$.087	2	\$.087	2	\$.087

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet

PEG Program Category:

Administrative

Program:

Reduction of one administrative position in the Payroll Department

Background Details:

Elimination of an administrative position in the Payroll Department due to efficiencies brought about by the re-engineering of the timecard reconciliation process.

PEG Description and Implementation Plan:

Elimination of one administrative position in the Payroll Department resulting from efficiencies realized by re-engineering of the timecard reconciliation process.

PEG Implementation Date:

Jan-06

When will PEG savings begin?: Jan 2006

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.041	\$0.041	\$0.041	\$0.041
Total Reduction in Positions Required	0	1	1	1	1
<i>(List title of positions)</i>					
Clerical Aide					
Current Vacancies	0	0	0	0	0
<i>(List title of vacant positions)</i>					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					

List of Other Concerns:

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet

PEG Program Category:

Supervisory

Program:

Reduction of one supervisory position in Revenue Mgmt

Background Details:

Elimination of a Revenue Audit Supervisor position through the reallocation of supervisory responsibilities to the three remaining Audit Supervisors.

PEG Description and Implementation Plan:

Reduction of one supervisory position in Revenue Mgmt resulting from the re-engineering of the audit process.

PEG Implementation Date:

January 2006

When will PEG savings begin?: January 2006

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.071	\$0.071	\$0.071	\$0.071
Total Reduction in Positions Required	0	1	1	1	1
<i>(List title of positions)</i>					
Revenue Audit Supervisor					
Current Vacancies	0	0	0	0	0
<i>(List title of vacant positions)</i>					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					

List of Other Concerns:

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet

PEG Program Category:

Administrative

Program:

Reduction of one administrative position in Revenue Management.

Background Details:

Elimination of an Associate Bookkeeper position in Revenue Management in the last quarter of 2006. The work process will be reengineered by the last quarter 2006 and existing staff are expected to absorb the additional work.

PEG Description and Implementation Plan:

Elimination of one administrative position in Revenue Management in the last quarter of 2006, as a result of the re-engineering of the audit process and a reallocation of responsibilities.

PEG Implementation Date:

October 2006

When will PEG savings begin?: October 2006

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.013	\$0.053	\$0.053	\$0.053
Total Reduction in Positions Required	0	1	1	1	1
<i>(List title of positions)</i>					
Associate Bookkeeper					
Current Vacancies	0	0	0	0	0
<i>(List title of vacant positions)</i>					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					

List of Other Concerns:

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet

PEG Program Category:

Administration

Program:

Reduce overtime associated with law-enforcement activities by improving arrest processing time.

Background Details:

Bridge and Tunnel Officers (BTOs) make approximately 1,500 arrests per year. Overtime is often necessary to either cover the normally scheduled duties for the arresting BTO or to extend his or her workday to enable the completion of the procedural requirements. During the first quarter of 2005, BTOs made 384 arrests and were paid for 5,993 overtime hours for related coverage.

PEG Description and Implementation Plan:

B&T proposes securing access to the NYPD's on-line booking system and establishing arrest processing centers at the Verrazano-Narrows Bridge and the Triborough Bridge. These changes would reduce arrest processing time by an estimated two hours per arrest, which would subsequently result in lower associated overtime costs.

PEG Implementation Date:

January 2006

When will PEG savings begin?: First quarter 2006

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.144	\$0.144	\$0.144	\$0.144

Total Reduction in Positions Required

(List title of positions)

Current Vacancies	0	0	0	0	0
(List title of vacant positions)					

Impact on Operations:

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

Other
(Identify Appropriate Indicator)

List of Other Concerns:

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet

PEG Program Category: Administrative

Program: Reduction of an administration position in the Payroll Department.

Background Details: Elimination of a position in the Payroll Department in 2007 due to expected efficiencies brought about by the implementation of the Kronos system (scheduled for the second half of 2006). Kronos is expected to automate some of the current manually performed payroll operations.

PEG Description and Implementation Plan: Elimination of an administrative position in the Payroll Department due to expected efficiencies resulting from the implementation of the Kronos system in the second half of 2006.

PEG Implementation Date: January 2007 **When will PEG savings begin?:** January 2007

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.045	\$0.045	\$0.045
Total Reduction in Positions Required	0	0	1	1	1
<i>(List title of positions)</i>					
Clerical Aide					
Current Vacancies	0	0	0	0	0
<i>(List title of vacant positions)</i>					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					

List of Other Concerns:

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet

PEG Program Category:

Administration

Program:

Reduction of one administrative position in Accounts Payable

Background Details:

Elimination of a accounts payable position. It is expected that current payment voucher trends as a result of the Procurement Credit Card, a reduction in capital vouchers, and an anticipated reduction in invoices due to new administrative budget controls will allow the agency to reduce one of eight Accounts Payable positions.

PEG Description and Implementation Plan:

B&T proposes the reduction of one accounts payable position in 2007.

PEG Implementation Date:

January 2007

When will PEG savings begin?: January 2007

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.042	\$0.042	\$0.042

Total Reduction in Positions Required

(List title of positions)

Current Vacancies	0	0	0	0	0
<i>(List title of vacant positions)</i>					

Impact on Operations:

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

Other
(Identify Appropriate Indicator)

List of Other Concerns:

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
PEG Reconciliation (List of Changes) Between Financial Plans
(\$ in millions)

	2005 November Forecast		2006 Final Proposed Budget		2007		2008		2009	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
2005 July Financial Plan - Total PEGs	0	\$0.000	3	\$0.269	5	\$0.396	5	\$0.396	5	\$0.396
List of PEG Changes										
Administration										
- Reduction of supervisory position in Rev Mgmt.		-		-		-		-		-
- Reduction of admin position in Payroll Dept.		-		-		-		-		-
- Reduction of admin position in Revenue Mgmt.		-		-		-		-		-
- Reduce overtime for law-enforcing activities by decreasing arrest processing time		-		-		-		-		-
- Reduction of admin position in Payroll Dept.		-		-		-		-		-
- Reduction of admin position in Accts Payable		-		-		-		-		-
Total Administrative Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Customer Convenience & Amenities (List changes by PEG)										
Total Customer Convenience & Amenities Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service (List changes by PEG)										
Total Service Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Maintenance (List changes by PEG)										
Total Maintenance Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Revenue Enhancements (List changes by PEG)										
Total Revenue Enhancement Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Other (List changes by PEG)										
Total Other Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Total PEG Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
2005 November Financial Plan - Total PEGs	0	\$0.000	3	\$0.269	5	\$0.396	5	\$0.396	5	\$0.396

MTA Bridges and Tunnels
November Financial Plan 2006-2009
Positions

Position Table

The 2005 year-end authorized headcount is 1,815. In 2006, there is an increase of three additional positions for the maintenance of the centralized access and monitoring control security system and a reduction of one position in the Executive Office, resulting in a total headcount of 1,817. This is further adjusted by PEGs to eliminate three positions: two positions in Revenue Management due to efficiencies in the revenue auditing process and one in the Payroll Department due to efficiencies in the payroll process. The final 2006 total headcount is 1,814.

In 2007, there are PEG reductions to eliminate two positions : an administrative position in the Payroll Department due to efficiencies to be realized with the implementation of the automated timekeeping system and one from the Accounts Payable unit due to the decline in numbers of capital vouchers and invoices brought about by the new administrative budget controls. This will bring the total 2007 headcount to 1,812.

From 2008 through 2009, the number of positions remains constant.

Throughout the plan period, all of the security positions approved by the MTA since September 11th are expected to remain in the headcount.

MTA BRIDGES AND TUNNELS
November Financial Plan 2006 - 2009
Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Administration	144	148	147	147	147	147
Executive	4	4	3	3	3	3
Law	9	10	10	10	10	10
CFO ⁽¹⁾	36	38	38	38	38	38
Labor Relations	4	5	5	5	5	5
Procurement & Materials	41	41	41	41	41	41
Staff Services ⁽²⁾	49	49	49	49	49	49
EEO	1	1	1	1	1	1
Operations	820	797	797	797	797	797
Revenue Management	45	48	48	48	48	48
Operations (Non-Security)	775	749	749	749	749	749
Maintenance	372	387	390	390	390	390
Maintenance	86	92	92	92	92	92
Operations - Maintainers	186	190	190	190	190	190
Procurement & Materials	14	14	14	14	14	14
Technology	56	58	58	58	58	58
Internal Security - Tech Svcs	30	33	36	36	36	36
Engineering/Capital	182	186	186	186	186	186
Engineering & Construction	163	167	167	167	167	167
Health & Safety	10	10	10	10	10	10
Planning & Budget Capital	9	9	9	9	9	9
Public Safety	293	297	297	297	297	297
Operations (Security)	259	261	261	261	261	261
Internal Security - Operations	34	36	36	36	36	36
Baseline Total Positions	1,811	1,815	1,817	1,817	1,817	1,817
<i>Non-Reimbursable</i>	<i>1,766</i>	<i>1,770</i>	<i>1,772</i>	<i>1,772</i>	<i>1,772</i>	<i>1,772</i>
<i>Reimbursable</i>	<i>45</i>	<i>45</i>	<i>45</i>	<i>45</i>	<i>45</i>	<i>45</i>
<i>Total Full-Time</i>	<i>1,811</i>	<i>1,815</i>	<i>1,817</i>	<i>1,817</i>	<i>1,817</i>	<i>1,817</i>
<i>Total Full-Time-Equivalents</i>						

Impact of:

2006 Program to Eliminate the Gap	(3)	(3)	(3)	(3)
Post-2006 Program to Eliminate the Gap		(2)	(2)	(2)

Total Positions	1,811	1,815	1,814	1,812	1,812	1,812
<i>Non-Reimbursable</i>	<i>1,766</i>	<i>1,770</i>	<i>1,769</i>	<i>1,767</i>	<i>1,767</i>	<i>1,767</i>
<i>Reimbursable</i>	<i>45</i>	<i>45</i>	<i>45</i>	<i>45</i>	<i>45</i>	<i>45</i>
<i>Total Full-Time</i>	<i>1,811</i>	<i>1,815</i>	<i>1,814</i>	<i>1,812</i>	<i>1,812</i>	<i>1,812</i>
<i>Total Full-Time-Equivalents</i>						

⁽¹⁾ includes Accounts Payable, Accounting, Payroll and Operating Budget staff.

⁽²⁾ includes Human Resources and Administration staff.

MTA BRIDGES AND TUNNELS
November Financial Plan 2006-2009

Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	Final Proposed 2006	2007	2008	2009
Administration				
Managers/Supervisors	42	42	42	42
Professional, Technical, Clerical	105	105	105	105
Operational Hourlies	-	-	-	-
Total Administration	147	147	147	147
Operations				
Managers/Supervisors	56	56	56	56
Professional, Technical, Clerical	62	62	62	62
Operational Hourlies ⁽¹⁾	679	679	679	679
Total Operations	797	797	797	797
Maintenance				
Managers/Supervisors	28	28	28	28
Professional, Technical, Clerical	59	59	59	59
Operational Hourlies ⁽¹⁾	303	303	303	303
Total Maintenance	390	390	390	390
Engineering/Capital				
Managers/Supervisors	35	35	35	35
Professional, Technical, Clerical	151	151	151	151
Operational Hourlies	-	-	-	-
Total Engineering/Capital	186	186	186	186
Public Safety				
Managers/Supervisors	11	11	11	11
Professional, Technical, Clerical	27	27	27	27
Operational Hourlies ⁽¹⁾	259	259	259	259
Total Public Safety	297	297	297	297
Total				
Managers/Supervisors	172	172	172	172
Professional, Technical, Clerical	404	404	404	404
Operational Hourlies	1,241	1,241	1,241	1,241
Total	1,817	1,817	1,817	1,817
Baseline Total Positions	1,817	1,817	1,817	1,817
Non-Reimbursable	1,772	1,772	1,772	1,772
Reimbursable	45	45	45	45
Total Full-Time	1,817	1,817	1,817	1,817
Total Full-Time Equivalents	-	-	-	-
Impact of:				
2006 Program to Eliminate the Gap	(3)	(3)	(3)	(3)
Post-2006 Program to Eliminate the Gap	-	(2)	(2)	(2)
Total Positions	1,814	1,812	1,812	1,812
Non-Reimbursable	1,769	1,767	1,767	1,767
Reimbursable	45	45	45	45
Total Full-Time	1,814	1,812	1,812	1,812
Total Full-Time Equivalents	-	-	-	-

Capital Construction Company

**MTA Capital Construction Company
2006 Final Proposed Budget
November Financial Plan 2006-2009**

Mission Statement

The mission of the MTA Capital Construction Company (MTACC) is to serve the mobility needs of customers of the Metropolitan Transportation Authority (MTA) for the 21st Century by planning, designing, and building projects that expand the reach and capacity of the MTA network while meeting the MTA's obligation to serve the changing transportation needs of its customers in a timely, creative and cost-effective manner.

MTACC is responsible for managing all activities associated with the design and construction of East Side Access, the Second Avenue Subway, #7 Line Extension, Lower Manhattan Fulton Transit Center, the new South Ferry station complex, and system-wide capital security projects. All MTACC costs are 100% reimbursable from the MTA Capital Program.

Financial Overview

MTACC continues to utilize dedicated resources to efficiently address the challenges related to the planning, design, construction, regulatory framework, and community participation requirements of large complex capital projects. It is the goal of MTACC to minimize the number of full-time employees in order to maintain a cost efficient program management structure. MTACC continues to draw from the expertise and support services available in other MTA agencies to support design and construction management. Where in-house resources are unavailable MTACC may utilize third party consultants in lieu of hiring. The budget proposal reflects this philosophy.

Currently, both MTA NYCT and MTA Headquarters are providing many support services. This budget proposal assumes that many of these services will continue to be provided.

2005 November Forecast

The MTACC 2005 November Forecast is 2.7% lower than the Mid-Year Forecast. Professional services decreased by approximately 30% from the Mid-Year Forecast due to revised Legal and IT support services and the reallocation of Matrixed Confidential Secretaries expenses to Salaries and Benefits. Conversely, labor costs have increased by approximately 24% to account for the following: Matrixed Confidential Secretaries, a calculation adjustment to compound increases in benefits for employees, Engineering OH Rate for Project Employees on NYCT payroll. Insurance now includes a revised expense for All Agency Professional Liability, causing an approximate 49% increase in costs. Due to delays in major construction, there is an overall decrease in non-labor

expenditures for November 2005. Approximately 52% of this reduction is due to revised year-end 2005 staffing levels and associated labor expenses.

In comparison to the Adopted 2005 Budget, the total anticipated expenditures in 2005 November Forecast have been decreased by 43%, also directly related to projected staffing levels and labor related costs. Staffing needs are being timed to meet the needs of the capital construction projects. The 2005 November Forecast is projecting a staffing level of 71 by year end, 13% lower than the Mid-Year Forecast of 82 and 53% lower than Adopted 2005 Budget. Matrixed* employees and consultants will continue to support MTACC in lieu of hiring full time staff. As of June 2005, approximately 100 matrixed employees are supporting MTACC projects.

2006 Preliminary Budget - Baseline

In 2006, MTACC's main objective will be to continue major construction and design of the MTA's system expansion projects and to implement the system-wide safety program. To accomplish these objectives, MTACC projects 2006 costs at \$26.723 million and a year end headcount of 150.

Labor and fringe expenses are projected at \$19.057 million. The 2006 year end staffing level of 150 employees reflects an increase of 79 positions over the 2005 year end projection. Staff includes 53 MTACC positions who support the system expansion projects and cannot charge directly to a specific project; 48 for the East Side Access project; 13 for the Second Avenue Subway project; 19 for the Lower Manhattan projects; and 17 for Security projects.

Non-Labor costs are projected at \$7.666 million. Funds have been budgeted for engineering, and legal services, MTACC network development, lease of the 8th floor at 2 Broadway, and other project office costs such as communications and supplies. Major assumptions and reconciliations to the July Plan are discussed later.

2006 - 2009 Projections

With the anticipated award of major construction contracts, MTACC costs are projected to increase by 49.1% in 2006 and 17.1% in 2007. In 2008 costs will increase by 2.2% and 4.0% in 2009. Year-end staffing levels will increase to 150.

Labor costs increase in 2006 reflecting an increase in staffing from 71 to 150. Labor costs peak out in 2007 reflecting the first year of full staffing. In 2008 and 2009 labor costs remain constant and increase only by inflation. Due to some one-time agency setup costs in 2005 and 2006 for furniture, equipment and intranet services, non-labor costs decline in 2007 by 8.65%. Funding is also provided in 2005, 2006 and 2007 for project related legal and real estate services that may not be eligible for reimbursement by the Federal Transit Administration.

Non-labor costs continue to decrease by 5.4% and .2% in 2008 and 2009, respectively.

These assumptions will be monitored and revised as the MTACC organization structure and processes are finalized and actual expenditures are realized.

*Matrixed employees are employees of other agencies under temporary management of MTACC.

REIMBURSABLE

[illegible]

MTA Capital Construction
November Financial Plan 2006 - 2009
Cash Receipts & Expenditures
(\$ in millions)

	2004	Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>							
Farebox Revenue							
Vehicle Toll Revenue							
Other Operating Revenue							
Capital and Other Reimbursements		10.451	17.922	26.723	31.289	31.989	33.255
Total Receipts		\$10.451	\$17.922	\$26.723	\$31.289	\$31.989	\$33.255
<u>Expenditures</u>							
Labor:							
Payroll		\$5.101	\$5.765	\$11.420	\$14.719	\$15.090	\$15.554
Overtime							
Health and Welfare		0.826	0.896	1.792	2.466	2.773	3.125
Pensions		0.345	1.004	2.297	3.131	3.291	3.496
Other Fringe Benefits		0.889	2.678	3.548	3.966	4.206	4.469
Reimbursable Overhead							
Total Labor Expenditures		\$7.161	\$10.343	\$19.057	\$24.282	\$25.360	\$26.643
Non-Labor:							
Traction and Propulsion Power							
Fuel for Buses and Trains							
Insurance		0.445	0.740	0.814	0.895	0.985	1.083
Claims							
Paratransit Service Contracts							
Maintenance and Other Operating Contracts							
Professional Service Contracts		2.517	3.786	3.016	2.810	2.321	2.176
Materials & Supplies		0.007	0.432	0.509	0.527	0.535	0.440
Other Business Expenses		0.321	2.621	3.327	2.775	2.788	2.913
Total Non-Labor Expenditures		\$3.290	\$7.579	\$7.666	\$7.007	\$6.628	\$6.612
Other Expenditure Adjustments:							
Other							
Total Other Expenditure Adjustments		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures		\$10.451	\$17.922	\$26.723	\$31.289	\$31.989	\$33.255
Baseline Net Cash Deficit		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
PEG Program							
Net Cash Deficit		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

[illegible]

**MTA Capital Construction Company
November Financial Plan 2006-2009
Year-to-Year Changes by Category 2005-2009
Non-Reimbursable and Reimbursable**

Revenue

Capital and Other Reimbursements

- Monies are made available in the MTA's Capital Program and are drawn down as expenditures are incurred, therefore revenues will always equal expenditures.
- All MTACC expenses are reimbursable from the MTA Capital Program.
- Costs will be reimbursed from specific capital projects in accordance with how the resources are utilized.

Expenses

Payroll

- 2005 payroll costs reflect a projected year-end staffing level of 71. This is a reduction of 11 positions from the July Financial Plan.
- Costs are based on 2005 annualized projected salaries but overall labor expenses have increased by 23.67% from the July Financial Plan due to a reallocation of matrixed confidential secretaries from Professional services to Salaries and Benefits.
- 2006, 2007, 2008 and 2009 year-end staffing levels remain constant at 150. Payroll costs are escalated from the prior year's base salary by 2.77%, 2.56%, 2.91% and 3.07% respectively.

Other Fringe Benefits

- Benefits have increased due to a calculation adjustment to compound increases in employee fringe benefits, an addition of Engineering overhead rate for project employees on NYCT payroll as well as the reallocation of expenses for matrixed confidential secretaries.
- Pension costs in 2005 increased due to an overall increase in MTA pension rates.
- Health and Welfare costs have been inflated by 9.34% in 2006 through 2009.
- Pension and other benefits have been escalated by 2.77%, 2.56%, 2.91% and 3.07% from 2006 through 2009 respectively.

Insurance

- 2005 includes revised insurance expenses for the All-Agency Protective Liability Program for the Fulton Street and South Ferry projects.
- 2006 through 2009 costs are based on 2005 projections. Costs are escalated by approximately 10% from 2006 through 2009.

Professional Service Contracts

- Costs increase by 27.3% in 2006 due to the allocation of funds for the independent engineer and IT support.
- Costs are escalated by 2.77%, 2.56%, 2.91% and 3.07% from 2006 through 2009, respectively.
- Costs remain fairly constant in 2007, decreasing by 4%. Projected legal costs are reduced significantly in 2008 resulting in an overall decrease in professional services of 9.5%. Due to escalation rates, costs slightly increase in 2009.

Materials and Supplies

- Supplies costs increase in 2006 by 18% to reflect increased staffing levels.
- 2006 through 2009 costs are based on 2005 projections and remain fairly constant. Costs are escalated by 2.56%, 2.91% and 3.07% in 2007, 2008 and 2009, respectively.

Other Business Expenses

- 2006 agency costs include office furniture, computer equipment, establishing MTACC intranet network, utilities and 2 Broadway 8th floor lease. The fit out of office is deferred to correspond with hiring.
- Costs increase by 26.9% in 2006 due to anticipated year end staffing level of 150.
- MTACC intranet network and computer hardware costs decrease in 2007 causing a decrease in business expenses of 16.6%. Slight increases in 2008 and 2009 are due to escalation.
- 2006 through 2009 costs are escalated by 2.77%, 2.56%, 2.91% and 3.07% respectively.

NON-REIMBURSABLE and REIMBURSABLE

[illegible]

MTA Capital Construction
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

Favorable/(Unfavorable)

[illegible]

MTA Capital Construction Company
November Financial Plan 2006-2009
Summary of Changes Between Financial Plans 2005-2009

2005: November Financial Plan vs. July Financial Plan

The November Financial Plan includes the reallocation of expenditures, with a reduction of costs (approximately \$.490 million) from the July Financial Plan. Staffing needs are being timed to meet the needs of the capital construction projects. Therefore, the 2005 November Plan is projecting a staffing level of 71 by year end, 13% lower than the 2005 July Financial Plan. Labor expenses are higher in the November Financial Plan due to compounding benefits adjustment for MTACC employees, matrixed confidential secretaries' labor expenses reallocation (from Professional Services) and engineering overhead rates for project employees on NYCT payroll. Overall non-labor expenses, including Legal and Audit services, IT support, and supplies have been decreased by 24.6%.

2006: November Financial Plan vs. July Financial Plan

Projections for 2006 are increased by \$.506 million, 1.9% higher than the July Financial Plan. MTACC costs reflect anticipated progress in major construction of capital projects and full staff levels of 150 by year end. Labor expenses are 15% higher than the July Financial Plan because full staffing levels reached. Matrixed confidential secretaries and adjusted compounding calculations for employee benefits, as well as an engineering overhead rate for project employees on NYCT payroll are also contributing factors to the increase in labor expenses. Non-labor expenditures have decreased by 20%, attributable to the re-estimates of legal services, supplies and the reallocation of matrixed secretaries' expenditures off-set by increased APPL insurance re-estimates and reallocated 2005 costs for MTACC intranet network.

2007: November Financial Plan vs. July Financial Plan

Projections for 2007 are 2% higher than the July Plan. Staffing remains constant at 150 employees. Due to November Plan labor adjustments for compounding and overhead rates, 2007 labor expenses increase by 14%. Non-labor expenditures increase by 25.5% due to an off-set of lower supplies, professional services and communications costs and higher insurance expenses.

2008: November Financial Plan vs. July Financial Plan

The 2008 November Financial Plan assumes a full staff level of 150. Overall costs are projected at 5.5% lower than the July Plan. Labor expenses increase by 16.3% due to adjustments for compounding and overhead rates. Costs for supplies and professional services have been reduced in the November Plan; insurance has been increased.

2009: November Financial Plan vs. July Financial Plan

Staffing remains constant at 150 employees. Costs are 6.2% higher than July plan but consistent with 2008 projections adjusted for inflation.

MTA Capital Construction
November Financial Plan 2006 - 2009
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Sub-Total Non-Reimbursable Revenue Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Expenses					
Sub-Total Non-Reimbursable Expense Changes	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Total Non-Reimbursable Major Changes</i>	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Reimbursable Major Changes</i>					
Revenue					
Sub-Total Reimbursable Revenue Changes	(\$.491)	\$.506	\$.619	\$ 1.667	\$ 1.942
Expenses	\$.491	(\$.506)	(\$.619)	(\$ 1.667)	(\$ 1.942)
Sub-Total Reimbursable Expense Changes	\$.491	(\$.506)	(\$.619)	(\$ 1.667)	(\$ 1.942)
<i>Total Reimbursable Major Changes</i>	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Total Accrual Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Cash Adjustment Changes</i>					
<i>Total Cash Adjustment Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Baseline Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA CAPITAL CONSTRUCTION
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	(\$.491)	\$.506	\$.619	\$1.667	\$1.942
Total Revenue Changes	(\$.491)	\$.506	\$.619	\$1.667	\$1.942
Expenses					
Labor:					
Payroll	(\$.162)	(\$.242)	(\$.315)	(\$.320)	(\$.314)
Health and Welfare	(\$.056)	(\$.075)	(\$.327)	(\$.579)	(\$.861)
Pensions	\$.026	\$.006	(\$.094)	(\$.173)	(\$.271)
Other Fringe Benefits	(\$1.786)	(\$2.111)	(\$2.293)	(\$2.488)	(\$2.692)
Reimbursable Overhead					
Total Labor Expense Changes	(\$1.979)	(\$2.421)	(\$3.028)	(\$3.560)	(\$4.138)
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	(\$.243)	(\$.276)	(\$.303)	(\$.333)	(\$.367)
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Materials & Supplies	\$.651	\$1.029	\$1.059	\$1.090	\$1.235
Other Business Expenses	\$2.062	\$1.162	\$1.652	\$1.136	\$1.327
Total Non-Labor Expense Changes	\$2.470	\$1.915	\$2.408	\$1.892	\$2.196
Total Expense Changes	\$.491	(\$.506)	(\$.619)	(\$1.667)	(\$1.942)
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

**MTA Capital Construction Company
November Financial Plan 2006 - 2009
Positions**

All MTACC costs are reimbursable from the MTA Capital Program. The November Financial Plan reduces the 2005 projected year end staffing from 82 to 71. This reflects the delay in the award of major construction contracts. Staffing levels reach 150 in 2006 and remain constant at that level.

The 2006 Year-End Staffing level includes 53 MTACC administrative positions; 48 East Side Access project employees; 13 for Second Avenue Subway project; 19 for the Lower Manhattan projects; and 17 support security projects.

MTA CAPITAL CONSTRUCTION
November Financial Plan 2006 - 2009
Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Administration						
MTACC	13	20	52	52	52	52
Operations (list departments)						
Maintenance (list departments)						
Engineering/Capital						
MTACC	1	1	1	1	1	1
East Side Access	22	26	48	48	48	48
Security	2	10	17	17	17	17
Second Avenue Subway	2	4	13	13	13	13
Lower Manhattan Projects	4	10	19	19	19	19
Public Safety (list departments)						
Baseline Total Positions	44	71	150	150	150	150
<i>Non-Reimbursable</i>						
<i>Reimbursable</i>	44	71	150	150	150	150
<i>Total Full-Time</i>	44	71	150	150	150	150
<i>Total Full-Time-Equivalents</i>						
Impact of:						
PEG Program	-	-	-	-	-	-
Total Positions	44	71	150	150	150	150
<i>Non-Reimbursable</i>						
<i>Reimbursable</i>						
<i>Total Full-Time</i>						
<i>Total Full-Time-Equivalents</i>						

MTA Capital Construction
November Financial Plan 2006-2009
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006 Final Proposed Budget	2007	2008	2009
Administration				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	52	52	52	52
Operational Hourlies	-	-	-	-
Total Administration	52	52	52	52
Operations				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	-	-	-	-
Operational Hourlies	-	-	-	-
Total Operations	-	-	-	-
Maintenance				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	-	-	-	-
Operational Hourlies	-	-	-	-
Total Maintenance	-	-	-	-
Engineering/Capital				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	98	98	98	98
Operational Hourlies	-	-	-	-
Total Engineering/Capital	98	98	98	98
Public Safety				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	-	-	-	-
Operational Hourlies	-	-	-	-
Total Public Safety	-	-	-	-
Total				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	150	150	150	150
Operational Hourlies	-	-	-	-
Total	150	150	150	150
Baseline Total Positions	150	150	150	150
Non-Reimbursable	-	-	-	-
Reimbursable	150	150	150	150
Total Full-Time	150	150	150	150
Total Full-Time Equivalents	-	-	-	-
Impact of: 2006 Program to Eliminate the Gap	-	-	-	-
Total Positions	150	150	150	150
Non-Reimbursable	-	-	-	-
Reimbursable	-	-	-	-
Total Full-Time	-	-	-	-
Total Full-Time Equivalents	-	-	-	-

Long Island Bus

**MTA Long Island Bus
2006 Final Proposed Budget
November Financial Plan 2006 – 2009**

MISSION STATEMENT

MTA Long Island Bus remains committed to providing a safe, reliable, convenient and efficient transit bus service throughout Nassau, eastern Queens and western Suffolk counties.

AGENCY AND FINANCIAL OVERVIEW

Fixed Route

LI Bus operates a 100% clean fuel (compressed natural gas) CNG fleet of 333 fixed route buses serving over 96 communities, 47 Long Island Railroad stations, 5 NYC Transit subway stations, shopping centers, colleges, museums, parks, theaters and beaches throughout our area.

LI Bus has reached record level weekday ridership during the month of September 2005. Year to date, fixed route ridership has also exceeded the February and July projections and is expected to reach 30.6 million by the end of 2005. The continuous monitoring of route performance has allowed LI Bus to make timely and effective adjustments in service resulting in higher ridership. In addition, the improving economy and the implementation and extension of routes catering to job access, reverse commute and Rail-Bus connections commuters have increased ridership.

The recent increase in fuel prices has also had an impact on fixed route ridership. Whereas there is no specific count attributable to this variable, the general consensus is that it has had a positive impact on ridership. LI Bus' goal is to continue to provide excellent service to our customers and to increase ridership. An annual increase in ridership of .5% is projected over the next four years.

Demand Response - Paratransit

Since 1995, LI Bus has been operating the Able-Ride Paratransit program. This program offers curb-to-curb transportation for eligible customers who because of their disabilities are unable to use public transportation. We currently have 86 Paratransit buses and are projected to carry .322 million riders in 2005. The historically high annual growth rate has slowed and a modest 1% increase is projected for the 2006 – 2009 period.

General Activities

The overall safety of the riding public, LI Bus personnel, rolling stock and facilities continues to be a high priority. In conjunction with MTA Security, we have made notable enhancements to our electronic surveillance systems, perimeter security and have implemented safety awareness training for all employees. Going forward, we will utilize all available security funding to better enhance our physical assets and the awareness of our customers and employees.

LI Bus continues to be in the forefront in finding, testing and implementing the latest technology to enhance the safety and reliability of our fleet, convenience to our customers and the productivity of its workers. With capital funding, we have installed a new scheduling system, an automatic vehicle locator (AVL) system and various other modules to enhance existing support and on-board vehicle systems.

The training and disaster recovery center at the Rockville Center Depot is complete and we are on schedule with the rehabilitation of the Stewart Avenue Paratransit facility.

LI Bus is maintaining the 2005 base level of service and will continue to examine and implement programs and procedures in an attempt to maximize productivity and improve efficiency while providing quality service to our customers.

2005 November Forecast

Changes in the November Plan were dominated by energy related line items. The unprecedented rise in fuel rates have caused overruns in all related budget categories. Generally accepted guidelines were used to project the 2005 and 2006 energy costs. For years 2007 to 2009, factors from the current Global Insight Forecasts report were used to project expenses. This report forecasts fuel rates falling in the outer years resulting in lower budgeted fuel expense for 2007 to 2009.

The 2005 total non-labor expense increase from the July Plan is \$.654 of which \$.639 million was caused by energy related increases.

Lower pension rates provided a favorable result by lowering projected expenses by \$.600 million. All other expense increases were the result of inflation.

2006 Final Proposed Budget - Baseline

The adjusted 2005 November forecast was used as a platform to develop the 2006 proposed budget. The current increase in fuel continues to affect future budget proposals.

Expenses rose by \$1.9 million of which \$1.6 million (84%) was attributable to increases in fuel and utility rates in 2005. The \$1 million Payroll PEG was removed from all Payroll related line items and a CPI of 2.77% was used to project the full year value. All other changes were due to the use of updated CPI's.

The Pension line item shows savings of \$.600 million due to the lowering of the projected rates for 2006.

Ridership levels were adjusted up by .5% while the budgeted average fare was adjusted down to the actual level experienced in the third quarter of 2005.

There are no new programmatic changes in 2006.

2007 – 2009 Projections

An annual increase of .5% and 1% in ridership is projected for Fixed Route and Paratransit Service respectively. Passenger revenue is projected to increase proportionately with ridership growth. Expenses are projected to increase with inflation with the exceptions in health and welfare, claims and fuel.

MTA Long Island Bus
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2004	Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>							
Farebox Revenue		\$37.459	\$38.227	\$38.451	\$38.648	\$38.847	\$39.046
Vehicle Toll Revenue							
Other Operating Revenue		3.787	3.544	3.699	3.199	2.549	2.454
Capital and Other Reimbursements							
Total Revenue		\$41.246	\$41.771	\$42.150	\$41.847	\$41.396	\$41.500
<u>Expenses</u>							
Labor:							
Payroll		\$55.774	\$56.977	\$59.377	\$60.897	\$62.670	\$64.594
Overtime		5.200	5.384	5.122	5.253	5.406	5.572
Health and Welfare		9.796	10.646	11.692	12.784	13.978	15.284
Pensions		4.603	5.311	5.458	5.598	5.761	5.938
Other Fringe Benefits		6.370	6.377	6.554	6.721	6.917	7.129
Reimbursable Overhead							
Total Labor Expenses		\$81.743	\$84.695	\$88.203	\$91.254	\$94.731	\$98.517
Non-Labor:							
Traction and Propulsion Power							
Fuel for Buses and Trains		6.565	8.228	9.148	8.575	8.098	7.703
Insurance		0.091	0.107	0.193	0.198	0.204	0.210
Claims		4.431	2.894	2.845	2.918	3.003	3.095
Paratransit Service Contracts							
Maintenance and Other Operating Contracts		3.206	3.488	3.585	3.676	3.783	3.900
Professional Service Contracts		1.576	1.606	1.650	1.693	1.742	1.795
Materials & Supplies		1.051	2.149	2.300	2.443	2.610	2.792
Other Business Expenses		3.065	4.132	4.320	4.306	4.299	4.329
Total Non-Labor Expenses		\$19.985	\$22.604	\$24.041	\$23.809	\$23.739	\$23.824
Other Expenses Adjustments:							
Other							
Total Other Expense Adjustments		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation		\$101.728	\$107.299	\$112.244	\$115.063	\$118.470	\$122.340
Depreciation							
Total Expenses		\$101.728	\$107.299	\$112.244	\$115.063	\$118.470	\$122.340
Baseline Net Surplus/(Deficit)		(\$60.482)	(\$65.528)	(\$70.094)	(\$73.216)	(\$77.074)	(\$80.840)
2006 Agency Program to Eliminate the GAP		0.000	0.000	0.000	0.000	0.000	0.000
Post-2006 Agency Program to Elim. The Gap		0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)		(\$60.482)	(\$65.528)	(\$70.094)	(\$73.216)	(\$77.074)	(\$80.840)

MTA Long Island Bus
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements	4.233	5.533	5.678	5.832	6.003	6.190
Total Revenue	\$4.233	\$5.533	\$5.678	\$5.832	\$6.003	\$6.190
<u>Expenses</u>						
Labor:						
Payroll	\$0.598	\$0.830	0.853	0.875	0.900	0.928
Overtime						
Health and Welfare	0.176	1.274	1.392	1.522	1.664	1.819
Pensions	0.088	0.069	0.071	0.072	0.074	0.076
Other Fringe Benefits	0.071	0.060	0.062	0.063	0.065	0.067
Reimbursable Overhead						
Total Labor Expenses	\$0.933	\$2.233	\$2.378	\$2.532	\$2.703	\$2.890
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance						
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts						
Professional Service Contracts						
Materials & Supplies	3.300	3.300	3.300	3.300	3.300	3.300
Other Business Expenses						
Total Non-Labor Expenses	\$3.300	\$3.300	\$3.300	\$3.300	\$3.300	\$3.300
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$4.233	\$5.533	\$5.678	\$5.832	\$6.003	\$6.190
Depreciation						
Total Expenses	\$4.233	\$5.533	\$5.678	\$5.832	\$6.003	\$6.190
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)
2006 Agency Program to Eliminate the GAP	0.000	0.000	0.000	0.000	0.000	0.000
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)

MTA Long Island Bus
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue	\$37.459	\$38.227	\$38.451	\$38.648	\$38.847	\$39.046
Vehicle Toll Revenue						
Other Operating Revenue	3.787	3.544	3.699	3.199	2.549	2.454
Capital and Other Reimbursements	4.233	5.533	5.678	5.832	6.003	6.190
Total Revenue	\$45.479	\$47.304	\$47.828	\$47.679	\$47.399	\$47.690
<u>Expenses</u>						
Labor:						
Payroll	\$56.372	\$57.807	\$60.230	\$61.772	\$63.570	\$65.521
Overtime	5.200	5.384	5.122	5.253	5.406	5.572
Health and Welfare	9.972	11.920	13.084	14.306	15.642	17.103
Pensions	4.691	5.380	5.529	5.670	5.835	6.014
Other Fringe Benefits	6.441	6.437	6.615	6.785	6.982	7.196
Reimbursable Overhead						
Total Labor Expenses	\$82.676	\$86.928	\$90.581	\$93.786	\$97.435	\$101.407
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains	\$6.565	\$8.228	\$9.148	\$8.575	\$8.098	\$7.703
Insurance	0.091	0.107	0.193	0.198	0.204	0.210
Claims	4.431	2.894	2.845	2.918	3.003	3.095
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other						
Operating Contracts	3.206	3.488	3.585	3.676	3.783	3.900
Professional Service Contracts	1.576	1.606	1.650	1.693	1.742	1.795
Materials & Supplies	4.351	5.449	5.600	5.743	5.910	6.092
Other Business Expenses	3.065	4.132	4.320	4.306	4.299	4.329
Total Non-Labor Expenses	\$23.285	\$25.904	\$27.341	\$27.109	\$27.039	\$27.124
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$105.961	\$112.832	\$117.922	\$120.895	\$124.474	\$128.530
Depreciation						
Total Expenses	\$105.961	\$112.832	\$117.922	\$120.895	\$124.474	\$128.530
Baseline Net Surplus/(Deficit)	(\$60.482)	(\$65.528)	(\$70.094)	(\$73.216)	(\$77.075)	(\$80.840)
2006 Agency Program to Eliminate the GAP	0.000	0.000	0.000	0.000	0.000	0.000
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	(\$60.482)	(\$65.528)	(\$70.094)	(\$73.216)	(\$77.075)	(\$80.840)

MTA Long Island Bus
November Financial Plan 2006 - 2009
Cash Receipts & Expenditures
(\$ in millions)

	2004	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>						
Farebox Revenue	\$37.040	\$37.775	\$38.011	\$38.198	\$38.384	\$38.582
Vehicle Toll Revenue						
Other Operating Revenue	5.988	3.899	3.748	3.249	2.599	2.504
Capital and Other Reimbursements	4.205	5.448	5.574	5.650	5.802	5.965
Total Receipts	\$47.233	\$47.122	\$47.333	\$47.097	\$46.785	\$47.051
<u>Expenditures</u>						
Labor:						
Payroll	\$56.802	\$57.477	\$59.960	\$61.438	\$63.233	\$67.634
Overtime	4.665	5.364	5.092	5.222	5.373	5.753
Health and Welfare	10.867	11.929	13.043	14.261	15.593	17.046
Pensions		5.806	5.380	5.529	5.670	5.835
Other Fringe Benefits	6.022	6.414	6.579	6.748	6.945	7.436
Reimbursable Overhead						
Total Labor Expenditures	\$78.356	\$86.990	\$90.054	\$93.198	\$96.814	\$103.704
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains	6.112	8.119	8.998	8.425	7.948	7.553
Insurance	0.000	0.206	0.193	0.198	0.204	0.210
Claims	2.291	4.500	2.800	2.872	2.955	3.044
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	3.269	3.292	3.379	3.470	3.570	3.680
Professional Service Contracts	1.197	1.856	1.594	1.635	1.683	1.735
Materials & Supplies	5.042	5.401	5.551	5.692	5.858	6.038
Other Business Expenses	3.233	4.099	4.287	4.274	4.267	4.297
Total Non-Labor Expenditures	\$21.144	\$27.473	\$26.802	\$26.566	\$26.485	\$26.557
Other Expenditure Adjustments:						
Other						
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$99.500	\$114.463	\$116.856	\$119.764	\$123.299	\$130.261
Baseline Net Cash Deficit	(\$52.267)	(\$67.341)	(\$69.523)	(\$72.667)	(\$76.514)	(\$83.210)
2006 Agency Program to Eliminate the GAP						
	0.000	0.000	0.000	0.000	0.000	0.000
Post-2006 Agency Program to Elim. The Gap						
	0.000	0.000	0.000	0.000	0.000	0.000
Net Cash Deficit	(\$52.267)	(\$67.341)	(\$69.523)	(\$72.667)	(\$76.514)	(\$83.210)

MTA Long Island Bus
November Financial Plan 2006 - 2009
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>						
Farebox Revenue	(\$0.419)	(\$0.452)	(\$0.440)	(\$0.450)	(\$0.463)	(\$0.464)
Vehicle Toll Revenue						
Other Operating Revenue	2.201	0.355	0.049	0.050	0.050	0.050
Capital and Other Reimbursements	(0.028)	(0.085)	(0.104)	(0.182)	(0.201)	(0.225)
Total Receipt Adjustments	\$1.754	(\$0.182)	(\$0.495)	(\$0.582)	(\$0.614)	(\$0.639)
<u>Expenditures</u>						
Labor:						
Payroll	(\$0.430)	\$0.330	\$0.270	\$0.334	\$0.337	(\$2.113)
Overtime	0.535	0.020	0.030	0.031	0.033	(0.181)
Health and Welfare	(0.895)	(0.009)	0.041	0.045	0.049	0.057
Pensions	4.691	(0.426)	0.149	0.141	0.165	0.179
Other Fringe Benefits	0.419	0.023	0.036	0.037	0.037	(0.240)
Reimbursable Overhead						
Total Labor Expenditures	\$4.320	(\$0.062)	\$0.527	\$0.588	\$0.621	(\$2.297)
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains	0.453	0.109	0.150	0.150	0.150	0.150
Insurance	0.091	(0.099)	0.000	0.000	0.000	0.000
Claims	2.140	(1.606)	0.045	0.046	0.048	0.051
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.063)	0.196	0.206	0.206	0.213	0.220
Professional Service Contracts	0.379	(0.250)	0.056	0.058	0.059	0.060
Materials & Supplies	(0.691)	0.048	0.049	0.051	0.052	0.054
Other Business Expenditures	(0.168)	0.033	0.033	0.032	0.032	0.032
Total Non-Labor Expenditures	\$2.141	(\$1.569)	\$0.539	\$0.543	\$0.554	\$0.567
Other Expenditure Adjustments:						
Other						
Total Other Expenditure Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	\$8.215	(\$1.813)	\$0.571	\$0.549	\$0.561	(\$2.369)
Depreciation Adjustment						
Baseline Total Cash Conversion Adjustments	\$8.215	(\$1.813)	\$0.571	\$0.549	\$0.561	(\$2.369)
2006 Agency Program to Eliminate the GAP	0.000	0.000	0.000	0.000	0.000	0.000
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$8.215	(\$1.813)	\$0.571	\$0.549	\$0.561	(\$2.369)

**MTA Long Island Bus
November Financial Plan 2006 – 2009
Year-To-Year Changes by Category-Baseline Narrative**

1. REVENUE

- **Farebox:**
 - **2005 – 2006:** There is a net projected increase of \$.224 million in the 2006 budget over the adjusted 2005 farebox base. This base was adjusted upwards to account for the increase in ridership experienced in the first three quarters of 2005.
 - **2006 – 2009:** This plan incorporates ridership increases of .5% for fixed route and 1% for paratransit.
- **Other Operating Revenue**
 - **2005 – 2009:** A slight increase of \$.155 million is projected in 2006 for Other Operating Revenue. However due to the uncertainty of future CMAQ funding, the 2007 – 2009 forecast has been lowered.
- **Capital & Other Reimbursements**
 - **2006 – 2009:** Annual changes are due to changes in CPI factors affecting labor expenses for reimbursable employees.

2. LABOR EXPENSES

- **Payroll/Overtime:**
 - **2005 – 2006:** Baseline 2005 numbers were adjusted to include a \$.400 million projected savings. This was a “one-time” savings and as such the 2006 baseline was returned to its full year value. The approved 2.77% CPI was applied to the higher base thereby creating a total change of \$2.4 million.
 - **2006 – 2009:** Headcount levels remain constant so the applicable inflators (CPI's) were used to forecast wages. There is an extra pay period in 2009, which is reflected in the cash disbursements.
- **Health & Welfare**
 - **2006 – 2009:** CPI of 9.34% used to forecast annual increases over baseline.
- **Pension**

- **2005 – 2006:** The NYSLER rates were lowered to 10.2% for FY 2005.
- **2006 – 2009:** The 2005-rate change adjustment lowered the baseline number in the November Plan. A new lower rate of 9.7% was applied to this baseline to project expenses for the 2006 – 2009 period.
- **Other Fringe**
 - **2005 – 2009:** Year to year changes are due to the application of inflators that mirror payroll.

3. NON-LABOR EXPENSES

- **Fuel:**
 - **2005 – 2009:** Actual fuel prices exceeded those used in both the 2005 February Budget and the July Mid-Year plan. This unprecedented sustained rate increase has also impacted the November plan. End of year 2005 numbers reflect these increases and was used to project 2006 numbers. In the 2007 – 2009 time period, CPI's obtained from the Global Insight report were applied to the 2006 base numbers. (**2007** - CNG decreased 5.83%, Diesel decreased 8.8%; **2008** - CNG decreased 5.31%, Diesel decreased 7.24%; **2009** - CNG decreased 4.4%, Diesel – decreased 7.96%). These projected rate reductions (2007 – 2009) will be monitored and adjusted as needed.
- **Insurance**
 - **2005 – 2009:** Variance between years are relative to the projected rates that have been issued and included in the budget. A cash timing adjustment of \$.099 million was included in the 2005 July baseline.
- **Claims**
 - **2005 – 2009:** A \$1.6 million cash adjustment was made to the July plan to cover an outstanding claim that was paid in August 2005.
- **Maintenance & Other Operating Contracts**
 - **2005 – 2009:** The use of higher prevailing CPI's is responsible for the increase between years. The following rates were used in the respective years; (**2006:** 2.77%, **2007:** 2.56%, **2008:** 2.91%, **2009:** 3.07%).

- **Professional Service Contracts**

- **2005 – 2009:** The use of higher prevailing CPI's is responsible for the increase between years. The following rates were used in the respective years (**2006:** 2.77%, **2007:** 2.56%, **2008:** 2.91%, **2009:** 3.07%).

- **Material & Supplies**

- **2005 – 2009:** The use of higher prevailing CPI's is responsible for the increase between years. The following rates were used in the respective years (**2006:** 2.77%, **2007:** 2.56%, **2008:** 2.91%, **2009:** 3.07%).

- **Other Business Expenses**

- **2005 – 2009:** Included in this category are heating fuels and electricity. These rates also increased significantly over those used in the February and July budgets. Expenses projection for end-of-year 2005 and full-year 2006 were adjusted in the November Plan to reflect the current rates. The relevant CPI's were then applied to project costs for 2007 – 2009.

MTA Long Island Bus
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2005 November Forecast	2006 Final Proposed Budget	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Revenue									
Farebox Revenue	\$38.227	\$38.451	\$0.224	\$38.648	\$0.197	\$38.847	\$0.199	\$39.046	\$0.199
Vehicle Toll Revenue									
Other Operating Revenue	3.544	3.699	0.155	3.199	(0.500)	2.549	(0.650)	2.454	(0.095)
Capital and Other Reimbursements	5.533	5.678	0.145	5.832	0.154	6.003	0.171	6.190	0.187
Total Revenue	\$47.304	\$47.828	\$0.524	\$47.679	(\$0.149)	\$47.399	(\$0.280)	\$47.690	\$0.291
Expenses									
Labor:									
Payroll	\$57.807	\$60.230	(\$2.423)	\$61.772	(\$1.542)	\$63.570	(\$1.798)	\$65.521	(\$1.952)
Overtime	5.384	5.122	0.262	5.253	(0.131)	5.406	(0.153)	5.572	(0.166)
Health and Welfare	11.920	13.084	(1.164)	14.306	(1.222)	15.642	(1.336)	17.103	(1.461)
Pensions	5.380	5.529	(0.149)	5.670	(0.141)	5.835	(0.165)	6.014	(0.179)
Other Fringe Benefits	6.437	6.615	(0.178)	6.785	(0.169)	6.982	(0.197)	7.196	(0.214)
Reimbursable Overhead									
Total Labor Expenses	\$86.928	\$90.581	(\$3.653)	\$93.786	(\$3.205)	\$97.435	(\$3.649)	\$101.407	(\$3.972)
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains	8.228	9.148	(0.920)	8.575	0.573	8.098	0.477	7.703	0.395
Insurance	0.107	0.193	(0.086)	0.198	(0.005)	0.204	(0.006)	0.210	(0.006)
Claims	2.894	2.845	0.049	2.918	(0.073)	3.003	(0.085)	3.095	(0.092)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	3.488	3.585	(0.097)	3.676	(0.092)	3.783	(0.107)	3.900	(0.116)
Professional Service Contracts	1.606	1.650	(0.044)	1.693	(0.042)	1.742	(0.049)	1.795	(0.053)
Materials & Supplies	5.449	5.600	(0.151)	5.743	(0.143)	5.910	(0.167)	6.092	(0.182)
Other Business Expenses	4.132	4.320	(0.188)	4.306	0.014	4.299	0.007	4.329	(0.030)
Total Non-Labor Expenses	\$25.904	\$27.341	(\$1.437)	\$27.109	\$0.232	\$27.039	\$0.070	\$27.124	(\$0.085)
Other Expenses Adjustments:									
Other			\$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	\$112.832	\$117.922	(\$5.090)	\$120.895	(\$2.973)	\$124.474	(\$3.579)	\$128.530	(\$4.057)
Depreciation			0.000		0.000		0.000		0.000
Total Expenses	\$112.832	\$117.922	(\$5.090)	\$120.895	(\$2.973)	\$124.474	(\$3.579)	\$128.530	(\$4.057)
Baseline Net Surplus/(Deficit)	(\$65.528)	(\$70.094)	(\$4.566)	(\$73.216)	(\$3.122)	(\$77.075)	(\$3.859)	(\$80.840)	(\$3.766)
2006 Agency Program to Eliminate the GAP	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	\$0.000
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	\$0.000
Net Surplus/(Deficit)	(\$65.528)	(\$70.094)	(\$4.566)	(\$73.216)	(\$3.122)	(\$77.075)	(\$3.859)	(\$80.840)	(\$3.766)

MTA Long Island Bus
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2005 November Forecast	2006 Final Proposed Budget	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Receipts									
Farebox Revenue	\$37.775	\$38.011	\$0.236	\$38.198	\$0.187	\$38.384	\$0.186	\$38.582	\$0.198
Vehicle Toll Revenue			0.000		0.000		0.000		0.000
Other Operating Revenue	3.899	3.748	(0.151)	3.249	(0.499)	2.599	(0.650)	2.504	(0.095)
Capital and Other Reimbursements	5.448	5.574	0.126	5.650	0.076	5.802	0.152	5.965	0.163
Total Receipts	\$47.122	\$47.333	\$0.211	\$47.097	(\$0.236)	\$46.785	(\$0.312)	\$47.051	\$0.266
Expenditures									
Labor:									
Payroll	\$57.477	\$59.960	(\$2.483)	\$61.438	(\$1.478)	\$63.233	(\$1.795)	\$67.634	(\$4.401)
Overtime	5.364	5.092	0.272	5.222	(0.130)	5.373	(0.151)	5.753	(0.380)
Health and Welfare	11.929	13.043	(1.114)	14.261	(1.218)	15.593	(1.332)	17.046	(1.453)
Pensions	5.806	5.380	0.426	5.529	(0.149)	5.670	(0.141)	5.835	(0.165)
Other Fringe Benefits	6.414	6.579	(0.165)	6.748	(0.169)	6.945	(0.197)	7.436	(0.491)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$86.990	\$90.054	(\$3.064)	\$93.198	(\$3.144)	\$96.814	(\$3.616)	\$103.704	(\$6.890)
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains	8.119	8.998	(0.879)	8.425	0.573	7.948	0.477	7.553	0.395
Insurance	0.206	0.193	0.013	0.198	(0.005)	0.204	(0.006)	0.210	(0.006)
Claims	4.500	2.800	1.700	2.872	(0.072)	2.955	(0.083)	3.044	(0.089)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	3.292	3.379	(0.087)	3.470	(0.091)	3.570	(0.100)	3.680	(0.110)
Professional Service Contracts	1.856	1.594	0.262	1.635	(0.041)	1.683	(0.048)	1.735	(0.052)
Materials & Supplies	5.401	5.551	(0.150)	5.692	(0.141)	5.858	(0.166)	6.038	(0.180)
Other Business Expenses	4.099	4.287	(0.188)	4.274	0.013	4.267	0.007	4.297	(0.030)
Total Non-Labor Expenditures	\$27.473	\$26.802	\$0.671	\$26.566	\$0.236	\$26.485	\$0.081	\$26.557	(\$0.072)
Other Expenditure Adjustments:									
Other			\$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	\$114.463	\$116.856	(\$2.393)	\$119.764	(\$2.908)	\$123.299	(\$3.534)	\$130.261	(\$6.962)
Baseline Net Cash Deficit	(\$67.341)	(\$69.523)	(\$2.182)	(\$72.667)	(\$3.144)	(\$76.514)	(\$3.846)	(\$83.210)	(\$6.696)
2006 Agency Program to Eliminate the GAP	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	\$0.000
Net Cash Deficit	(\$67.341)	(\$69.523)	(\$2.182)	(\$72.667)	(\$3.144)	(\$76.514)	(\$3.846)	(\$83.210)	(\$6.696)

**MTA Long Island Bus
November Financial Plan 2006 – 2009
Utilization**

Fixed Route Ridership:

LI Bus is currently experiencing a noteworthy increase in fixed route ridership. Year-to-date August, we are ahead of the comparable period in 2004 by .460 million riders (2.3%) and initial September ridership numbers remain strong.

This increase in ridership can be attributed to several factors. There has been a positive response to the innovative use of Job Access Reverse Commute (JARC) and NYS Innovative Mobility Demonstration Funds to provide job access/reverse commute service, gap closures and bus-rail connection services. The improving Nassau County economy, compliant Spring/Summer 2005 weather and the dramatic rate increase of fuel have all contributed to the better results.

The full-year 2005 forecast have been increased to 30.6 million riders. For 2006, the revised 2005 FY base was increased by .5% to 30.8 million riders and reflects the percentage of the current increase that we consider sustainable. An increase of .5% is also projected in each of the next three years (2007 – 2009).

Fixed Route Revenue:

Revenue is projected to be \$37.4 million in 2006. This is based on the 30.8 million projected riders and an average fare of \$1.216 that reflects a marginal increase due to the March 2005 fare revision.

The projected revenue in the 2006 – 2008 period is reflective of the .5% annual increase in riders.

Paratransit (Demand Response) Ridership

Demands for this service has normalized compared to the double-digit increases in prior years. Ridership as of year-to-date August 2005 is .2% above 2004 actual and July forecast.

The 2006 forecast is .325 million riders and represents a 1% increase over the 2005 projected actual. LI Bus will continue to support all ADA requirements and adjust as is necessary to meet demand.

An annual increase of 1 % is also projected for the 2007 – 2009 period.

Paratransit (Demand Response) Revenue

Able-Ride customer and companions pay \$3.50 per single ride. Care attendants who travel with registered customers ride for free. The projected revenue in 2006 is \$1.009 million with an annual average increase of 1% each year to 2009.

MTA Long Island Bus
November Financial Plan 2006 - 2009
Ridership/Traffic Volume (Utilization)
(in millions)

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>RIDERSHIP</u>						
Fixed Route	30.241	30.648	30.786	30.940	31.095	31.105
Paratransit	0.318	0.322	0.325	0.328	0.332	0.335
Baseline Total Ridership	30.559	30.970	31.111	31.268	31.426	31.440
<i>Impact of:</i> PEG Program	-	-	-	-	-	-
Total Ridership	30.559	30.970	31.111	31.268	31.426	31.440
<u>FAREBOX REVENUE</u>						
Fixed Route	\$36.470	\$37.228	\$37.442	\$37.629	\$37.817	\$38.006
Paratransit	\$0.989	\$0.999	\$1.009	\$1.019	\$1.029	\$1.040
Baseline Total Revenue	\$37.459	\$38.227	\$38.451	\$38.648	\$38.847	\$39.046
<i>Impact of:</i> PEG Program	-	-	-	-	-	-
Total Revenue	\$37.459	\$38.227	\$38.451	\$38.648	\$38.847	\$39.046

**MTA Long Island Bus
November Financial Plan 2006 – 2009
Summary of Major Plan-to-Plan Changes**

1. REVENUE

- **Farebox:**
 - Revenue projections decreased by \$.105 million from the July Plan. This was due to lower actual average fixed route fare and its impact on the full year projection. Higher ridership and its associated fare revenue are offsetting the lower average fare. There is no change to Paratransit's projected revenue of \$.999 million.
 - Variances in the 2006 – 2009 period is based on the adjusted 2005 November Plan farebox revenue and the projected annual increase in ridership (.5% fixed route and 1% paratransit).
- **Other Operating Revenue**
 - There is no change in Other Operating Revenue from the July Plan.
- **Capital & Other Reimbursements**
 - Changes from the July Plan in all years is due to the impact of current CPI rates that were applied to the reimbursable payroll

2. LABOR EXPENSES

- **Payroll/Overtime:**
 - In 2005 there was a shift of \$.400 million between Payroll and Overtime reflective of the vacancies and other LIRR track work.
- **Health & Welfare**
 - An average CPI of 9.34% was used to forecast 2006 – 2009 Health and Welfare expenses. This created slight variances to the July forecast.
- **Pension**
 - The NYSLERS rate was lowered to 10.2% for FY 2005 and 9.7% for FY 2006. Using this rate, the 2005 Pension costs are now estimated at \$5.3 million. This baseline and rate adjustment is reflected in the forecasted expenses for the 2006 – 2009 period.
 -
- **Other Fringe**
 - Other Fringe costs projections mirrored the changes made in payroll. The CPI's dictated the higher rates used versus those in the July plan.

3. NON LABOR EXPENSES

- **Fuel:**
 - Changes in fuel expenses from the July Plan are in response to the sustained volatility of fuel prices and the adjustments made to compensate for these increases. Actual August 2005 rates were used to forecast the remainder of 2005 and 2006. CPI's from the August 2005 Global Insight Inc. were used to project expenses in the 2007 – 2009 period.
- **Insurance**
 - New insurance costs were issued which were higher than those used in the July Plan.
- **Maintenance & Other Operating Contracts**
 - Changes from the July Plan in all years are due to the impact of using the most current CPI rates in the November 2005 plan.
- **Professional Service Contracts**
 - Changes between plans are due to the use of new CPI's in the November plan.
- **Material & Supplies**
 - Changes from the July Plan in all years are due to the impact of new/higher CPI rates that were applied to the 2005 November plan.
- **Other Business Expenses**
 - Changes between plans are due to revised utilities expenses made necessary by the volatile fuel prices. Other changes between plans are due to the use of new CPI's in the November plan.

MTA Long Island Bus
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$66.606)	(\$68.486)	(\$71.945)	(\$75.954)	(\$83.015)
Baseline Changes					
Revenue					
Farebox Revenue	(\$0.105)	(\$0.064)	(\$0.072)	(\$0.082)	(\$0.082)
Vehicle Toll Revenue					
Capital and Other Reimbursement					
Total Revenue Changes	(\$.105)	(\$.064)	(\$.072)	(\$.082)	(\$.082)
Expenses					
Labor:					
Payroll	\$0.400	(\$0.191)	(\$0.060)	(\$0.043)	\$0.024
Overtime	(0.400)	(0.010)	0.002	0.003	0.009
Health and Welfare		(0.005)	(0.011)	(0.017)	(0.025)
Pensions	0.600	0.605	0.634	0.655	0.682
Other Fringe Benefits		(0.012)	0.002	0.004	0.012
Reimbursable Overhead					
Total Labor Expense Changes	\$.600	\$.387	\$.567	\$.602	\$.702
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains	(\$0.552)	(\$1.362)	(\$0.983)	(\$0.960)	(\$0.738)
Insurance		(0.075)	(0.068)	(0.061)	(0.053)
Claims			0.028	0.122	0.125
Paratransit Service Contracts	0.062	0.312			
Maintenance and Other Operating Contracts		(0.007)	0.001	0.002	0.006
Professional Service Contracts		(0.002)	0.001	0.001	0.003
Materials & Supplies		(0.011)	0.002	0.004	0.010
Other Business Expenses	(0.164)	(0.281)	(0.251)	(0.264)	(0.253)
Total Non-Labor Expense Changes	(\$.654)	(\$1.426)	(\$1.270)	(\$1.156)	(\$.900)
Total Expense Changes	(\$.054)	(\$1.039)	(\$.703)	(\$.554)	(\$.198)
Cash Adjustment Changes					
Farebox Revenue					
Capital and Other Reimbursement					
Payroll		0.001			
Overtime		0.010	0.010	0.011	0.011
Health and Welfare					
Pensions	(0.600)	(0.030)	(0.042)	(0.023)	(0.014)
Other Fringe Benefits		0.012	0.012	0.013	0.013
Fuel for Buses and Trains	0.023	0.068	0.072	0.076	0.075
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts		0.005		0.001	
Professional Service Contracts		0.001			
Materials & Supplies					
Other Business Expenses					
Rounding	0.001	(0.001)	0.001	(0.002)	0.001
Total Cash Adjustment Changes	(\$0.576)	\$0.066	\$0.053	\$0.076	\$0.086
Total Baseline Changes	(\$0.735)	(\$1.037)	(\$0.722)	(\$0.560)	(\$0.194)
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$67.341)	(\$69.523)	(\$72.667)	(\$76.514)	(\$83.209)

MTA Long Island Bus
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement		(0.005)	0.012	0.017	0.052
Total Revenue Changes	\$0.000	(\$0.005)	\$0.012	\$0.017	\$0.052
Expenses					
Labor:					
Payroll		\$0.005	\$0.063	\$0.059	\$0.101
Overtime					
Health and Welfare			(0.075)	(0.075)	(0.151)
Pensions					
Other Fringe Benefits				(0.001)	(0.002)
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	\$0.005	(\$0.012)	(\$0.017)	(\$0.052)
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Professional Service Contracts					
Materials & Supplies					
Other Business Expenses					
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$0.000	\$0.005	(\$0.012)	(\$0.017)	(\$0.052)
Cash Adjustment Changes					
Farebox Revenue					
Capital and Other Reimbursement					
Payroll					
Overtime					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Professional Service Contracts					
Materials & Supplies					
Other Business Expenses					
Rounding					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA Long Island Bus
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$66.606)	(\$68.486)	(\$71.945)	(\$75.954)	(\$83.015)
Baseline Changes					
Revenue					
Farebox Revenue	(\$0.105)	(\$0.064)	(\$0.072)	(\$0.082)	(\$0.082)
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursement	0.000	(0.005)	0.012	0.017	0.052
Total Revenue Changes	(\$.105)	(\$.069)	(\$.060)	(\$.065)	(\$0.030)
Expenses					
Labor:					
Payroll	\$0.400	(\$0.186)	\$0.003	\$0.016	\$0.125
Overtime	(0.400)	(0.010)	0.002	0.003	0.009
Health and Welfare	0.000	(0.005)	(0.086)	(0.092)	(0.176)
Pensions	0.600	0.605	0.634	0.655	0.682
Other Fringe Benefits	0.000	(0.012)	0.002	0.003	0.010
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	\$0.600	\$0.392	\$0.555	\$0.585	\$0.650
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains	(\$0.552)	(\$1.362)	(\$0.983)	(\$0.960)	(\$0.738)
Insurance	0.000	(0.075)	(0.068)	(0.061)	(0.053)
Claims	0.000	0.000	0.028	0.122	0.125
Paratransit Service Contracts	0.062	0.312	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	(0.007)	0.001	0.002	0.006
Professional Service Contracts	0.000	(0.002)	0.001	0.001	0.003
Materials & Supplies	0.000	(0.011)	0.002	0.004	0.010
Other Business Expenses	(0.164)	(0.281)	(0.251)	(0.264)	(0.253)
Total Non-Labor Expense Changes	(\$.654)	(\$1.426)	(\$1.270)	(\$1.156)	(\$0.900)
Total Expense Changes	(\$0.054)	(\$1.034)	(\$0.715)	(\$0.571)	(\$0.250)
Cash Adjustment Changes					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Capital and Other Reimbursement	0.000	0.000	0.000	0.000	0.000
Payroll	0.000	0.001	0.000	0.000	0.000
Overtime	0.000	0.010	0.010	0.011	0.011
Health and Welfare	0.000	0.000	0.000	0.000	0.000
Pensions	(0.600)	(0.030)	(0.042)	(0.023)	(0.014)
Other Fringe Benefits	0.000	0.012	0.012	0.013	0.013
Fuel for Buses and Trains	0.023	0.068	0.072	0.076	0.075
Insurance	0.000	0.000	0.000	0.000	0.000
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.000	0.005	0.000	0.001	0.000
Professional Service Contracts	0.000	0.001	0.000	0.000	0.000
Materials & Supplies	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.000	0.000	0.000	0.000	0.000
Rounding	0.001	(0.001)	0.001	(0.002)	0.001
Total Cash Adjustment Changes	(\$0.576)	\$0.066	\$0.053	\$0.076	\$0.086
Total Baseline Changes	(\$0.735)	(\$1.037)	(\$0.722)	(\$0.560)	(\$0.194)
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$67.341)	(\$69.523)	(\$72.667)	(\$76.514)	(\$83.209)

**MTA Long Island Bus
November Financial Plan 2006 – 2009
Positions**

POSITIONS

There is no change in headcount (full-time equivalents) from the July Mid-year budget. The 9 positions in support of the PEG program were removed.

MTA Long Island Bus
November Financial Plan 2006 - 2009
Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Administration						
Administration - All Other	25	28	28	28	28	28
Administration - Safety	8	8	8	8	8	8
Finance	23	23	23	23	23	23
Legal	13	13	13	13	13	13
IT	15	19	19	19	19	19
Total Administration	84	91	91	91	91	91
Operations						
Admin (F/R)	33	34	34	34	34	34
Admin (Para)	5	5	5	5	5	5
Bus stops	2	2	2	2	2	2
Scheduling (F/R)	3	3	3	3	3	3
Scheduling (Para)	13	13	13	13	13	13
Reservationists (Para)	13	13	13	13	13	13
TIC	9	9	9	9	9	9
Dipatchers	35	36	36	36	36	36
Bus Operators (F/R)	527	530	530	530	530	530
Bus Operators (Para)	112	130	130	130	130	130
Total Operations	752	775	775	775	775	775
Maintenance						
Admin	7	7	7	7	7	7
Line Supervisors	18	19	19	19	19	19
Mechanics (F/R)	122	125	125	125	125	125
Mechanics (Para)	10	10	10	10	10	10
Mech. Helpers/Cleaners (F/R)	56	65	65	65	65	65
Cleaners (Para)	1	1	1	1	1	1
Storeroom	12	12	12	12	12	12
P & E (F/R)	12	13	13	13	13	13
P & E (Para)	1	1	1	1	1	1
Farebox	6	6	6	6	6	6
Total Maintenance	245	259	259	259	259	259
Engineering/Capital						
Engineers	5	5	5	5	5	5
Capital	13	14	14	14	14	14
Total Engineering/Capital	18	19	19	19	19	19
Public Safety						
Security	3	3	3	3	3	3
Total Public Safety	3	3	3	3	3	3
Grand Total	1,102	1,147	1,147	1,147	1,147	1,147
Non-Reimbursable	1,089	1,133	1,133	1,133	1,133	1,133
Reimbursable	13	14	14	14	14	14
Total Full-Time	996	1,038	1,038	1,038	1,038	1,038
Total Full-Time Equivalents	106	109	109	109	109	109

MTA Long Island Bus
November Financial Plan 2006-2009
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	Final Proposed 2006	2007	2008	2009
Administration				
Managers/Supervisors	36	36	36	36
Professional, Technical, Clerical	55	55	55	55
Operational Hourlies	-	-	-	-
Total Administration	91	91	91	91
Operations				
Managers/Supervisors	51	51	51	51
Professional, Technical, Clerical	44	44	44	44
Operational Hourlies	680	680	680	680
Total Operations	775	775	775	775
Maintenance				
Managers/Supervisors	25	25	25	25
Professional, Technical, Clerical	23	23	23	23
Operational Hourlies	211	211	211	211
Total Maintenance	259	259	259	259
Engineering/Capital				
Managers/Supervisors	6	6	6	6
Professional, Technical, Clerical	13	13	13	13
Operational Hourlies	-	-	-	-
Total Engineering/Capital	19	19	19	19
Public Safety				
Managers/Supervisors	1	1	1	1
Professional, Technical, Clerical	2	2	2	2
Operational Hourlies	-	-	-	-
Total Public Safety	3	3	3	3
Total				
Managers/Supervisors	119	119	119	119
Professional, Technical, Clerical	137	137	137	137
Operational Hourlies	891	891	891	891
Total	1,147	1,147	1,147	1,147
Baseline Total Positions	1,147	1,147	1,147	1,147
Non-Reimbursable	1,133	1,133	1,133	1,133
Reimbursable	14	14	14	14
Total Full-Time	1,038	1,038	1,038	1,038
Total Full-Time Equivalents	109	109	109	109
Impact of: 2006 Program to Eliminate the Gap	-	-	-	-
Total Positions	1,147	1,147	1,147	1,147
Non-Reimbursable	1,133	1,133	1,133	1,133
Reimbursable	-	-	-	-
Total Full-Time	1,038	1,038	1,038	1,038
Total Full-Time Equivalents	109	109	109	109

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Long Island Rail Road

MTA LONG ISLAND RAIL ROAD
2006 Final Proposed Budget
November Financial Plan 2006-2009

MISSION STATEMENT

The mission of the MTA Long Island Rail Road is to provide a safe, accessible, clean, cost-effective, customer-focused rail transportation system that runs on time, is comfortable, user-friendly and provides the region with a valued and indispensable service.

FINANCIAL OVERVIEW

The LIRR's 2006 Final Proposed Budget identifies the resources needed to enable the Railroad to fulfill its service obligations as efficiently as possible, while minimizing impacts on our customers. The 2006 budget offers a slight increase to service over current levels as the result of reinvestment from some gap-closing measures, and aims to continue to improve such service attributes as on-time performance and fleet-wide mean distance between failures. The budget plan also reflects MTA's continuing commitment to security and to improving both employee and customer safety.

The budget and financial plan projections also reflect the organizational and operational PEGs initiated in 2005 or 2006 that ensure better utilization of resources. In preparing the budget, the LIRR focused on sustaining and enhancing administration reductions and scrutinizing operations to reduce costs and eliminate cost inefficient functions. Funding of the 2005-2009 Capital Program also has an impact on the operating budget, as a significant portion of this program relies on force account resources to complete normal replacement and state of good repair activities.

2005 November Forecast

The 2005 November Forecast reflects expense increases totaling \$20.0 million over the July Mid-Year Forecast of \$1,072.0 million. The major elements of increasing expense are Pension, Traction Power, Fuel and Claims. Further erosion is projected for Reimbursables as well. The increase to Pensions of \$6.6 million results from actuarial assessments calling for cost increases to reflect funding requirements. Traction Power has been increased by \$7.0 million to cover changes in LIPA billings as well as rate increases. Diesel fuel rates continue to rise, and the November Forecast anticipates a \$2.3 million increase over the July Forecast. A review of claims and lawsuits reserves drives a \$7.5 million increase over the Mid-Year Forecast. An adjustment to calculations of reimbursable overheads, along with below-plan activity, results in Reimbursables falling \$2.0 million below the July Forecast.

There are some offsets to increasing expenses also recognized with the November Forecast. Passenger Revenues look to improve somewhat, growing by \$2.4 million

over the Mid-Year Forecast of \$436.8 million. Non-Labor Expenses also provide some offset, with reduced projections for Maintenance Services, Professional Services, and Leases and Rentals totaling \$3.2 million.

At Mid-Year, favorable rate changes in Railroad Retirement Taxes and Railroad Unemployment rates were recognized in the July Forecast; rate details were provided too late in 2004 to be reflected in the Final 2005 Budget. Capital reimbursable revenues underruns of \$17.3 million were the major source of projected shortfalls at Mid-Year.

In the adopted 2005 Budget, the LIRR planned to make a significant reduction in Transportation department overtime. That PEG is no longer part of the Operations plan and has been eliminated from the Forecast. Additionally, in the February Financial Plan, there was a PEG to eliminate 14 right-of-way clean-up/maintenance positions in 2005; this PEG has also been eliminated. Further, another Engineering department PEG to eliminate 10 Signal positions will not be continued.

2006 Final Proposed Budget-Baseline

The primary driver of the 2006 Budget baseline is sustaining service at current levels, with slight additions to train service. Certain expense elements continue to reflect high rates of growth, such as traction power, fuel, pensions and health and welfare. Most of these increases are being treated as allowable growth, reducing the pressure on the LIRR to find offsets from its baseline budget items. As noted above, the LIRR aims to improve On-Time Performance to 94.3% from 2005 year-to-date results of 92.4%. Through July 2005, fleet-wide mean distance between failures (MDBF) has reached 43,291 miles, and the LIRR plans to increase MDBF to 64,800 miles in 2006. The impressive reliability performance of the M-7 fleet provides a solid foundation for expected continuing improvements. Goals for 2006 also reflect planned 10% improvements in both customer and employee safety statistics.

The 2006 Revenue budget totals \$622.5 million; Non-reimbursable revenues make up \$475.9 million of the total and Reimbursable revenues are \$146.6 million. The total expense budget is \$1.433 billion, of which \$1.159 billion is for operating expenses and the balance is associated with such non-cash items as depreciation. Non-reimbursable operating expenses total \$1,012.2 million in 2006, while Reimbursable expenses are \$146.6 million in the accrued statements.

The cash budget for 2006 incorporates \$686.2 million in cash receipts (\$178.9 million of which are capital receipts) and \$1,226.8 million in cash disbursements. The baseline net cash requirement is \$(540.6) million, as driven by operating expenses paid for in 2006, revenues received in 2006, and other adjustments to cash flow. While much of the operating budget has a direct impact on cash flow, there are some items such as material purchases for capital work that only appear in the cash budget. In addition, the differences between accrued and cash budgets reflect natural lags between when costs are incurred and when they will be paid for.

On an accrued basis, both revenues and expenses are higher in the 2006 Final Proposed Budget than in the 2005 November Forecast. Baseline Ridership in 2006 grows over 2005 November Forecast by 0.8 million rides, or 1.1%. Operating expenses before depreciation of \$1.159 billion reflect growth of \$66.8 million over the 2005 November Forecast, \$32.9 million of which is in non-reimbursable expenses. Significant increases in reimbursable expenses are projected for 2006, as a result of full funding of the 2005-2009 program in mid-2005.

Total revenues of \$622.5 million are \$45.1 million higher than in the November Forecast, with non-reimbursable revenues rising by \$11.2 million and reimbursable revenues by \$33.8 million in the 2006 budget over the 2005 November Forecast. While the resulting total operating deficit rises \$45.4 million to \$(810.3) million in 2006, the projected baseline cash deficit (or subsidy requirement) of \$(540.6) million in 2006 is higher by \$63.9 million. The difference between the operating and cash deficits results primarily from the \$274 million in depreciation, a non-cash item.

Other adjustments have also been included in the Baseline as a result of changing external variables. Most notably these include a rise in pension costs based on the latest actuarial valuation and plan performance, increases to health and welfare and significant growth in the cost of traction power. There are no major operational programs beginning in 2006.

Full-time positions total 6,449 in the baseline 2006 Final Proposed Budget, with 5,699 non-reimbursable positions and 750 reimbursable positions. Compared to the 2005 November Forecast, this reflects a total increase of 230 positions, 51 non-reimbursable positions and 179 reimbursable positions, consistent with anticipated levels of capital funding in 2006. Transportation non-reimbursable positions increase by 25 in 2006, and Equipment maintenance positions increase by 32. Virtually all the increase to reimbursable positions in 2006 occurs in the Engineering department.

During detailed budget reviews, some of the New Needs from the July Plan were re-estimated. Where other New Needs were subsequently identified for 2006, they were in some cases offset by revisions or retraction of New Needs from the July Plan. In addition, there were a number of items from the Preliminary Budget that were re-estimated prior to incorporation in the Final Proposed Budget. The major items representing these changes are outlined below.

As noted in the Preliminary Budget proposal, the efficiencies that result in labor savings give the LIRR the opportunity to reinvest in service improvements for our customers. Starting in May 2006, the Railroad will add two morning peak trains, one evening shoulder peak train, and extend a dual mode train with additional stops. In 2006, this will cost approximately \$1.5 million, (\$2.1 million on an annualized basis) and results in a \$0.6 million re-estimate from the Preliminary Budget.

This Plan includes New Needs identified since the Preliminary 2006 Budget submission such as drum storage installation and maintenance (\$0.4 million), utility costs for new

signal system areas (\$0.1), drill crews to move trains while Babylon Car Wash is out of service (\$0.1), purchase of a scale for weighing scrap prior to sale (\$0.1), two Information Services positions for data encryption security (\$0.2), one position for managing security projects (\$0.1), additional positions for litigation and pensions (offset with reimbursement), one additional Editorial Officer (\$0.1), new actuarial reviews to meet GASB requirements (\$0.1), an Origin/Destination Study (offset by reduced advertising), and increased legal fees for asbestos litigation (\$0.3).

There were also substantial adjustments to previously-identified New Needs that largely reduced the cost and headcount projected for these needs. These also include deferral of some needs into 2007, such as purchase of some Diesel Bench Test Equipment. A review of Engineering planned increases to headcount resulted in revision to New Needs of about 13 positions and re-estimates largely related to projects reducing growth by about 30 year-end positions.

Included in the July Plan was a substantial New Need for concrete ties that are failing and require replacement well in advance of their expected life cycle. Because of the unpredictable rate of deterioration, inspections and spot replacements cannot be relied upon to prevent service disruptions. Therefore, the LIRR plans to replace approximately 32,000 Rocla ties during the spring and fall of 2006, and the balance of the 32,000 ties purchased in 1997 in the ensuing years. The total cost in 2006 will be \$14.0 million, which is \$1.0 million lower than the estimate included in the Preliminary Budget.

In a subsequent section, there is a review of the below-the-line post-2005 PEG Program. Also discussed below are the major assumptions for the November Plan and reconciliations to the July Plan.

2007-2009 Projections

The projections out to 2009 reflect a stable situation for the LIRR, where service levels are maintained, even as 2005 and 2006 PEGs carry forward. In the baseline projections for 2007 through 2009 there are no notable changes to the LIRR's commitment to its customers. Goals are in place for the key performance measures, including on-time performance (at 94.3% through 2009) and MDBF (projected to continue improving to 80,000 miles by 2008). During this period the LIRR also implements Life Cycle Maintenance for its growing M7 fleet, as many components enter key maintenance stages. Fulfillment of LCM requirements places growing demands on resources, particularly maintenance materials, which are reflected in the projections.

The baseline projections for 2007-2009 reflect these various impacts. Non-reimbursable revenues rise slowly but steadily each year, averaging about 1.6% per year, consistent with the projected changes in baseline ridership. Non-reimbursable revenues grow to \$484.4 million in 2007, \$491.3 million in 2008 and \$499.7 in 2009. Reimbursable revenues continue to rise by 5% to \$153.9 million in 2007 over 2006,

reflecting planned program activity. The rates of growth are slower in 2008 (up 0.8% to \$155.2 million) and 2009 (up 2.6% to \$159.3 million).

Compared to the rate of revenue growth, the pace of expense growth is somewhat higher, driven by rates of increase well above normal inflation in both health and welfare and in materials. Non-reimbursable expenses (before depreciation) grow by 3.8% to \$1,050.5 million in 2007, 6.6% (to \$1,119.7 million) in 2008 and 3.5% (to \$1,158.6 million) in 2009. In 2008 particularly, about 55% of the \$69.3 million increase to operating expenses is for materials. Reimbursable expenses grow by \$7.3 million (5.0%) in 2007 over 2006, and by another \$1.3 million (0.8%) in 2008 and \$4.1 million (2.7%) in 2009.

The baseline positions in these projections drop in 2007 and then stay relatively flat through 2009. There is a decrease of 21 positions from the 2006 baseline, and a drop of another 4 positions in 2008. Of the 21-position drop in 2008, 16 are reimbursable positions in Capital Program Management. The balance of the change results from a decrease of 29 Engineering positions offset by an increase of 24 in Equipment. No operational impacts are expected from these changes.

In the following section, there is a review of the below-the-line post-2005 PEG Program. Also discussed below are the major assumptions for the November Plan and reconciliations to the July Plan.

2006 PEG Actions

Total PEG's for 2006 are comprised of revenue enhancements of \$12.6 million and expense reductions of \$5.6 million. In administration, work brought in-house will result in \$0.3 million of credits that offset Law department claims administrative work. Conclusion of a DuPont accident prevention contract also provides \$0.3 of savings in 2006.

In Maintenance, one-time savings from a reduction to purchase of air brake material saves \$3.0 million, while a change to the M7 periodic inspection cycle based on FRA waiver approvals will save more than \$1.0 million and 13 positions. Efficiencies in train crew utilization result in reductions in the number of tours but no change to headcount, and save just under \$1.0 million.

As noted above, the major PEG's for 2006 are revenue enhancements. About \$0.6 million is associated with changes to parking fees and agreements at various stations. An expected \$12.0 million increase to right-of-way leased line fees (based on asset assessment and revised agreements) is projected for 2006.

All of these actions result in reductions of 13 positions and savings of \$18.2 million in 2006. These proposed changes will not affect commutation or discretionary travel.

2007 Projections

There are no new PEG actions proposed for 2007. The value of the 2006 PEG program is \$15.8 million, with the elimination of the one-time PEG for M7 airbrake material. Except as noted above, all other 2005 and 2006 PEG's continue into 2007, with adjustments for inflation where appropriate.

2008-2009 Projections

The PEG actions taken in 2005 and 2006 are largely carried forward into 2008 and 2009, escalating in value with inflation. The PEGs total \$15.8 million in 2008 and \$15.9 million in 2009.

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue	\$410.766	\$439.280	\$448.405	\$456.759	\$463.069	\$471.326
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	25.782	25.345	27.453	27.650	28.191	28.395
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$436.548	\$464.625	\$475.858	\$484.409	\$491.260	\$499.721
<u>Expenses</u>						
Labor:						
Payroll	\$347.867	\$358.987	\$370.532	\$381.849	\$395.359	\$404.606
Overtime	67.667	68.429	70.392	71.287	72.830	75.161
Health and Welfare	88.725	96.824	106.257	117.708	131.631	144.653
Pensions	114.217	121.264	119.447	113.730	112.499	110.438
Other Fringe Benefits	72.481	75.335	78.583	81.098	84.365	87.296
Reimbursable Overhead	(19.261)	(16.290)	(26.664)	(25.008)	(25.568)	(26.550)
Total Labor Expenses	\$671.696	\$704.549	\$718.547	\$740.664	\$771.116	\$795.604
Non-Labor:						
Traction and Propulsion Power	\$50.589	\$67.565	\$69.730	\$69.999	\$71.705	\$73.208
Fuel for Buses and Trains	8.769	13.210	15.935	13.663	12.758	12.727
Insurance	15.190	15.476	16.777	18.390	20.180	22.181
Claims	8.971	16.665	13.482	13.760	14.078	14.432
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	51.442	62.429	70.539	64.919	62.739	64.444
Professional Service Contracts	16.747	25.058	23.440	22.366	22.389	22.402
Materials & Supplies	60.013	66.958	76.060	99.051	137.103	145.729
Other Business Expenses	6.292	7.341	7.657	7.660	7.673	7.840
Total Non-Labor Expenses	\$218.013	\$274.702	\$293.620	\$309.808	\$348.625	\$362.963
Other Expenses Adjustments:						
Other	18.257	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustment	\$18.257	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$907.966	\$979.251	\$1,012.167	\$1,050.472	\$1,119.741	\$1,158.567
Depreciation	220.456	250.298	274.012	274.868	259.393	255.760
Total Expenses	\$1,128.422	\$1,229.549	\$1,286.179	\$1,325.340	\$1,379.134	\$1,414.327
Baseline Net Surplus/(Deficit)	(\$691.874)	(\$764.924)	(\$810.321)	(\$840.931)	(\$887.874)	(\$914.606)
2006 PEG Program	0.000	12.000	18.181	15.762	15.849	15.935
Post 2006 PEGs	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	(\$691.874)	(\$752.924)	(\$792.140)	(\$825.169)	(\$872.025)	(\$898.671)

REIMBURSABLE

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MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue	\$410.766	\$439.280	\$448.405	\$456.759	\$463.069	\$471.326
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	25.782	25.345	27.453	27.650	28.191	28.395
Capital and Other						
Reimbursements	126.103	112.781	146.628	153.912	155.177	159.297
Total Revenue	\$562.651	\$577.406	\$622.486	\$638.321	\$646.437	\$659.018
<u>Expenses</u>						
Labor:						
Payroll	\$405.818	\$408.956	\$432.058	\$444.073	\$458.858	\$469.155
Overtime	77.519	75.816	79.807	80.934	82.531	85.162
Health and Welfare	97.133	104.473	116.463	128.373	142.445	155.848
Pensions	122.902	131.284	134.433	134.633	132.200	131.820
Other Fringe Benefits	89.163	87.352	92.249	95.379	98.844	102.284
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$792.535	\$807.881	\$855.010	\$883.392	\$914.878	\$944.269
Non-Labor:						
Traction and Propulsion Power	\$50.767	\$67.744	\$69.730	\$69.999	\$71.705	\$73.208
Fuel for Buses and Trains	8.769	13.210	15.935	13.663	12.758	12.727
Insurance	15.315	15.771	17.147	18.770	20.481	22.489
Claims	8.971	16.665	13.482	13.760	14.078	14.432
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other						
Operating Contracts	54.611	67.409	75.267	70.181	68.220	69.603
Professional Service Contracts	16.828	25.380	23.747	22.757	22.810	22.764
Materials & Supplies	61.719	70.460	80.330	103.580	141.642	149.955
Other Business Expenses	6.297	7.512	8.147	8.282	8.346	8.417
Total Non-Labor Expenses	\$223.277	\$284.151	\$303.785	\$320.992	\$360.040	\$373.595
Other Expenses Adjustments:						
Other	18.257	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustment	\$18.257	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$1,034.069	\$1,092.032	\$1,158.795	\$1,204.384	\$1,274.918	\$1,317.864
Depreciation	220.456	250.298	274.012	274.868	259.393	255.760
Total Expenses	\$1,254.525	\$1,342.330	1,432.807	1,479.252	\$1,534.311	\$1,573.624
Baseline Net Surplus/(Deficit)	(\$691.874)	(\$764.924)	(\$810.321)	(\$840.931)	(\$887.874)	(\$914.606)
2006 PEG Program	0.000	12.000	18.181	15.762	15.849	15.935
Post 2006 PEGs	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	(\$691.874)	(\$752.924)	(\$792.140)	(\$825.169)	(\$872.025)	(\$898.671)

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Cash Receipts & Expenditures
(\$ in millions)

		2005	2006			
		November	Final			
	2004	Forecast	Proposed	2007	2008	2009
	Actual		Budget			
<u>Receipts</u>						
Farebox Revenue	\$442.423	\$467.980	\$477.405	\$486.059	\$492.669	\$501.226
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	32.023	27.195	29.872	29.771	30.389	30.672
Capital and Other Reimbursements	164.714	148.828	178.921	192.455	194.564	199.091
Total Receipts	\$639.160	\$644.003	\$686.198	\$708.285	\$717.622	\$730.989
<u>Expenditures</u>						
Labor:						
Payroll	\$408.701	\$408.396	\$430.526	\$442.543	\$457.327	\$467.667
Overtime	76.580	75.816	79.807	80.934	82.531	85.162
Health and Welfare	96.571	104.473	116.463	128.373	142.445	155.848
Pensions	123.053	101.234	134.040	134.208	131.741	131.361
Other Fringe Benefits	91.410	87.438	92.249	95.379	98.844	102.284
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$796.315	\$777.357	\$853.085	\$881.437	\$912.888	\$942.322
Non-Labor:						
Traction and Propulsion Power	\$51.516	\$67.744	\$69.730	\$69.999	\$71.705	\$73.208
Fuel for Buses and Trains	7.163	13.210	15.935	13.663	12.758	12.727
Insurance	18.142	21.651	22.204	24.425	27.769	29.142
Claims	9.727	20.614	12.722	19.985	13.285	13.619
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	62.249	68.653	76.948	71.892	69.967	71.387
Professional Service Contracts	19.515	17.680	19.047	18.257	18.310	18.264
Materials & Supplies	96.316	99.913	122.347	140.171	178.435	186.872
Other Business Expenses	5.387	5.112	5.737	5.852	5.896	5.947
Total Non-Labor Expenditures	\$270.015	\$314.577	\$344.670	\$364.244	\$398.125	\$411.166
Other Expenditure Adjustments:						
Other	30.278	28.700	29.000	29.300	29.600	29.900
Total Other Expenditure Adjustments	\$30.278	\$28.700	\$29.000	\$29.300	\$29.600	\$29.900
Total Expenditures	\$1,096.608	\$1,120.634	\$1,226.755	\$1,274.981	\$1,340.613	\$1,383.388
Baseline Net Cash Deficit	(\$457.448)	(\$476.631)	(\$540.557)	(\$566.696)	(\$622.991)	(\$652.399)
2006 PEG Program						
	0.000	12.000	18.181	15.762	15.849	15.935
Post 2006 PEGs						
	0.000	0.000	0.000	0.000	0.000	0.000
Net Cash Deficit	(\$457.448)	(\$464.631)	(\$522.376)	(\$550.934)	(\$607.142)	(\$636.464)

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2004	2005	2006			
	Actual	November	Final	2007	2008	2009
		Forecast	Proposed			
			Budget			
Receipts						
Farebox Revenue	\$31.657	\$28.700	\$29.000	\$29.300	\$29.600	\$29.900
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	6.241	1.850	2.419	2.121	2.198	2.277
Capital and Other Reimbursements	38.611	36.047	32.293	38.543	39.387	39.794
Total Receipt Adjustments	\$76.509	\$66.597	\$63.712	\$69.964	\$71.185	\$71.971
Expenditures						
Labor:						
Payroll	(\$2.883)	\$0.560	\$1.532	\$1.530	\$1.531	\$1.488
Overtime	0.939	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.562	0.000	0.000	0.000	0.000	0.000
Pensions	(0.151)	30.050	0.393	0.425	0.459	0.459
Other Fringe Benefits	(2.247)	(0.086)	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	(\$3.780)	\$30.524	\$1.925	\$1.955	\$1.990	\$1.947
Non-Labor:						
Traction and Propulsion Power	(\$0.749)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	1.606	0.000	0.000	0.000	0.000	0.000
Insurance	(2.827)	(5.880)	(5.057)	(5.655)	(7.288)	(6.653)
Claims	(0.756)	(3.949)	0.760	(6.225)	0.793	0.813
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(7.638)	(1.244)	(1.681)	(1.711)	(1.747)	(1.784)
Professional Service Contracts	(2.687)	7.700	4.700	4.500	4.500	4.500
Materials & Supplies	(34.597)	(29.453)	(42.017)	(36.591)	(36.793)	(36.917)
Other Business Expenditures	0.910	2.400	2.410	2.430	2.450	2.470
Total Non-Labor Expenditures	(\$46.738)	(\$30.426)	(\$40.885)	(\$43.252)	(\$38.085)	(\$37.571)
Other Expenditure Adjustments:						
Other	(12.021)	(28.700)	(29.000)	(29.300)	(29.600)	(29.900)
Total Other Expenditure Adjustments	(\$12.021)	(\$28.700)	(\$29.000)	(\$29.300)	(\$29.600)	(\$29.900)
Total Cash Conversion Adjustments before Depreciation	\$13.970	\$37.995	(\$4.248)	(\$0.633)	\$5.490	\$6.447
Depreciation Adjustment	220.456	250.298	274.012	274.868	259.393	255.760
Baseline Total Cash Conversion Adjustments	\$234.426	\$288.293	\$269.764	\$274.235	\$264.883	\$262.207
2006 PEG Program	0.000	0.000	0.000	0.000	0.000	0.000
Post 2006 PEGs	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$234.426	\$288.293	\$269.764	\$274.235	\$264.883	\$262.207

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual and Cash

Revenue

Farebox Revenue

- The regional economy and employment trends are the primary drivers.
- August Y-T-D ridership trends are above the 2005 budget and the July Plan. Monthly commutation and off-peak ridership are providing favorable results vs. the July Plan.
- 2006 ridership is projected to increase by 1.1% above 2005 level to 80.4 million. This increase in ridership is predicated on some recovery in employment levels.
- Passenger revenue forecasts in the outer years 2006 - 2009 reveal modest annual growth due to increases in ridership.

Other Operating Revenue

- Other revenues (rent, station privileges, etc.) are projected to grow each year primarily through contractual and inflationary increases.

Capital and Other Reimbursements

- Reflects the 2005 - 2009 Capital Program and completion of projects from the 2000 - 2004 Capital Programs.

Expenses

Payroll

- 2006 reflects pattern bargaining agreements of 3.0% for represented employees and CPI increases for management employees of 2.57%.
- 2007 - 2009 includes CPI increases for both represented and management employees of 2.79%, 2.94% and 3.18%, respectively.
- Headcount changes each year are associated with new needs, changes in programs (i.e., fleet modifications) and Capital Program activity.

Overtime

- 2005 - 2006 increase is primarily associated with the change in Capital Program activity and new needs, partially offset by a decrease in anticipated weather-related overtime.
- 2007 - 2009 increases reflect CPI increases and changes in Capital Program activity.

Health & Welfare

- 2006 - 2009 reflects annual rate increase of approximately 9.3%.
- Reflects impact of headcount changes each year.

Pensions

- Reflects the latest actuarial valuation for each year.

Other Fringe Benefits

- Railroad Retirement Tax maximum limits are based on the December 2004 projected maximum earnings bases from the Railroad Retirement Board; the tax rate for each tier is expected to remain unchanged.
- Railroad Unemployment reflects an annual increase in the monthly amount per employee of approximately 11.5% in 2007 and 3.5% in 2008 and 2009.

Traction and Propulsion Power

- 2005 is based on actuals through July, which reflects higher rates and an adjustment for a change in billing methodology from the utility supplier.
- 2006 - 2009 reflects price inflators, historical data and M-7 delivery schedule.

Fuel

- 2005 is based on actuals through July, which reflects higher fuel costs.
- 2006 - 2009 reflects price inflators and historical performance.

Insurance

- 2006 - 2009 reflects price inflators.

Claims

- 2005 reflects actual experience through July and the anticipated settlement and payout of claims for the balance of the year including the payment of \$2.0 million for a case that was not covered by insurance.
- 2006 – 2009 reflects the timing of reserves set up for anticipated cases and inflationary increases.

Maintenance and Other Operating Contracts

- 2006 reflects contract price increases and increases associated with concrete tie replacements, M-1 decommissioning and Jamaica Central Control/Air Train Facility costs.
- 2006 - 2008 reflects changes in the concrete tie replacement and elimination of the M-1 fleet; as well as inflationary increases.

Professional Service Contracts

- The favorable change from 2005 to 2006 is primarily associated with nonrecurring expenses incidental to project work.
- 2005 - 2007 reflects changes in consultant activity (completion of CE-1 Engineering Study in 2007, and Information Services system initiative plans with the completion of projects and the start of new initiatives).
- 2005 - 2009 reflects price inflators.

Material and Supplies

- 2005 - 2009 reflects inflationary growth.
- The increases in materials each year from 2005 - 2009 is primarily Maintenance of Equipment material needs associated with changes in the LCM program and an increased fleet size.
- 2007 - 2009 also includes the operation of the Arch Street Shop.

Other Business Expenses

- 2005 - 2006 reflects changes in credit/debit card authorization fees.
- 2007 - 2009 includes inflationary increases.

Depreciation

- Reflects depreciation of current assets as well as estimates for capital projects based on their beneficial use.

Cash Adjustments

Revenue

- 2005 - 2007 – Timing of capital reimbursement.
- 2005 - 2006 – Reassessment of miscellaneous revenue.

Expense

- Payroll 2005 - 2006 – represented contract settlement paid out in 2005.
- Pension – cash payments versus accrued expenses; prepayment in 2003 for 2005 pension contribution.
- Insurance and Claims & Suits – payments versus accrued expenses.
- Professional, Maintenance and Other Contract services – changes in environmental payments.
- Operating Funded Capital – shifting of funds from 2005 to 2006 and normalization of funds in 2007.
- 2005 - 2009 - timing of material purchases versus charge-outs, 2006 includes a provision for M-7 capital spares.
- Depreciation and other non-cash adjustments for each year 2005 - 2009.

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2005 November Forecast	2006 Final Proposed Budget	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Revenue									
Farebox Revenue	\$439.280	\$448.405	\$9.125	\$456.759	\$8.354	\$463.069	\$6.310	\$471.326	\$8.257
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	25.345	27.453	2.108	27.650	0.197	28.191	0.541	28.395	0.204
Capital and Other Reimbursements	112.781	146.628	33.847	153.912	7.284	155.177	1.265	159.297	4.120
Total Revenue	\$577.406	\$622.486	\$45.080	\$638.321	\$15.835	\$646.437	\$8.116	\$659.018	\$12.581
Expenses									
Labor:									
Payroll	\$408.956	\$432.058	(\$23.102)	\$444.073	(\$12.015)	\$458.858	(\$14.785)	\$469.155	(\$10.297)
Overtime	75.816	79.807	(3.991)	80.934	(1.127)	82.531	(1.597)	85.162	(2.631)
Health and Welfare	104.473	116.463	(11.990)	128.373	(11.910)	142.445	(14.072)	155.848	(13.403)
Pensions	131.284	134.433	(3.149)	134.633	(0.200)	132.200	2.433	131.820	0.380
Other Fringe Benefits	87.352	92.249	(4.897)	95.379	(3.130)	98.844	(3.465)	102.284	(3.440)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$807.881	\$855.010	(\$47.129)	\$883.392	(\$28.382)	\$914.878	(\$31.486)	\$944.269	(\$29.391)
Non-Labor:									
Traction and Propulsion Power	\$67.744	\$69.730	(\$1.986)	\$69.999	(\$0.269)	\$71.705	(\$1.706)	\$73.208	(\$1.503)
Fuel for Buses and Trains	13.210	15.935	(2.725)	13.663	2.272	12.758	0.905	12.727	0.031
Insurance	15.771	17.147	(1.376)	18.770	(1.623)	20.481	(1.711)	22.489	(2.008)
Claims	16.665	13.482	3.183	13.760	(0.278)	14.078	(0.318)	14.432	(0.354)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	67.409	75.267	(7.858)	70.181	5.086	68.220	1.961	69.603	(1.383)
Professional Service Contracts	25.380	23.747	1.633	22.757	0.990	22.810	(0.053)	22.764	0.046
Materials & Supplies	70.460	80.330	(9.870)	103.580	(23.250)	141.642	(38.062)	149.955	(8.313)
Other Business Expenses	7.512	8.147	(0.635)	8.282	(0.135)	8.346	(0.064)	8.417	(0.071)
Total Non-Labor Expenses	\$284.151	\$303.785	(\$19.634)	\$320.992	(\$17.207)	\$360.040	(\$39.048)	\$373.595	(\$13.555)
Other Expenses 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	\$1,092.032	\$1,158.795	(\$66.763)	\$1,204.384	(\$45.589)	\$1,274.918	(\$70.534)	\$1,317.864	(\$42.946)
Depreciation	250.298	274.012	(23.714)	274.868	(0.856)	259.393	15.475	255.760	3.633
Total Expenses	\$1,342.330	\$1,432.807	(\$90.477)	\$1,479.252	(\$46.445)	\$1,534.311	(\$55.059)	\$1,573.624	(\$39.313)
Baseline Net Surplus/(Deficit)	(\$764.924)	(\$810.321)	(\$45.397)	(\$840.931)	(\$30.610)	(\$887.874)	(\$46.943)	(\$914.606)	(\$26.732)
2006 PEG Program	12.000	18.181	6.181	15.762	(2.419)	15.849	0.087	15.935	0.086
Post 2006 PEGs	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	(\$752.924)	(\$792.140)	(\$39.216)	(\$825.169)	(\$33.029)	(\$872.025)	(\$46.856)	(\$898.671)	(\$26.646)

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2005 November Forecast	2006 Final Proposed Budget	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<u>Receipts</u>									
Farebox Revenue	\$467.980	\$477.405	\$9.425	\$486.059	\$8.654	\$492.669	\$6.610	\$501.226	\$8.557
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	27.195	29.872	2.677	29.771	(0.101)	30.389	0.618	30.672	0.283
Capital and Other Reimbursements	148.828	178.921	30.093	192.455	13.534	194.564	2.109	199.091	4.527
Total Receipts	\$644.003	\$686.198	\$42.195	\$708.285	\$22.087	\$717.622	\$9.337	\$730.989	\$13.367
<u>Expenditures</u>									
Labor:									
Payroll	\$408.396	\$430.526	(\$22.130)	\$442.543	(\$12.017)	\$457.327	(\$14.784)	\$467.667	(\$10.340)
Overtime	75.816	79.807	(3.991)	80.934	(1.127)	82.531	(1.597)	85.162	(2.631)
Health and Welfare	104.473	116.463	(11.990)	128.373	(11.910)	142.445	(14.072)	155.848	(13.403)
Pensions	101.234	134.040	(32.806)	134.208	(0.168)	131.741	2.467	131.361	0.380
Other Fringe Benefits	87.438	92.249	(4.811)	95.379	(3.130)	98.844	(3.465)	102.284	(3.440)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$777.357	\$853.085	(\$75.728)	\$881.437	(\$28.352)	\$912.888	(\$31.451)	\$942.322	(\$29.434)
Non-Labor:									
Traction and Propulsion Power	\$67.744	\$69.730	(\$1.986)	\$69.999	(\$0.269)	\$71.705	(\$1.706)	\$73.208	(\$1.503)
Fuel for Buses and Trains	13.210	15.935	(2.725)	13.663	2.272	12.758	0.905	12.727	0.031
Insurance	21.651	22.204	(0.553)	24.425	(2.221)	27.769	(3.344)	29.142	(1.373)
Claims	20.614	12.722	7.892	19.985	(7.263)	13.285	6.700	13.619	(0.334)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	68.653	76.948	(8.295)	71.892	5.056	69.967	1.925	71.387	(1.420)
Professional Service Contracts	17.680	19.047	(1.367)	18.257	0.790	18.310	(0.053)	18.264	0.046
Materials & Supplies	99.913	122.347	(22.434)	140.171	(17.824)	178.435	(38.264)	186.872	(8.437)
Other Business Expenses	5.112	5.737	(0.625)	5.852	(0.115)	5.896	(0.044)	5.947	(0.051)
Total Non-Labor Expenditures	\$314.577	\$344.670	(\$30.093)	\$364.244	(\$19.574)	\$398.125	(\$33.881)	\$411.166	(\$13.041)
Other Expenditure Adjustments:									
Other	28.700	29.000	(0.300)	29.300	(0.300)	29.600	(0.300)	29.900	(0.300)
Total Other Expenditure Adjustments	\$28.700	\$29.000	(\$0.300)	\$29.300	(\$0.300)	\$29.600	(\$0.300)	\$29.900	(\$0.300)
Total Expenditures	\$1,120.634	\$1,226.755	(\$106.121)	\$1,274.981	(\$48.226)	\$1,340.613	(\$65.632)	\$1,383.388	(\$42.775)
Baseline Net Cash Deficit	(\$476.631)	(\$540.557)	(\$63.926)	(\$566.696)	(\$26.139)	(\$622.991)	(\$56.295)	(\$652.399)	(\$29.408)
2006 PEG Program	12.000	18.181	6.181	15.762	(2.419)	15.849	0.087	15.935	\$0.086
Post 2006 PEGs	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	\$0.000
Net Cash Deficit	(\$464.631)	(\$522.376)	(\$57.745)	(\$550.934)	(\$28.558)	(\$607.142)	(\$56.208)	(\$636.464)	(\$29.322)

**MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Utilization**

RIDERSHIP/UTILIZATION PROJECTIONS

- The LIRR Passenger Revenue Forecasting Model provides system wide revenue and ridership projections. The regional economy, employment trends and the impact of the March 1, 2005 fare increase are the primary drivers of passenger ridership and revenue in 2006.
- The 2005 revised forecast assumes 1.5% higher ridership than the July Plan and 0.3% higher than 2004 actual results. Monthly commutation and off-peak ridership trends are providing favorable results vs. the July Plan.
- Ridership projections for the outer years 2007-2010 reveal modest annual growth. This growth is predicated on some recovery in employment and from the price elasticity effects of the fare increase.

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2006 - 2009
Ridership/Traffic Volume (Utilization)
(in millions)

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline Total Ridership	79.254	79.508	80.356	81.853	82.984	84.463
<i>Impact of: PEG Program</i>						
Total Ridership	79.254	79.508	80.356	81.853	82.984	84.463

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Summary of Changes between Financial Plans by Category

2005: November Financial Plan vs. July Financial Plan

2005 November Financial Plan is based on actual performance through July with projections for August through December based on current trends and known activities.

Revenue

- 1.5% increase in ridership
- (1.0)% decrease in average yield per passenger
- Special Services – primarily due to fewer number of assignment
- Higher Penn Station rental income, Advertising revenue, partially offset by sale of scrap and lower newsstand and concession income.
- Capital and other reimbursements are lower primarily resulting from changes in capital project activity due to delay in approved funding for the 2005-2009 Capital Program (scopes and schedules).

Expense

- Payroll and benefits – reduced from July Plan due to lower Railroad Retirement, Railroad Unemployment and Health & Welfare rates, partially offset by a slight increase in headcount (timing of attrition for positions to be abolished) and an increase in overtime.
- Pension costs have been increased to reflect the latest actuarial valuation.
- Traction and propulsion power is higher resulting from higher utility costs and an adjustment for a change in billing methodology by utility supplier.
- Fuel for trains is higher primarily resulting from increased rates. Diesel fuel increased by 69% over the budget and almost 21% over the July Plan resulting from higher fuel prices.
- Maintenance and Other Operating Contracts decreased primarily due to M-1 Decommissioning schedule and cost, timing of plant equipment maintenance and elevator repairs.
- All other non-payroll expenses have been re-estimated based on planned activities and timing of service contracts (primarily consultant activity, environmental services, increases in claims & suits reserves).

2006: November Financial Plan vs. July Financial Plan

Revenue

- 0.9% increase in ridership
- (0.4)% decrease in average yield per passenger
- Higher revenue from reimbursement of pension staff by pension plan.
- Capital and other reimbursements are lower primarily resulting from changes in capital project activity associated with the 2005 - 2009 Capital Program.

Expense

- Payroll and benefits – decreased from July Plan due to a reduction in headcount associated with changes in capital program activity and changes in new needs, partially offset by higher overtime.
- Pension costs have been increased to reflect the latest actuarial valuation.
- Traction Power and Fuel are higher primarily resulting from increased rates.
- Maintenance and Other Operating Contracts decreased primarily due to lower costs for M-1 Decommissioning and revised estimates for concrete tie replacements.
- Materials have been re-estimated based on changes in the original plans for the Life Cycle Maintenance Program.
- All other non-payroll expenses have been re-estimated based on planned activities, changes in service contracts (primarily consultant activity) and credit adjustment for law claim work.

2007: November Financial Plan vs. July Financial Plan

Revenue

- 0.9% increase in ridership
- (0.4)% decrease in average yield per passenger
- Higher revenue from reimbursement of pension staff by pension plan.
- Capital and other reimbursements are lower primarily resulting from changes in capital project activity associated with the 2005 - 2009 Capital Program.

Expense

- Payroll and benefits – decreased from July Plan due to a reduction in headcount associated with changes in capital program activity and changes in new needs, partially offset by higher overtime.
- Pension costs have been increased to reflect the latest actuarial valuation.
- Traction Power and Fuel are higher primarily resulting from increased rates.
- Materials have been re-estimated based on increases in new needs (i.e., bench test equipment).
- All other non-payroll expenses have been re-estimated based on planned activities and changes in service contracts.

2008: November Financial Plan vs. July Financial Plan

Revenue

- 0.9% increase in ridership
- (0.4)% decrease in average yield per passenger
- Higher revenue from reimbursement of pension staff by pension plan.
- Capital and other reimbursements are lower primarily resulting from changes in capital project activity associated with the 2005 - 2009 Capital Program.

Expense

- Payroll and benefits – decreased from July Plan due to a reduction in headcount associated with changes in capital program activity and changes in new needs, partially offset by higher overtime.
- Pension costs have been increased to reflect the latest actuarial valuation.
- Traction Power and Fuel are higher primarily resulting from increased rates.
- All other non-payroll expenses have been re-estimated based on planned activities and changes in service contracts.

2009: November Financial Plan vs. July Financial Plan**Revenue**

- 0.9% increase in ridership
- (0.4)% decrease in average yield per passenger
- Higher revenue from reimbursement of pension staff by pension plan.
- Capital and other reimbursements are lower primarily resulting from changes in capital project activity associated with the 2005 - 2009 Capital Program.

Expense

- Payroll and benefits – decreased from July Plan due to a reduction in headcount associated with changes in capital program activity and changes in new needs, partially offset by higher overtime.
- Pension costs have been increased to reflect the latest actuarial evaluation.
- Traction Power and Fuel are higher primarily resulting from increased rates.
- All other non-payroll expenses have been re-estimated based on planned activities and changes in service contracts.

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$467.329)	(\$518.127)	(\$547.161)	(\$613.717)	(\$643.615)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Farebox Revenue	\$2.438	\$2.489	\$2.535	\$2.570	\$2.616
Other Operating Revenue	0.095	0.252	0.259	0.267	0.275
Sub-Total Non-Reimbursable Revenue Changes	\$2.533	\$2.741	\$2.794	\$2.837	\$2.891
Expenses					
Pensions	(6.888)	(5.209)	0.500	(0.184)	2.246
Energy rate increases (traction power, fuel, gas & electric)	(3.216)	(6.530)	(2.335)	(1.104)	(0.943)
LIPA billing adjustment	(6.000)	(4.169)	(4.159)	(4.163)	(4.159)
Claims reserve adjustment	(7.521)	0.000	0.000	0.000	0.000
Drum Storage installation and maintenance	0.000	(0.395)	(0.407)	(0.407)	(0.407)
Increase in legal fees for asbestos cases	0.000	(0.281)	(0.281)	(0.294)	(0.301)
Morris Park Turntable	0.437	(0.600)	0.000	0.000	0.000
Re-instate 2 mothballed locomotives	0.000	(0.463)	(0.470)	(0.478)	(0.486)
Uniform purchases	(0.230)	(0.230)	(0.230)	(0.230)	(0.230)
M-1 Decommissioning	0.234	0.600	0.000	0.000	0.000
M/E Hardware/software	0.000	0.300	0.300	0.300	0.300
Diesel modifications and bench test equipment	0.000	1.100	(2.855)	0.000	0.000
Signalization Babylon to Speonk maintenance	0.000	0.267	0.514	0.564	0.584
Atlantic Terminal Facility maintenance	0.000	0.273	0.286	0.313	0.324
CE-1 Consultant	0.000	0.300	(0.300)	0.000	0.000
Concrete Tie Replacement	0.000	1.002	0.636	(0.728)	(0.751)
New Train Service re-estimate	0.000	0.114	(0.537)	(0.518)	(0.533)
All Other (primarily headcount changes and change in overhead methodology)	1.159	2.656	(4.733)	(3.925)	(6.019)
Sub-Total Non-Reimbursable Expense Changes	(\$22.025)	(\$11.265)	(\$14.071)	(\$10.854)	(\$10.375)
<i>Total Non-Reimbursable Major Changes</i>	(\$19.492)	(\$8.524)	(\$11.277)	(\$8.017)	(\$7.484)
<i>Reimbursable Major Changes</i>					
Revenue					
Capital and Other Reimbursement	(1.961)	(4.957)	(1.621)	(2.727)	(2.276)
Sub-Total Reimbursable Revenue Changes	(\$1.961)	(\$4.957)	(\$1.621)	(\$2.727)	(\$2.276)
Expenses					
Pensions	0.260	(1.510)	(6.950)	(5.773)	(7.124)
Change in capital program activity and project headcount adjustment	1.701	8.203	13.807	12.015	12.564
Overhead rate and methodology change	0.000	(1.736)	(5.236)	(3.515)	(3.164)
Sub-Total Reimbursable Expense Changes	\$1.961	\$4.957	\$1.621	\$2.727	\$2.276
<i>Total Reimbursable Major Changes</i>	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Total Accrual Changes</i>	(\$19.492)	(\$8.524)	(\$11.277)	(\$8.017)	(\$7.484)
<i>Cash Adjustment Changes</i>					
Capital rebalancing adjustment	0.000	(7.090)	0.000	0.000	0.000
Misc. Rev adjustment	0.000	(0.500)	(0.500)	(0.500)	(0.500)
Claims & Suits (Payments vs. Reserves)	6.295	0.000	(7.000)	0.000	0.000
Environmental Payments	3.250	0.000	0.000	0.000	0.000
Material Adjustments (M-7 Capital spares)	0.000	(5.000)	0.000	0.000	0.000
Operating Funded Capital	0.775	(1.359)	(0.800)	(0.800)	(0.800)
All Other	(0.130)	0.043	0.042	0.043	0.000
<i>Total Cash Adjustment Changes</i>	\$10.190	(\$13.906)	(\$8.258)	(\$1.257)	(\$1.300)
<i>Total Baseline Changes</i>	(\$9.302)	(\$22.430)	(\$19.535)	(\$9.274)	(\$8.784)
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$476.631)	(\$540.557)	(\$566.696)	(\$622.991)	(\$652.399)

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$467.329)	(\$518.127)	(\$547.161)	(\$613.717)	(\$643.615)
Baseline Changes					
Revenue					
Farebox Revenue	\$2.438	\$2.489	\$2.535	\$2.570	\$2.616
Vehicle Toll Revenue					
Other Operating Revenue	0.095	0.252	0.259	0.267	0.275
Capital and Other Reimbursement					
Total Revenue Changes	\$2.533	\$2.741	\$2.794	\$2.837	\$2.891
Expenses					
<i>Labor:</i>					
Payroll and Overtime	(\$2.285)	(\$1.393)	(\$0.058)	(\$0.218)	(\$0.588)
Health and Welfare	0.038	0.746	(0.205)	(1.394)	(2.670)
Pensions	(6.888)	(5.209)	0.500	(0.184)	2.246
Other Fringe Benefits	1.530	(2.072)	(3.475)	(4.078)	(4.040)
Reimbursable Overhead	(1.472)	2.686	0.256	0.861	1.256
Total Labor Expense Changes	(\$9.077)	(\$5.242)	(\$2.982)	(\$5.013)	(\$3.796)
<i>Non-Labor:</i>					
Traction and Propulsion Power	(\$6.958)	(\$5.863)	(\$4.429)	(\$4.433)	(\$4.429)
Fuel for Buses and Trains	(2.251)	(4.750)	(2.143)	(0.863)	(0.505)
Insurance	0.127	0.000	0.000	0.000	0.000
Claims	(7.521)	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	2.942	1.965	(0.771)	(2.376)	(2.947)
Professional Service Contracts	0.784	(0.282)	(0.741)	(0.428)	(0.506)
Materials & Supplies	0.363	2.428	(3.551)	1.668	1.315
Other Business Expenses	(0.434)	0.479	0.546	0.591	0.493
Total Non-Labor Expense Changes	(\$12.948)	(\$6.023)	(\$11.089)	(\$5.841)	(\$6.579)
Total Expense Changes	(\$22.025)	(\$11.265)	(\$14.071)	(\$10.854)	(\$10.375)
Cash Adjustment Changes					
Misc. Rev adjustment	\$0.000	(\$0.500)	(\$0.500)	(\$0.500)	(\$0.500)
Pension - re-estimate of cash payments after latest assumptions	(0.314)	0.000	0.000	0.000	0.000
Insurance	(0.174)	0.000	0.000	0.000	0.000
Claims & Suits (Payments vs. Reserves)	6.295	0.000	(7.000)	0.000	0.000
Environmental Payments	3.250	0.000	0.000	0.000	0.000
M-7 capital spares	0.000	(7.000)	0.000	0.000	0.000
Other material adjustments	0.000	2.000	0.000	0.000	0.000
Operating Funded Capital	0.775	(1.359)	(0.800)	(0.800)	(0.800)
Prior year water & sewage credit	0.122	0.000	0.000	0.000	0.000
Non-cash expense adjustments (Misc. charges & Credits)	0.236	0.043	0.042	0.043	0.000
Total Cash Adjustment Changes	\$10.190	(\$6.816)	(\$8.258)	(\$1.257)	(\$1.300)
Total Baseline Changes	(\$9.302)	(\$15.340)	(\$19.535)	(\$9.274)	(\$8.784)
Baseline 2005 November Financial Plan - Operating Cash	(\$476.631)	(\$533.467)	(\$566.696)	(\$622.991)	(\$652.399)

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Capital and Other Reimbursement	(1.961)	(4.957)	(1.621)	(2.727)	(2.276)
Total Revenue Changes	(\$1.961)	(\$4.957)	(\$1.621)	(\$2.727)	(\$2.276)
Expenses					
Labor:					
Payroll and Overtime	\$0.748	\$5.741	\$5.047	\$5.434	\$5.955
Health and Welfare	0.281	0.484	0.601	0.702	0.598
Pensions	0.260	(1.510)	(6.950)	(5.773)	(7.124)
Other Fringe Benefits	0.440	3.128	4.404	4.620	4.571
Reimbursable Overhead	1.472	(2.686)	(0.256)	(0.861)	(1.256)
Total Labor Expense Changes	\$3.201	\$5.157	\$2.846	\$4.122	\$2.744
Non-Labor:					
Traction and Propulsion Power	(\$0.007)	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.047	(0.019)	(0.020)	(0.016)	(0.017)
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(0.393)	0.338	1.206	1.067	1.472
Professional Service Contracts	0.002	0.124	0.038	0.017	0.087
Materials & Supplies	(0.980)	(0.386)	(2.057)	(2.025)	(1.674)
Other Business Expenses	0.091	(0.257)	(0.392)	(0.438)	(0.336)
Total Non-Labor Expense Changes	(\$1.240)	(\$0.200)	(\$1.225)	(\$1.395)	(\$0.468)
Total Expense Changes	\$1.961	\$4.957	\$1.621	\$2.727	\$2.276
Cash Adjustment Changes					
Capital rebalancing adjustment	\$0.000	(\$7.090)	\$0.000	\$0.000	\$0.000
Total Cash Adjustment Changes	\$0.000	(\$7.090)	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	(\$7.090)	\$0.000	\$0.000	\$0.000
Baseline 2005 November Financial Plan - Operating Cash	\$0.000	(\$7.090)	\$0.000	\$0.000	\$0.000

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$467.329)	(\$518.127)	(\$547.161)	(\$613.717)	(\$643.615)
Baseline Changes					
Revenue					
Farebox Revenue	\$2.438	\$2.489	\$2.535	\$2.570	\$2.616
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.095	0.252	0.259	0.267	0.275
Capital and Other Reimbursement	(1.961)	(4.957)	(1.621)	(2.727)	(2.276)
Total Revenue Changes	\$0.572	(\$2.216)	\$1.173	\$0.110	\$0.615
Expenses					
<i>Labor:</i>					
Payroll and Overtime	(\$1.537)	\$4.348	\$4.989	\$5.216	\$5.367
Health and Welfare	0.319	1.230	0.396	(0.692)	(2.072)
Pensions	(6.628)	(6.719)	(6.450)	(5.957)	(4.878)
Other Fringe Benefits	1.970	1.056	0.929	0.542	0.531
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000
Total Labor Expense Changes	(\$5.876)	(\$0.085)	(\$0.136)	(\$0.891)	(\$1.052)
<i>Non-Labor:</i>					
Traction and Propulsion Power	(\$6.965)	(\$5.863)	(\$4.429)	(\$4.433)	(\$4.429)
Fuel for Buses and Trains	(2.251)	(4.750)	(2.143)	(0.863)	(0.505)
Insurance	0.174	(0.019)	(0.020)	(0.016)	(0.017)
Claims	(7.521)	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	2.549	2.303	0.435	(1.309)	(1.475)
Professional Service Contracts	0.786	(0.158)	(0.703)	(0.411)	(0.419)
Materials & Supplies	(0.617)	2.042	(5.608)	(0.357)	(0.359)
Other Business Expenses	(0.343)	0.222	0.154	0.153	0.157
Total Non-Labor Expense Changes	(\$14.188)	(\$6.223)	(\$12.314)	(\$7.236)	(\$7.047)
Total Expense Changes	(\$20.064)	(\$6.308)	(\$12.450)	(\$8.127)	(\$8.099)
Cash Adjustment Changes					
Capital rebalancing adjustment	\$0.000	(\$7.090)	\$0.000	\$0.000	\$0.000
Misc. Rev adjustment	0.000	(0.500)	(0.500)	(0.500)	(0.500)
Pension - re-estimate of cash payments after latest assumptions	(0.314)	0.000	0.000	0.000	0.000
Insurance	(0.174)	0.000	0.000	0.000	0.000
Claims & Suits (Payments vs. Reserves)	6.295	0.000	(7.000)	0.000	0.000
Environmental Payments	3.250	0.000	0.000	0.000	0.000
M-7 capital spares	0.000	(7.000)	0.000	0.000	0.000
Other material adjustments	0.000	2.000	0.000	0.000	0.000
Operating Funded Capital	0.775	(1.359)	(0.800)	(0.800)	(0.800)
Prior year water & sewage credit	0.122	0.000	0.000	0.000	0.000
Non-cash expense adjustments (Misc. charges & Credits)	0.236	0.043	0.042	0.043	0.000
Total Cash Adjustment Changes	\$10.190	(\$13.906)	(\$8.258)	(\$1.257)	(\$1.300)
Total Baseline Changes	(\$9.302)	(\$22.430)	(\$19.535)	(\$9.274)	(\$8.784)
Baseline 2005 November Financial Plan - Operating Cash	(\$476.631)	(\$540.557)	(\$566.696)	(\$622.991)	(\$652.399)

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
2006 Agency Program to Eliminate the Gap (PEGs)
(\$ in millions)

Favorable/(Unfavorable)										
2005 November Forecast		2006 Final Proposed Budget		2007		2008		2009		
Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	
LIST of PROGRAMS										
Administration:										
FMTAC Credit for Law Claims			0.330		0.337		0.345		0.356	
Sub-Total Administration	0	\$0.000	0	\$0.330	0	\$0.337	0	\$0.345	0	\$0.356
Customer Convenience & Amenities:										
Train Crew Tour Reductions			0.990		1.020		1.050		1.082	
Sub-Total Customer Convenience & Amenities	0	\$0.000	0	\$0.990	0	\$1.020	0	\$1.050	0	\$1.082
Service:										
M7 Airbrake Material			3.000							
M7 45 to 90 day Periodic Inspection			13	1.002	13	1.041	13	1.084	13	1.121
Sub-Total Service	0	\$0.000	13	\$4.002	13	\$1.041	13	\$1.084	13	\$1.121
Maintenance:										
DuPont Accident Prevention Services			0.255		0.260		0.266		0.272	
Sub-Total Maintenance	0	\$0.000	0	\$0.255	0	\$0.260	0	\$0.266	0	\$0.272
Revenue Enhancements:										
Additional Parking Fees			0.500		1.000		1.000		1.000	
Babylon Parking			0.104		0.104		0.104		0.104	
Right of Way Leased Line Fees		12.000	12.000		12.000		12.000		12.000	
Sub-Total Revenue Enhancements	0	\$12.000	0	\$12.604	0	\$13.104	0	\$13.104	0	\$13.104
Other:										
Sub-Total Other	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Total 2006 PEGs	0	\$12.000	13	\$18.181	13	\$15.762	13	\$15.849	13	\$15.935

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2006 - 2009
2006 Agency Program to Eliminate the Gap (PEGs)- Worksheet

PEG Category: Administration

Program: First Mutual Transportation Assurance Company Credit for Law Claims

Background Details: The Law Department Claims Bureau is currently under contract with First Mutual Transportation Assurance Company (FMTAC) to act as the third party administrator for all claims covered by the MTA Stations and Force Liability programs. The costs will be offset by administrative and claims handling contract fees.

PEG Description and Implementation Plan: Credit pertaining to law claims for administrative work.

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

Financial Impact (Operating)

Net Savings (in millions)

2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
0.000	0.330	0.337	0.345	0.356

Total Reduction in Positions Required

(List title of positions)

0	0	0	0	0
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Current Vacancies

(List title of vacant positions)

0	0	0	0	0
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Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

List of Other Concerns:

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2006 - 2009
2006 Agency Program to Eliminate the Gap (PEGs)- Worksheet

PEG Category: Customer Convenience and Amenities

Program: Train Crew Tour Reductions

Background Details: Reduction of Collector Tours; The collector is independent from the train crew and may work with many train crews within one tour.

PEG Description and Implementation Plan: Collector tours will be reduced by 10 per weekday, yielding a total reduction of 2,600, annually (10 tours X 260 weekdays).

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

Financial Impact (Operating)

Net Savings (in millions)

2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
------------------------------	-------------------------------	------	------	------

0.000 0.990 1.020 1.050 1.082

Total Reduction in Positions Required

(List title of positions)

0 0 0 0 0

Current Vacancies

(List title of vacant positions)

0 0 0 0 0

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

List of Other Concerns:

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2006 - 2009
2006 Agency Program to Eliminate the Gap (PEGs)- Worksheet

PEG Category: Maintenance
Program: M7 Airbrake Material

Background Details: On July 14, 2004, the FRA granted the LIRR an alternative standard for periodic maintenance of brake equipment for its M-7 locomotive air brake maintenance cycle from 1104 days (3 yrs.) to 1840 days (5 yrs.). As a result, the life-cycle maintenance period shall be extended from a 3 to a 5 year cycle pending satisfactory results of testing/tear-down of air brake assemblies on 6 locomotives annually that have been in service 3, 4 and 5 years.

PEG Description and Implementation Plan:

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

	2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	0.000	3.000	0.000	0.000	0.000
<i>Total Reduction in Positions Required</i> <i>(List title of positions)</i>	0	0	0	0	0
<i>Current Vacancies</i> <i>(List title of vacant positions)</i>	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)					

List of Other Concerns:

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2006 - 2009
2006 Agency Program to Eliminate the Gap (PEGs)- Worksheet

PEG Category: Maintenance
Program: M7 45 to 90 day Periodic Inspection

Background Details: M7 45 day periodic inspection is no longer required due to the use of a more durable contact shoe that will last until the 92 day periodic inspection.

PEG Description and Implementation Plan: Eliminate the M7 45 day periodic inspection as of January 2006.

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

	2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	0.000	1.002	1.041	1.084	1.121
<i>Total Reduction in Positions Required</i> (List title of positions)	0	13	13	13	13
Current Vacancies (List title of vacant positions)	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)					
<i>List of Other Concerns:</i>					
Eliminating the 45-day inspection provides one less opportunity to identify defective parts or potential problems that could result in service failure or negatively affect on-time performance.					

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2006 - 2009
2006 Agency Program to Eliminate the Gap (PEGs)- Worksheet

PEG Category: Safety
Program: DuPont Accident Prevention Services

Background Details: Safety Consulting Services provided to the Long Island Rail Road.

PEG Description and Implementation Plan:

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

Financial Impact (Operating)

Net Savings (in millions)

2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
0.000	0.255	0.260	0.266	0.272

Total Reduction in Positions Required

(List title of positions)

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

Current Vacancies

(List title of vacant positions)

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

Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

List of Other Concerns:

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2006 - 2009
2006 Agency Program to Eliminate the Gap (PEGs)- Worksheet

PEG Category: Revenue Enhancement
Program: Additional Parking Revenue

Background Details: The potential to increase parking revenue may come from the following sources. Renew leases at Hicksville, Bethpage, Massapequa, Farmingdale, Huntington, Massapequa Park, Port Washington and Wantagh. Potential annual gross revenue of \$1.6M. Reserved Premium Space Parking at Baldwin, Merrick, Bellmore, Wantagh and Seaford. Potential annual gross revenue of \$0.568K. Charge for parking (currently no fee) at Broadway, Laurelton, and Merillon Ave. Potential annual gross revenue of \$0.233K.

PEG Description and Implementation Plan: Increase in monthly/daily parking fees at various locations.

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

	2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	0.000	0.500	1.000	1.000	1.000
<i>Total Reduction in Positions Required</i> <i>(List title of positions)</i>	0	0	0	0	0
Current Vacancies <i>(List title of vacant positions)</i>	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)					
<i>List of Other Concerns:</i>					

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2006 - 2009
2006 Agency Program to Eliminate the Gap (PEGs)- Worksheet

PEG Category: Revenue Enhancement
Program: Babylon Station Parking

Background Details: LIRR currently leases more than 300 spaces to the Village for maintenance and operation; this would place the majority of parking spaces at the station under Village control. Currently the LIRR receives \$236K annually for the leasing of approximately 800 spaces, or \$295.00 per parking space, per year. The new proposal would be \$340K annually, based on 850 parking spaces, at \$400.00 per parking space, per year.

PEG Description and Implementation Plan: Completion of an agreement with the Village of Babylon and a vendor to turn parking spaces now under LIRR control over to the Village, therefore increasing revenue from the Village.

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

	2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	0.000	0.104	0.104	0.104	0.104
<i>Total Reduction in Positions Required (List title of positions)</i>	0	0	0	0	0
Current Vacancies (List title of vacant positions)	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)					
<i>List of Other Concerns:</i>					

MTA LONG ISLAND RAIL ROAD
November Financial Plan 2006 - 2009
2006 Agency Program to Eliminate the Gap (PEGs)- Worksheet

PEG Category: Revenue Enhancement
Program: Right of Way Leased Line Fees

Background Details:

PEG Description and Implementation Plan: An updated valuation of the right of way indicates that the fees currently charged are understated. This ongoing increment to revenue represents a projection of what may be achieved through current negotiations.

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

	2005 Mid-Year Forecast	2006 Preliminary Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	12.000	12.000	12.000	12.000	12.000
<i>Total Reduction in Positions Required</i> <i>(List title of positions)</i>	0	0	0	0	0
Current Vacancies <i>(List title of vacant positions)</i>	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)					
<i>List of Other Concerns:</i>					

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
PEG Reconciliation (List of Changes) Between Financial Plans
(\$ in millions)

	2005 November Forecast		2006 Final Proposed Budget		2007		2008		2009	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
2005 July Financial Plan - Total PEGs	0	\$12.000	14	\$18.013	14	\$15.580	14	\$15.653	14	\$15.733
List of PEG Changes										
Administration										
FMTAC Credit for Law Claims				0.330		0.337		0.345		0.356
Total Administrative Changes	0	\$.000	0	\$.330	0	\$.337	0	\$.345	0	\$.356
Customer Convenience & Amenities										
Train Crew Staffing Reductions			(14)	(\$2.409)	(14)	(2.476)	(14)	(2.549)	(14)	(2.629)
Train Crew Tour Reductions				0.990		1.020		1.050		1.082
Total Customer Convenience & Amenities Changes	0	\$.000	(14)	(\$1.419)	(14)	(\$1.456)	(14)	(\$1.499)	(14)	(\$1.547)
Service										
Total Service Changes	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Maintenance										
M7 45 to 90 day Periodic Inspection			13	1.002	13	1.041	13	1.084	13	1.121
Total Maintenance Changes	0	\$.000	13	\$1.002	13	\$1.041	13	\$1.084	13	\$1.121
Safety										
DuPont Accident Prevention Services				0.255		0.260		0.266		0.272
Total Safety Changes	0	\$0.000	0	\$0.255	0	\$0.260	0	\$0.266	0	\$0.272
Revenue Enhancements										
Total Revenue Enhancement Changes	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Other										
Total Other Changes	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Total PEG Changes	0	\$0.000	(1)	\$0.168	(1)	\$0.182	(1)	\$0.196	(1)	\$0.202
2005 November Financial Plan - Total PEGs	0	\$12.000	13	\$18.181	13	\$15.762	13	\$15.849	13	\$15.935

**MTA Long Island Rail Road
November Financial Plan 2006 – 2009
Positions**

POSITION ASSUMPTIONS

NON-REIMBURSABLE POSITIONS:

- Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required to meet/achieve corporate goals.
- Annual staffing levels include the impact of new needs and re-estimates consistent with the associated cost changes incorporated in the financial plan.
- Non-reimbursable positions were reduced from the July Financial Plan for 2006-2009 by approximately 1% each year. This is attributed to the re-evaluation of some new needs that were included in the July Plan and a net headcount reduction within the Transportation Department due to a hiring plan change.

REIMBURSABLE POSITIONS:

- Positions are identified as of year-end (December 31) for each year in the financial plan and reflect an estimate of the total number of paid employees required for reimbursable activity.
- Annual staffing levels represent the positions required to support the Capital Program, as well as changes in other reimbursable projects.
- Reimbursable positions were reduced from the July Plan for 2006-2009. Reductions in each of the years ranged from 4% to 8%, which is attributed to project management and signal reorganizations and project headcount realignment based on the latest Capital Program schedule and force account requirements.

MTA Long Island Rail Road
November Financial Plan 2006 - 2009
Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Administration</u>						
Executive VP	2	2	2	2	2	2
Labor Relations	10	10	11	11	11	11
Procurement & Logistics (excl. Stores)	72	74	73	73	73	73
Human Resources	94	92	91	91	91	91
Strategic Investments	36	38	39	39	39	39
Diversity Management	2	3	3	3	3	3
President	3	3	3	3	3	3
VP & Chief Financial Officer	100	104	107	107	107	107
Svc. Planning, Technology	177	170	169	169	169	169
Market Development & Public Affairs	58	60	61	61	61	61
Gen. Counsel & Secretary	31	32	34	34	34	34
System Safety	20	19	21	21	21	21
VP Operations/Oper. Support & Analysis	22	24	25	25	25	25
Other	0	0	0	0	0	0
Administration Total	627	631	639	639	639	639
<u>Operations</u>						
Transportation	1,860	1,819	1,844	1,844	1,835	1,835
Passenger Service (Ticket Clerks & Agents)	199	174	175	175	175	175
Other	0	0	0	0	0	0
Operations Total	2,059	1,993	2,019	2,019	2,010	2,010
<u>Maintenance</u>						
Engineering	1,480	1,465	1,614	1,585	1,575	1,575
Equipment	1,778	1,749	1,781	1,805	1,826	1,826
Passenger Service (excl. Ticket Selling)	180	191	203	203	203	203
Procurement (Stores)	96	97	100	100	100	100
Other	0	0	0	0	0	0
Maintenance Total	3,534	3,502	3,698	3,693	3,704	3,704
<u>Engineering/Capital</u>						
Capital Program Management	98	93	93	77	71	71
Baseline Total Positions	6,318	6,219	6,449	6,428	6,424	6,424
<i>Non-Reimbursable</i>	5,589	5,648	5,699	5,657	5,663	5,665
<i>Reimbursable</i>	729	571	750	771	761	759
Grand Total	6,318	6,219	6,449	6,428	6,424	6,424
Total Full-Time	6,318	6,219	6,449	6,428	6,424	6,424
Total Full-Time-Equivalents	0	0	0	0	0	0
Impact of:						
2006 PEG Program	0	0	(13)	(13)	(13)	(13)
Post 2006 PEGs	0	0	0	0	0	0
Total Positions	6,318	6,219	6,436	6,415	6,411	6,411
<i>Non-Reimbursable</i>	5,589	5,648	5,686	5,644	5,650	5,652
<i>Reimbursable</i>	729	571	750	771	761	759
Total Full-Time	6,318	6,219	6,436	6,415	6,411	6,411
Total Full-Time-Equivalents	0	0	0	0	0	0

MTA Long Island Rail Road
November Financial Plan 2006-2009
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006 Final Proposed Budget	2007	2008	2009
Administration				
Managers/Supervisors	276	278	278	278
Professional, Technical, Clerical	363	361	361	361
Operational Hourlies	-	-	-	-
Total Administration	639	639	639	639
Operations				
Managers/Supervisors	249	249	249	249
Professional, Technical, Clerical	166	166	166	166
Operational Hourlies	1,604	1,604	1,595	1,595
Total Operations	2,019	2,019	2,010	2,010
Maintenance				
Managers/Supervisors	709	710	711	711
Professional, Technical, Clerical	286	286	286	286
Operational Hourlies	2,703	2,697	2,707	2,707
Total Maintenance	3,698	3,693	3,704	3,704
Engineering/Capital				
Managers/Supervisors	80	67	62	62
Professional, Technical, Clerical	13	10	9	9
Operational Hourlies	-	-	-	-
Total Engineering/Capital	93	77	71	71
Public Safety				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	-	-	-	-
Operational Hourlies	-	-	-	-
Total Public Safety	-	-	-	-
Total				
Managers/Supervisors	1,314	1,304	1,300	1,300
Professional, Technical, Clerical	828	823	822	822
Operational Hourlies	4,307	4,301	4,302	4,302
Total	6,449	6,428	6,424	6,424
Baseline Total Positions	6,449	6,428	6,424	6,424
Non-Reimbursable	5,699	5,657	5,663	5,665
Reimbursable	750	771	761	759
Total Full-Time	6,449	6,428	6,424	6,424
Total Full-Time Equivalents	-	-	-	-
Impact of:				
2006 Agency PEGs	(13)	(13)	(13)	(13)
Post - 2006 Agency PEGs	0	0	0	0
Total Positions	6,436	6,415	6,411	6,411
Non-Reimbursable	5,686	5,644	5,650	5,652
Reimbursable	750	771	761	759
Total Full-Time	6,436	6,415	6,411	6,411
Total Full-Time Equivalents	-	-	-	-

Metro-North Railroad

**MTA METRO-NORTH RAILROAD
2006 FINAL PROPOSED BUDGET
NOVEMBER FINANCIAL PLAN 2006-2009**

MISSION STATEMENT

The mission of MTA Metro-North Railroad is to preserve and enhance the quality of life and economic health of the region we serve through the efficient provision of transportation service of the highest quality.

DESCRIPTION OF SERVICES

MTA Metro-North Railroad provides passenger rail service to five suburban counties in New York State (Westchester, Putnam, Dutchess, Rockland, and Orange), two in Connecticut (Fairfield and New Haven), and two urban counties in New York City (Bronx and Manhattan). East of Hudson train service extends 85 miles from Manhattan, with terminals to the northeast in New Haven, Waterbury, Danbury, and New Canaan on the New Haven Line; to the north in Wassaic on the Harlem Line, and Poughkeepsie on the Hudson Line. The Harlem, Hudson, and New Haven Lines converge and terminate at Grand Central Terminal in Manhattan. West of the Hudson River, the Pascack Valley Line extends to Spring Valley, New York and the Port Jervis Line to Port Jervis, a town 95 miles from Hoboken at the border of New York and Pennsylvania. Both lines terminate in Hoboken, New Jersey. Service on the New Haven line is provided by Metro-North pursuant to a contract between the Connecticut Department of Transportation (ConnDOT) and Metro-North/MTA. Service on the Port Jervis and Pascack Valley Lines is operated by New Jersey Transit under contract to Metro-North. The railroad carried 72.4 million customers in 2004 over 385 route miles, to and from 121 stations, operating 598 trains on an average weekday East of Hudson, and 35 trains on an average weekday West of the Hudson.

FINANCIAL OVERVIEW

Each year within Metro-North's planning process, issues impacting the performance of the railroad are reviewed and initiatives developed to support the achievement of corporate safety, maintenance, customer service, and efficiency objectives. Consequently, operating resource estimates included in each budget are based on the consideration of factors which affect all aspects of the railroad including current operating trends, projected changes in costs, new initiatives/business decisions which affect service quantity, quality or efficiency, and the impacts of capital improvements on operating expenditures. Each of these factors is also carefully reviewed in the context of funding availability from MTA and ConnDOT, the agencies subsidizing Metro-North.

Metro-North's resource requirements in the November Financial Plan 2006-2009 reflect the savings/cost avoidance measures implemented in 2005. They also reflect revised measures for 2006-2009 presented as "Programs to Eliminate the Gap" (PEGs) and other cost reduction measures (net of increases) detailed later in this document. The

reductions were achieved through savings generated by lower than projected cost trends as well as program deferrals and eliminations. In Metro-North's case, these reductions offset a substantial portion of projected cost increases (e. g. lower than projected overhead recoveries, increased subsidy requirements for West of Hudson Service and impact of continually escalating price of diesel fuel as well as increased consumer price index rates). Concurrently, Metro-North is experiencing higher than budgeted ridership increases on the East of Hudson Service, resulting in higher farebox revenue, as well as higher than projected net GCT retail revenue.

2005 NOVEMBER FORECAST

The 2005 Non-Reimbursable November Forecast reflects revenue projections totaling \$469.5 million, and expenses, including depreciation, of \$939.1 million that generate an operating deficit of \$469.6 million. Cash adjustments of \$194.0 million reduce that amount to a cash deficit of \$275.6 million, of which \$223.5 million represents MTA share and \$52.1 million ConnDOT share. The November Forecast Reimbursable revenue and expense projections total \$146.5 million.

The Non-Reimbursable November Forecast revenue projections reflect a \$ 2.2 million revenue increase vs. the July Plan and \$9.5 million vs. the February Plan due to higher than projected East of Hudson ridership increase.

Non-Reimbursable expenses reflect a \$10.5 million reduction vs. the July Plan and \$5.4 million reduction vs. the February Plan. The decrease vs. the July Plan is primarily due to a \$ 14.9 million reduction in pension expenses. The reduction reflects current funding requirements for the Defined Benefits Plan (covering management staff and agreement staff that joined the plan in 2004) and the defined Contribution Plan (for agreement staff that have not yet completed their collective Bargaining agreements for 2003-2006). The July Financial Plan contained higher costs necessary to fund the transfer of the balance of agreement staff to the Defined Benefit Plan. Partially offsetting this decrease are lower overhead recovery credits from capital projects, increases in fuel-based utility prices, and the net impact of schedule-based changes to the equipment strategy programs and accident- damaged equipment write-offs.

Cash adjustments in the November Plan are \$12.7 million favorable vs. the July Plan and \$10.9 million favorable vs. the February Plan. These changes are due primarily to the deferral of retroactive wage settlement payments until 2006 (\$29.9 million), and a deferral in the application of pension plan prepayment until 2006 (\$20.0 million). Operating/Capital expenditures reflect the addition of funds (\$.9 million vs. the July Plan, and \$6.5 million vs. the February Plan) to replace deteriorating concrete ties. The project, the first of two phases, involves the replacement of approximately 21,000 ties on 8 miles of track. The second phase is currently scheduled for 2006. Negotiations with the tie manufacturer for reimbursement of labor costs are continuing.

Overall, net cash requirements in the November Forecast are \$25.4 million lower vs. July Plan and \$25.9 million vs. the February Plan.

2006 FINAL PROPOSED BUDGET-BASELINE

The 2006 Non-Reimbursable Budget reflects revenue projections totaling \$480.9 million, and expenses, including depreciation, of \$985.4 million that generate an operating deficit of \$504.5 million. Cash adjustments of \$175.7 million reduce that amount to a cash deficit of \$328.8 million, of which \$277.1 million represents the MTA share and \$51.7 million the ConnDOT share. The 2006 Reimbursable revenues and expenses total \$154.3 million.

The Non-Reimbursable revenue projections reflect current fares and current trends in both Farebox and Other Operating Revenue. PEGs totaling \$1.4 million have been identified for 2006. Once implemented, the resulting 2006 cash deficit would decrease to \$327.4 million, of which \$276.2 million would represent MTA share and \$51.2 million ConnDOT share. The 2006 Budget reflects a continuation of current train service levels enhanced by late-night service improvements, and maintains MTA's commitment to safety and security. Major assumptions reflected in the November Financial Plan and reconciliation to the Mid Year Forecast are furnished later in this document.

The 2006 November baseline subsidy requirements, \$14.7 million lower vs. the July Plan and \$9.0 million higher vs. the February Plan reflect the deferral of the retroactive wage settlement payments and application of pension plan prepayment, substantial increases in fuel prices and other CPI-based increases, and equipment plan requirement changes.

2007-2009 PROJECTIONS

The Non-Reimbursable revenue projections total \$488.4 million in 2007, \$495.4 million in 2008, and \$501.7 million in 2009. Non-Reimbursable expense projections, including depreciation, total \$1,021.6 million in 2007, \$1,069.5 million in 2008, and \$1,124.9 million in 2009. These revenue and expense projections generate an operating deficit of \$533.2 million in 2007, \$574.1 million in 2008, and \$623.2 million in 2009. Cash adjustments of \$197.9 million in 2007, \$192.7 million in 2008, and \$208.7 million in 2009 reduce the amounts to a cash deficit projection of \$335.3 million in 2007, \$381.4 million in 2008, and \$414.5 million in 2009. The MTA share of the cash deficit totals \$273.0 million in 2007, \$310.0 million in 2008, and \$329.6 million in 2009, while the ConnDOT share totals \$62.3 million, \$71.4 million, and \$84.9 million, respectively. The Reimbursable revenues and expenses total \$162.6 million in 2007, \$172.3 million in 2008, and \$163.6 million in 2009.

The 2007-2009 expenditure projections will allow Metro-North to maintain current service levels as well as implement service improvements, while instituting programs to reduce subsidy requirements. Major assumptions reflected in the 2007-2009 projections and reconciliation to the Mid Year Forecast are furnished later in this document. PEGs identified for 2007 total \$3.0 million, \$4.9 million for 2008 and \$6.5 for 2009.

GAP CLOSING MEASURES

2006 PEG ACTIONS

As mentioned previously, PEGs totaling \$1.4 million have been identified for 2006. Two initiatives are involved. One represents the elimination of a proposed position addition to maintain the track near New Haven Car Washer/Wheel Shop area that is currently scheduled for completion in 2006. The other is the net operating impact of a capital purchase of 36 additional ticket vending machines (TVMs) and their incorporation into Metro-North's expanded ticket selling network. The objective of this project is to improve revenue collection.

2007 PEG ACTIONS AND 2008-2009 PROJECTIONS

The value of PEGs listed for 2007 totals \$3.0 million. This amount, in addition to savings generated by PEGs continued from 2006, includes two new measures. One represents the elimination of a provision to fund the purchase of new and/or experimental equipment for testing and research purposes by the Information Technology Department. The other represents preliminary productivity savings projections Metro-North plans to realize from a new Process Review Program it recently began. A complex, multi-faceted and long-term project, similar to one conducted several years ago, the program will focus on the thorough review of several selected functions across departmental lines. The recently completed change to the PeopleSoft Financial and Human Resources Systems, the ongoing replacement of old, difficult to maintain rolling stock with M7s, and the scheduled addition in 2006 of new shop space in New Haven afford the railroad an opportunity to target efficiencies.

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue	\$403.045	\$437.800	\$448.809	\$455.442	\$461.639	\$467.207
Vehicle Toll Revenue						
Other Operating Revenue	33.716	31.677	32.100	33.000	33.755	34.512
Capital and Other Reimbursements						
Total Revenue	\$436.761	\$469.477	\$480.909	\$488.442	\$495.394	\$501.719
<u>Expenses</u>						
Labor:						
Payroll	\$318.182	\$330.537	\$343.226	\$354.394	\$368.540	\$384.657
Overtime	41.282	43.195	43.785	44.706	46.343	47.887
Health and Welfare	59.105	64.649	70.358	78.475	87.613	97.876
Pensions	29.491	29.986	31.277	32.624	33.135	34.402
Other Fringe Benefits	68.779	67.004	68.662	71.429	74.220	77.316
Reimbursable Overhead	(33.773)	(33.380)	(39.933)	(39.000)	(39.250)	(39.500)
Total Labor Expenses	\$483.066	\$501.991	\$517.376	\$542.628	\$570.600	\$602.638
Non-Labor:						
Traction and Propulsion Power	\$35.979	\$46.033	\$51.501	\$53.620	\$55.246	\$60.538
Fuel for Buses and Trains	8.066	11.951	17.002	17.383	17.775	18.120
Insurance	10.369	11.039	12.146	13.631	15.304	17.264
Claims	13.589	14.111	14.900	14.900	14.900	14.900
Paratransit Service Contracts						
Maintenance and Other						
Operating Contracts	61.229	73.442	83.683	82.772	87.024	91.102
Professional Service Contracts	20.334	21.969	23.568	24.072	25.521	27.586
Materials & Supplies	57.903	59.191	59.782	61.338	62.691	63.218
Other Business Expenses	37.444	14.387	10.448	11.255	13.482	15.492
Total Non-Labor Expenses	\$244.913	\$252.123	\$273.030	\$278.971	\$291.943	\$308.220
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$727.979	\$754.114	\$790.406	\$821.599	\$862.543	\$910.858
Depreciation	158.272	184.999	195.000	200.000	207.000	214.000
Total Expenses	\$886.251	\$939.113	\$985.406	\$1,021.599	\$1,069.543	\$1,124.858
Baseline Net Surplus/(Deficit)	(\$449.490)	(\$469.636)	(\$504.497)	(\$533.157)	(\$574.149)	(\$623.139)
Cash Conversion Adjustments:						
Depreciation	\$158.272	\$184.999	\$195.000	\$200.000	\$207.000	\$214.000
Operating/Capital	(16.258)	(18.065)	(14.809)	(6.065)	(11.000)	(15.000)
Other Cash Adjustments	35.245	27.063	(4.467)	3.889	(3.204)	9.660
Total Cash Conversion Adjustments	\$177.259	\$193.997	\$175.724	\$197.824	\$192.796	\$208.660
Net Baseline NetCash Surplus/(Deficit)	(\$272.231)	(\$275.639)	(\$328.773)	(\$335.333)	(\$381.353)	(\$414.479)
2006 Agency Program to Eliminate the Gap (PEGs)	0.000	0.093	1.370	2.682	4.260	5.375
Post-2006 Agency Program to Eliminate the Gap	0.000	0.000	0.000	0.354	0.607	1.109
Total PEGs	0.000	0.093	1.370	3.036	4.867	6.484
Net Surplus/(Deficit)	(\$272.231)	(\$275.546)	(\$327.403)	(\$332.297)	(\$376.486)	(\$407.995)

REIMBURSABLE

[illegible]

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue	\$403.045	\$437.800	\$448.809	\$455.442	\$461.639	\$467.207
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	33.716	31.677	32.100	33.000	33.755	34.512
Capital and Other Reimbursements	130.031	146.523	154.314	162.606	172.296	163.559
Total Revenue	\$566.792	\$616.000	\$635.223	\$651.048	\$667.690	\$665.278
<u>Expenses</u>						
Labor:						
Payroll	\$350.428	\$362.280	\$379.767	\$395.346	\$413.558	\$423.908
Overtime	51.785	52.349	55.071	55.248	57.191	59.068
Health and Welfare	65.392	71.191	78.464	88.187	99.094	108.576
Pensions	32.719	34.108	35.249	36.889	37.549	38.537
Other Fringe Benefits	76.255	74.031	76.671	80.264	83.873	85.860
Reimbursable Overhead	(0.132)	(2.107)	(2.019)	(0.504)	(0.471)	(0.558)
Total Labor Expenses	\$576.447	\$591.852	\$623.204	\$655.430	\$690.793	\$715.391
Non-Labor:						
Traction and Propulsion Power	\$35.979	\$46.033	\$51.501	\$53.620	\$55.246	\$60.538
Fuel for Buses and Trains	8.067	11.951	17.002	17.383	17.775	18.120
Insurance	13.832	14.437	16.340	18.366	20.462	21.869
Claims	13.589	14.111	14.900	14.900	14.900	14.900
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other						
Operating Contracts	72.277	95.534	96.118	88.548	94.574	97.063
Professional Service Contracts	23.358	28.153	26.021	26.415	28.545	29.309
Materials & Supplies	77.244	83.779	89.034	98.138	98.908	101.578
Other Business Expenses	37.217	14.787	10.600	11.406	13.636	15.649
Total Non-Labor Expenses	\$281.563	\$308.785	\$321.516	\$328.776	\$344.046	\$359.026
Other Expenses Adjustments:	0.000	0.000	0.000	0.000	0.000	0.000
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	\$858.010	\$900.637	\$944.720	\$984.206	\$1,034.839	\$1,074.417
Depreciation	158.272	184.999	195.000	200.000	207.000	214.000
Total Expenses	\$1,016.282	\$1,085.636	\$1,139.720	\$1,184.205	\$1,241.839	\$1,288.417
Baseline Net Surplus/(Deficit)	(\$449.490)	(\$469.636)	(\$504.497)	(\$533.157)	(\$574.149)	(\$623.139)
Cash Conversion Adjustments:						
Depreciation	\$158.272	\$184.999	\$195.000	\$200.000	\$207.000	\$214.000
Operating/Capital	(16.258)	(18.065)	(14.809)	(6.065)	(11.000)	(15.000)
Other Cash Adjustments	35.245	27.063	(4.467)	3.889	(3.204)	9.660
Total Cash Conversion Adjustments	\$177.259	\$193.997	\$175.724	\$197.824	\$192.796	\$208.660
Net Baseline NetCash Surplus/(Deficit)	(\$272.231)	(\$275.639)	(\$328.773)	(\$335.333)	(\$381.353)	(\$414.479)
2006 Agency Program to Eliminate the Gap (PEGs)	0.000	0.093	1.370	2.682	4.260	5.375
Post-2006 Agency Program to Eliminate the Gap	0.000	0.000	0.000	0.354	0.607	1.109
Total PEGs	0.000	0.093	1.370	3.036	4.867	6.484
Net Surplus/(Deficit)	(\$272.231)	(\$275.546)	(\$327.403)	(\$332.297)	(\$376.486)	(\$407.995)

**MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Cash Receipts & Expenditures
(\$ in millions)**

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>						
Farebox Revenue	\$410.978	\$445.674	\$456.769	\$463.606	\$469.903	\$475.471
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	53.389	47.467	48.585	47.925	48.680	49.437
Capital and Other Reimbursements	129.644	145.178	152.563	163.052	170.537	165.554
Total Receipts	\$594.011	\$638.319	\$657.917	\$674.583	\$689.120	\$690.462
<u>Expenditures</u>						
Labor:						
Payroll	\$340.805	\$342.647	\$399.397	\$391.617	\$413.036	\$416.415
Overtime	50.814	53.152	55.371	55.382	57.329	59.210
Health and Welfare	68.300	73.713	81.144	90.836	101.811	111.365
Pensions	36.276	36.252	19.820	40.032	40.805	41.956
Other Fringe Benefits	74.649	71.180	81.372	80.639	85.095	85.395
Reimbursable Overhead	0.0	0.0	0.0	0.0	0.0	0.0
Total Labor Expenditures	\$570.844	\$576.944	\$637.104	\$658.506	\$698.076	\$714.341
Non-Labor:						
Traction and Propulsion Power	\$36.249	\$46.033	\$51.501	\$53.620	\$55.246	\$60.538
Fuel for Buses and Trains	7.999	11.951	17.002	17.383	17.775	18.120
Insurance	16.110	15.192	16.436	18.194	21.004	21.706
Claims	13.475	13.071	13.046	13.046	13.046	13.046
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	90.626	112.649	110.692	90.766	105.818	108.304
Professional Service Contracts	25.599	28.442	26.977	27.178	29.322	30.102
Materials & Supplies	89.646	89.427	94.364	101.467	107.137	113.685
Other Business Expenses	20.390	20.249	19.567	29.756	23.050	25.099
Total Non-Labor Expenditures	\$300.094	\$337.014	\$349.585	\$351.410	\$372.398	\$390.600
Other Expenditure Adjustments:						
Cash Timing and Availability Adjustment	(\$4.696)					
Total Other Expenditure Adjustments	(\$4.696)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditures	\$866.242	\$913.958	\$986.689	\$1,009.916	\$1,070.474	\$1,104.941
Baseline Net Cash Deficit	(\$272.231)	(\$275.639)	(\$328.772)	(\$335.333)	(\$381.354)	(\$414.479)
<u>Subsidies</u>						
MTA	(\$215.619)	(\$223.533)	(\$277.111)	(\$273.020)	(\$309.963)	(\$329.570)
CDOT	(\$56.612)	(\$52.106)	(\$51.661)	(\$62.313)	(\$71.391)	(\$84.909)
Total Subsidies	(\$272.231)	(\$275.639)	(\$328.772)	(\$335.333)	(\$381.354)	(\$414.479)
2006 Agency Program to Eliminate the Gap (PEGs)	\$0.000	\$0.093	\$1.370	\$2.682	\$4.260	\$5.375
Post-2006 Agency Program to Eliminate the Gap	0.000	0.000	0.000	0.354	0.607	1.109
Total PEGs	\$0.000	\$0.093	\$1.370	\$3.036	\$4.867	\$6.484
Net Cash Deficit	(\$272.231)	(\$275.546)	(\$327.402)	(\$332.297)	(\$376.487)	(\$407.995)
MTA share of PEGS	\$0.000	\$0.093	\$0.959	\$2.177	\$3.518	\$4.700
CDOT share of PEGS	\$0.000	\$0.000	\$0.411	\$0.859	\$1.349	\$1.784
Total PEGS	\$0.000	\$0.093	\$1.370	\$3.036	\$4.867	\$6.484
<u>Subsidies</u>						
MTA	(\$215.619)	(\$223.440)	(\$276.152)	(\$270.843)	(\$306.445)	(\$324.870)
CDOT	(\$56.612)	(\$52.106)	(\$51.250)	(\$61.454)	(\$70.042)	(\$83.125)
Total Subsidies	(\$272.231)	(\$275.546)	(\$327.402)	(\$332.297)	(\$376.487)	(\$407.995)

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>						
Farebox Revenue	\$7.933	\$7.874	\$7.960	\$8.164	\$8.264	\$8.264
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	19.673	15.790	16.485	14.925	14.925	14.925
Capital and Other Reimbursements	(0.387)	(1.345)	(1.751)	0.446	(1.759)	1.995
Total Receipt Adjustments	\$27.219	\$22.319	\$22.694	\$23.535	\$21.430	\$25.184
<u>Expenditures</u>						
Labor:						
Payroll	\$9.623	\$19.633	(\$19.630)	\$3.729	\$0.522	\$7.493
Overtime	0.971	(0.803)	(0.300)	(0.134)	(0.138)	(0.142)
Health and Welfare	(2.908)	(2.522)	(2.680)	(2.649)	(2.717)	(2.789)
Pensions	(3.557)	(2.144)	15.429	(3.143)	(3.256)	(3.419)
Other Fringe Benefits	1.606	2.851	(4.701)	(0.375)	(1.222)	0.465
Reimbursable Overhead	(0.132)	(2.107)	(2.019)	(0.504)	(0.471)	(0.558)
Total Labor Expenditures	\$5.603	\$14.908	(\$13.900)	(\$3.076)	(\$7.283)	\$1.050
Non-Labor:						
Traction and Propulsion Power	(\$0.270)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.068	0.000	0.000	0.000	0.000	0.000
Insurance	(2.278)	(0.755)	(0.096)	0.172	(0.542)	0.163
Claims	0.114	1.040	1.854	1.854	1.854	1.854
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	(18.349)	(17.115)	(14.574)	(2.218)	(11.244)	(11.241)
Professional Service Contracts	(2.241)	(0.289)	(0.956)	(0.763)	(0.777)	(0.793)
Materials & Supplies	(12.402)	(5.648)	(5.330)	(3.329)	(8.229)	(12.107)
Other Business Expenditures	16.827	(5.462)	(8.967)	(18.350)	(9.414)	(9.450)
Total Non-Labor Expenditures	(\$18.531)	(\$28.229)	(\$28.069)	(\$22.634)	(\$28.352)	(\$31.574)
Other Expenditure Adjustments:						
Other	\$4.696	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Other Expenditure Adjustments	\$4.696	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments before Depreciation	\$18.987	\$8.998	(\$19.275)	(\$2.175)	(\$14.205)	(\$5.340)
Depreciation Adjustment	\$158.272	\$184.999	\$195.000	\$200.000	\$207.000	\$214.000
Baseline Total Cash Conversion Adjustments	\$177.259	\$193.997	\$175.725	\$197.825	\$192.795	\$208.660
2006 Agency Program to Eliminate the Gap (PEGs)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Post-2006 Agency Program to Eliminate the Gap	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total PEGs	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Cash Conversion Adjustments	\$177.259	\$193.997	\$175.725	\$197.825	\$192.795	\$208.660

**MTA METRO-NORTH RAILROAD
NOVEMBER FINANCIAL PLAN 2006-2009
YEAR-TO-YEAR CHANGES BY CATEGORY BASELINE NARRATIVE**

ACCRUAL (TOTAL)

FARE BOX REVENUE

Non-Reimbursable

- Projected ridership growth of 3.0% in 2005, 1.4% in 2006, 1.4% in 2007, 1.5% in 2008 and 1.0% in 2009 is responsible for higher Fare Box Revenue.

Reimbursable

- Not applicable

OTHER OPERATING REVENUE

Non-Reimbursable

- 2005 increase reflects higher net retail GCT tenant and miscellaneous event revenues and higher utility revenues due to the delayed withdrawal of all outside buildings from the GCT power grid now scheduled to be completed by January 1 2006. These increases are offset by the delayed implementation of higher West of Hudson parking fees
- 2006-2009 primarily incorporates the initiation of higher West of Hudson Parking fees and contractually based increases in GCT tenant fees and advertising revenues.

Reimbursable

- Not applicable

CAPITAL AND OTHER REIMBURSEMENTS

Non-Reimbursable

- Not applicable

Reimbursable

- Capital project cost reimbursements in each year of the financial plan are based on recouping 100% of accrued project expenditures. 2005 accrued expenditures (and receipts) are based upon the latest projection of capital project activity which includes peaking of the Shell-at-Grade and acceleration of the M2 Critical System Replacement project.
- 2006-2009 accrued expenditures (and receipts) are based on a continuation of 2005 forecasted project cost levels adjusted for significant project changes and the impact of inflation:
 - In 2006 and 2007 decreasing levels of maintenance and professional service contracts for the Shell-at-Grade project are offset by increased labor and material requirements for the M2 Critical System Replacement project.

- In 2008 completion of the Shell-at-Grade project reduces project cost and reimbursement levels.
- In 2009 the M2 Critical System Replacement project is completed, further reducing overall reimbursement levels.

PAYROLL

Non-Reimbursable

- Non Agreement salaries in 2005 include a cost of living increase of 3.0% effective May 2005. In 2006-2009 Non Agreement salaries include CPI-based increases of 2.8%, 2.6%, 2.9%, and 3.1% respectively.
- Agreement wages in 2005 - 2006 include annual wage increases of 3.0% based on the current trend of labor contract settlements. In 2007-2009 Agreement salaries include CPI-based increases of 2.6%, 2.9%, and 3.1% respectively
- 2006 includes additional labor resources primarily for security based initiatives in GCT and upgrading electronic security \$.2 million, maintenance program increases for equipment inspections \$.2 million, and additional GCT-based maintenance forces \$.2 million. 2006 also includes additional labor resources for Service Plan improvements (\$.5 million).
- 2007 - 2009 additional labor costs are added to support security improvements to systems and facilities, increase service levels and coverage on all lines, increase car cleaning staff and provide additional administrative oversight and quality assurance functions in key operating areas.

Reimbursable

- Non Agreement salaries in 2005 include a cost of living increase of 3.0% effective May 2005. In 2006-2009 Non Agreement salaries include CPI-based increases of 2.8%, 2.6%, 2.9%, and 3.1% respectively.
- Agreement wages in 2005 - 2006 include annual wage increases of 3.0% based on the current trend of labor contract settlements. In 2007-2009 Agreement salaries include CPI-based increases of 2.6%, 2.9%, and 3.1% respectively
- 2006-2007 includes increased staffing for the M2 Critical System Replacement project.

OVERTIME

Non-Reimbursable

- 2005 - 2006 costs include annual wage increases of 3.0% and emergency coverage.
- 2007 - 2009 include CPI-based wage increases of 2.6%, 2.9%, and 3.1% respectively.
- 2006-2009 includes additional on-board coverage requirements due to increases in service levels on all lines and emergency preparedness training and emergency coverage.

Reimbursable

- 2005 - 2006 costs include annual wage increases of 3.0%.
- 2007 - 2009 include CPI-based wage increases of 2.6%, 2.9%, and 3.1% respectively.

HEALTH AND WELFARE

Non-Reimbursable

- Projected inflationary increases of 9.1% in 2005, and 10.0% in 2006 through 2009.
- 2005-2009 include the non-reimbursable share of cost reductions associated with agreement employee premium contributions estimated at \$.374 million in 2005 and inflated thereafter.
- Other Cost adjustments for 2005-2009 are the result of changes in staffing levels associated with the programmatic changes that are incorporated into each year of the financial plan for Maintenance Improvements, Service Plan Enhancements, Customer Service Amenities, Security, and Administration.

Reimbursable

- Projected inflationary increases of 9.1% in 2005, and 10.0% in 2006 through 2009.
- 2005-2009 include the non-reimbursable share of cost reductions associated with agreement employee premium contributions estimated at \$.374 million in 2005 and inflated thereafter.

PENSIONS

Metro North Railroad's Pension costs for 2005 reflect current funding requirements for the Defined Benefit Plan (covering management staff and agreement staff that joined the Plan in 2004) and Defined Contribution Plan (for all other agreement staff). The funding requirements for the Defined Benefit Plan is a calculation prepared by an actuarial consultant retained by the MTA, whose staff also calculates Metro-North's share of required annual costs. The Defined Contribution Plan cost represents a 4% wage- based contribution until an employee reaches 19 years of service, then increasing to 7% of earnings. Metro-North's effective contribution rate for 2005 is 6% of payroll costs.

The 2006-2009 pension costs reflect Metro-North's share of funding requirements projected by the actuarial consultant for the Defined Benefit Plan participants, and an effective contribution rate of 6 % of payroll costs for staff covered by the Defined Contribution Plan.

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2005-2009 at 7.65% and 12.6%, respectively.
- Maximum earnings level for Tier I is estimated at \$90,000 in 2005, \$93,300 in 2006, \$96,099 in 2007, \$98,982 in 2008 and \$101,951 in 2009.
- Maximum earnings level for Tier II is estimated at \$66,900 in 2005, \$69,300 in 2006, \$71,379 in 2007, \$73,520 in 2008 and \$75,726 in 2009.
- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2005-2009 at 7.65% and 12.6%, respectively.
- Maximum earnings level for Tier I is estimated at \$90,000 in 2005, \$93,300 in 2006, \$96,099 in 2007, \$98,982 in 2008 and \$101,951 in 2009.
- Maximum earnings level for Tier II is estimated at \$66,900 in 2005, \$69,300 in 2006, \$71,379 in 2007, \$73,520 in 2008 and \$75,726 in 2009.
- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Overhead costs for 2005–2009 are based on a percentage share of direct labor costs charged to reimbursable projects. 2006-2009 overhead costs are based on the continuation of 2005 forecast levels, adjusted for changes in the M2 Critical System Replacement project and inflation-based increases in labor costs.
- Increased material handling cost on the M2 Critical System Replacement project from 2006-2009 is also driving the increased levels in these years.
- Equipment recovery increases are predicated on CPI-based inflation rates from 2006-2009 at 2.2%, 1.7%, 1.9%, and 2.0% respectively.

Reimbursable

- Overhead costs for 2005–2009 are based on a percentage share of direct labor costs charged to reimbursable projects. 2006-2009 overhead costs are based on the continuation of 2005 forecast levels, adjusted for changes in the M2 Critical System Replacement project and inflation-based increases in labor costs.
- Increased material handling cost on the M2 Critical System Replacement project from 2006-2009 is also driving the increased levels in these years.
- Equipment recovery increases are predicated on CPI-based inflation rates from 2006-2009 at 2.2%, 1.7%, 1.9%, and 2.0% respectively

TRACTION AND PROPULSION POWER

Non-Reimbursable

- 2005 primarily reflects the impact of lower rate increases from CL&P

- 2006 prices reflect a 5% increase based on escalating rates.
- CPI increases in 2007-2009 of 1.7 %, 1.9% and 2.0% respectively.
- 2005-2009 incorporates the net effect of new car procurements and retirements and adds \$2.3 million in 2006 and \$1.1 million in 2007 to Harlem and Hudson Line costs, and \$.3 million in 2008 and \$3.2 million in 2009 to the New Haven Line costs in anticipation of the M8 car procurement.
- Service Plan enhancements increase costs by \$.3 million in 2008 and by \$.5 million in 2009.

Reimbursable

- No Cost.

FUEL FOR BUSES AND TRAINS

Non-Reimbursable

- 2005 costs reflect spiraling fuel prices and higher consumption.
- 2006 reflects continuation of price increases that exceed CPI levels and current consumption trends plus new train service initiatives.
- CPI increases in 2007-2009 of, 1.7%, 1.9%, and 2.0% respectively.
- 2007 and 2008 Service Plan enhancements increase costs by \$.1 million annually.

Reimbursable

- No Cost.

INSURANCE

Non-Reimbursable

- Increases in 2005-2009 reflect revised insurance premium estimates.

Reimbursable

- Increases in 2006-2009 reflect revised insurance premium estimates.

CLAIMS

Non-Reimbursable

- 2005 and 2006 include consultant fees for Employee Safety Training.

Reimbursable

- No Cost

MAINTENANCE AND OTHER CONTRACTS

Non-Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively.

- Equipment maintenance programs costs increase in 2006 by \$8.0 million and in 2008 by \$2.8 million for additional overhaul costs for East and West of Hudson locomotives. These costs are reduced in 2007 and 2008 by \$3.4 million and \$1.6 million respectively with the completion of the West of Hudson program.
- 2007 and 2008 reflect a decrease in car disposal costs.
- 2006 – 2009 includes rising West of Hudson subsidy payments related to contract cost escalations and increases in service.
- 2006 includes lower costs for GCT electricity due to the withdrawal of outside buildings from the power grid (\$.4 million) and lower DuPont safety training costs.
- 2006 and 2007 also reflects an increase in outlying facility security costs of (\$.8 million and \$1.5 million).
- 2008 includes a provision for office space renovations (\$1.0 million).

Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9%, and 2.0%, respectively. Reduction through 2009 is due to gradual completion of the Shell-at-Grade project.

PROFESSIONAL SERVICE CONTRACTS

Non-Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively.
- Restoration of the 2005 reduction of MTA police service charges for the NH Line starting in 2009 (\$1.3 million).
- 2008 includes the restoration of a cost provision for general advertising fees (\$.8 million).

Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively.
- Reduction through 2009 is due to gradual completion of the M2 Critical System Replacement project.

MATERIAL AND SUPPLIES

Non-Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively.
- 2006 includes reductions for the completion of the Event Recorder Retrofit program (\$.3 million) and software license fees (\$.5 million).
- 2006-2007 includes cost provisions for the expanding maintenance program on the M3 car fleet and cost savings related to M1 car retirements.
- 2009 includes incremental material cost provisions to support the anticipated acquisition of M-8 cars and cost savings associated with the scale down of the M3 maintenance program.

Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively.

- Increased material levels in 2006-2009 are due to peaking of the M2 Critical System Replacement project.

OTHER BUSINESS EXPENSES

Non-Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively
- 2008 and 2009 include provisions for maintenance initiatives (\$2.5 million in 2008 and \$2.0 million in 2009).

Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively.

DEPRECIATION

Non-Reimbursable

- No significant changes

Reimbursable

- No significant changes

CASH

FARE BOX REVENUE

Non-Reimbursable

- Projected ridership growth of 3.0% in 2005, 1.4% in 2006, 1.4% in 2007, 1.4% in 2008 and 1.0% in 2009 is responsible for higher Fare Box Revenue.

Reimbursable

- Not applicable

Cash

- 2005-2009 cash adjustments include receipts from the sale of MetroCards, Westchester County bus fares, and special event promotions, partially offset by credit card fees associated with the purchase of passenger tickets.

OTHER OPERATING REVENUE

Non-Reimbursable

- 2005 increase reflects higher net retail GCT tenant and miscellaneous event revenues and higher utility revenues due to the delayed withdrawal of all outside buildings from the GCT power grid now scheduled to be completed by January 1

2006. These increases are offset by the delayed implementation of higher West of Hudson parking fees

- 2006-2009 primarily incorporates the initiation of higher West of Hudson Parking fees and contractually based increases in GCT tenant fees and advertising revenues.

Reimbursable

- Not applicable.

Cash

- 2005 cash adjustments include a projected \$2.4 million refund for overpayment of prior period force account insurance. 2005-2009 adjustments include the reclassification of Amtrak and other railroad reimbursements (from the Maintenance and Other Operating Contracts category), reimbursements from CDOT for station facilities and unitickets, the MTA for electricity charges, payments by former employees for health insurance coverage, reimbursements for claims settlements, scrap sale receipts, and other miscellaneous items.

CAPITAL AND OTHER REIMBURSEMENTS

Non-Reimbursable

- Not applicable

Reimbursable

- Capital project cost reimbursements in each year of the financial plan are based on recouping 100% of accrued project expenditures. 2005 accrued expenditures (and receipts) are based upon the latest projection of capital project activity which includes peaking of the Shell-at-Grade and acceleration of the M2 Critical System Replacement project.
- 2006-2009 accrued expenditures (and receipts) are based on a continuation of 2005 forecasted project cost levels adjusted for significant project changes and the impact of inflation:
 - In 2006 and 2007 decreasing levels of maintenance and professional service contracts for the Shell-at-Grade project are offset by increased labor and material requirements for the M2 Critical System Replacement project.
 - In 2008 completion of the Shell-at-Grade project reduces project cost and reimbursement levels.
- In 2009 the M2 Critical System Replacement project is completed, further reducing overall reimbursement levels.

PAYROLL

Non-Reimbursable

- Non Agreement salaries in 2005 include a cost of living increase of 3.0% effective May 2005. In 2006-2009 Non Agreement salaries include CPI-based increases of 2.8%, 2.6%, 2.9%, and 3.1% respectively.
- Agreement wages in 2005 - 2006 include annual wage increases of 3.0% based on the current trend of labor contract settlements. In 2007-2009 Agreement salaries include CPI-based increases of 2.6%, 2.9%, and 3.1% respectively
- 2006 includes additional labor resources primarily for security based initiatives in GCT and upgrading electronic security \$.2 million, maintenance program increases for equipment inspections \$.2 million, and additional GCT-based maintenance forces \$.2 million. 2006 also includes additional labor resources for Service Plan improvements (\$.5 million).
- 2007 - 2009 additional labor costs are added to support GCT Security initiatives \$2.0 million and improvements to systems and facilities, increase service levels and coverage on all lines, increase car cleaning staff and provide additional administrative oversight and quality assurance functions in key operating areas.

Reimbursable

- Non Agreement salaries in 2005 include a cost of living increase of 3.0% effective May 2005. In 2006-2009 Non Agreement salaries include CPI-based increases of 2.8%, 2.6%, 2.9%, and 3.1% respectively.
- Agreement wages in 2005 - 2006 include annual wage increases of 3.0% based on the current trend of labor contract settlements. In 2007-2009 Agreement salaries include CPI-based increases of 2.6%, 2.9%, and 3.1% respectively
- 2006-2007 includes increased staffing for the M2 Critical System Replacement project.

Cash

- Cash includes a reduction in 2005 payments (\$13.3 million excluding fringe) for accrued RWA not settled and payments of \$23.9 million in 2006 (excluding fringe) for prior period accrued RWA for unsettled unions. 2005-2009 cash adjustments also include differences between expense accruals and cash disbursements for the number of days paid, vacation and sick day provisions, employee health club memberships, agreement employee allowance for tools and safety shoes, employee contribution to health care coverage, and agreement employee contributions to the Defined Benefit Pension Plan.

OVERTIME

Non-Reimbursable

- 2005 - 2006 costs include annual wage increases of 3.0%.
- 2007 - 2009 include CPI-based wage increases of 2.6%, 2.9%, and 3.1% respectively.
- 2006-2009 includes additional on-board coverage requirements due to increases in service levels on all lines and emergency preparedness training.

Reimbursable

- 2005 - 2006 costs include annual wage increases of 3.0%.
- 2007 - 2009 include CPI-based wage increases of 2.6%, 2.9%, and 3.1% respectively.

HEALTH AND WELFARE

Non-Reimbursable

- Projected inflationary increases of 9.1% in 2005, and 10.0% in 2006 through 2009.
- 2005-2009 include the non-reimbursable share of cost reductions associated with agreement employee premium contributions estimated at \$.374 million in 2005 and inflated thereafter.
- Other Cost adjustments for 2005-2009 are the result of changes in staffing levels associated with the programmatic changes that are incorporated into each year of the financial plan for Maintenance Improvements, Service Plan Enhancements, Customer Service Amenities, Security, and Administration

Reimbursable

- Projected inflationary increases of 9.1% in 2005, and 10.0% in 2006 through 2009.
- 2005-2009 include the non-reimbursable share of cost reductions associated with agreement employee premium contributions estimated at \$.374 million in 2005 and inflated thereafter.

Cash

- 2005-2009 cash adjustments include current and former employee contributions toward health insurance costs.

PENSIONS

Metro North Railroad's Pension costs for 2005 reflect current funding requirements for the Defined Benefit Plan (covering management staff and agreement staff that joined the Plan in 2004) and Defined Contribution Plan (for all other agreement staff). The funding requirements for the Defined Benefit Plan is a calculation prepared by an actuarial consultant retained by the MTA, whose staff also calculates Metro-North's share of required annual costs. The Defined Contribution Plan cost represents a 4% wage- based contribution until an employee reaches 19 years of service, then increasing to 7% of earnings. Metro-North's effective contribution rate for 2005 is 6% of payroll costs.

The 2006-2009 pension costs reflect Metro-North's share of funding requirements projected by the actuarial consultant for the Defined Benefit Plan participants, and an effective contribution rate of 6 % of payroll costs for staff covered by the Defined Contribution Plan.

Cash

- 2005-2009 adjustments include difference between expense accruals and cash disbursements, and agreement employee contribution to the Defined Benefit Pension Plan. 2006 reflects a \$20 million cash reduction due to the prepayment of pension costs (paid in 2003).

OTHER FRINGE BENEFITS

Non-Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2005-2009 at 7.65% and 12.6%, respectively.
- Maximum earnings level for Tier I is estimated at \$90,000 in 2005, \$93,300 in 2006, \$96,099 in 2007, \$98,982 in 2008 and \$101,951 in 2009.
- Maximum earnings level for Tier II is estimated at \$66,900 in 2005, \$69,300 in 2006, \$71,379 in 2007, \$73,520 in 2008 and \$75,726 in 2009.
- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

Reimbursable

- Railroad Retirement tax rates for Tier I and II remain constant for 2005-2009 at 7.65% and 12.6%, respectively.
- Maximum earnings level for Tier I is estimated at \$90,000 in 2005, \$93,300 in 2006, \$96,099 in 2007, \$98,982 in 2008 and \$101,951 in 2009.
- Maximum earnings level for Tier II is estimated at \$66,900 in 2005, \$69,300 in 2006, \$71,379 in 2007, \$73,520 in 2008 and \$75,726 in 2009.
- Other cost adjustments reflect inflationary salary increase and changes in staffing levels.

Cash

- 2005-2006 includes adjustments for railroad retirement taxes related to RWA settlements. 2005-2009 also includes adjustments between expense accruals and cash disbursements.

REIMBURSABLE OVERHEAD

Non-Reimbursable

- Overhead costs for 2005–2009 are based on a percentage share of direct labor costs charged to reimbursable projects. 2006-2009 overhead costs are based on the continuation of 2005 forecast levels, adjusted for changes in the M2 Critical System Replacement project and inflation-based increases in labor costs.
- Increased material handling cost on the M2 Critical System Replacement project from 2006-2009 is also driving the increased levels in these years.
- Equipment recovery increases are predicated on CPI-based inflation rates from 2006-2009 at 2.2%, 1.7%, 1.9%, and 2.0%, respectively.

Reimbursable

- Overhead costs for 2005–2009 are based on a percentage share of direct labor costs charged to reimbursable projects. 2006-2009 overhead costs are based on the continuation of 2005 forecast levels, adjusted for changes in the M2 Critical System Replacement project and inflation-based increases in labor costs.
- Increased material handling cost on the M2 Critical System Replacement project from 2006-2009 is also driving the increased levels in these years.
- Equipment recovery increases are predicated on CPI-based inflation rates from 2006-2009 at 2.2%, 1.7%, 1.9%, and 2.0%, respectively.

TRACTION AND PROPULSION POWER

Non-Reimbursable

- 2005 primarily reflects the impact of lower rate increases from CLP.
- 2006 prices reflect a 5% increase based on escalating rates.
- CPI increases in 2007-2009 of 1.7%, 1.9%, and 2.0% respectively.
- 2005-2009 incorporates the net effect of new car procurements and retirements and adds \$2.3 million in 2006 and \$1.1 million in 2007 to Harlem and Hudson Line costs, and \$.3 million in 2008, and \$3.2 million in 2009 to the New Haven Line costs in anticipation of the M8 car procurement.
- Service Plan enhancements increase costs by \$.3 million in 2008 and by \$.5 million in 2009.

Reimbursable

- No Cost.

FUEL FOR BUSES AND TRAINS

Non-Reimbursable

- 2005 costs reflect spiraling fuel prices and higher consumption.
- 2006 reflects continuation of price increases that exceed CPI levels and current consumption trends plus new train service initiatives.
- CPI increases in 2007-2009 of 1.7%, 1.9%, and 2.0% respectively.
- 2007 and 2008 Service Plan enhancements increase costs by \$.1 million annually.

Reimbursable

- No Cost.

INSURANCE

Non-Reimbursable

- Increases in 2005-2009 reflect revised insurance premium estimates.

Reimbursable

- Increases in 2006-2009 reflect revised insurance premium estimates.

Cash

- 2006-2009 reflects increase in force account payments as well as All-Agency insurance costs.

CLAIMS

Non-Reimbursable

- 2005 and 2006 include consultant fees for Employee Safety Training.

Reimbursable

- No Cost

Cash

- 2006-2009 payments reflect no year over year changes.

MAINTENANCE AND OTHER CONTRACTS

Non-Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively.
- Equipment maintenance programs costs increase in 2006 by \$8.0 million and in 2008 by 2.8 million for additional overhaul costs for East and West of Hudson locomotives. These costs are reduced in 2007 and 2008 by \$3.4 million and \$1.6 million respectively with the completion of the West of Hudson program.
- 2006 and 2008 reflect a decrease in car disposal costs.
- 2006 – 2009 includes rising West of Hudson subsidy payments related to contract cost escalations and increases in service.
- 2006 includes lower costs for GCT electricity due to the withdrawal of outside buildings from the power grid (\$.4 million) and lower DuPont safety training costs.
- 2006 and 2007 also reflects an increase in outlying facility security costs of (\$.8 million and \$1.5 million).
- 2008 includes a provision for office space renovations (\$1.0 million),

Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9%, and 2.0%, respectively. Reduction through 2009 is due to gradual completion of the Shell-at-Grade project.

Cash

- 2005 cash adjustments include payment of prior period accruals for GCT management fees. 2005-2009 includes the reclassification of Amtrak and other railroad reimbursements to Other Operating Revenue. Also included are payments on behalf of CDOT for station facilities and the MTA for electricity charges.

PROFESSIONAL SERVICE CONTRACTS

Non-Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively.
- Restoration of the 2005 reduction of MTA police service charges for the NH Line starting in 2009 (\$1.3 million).
- 2008 includes the restoration of a cost provision for general advertising fees (\$.8 million).

Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively.
- Reduction through 2009 is due to gradual completion of the M2 Critical System Replacement project.

MATERIAL AND SUPPLIES

Non-Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively
- 2006 includes reductions for the completion of the Event Recorder Retrofit program (\$.3 million) and software license fees (\$.5 million).
- 2006-2007 includes cost provisions for the expanding maintenance program on the M3 car fleet and cost savings related to M1 car retirements.
- 2009 includes incremental material cost provisions to support the anticipated acquisition of M-8 cars and cost savings associated with the scale down of the M3 maintenance program.

Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively.
- Increased material levels in 2006-2009 are due to peaking of the M2 Critical System Replacement project.

OTHER BUSINESS EXPENSES

Non-Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively
- 2008 and 2009 include provisions for maintenance initiatives (\$2.5 million in 2008 and \$2.0 million in 2008).

Reimbursable

- CPI increases in 2006-2009 of 2.2%, 1.7%, 1.9% and 2.0%, respectively.

Cash

- 2005-2009 cash adjustments include payments for receipt of MetroCards, Westchester County bus fares, special promotions, and employee health club memberships, partially offset by the reclassification of credit card fees as an offset to Farebox Revenue and safety shoe and tool allowance to the Payroll category.

- 2005 includes a \$3.5 million reduction to cash for the accrued write-off of 3.5 million of obsolete equipment.

DEPRECIATION

Non-Reimbursable

- No change

Reimbursable

- No Cost

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Revenue									
Farebox Revenue	\$437.800	\$448.809	\$11.009	\$455.442	\$6.633	\$461.639	\$6.197	\$467.207	\$5.568
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	31.677	32.100	0.423	33.000	0.900	33.755	0.755	34.512	0.757
Capital and Other Reimbursements	146.523	154.314	7.791	162.606	8.292	172.296	9.690	163.559	(8.737)
Total Revenue	\$616.000	\$635.223	\$19.223	\$651.048	\$15.825	\$667.690	\$16.642	\$665.278	(\$2.412)
Expenses									
Labor:									
Payroll	\$362.280	\$379.767	(\$17.487)	\$395.346	(\$15.579)	\$413.558	(\$18.212)	\$423.908	(\$10.350)
Overtime	52.349	55.071	(2.722)	55.248	(0.177)	57.191	(1.943)	59.068	(1.877)
Health and Welfare	71.191	78.464	(7.273)	88.187	(9.722)	99.094	(10.907)	108.576	(9.482)
Pensions	34.108	35.249	(1.141)	36.889	(1.640)	37.549	(0.660)	38.537	(0.988)
Other Fringe Benefits	74.031	76.671	(2.640)	80.264	(3.593)	83.873	(3.609)	85.860	(1.987)
Reimbursable Overhead	(2.107)	(2.019)	(0.088)	(0.504)	(1.515)	(0.471)	(0.033)	(0.558)	0.087
Total Labor Expenses	\$591.852	\$623.204	(\$31.352)	\$655.430	(\$32.226)	\$690.793	(\$35.363)	\$715.391	(\$24.598)
Non-Labor:									
Traction and Propulsion Power	\$46.033	\$51.501	(\$5.468)	\$53.620	(\$2.119)	\$55.246	(\$1.626)	\$60.538	(\$5.292)
Fuel for Buses and Trains	11.951	17.002	(5.051)	17.383	(0.381)	17.775	(0.392)	18.120	(0.345)
Insurance	14.437	16.340	(1.903)	18.366	(2.026)	20.462	(2.096)	21.869	(1.407)
Claims	14.111	14.900	(0.789)	14.900	0.000	14.900	0.000	14.900	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other	95.534	96.118	(0.584)	88.548	7.570	94.574	(6.026)	97.063	(2.489)
Professional Service Contracts	28.153	26.021	2.132	26.415	(0.394)	28.545	(2.130)	29.309	(0.764)
Materials & Supplies	83.779	89.034	(5.255)	98.138	(9.104)	98.908	(0.770)	101.578	(2.670)
Other Business Expenses	14.787	10.600	4.187	11.406	(0.806)	13.636	(2.230)	15.649	(2.013)
Total Non-Labor Expenses	\$308.785	\$321.516	(\$12.731)	\$328.776	(\$7.260)	\$344.046	(\$15.270)	\$359.026	(\$14.980)
Other Expenses Adjustments:	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
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	\$900.637	\$944.720	(\$44.083)	\$984.206	(\$39.486)	\$1,034.839	(\$50.633)	\$1,074.417	(\$39.578)
Depreciation	184.999	195.000	(\$10.001)	200.000	(5.000)	207.000	(7.000)	214.000	(7.000)
Total Expenses	\$1,085.636	\$1,139.720	(\$54.084)	\$1,184.206	(\$44.486)	\$1,241.839	(\$57.633)	\$1,288.417	(\$46.578)
Baseline Net Surplus/(Deficit)	(\$469.636)	(\$504.497)	(\$34.861)	(\$533.158)	(\$28.661)	(\$574.149)	(\$40.991)	(\$623.139)	(\$48.990)
2006 Agency Program to Eliminate the Gap (PEGs)	0.093	1.370	1.277	2.682	1.312	4.260	1.578	5.375	1.115
Post-2006 Agency Program to Eliminate the Gap	0.000	0.000	0.000	0.354	0.354	0.607	0.253	1.109	0.502
Total PEGS	0.093	1.370	1.277	3.036	1.666	4.867	1.831	6.484	1.617
Net Surplus/(Deficit)	(\$469.543)	(\$503.127)	(\$33.584)	(\$530.122)	(\$26.995)	(\$569.282)	(\$39.160)	(\$616.655)	(\$47.373)

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Cash Receipts & Expenditures									
<u>Receipts</u>									
Farebox Revenue	\$445.674	\$456.769	\$11.095	\$463.606	\$6.837	\$469.903	\$6.297	\$475.471	\$5.568
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	47.467	48.585	1.118	47.925	(0.660)	48.680	0.755	49.437	0.757
Capital and Other Reimbursements	145.178	152.563	7.385	163.052	10.489	170.537	7.485	165.554	(4.983)
Total Receipts	\$638.319	\$657.917	\$19.598	\$674.583	\$16.666	\$689.120	\$14.537	\$690.462	\$1.342
<u>Expenditures</u>									
Labor:									
Payroll	\$342.647	\$399.397	(\$56.750)	\$391.617	\$7.780	\$413.036	(\$21.419)	\$416.415	(\$3.379)
Overtime	53.152	55.371	(2.219)	55.382	(0.011)	57.329	(1.947)	59.210	(1.881)
Health and Welfare	73.713	81.144	(7.431)	90.836	(9.692)	101.811	(10.975)	111.365	(9.554)
Pensions	36.252	19.820	16.432	40.032	(20.212)	40.805	(0.773)	41.956	(1.151)
Other Fringe Benefits	71.180	81.372	(10.192)	80.639	0.733	85.095	(4.456)	85.395	(0.300)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$576.944	\$637.104	(\$60.160)	\$658.506	(\$21.402)	\$698.076	(\$39.570)	\$714.341	(\$16.265)
Non-Labor:									
Traction and Propulsion Power	\$46.033	\$51.501	(\$5.468)	\$53.620	(\$2.119)	\$55.246	(\$1.626)	\$60.538	(\$5.292)
Fuel for Buses and Trains	11.951	17.002	(5.051)	17.383	(0.381)	17.775	(0.392)	18.120	(0.345)
Insurance	15.192	16.436	(1.244)	18.194	(1.758)	21.004	(2.810)	21.706	(0.702)
Claims	13.071	13.046	0.025	13.046	0.000	13.046	0.000	13.046	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	112.649	110.692	1.957	90.766	19.926	105.818	(15.052)	108.304	(2.486)
Professional Service Contracts	28.442	26.977	1.465	27.178	(0.201)	29.322	(2.144)	30.102	(0.780)
Materials & Supplies	89.427	94.364	(4.937)	101.467	(7.103)	107.137	(5.670)	113.685	(6.548)
Other Business Expenses	20.249	19.567	0.682	29.756	(10.189)	23.050	6.706	25.099	(2.049)
Total Non-Labor Expenditures	\$337.014	\$349.585	(\$12.571)	\$351.410	(\$1.825)	\$372.398	(\$20.988)	\$390.600	(\$18.202)
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	\$913.958	\$986.689	(\$72.731)	\$1,009.916	(\$23.227)	\$1,070.474	(\$60.558)	\$1,104.941	(\$34.467)
Baseline Net Cash Deficit	(\$275.639)	(\$328.772)	(\$53.133)	(\$335.333)	(\$6.561)	(\$381.354)	(\$46.021)	(\$414.479)	(\$33.125)
2006 Agency Program to Eliminate the Gap (PEGs)									
Post-2006 Agency Program to Eliminate the Gap	\$0.093	\$1.370	\$1.277	\$2.682	\$1.312	\$4.260	\$1.578	\$5.375	\$1.115
	0.000	0.000	0.000	0.354	0.354	0.607	0.253	1.109	0.502
Total PEGs	\$0.093	\$1.370	\$1.277	\$3.036	\$1.666	\$4.867	\$1.831	\$6.484	\$1.617
Net Cash Deficit	(\$275.546)	(\$327.402)	(\$51.856)	(\$332.297)	(\$4.895)	(\$376.487)	(\$44.190)	(\$407.995)	(\$31.508)

**MTA METRO-NORTH RAILROAD
NOVEMBER FINANCIAL PLAN 2006-2009
UTILIZATION**

RIDERSHIP/UTILIZATION PROJECTIONS

Ridership projections are developed primarily by the application of line segment ridership forecasting models that incorporate current trends and the impact of economic and demographic factors and government-supported mass transit initiatives. In addition, internal programs that affect service, customer awareness, and access to Metro-North are also incorporated into ridership forecasts.

The November Forecast incorporates higher customer growth rates for East of Hudson Service than the February and the July Financial Plans. This increase reflects current general growth trend, which is incorporated into the 2006-2009 ridership base. The 2005 November Forecast also includes several extraordinary ticket sale events that were not included in the 2006-2009 base. The are related to the pre-purchase of ten-trip tickets prior to the March 2005 fare increase, service enhancements, Central Park art events, and the diversion of Westchester County bus riders to Metro-North during the Bee-Line Bus Strike.

The 2005 November Forecast reflects East of Hudson service ridership that is 2.2% higher than the adopted (February Plan) budget, and 3.0% higher than 2004 actual results. In 2006, 2007, 2008 and 2009, ridership is projected to grow 1.4%, 1.4%, 1.5% and 1.0%, Compared to the July Forecast ridership reflects increases of 0.4% in 2005 and 0.5% each year for the 2006 – 2009 period.

West of Hudson utilization reflects lower customer levels than included in the February Plan. This decrease reflects lower than previously projected ridership growth from new service, the opening of the Secaucus transfer and the re-opening of PATH Service in lower Manhattan.

The 2005 November and July Forecasts reflect West of Hudson ridership that is 15.4% lower than the adopted (February Plan) budget, but 4.2% higher than 2004 actual results. In 2006, 2007, 2008 and 2009, ridership is projected to grow 5.5%, 8.5%, 7.0% and 3.8%, respectively.

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Ridership/Traffic Volume (Utilization)
(in millions)

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Farebox Revenue *</u>						
Harlem Line	\$ 118.063	\$ 127.525	\$ 131.699	\$ 134.088	\$ 135.863	\$ 137.640
Hudson Line	81.757	88.983	92.233	94.488	96.488	97.839
New Haven Line	202.669	220.692	224.077	226.066	228.488	230.928
Total Farebox Revenue	\$ 402.489	\$ 437.200	\$ 448.009	\$ 454.642	\$ 460.839	\$ 466.407
<i>Impact of:</i>						
Program to Eliminate the Gap			1.590	3.180	4.770	5.962
Total Revenue	402.489	437.200	449.599	457.822	465.609	472.369
<u>Ridership</u>						
Harlem Line	24.039	24.720	25.147	25.567	25.927	26.189
Hudson Line	13.616	14.100	14.383	14.693	15.001	15.158
New Haven Line	33.102	34.049	34.391	34.718	35.170	35.481
Baseline Total Ridership	70.757	72.869	73.921	74.978	76.098	76.828
<i>Impact of:</i>						
Program to Eliminate the Gap						
Total Ridership	70.757	72.869	73.921	74.978	76.098	76.828

* Excludes Mail and Ride Fare box Revenue from West of Hudson Service of \$.600 million in 2005
Excludes Mail and Ride Fare box Revenue from West of Hudson Service of \$.800 million 2006-2010.

**MTA METRO-NORTH RAILROAD
NOVEMBER FINANCIAL PLAN 2006-2009
SUMMARY OF MAJOR PLAN-TO-PLAN CHANGES**

Revisions to Metro-North's financial plan for the 2005-2009 period reflect adjustments resulting from evolving economic conditions, changing cost assumptions and resource allocations, as well as the impact of outstanding labor agreements for 2003-2006 period.

2005: NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL PLAN

The 2005 November Financial Plan subsidy requirements for non-reimbursable operations are \$25.4 million lower than in the July Financial Plan. The reduction reflects the deferred payment of retroactive wage settlements (\$29.9 million) and the deferred application of pension plan prepayment (\$20.0 million) to 2006, passenger revenue improvements of \$2.2 million due to greater than projected ridership growth, and pension plan cost reductions were the primary causes in subsidy reductions. These favorable results were partially offset by expense increases associated with higher overtime due to emergency coverage, rising energy costs, an increase in West of Hudson subsidies, and lower overhead expense recoveries from capital projects.

Reimbursable project costs (and receipts) are \$14.0 million lower than the July Plan. Lower costs reflect scheduling changes to the Shell-at-Grade, M2 Critical System Replacement, Turnouts – Mainline/High Speed and CDOT Track, Interlocking and Drainage projects.

Compared to the February Financial Plan, subsidy requirements are reduced by \$25.9 million in the November Financial Plan. This decrease is primarily driven by the deferred payment of retroactive wage settlements (\$29.9 million) and the application of pension plan prepayment (\$20.0 million) to 2006, lower pension plan costs, and a \$9.5 million improvement in revenues. \$8.3 million of the revenue increase is due to higher ridership, with the remainder due to higher rent and concession proceeds in GCT. These reductions are partially offset by rising energy costs, increases in overtime, and higher material usage requirements.

2006: NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL PLAN

The 2006 November Financial Plan subsidy requirements for are \$14.7 million lower than in the July Financial Plan. This reduction reflects the lower pension costs, the deferred application of pension plan prepayment (\$20.0 million), the continuation of 2005 revenue growth trends associated with higher ridership and increases in overhead expense recoveries from capital projects. Partially offsetting these reductions are increases comprised of the payment of retroactive wage agreement settlements for 2003-2005 period (\$29.9 million), general escalation of the Consumer Price Index applied to base costs, additional cost increase for West of Hudson operations, and

substantial increase in energy costs. Other expenditure level increases reflect the addition of material costs for the M3 enhancement Program (\$3.4 million), Service Plan enhancements, an increase in emergency overtime coverage, and the rescheduling of equipment disposal costs.

Reimbursable project costs (and receipts) are \$11.9 million lower than the July Plan. Major projects for 2006 include: Shell-at-Grade, M2 Critical System Replacement, Cyclical Track, Mainline/High Speed Turnouts and East Side Access.

Compared to the February Financial Plan, 2006 baseline subsidy requirements increase by \$9.0 million in the November Financial Plan. This increase is primarily driven by the payment of retroactive wage settlements for the 2003-2005 period (\$29.3 million), increased energy costs (\$11.0 million), and cost increases due to the rescheduling of equipment overhauls, the expansion of the M3 maintenance program, and increases in West of Hudson subsidy payments. These increases are partially offset by a \$10.5 million improvement in revenues, \$9.6 million of which is attributable to increasing passenger fares from higher ridership, with the remainder due to increasing rent and concession proceeds from Parking facilities and GCT retail tenants. The reductions also reflect lower pension costs, and the application of the pension prepayment (\$20.0 million).

2007: NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL PLAN

In the November Financial Plan, 2007 baseline subsidy requirements are \$12.9 million lower than the July Financial Plan. This reduction reflects the continuation of 2005 revenue growth trends associated with higher ridership, an increase in overhead expense recoveries from capital projects, lower pension costs, and a decrease in the general rise in the Consumer Price Index applied to base costs. Partially offsetting these reductions is the continuation of 2005 cost increase trends for West of Hudson operations, energy, the net cost impacts of rolling stock replacement and overhauls and increases in emergency overtime coverage. Other expenditure level increases reflect the addition of material costs for the M3 enhancement program (\$4.7 million). The November Plan also includes the impact of the service plan improvements added in 2006.

Reimbursable project costs (and receipts) are \$13.8 million lower than the July Plan reflecting a general decrease in expenditures predicated on the continuation of the revised 2006 expenditure level base.

2008 NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL PLAN

In the November Financial Plan, 2008 baseline subsidy requirements are \$9.0 million lower than the July Financial Plan. This reduction reflects the continuation of 2005 revenue growth trends associated with higher ridership, a decrease in the Consumer Price Index applied to base costs, lower pension costs, and an increase in overhead expense recoveries from capital projects. Partially offsetting these reductions is the

addition of material costs for the M3 enhancement program (\$4.8 million), the continuation of 2005 cost increase trends for West of Hudson operations, energy, the net cost impacts of rolling stock replacement and overhauls costs, Service Plan enhancements, and increases in overtime coverage.

Reimbursable project costs (and receipts) are \$3.7 million below the July Plan reflecting a general decrease in expenditures predicated on the continuation of 2006 project expenditure levels.

2009 NOVEMBER FINANCIAL PLAN VS. JULY FINANCIAL PLAN

In the November Financial Plan, 2009 baseline subsidy requirements are \$16.3 million lower than the July Financial Plan. This reflects the continuation of 2005 revenue growth trends associated with higher ridership, a decrease in the general rise in the Consumer Price Index applied to base costs, and lower pension costs. Partially offsetting these reductions is the continuation of 2005 cost increase trends for West of Hudson operations and energy, the net cost impacts of changes in rolling stock replacement and overhaul programs, particularly the addition of material costs for the M3 enhanced maintenance program, and increases in overtime coverage.

Reimbursable project costs (and receipts) are \$8.7 million below the July Plan reflecting a general decrease in expenditures predicated on the continuation of the revised 2006 project expenditure level base.

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$300.970)	(\$328.553)	(\$348.226)	(\$390.424)	(\$430.819)
<i>Non-Reimbursable Major Changes</i>					
<i>Revenue</i>					
Fare Box Revenue-general ridership growth	\$1.994	\$2.276	\$2.277	\$2.285	\$2.306
Additional ridership from enhanced service	.200	1.300	1.300	1.300	1.300
Other Operating Revenue	.004	0.211	0.144	0.123	0.089
Sub-Total Non-Reimbursable Revenue Changes	\$2.198	\$3.787	\$3.721	\$3.708	\$3.695
<i>Expenses</i>					
Reimbursable Overhead-additional capital projects	(\$1.759)	\$2.785	\$1.203	\$.698	\$.215
Enhanced service expansion	(.111)	(.765)	(.765)	(.765)	(.765)
Equipment disposal costs	1.074	(1.467)	.000	.000	.000
Equipment Strategy Enhanced Maintenance of M3 Cars	.000	(3.449)	(4.677)	(4.764)	(1.216)
Preventive Maintenance Program	.000	.500	.500	.500	.500
GCT Electronic Security Plan	.000	.358	.000	.000 #	.000
Write-off of Comet 1A cars	(3.600)	.000	.000	.000 #	.000
OTE-OT Emergency Coverage	(2.440)	(1.314)	(1.249)	(1.270)	(1.261)
West of Hudson Locomotives Overhaul Rescheduled	1.325	.000	.000	.000	.000
Material & Supplies for Equipment Maintenance	(1.783)	.000	.000	.000	.000
Revised Pension Provision	14.884	9.417	9.462	10.170	9.669
Revised Health and Welfare Provision	2.790	\$4.476	\$3.873	\$3.070	\$2.709
Depreciation	(1.090)	(1.000)	.000	.000	.000
All Other Changes	1.190	(2.332)	(.371)	1.090	3.008
Sub-Total Non-Reimbursable Expense Changes	\$10.479	\$7.210	\$7.976	\$8.729	\$12.859
<i>Total Non-Reimbursable Major Changes</i>	\$12.677	\$10.997	\$11.697	\$12.437	\$16.554
<i>Reimbursable Major Changes</i>					
<i>Revenue</i>	\$.000				
See expense explanations	(\$14.019)	(\$11.853)	(\$13.771)	(\$3.747)	(\$8.712)
Sub-Total Reimbursable Revenue Changes	(\$14.019)	(\$11.853)	(\$13.771)	(\$3.747)	(\$8.712)
<i>Expenses</i>					
Shell at Grade and M2 Critical Replacement Programs	\$4.310	\$11.853	\$13.771	\$3.747	\$8.712
High Speed Turnouts Mainline	2.001	0.000	0.000	0.000	0.000
Track Interlocking and Drainage	1.591	0.000	0.000	0.000	0.000
Yard Turnouts	1.177	0.000	0.000	0.000	0.000
NH Branch Line Grading	1.060	0.000	0.000	0.000	0.000
Highway Bridge Rehabilitation	1.052	0.000	0.000	0.000	0.000
NYDOT Grade Crossing Improvements	0.955	0.000	0.000	0.000	0.000
Optimize Signal Relay Circuits	0.850	0.000	0.000	0.000	0.000
Cyclical Track Program	0.822	0.000	0.000	0.000	0.000
All Others	0.201	0.000	0.000	0.000	0.000
Sub-Total Reimbursable Expense Changes	\$14.019	\$11.853	\$13.771	\$3.747	\$8.712
<i>Total Reimbursable Major Changes</i>	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Total Accrual Changes</i>	\$12.677	\$10.997	\$11.697	\$12.437	\$16.554
<i>Cash Adjustment Changes</i>					
Write-off of Comet 1 A cars	\$3.600	\$.000	\$.000	\$.000	\$.000
Delay in Force Account Receipts	0.046	(6.116)	0.346	(2.763)	0.378
Pension Prepayment	(20.000)	20.000	0.000	0.000	0.000
Operating Capital	(1.0270)	0.076	0.000	0.000	0.000
RWA Payment	28.670	(26.887)	0.000	0.000	0.000
Depreciation	1.090	1.000	0.000	0.000	0.000
All Other	0.275	0.710	0.850	(0.603)	(0.591)
<i>Total Cash Adjustment Changes</i>	\$12.654	(\$11.217)	\$1.196	(\$3.366)	(\$0.213)
<i>Total Baseline Changes</i>	\$25.331	(\$0.220)	\$12.893	\$9.071	\$16.341
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$275.639)	(\$328.773)	(\$335.334)	(\$381.353)	(\$414.479)

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE					
	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$300.970)	(\$328.553)	(\$348.226)	(\$390.424)	(\$430.819)
Baseline Changes					
Revenue					
Farebox Revenue	\$2.194	\$3.576	\$3.577	\$3.585	\$3.606
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	0.004	0.211	0.144	0.123	0.089
Capital and Other Reimbursement	(14.019)	(11.853)	(13.771)	(3.747)	(8.712)
Total Revenue Changes	(\$11.821)	(\$8.066)	(\$10.050)	(\$0.39)	(\$5.017)
Expenses					
Labor:					
Payroll	\$2.453	(\$2.509)	(\$4.208)	(\$7.257)	(\$5.40)
Overtime	(2.138)	(3.063)	(1.102)	(1.252)	(1.407)
Health and Welfare	3.315	4.455	3.457	1.626	2.839
Pensions	15.793	10.303	10.372	10.994	10.735
Other Fringe Benefits	1.352	1.085	0.624	0.282	1.923
Reimbursable Overhead	0.091	(0.789)	(0.115)	(0.166)	(0.098)
Total Labor Expense Changes	\$20.865	\$9.483	\$9.028	\$4.227	\$13.452
Non-Labor:					
Traction and Propulsion Power	(\$541)	(\$713)	(\$574)	(\$359)	(\$199)
Fuel for Buses and Trains	0.051	(4.809)	(4.872)	(4.925)	(4.965)
Insurance	0.173	0.931	1.456	1.838	3.243
Claims	0.000	0.026	0.026	0.026	0.026
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	4.858	6.924	16.230	12.967	8.670
Professional Service Contracts	3.286	4.702	5.186	3.803	4.145
Materials & Supplies	0.629	1.885	(6.439)	(6.882)	(4.722)
Other Business Expenses	(3.733)	1.634	1.705	1.781	1.921
Total Non-Labor Expense Changes	\$4.723	\$10.580	\$12.718	\$8.249	\$8.119
Total Expenses before Depreciation					
Depreciation	(1.090)	(1.000)	0.000	0.000	0.000
Total Expense Changes	\$24.498	\$19.063	\$21.746	\$12.476	\$21.571
Cash Conversion Adjustment Changes					
Depreciation	1.090	1.000	0.000	0.000	0.000
Operating/Capital	(1.027)	0.076	0.000	0.000	0.000
Other Cash Adjustments	12.591	(12.293)	1.196	(3.366)	(0.213)
Total Cash Conversion Adjustments	\$12.654	(\$11.217)	\$1.196	(\$3.366)	(\$0.213)
Total Baseline Changes	\$25.331	(\$0.220)	\$12.892	\$9.071	\$16.341
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$275.639)	(\$328.773)	(\$335.334)	(\$381.353)	(\$414.479)

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE					
	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Other Operating Revenue					
Capital and Other Reimbursement	(\$14.019)	(\$11.853)	(\$13.771)	(\$3.747)	(\$8.712)
Total Revenue Changes	(\$14.019)	(\$11.853)	(\$13.771)	(\$3.747)	(\$8.712)
Expenses					
Labor:					
Payroll	\$1.526	(\$1.299)	(\$3.497)	(\$6.640)	(\$3.318)
Overtime	0.306	(1.749)	0.147	0.018	(0.146)
Health and Welfare	0.525	(0.021)	(0.416)	(1.444)	0.130
Pensions	0.909	0.886	0.910	0.824	1.066
Other Fringe Benefits	0.365	(0.250)	(0.476)	(1.087)	0.166
Reimbursable Overhead	1.850	(3.574)	(1.318)	(0.864)	(0.313)
Total Labor Expense Changes	\$5.481	(\$6.007)	(\$4.650)	(\$9.193)	\$5.85
Non-Labor:					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000
Insurance	0.185	0.685	1.159	1.464	2.777
Claims	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	2.958	6.784	13.710	9.960	5.150
Professional Service Contracts	3.183	5.686	6.122	4.695	4.983
Materials & Supplies	2.300	4.665	(2.645)	(3.282)	(4.979)
Other Business Expenses	(0.088)	0.040	0.074	0.103	0.196
Total Non-Labor Expense Changes	\$8.538	\$17.860	\$18.420	\$12.940	\$8.127
Total Expenses before Depreciation					
Depreciation	0.000	0.000	0.000	0.000	0.000
Total Expense Changes	\$14.019	\$11.853	\$13.771	\$3.747	\$8.712
Cash Conversion Adjustment Changes					
Depreciation	0.000	0.000	0.000	0.000	0.000
Operating/Capital	0.000	0.000	0.000	0.000	0.000
Other Cash Adjustments	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	(\$0.000)	\$0.000	\$0.000	(\$0.000)	\$0.000
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.000	(\$0.000)	\$0.000

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE					
	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$300.970)	(\$328.553)	(\$348.226)	(\$390.424)	(\$430.819)
Baseline Changes					
Revenue					
Farebox Revenue	\$2.194	\$3.576	\$3.577	\$3.585	\$3.606
Vehicle Toll Revenue					
Other Operating Revenue	0.004	0.211	0.144	0.123	0.089
Capital and Other Reimbursement					
Total Revenue Changes	\$2.198	\$3.787	\$3.721	\$3.708	\$3.695
Expenses					
<i>Labor:</i>					
Payroll	\$.927	(\$1.210)	(\$.711)	(\$.617)	(\$.222)
Overtime	(2.444)	(1.314)	(1.249)	(1.270)	(1.261)
Health and Welfare	2.790	4.476	3.873	3.070	2.709
Pensions	14.884	9.417	9.462	10.170	9.669
Other Fringe Benefits	0.987	1.335	1.100	1.369	1.757
Reimbursable Overhead	(1.759)	2.785	1.203	0.698	0.215
Total Labor Expense Changes	\$15.384	\$15.490	\$13.678	\$13.420	\$12.867
<i>Non-Labor:</i>					
Traction and Propulsion Power	(\$.541)	(\$.713)	(\$.574)	(\$.359)	(\$.199)
Fuel for Buses and Trains	0.051	(4.809)	(4.872)	(4.925)	(4.965)
Insurance	(0.012)	0.246	0.297	0.374	0.466
Claims	0.000	0.026	0.026	0.026	0.026
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.900	0.140	2.520	3.007	3.520
Professional Service Contracts	0.103	(0.984)	(0.936)	(0.892)	(0.838)
Materials & Supplies	(1.671)	(2.780)	(3.794)	(3.600)	0.257
Other Business Expenses	(3.645)	1.594	1.631	1.678	1.725
Total Non-Labor Expense Changes	(\$3.815)	(\$7.280)	(\$5.702)	(\$4.691)	(\$.008)
Total Expenses before Depreciation					
Depreciation	(1.090)	(1.000)	0.000	0.000	0.000
Total Expense Changes	\$10.479	\$7.210	\$7.976	\$8.729	\$12.859
Cash Conversion Adjustment Changes					
Depreciation	1.090	1.000	0.000	0.000	0.000
Operating/Capital	(1.027)	0.076	0.000	0.000	0.000
Other Cash Adjustments	12.591	(12.293)	1.196	(3.366)	(0.213)
Total Cash Conversion Adjustments	\$12.654	(\$11.217)	\$1.196	(\$3.366)	(\$.213)
Total Baseline Changes	\$25.331	(\$0.220)	\$12.893	\$9.071	\$16.341
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$275.639)	(\$328.773)	(\$335.334)	(\$381.353)	(\$414.479)

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Summary of 2006 PEGs
(\$ in millions)

		Favorable/(Unfavorable)									
		2005 November Forecast		2006 Final Proposed Budget		2007		2008		2009	
		Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
LIST of PROGRAMS											
Administration:											
Sub-Total Administration		0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Customer Convenience & Amenities:											
TVMs Purchase Additional 36 Machines		0	\$.093	(3)	\$ 1.253	(3)	\$ 2.562	(3)	\$ 4.138	(3)	\$ 5.250
Sub-Total Customer Convenience & Amenities		0	\$.093	(3)	\$ 1.253	(3)	\$ 2.562	(3)	\$ 4.138	(3)	\$ 5.250
Service:											
Sub-Total Service		0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Maintenance:											
New Haven Shops & Yard - Car Washer /Wheel Shop		0	\$.000	1	\$.117	1	\$.120	1	\$.122	1	\$.125
Sub-Total Maintenance		0	\$.000	1	\$.117	1	\$.120	1	\$.122	1	\$.125
Revenue Enhancements:											
Sub-Total Revenue Enhancements		0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Other:											
Sub-Total Other		0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Total 2006 PEGs		0	\$.093	(2)	\$ 1.370	(2)	\$ 2.682	(2)	\$ 4.260	(2)	\$ 5.375

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Summary of Post-2006 PEGs
(\$ in millions)

		Favorable/(Unfavorable)					
		2007		2008		2009	
		Positions	Dollars	Positions	Dollars	Positions	Dollars
LIST of PROGRAMS							
Administration:							
Process Review for Productivity Savings		0	\$.250	0	\$.500	0	\$1.000
IT - Evaluation Equipment & Technology		0	.104	0	.107	0	.109
Sub-Total Administration		0	\$.354	0	\$.607	0	\$1.109
Customer Convenience & Amenities:							
Sub-Total Customer Convenience & Amenities		0	\$.000	0	\$.000	0	\$.000
Service:							
Sub-Total Service		0	\$.000	0	\$.000	0	\$.000
Maintenance:							
Sub-Total Maintenance		0	\$.000	0	\$.000	0	\$.000
Revenue Enhancements:							
Sub-Total Revenue Enhancements		0	\$.000	0	\$.000	0	\$.000
Other:							
Sub-Total Other		0	\$.000	0	\$.000	0	\$.000
Total Post 2006 PEGs		0	\$.354	0	\$.607	0	\$1.109

**MTA Metro-North Railroad
November Financial Plan 2006-2009
PEG Financial Impact Worksheet**

PEG Program Category:

ADMINISTRATION

Program:

IT - EVALUATION EQUIPMENT & TECHNOLOGY

Background Details:	The Information Technology Department must perform research and evaluation of new technologies and products to ensure that MNR IT services are both secure and efficient while at the same time meeting current and future industry standards. This program was to start in 2005 but due to funding constraints was deferred to 2007.
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PEG Description/Implementation Plan:	The provision is being eliminated for the duration of the plan.
Public Hearings required?	If Yes, when?:
Labor agreement concerns?:	
Layoffs Required?:	If Yes, when?:
PEG Implementation Date:	January 2007 When will PEG savings begin?:

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.104	\$0.107	\$0.109
<i>Total Reduction in Positions Required</i>					
<i>(List Title of Positions)</i>					
Current Vacancies	0	0	0	0	0
<i>(List title of vacant positions)</i>					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
<i>(Identify Appropriate Indicator)</i>					

**MTA Metro-North Railroad
November Financial Plan 2006-2009
PEG Financial Impact Worksheet**

PEG Program Category:

ADMINISTRATION

Program:

PROCESS REVIEW FOR PRODUCTIVITY SAVINGS

Background Details:	The recently implemented PeopleSoft Financial and Human Resource Systems, other new and upgraded systems developed in-house, as well as the ongoing replacement of old, difficult to maintain rolling stock with M7s, and the scheduled addition of new shop space in NH, afford the railroad an opportunity for a program of process reviews that is likely to yield productivity savings. MNR recently began just such a Process Review Program that will target several functions across departmental lines.
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PEG Description/Implementation Plan:	In its early stage, the program was started with the preliminary identification of target functions and review focus. The next steps include the establishment of review teams, assignment of priorities, and settlement of schedules and timeframes. A number of these reviews are likely to take a few weeks, some will take months. The current plan is to update the status of this Process Review Program with each Financial Plan update.
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PEG Implementation Date:

When will PEG savings begin?:

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.000	\$0.250	\$0.500	\$1.000
<i>Total Reduction in Positions Required</i>					
<i>(List Title of Positions)</i>					
Current Vacancies	0	0	0	0	0
<i>(List title of vacant positions)</i>					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
<i>(Identify Appropriate Indicator)</i>					

**MTA Metro-North Railroad
November Financial Plan 2006-2009
PEG Financial Impact Worksheet**

PEG Program Category:

CUSTOMER SERVICE

Program:

TVMs PURCHASE ADDITIONAL 36 MACHINES

Background Details:	MNR is in the process of purchasing 36 additional ticket vending machines (TVMs) and replacing the existing Control Support System. The project will expand MNR's automated ticket selling network, thereby improving customer service at many outlying stations and concurrently reducing on-board ticket sales. Reduction in on-board ticket sales translates into improved revenue collection.
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PEG Description/Implementation Plan:	The addition of the TVMs will require the addition of 6 TVM Technicians, two IT support positions (Dbase Administrator, Sr. Network Field Support Analyst), and maintenance contracts. These additional costs, however, will be offset by a reduction in Ticket Agents positions (for a net increase of three positions), and the projected increase in revenue collection.
PEG Implementation Date:	September 2005 & April 2006 When will PEG savings begin?: January 2006

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.093	\$1.253	\$2.562	\$4.138	\$5.250
<i>Total Reduction in Positions Required</i>		(3)	(3)	(3)	(3)
<i>(List Title of Positions)</i>					
Current Vacancies	0	(3)	(3)	(3)	(3)
<i>(List title of vacant positions)</i>					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
<i>(Identify Appropriate Indicator)</i>					

**MTA Metro-North Railroad
November Financial Plan 2006-2009
PEG Financial Impact Worksheet**

PEG Program Category: MAINTENANCE
Program: NEW HAVEN SHOPS & YARD - CAR WASHER / WHEEL SHOP

Background Details:	Major improvements are currently being made to the New Haven Yard & Shop complex. They include a new car washer and wheel shop. MNR has few working car wash facilities, and only one on the New Haven Line at Stamford. One M of W-Track position was to have been added to maintain the network of tracks and interlockings in this section of the complex.
----------------------------	---

PEG Description/Implementation Plan:	The position will not be added. Required work will be performed with existing/reallocated staff.	
PEG Implementation Date:	January 2006	When will PEG savings begin?:

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)	\$0.000	\$0.117	\$0.120	\$0.122	\$0.125
<i>Total Reduction in Positions Required</i>	0	1	1	1	1
<i>(List Title of Positions)</i>					
Current Vacancies	0	1	1	1	1
<i>(List title of vacant positions)</i>					
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
<i>(Identify Appropriate Indicator)</i>					

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
PEG Reconciliation (List of Changes) Between Financial Plans
(\$ in millions)

	2005 November Forecast		2006 Final Proposed Budget		2007		2008		2009	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
2005 July Financial Plan - Total PEGs	0	\$0.093	(2)	\$1.370	(2)	\$3.036	(2)	\$4.867	(2)	\$6.484
List of PEG Changes										
Administration										
IT - EVALUATION EQUIPMENT & TECHNOLOGY	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
PROCESS REVIEW FOR PRODUCTIVITY SAVINGS	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Total Administrative Changes	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Customer Convenience & Amenities										
TVMs PURCHASE ADDITIONAL 36 MACHINES	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Total Customer Convenience & Amenities Changes	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Service										
Total Service Changes	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Maintenance										
NEW HAVEN SHOPS & YARD - CAR WASHER / WHEEL SHOP	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Total Maintenance Changes	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Revenue Enhancements										
Total Revenue Enhancement Changes	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Other										
Total Other Changes	0	\$,000	0	\$,000	0	\$,000	0	\$,000	0	\$,000
Total PEG Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
2005 November Financial Plan - Total PEGs	0	\$0.093	(2)	\$1.370	(2)	\$3.036	(2)	\$4.867	(2)	\$6.484

**MTA METRO-NORTH RAILROAD
NOVEMBER FINANCIAL PLAN 2006-2009
POSITIONS**

POSITION ASSUMPTIONS

NON-REIMBURSABLE POSITIONS

Positions are stated as of December 31 of each year and reflect the estimated number of paid employees. Consequently, position totals incorporate existing vacancy and turnover estimates.

Annual staffing levels include the impact of program deferrals, eliminations, or re-estimates, consistent with the associated cost changes incorporated into the financial plan.

REIMBURSABLE POSITIONS

Positions are stated as of December 31 of each year and reflect employees estimated to be paid. Consequently, position totals incorporate existing vacancy and turnover estimates, as well as reflect the seasonally- adjusted staffing requirements for the capital projects.

2005 staffing levels reflect changes in project requirements. The 2007-2009 staffing levels assume a continuation of 2006 project activity levels.

MTA Metro-North Railroad
November Financial Plan 2006 - 2009
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents
(\$ in millions)

			2006 Final			
FUNCTION/DEPARTMENT	2004 Actuals	2005 November Forecast	Proposed Budget	2007	2008	2009
Administration						
President	6	6	6	6	6	6
Labor Relations	11	13	13	13	13	13
Safety	12	13	14	14	14	14
Corporate & Media Relations	15	15	15	15	15	15
Legal	15	15	16	16	16	16
Claims Services	21	21	22	22	22	22
Environmental Compliance & Serv	6	6	6	6	6	6
VP Human Resources	3	3	3	3	3	3
Human Resources	46	46	47	47	47	47
Training	30	31	31	31	31	31
Workforce Diversity	4	4	4	4	4	4
VP Planning & Development	5	5	3	3	3	3
Operations Planning	12	13	13	13	13	13
Capital Planning	14	14	14	14	14	14
Business Development & Facilities	14	14	14	14	14	14
Marketing	10	10	10	10	10	10
Industrial Engineering	9	9	11	11	11	11
Executive Vice President	1	1	1	1	1	1
Controller	126	128	128	128	128	128
Information Technology	114	121	127	127	127	127
Budget	15	16	16	16	16	16
Customer Service	63	65	65	66	67	67
Corporate *	-	(21)	(45)	(45)	(45)	(45)
Total Administration	552	548	534	535	536	536
Operations						
VP Operations	37	37	54	54	67	67
Operations Services	1,953	1,840	1,844	1,847	1,858	1,904
Metro-North West	28	32	24	24	24	24
Total Operations	2,018	1,909	1,922	1,925	1,949	1,995
Maintenance						
GCT	344	344	346	352	371	391
Maintenance of Equipment	1,128	1,247	1,252	1,252	1,252	1,252
Maintenance of Way	1,519	1,443	1,515	1,541	1,550	1,561
Procurement & Material Mgmt	173	170	172	172	172	172
Total Maintenance	3,164	3,204	3,285	3,317	3,345	3,376
Engineering/Capital						
Project Budget	12	13	13	13	13	13
Construction Management	37	39	39	39	39	39
Engineering & Design	60	62	62	62	62	62
Total Engineering/Capital	109	114	114	114	114	114
Baseline Total Positions	5,843	5,775	5,855	5,891	5,944	6,021
<i>Non-Reimbursable</i>	5,481	5,229	5,278	5,314	5,367	5,444
<i>Reimbursable</i>	362	546	577	577	577	577
<i>Total Full-Time</i>	5,837	5,770	5,850	5,886	5,939	6,016
<i>Total Full-Time-Equivalents</i>	6	5	5	5	5	5

Impact of:

2006 Program to Eliminate the Gap		2	2	2	2	2
Total Positions	5,843	5,777	5,857	5,893	5,946	6,023
<i>Non-Reimbursable</i>	5,481	5,231	5,280	5,316	5,369	5,446
<i>Reimbursable</i>	362	546	577	577	577	577
<i>Total Full-Time</i>	5,837	5,772	5,852	5,888	5,941	6,018
<i>Total Full-Time-Equivalents</i>	6	5	5	5	5	5

* Reflects turnover vacancies in December not included in department totals.

MTA Metro-North Railroad
November Financial Plan 2006-2009
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	Final Proposed 2006	2007	2008	2009
Administration				
Managers/Supervisors	41	41	41	41
Professional, Technical, Clerical	493	494	495	495
Operational Hourlies	-	-	-	-
Total Administration	534	535	536	536
Operations				
Managers/Supervisors	28	28	28	28
Professional, Technical, Clerical	476	476	489	489
Operational Hourlies	1,418	1,421	1,432	1,478
Total Operations	1,922	1,925	1,949	1,995
Maintenance				
Managers/Supervisors	39	39	39	39
Professional, Technical, Clerical	1,040	1,046	1,074	1,094
Operational Hourlies	2,206	2,232	2,232	2,243
Total Maintenance	3,285	3,317	3,345	3,376
Engineering/Capital				
Managers/Supervisors	27	27	27	27
Professional, Technical, Clerical	87	87	87	87
Operational Hourlies	-	-	-	-
Total Engineering/Capital	114	114	114	114
Public Safety				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	-	-	-	-
Operational Hourlies	-	-	-	-
Total Public Safety	-	-	-	-
MTA Metro-North Consolidated				
Managers/Supervisors	135	135	135	135
Professional, Technical, Clerical	2,096	2,103	2,145	2,165
Operational Hourlies	3,624	3,653	3,664	3,721
Total MTA Metro-North Consolidated	5,855	5,891	5,944	6,021
Baseline Total Positions	5,855	5,891	5,944	6,021
Non-Reimbursable	5,278	5,314	5,367	5,444
Reimbursable	577	577	577	577
Total Full-Time	5,850	5,886	5,939	6,016
Total Full-Time Equivalents	5	5	5	5
Impact of: 2006 Program to Eliminate the Gap	2	2	2	2
Total Positions	5,857	5,893	5,946	6,023
Non-Reimbursable	5,280	5,316	5,369	5,446
Reimbursable	577	577	577	577
Total Full-Time	5,852	5,888	5,941	6,018
Total Full-Time Equivalents	5	5	5	5

Total Full-Time Employee totals on this table have been amended from the November 16, 2005 printed report to accurately reflect position totals.

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MTA Headquarters

**MTA Headquarters
2006 Final Proposed Budget
November Financial Plan 2006 – 2009**

Mission Statement

The mission of Metropolitan Transportation Authority Headquarters is to maximize use of MTA Transportation services and facilities by its customers and to provide support to the operating agencies in budget, cash management, finance, legal, real estate, treasury, risk and insurance management, and other services. In addition, MTA Headquarters' Department of Public Safety provides the highest level of policing and security for MTA's customers, employees and facilities.

Financial Overview

While maintaining a strong commitment to safety and security for its customers, employees, and facilities, MTA Headquarters has embarked on an aggressive program to reduce costs and to achieve expense reductions through 2009 without reducing its commitment to support customer ridership. This has been accomplished through the diligent work of all MTA Headquarters departments in reviewing current programs and cutting those that were superfluous or too expensive, as well as undertaking those projects that promote efficiencies. In reviewing departmental activities, it was determined that primarily through increased employee productivity, immediate PEG headcount savings could be achieved by reducing three positions in 2005, one position in 2006, and three positions in 2007 through 2009 (seven positions total).

Savings from programs to eliminate the gap have already begun and will reduce expenses by \$0.655 million beginning in 2005 and \$2.260 million in 2006. Thereafter, these programs result in expense reductions of \$3.893 million, \$3.990 million, and \$4.126 million in 2007, 2008, and 2009 respectively.

2005 November Forecast

The MTA Headquarters November Forecast reflects some significant changes from the 2005 Mid-Year Forecast, including additional administrative costs related to staffing, audit fees and outside consultants. The largest increase, however, results from the treatment of MTA Security funding. Due to the growth in spending by Agencies on security projects and the need to follow appropriate accounting procedures, MTA Headquarters will reimburse the Agencies for amounts spent on capital ineligible security projects. This, in turn, will affect MRT-1 usage calculations and will also result in substantial increases to MTA Headquarters' budget in every year. This increase in MTA HQ expenses will be offset by reductions in MRT-2 funding. In addition to this reallocation of funding, MTA has continued its commitment to security and has added additional project funding since the July Plan.

The November Forecast also includes the changes from the Adopted Budget that were previously captured in the July Mid-Year Forecast. These changes reflect 2 Broadway Operating and MTA Inspector General expenses, the financial impact of the arbitration agreement settling the contract negotiations with the MTA Police collective bargaining units, legal and real estate costs related to the West Side Yard development, NYPD academy fees, costs related to the move of the MTA Data Center, the establishment of a Federal Employees Liability Act (FELA) reserve to address the settlement of claims, NYS administration fees, increased audit and professional service expenses, and increased staffing requirements.

2006 Final Proposed Budget- Baseline

MTA Headquarters projects a Baseline Net Deficit of \$283.034 million in the 2006 Final Proposed Budget before PEGs. The Net Deficit is \$10.697 million higher than the 2005 Final Forecast of \$272.337 million prior to PEGs. This increase is primarily a result of the establishment of an \$8.000 million dollar MTA wide Insurance Reserve. Partially off-setting this increase, are lower security costs than in 2005, which included a one-time only reimbursement to the City of New York. The baseline also assumes headcount levels of 641 employees at MTA Headquarters and 719 employees in Public Safety, totaling 1,360 employees. Included in this base line deficit are a total of \$4.739 million in new needs to the November plan.

The below-the-line 2006 PEG program is discussed below.

2007-2009 Projections - Baseline

The baseline Net Deficit for 2007 is \$290.887 million which incorporates \$4.661 million in continuing New Needs from the 2005 Final Forecast and the 2006 Final Proposed Budget. The baseline reflects level staffing at MTA Headquarters from the 2006 Baseline of 1,360 employees.

The baseline Net Deficit for 2008 increases from 2007 by \$4.916 million to \$295.803 million, which incorporates \$4.801 million in continuing New Needs from the 2005 Final Forecast and the 2006 Final Proposed Budget. The baseline reflects level staffing at MTA Headquarters from the 2007 Baseline of 1,360 employees.

The baseline Net Deficit for 2009 increases over the 2008 baseline by \$9.517 million to \$305.320 million, which includes \$4.954 million in continuing New Needs from the 2005 Final Forecast and the 2006 Final Proposed Budget. The baseline reflects level staffing at MTA Headquarters from the 2008 Baseline of 1,360 employees

Gap Closing Measures

2006 Programs to Eliminate the Gap

MTA Headquarters has re-examined all non-personnel operating expenses and has identified significant savings. These savings come from reassessing needs across all departments and all expense categories and finding savings. Reductions in

professional services result, in part, from reduced lobbying contracts and reduced temporary service needs. Additionally, a lower level of new security needs is required as the number of security upgrades throughout the MTA system are completed and implemented. Savings in materials and supplies result primarily from reduced equipment requirements throughout Headquarters, along with reductions in office furniture/equipment and supplies requests. Lower maintenance and operating contracts result from lower facility maintenance charges as well as efficiencies in operations. Reduced other expenses are a result of reductions taken in employee expenses. This 2006 PEG begins providing the Authority with savings in 2005 of \$0.404 million and increases to \$1.801 million in savings in 2006. Through the plan period, these savings increase as the full effect of reductions are achieved.

MTA Headquarters has also identified certain positions that can be eliminated through productivity improvements that provide savings throughout the plan period. As Financial Management/Budget personnel become proficient in the use of integrated systems provided by the PeopleSoft initiative, it will be possible to eliminate staff through increased productivity over the next two years. Additionally, headcount and salary savings have been identified in other departments where positions are no longer necessary or the workload can be handled by existing staff. Immediate reductions have been taken for the 2005 Mid-Year Forecast of three positions providing \$0.251 in savings. In 2006 an additional position is reduced providing \$0.320 in savings for 2006.

Public Safety, which includes the MTA Police, will achieve savings while maintaining its enhanced presence throughout the MTA system providing protection for the MTA's customers, employees and infrastructure at critical locations including railroad facilities, bridges and tunnels, and on trains and buses. This category of PEG savings begins in 2006, providing reduced overtime of \$0.139 million and increasing through out the plan period.

2006 Final Proposed Budget

The Net Deficit for the 2006 Final Proposed Budget of \$280.774 million is \$9.092 million higher than the 2005 Final Forecast Net Deficit of \$271.682 million. This decrease from the 2006 baseline is a result of savings from MTA Headquarters' Programs to Eliminate the Gap. These PEGs will result in administrative cost reductions in 2006 of \$2.260 million and will result in the elimination of one additional position above the three eliminated in 2005.

2007-2009 Projections

The 2007 Net Deficit is projected at \$286.994 million. Representing a decrease from the 2007 baseline, cost reductions of \$3.893 million are attributable to the PEGs described above and will result in the elimination of three additional positions above the four eliminated in 2005 and 2006.

The 2008 Net Deficit is projected at \$291.813 million. Inclusion of PEG savings described above, results in the decrease from the 2008 baseline of \$3.990 million.

The 2009 Net Deficit is projected at \$301.194 million. Inclusion of PEG savings described above, results in the decrease from the 2008 baseline of \$4.126 million.

MTA Headquarters
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue						
Rental Income	7.662	45.474	45.727	47.081	48.488	49.959
Data Center Billings	3.328	1.703	2.753	2.801	2.853	1.963
Other	3.273	4.064	4.168	4.285	4.410	4.551
Capital and Other Reimbursements						
Total Revenue	\$14.263	\$51.241	\$52.648	\$54.167	\$55.751	\$56.473
<u>Expenses</u>						
Labor:						
Payroll	108.600	104.438	112.113	114.473	117.773	121.389
Overtime	11.900	11.000	9.947	10.759	11.080	11.411
Health and Welfare	15.900	12.928	15.156	17.041	19.163	21.569
Pensions	16.400	20.896	21.696	22.324	22.602	23.313
Other Fringe Benefits	9.315	9.047	9.789	10.288	10.590	10.927
Reimbursable Overhead	(31.400)	(38.122)	(39.484)	(40.530)	(41.706)	(42.985)
Total Labor Expenses	\$130.715	\$120.187	\$129.217	\$134.355	\$139.502	\$145.624
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	3.380	3.335	11.600	12.690	13.892	15.213
Claims						
Paratransit Service Contracts						
Maintenance and Other						
Operating Contracts	20.700	56.737	13.758	14.110	14.521	14.967
Professional Service Contracts	34.400	82.564	70.121	72.502	73.296	75.682
Materials & Supplies	2.600	3.272	1.196	1.227	1.262	1.301
MTA Internal Subsidy	43.400	31.511	32.201	32.747	33.705	34.888
Other Business Expenses	7.121	2.946	52.214	52.761	53.632	54.577
Total Non-Labor Expenses	\$111.601	\$180.365	\$181.090	\$186.037	\$190.307	\$196.627
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$242.316	\$300.552	\$310.307	\$320.392	\$329.809	\$342.251
Depreciation	\$20.600	\$23.026	\$25.375	\$24.662	\$21.745	\$19.542
Total Expenses	\$262.916	\$323.578	\$335.682	\$345.054	\$351.554	\$361.793
Baseline Net Surplus/(Deficit)	(\$248.653)	(\$272.337)	(\$283.034)	(\$290.888)	(\$295.804)	(\$305.320)
2006 Agency Program to Eliminate the Gap (PEGs)	\$0.000	\$0.655	\$2.260	\$3.893	\$3.990	\$4.126
Post 2006 Program to Eliminate the Gap						
Net Surplus/(Deficit)	(\$248.653)	(\$271.682)	(\$280.774)	(\$286.995)	(\$291.814)	(\$301.194)

MTA Headquarters
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue						
Rental Income						
Data Center Billings						
Other						
Capital and Other Reimbursements	31.400	41.516	43.080	44.206	45.513	46.936
Total Revenue	\$31.400	41.516	43.080	44.206	45.513	46.936
<u>Expenses</u>						
Labor:						
Payroll		1.427	1.539	1.578	1.624	1.674
Overtime						
Health and Welfare		0.210	0.238	0.243	0.274	0.309
Pensions		0.187	0.202	0.194	0.200	0.206
Other Fringe Benefits		0.120	0.132	0.137	0.141	0.146
Reimbursable Overhead	31.400	38.122	39.484	40.530	41.706	42.985
Total Labor Expenses	\$31.400	40.067	41.594	42.683	43.946	45.320
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance						
Claims						
Paratransit Service Contracts						
Maintenance and Other						
Operating Contracts		0.002	0.002	0.002	0.002	0.002
Professional Service Contracts		1.417	1.443	1.480	1.523	1.570
Materials & Supplies		0.011	0.011	0.011	0.012	0.012
MTA Internal Subsidy						
Other Business Expenses		0.019	0.029	0.030	0.031	0.032
Total Non-Labor Expenses	\$0.000	1.449	1.485	1.523	1.567	1.616
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments						
Total Expenses before Depreciation	\$31.400	41.516	43.079	44.206	45.513	46.936
Depreciation						
Total Expenses	31.400	41.516	43.079	44.206	45.513	46.936
Baseline Net Surplus/(Deficit)	\$0.000	0.000	0.000	0.000	0.000	0.000
2006 Agency Program to Eliminate the Gap (PEGs)						
Post 2006 Program to Eliminate the Gap						
Net Surplus/(Deficit)	\$0.000	0.000	0.000	0.000	0.000	0.000

MTA Headquarters
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue						
Rental Income	7.662	45.474	45.727	47.081	48.488	49.959
Data Center Billings	3.328	1.703	2.753	2.801	2.853	1.963
Other	3.273	4.064	4.168	4.285	4.410	4.551
Capital and Other Reimbursements	31.400	41.516	43.080	44.206	45.513	46.936
Total Revenue	\$45.663	\$92.757	\$95.728	\$98.373	\$101.264	\$103.409
<u>Expenses</u>						
Labor:						
Payroll	108.600	105.865	113.652	116.051	119.397	123.063
Overtime	11.900	11.000	9.947	10.759	11.080	11.411
Health and Welfare	15.900	13.138	15.394	17.284	19.437	21.878
Pensions	16.400	21.083	21.898	22.518	22.802	23.519
Other Fringe Benefits	9.315	9.167	9.921	10.425	10.731	11.073
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	162.115	160.254	170.811	177.038	183.447	190.944
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	3.380	3.335	11.600	12.690	13.892	15.213
Claims	0.000					
Paratransit Service Contracts	0.000					
Maintenance and Other						
Operating Contracts	20.700	56.739	13.760	14.112	14.523	14.969
Professional Service Contracts	34.400	83.981	71.564	73.982	74.819	77.252
Materials & Supplies	2.600	3.283	1.207	1.238	1.274	1.313
MTA Internal Subsidy	43.400	31.511	32.201	32.747	33.705	34.888
Other Business Expenses	7.121	2.965	52.243	52.791	53.663	54.609
Total Non-Labor Expenses	111.601	181.814	182.575	187.561	191.875	198.243
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0
Total Expenses before Depreciation	\$273.716	\$342.068	\$353.386	\$364.598	\$375.322	\$389.187
Depreciation	20.600	23.026	25.375	24.662	21.745	19.542
Total Expenses	\$294.316	\$365.094	\$378.761	\$389.260	\$397.067	\$408.729
Baseline Net Surplus/(Deficit)	(\$248.653)	(\$272.337)	(\$283.034)	(\$290.887)	(\$295.803)	(\$305.320)
2006 Agency Program to Eliminate the Gap (PEGs)	\$0.000	\$0.655	\$2.260	\$3.893	\$3.990	\$4.126
Post 2006 Program to Eliminate the Gap						
Net Surplus/(Deficit)	(\$248.653)	(\$271.682)	(\$280.774)	(\$286.994)	(\$291.813)	(\$301.194)

MTA Headquarters
November Financial Plan 2006 - 2009
Cash Receipts & Expenditures
(\$ in millions)

	2004	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue						
Rental Income	6.599	45.474	45.727	47.081	48.488	49.959
Data Center Billings	3.328	1.703	2.753	2.801	2.853	1.963
Other	3.270	4.064	4.168	4.285	4.410	4.551
Capital and Other Reimbursements	31.400	41.516	43.080	44.206	45.513	46.936
Total Receipts	\$44.597	\$92.757	\$95.728	\$98.373	\$101.264	\$103.409
<u>Expenditures</u>						
Labor:						
Payroll	\$78.932	\$112.597	\$113.214	\$115.614	\$118.960	\$122.625
Overtime	\$11.367	\$11.000	\$9.947	\$10.759	\$11.080	\$11.411
Health and Welfare	\$14.019	\$13.138	\$15.394	\$17.284	\$19.437	\$21.878
Pensions	\$12.250	\$21.499	\$21.728	\$22.329	\$22.598	\$23.291
Other Fringe Benefits	\$8.466	\$9.167	\$9.921	\$10.425	\$10.731	\$11.073
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	(\$0.000)
Total Labor Expenditures	\$125.034	\$167.402	\$170.204	\$176.411	\$182.806	\$190.278
Non-Labor:						
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains						
Insurance	2.881	11.473	12.455	13.637	15.029	16.463
Claims	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	20.655	56.739	13.760	14.112	14.523	14.969
Professional Service Contracts	34.523	84.725	71.864	74.282	75.119	77.552
Materials & Supplies	2.446	3.283	1.207	1.238	1.274	1.313
MTA Internal Subsidy	43.200	31.511	32.201	32.747	33.705	34.888
Other Business Expenses	5.145	2.965	52.243	52.791	53.663	54.609
Total Non-Labor Expenditures	\$108.850	\$190.696	\$183.730	\$188.808	\$193.312	\$199.793
Other Expenditure Adjustments:						
Other	20.900	34.274	21.518	21.339	21.339	20.800
Total Other Expenditure Adjustments	\$20.900	\$34.274	\$21.518	\$21.339	\$21.339	\$20.800
Total Expenditures	\$254.784	\$392.372	\$375.451	\$386.558	\$397.457	\$410.871
Baseline Net Cash Deficit	(\$210.187)	(\$299.615)	(\$279.724)	(\$288.185)	(\$296.192)	(\$307.462)
2006 Agency Program to Eliminate the Gap (PEGs)	0.000	0.655	2.260	3.893	3.990	4.126
Post 2006 Program to Eliminate the Gap						
Net Cash Deficit	(\$210.187)	(\$298.960)	(\$277.464)	(\$284.292)	(\$292.202)	(\$303.336)

MTA Headquarters
November Financial Plan 2006 - 2009
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue						
Rental Income	(1.063)					
Data Center Billings						
Other	(0.003)					
Capital and Other Reimbursements						
Total Receipt Adjustments	(\$1.066)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Expenditures</u>						
Labor:						
Payroll	29.668	(6.732)	0.438	0.438	0.438	0.438
Overtime	0.533					
Health and Welfare	1.881					
Pensions	4.150	(0.416)	0.170	0.189	0.204	0.228
Other Fringe Benefits	0.849					
Reimbursable Overhead						
Total Labor Expenditures	\$37.081	(\$7.148)	\$0.608	\$0.627	\$0.642	\$0.666
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	0.499	(8.138)	(0.855)	(0.947)	(1.137)	(1.250)
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	0.045					
Professional Service Contracts	(0.123)	(0.744)	(0.300)	(0.300)	(0.300)	(0.300)
Materials & Supplies	0.154					
MTA Internal Subsidy	0.200					
Other Business Expenditures	1.976					
Total Non-Labor Expenditures	\$2.751	(\$8.882)	(\$1.155)	(\$1.247)	(\$1.437)	(\$1.550)
Other Expenditure Adjustments:						
Other	(20.900)	(34.274)	(21.518)	(21.339)	(21.339)	(20.800)
Total Other Expenditure Adjustments	(\$20.900)	(\$34.274)	(\$21.518)	(\$21.339)	(\$21.339)	(\$20.800)
Total Cash Conversion Adjustments before Depreciation	\$17.866	(\$50.304)	(\$22.065)	(\$21.959)	(\$22.134)	(\$21.684)
Depreciation Adjustment	\$20.600	\$23.026	\$25.375	\$24.662	\$21.745	\$19.542
Baseline Total Cash Conversion Adjustments	\$38.466	(\$27.278)	\$3.310	\$2.703	(\$0.389)	(\$2.142)
2006 Agency Program to Eliminate the Gap (PEGs)	0.000	0.000	0.000	0.000	0.000	0.000
Post 2006 Program to Eliminate the Gap						
Total Cash Conversion Adjustments	\$38.466	(\$27.278)	\$3.310	\$2.703	(\$0.389)	(\$2.142)

**MTA Headquarters
November Financial Plan 2006-2009
Year-to-Year Changes by Category
Accrual and Cash**

Baseline Assumptions:

The following explanations refer to the year-to-year variances in MTA Baseline assumptions for the July Financial Plan 2006-2009:

Receipts:

Rental Income, Data Center Billings, and Other

- The 2006 Final Proposed Budget reflects an increase in Data Center revenues from the 2005 Final Forecast, resulting from a one-time adjustment of 2005 charges to the Agencies. Revenues for 2007, 2008 and 2009 are inflated by 2.56%, 2.91%, and 3.07%, respectively. However, in 2009, Data Center revenues are reduced when MTA financial obligations for occupying the 460 West 34th Street facility are assumed to be concluded.

Expenditures:

Payroll

- Increases in the 2006 Final Proposed Budget from the 2005 Final Forecast reflect the full year impact of the final contractual MTA Police wage increase, while MTA Headquarters Payroll represents full year staffing levels.
- Thereafter 2007, 2008 and 2009 are inflated by 2.56%, 2.91%, and 3.07%, respectively.

Overtime

- The 2006 Final Proposed Budget primarily reflects a reduction from the 2005 Final Forecast resulting from heightened security overtime that occurred in 2005. Beginning in the latter part of 2005, contractually agreed 12 hour tours for MTAPD were enacted. This results in lower need of overtime usage to cover all identified security related posts.
- Thereafter 2007, 2008 and 2009 are inflated by 2.56%, 2.91%, and 3.07%, respectively.

Health and Welfare

- Increases in the 2006 Final Proposed Budget are projected at 9.34% over 2005 Final Forecast rate due to projected increases in Empire Plan costs for employers. The same percentage increase is reflected in 2007, 2008 and 2009 as well.

Pensions

- The increase in the 2006 Final Proposed Budget reflects a growth of over the 2005 Final Forecast, as a result of higher MTA salaries combined with the effect from higher police wages.
- Thereafter, MTA Police pension requirements are based on the latest actuarial calculations. MTAHQ pension contributions in 2007, 2008 and 2009 are inflated by 2.56%, 2.91%, and 3.07%, respectively.

Other Fringe Benefits

- Increases in all years of the plan for 2007, 2008 and 2009 are inflated by 2.56%, 2.91%, and 3.07, respectively

Insurance

- Increases in the 2006 Preliminary Budget generally reflect increased general liability premiums. Thereafter 2007, 2008, and 2009 are inflated at 10% annually with some off-setting adjustments.
- An MTA wide insurance reserve of \$8.000 million is established in 2006 to plan for increased insurance premium costs throughout Headquarters and the Agencies. Beginning in 2007 and there after, reserve amount is inflated at 10% annually. Cash effect begins in 2005.

Maintenance and Other Operating Contracts

- Decreases from the 2005 Final Forecast for the 2006 Final Proposed Budget of \$42.979 million primarily reflect a reclassification based on how expenses are now reported on monthly and quarterly statements.
- Without the reclassification, expenses for this category in 2006 would have decreased by \$1.029 million reflecting the change in the Security funding mix being offset by higher communication needs as well as higher MTA Inspector General occupancy costs.
- Thereafter 2007, 2008 and 2009 are inflated by 2.56%, 2.91%, and 3.07%, respectively.

Professional Service Contracts

- Decreases from the 2005 Final Forecast for the 2006 Final Proposed Budget of \$12.417 reflect a reclassification based on how expenses are now reported on monthly and quarterly statements. Expenses such as temporary services, marketing and printing, and software support are now captured within Other Business Expenses.
- Without the reclassification, expenses for this category in 2006 would have decreased by \$7.517 million primarily reflecting the Security funding mix identified for 2006 offset by increases identified in the New Needs.
- Thereafter 2007, 2008 and 2009 are inflated by 2.56%, 2.91%, and 3.07%, respectively, with adjustments made to reflect the conclusion of some currently contracted services.

Materials & Supplies

- Decreases from the 2005 Final Forecast for the 2006 Final Proposed Budget of \$2.076 reflect a reclassification based on how expenses are now reported on monthly and quarterly statements.
- Without the reclassification, expenses for this category in 2006 would have shown a slight increase of \$0.302 million primarily reflecting inflation.
- Thereafter 2007, 2008 and 2009 are inflated by 2.56%, 2.91%, and 3.07%, respectively, with some adjustments representing a lower level of required expenses to support MTA Security work.

MTA Internal Subsidy

- All years reflect MTA support requirements for SIRT OA and Long Island Bus based on projected revenue and support shortfalls from state and local governments.

Other Business Expenses

- Increases from the 2005 Final Forecast for the 2006 Final Proposed Budget of \$49.278 million reflect a reclassification based on how expenses are now reported on monthly and quarterly statements.
- Without the reclassification, expenses for this category in 2006 would have shown a slight increase of \$0.079 million primarily reflecting MTA's New Needs offset by other savings that were taken.
- Expenses for 2007, 2008 and 2009 are inflated by 2.56%, 2.91%, and 3.07%, respectively.

Other Expenditure Adjustments:

Capital Expenditures

- 2006 expenditures reflect a decrease of \$12.756 million primarily as a result of capital support of the MTA PeopleSoft Initiative no longer being required as well as a lower level of MTA Inspector General requirements.
- Thereafter, expenditures for 2007 and 2008 reflect operating capital needs of \$21.339 million and \$20.800 million in 2009.

MTA Headquarters
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2005 November Forecast	2006 Final Proposed Budget	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<u>Revenue</u>									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	45.474	45.727	0.253	47.081	1.354	48.488	1.407	49.959	1.471
Data Center Billings	1.703	2.753	1.050	2.801	0.048	2.853	0.052	1.963	(0.890)
Other	4.064	4.168	0.104	4.285	0.117	4.410	0.125	4.551	0.141
Capital and Other Reimbursements	41.516	43.080	1.564	44.206	1.127	45.513	1.307	46.936	1.422
Total Revenue	\$92.757	\$95.728	\$2.971	\$98.373	\$2.646	\$101.264	\$2.891	\$103.409	\$2.145
<u>Expenses</u>									
Labor:									
Payroll	105.865	113.652	(\$7.787)	\$116.051	(\$2.399)	119.397	(\$3.346)	123.063	(\$3.666)
Overtime	11.000	9.947	1.053	\$10.759	(0.812)	11.080	(0.321)	11.411	(0.331)
Health and Welfare	13.138	15.394	(2.256)	\$17.284	(1.890)	19.437	(2.153)	21.878	(2.441)
Pensions	21.083	21.898	(0.815)	\$22.518	(0.620)	22.802	(0.284)	23.519	(0.717)
Other Fringe Benefits	9.167	9.921	(0.753)	\$10.425	(0.505)	10.731	(0.306)	11.073	(0.341)
Reimbursable Overhead	0.000	0.000	0.000	\$0.000	0.000	0.000	0.000	(0.000)	0.000
Total Labor Expenses	\$160.254	\$170.811	(\$10.558)	\$177.038	(\$6.226)	\$183.447	(\$6.410)	\$190.944	(\$7.496)
Non-Labor:									
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains									
Insurance	3.335	11.600	(8.265)	12.690	(1.091)	13.892	(1.201)	15.213	(1.321)
Claims									
Paratransit Service Contracts									
Maintenance and Other Operating Contracts	56.739	13.760	42.979	14.112	(0.352)	14.523	(0.411)	14.969	(0.446)
Professional Service Contracts	83.981	71.564	12.417	73.982	(2.418)	74.819	(0.837)	77.252	(2.433)
Materials & Supplies	3.283	1.207	2.076	1.238	(0.031)	1.274	(0.035)	1.313	(0.039)
MTA Internal Subsidy	31.511	32.201	(0.690)	32.747	(0.546)	33.705	(0.958)	34.888	(1.183)
Other Business Expenses	2.965	52.243	(49.278)	52.791	(0.548)	53.663	(0.872)	54.609	(0.946)
Total Non-Labor Expenses	\$181.814	\$182.575	(\$0.760)	\$187.561	(\$4.986)	\$191.875	(\$4.314)	\$198.243	(\$6.368)
Other Expenses 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	\$342.068	\$353.386	(\$11.318)	\$364.598	(\$11.212)	\$375.322	(\$10.724)	\$389.187	(\$13.865)
Depreciation	23.026	25.375	(2.349)	24.662	0.713	21.745	2.917	19.542	2.203
Total Expenses	\$365.094	\$378.761	(\$13.667)	\$389.260	(\$10.499)	\$397.067	(\$7.807)	\$408.729	(\$11.662)
Baseline Net Surplus/(Deficit)	(\$272.337)	(\$283.034)	(\$10.697)	(\$290.887)	(\$7.854)	(\$295.803)	(\$4.916)	(\$305.320)	(\$9.517)
Program to Eliminate the Gap	0.655	2.26	\$1.605	3.893	\$2.288	3.990	\$1.702	4.126	\$2.424
Net Surplus/(Deficit)	(\$271.682)	(\$280.774)	(\$9.092)	(\$286.994)	(\$6.221)	(\$291.813)	(\$4.819)	(\$301.194)	(\$9.381)

MTA Headquarters
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2005 November Forecast	2006 Final Proposed Budget	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<u>Receipts</u>									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Rental Income	45.474	45.727	0.253	47.081	1.354	48.488	1.407	49.959	1.471
Data Center Billings	1.703	2.753	1.050	2.801	0.048	2.853	0.052	1.963	(0.890)
Other	4.064	4.168	0.104	4.285	0.117	4.410	0.125	4.551	0.141
Capital and Other Reimbursements	41.516	43.080	1.564	44.206	1.127	45.513	1.307	46.936	1.422
Total Receipts	\$92.757	\$95.728	\$2.971	\$98.373	\$2.646	\$101.264	\$2.891	\$103.409	\$2.145
<u>Expenditures</u>									
Labor:									
Payroll	\$112.597	\$113.214	(\$0.617)	115.614	(\$2.399)	118.960	(\$3.346)	122.625	(\$3.666)
Overtime	\$11.000	\$9.947	1.053	10.759	(0.812)	11.080	(0.321)	11.411	(0.331)
Health and Welfare	\$13.138	\$15.394	(2.256)	17.284	(1.890)	19.437	(2.153)	21.878	(2.441)
Pensions	\$21.499	\$21.728	(0.229)	22.329	(0.601)	22.598	(0.269)	23.291	(0.693)
Other Fringe Benefits	\$9.167	\$9.921	(0.753)	10.425	(0.505)	10.731	(0.306)	11.073	(0.341)
Reimbursable Overhead	\$0.000	\$0.000	0.000	0.000	0.000	0.000	0.000	(0.000)	0.000
Total Labor Expenditures	\$167.402	\$170.204	(\$2.802)	\$176.411	(\$6.207)	\$182.806	(\$6.395)	\$190.278	(\$7.472)
Non-Labor:									
Traction and Propulsion Power									\$0.000
Fuel for Buses and Trains									0.000
Insurance	11.473	12.455	(0.982)	13.637	(1.183)	15.029	(1.391)	16.463	(1.434)
Claims									0.000
Paratransit Service Contracts									0.000
Maintenance and Other Operating Contracts	56.739	13.760	42.979	14.112	(0.352)	14.523	(0.411)	14.969	(0.446)
Professional Service Contracts	84.725	71.864	12.861	74.282	(2.418)	75.119	(0.837)	77.552	(2.433)
Materials & Supplies	3.283	1.207	2.076	1.238	(0.031)	1.274	(0.035)	1.313	(0.039)
MTA Internal Subsidy	31.511	32.201	(0.690)	32.747	(0.546)	33.705	(0.958)	34.888	(1.183)
Other Business Expenses	2.965	52.243	(49.278)	52.791	(0.548)	53.663	(0.872)	54.609	(0.946)
Total Non-Labor Expenditures	\$190.696	\$183.730	\$6.967	\$188.808	(\$5.078)	\$193.312	(\$4.504)	\$199.793	(\$6.481)
Other Expenditure Adjustments:									
Other	34.274	21.518	\$12.756	21.339	\$0.179	21.339	\$0.000	20.800	\$0.539
Total Other Expenditure Adjustments	\$34.274	\$21.518	\$12.756	\$21.339	\$0.179	\$21.339	\$0.000	\$20.800	\$0.539
Total Expenditures	\$392.372	\$375.451	\$16.921	\$386.558	(\$11.106)	\$397.457	(\$10.899)	\$410.871	(\$13.415)
Baseline Net Cash Deficit	(\$299.615)	(\$279.724)	\$19.891	(\$288.185)	(\$8.461)	(\$296.192)	(\$8.008)	(\$307.462)	(\$11.270)
2006 Agency Program to Eliminate the Gap (PEGs)	0.655	2.260	\$1.605	3.893	\$1.633	3.990	\$0.097	4.126	\$0.136
Post 2006 Program to Eliminate the Gap									
Net Cash Deficit	(\$298.960)	(\$277.464)	\$21.496	(\$284.292)	(\$6.828)	(\$292.202)	(\$7.911)	(\$303.336)	(\$11.134)

MTA Headquarters
November Financial Plan 2006 - 2009
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$263.382)	(\$245.073)	(\$252.606)	(\$259.535)	(\$268.672)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Reduced Data Center Revenue	0.000	(0.340)	(0.349)	(0.360)	0.000
Sub-Total Non-Reimbursable Revenue Changes	\$.000	(\$.340)	(\$.349)	(\$.360)	\$.000
Expenses					
Police Overtime Restimates (Salary and related fringe)	(1.977)	0.302	0.307	0.312	0.316
Reallocation of MTA Security Funding	(21.421)	(13.007)	(15.040)	(15.054)	(16.588)
Additional MTA Security Funding	0.000	(6.104)	(6.104)	(6.104)	(6.104)
MTA Administrative Needs	(3.068)	(4.739)	(4.661)	(4.801)	(4.954)
Higher Data Center Relocation Costs	(0.850)				
Change in Pension Assumptions	(0.717)	(0.051)	0.494	0.887	0.922
MTA Insurance Reserve	0.000	(8.000)	(8.800)	(9.680)	(10.648)
MTA Internal Subsidy	0.130	(0.080)	0.179	0.283	0.458
All Other Changes	0.966	(0.989)	0.043	(0.391)	(0.839)
Sub-Total Non-Reimbursable Expense Changes	(\$26.937)	(\$32.668)	(\$33.582)	(\$34.548)	(\$37.437)
Total Non-Reimbursable Major Changes	(\$26.937)	(\$33.008)	(\$33.931)	(\$34.908)	(\$37.437)
<i>Reimbursable Major Changes</i>					
Revenue					
Reduced Expense Recovery (Transit Museum)	(\$.238)	(\$.125)	(\$.230)	(\$.242)	(\$.288)
Sub-Total Reimbursable Revenue Changes	(\$.238)	(\$.125)	(\$.230)	(\$.242)	(\$.288)
Expenses					
Sub-Total Reimbursable Expense Changes					
Total Reimbursable Major Changes	(\$.238)	(\$.125)	(\$.230)	(\$.242)	(\$.288)
Total Accrual Changes	(\$27.175)	(\$33.133)	(\$34.160)	(\$35.150)	(\$37.725)
<i>Cash Adjustment Changes</i>					
Increased Operating Capital Project Funding	(\$1.058)	(\$0.718)	(\$0.539)	(\$0.539)	\$0.000
MTA Insurance Reserve	(\$8.000)	(\$0.800)	(\$0.880)	(\$0.968)	(\$1.065)
Total Cash Adjustment Changes	(\$9.058)	(\$1.518)	(\$1.419)	(\$1.507)	(\$1.065)
Total Baseline Changes	(\$36.234)	(\$34.651)	(\$35.579)	(\$36.658)	(\$38.790)
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$299.615)	(\$279.724)	(\$288.185)	(\$296.192)	(\$307.462)

**MTA Headquarters
November Financial Plan 2006-2009
Summary of Changes Between Financial Plans by Category**

The following explanations summarize the total differences between the July Financial Plan and the February Financial Plan:

2005: November Financial Plan vs. July Financial Plan

The Net Cash Deficit in the 2005 November Financial Plan of \$298.960 million is higher than the July Plan of \$262.727 million, an increase of \$36.234 million. The unfavorable impact results primarily from the reallocation of MTA Security funding. Due to the growth in spending by Agencies on security projects and the need to follow appropriate accounting procedures, MTA Headquarters will reimburse the Agencies for amounts spent on capital ineligible security projects. This, in turn, will affect MRT-1 usage calculations and will also result in substantial increases to MTA Headquarters' budget in every year. This will be offset MTA-wide by reductions in MRT-2 funding. The timing of payments resulting from the establishment of an MTA wide insurance reserve, beginning in 2006, negatively impact the cash deficit by \$8.000 million. Additionally, increased payroll and benefit expenses resulting primarily from higher police overtime due to heightened security and re-estimates of pension plan contributions add to the unfavorable variance. MTA Headquarters has identified \$3.918 million of additional financial requirements that add to the increase in expenses. Higher operating capital expenditures for MTA Headquarters as well as the MTA Inspector General contribute \$1.058 million in increased expenditures. Partly offsetting the increases is the favorable impact of MTA Headquarters' PEG Program of \$0.655 million in savings that begins in 2005, which remains unchanged from the July Plan.

2006: November Financial Plan vs. July Financial Plan

The Operating Cash Deficit in the 2005 November Financial Plan for 2006 is \$277.464 million. This is \$34.651 million higher than the July Financial Plan of \$242.813. The predominant cause of this increase is the MTA Security funding reallocation, which results in \$13.007 million in higher costs as well as new security initiatives of \$6.104 million. The remainder of the increase comes primarily from the MTA wide insurance reserve as well as additional financial requirements of \$4.739 million. Increased operating capital funding for MTA Headquarters and MTA Inspector General of \$0.718 also contribute to the unfavorable variance. Partly offsetting the increases is the favorable impact of MTA Headquarters' PEG Program of \$2.260 million, which remains unchanged from the July Plan.

Beginning in 2006, the November Plan reclassifies MTA Headquarters expenses to reflect how they are reported on monthly and quarterly reports. While this reclassification has no impact on total expenses, it creates variances in expense categories from the July Financial Plan. In 2006, \$4.900 million in expenses previously

considered as Professional Services, \$41.941 million in expenses previously considered Maintenance and Other Operating Contracts and \$2.378 million of expenses previously considered Supplies, are now reclassified as Other Business Expenses.

2007: November Financial Plan vs. July Financial Plan

The Operating Cash Deficit in the 2005 November Financial Plan for 2007 is \$284.292 million. This is \$35.579 million is higher than the July Financial Plan of \$248.713. The predominant causes of this increase are the MTA Security funding reallocation and additional spending, which results in \$21.144 million in higher costs and the \$9.680 million effect of the MTA wide insurance reserve. The remainder of the increase comes primarily from additional financial requirements of \$4.661 million as well as increased operating capital funding for MTA Headquarters of \$0.539 million. Partly offsetting the increases is the favorable impact of MTA Headquarters' PEG Program of \$3.893 million, which remains unchanged from the July Plan.

The reclassification of expenses in 2007 reflects, \$4.820 million in expenses previously considered as Professional Services, \$42.430 million in expenses previously considered Maintenance and Other Operating Contracts and \$2.439 million of expenses previously considered Supplies, now reported as Other Business Expenses.

2008: November Financial Plan vs. July Financial Plan

The Operating Cash Deficit in the 2005 November Financial Plan for 2008 is \$292.202 million. This is \$36.658 million is higher than the July Financial Plan of \$255.545. The predominant causes of this increase are the MTA Security funding reallocation and additional spending, which results in \$21.158 million in higher costs and the \$10.648 million effect of the MTA wide insurance reserve. The remainder of the increase comes primarily from additional financial requirements of \$4.801 million as well as increased operating capital funding for MTA Headquarters of \$0.539 million. Partly offsetting the increases is the favorable impact of MTA Headquarters' PEG Program of \$3.990 million, which remains unchanged from the July Plan.

The reclassification of expenses in 2008 reflects, \$4.961 million in expenses previously considered as Professional Services, \$43.000 million in expenses previously considered Maintenance and Other Operating Contracts and \$2.510 million of expenses previously considered Supplies, now reported as Other Business Expenses.

2009: November Financial Plan vs. July Financial Plan

The Operating Cash Deficit in the 2005 November Financial Plan for 2009 is \$303.336 million. This is \$38.790 million is higher than the July Financial Plan of \$264.546. The predominant causes of this increase are the MTA Security funding reallocation and additional spending, which results in \$22.692 million in higher costs and the \$11.713

million effect of the MTA wide insurance reserve. The remainder of the increase comes primarily from additional financial requirements of \$4.954 million. Partly offsetting the increases is the favorable impact of MTA Headquarters' PEG Program of \$4.126 million, which remains unchanged from the July Plan.

The reclassification of expenses in 2009 reflects, \$5.113 million in expenses previously considered as Professional Services, \$43.619 million in expenses previously considered Maintenance and Other Operating Contracts and \$2.587 million of expenses previously considered Supplies, now reported as Other Business Expenses.

MTA Headquarters
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$263.382)	(\$245.073)	(\$252.606)	(\$259.535)	(\$268.672)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income					
Data Center Billings		(\$.340)	(\$.349)	(\$.360)	\$.000
Other					
Capital and Other Reimbursement					
Total Revenue Changes	\$.000	(\$.340)	(\$.349)	(\$.360)	\$.000
Expenses					
Labor:					
Payroll	\$.758	(\$.914)	(\$.713)	(\$.669)	(\$.560)
Overtime	(\$1.500)	\$.228	\$.230	\$.232	\$.234
Health and Welfare	\$.098	(\$.457)	(\$.424)	(\$1.001)	(\$1.718)
Pensions	(\$.980)	(\$.132)	\$.453	\$.845	\$.880
Other Fringe Benefits	(\$.056)	(\$.060)	(\$.041)	(\$.042)	(\$.044)
Reimbursable Overhead	(\$.250)	(\$.201)	(\$.299)	(\$.321)	(\$.376)
Total Labor Expense Changes	(\$1.930)	(\$1.536)	(\$.794)	(\$.955)	(\$1.584)
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	\$.000	(\$8.000)	(\$8.800)	(\$9.680)	(\$10.648)
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	\$6.859	\$49.684	\$50.222	\$50.775	\$51.403
Professional Service Contracts	(\$36.328)	(\$29.604)	(\$30.966)	(\$30.852)	(\$32.226)
Materials & Supplies	\$4.065	\$5.880	\$5.944	\$6.012	\$6.088
MTA Internal Subsidy	\$.130	(\$.080)	\$.179	\$.283	\$.458
Other Business Expenses	\$.029	(\$49.137)	(\$49.598)	(\$50.376)	(\$51.217)
Total Non-Labor Expense Changes	(\$25.245)	(\$31.257)	(\$33.019)	(\$33.836)	(\$36.142)
Total Expense Changes	(\$27.175)	(\$32.793)	(\$33.811)	(\$34.791)	(\$37.726)
Cash Adjustment Changes					
Other Expense Adjustments	(1.058)	(.718)	(.539)	(.539)	.000
MTA Insurance Reserve	(8.000)	(.800)	(.880)	(.968)	(1.065)
Total Cash Adjustment Changes	(\$9.058)	(\$1.518)	(\$1.419)	(\$1.507)	(\$1.065)
Total Baseline Changes	(\$36.233)	(\$34.651)	(\$35.579)	(\$36.658)	(\$38.791)
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$299.615)	(\$279.724)	(\$288.185)	(\$296.192)	(\$307.462)

MTA Headquarters
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income					
Data Center Billings					
Other					
Capital and Other Reimbursement	(\$.238)	(\$.125)	(\$.230)	(\$.242)	(\$.288)
Total Revenue Changes	(\$.238)	(\$.125)	(\$.230)	(\$.242)	(\$.288)
Expenses					
Labor:					
Payroll	(\$.009)	(\$.055)	(\$.053)	(\$.054)	(\$.054)
Overtime					
Health and Welfare	(\$.001)	(\$.009)	(\$.008)	(\$.017)	(\$.028)
Pensions	(\$.001)	(\$.007)	(\$.006)	(\$.007)	(\$.007)
Other Fringe Benefits	(\$.000)	(\$.005)	(\$.004)	(\$.004)	(\$.005)
Reimbursable Overhead	\$.250	\$.201	\$.299	\$.321	\$.377
Total Labor Expense Changes	\$.238	\$.126	\$.227	\$.238	\$.283
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Professional Services	\$.000	\$.010	\$.014	\$.014	\$.016
Materials & Supplies	\$.000	\$.000	\$.000	\$.000	\$.000
MTA Internal Subsidy					
Other Business Expenses	\$.000	(\$.010)	(\$.011)	(\$.011)	(\$.011)
Total Non-Labor Expense Changes	\$.000	\$.000	\$.003	\$.003	\$.005
Total Expense Changes	\$.238	\$.126	\$.230	\$.242	\$.288
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA Headquarters
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$263.382)	(\$245.073)	(\$252.606)	(\$259.535)	(\$268.672)
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Rental Income	.000	.000	.000	.000	.000
Data Center Billings	.000	(.340)	(.349)	(.360)	.000
Other	.000	.000	.000	.000	.000
Capital and Other Reimbursement	(.238)	(.125)	(.230)	(.242)	(.288)
Total Revenue Changes	(\$.238)	(\$.465)	(\$.579)	(\$.602)	(\$.288)
Expenses					
Labor:					
Payroll	\$.749	(\$.969)	(\$.766)	(\$.723)	(\$.614)
Overtime	(\$1.500)	\$.228	\$.230	\$.232	\$.234
Health and Welfare	\$.097	(\$.466)	(\$.432)	(\$1.018)	(\$1.746)
Pensions	(\$.981)	(\$.139)	\$.447	\$.838	\$.873
Other Fringe Benefits	(\$.056)	(\$.065)	(\$.045)	(\$.046)	(\$.049)
Reimbursable Overhead	(\$.000)	\$.000	\$.000	\$.000	\$.001
Total Labor Expense Changes	(\$1.692)	(\$1.410)	(\$.567)	(\$.716)	(\$1.301)
Non-Labor:					
Traction and Propulsion Power	\$.000	\$.000	\$.000	\$.000	\$.000
Fuel for Buses and Trains	\$.000	\$.000	\$.000	\$.000	\$.000
Insurance	\$.000	(\$8.000)	(\$8.800)	(\$9.680)	(\$10.648)
Claims	\$.000	\$.000	\$.000	\$.000	\$.000
Paratransit Service Contracts	\$.000	\$.000	\$.000	\$.000	\$.000
Maintenance and Other Operating Contracts	\$6.859	\$49.684	\$50.222	\$50.775	\$51.403
Professional Services	(\$36.328)	(\$29.594)	(\$30.952)	(\$30.838)	(\$32.210)
Materials & Supplies	\$4.065	\$5.880	\$5.944	\$6.012	\$6.088
MTA Internal Subsidy	\$.130	(\$.080)	\$.179	\$.283	\$.458
Other Business Expenses	\$.029	(\$49.147)	(\$49.609)	(\$50.387)	(\$51.228)
Total Non-Labor Expense Changes	(\$25.245)	(\$31.257)	(\$33.016)	(\$33.832)	(\$36.137)
Total Expense Changes	(\$26.937)	(\$32.667)	(\$33.582)	(\$34.549)	(\$37.437)
Cash Adjustment Changes					
Operating Capital	(1.058)	(.718)	(.539)	(.539)	.000
Other Business Expenses	(8.000)	(.800)	(.880)	(.968)	(1.065)
	.000	.000	.000	.000	.000
Total Cash Adjustment Changes	(\$9.058)	(\$1.518)	(\$1.419)	(\$1.507)	(\$1.065)
Total Baseline Changes	(\$36.234)	(\$34.651)	(\$35.579)	(\$36.658)	(\$38.791)
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$299.615)	(\$279.724)	(\$288.185)	(\$296.192)	(\$307.462)

MTA Headquarters
November Financial Plan 2006 - 2009
PEG Reconciliation (List of Changes) Between Financial Plans
(\$ in millions)

	2005 November Forecast		2006 Final Proposed Budget		2007		2008		2009	
	<i>Positions</i>	<i>Dollars</i>	<i>Positions</i>	<i>Dollars</i>	<i>Positions</i>	<i>Dollars</i>	<i>Positions</i>	<i>Dollars</i>	<i>Positions</i>	<i>Dollars</i>
2005 July Financial Plan - Total PEGs	3	\$0.655	4	\$2.260	7	\$3.893	7	\$3.990	7	\$4.126
List of PEG Changes										
Administration (List changes by PEG)										
Total Administrative Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Customer Convenience & Amenities (List changes by PEG)										
Total Customer Convenience & Amenities Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service (List changes by PEG)										
Total Service Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Maintenance (List changes by PEG)										
Total Maintenance Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Revenue Enhancements (List changes by PEG)										
Total Revenue Enhancement Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Other (List changes by PEG)										
Total Other Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Total PEG Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
2005 November Financial Plan - Total PEGs	3	\$0.655	4	\$2.260	7	\$3.893	7	\$3.990	7	\$4.126

MTA Headquarters
November Financial Plan 2006 - 2009
Summary of PEGs
(\$ in millions)

Favorable/(Unfavorable)										
2005 November Forecast			2006 Final Proposed Budget		2007		2008		2009	
Positions	Dollars		Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
LIST of PROGRAMS										
Administration:										
MTA Headquarters Headcount Reduction Program										
3	\$.251		4	\$.320	7	\$.758	7	\$.788	7	\$.827
MTA Police Reduction of Overtime PEG										
	\$.000			\$.139		\$.971		\$ 1.009		\$ 1.050
MTA Headquarters Non-Personnel Expense Reduction Program										
	\$.404			\$ 1.801		\$ 2.164		\$ 2.193		\$ 2.249
Sub-Total Administration										
3	\$.655		4	\$ 2.260	7	\$ 3.893	7	\$ 3.990	7	\$ 4.126
Customer Convenience & Amenities:										
Sub-Total Customer Convenience & Amenities										
0	\$.000		0	\$.000	0	\$.000	0	\$.000	0	\$.000
Service:										
Sub-Total Service										
0	\$.000		0	\$.000	0	\$.000	0	\$.000	0	\$.000
Maintenance:										
Sub-Total Maintenance										
0	\$.000		0	\$.000	0	\$.000	0	\$.000	0	\$.000
Revenue Enhancements:										
Sub-Total Revenue Enhancements										
0	\$.000		0	\$.000	0	\$.000	0	\$.000	0	\$.000
Other:										
Sub-Total Other										
0	\$.000		0	\$.000	0	\$.000	0	\$.000	0	\$.000
3	\$.655		4	\$ 2.260	7	\$ 3.893	7	\$ 3.990	7	\$ 4.126

MTA HEADQUARTERS
November Financial Plan 2006 - 2009
PEG Worksheet

PEG Program Category: Administration
Program: Headcount Reduction Program

Background Details:	MTA Headquarters has identified certain positions which can be eliminated through productivity improvements which provide savings throughout the plan period. As Financial Management/Budget personnel become proficient in the use of integrated systems provided by the PeopleSoft initiative, it will be possible to eliminate staff through increased productivity over the next two years. Additionally, headcount and salary savings have been identified in other departments where positions are no longer necessary or the workload can be handled by existing staff.
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PEG Description and Implementation Plan:	Savings for this PEG begin in 2005 and continue through the plan period. Five (5) positions have been identified for reduction within the CFO/Financial Management/Budget area. Additionally, the Office of the General Counsel has identified one (1) position that can be eliminated by distributing workload among existing staff, along with eliminating two paid intern positions. The Policy and Safety Division has identified that one (1) position is no longer required due to productivity gains by existing staff. The Office of the Inspector General has also identified two (2) positions which can be eliminated beginning in 2007. While the reduction of two (2) IG positions and the two (2) unpaid interns will not effect MTA Headquarters headcount levels, the resulting salary and fringe savings are reflected in the PEG.
PEG Implementation Date:	2006
	When will PEG savings begin?: 2005

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)		\$0.251	\$0.320	\$0.758	\$0.788	\$0.827
<i>Total Reduction in Positions Required</i>						
Supervisor Information Services (Policy)		0	0	1	1	1
Senior Project Manager (Financial Management)		1	1	1	1	1
Accountant (Financial Management)		0	1	1	1	1
Payroll Clerk (Financial Management)		0	0	2	2	2
Administrator I (Budget)		1	1	1	1	1
Senior Executive Secretary (General Counsel)		1	1	1	1	1
Total		3	4	7	7	7
Current Vacancies		0	0	0	0	0
Supervisor Information Services (Policy)		0	0	1	1	1
Senior Project Manager (Financial Management)		1	1	1	1	1
Accountant (Financial Management)		0	1	1	1	1
Payroll Clerk (Financial Management)		0	0	2	2	2
Administrator I (Budget)		1	1	1	1	1
Senior Executive Secretary (General Counsel)		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 HEADQUARTERS
November Financial Plan 2006 - 2009
PEG Worksheet

PEG Program Category: Administration

Program: MTA Headquarters Non-Personnel Expense Reduction Program

Background Details:	MTA Headquarters has re-examined all non-personnel operating expenses and has identified significant savings for the plan period. These savings come from reassessing needs across all departments and all expense categories and finding savings. Reductions in professional services result, in part, from reduced lobbying contracts and reduced temporary service needs. Additionally, a lower level of new security needs are required as the number of security upgrades throughout the MTA system are completed and implemented. Savings in materials and supplies result primarily from reduced equipment requirements throughout Headquarters, along with reductions in office furniture/equipment and supplies requests. Lower maintenance and operating contracts result from lower facility maintenance charges as well as efficiencies in operations. Reduced other expenses are a result of reductions taken in employee expenses.
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PEG Description and Implementation Plan:	Despite this PEG beginning in 2006, some savings for this PEG are realized in 2005 as certain non-personnel expenses have been eliminated or reduced. Significant savings begin in 2006 and 2007 as the full effect of the reductions are realized.	
PEG Implementation Date:	2006	When will PEG savings begin?: 2005

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)		\$0.404	\$1.801	\$2.164	\$2.193	\$2.249
<i>Total Reduction in Positions Required</i> <i>(List title of positions)</i>						
Current Vacancies <i>(List title of vacant positions)</i>		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)						
<i>List of Other Concerns:</i>						

MTA HEADQUARTERS
November Financial Plan 2006 - 2009
PEG Worksheet

PEG Program Category: Administration
Program: MTA Police Reduction of Overtime PEG

Background Details:	MTAPD has instituted increased senior management controls and placed more stringent requirements on District Commanding Officers in their assignment of overtime tours. In addition, since the implementation of PeopleSoft, detailed overtime usage reports have been developed by MTA staff to assist the MTAPD command in analyzing overtime usage.
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PEG Description and Implementation Plan:	Savings for this PEG begin in 2006 with modest savings of overtime pay. Beginning in 2007, more significant savings are expected and continue throughout the Plan period. In addition to the payroll savings, savings will also be experienced in fringe benefits.
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	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)		\$0.000	\$0.139	\$0.971	\$1.009	\$1.050
<i>Total Reduction in Positions Required</i>						
<i>(List title of positions)</i>						
Current Vacancies		0	0	0	0	0
<i>(List title of vacant positions)</i>						
<i>Impact on Operations:</i>						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other						
(Identify Appropriate Indicator)						
<i>List of Other Concerns:</i>						

**MTA Headquarters
November Financial Plan 2006-2009
Positions**

Other Assumptions

A baseline headcount of 1,356 positions is forecasted for 2005, with this level of employees increasing by four additional positions in 2006, for a total of 1,360 positions. This then remains constant throughout the remainder of the plan. Offsetting the additional personnel are PEG Savings reductions. Beginning in 2005 PEG reductions lower the total headcount by three positions to 1,353. For the 2006 Preliminary Budget PEG Savings provide one additional headcount reduction for a headcount of 1,356. In 2007 three additional position savings are achieved as the full effect of the Programs to Eliminate the Gap impact MTA Headquarters. This final reduction results in a total headcount of 1,353 heads and remains constant throughout the plan period.

MTA Headquarters
November Financial Plan 2006 - 2009
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2004 Actuals	2005 Mid-Year Forecast	2006 Final Proposed Budget	2007	2008	2009
Administration						
Executive Office	6	6	6	6	6	6
Administration	187	209	212	212	212	212
Audit	97	98	98	98	98	98
Budget and Financial Management	101	125	124	124	124	124
DED Corp. Affairs & Communications	45	51	51	51	51	51
Dir Communications/Press Secretary	4	4	4	4	4	4
DED General Counsel	70	77	77	77	77	77
Chief of Staff/Senior Policy Advisor	7	6	6	6	6	6
Special Proj Development/Planning	8	9	9	9	9	9
Labor Relations	30	31	33	33	33	33
PCAC	1	1	1	1	1	1
Safety Programs	0	0	0	0	0	0
Vending Fare Media	5	7	7	7	7	7
Corporate Account	27	13	13	13	13	13
Total Administration Positions	588	637	641	641	641	641
<u>Public Safety</u>	<u>691</u>	<u>719</u>	<u>719</u>	<u>719</u>	<u>719</u>	<u>719</u>
Total MTA	1,279	1,356	1,360	1,360	1,360	1,360
<i>Non-Reimbursable</i>	1,232	1,322	1,326	1,326	1,326	1,326
<i>Reimbursable</i>	47	34	34	34	34	34
Total Full-Time	1,279	1,356	1,360	1,360	1,360	1,360
Total Full-Time-Equivalents						
Impact of:						
PEG Program		(3)	(4)	(7)	(7)	(7)
Total Positions	1,279	1,353	1,356	1,353	1,353	1,353
<i>Non-Reimbursable</i>	1,232	1,319	1,322	1,319	1,319	1,319

MTA Headquarters
November Financial Plan 2006-2009
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006 Final Proposed	2007	2008	2009
Administration				
Managers/Supervisors	387	387	387	387
Professional, Technical, Clerical	254	254	254	254
Operational Hourlies	-	-	-	-
Total Administration	641	641	641	641
Operations				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	-	-	-	-
Operational Hourlies	-	-	-	-
Total Operations	-	-	-	-
Maintenance				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	-	-	-	-
Operational Hourlies	-	-	-	-
Total Maintenance	-	-	-	-
Engineering/Capital				
Managers/Supervisors	-	-	-	-
Professional, Technical, Clerical	-	-	-	-
Operational Hourlies	-	-	-	-
Total Engineering/Capital	-	-	-	-
Public Safety				
Managers/Supervisors	29	29	29	29
Professional, Technical, Clerical	51	51	51	51
Operational Hourlies (Uniformed)	639	639	639	639
Total Public Safety	719	719	719	719
Total MTA				
Managers/Supervisors	416	416	416	416
Professional, Technical, Clerical	305	305	305	305
Operational Hourlies	639	639	639	639
Total	1,360	1,360	1,360	1,360
Baseline Total Positions	1,360	1,360	1,360	1,360
Non-Reimbursable	1,326	1,326	1,326	1,326
Reimbursable	34	34	34	34
Total Full-Time	-	-	-	-
Total Full-Time Equivalents	-	-	-	-
Impact of: 2006 Program to Eliminate the Gap	(4)	(7)	(7)	(7)
Total Positions	1,356	1,353	1,353	1,353
Non-Reimbursable	1,322	1,319	1,319	1,319
Reimbursable	34	34	34	34
Total Full-Time	1,356	1,353	1,353	1,353
Total Full-Time Equivalents	-	-	-	-

**Inspector General
2006 Final Proposed Budget
July Financial Plan 2006 – 2009**

Mission Statement

The mission of the Metropolitan Transportation Authority Office of the Inspector General is to reduce fraud, waste, abuse and corruption throughout the MTA. Through its investigations and audits, the OIG seeks to enhance the efficiency, effectiveness, safety, and quality of MTA operations.

Financial Overview

Mindful of its obligations to enhance the efficiency, effectiveness, safety and quality of MTA agencies operations, MTA OIG has identified savings that will assist in reducing MTA expenses over the Financial Plan Period. This has been accomplished by reassessing needs across all units of the OIG and all expense categories and finding savings. Beginning in 2006, reductions in maintenance and other operating contracts will result from reduced need for automobile rentals, repair of computer equipment and telephone expenditures, offsetting the need for higher occupancy costs. Savings in professional service contracts will result from lower anticipated recruitment and printing expenses. Reductions in materials and supplies are due to reduced needs of office supplies/furniture, data processing and other equipment requests. Other reduced expenses are the result of reductions in employee expenses. Beginning in 2007, savings in labor expenses will be the result of the elimination of two vacant positions.

MTA Inspector General
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

REIMBURSABLE

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements	\$9.143	\$9.643	\$11.726	\$12.027	\$12.386	\$12.795
Total Revenue	\$9.143	\$9.643	\$11.726	\$12.027	\$12.386	\$12.795
<u>Expenses</u>						
Labor:						
Payroll	5.789	5.639	6.813	7.017	7.191	7.412
Overtime	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.403	0.568	0.786	0.899	0.983	1.074
Pensions	0.366	0.515	0.674	0.715	0.736	0.760
Other Fringe Benefits	0.260	0.366	0.477	0.506	0.521	0.537
Reimbursable Overhead						
Total Labor Expenses	\$6.818	\$7.088	\$8.750	\$9.138	\$9.431	\$9.783
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	0.007	0.035	0.036	0.037	0.038	0.039
Claims						
Paratransit Service Contracts						
Maintenance and Other						
Operating Contracts	1.491	1.683	0.109	0.112	0.115	0.119
Professional Service Contracts	0.081	0.061	0.015	0.015	0.016	0.016
Materials & Supplies	0.073	0.103	0.042	0.043	0.044	0.046
MTA Internal Subsidy	0.000	0.000	0.000	0.000	0.000	0.000
Other Business Expenses	0.113	0.144	2.271	2.329	2.397	2.471
Total Non-Labor Expenses	\$1.765	\$2.026	\$2.473	\$2.536	\$2.610	\$2.690
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$8.583	\$9.114	\$11.223	\$11.674	\$12.041	\$12.473
Depreciation	\$0.560	\$0.609	\$0.609	\$0.609	\$0.609	\$0.609
Total Expenses	\$9.143	\$9.723	\$11.832	\$12.283	\$12.650	\$13.082
Baseline Net Surplus/(Deficit)	\$0.000	(\$0.080)	(\$0.106)	(\$0.256)	(\$0.264)	(\$0.287)
PEG Program	\$0.000	\$0.000	\$0.106	\$0.256	\$0.264	\$0.287
Net Surplus/(Deficit)	\$0.000	(\$0.080)	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)

**MTA Inspector General
November Financial Plan 2006 - 2009
Cash Receipts & Expenditures
(\$ in millions)**

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements	\$8.011	\$7.862	\$10.365	\$10.846	\$11.205	\$11.614
Total Receipts	\$8.011	\$7.862	\$10.365	\$10.846	\$11.205	\$11.614
<u>Expenditures</u>						
Labor:						
Payroll	5.789	5.639	6.813	7.017	7.191	7.412
Overtime						
Health and Welfare	0.403	0.568	0.786	0.899	0.983	1.074
Pensions	0.366	0.515	0.674	0.715	0.736	0.760
Other Fringe Benefits	0.260	0.366	0.477	0.506	0.521	0.537
Reimbursable Overhead						
Total Labor Expenditures	\$6.818	\$7.088	\$8.750	\$9.138	\$9.431	\$9.783
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	0.007	0.035	0.036	0.037	0.038	0.039
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts	1.491	1.683	0.109	0.112	0.115	0.119
Professional Service Contracts	0.081	0.061	0.015	0.015	0.016	0.016
Materials & Supplies	0.073	0.103	0.042	0.043	0.044	0.046
MTA Internal Subsidy						
Other Business Expenses	0.113	0.144	2.271	2.329	2.397	2.471
Total Non-Labor Expenditures	\$1.765	\$2.026	\$2.473	\$2.536	\$2.610	\$2.690
Other Expenditure Adjustments:						
Other	\$ (0.572)	\$ (1.172)	\$ (0.752)	\$ (0.572)	\$ (0.572)	\$ (0.572)
Total Other Expenditure Adjustments	\$(0.572)	\$(1.172)	\$(0.752)	\$(0.572)	\$(0.572)	\$(0.572)
Total Expenditures	\$8.011	\$7.942	\$10.471	\$11.102	\$11.469	\$11.901
Baseline Net Cash Deficit	\$0.000	\$(0.080)	\$(0.106)	\$(0.256)	\$(0.264)	\$(0.287)
PEG Program	0.000	0.000	0.106	0.256	0.264	0.287
Net Cash Deficit	\$0.000	\$(0.080)	\$0.000	\$(0.000)	\$0.000	\$(0.000)

2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
(1.132) (\$1.132)	(1.781) (\$1.781)	(1.361) (\$1.361)	(1.181) (\$1.181)	(1.181) (\$1.181)	(1.181) (\$1.181)
\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
0.572 \$0.572	1.172 \$1.172	0.752 \$0.752	0.572 \$0.572	0.572 \$0.572	0.572 \$0.572
(\$0.560)	(\$0.609)	(\$0.609)	(\$0.609)	(\$0.609)	(\$0.609)
0.560	0.609	0.609	0.609	0.609	0.609
\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA Inspector General
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<u>Revenue</u>									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Capital and Other Reimbursements	\$9.643	\$11.726	\$2.083	\$12.027	\$0.301	\$12.386	\$0.358	\$12.795	\$0.409
Total Revenue	\$9.643	\$11.726	\$2.083	\$12.027	\$0.301	\$12.386	\$0.358	\$12.795	\$0.409
<u>Expenses</u>									
Labor:									
Payroll	5.639	6.813	(1.174)	7.017	(0.204)	7.191	(0.173)	7.412	(0.221)
Overtime	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.568	0.786	(0.218)	0.899	(0.113)	0.983	(0.084)	1.074	(0.091)
Pensions	0.515	0.674	(0.159)	0.715	(0.042)	0.736	(0.021)	0.760	(0.023)
Other Fringe Benefits	0.366	0.477	(0.111)	0.506	(0.029)	0.521	(0.015)	0.537	(0.017)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$7.088	\$8.750	(\$1.662)	\$9.138	(\$0.387)	\$9.431	(\$0.293)	\$9.783	(\$0.352)
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains									
Insurance	0.035	0.036	(0.001)	0.037	(0.001)	0.038	(0.001)	0.039	(0.001)
Claims									
Paratransit Service Contracts									
Maintenance and Other	1.683	0.109	1.574	0.112	(0.003)	0.115	(0.003)	0.119	(0.004)
Professional Service Contracts	0.061	0.015	0.046	0.015	(0.000)	0.016	(0.000)	0.016	(0.000)
Materials & Supplies	0.103	0.042	0.061	0.043	(0.001)	0.044	(0.001)	0.046	(0.001)
MTA Internal Subsidy									
Other Business Expenses	0.144	2.271	(2.127)	2.329	(0.058)	2.397	(0.068)	2.471	(0.074)
Total Non-Labor Expenses	\$2.026	\$2.473	(\$0.447)	\$2.536	(\$0.063)	\$2.610	(\$0.074)	\$2.690	(\$0.080)
Other Expenses Adjustments:									
Other									
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	\$9.114	\$11.223	(\$2.109)	\$11.674	(\$0.451)	\$12.041	(\$0.367)	\$12.473	(\$0.432)
Depreciation	\$0.609	\$0.609	0.000	\$0.609	0.000	\$0.609	0.000	\$0.609	0.000
Total Expenses	\$9.723	\$11.832	(\$2.109)	\$12.283	(\$0.451)	\$12.650	(\$0.367)	\$13.082	(\$0.432)
Baseline Net Surplus/(Deficit)	(\$0.080)	(\$0.106)	(\$0.026)	(\$0.256)	(0.150)	(\$0.264)	(\$0.008)	(\$0.287)	(\$0.022)
PEG Program	\$0.000	\$0.106	0.106	\$0.256	0.150	\$0.264	0.008	\$0.287	0.022
Net Surplus/(Deficit)	(\$0.080)	\$0.000	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000	(\$0.000)	\$0.000

MTA Inspector General
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Cash Receipts & Expenditures									
<u>Receipts</u>									
Farebox Revenue									
Vehicle Toll Revenue									
Other Operating Revenue									
Capital and Other Reimbursements	\$7.862	\$10.365	\$2.503	\$10.846	\$0.481	\$11.205	\$0.358	\$11.614	\$0.409
Total Receipts	\$7.862	\$10.365	\$2.503	\$10.846	\$0.481	\$11.205	\$0.358	\$11.614	\$0.409
<u>Expenditures</u>									
Labor:									
Payroll	5.639	6.813	(1.174)	7.017	(0.204)	7.191	(0.173)	7.412	(0.221)
Overtime	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Health and Welfare	0.568	0.786	(0.218)	0.899	(0.113)	0.983	(0.084)	1.074	(0.091)
Pensions	0.515	0.674	(0.159)	0.715	(0.042)	0.736	(0.021)	0.760	(0.023)
Other Fringe Benefits	0.366	0.477	(0.111)	0.506	(0.029)	0.521	(0.015)	0.537	(0.017)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$7.088	\$8.750	(\$1.662)	\$9.138	(\$0.387)	\$9.431	(\$0.293)	\$9.783	(\$0.352)
Non-Labor:									
Traction and Propulsion Power									
Fuel for Buses and Trains									
Insurance	0.035	0.036	(0.001)	0.037	(0.001)	0.038	(0.001)	0.039	(0.001)
Claims									
Paratransit Service Contracts									
Maintenance and Other									
Operating Contracts	1.683	0.109	1.574	0.112	(0.003)	0.115	(0.003)	0.119	(0.004)
Professional Service Contracts	0.061	0.015	0.046	0.015	(0.000)	0.016	(0.000)	0.016	(0.000)
Materials & Supplies	0.103	0.042	0.061	0.043	(0.001)	0.044	(0.001)	0.046	(0.001)
MTA Internal Subsidy									
Other Business Expenses	0.144	2.271	(2.127)	2.329	(0.058)	2.397	(0.068)	2.471	(0.074)
Total Non-Labor Expenditures	\$2.026	\$2.473	(\$0.447)	\$2.536	(\$0.063)	\$2.610	(\$0.074)	\$2.690	(\$0.080)
Other Expenditure Adjustments:									
Other	(1.172)	(0.752)	(0.420)	(0.572)	(0.180)	(0.572)	0.000	(0.572)	0.000
Total Other Expenditure Adjustments	(\$1.172)	(\$0.752)	\$0.000	(\$0.572)	\$0.000	(\$0.572)	\$0.000	(\$0.572)	\$0.000
Total Expenditures	\$7.942	\$10.471	(\$2.109)	\$11.102	(\$0.451)	\$11.469	(\$0.367)	\$11.901	(\$0.432)
Baseline Net Cash Deficit	(\$0.080)	(\$0.106)	(0.026)	(\$0.256)	(0.150)	(\$0.264)	(0.008)	(\$0.287)	(0.023)
PEG Program	\$0.000	\$0.106	0.106	\$0.256	0.150	\$0.264	0.008	\$0.287	0.022
Net Cash Deficit	(\$0.080)	\$0.000	\$0.080	(\$0.000)	(\$0.000)	\$0.000	\$0.000	(\$0.000)	(\$0.001)

MTA INSPECTOR GENERAL
November Financial Plan 2006 - 2009
Summary of Changes Between Financial Plans by Category
(\$ in millions)

REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Add Back: July Plan Unspecified PEG's					
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)					
Baseline:					
Changes					
Revenue					
Capital and Other Reimbursements	(.750)	0.648	0.675	0.664	0.677
Sub-Total Revenue Changes	(\$.750)	\$.648	\$.675	\$.664	\$.677
Expenses					
Payroll	0.504	(0.291)	(0.313)	(0.290)	(0.291)
Overtime					
Health and Welfare	0.065	(0.040)	(0.044)	(0.048)	(0.052)
Pensions	0.059	(0.035)	(0.034)	(0.035)	(0.037)
Other Fringe Benefits	0.041	(0.024)	(0.025)	(0.026)	(0.026)
Reimbursable Overhead					
Insurance	-	-	-	-	-
Claims					
Paratransit Service Contracts					
Maintenance and Other					
Operating Contracts	(0.014)	1.742	1.791	1.844	1.902
Professional Service Contracts	0.012	0.060	0.062	0.063	0.066
Materials & Supplies	(0.005)	0.057	0.059	0.061	0.062
Other Business Expenses	0.007	(2.116)	(2.170)	(2.233)	(2.302)
Depreciation	-	-			
Sub-Total Expense Changes	\$.669	(\$.647)	(\$.675)	(\$.664)	(\$.677)
Cash Adjustments:					
Revenue	(\$.600)	(\$.180)	\$.000	\$.000	\$.000
Expense	\$.000	0.000			
Sub-Total Cash Adjustment Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Baseline Changes	(\$0.080)	\$0.000	\$0.000	(\$0.000)	\$0.000
PEG Program	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Changes	(\$0.080)	\$0.000	\$0.000	(\$0.000)	\$0.000

MTA OFFICE OF THE INSPECTOR GENERAL
November Financial Plan 2006 - 2009
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Administration					
<i>Office of Inspector General</i>	93	93	93	93	93
<i>Baseline Total Positions</i>	93	93	93	93	93
<i>Non-Reimbursable</i>	93	93	93	93	93
<i>Reimbursable</i>					
<i>Total Full-Time</i>	93	93	93	93	93
<i>Total Full-Time-Equivalents</i>					
Impact of:					
PEG Program			(2)	(2)	(2)
<i>Total Positions</i>	93	93	91	91	91
<i>Non-Reimbursable</i>					
<i>Reimbursable</i>	93	93	91	91	91
<i>Total Full-Time</i>	93	93	91	91	91
<i>Total Full-Time-Equivalents</i>					

**First Mutual Transportation Assurance Company
2006 Final Proposed Budget
November Financial Plan 2006-2009**

Mission Statement

The mission of the First Mutual Transportation Assurance Company (FMTAC) is to engage in the business of acting as a pure captive insurance company under Section 7005, Article 70 of the Insurance Law and Section 1266 subdivision 5 of the Public Authorities Law of the State of New York. FMTAC's mission is to continue, develop, and improve the insurance and risk management needs as required by the MTA. FMTAC was established to maximize the flexibility and effectiveness of the MTA's insurance program.

Financial Overview

FMTAC continues to utilize dedicated resources to efficiently address the challenges related to insurance and risk management for the MTA. It is the goal of FMTAC to maximize the efficiency and flexibility of the insurance programs while minimizing costs to the MTA and its subsidiaries. FMTAC continues to draw from the expertise and support services available in other MTA agencies and outside service providers to support risk management. This is reflected in the current budget proposal.

For all years, on a cash basis, FMTAC generates a net cash deficit of zero, which is the true cash impact of FMTAC on MTA cash balances. FMTAC cash reserves are separate and distinct from MTA and are necessary to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

2005 November Forecast

FMTAC's 2005 November Plan anticipates a Net Surplus of \$4.143 that is \$8.796 lower than the Mid-Year Forecast. This decrease is being driven by increases in accrued Claims Expenses and Other Business Expenses associated with the safety and loss control programs currently in place.

2006 Final Proposed Budget - Baseline

In 2006, FMTAC's main objective will be to continue insuring the programs currently insured through FMTAC. To accomplish this objective, FMTAC projects 2006 costs at \$6.825 and revenue at \$7.320. Costs for FMTAC are comprised of insurance premiums (credit to insurance expenses), Claims Expenses and Other Business Expenses.

Insurance premiums are projected at \$47.478. This reflects a 10% increase over 2005 and is representative of the increase in the market. The increases in insurance are necessary in order to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

Claims expenses are projected at \$45.250. This reflects the actuarial projections for actual loss and loss adjustment expense payments related to the existing claims for the 2006 year end.

Other Business Expenses (General and Administrative and Safety and Loss Control) are projected at \$9.053. Funds have been budgeted for captive management, audit, actuarial and legal services as well as reimbursement of MTA risk management services.

2006 – 2009 Projections

Other Operating Revenue (investment income) is projected for 2006 through 2009 based on the All Urban Consumer CPI inflation rates as provided in the Economic & Demographic Forecasts, April 2005.

Insurance (premiums paid for insurance programs) is projected to increase 10% for 2006 – 2009 and are necessary in order to maintain the appropriate capital and reserve levels pursuant to the State of New York Insurance guidelines.

Claims expense is determined by actuarial projection and fluctuations are a result of payout and reserve adjustments for known and unknown claims.

Other Business Expenses (General and Administrative and Safety and Loss Control), increase in 2006 through 2009 based on inflation trends and increasing costs.

First Mutual Transportation Assurance Company
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue	6.861	7.137	7.294	7.418	7.556	7.714
Capital and Other Reimbursements						
Total Revenue	\$6.861	\$7.137	\$7.294	\$7.418	\$7.556	\$7.714
<u>Expenses</u>						
Labor:						
Payroll						
Overtime						
Health and Welfare						
Pensions						
Other Fringe Benefits						
Reimbursable Overhead						
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	(47.425)	(43.162)	(47.478)	(52.226)	(57.448)	(63.193)
Claims	40.551	37.534	45.250	47.478	49.855	52.391
Paratransit Service Contracts						
Maintenance and Other Operating Contracts						
Professional Service Contracts						
Materials & Supplies						
Other Business Expenses	4.929	8.622	9.053	9.506	9.981	10.480
Total Non-Labor Expenses	(\$1.945)	\$2.994	\$6.825	\$4.758	\$2.387	(\$0.322)
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	(\$1.945)	\$2.994	\$6.825	\$4.758	\$2.387	(\$0.322)
Depreciation						
Total Expenses	(\$1.945)	\$2.994	\$6.825	\$4.758	\$2.387	(\$0.322)
Baseline Net Surplus/(Deficit)	\$8.806	\$4.143	\$0.469	\$2.660	\$5.169	\$8.036
2006 Agency Program to Eliminate the Gap (PEGs)						
Post - 2006 Agency Program to Eliminate the Gap (PEGs)						
Total PEGs	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	\$8.806	\$4.143	\$0.469	\$2.660	\$5.169	\$8.036

REIMBURSABLE

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Revenue						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue						
Capital and Other Reimbursements						
Total Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses						
Labor:						
Payroll						
Overtime						
Health and Welfare						
Pensions						
Other Fringe Benefits						
Reimbursable Overhead						
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance						
Claims						
Paratransit Service Contracts						
Maintenance and Other Operating Contracts						
Professional Service Contracts						
Materials & Supplies						
Other Business Expenses						
Total Non-Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenses Adjustments:						
Other						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Depreciation						
Total Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
2006 Agency Program to Eliminate the Gap (PEGs)						
Post - 2006 Agency Program to Eliminate the Gap (PEGs)						
Total PEGs	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Revenue</u>						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue	6.861	7.137	7.294	7.418	7.556	7.714
Capital and Other Reimbursements						
Total Revenue	\$6.861	\$7.137	\$7.294	\$7.418	\$7.556	\$7.714
<u>Expenses</u>						
Labor:						
Payroll						
Overtime						
Health and Welfare						
Pensions						
Other Fringe Benefits						
Reimbursable Overhead						
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	(47.425)	(43.162)	(47.478)	(52.226)	(57.448)	(63.193)
Claims	40.551	37.534	45.250	47.478	49.855	52.391
Paratransit Service Contracts						
Maintenance and Other						
Operating Contracts						
Professional Service Contracts						
Materials & Supplies						
Other Business Expenses	4.929	8.622	9.053	9.506	9.981	10.480
Total Non-Labor Expenses	(\$1.945)	\$2.994	\$6.825	\$4.758	\$2.387	(\$0.322)
Other Expenses Adjustments:						
Other - Restricted Cash Adjustments						
Total Other Expense Adjustments	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	(\$1.945)	\$2.994	\$6.825	\$4.758	\$2.387	(\$0.322)
Depreciation						
Total Expenses	(\$1.945)	\$2.994	\$6.825	\$4.758	\$2.387	(\$0.322)
Baseline Net Surplus/(Deficit)	\$8.806	\$4.143	\$0.469	\$2.660	\$5.169	\$8.036
2006 Agency Program to Eliminate the Gap (PEGs)						
Post - 2006 Agency Program to Eliminate the Gap (PEGs)						
Total PEGs	0.000	0.000	0.000	0.000	0.000	0.000
Net Surplus/(Deficit)	\$8.806	\$4.143	\$0.469	\$2.660	\$5.169	\$8.036

First Mutual Transportation Assurance Company
November Financial Plan 2006 - 2009
Cash Receipts & Expenditures
(\$ in millions)

	2004 Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>						
Farebox Revenue						
Vehicle Toll Revenue						
Other Operating Revenue	6.861	7.137	7.294	7.418	7.556	7.714
Capital and Other Reimbursements						
Total Receipts	\$6.861	\$7.137	\$7.294	\$7.418	\$7.556	\$7.714
<u>Expenditures</u>						
Labor:						
Payroll						
Overtime						
Health and Welfare						
Pensions						
Other Fringe Benefits						
Reimbursable Overhead						
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:						
Traction and Propulsion Power						
Fuel for Buses and Trains						
Insurance	(47.425)	(43.162)	(47.478)	(52.226)	(57.448)	(63.193)
Claims	15.800	15.937	21.949	24.262	25.332	27.433
Paratransit Service Contracts						
Maintenance and Other Operating Contracts						
Professional Service Contracts						
Materials & Supplies						
Other Business Expenses	4.929	8.622	9.053	9.506	9.981	10.480
Total Non-Labor Expenditures	(\$26.696)	(\$18.603)	(\$16.476)	(\$18.458)	(\$22.135)	(\$25.280)
Other Expenditure Adjustments:	0					
Other - Restricted Cash Adjustment	33.557	25.740	23.770	25.876	29.691	32.994
Total Other Expenditure Adjustments	33.557	\$25.740	\$23.770	\$25.876	\$29.691	\$32.994
Total Expenditures	6.861	\$7.137	\$7.294	\$7.418	\$7.556	\$7.714
Baseline Net Cash Deficit	0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)	\$0.000
2006 Agency Program to Eliminate the Gap (PEGs)						
Post -2006 Agency to Eliminate the Gap (PEGs)						
Total PEGs:	0.000	0.000	0.000	0.000	0.000	0.000
Net Cash Deficit	0.000	0.000	0.000	(0.000)	(0.000)	0.000

First Mutual Transportation Assurance Company
November Financial Plan 2006 - 2009
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2004	Actual	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>							
Farebox Revenue							
Vehicle Toll Revenue							
Other Operating Revenue		0.000	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements							
Total Receipt Adjustments		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<u>Expenditures</u>							
Labor:							
Payroll							
Overtime							
Health and Welfare							
Pensions							
Other Fringe Benefits							
Reimbursable Overhead							
Total Labor Expenditures		\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:							
Traction and Propulsion Power							
Fuel for Buses and Trains							
Insurance		0.000	0.000	0.000	0.000	0.000	0.000
Claims		24.751	21.597	23.301	23.216	24.522	24.958
Paratransit Service Contracts							
Maintenance and Other Operating Contracts							
Professional Service Contracts							
Materials & Supplies							
Other Business Expenditures		0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures		\$24.751	\$21.597	\$23.301	\$23.216	\$24.522	\$24.958
Other Expenditure Adjustments:							
Other - Restricted Cash Adjustment		(33.557)	(25.740)	(23.770)	(25.876)	(29.691)	(32.994)
Total Other Expenditure Adjustments		(\$33.557)	(\$25.740)	(\$23.770)	(\$25.876)	(\$29.691)	(\$32.994)
Total Cash Conversion Adjustments before Depreciation		(\$8.806)	(\$4.143)	(\$0.469)	(\$2.660)	(\$5.169)	(\$8.036)
Depreciation Adjustment							
Baseline Total Cash Conversion Adjustments		(\$8.806)	(\$4.143)	(\$0.469)	(\$2.660)	(\$5.169)	(\$8.036)
2006 Agency Program to Eliminate the Gap (PEGs)							
Post -2006 Agency to Eliminate the Gap (PEGs)							
Total PEGs:		0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments		(\$8.806)	(\$4.143)	(\$0.469)	(\$2.660)	(\$5.169)	(\$8.036)

First Mutual Transportation Assurance Company
November Financial Plan 2006-2009
Year-to-Year Changes by Category 2005-2009
Non-Reimbursable

Revenue

Other Operating Revenue

- Investment income is derived through FMTAC based on the investments held with Brown Brothers Harriman.
- Investment income is projected based on the All Urban Consumer CPI inflation rates as provided in the September, 2005 Economic & Demographic Forecasts.

Expenses

Insurance

- Insurance (premiums) is based on increases in the market as well as increases in the claims expenses and reserve adjustments.
- Insurance Premiums are estimated to increase 10% each year for 2006 - 2009

Claims

- Claims expense is determined by actuarial projection for 2006 – 2009 of the actual claims expense paid and any adjustments either favorable or unfavorable to reserves.

Other Business Expenses

- 2005 assumes the current MTA Risk Management Forecast.
- Costs increase for 2006 through 2009 and are representative of general increases for the services provided and expenses not directly related to claims.

First Mutual Transportation Assurance Company
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	Favorable/(Unfavorable)								
	2005 November Forecast	2006 Final Proposed Budget	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Revenue									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Other Operating Revenue	\$7.137	\$7.294	\$0.157	\$7.418	\$0.124	\$7.556	\$0.138	\$7.714	0.158
Capital and Other Reimbursements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Total Revenue	\$7.137	\$7.294	\$0.157	\$7.418	\$0.124	\$7.556	\$0.138	\$7.714	\$0.158
Expenses									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Overtime	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Health and Welfare	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Pensions	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Other Fringe Benefits	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Total Labor Expenses	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	(\$43.162)	(\$47.478)	(\$4.316)	(\$52.226)	(\$4.748)	(\$57.448)	(\$5.223)	(\$63.193)	\$5.745
Claims	\$37.534	\$45.250	\$7.716	\$47.478	\$2.228	\$49.855	\$2.377	\$52.391	(\$2.537)
Paratransit Service Contracts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Maintenance and Other Operating Contracts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Professional Service Contracts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Materials & Supplies	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Business Expenses	\$8.622	\$9.053	\$0.431	\$9.506	\$0.453	\$9.981	\$0.475	\$10.480	(\$0.499)
Total Non-Labor Expenses	\$2.994	\$6.825	\$3.831	\$4.758	(\$2.067)	\$2.387	(\$2.371)	(\$0.322)	\$2.709
Other Expenses Adjustments:									
Other			\$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	\$2.994	\$6.825	\$3.831	\$4.758	(\$2.067)	\$2.387	(\$2.371)	(\$0.322)	\$2.709
Depreciation			0.000		0.000		0.000		0.000
Total Expenses	\$2.994	\$6.825	\$3.831	\$4.758	(\$2.067)	\$2.387	(\$2.371)	(\$0.322)	\$2.709
Baseline Net Surplus/(Deficit)	\$4.143	\$0.469	(\$3.674)	\$2.660	\$2.191	\$5.169	\$2.509	\$8.036	\$2.867
2006 Agency Program to Eliminate the Gap (PEGs)									
Post - 2006 Agency Program to Eliminate the Gap (PEGs)									
Total PEGs	0	0	0	0	0	0	0	0	0
Net Surplus/(Deficit)	\$4.143	\$0.469	(\$3.674)	\$2.660	\$2.191	\$5.169	\$2.509	\$8.036	\$2.867

First Mutual Transportation Assurance Company
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

CASH RECEIPTS & EXPENDITURES

	Favorable/(Unfavorable)								
	2005 November Forecast	2006 Final Proposed Budget	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<u>Receipts</u>									
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Other Operating Revenue	\$7.137	\$7.294	\$0.157	\$7.418	\$0.124	\$7.556	\$0.138	\$7.714	0.158
Capital and Other Reimbursements	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Total Receipts	\$7.137	\$7.294	\$0.157	\$7.418	\$0.124	\$7.556	\$0.138	\$7.714	\$0.158
<u>Expenditures</u>									
Labor:									
Payroll	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Overtime	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Health and Welfare	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Pensions	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Other Fringe Benefits	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Total Labor Expenditures	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:									
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Fuel for Buses and Trains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Insurance	(\$43.162)	(\$47.478)	(\$4.316)	(\$52.226)	(\$4.748)	(\$57.448)	(\$5.223)	(\$63.193)	(5.745)
Claims	\$15.937	\$21.949	\$6.012	\$24.262	\$2.314	\$25.332	\$1.070	\$27.433	2.101
Paratransit Service Contracts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Maintenance and Other Operating Contracts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Professional Service Contracts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Materials & Supplies	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000	0.000
Other Business Expenses	\$8.622	\$9.053	\$0.431	\$9.506	\$0.453	\$9.981	\$0.475	\$10.480	0.499
Total Non-Labor Expenditures	(\$18.603)	(\$16.476)	\$2.127	(\$18.458)	(\$1.982)	(\$22.135)	(\$3.677)	(\$25.280)	(\$3.145)
Other Expenditure Adjustments:									
Other - Restricted Cash Adjustment	\$25.740	\$23.770	(\$1.970)	\$25.876	\$2.106	\$29.691	\$3.815	\$32.994	3.303
Total Other Expenditure Adjustments	\$25.740	\$23.770	(\$1.970)	\$25.876	\$2.106	\$29.691	\$3.815	\$32.994	\$3.303
Total Expenditures	\$7.137	\$7.294	\$0.157	\$7.418	\$0.124	\$7.556	\$0.138	\$7.714	\$0.158
Baseline Net Cash Deficit	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000	\$0.000	\$0.000
2006 Agency Program to Eliminate the Gap (PEGs)									
Post - 2006 Agency Program to Eliminate the Gap (PEGs)									
Total PEGs	0	0	0	0	0	0	0	0	0
Net Cash Deficit	\$0.000	\$0.000	\$0.000	(\$0.000)	(\$0.000)	(\$0.000)	\$0.000	\$0.000	\$0.000

First Mutual Transportation Assurance Company
November Financial Plan 2006-2009
Summary of Changes Between Financial Plans 2005-2009

2005: November Financial Plan vs. July Financial Plan

The November Financial Plan is \$8.796 million lower than the July Adopted Budget. This decrease in net surplus/deficit is due to increases in claims expenses and other business expenses.

2006: November Financial Plan vs. July Financial Plan

Projections for 2006 are decreased by \$16.734 from the July Adopted Budget. This decrease in projections is primarily due to increases in Claims Expenses and Other Business Expenses of \$11.000 and \$4.762.

2007: November Financial Plan vs. July Financial Plan

Projections for 2007 are decreased by \$18.429 from the July Adopted Budget. This decrease in projections is primarily due to increases in Claims Expenses and Other Business Expenses of \$12.100 and \$5.172.

2008: November Financial Plan vs. July Financial Plan

Projections for 2006 are decreased by \$20.269 from the July Adopted Budget. This decrease in projections is primarily due to increases in Claims Expenses and Other Business Expenses of \$13.310 and \$5.604.

2009: November Financial Plan vs. July Financial Plan

Projections for 2006 are decreased by \$22.271 from the July Adopted Budget. This decrease in projections is primarily due to increases in Claims Expenses and Other Business Expenses of \$14.641 and \$6.059.

First Mutual Transportation Assurance Company
November Financial Plan 2006 - 2009
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Reimbursable Major Changes</i>					
Revenue	\$.139	\$.116	\$.040	(\$.039)	(\$.123)
Sub-Total Non-Reimbursable Revenue Changes	\$.139	\$.116	\$.040	(\$.039)	(\$.123)
Expenses	(\$8.935)	(\$16.850)	(\$18.469)	(\$20.231)	(\$22.148)
Sub-Total Non-Reimbursable Expense Changes	(\$8.935)	(\$16.850)	(\$18.469)	(\$20.231)	(\$22.148)
<i>Total Non-Reimbursable Major Changes</i>	(\$8.796)	(\$16.734)	(\$18.429)	(\$20.270)	(\$22.271)
<i>Reimbursable Major Changes</i>					
Revenue					
Sub-Total Reimbursable Revenue Changes					
Expenses					
Sub-Total Reimbursable Expense Changes					
<i>Total Reimbursable Major Changes</i>	\$.000	\$.000	\$.000	\$.000	\$.000
<i>Total Accrual Changes</i>	(\$8.796)	(\$16.734)	(\$18.429)	(\$20.270)	(\$22.271)
<i>Cash Adjustment Changes</i>					
Total Cash Adjustments	\$8.796	\$16.734	\$18.429	\$20.270	\$22.271
<i>Total Cash Adjustment Changes</i>	\$8.796	\$16.734	\$18.429	\$20.270	\$22.271
<i>Total Baseline Changes</i>	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.000	\$0.000	\$0.000

First Mutual Transportation Assurance Company
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Vehicle Toll Revenue					
Other Operating Revenue	\$.139	0.116	0.040	(0.039)	(0.123)
Capital and Other Reimbursement					
Total Revenue Changes	\$.139	\$.116	\$.040	(\$.039)	(\$.123)
Expenses					
Labor:					
Payroll					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Non-Labor:					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance	(\$.989)	(\$1.088)	(\$1.197)	(\$1.317)	(\$1.448)
Claims	(\$3.665)	(11.000)	(12.100)	(13.310)	(14.641)
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Materials & Supplies					
Other Business Expenses	(4.281)	(4.762)	(5.172)	(5.604)	(6.059)
Total Non-Labor Expense Changes	(\$8.935)	(\$16.850)	(\$18.469)	(\$20.231)	(\$22.148)
Total Expense Changes	(\$8.935)	(\$16.850)	(\$18.469)	(\$20.231)	(\$22.148)
Cash Adjustment Changes					
Revenue:					
Other Operating Revenue	.000	0	0	0	0
Expenses:					
Claims	12.465	15.918	16.316	15.439	16.291
Other Business Expenses	(\$1.085)	(\$1.073)	(\$1.083)	(\$1.094)	(\$1.105)
Total Expense Changes	\$11.380	\$14.845	\$15.233	\$14.345	\$15.186
Restricted Cash Adjustment	(2.58)	1.889	3.197	5.925	7.085
Total Cash Adjustment Changes	\$8.796	\$16.734	\$18.430	\$20.270	\$22.271
Total Baseline Changes	(\$0.000)	\$0.000	\$0.001	\$0.000	\$0.000
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.001	\$0.000	\$0.000

First Mutual Transportation Assurance Company
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue	\$.000	\$.000	\$.000	\$.000	\$.000
Vehicle Toll Revenue	.000	.000	.000	.000	.000
Other Operating Revenue	.139	.116	.040	(.039)	(.123)
Total Revenue Changes	\$.139	\$.116	\$.040	(\$.039)	(\$.123)
Expenses					
Labor:					
Payroll	\$.000	\$.000	\$.000	\$.000	\$.000
Health and Welfare	.000	.000	.000	.000	.000
Pensions	.000	.000	.000	.000	.000
Other Fringe Benefits	.000	.000	.000	.000	.000
Reimbursable Overhead	.000	.000	.000	.000	.000
Total Labor Expense Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Non-Labor:					
Traction and Propulsion Power	\$.000	\$.000	\$.000	\$.000	\$.000
Fuel for Buses and Trains	.000	.000	.000	.000	.000
Insurance	(.989)	(1.088)	(1.197)	(1.317)	(1.448)
Claims	(3.665)	(11.000)	(12.100)	(13.310)	(14.641)
Paratransit Service Contracts	.000	.000	.000	.000	.000
Maintenance and Other Operating Contracts	.000	.000	.000	.000	.000
Materials & Supplies	.000	.000	.000	.000	.000
Other Business Expenses	(4.281)	(4.762)	(5.172)	(5.604)	(6.059)
Total Non-Labor Expense Changes	(\$8.935)	(\$16.850)	(\$18.469)	(\$20.231)	(\$22.148)
Total Expense Changes	(\$8.935)	(\$16.850)	(\$18.469)	(\$20.231)	(\$22.148)
Cash Adjustment Changes					
Revenue:					
Other Operating Revenue	.000	.000	.000	.000	.000
Expenses:					
Claims	12.465	15.918	16.316	15.439	16.291
Other Business Expenses	(1.085)	(1.073)	(1.083)	(1.094)	(1.105)
Total Expense Changes	11.380	14.845	15.233	14.345	15.186
Restricted Cash Adjustment	(2.584)	1.889	3.197	5.925	7.085
Total Cash Adjustment Changes	\$8.796	\$16.734	\$18.430	\$20.270	\$22.271
Total Baseline Changes	(\$0.000)	\$0.000	\$0.001	\$0.000	\$0.000
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$0.000)	\$0.000	\$0.001	\$0.000	\$0.000

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New York City Transit

**MTA New York City Transit
2006 Final Proposed Budget
November Financial Plan 2006 – 2009**

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 approximately 6,200 subway cars on 26 routes over 233 route miles and 660 miles of mainline track, serving 468 stations located in four of New York City's (City) boroughs; and
- 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.

The 2006 Final Proposed Budget and projections for the years 2007-2009 provide sufficient funding to maintain both a continuation of current service levels as well as MTA's commitment to safety and security. This is accomplished primarily through the implementation of organizational and operating efficiencies (Programs to Eliminate the GAP) that optimize the use of resources to achieve agency goals. Ongoing and extensive internal efforts are being made by MTA NYC Transit to reduce non-critical spending and improve operating efficiencies.

2005 November Forecast

MTA NYC Transit's 2005 November Forecast includes total expenses before depreciation of \$5,524.1 million, consisting of \$4,768.3 million of non-reimbursable expenses and \$755.7 million of reimbursable expenses. Total revenues are projected to be \$3,714.2 million, of which \$2,958.5 million are operating revenues and \$755.7 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,148 (41,899 non-reimbursable positions and 5,249 reimbursable positions).

2005 November Forecast (continued)

The 2005 baseline net cash deficit is projected to increase by \$24.0 million from the 2005 Mid-Year Forecast. Major deficit increases include: \$18.8 million of higher bus and heating fuel expenses driven by projected higher prices; an increase in pension cost requirements of \$10.4 million, based on updated information supplied by pension plan actuaries; and \$8.0 million primarily related to departmental reassessment of labor and non-labor spending levels including rescheduling of expenses to subsequent years. These cash deficit increases are partly offset by \$16.2 million of cash deficit reductions relating to lower health & welfare rates than anticipated in the July Mid-Year Forecast.

The 2005 effect of 2006 Programs to Eliminate the GAP (PEGs), presented below the baseline on the attached financial tables and described below, continue to be projected to yield a deficit reduction of \$5.3 million.

2006 Final Proposed Budget

MTA NYC Transit's 2006 Final Proposed Budget includes total expenses before depreciation of \$5,770.7 million, consisting of \$5,005.0 million of non-reimbursable expenses and \$765.8 million of reimbursable expenses. Total revenues are projected to be \$3,805.8 million, of which \$3,040.0 million are operating revenues and \$765.8 million are capital reimbursements. Total baseline full-time and full-time equivalent positions are 47,232 (42,044 non-reimbursable positions and 5,188 reimbursable positions).

The 2006 baseline net cash deficit is projected to decrease by \$5.3 million from the July 2006 Preliminary Budget. Major deficit reductions include: \$22.5 million of higher reimbursable overhead credits arising from increases in Capital Program requirements in 2006 and a higher overhead billing rate, largely due to higher pension costs; \$20.0 million relating to lower than anticipated health & welfare rates; and a farebox revenue improvement of \$19.3 million due primarily to projected additional subway revenue growth of 1.5%. Mostly offsetting these deficit reductions are deficit increases of: \$41.1 million of higher bus and heating fuel expenses driven by projected higher prices; \$7.1 million of expenses rescheduled from 2005; and the reinstatement of \$3.5 million of expenses due to elimination of the One Person Train Operation implementation on the "L" Line.

Reimbursable expenses are projected to increase by \$51.1 million from the 2006 Preliminary Budget due to increased Capital Program requirements. Bus-related increases of \$19.2 million include Capital Program support for: Grand Avenue (new facility) equipment requirements; MTA Bus support; bus warranty requirements; and funding for MCI buses structural work. Subway-related increases of \$14.9 million include Capital Program support for: signal circuit enhancements; antenna cable installation; Canarsie mainline replacement of insulated joints; and third rail capital project support. The remaining expense increase is mostly due to overhead billing rate increases due to increased pension costs. Capital reimbursements also increase by \$51.1 million to provide for reimbursement from the Capital Program of the above expense increase.

2006 PEGs, presented below the baseline on the attached financial tables, and described below, continue to project a cash deficit reduction of \$19.5 million including 129 position reductions.

2007-2009 Projections

MTA NYC Transit's projections for 2007-2009 reflect total expenses before depreciation as follows: 2007 = \$5,917.8 million, 2008 = \$6,127.6 million and 2009 = \$6,333.4 million. Non-reimbursable expenses before depreciation are projected as follows: 2007 = \$5,181.7 million, 2008 = \$5,379.6 and 2009 = \$5,581.4 million. Reimbursable expenses are projected as follows: 2007 = \$736.1 million, 2008 = \$748.0 million and 2009 = \$752.0 million. Total revenues are projected as follows: 2007 = \$3,812.6 million, 2008 = \$3,866.7 million and 2009 = \$3,888.2 million. Operating revenues are projected as follows: 2007 = \$3,076.6 million, 2008 = \$3,118.7 million and 2009 = \$3,136.1 million. Capital reimbursements are projected as follows: 2007 = \$736.1 million, 2008 = \$748.0 million and 2009 = \$752.0 million. Total baseline full-time and full-time equivalent positions are projected to be 46,946 in 2007, 47,014 in 2008 and 46,772 in 2009. Non-reimbursable positions are projected to be 41,968 in 2007, 42,109 in 2008 and 41,961 in 2009. Reimbursable positions are projected to be 4,978 in 2007, 4,905 in 2008 and 4,811 in 2009.

In comparison to the projections included in the July Financial Plan, baseline net cash deficits are projected to decrease by \$17.3 million in 2007, \$26.3 million in 2008 and \$29.1 million in 2009 due primarily to lower than anticipated health & welfare rate increases and higher reimbursable overhead credits partly offset by increased bus and heating fuel prices.

Programs to Eliminate the Gap, described below, continue to project deficit reductions of \$22.6 million in 2007, \$36.0 million in 2008 and \$43.7 million in 2009. Position reductions continue to be projected at 288 in 2007, 443 in 2008 and 443 in 2009.

Major assumptions and reconciliations to the July Financial Plan are addressed later in this section.

Gap Closing Measures

2006 Programs to Eliminate the Gap (PEGs)

MTA NYC Transit has developed programs resulting in significant cost savings and position reductions. These reductions are largely achieved through administrative streamlining and operating efficiencies with little impact on MTA NYC Transit operations.

2005 November Forecast

In 2005, PEG savings are projected at \$5.3 million. These savings are mostly administrative and result from management actions to achieve health and welfare cost savings.

2006 Final Proposed Budget

2006 PEG savings are projected at \$19.5 million and the elimination of 129 positions with savings to be achieved through attrition and redeployment of incumbents.

Administrative savings of \$10.2 million and 23 positions include: management actions to achieve health & welfare cost savings of \$4.4 million; implementation of a disease management program resulting in health benefit savings of \$1.4 million; savings of \$0.9 million of worker's compensation costs; reduced new subway car acceptance support costs of \$0.6 million (6 positions); corporate communications administrative savings of \$0.6 million (1 position); voice and data support staff savings of \$0.5 million (6 Positions); human resources staffing/overtime savings of \$0.4 million and 5 positions; and rolling stock administrative consolidation savings of \$0.3 million (4 positions).

Direct service savings of \$1.2 million are attributed to hybrid bus fuel expense reductions.

Service support savings of \$2.0 million and position reductions of 22 include: tower operator switching efficiencies resulting in savings of \$0.5 million and 7 positions; "L" Line/Communications Based Train Control switching conductor efficiencies resulting in savings of \$0.3 million and 4 positions; Concourse master tower automation to achieve savings of \$0.2 million and 5 positions; managerial train supervision automation resulting in savings of \$0.4 million and 3 positions; and elimination of traffic checker overnight/weekend desk operations with a savings of \$0.3 million and 3 positions.

Maintenance savings of \$5.5 million and position reductions of 58 include: Central Electronics Shop productivity savings of \$1.1 million and 13 positions; reduction of 15 subway road car inspector positions due to increased subway car reliability, saving \$1.2 million; AFC maintenance support consolidation efficiencies resulting in savings of \$0.7 million and 7 positions; Rapid Transit Operations maintenance support savings of \$0.4 million and 6 positions; machine shop consolidation savings of \$0.5 million and 6 positions; "B" level defect repair overtime reduction of \$0.5 million; reduction of power operations emergency crew helpers by 8 positions and \$0.5 million in expense savings; and reduction of maintenance-related hardware materials by \$0.5 million due to centralization of functions.

2007-2009 Projections

PEG savings are projected at: \$22.6 million in 2007; \$36.0 million in 2008; and \$43.7 million in 2009. Position eliminations are projected at: 288 in 2007; 443 in 2008; and 443 in 2009.

Administrative savings of \$10.2 million in each year, 23 position reductions in 2007 and 24 position reductions in 2008/2009 include: management actions to achieve health & welfare cost savings of \$4.5 million; implement a disease management program resulting in health benefit savings of \$1.4 million; savings of \$0.9 million of worker's compensation costs; reduce new subway car acceptance support costs of \$0.6 million by eliminating 6 positions; corporate communications administrative savings of \$0.6 million and 1 position; voice and data support staff savings of \$0.5 million and 6 positions; human resources staffing/overtime savings of \$0.4 million and 5 positions; and rolling stock administrative consolidation savings of \$0.3 million and 4 positions.

Direct service savings, due to hybrid bus fuel expense reductions, are projected to be: \$1.9 million in 2007; \$2.8 million in 2008; and \$4.4 million in 2009.

Service support savings are projected to be \$4.1 million in 2007; \$16.5 million in 2008; and \$22.6 million in 2009. Position reductions are projected to be 181 in 2007 and 335 in 2008 and 2009. These reductions include: implementation of One Person Train Operation (OPTO) on several lines resulting in savings of \$2.0 million in 2007, \$14.4 million in 2008, and \$20.4 million in 2009 and position reductions of 159 in 2007 and 313 in 2008 and 2009; tower operator switching efficiencies resulting in savings of \$0.5 million and 7 positions each year; "L" Line switching conductor efficiencies due to Communications Based Train Control resulting in savings of \$0.3 million and 4 positions each year; Concourse master tower automation to achieve savings of \$0.2 million and 5 positions each year; managerial train supervision automation resulting in savings of \$0.4 million and 3 positions each year; and elimination of traffic checker overnight/weekend desk operations with a savings of \$0.3 million and 3 positions each year.

Maintenance savings of \$5.5 million and position reductions of 58 each year include: Central Electronics Shop productivity savings of \$1.1 million and 13 positions; reduction of 15 subway road car inspector positions due to increased subway car reliability saving of \$1.2 million; AFC maintenance support consolidation efficiencies resulting in savings of \$0.7 million and 7 positions; Rapid Transit Operations maintenance support savings of \$0.4 million and 6 positions; machine shop consolidation savings of \$0.5 million and 6 positions; structural "B" level defect repair overtime reduction of \$0.5 million; reduction of power operations emergency crew helpers by 8 positions and \$0.5 million in expense savings; and reduction of bus maintenance-related hardware materials by \$0.5 million due to centralization of functions.

MTA New York City Transit
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

Revenue

Farebox Revenue:

Subway	\$1,795.334	\$1,900.727	\$1,970.208	\$1,989.876	\$2,010.440	\$2,014.320
Bus	747.868	776.563	788.714	794.799	802.961	804.475
Paratransit	6.024	7.298	8.393	9.652	11.100	12.764
Fare Media Liability	20.974	19.900	20.900	21.700	21.900	22.200
Total Farebox Revenue	\$2,570.200	\$2,704.488	\$2,788.215	\$2,816.027	\$2,846.401	\$2,853.759

Vehicle Toll Revenue

	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	103.766	103.766	103.766	103.766	103.766	103.766
Paratransit Reimbursement	47.216	61.620	58.379	66.833	78.222	88.469
Other	102.109	88.620	89.612	89.930	90.330	90.145

Total Other Operating Revenue	\$253.091	\$254.006	\$251.757	\$260.529	\$272.318	\$282.380
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$2,823.291	\$2,958.494	\$3,039.972	\$3,076.556	\$3,118.719	\$3,136.139

Expenses

Labor:

Payroll	2,357.257	2,404.728	2,470.365	2,522.344	2,607.182	2,670.531
Overtime	199.298	223.203	198.205	200.899	205.509	211.963
Total Salaries & Wages	2,556.555	2,627.931	2,668.570	2,723.243	2,812.691	2,882.494
Health and Welfare	511.230	573.703	627.272	680.691	744.661	811.741
Pensions	309.388	456.820	540.651	559.836	564.780	562.067
Other Fringe Benefits	234.469	200.138	203.909	209.725	215.934	221.197
Total Fringe Benefits	1,055.087	1,230.661	1,371.832	1,450.252	1,525.375	1,595.005
Reimbursable Overhead	(143.432)	(144.182)	(158.207)	(153.795)	(155.952)	(154.962)
Total Labor Expenses	\$3,468.210	\$3,714.410	\$3,882.195	\$4,019.700	\$4,182.114	\$4,322.537

Non-Labor:

Traction and Propulsion Power	114.338	134.164	140.941	140.640	141.338	143.813
Fuel for Buses and Trains	71.217	103.621	116.083	104.889	99.939	102.088
Insurance	28.649	31.979	34.559	39.014	42.297	46.424
Claims	62.203	69.441	71.350	73.306	75.314	77.370
Paratransit Service Contracts	135.076	160.328	192.329	223.289	260.299	303.970
Mtce. and Other Operating Contracts	154.878	178.870	196.499	200.828	199.044	208.047
Professional Service Contracts	93.493	94.192	89.495	88.315	91.863	94.208
Materials & Supplies	222.229	248.739	249.073	258.882	253.960	249.215
Other Business Expenses	38.736	32.563	32.444	32.849	33.434	33.687
Total Non-Labor Expenses	\$920.819	\$1,053.897	\$1,122.773	\$1,162.012	\$1,197.488	\$1,258.822

Other Expense Adjustments:

Other	1.896	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$1.896	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

Total Expenses before

Depreciation	\$4,390.925	\$4,768.307	\$5,004.968	\$5,181.712	\$5,379.602	\$5,581.359
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Depreciation	891.819	962.300	1,074.500	1,228.100	1,381.700	1,535.300
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Total Expenses	\$5,282.744	\$5,730.607	\$6,079.468	\$6,409.812	\$6,761.302	\$7,116.659
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Baseline Net Surplus/(Deficit)	(\$2,459.453)	(\$2,772.113)	(\$3,039.496)	(\$3,333.256)	(\$3,642.583)	(\$3,980.520)
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2006 Agency Program to Eliminate the Gap	0.000	5.307	18.317	19.475	20.492	22.050
Post-2006 Agency Program to Eliminate the Ga	0.000	0.000	0.000	1.962	14.356	20.447

Net Surplus/(Deficit)	(\$2,459.453)	(\$2,766.806)	(\$3,021.179)	(\$3,311.819)	(\$3,607.735)	(\$3,938.023)
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MTA New York City Transit
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE	2005		2006	2007	2008	2009
	2004 Actual	November Forecast	Final Proposed Budget			
Revenue						
Farebox Revenue:						
Subway	\$1,795.334	\$1,900.727	\$1,970.208	\$1,989.876	\$2,010.440	\$2,014.320
Bus	747.868	776.563	788.714	794.799	802.961	804.475
Paratransit	6.024	7.298	8.393	9.652	11.100	12.764
Fare Media Liability	20.974	19.900	20.900	21.700	21.900	22.200
Total Farebox Revenue	\$2,570.200	\$2,704.488	\$2,788.215	\$2,816.027	\$2,846.401	\$2,853.759
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	103.766	103.766	103.766	103.766	103.766	103.766
Paratransit Reimbursement	47.216	61.620	58.379	66.833	78.222	88.469
Other	102.109	88.620	89.612	89.930	90.330	90.145
Total Other Operating Revenue	253.091	254.006	251.757	260.529	272.318	282.380
Capital and Other Reimbursements	764.404	755.743	765.779	736.084	748.019	752.038
Total Revenue	\$3,587.695	\$3,714.237	\$3,805.751	\$3,812.640	\$3,866.738	\$3,888.177
Expenses						
Labor:						
Payroll	2,699.705	2,731.684	2,803.833	2,851.418	2,941.084	3,007.894
Overtime	266.887	283.855	252.066	253.532	259.622	266.416
Total Salaries & Wages	2,966.592	3,015.539	3,055.899	3,104.950	3,200.706	3,274.310
Health and Welfare	527.474	592.521	647.162	702.477	768.506	837.837
Pensions	315.899	468.355	554.891	574.590	580.055	577.414
Other Fringe Benefits	319.318	279.259	283.668	287.194	294.292	299.689
Total Fringe Benefits	1,162.691	1,340.135	1,485.721	1,564.261	1,642.853	1,714.940
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$4,129.283	\$4,355.674	\$4,541.620	\$4,669.211	\$4,843.559	\$4,989.250
Non-Labor:						
Traction and Propulsion Power	114.338	134.164	140.941	140.640	141.338	143.813
Fuel for Buses and Trains	71.219	103.621	116.083	104.889	99.939	102.088
Insurance	28.649	31.979	34.559	39.014	42.297	46.424
Claims	62.469	69.441	71.350	73.306	75.314	77.370
Paratransit Service Contracts	135.076	160.328	192.329	223.289	260.299	303.970
Mtce. and Other Operating Contracts	190.971	220.147	232.406	230.676	228.892	237.895
Professional Service Contracts	110.994	112.765	106.452	104.387	107.935	110.280
Materials & Supplies	277.642	300.940	300.050	297.022	292.101	286.107
Other Business Expenses	32.792	34.991	34.957	35.362	35.947	36.200
Total Non-Labor Expenses	\$1,024.150	\$1,168.376	\$1,229.127	\$1,248.585	\$1,284.062	\$1,344.147
Other Expense Adjustments:						
Other	1.896	0.000	0.000	0.000	0.000	0.000
Total Other Expense Adjustments	\$1.896	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenses before Depreciation	\$5,155.329	\$5,524.050	\$5,770.747	\$5,917.796	\$6,127.621	\$6,333.397
Depreciation	891.819	962.300	1,074.500	1,228.100	1,381.700	1,535.300
Total Expenses	\$6,047.148	\$6,486.350	\$6,845.247	\$7,145.896	\$7,509.321	\$7,868.697
Baseline Net Surplus/(Deficit)	(\$2,459.453)	(\$2,772.113)	(\$3,039.496)	(\$3,333.256)	(\$3,642.583)	(\$3,980.520)
2006 Agency Program to Eliminate the Gap	0.000	5.307	18.317	19.475	20.492	22.050
Post-2006 Agency Program to Eliminate the Ga	0.000	0.000	0.000	1.962	14.356	20.447
Net Surplus/(Deficit)	(\$2,459.453)	(\$2,766.806)	(\$3,021.179)	(\$3,311.819)	(\$3,607.735)	(\$3,938.023)

MTA New York City Transit
November Financial Plan 2006 - 2009
Cash Receipts & Expenditures
(\$ in millions)

	2004	2005	2006			
	Actual	November Forecast	Final Proposed Budget	2007	2008	2009
<u>Receipts</u>						
Farebox Revenue	\$2,572.869	\$2,715.988	\$2,790.915	\$2,825.127	\$2,855.201	\$2,859.259
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	46.200	62.120	58.379	66.833	78.222	88.469
Other	206.131	111.720	91.712	92.030	92.430	92.245
Total Other Operating Revenue	\$356.131	\$277.606	\$253.857	\$262.629	\$274.418	\$284.480
Capital and Other Reimbursements	764.600	745.584	773.865	737.269	740.531	746.199
Total Receipts	\$3,693.600	\$3,739.178	\$3,818.637	\$3,825.025	\$3,870.150	\$3,889.938
<u>Expenditures</u>						
Labor:						
Payroll	2,675.200	2,723.580	2,782.934	2,829.927	2,920.053	2,985.028
Overtime	246.900	283.013	250.186	251.620	257.758	264.380
Total Salaries & Wages	2,922.100	3,006.593	3,033.120	3,081.547	3,177.811	3,249.408
Health and Welfare	512.300	597.518	644.889	700.045	765.904	835.053
Pensions	220.000	334.725	515.927	567.020	578.710	579.363
Other Fringe Benefits	273.000	268.269	273.941	277.996	285.706	291.523
Total Fringe Benefits	1,005.300	1,200.512	1,434.757	1,545.061	1,630.320	1,705.939
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$3,927.400	\$4,207.105	\$4,467.877	\$4,626.608	\$4,808.131	\$4,955.347
Non-Labor:						
Traction and Propulsion Power	113.500	134.164	140.941	140.640	141.338	143.813
Fuel for Buses and Trains	70.400	103.621	116.083	104.889	99.939	102.088
Insurance	42.200	33.746	35.290	39.410	46.197	46.176
Claims	46.500	63.098	60.208	61.947	63.735	65.576
Paratransit Service Contracts	130.400	157.128	188.129	223.289	260.299	303.970
Mtce. and Other Operating Contracts	201.700	228.601	240.860	239.130	237.346	246.349
Professional Service Contracts	106.300	107.119	102.052	100.387	103.935	106.280
Materials & Supplies	270.100	296.868	297.300	295.022	290.101	284.107
Other Business Expenditures	29.300	34.991	34.957	35.362	35.947	36.200
Total Non-Labor Expenditures	\$1,010.400	\$1,159.336	\$1,215.820	\$1,240.076	\$1,278.837	\$1,334.559
Other Expenditure Adjustments:						
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000
Other	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
Total Expenditures	\$4,937.800	\$5,366.441	\$5,683.697	\$5,866.684	\$6,086.968	\$6,289.906
Baseline Net Cash Deficit	(\$1,244.200)	(\$1,627.263)	(\$1,865.060)	(\$2,041.659)	(\$2,216.818)	(\$2,399.968)
2006 Agency Program to Eliminate the Gap	0.000	5.307	19.517	20.675	21.692	23.250
Post-2006 Agency Program to Eliminate the Ga	0.000	0.000	0.000	1.962	14.356	20.447
Net Cash Deficit	(\$1,244.200)	(\$1,621.956)	(\$1,845.543)	(\$2,019.022)	(\$2,180.770)	(\$2,356.271)

MTA New York City Transit
November Financial Plan 2006 - 2009
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2004	2005	2006			
	Actual	November	Final Proposed	2007	2008	2009
		Forecast	Budget			
<u>Receipts</u>						
Farebox Revenue	\$2.669	\$11.500	\$2.700	\$9.100	\$8.800	\$5.500
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue:						
Fare Reimbursement	0.034	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	(1.016)	0.500	0.000	0.000	0.000	0.000
Other	104.022	23.100	2.100	2.100	2.100	2.100
Total Other Operating Revenue	\$103.040	\$23.600	\$2.100	\$2.100	\$2.100	\$2.100
Capital and Other Reimbursements	0.196	(10.159)	8.086	1.185	(7.488)	(5.839)
Total Receipt Adjustments	\$105.905	\$24.941	\$12.886	\$12.385	\$3.412	\$1.761
<u>Expenditures</u>						
Labor:						
Payroll	24.505	8.104	20.899	21.491	21.031	22.866
Overtime	19.987	0.842	1.880	1.912	1.864	2.036
Total Salaries & Wages	44.492	8.946	22.779	23.403	22.895	24.902
Health and Welfare	15.174	(4.997)	2.273	2.432	2.602	2.784
Pensions	95.899	133.630	38.964	7.570	1.345	(1.949)
Other Fringe Benefits	46.318	10.990	9.727	9.198	8.586	8.166
Total Fringe Benefits	157.391	139.623	50.964	19.200	12.533	9.001
Reimbursable Overhead						
Total Labor Expenditures	\$201.883	\$148.569	\$73.743	\$42.603	\$35.428	\$33.903
Non-Labor:						
Traction and Propulsion Power	0.838	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.819	0.000	0.000	0.000	0.000	0.000
Insurance	(13.551)	(1.767)	(0.731)	(0.396)	(3.900)	0.248
Claims	15.969	6.343	11.142	11.359	11.579	11.794
Paratransit Service Contracts	4.676	3.200	4.200	0.000	0.000	0.000
Mtce. and Other Operating Contracts	(10.729)	(8.454)	(8.454)	(8.454)	(8.454)	(8.454)
Professional Service Contracts	4.694	5.646	4.400	4.000	4.000	4.000
Materials & Supplies	7.542	4.072	2.750	2.000	2.000	2.000
Other Business Expenditures	3.492	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$13.750	\$9.040	\$13.307	\$8.509	\$5.225	\$9.588
Other Expenditure Adjustments:						
Other	1.896	0.000	0.000	0.000	0.000	0.000
Total Other Expenditure Adjustments	\$1.896	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expenditure Adjustments	\$217.529	\$157.609	\$87.050	\$51.112	\$40.653	\$43.491
Total Cash Conversion Adjustments before Depreciation	\$323.434	\$182.550	\$99.936	\$63.497	\$44.065	\$45.252
Depreciation Adjustment	891.819	962.300	1,074.500	1,228.100	1,381.700	1,535.300
Baseline Total Cash Conversion Adj.	\$1,215.253	\$1,144.850	\$1,174.436	\$1,291.597	\$1,425.765	\$1,580.552
2006 Agency Program to Eliminate the Gap	0.000	0.000	1.200	1.200	1.200	1.200
Post-2006 Agency Program to Eliminate the Ga	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$1,215.253	\$1,144.850	\$1,175.636	\$1,292.797	\$1,426.965	\$1,581.752

MTA New York City Transit
November Financial Plan 2006 - 2009
Year-To-Year Major Changes by Category-Baseline Narrative

TOTAL REVENUES

Farebox Revenue

- The improvement in subway/bus farebox revenue in 2006 over 2005 is due largely to the annualization of the 2005 fare adjustments and the impact of Global Insight's projected employment increase of 1.2% and an additional subways increase of 1.5% based on recent experience. The 2007-2009 year over year improvements are based on projected Global Insight's growth in NYC employment as follows: 2007 = 0.92%, 2008 = 0.71%, and 2009 = 0.56%.
- 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 are comprised primarily of contractually capped increases in NYC reimbursements that serve to partially fund the annual growth in paratransit expenses.
- 2006 includes a reduction from a very high level of 2005 paratransit Urban Tax revenue, which was based upon a very strong 2005 commercial real estate market.

Capital and Other Reimbursements

- Annual changes in reimbursements are based upon the varying level and timing of Capital Program requirements and to provide for reimbursement consistent with projected CPI increases in labor expenses and actuarial-based pension increases, as explained below.

TOTAL EXPENSES

Payroll

- 2006-2009 includes primarily CPI rate increases as follows: 2006 = 2.77%, 2007 = 2.56%, 2008 = 2.91%, and 2009 = 3.07%.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Overtime

- 2006-2009 payroll wage rate increase assumptions apply.
- The reduction from 2005 to 2006 was due primarily to additional 2005 overtime requirements caused by vacancy coverage, service disruptions, and adverse winter weather not anticipated to recur in 2006.

- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Health & Welfare

- Inflation assumptions are as follows: 2006 through 2009 = 9.34%.

Pension

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

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Assumptions reflect projected New York Power Authority (NYPA) annual rate increases.

Fuel for Buses and Trains

- 2006-2009 inflation/(deflation) assumptions are based upon Global Insight's estimates as follows: 2006 = 10.1%, 2007 = (19.1)%, 2008 = 4.7%, and 2009 = 7.1%.

Insurance

- Inflation-adjusted assumptions were provided by the MTA.
- Paratransit insurance costs increase due to the projected increase in the fleet to provide service for the annual 15% increase in ridership.

Claims

- Annual inflation of 2.8% for 2006 through 2009.

Paratransit Service Contracts

- Inflation assumptions are based upon current carrier contracts with 3% annual inflation assumed after the contracts expire.
- Significant expense increases are based upon projected annual ridership growth of 15%.

Maintenance and Other Operating Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.
- Facility power cost rate assumptions are based upon projections of NYPA rate increases.

- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Professional Service Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Materials and Supplies

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.60%, 2007 = 2.15%, 2008 = 1.33%, and 2009 = 0.98%.
- Year-to-year non-reimbursable expense levels tend to fluctuate, due to the timing of subway and bus scheduled maintenance programs.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Other Business Expenses

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.

Depreciation

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

TOTAL RECEIPTS

Farebox Receipts

- The improvement in subway/bus farebox revenue in 2006 over 2005 is due largely to the annualization of the 2005 fare adjustments and the impact of Global Insight's projected employment increases of 1.2% and an additional subway increase of 1.5% based on recent experience. The 2007-2009 year over year improvements are based on projected Global Insight's growth in NYC employment as follows: 2007 = 0.92%, 2008 = 0.71%, and 2009 = 0.56%.
- Receipts include cash adjustments for expired MetroCard values and the timing of counting and depositing 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.

- 2006 includes a reduction from a very high level of 2005 paratransit Urban Tax revenue, which was based upon a very strong 2005 commercial real estate market.
- 2005 includes non-recurring cash receipts representing draw-downs accumulated from prior years' interest income (\$10.8 million) and Transit Adjudication Bureau funds (\$7.2 million).

Capital and Other Reimbursements

- Annual changes in reimbursements are based upon the varying level and timing of Capital Program requirements and to provide for reimbursement consistent with projected CPI increases in labor expenses and actuarial-based pension increases, as explained below.
- Cash adjustments are incorporated to recognize changes in the timing of receipts from year to year.

TOTAL EXPENDITURES

Payroll

- 2006-2009 includes primarily CPI rate increases as follows: 2006 = 2.77%, 2007 = 2.56%, 2008 = 2.91%, and 2009 = 3.07%.
- Non-recurring retroactive wage cash payments of \$12.4 million are included in 2005 based upon assumptions regarding union contract settlements.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Overtime

- 2006-2009 payroll wage rate increase assumptions apply.
- The reduction from 2005 to 2006 was due primarily to additional 2005 overtime requirements caused by vacancy coverage, service disruptions, and adverse winter weather not anticipated to recur in 2006.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Health & Welfare

- Inflation assumptions are as follows: 2006 through 2009 = 9.34%.

Pension

- Significant projected increases in expenses are based upon information from pension plan actuaries.
- Due to the effect of prepaying pension expenses, 2005 cash adjustments are significantly favorable. In subsequent years, favorable cash adjustments primarily result from the recognition of full accrued expenses each year.

Other Fringe Benefits

- Inflation assumptions are consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Assumptions reflect projected New York Power Authority (NYPA) annual rate increases.

Fuel for Buses and Trains

- 2006-2009 inflation/(deflation) assumptions are based upon Global Insight's estimates as follows: 2006 = 10.1%, 2007 = (19.1)%, 2008 = 4.7%, and 2009 = 7.1%.

Insurance

- Inflation-adjusted assumptions were provided by the MTA.
- Paratransit insurance costs increase due to the projected increase in the fleet to provide service for the annual 15% increase in ridership.

Claims

- Annual inflation of 2.8% for 2006 through 2009 is assumed.

Paratransit Service Contracts

- Inflation assumptions are based upon current carrier contracts, with 3% annual inflation assumed after the contracts expire.
- Significant expense increases are based upon projected annual ridership growth of 15%.

Maintenance and Other Operating Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.
- Facility power cost rate assumptions are based upon projections of NYPA rate increases.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Professional Service Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Materials and Supplies

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.60%, 2007 = 2.15%, 2008 = 1.33%, and 2009 = 0.98%.
- Year-to-year non-reimbursable expense levels tend to fluctuate, due to the timing of subway and bus scheduled maintenance programs.
- Reimbursable expenses vary by year based upon the level and timing of Capital Program requirements.

Other Business Expenses

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006 = 2.20%, 2007 = 1.70%, 2008 = 1.86%, and 2009 = 2.09%.

MTA New York City Transit
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

NON-REIMBURSABLE

	Favorable/(Unfavorable)								
	2005	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008
Revenue									
Farebox Revenue:									
Subway	\$1,900.727	\$1,970.208	\$69.481	\$1,989.876	\$19.668	\$2,010.440	\$20.564	\$2,014.320	\$3.880
Bus	776.563	788.714	12.151	794.799	6.085	802.961	8.162	804.475	1.514
Paratransit	7.298	8.393	1.095	9.652	1.259	11.100	1.448	12.764	1.664
Fare Media Liability	19.900	20.900	1.000	21.700	0.800	21.900	0.200	22.200	0.300
Total Farebox Revenue	\$2,704.488	\$2,788.215	\$83.727	\$2,816.027	\$27.812	\$2,846.401	\$30.374	\$2,853.759	\$7.358
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	61.620	58.379	(3.241)	66.833	8.454	78.222	11.389	88.469	10.247
Other	88.620	89.612	0.992	89.930	0.318	90.330	0.400	90.145	(0.185)
Total Other Operating Revenue	254.006	251.757	(2.249)	260.529	8.772	272.318	11.789	282.380	10.062
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$2,958.494	\$3,039.972	\$81.478	\$3,076.556	\$36.584	\$3,118.719	\$42.163	\$3,136.139	\$17.420
Expenses									
Labor:									
Payroll	2,404.728	2,470.365	(65.637)	2,522.344	(51.979)	2,607.182	(84.838)	2,670.531	(63.349)
Overtime	223.203	198.205	24.998	200.899	(2.694)	205.509	(4.610)	211.963	(6.454)
Total Salaries & Wages	2,627.931	2,668.570	(40.639)	2,723.243	(54.673)	2,812.691	(89.448)	2,882.494	(69.803)
Health and Welfare	573.703	627.272	(53.569)	680.691	(53.419)	744.661	(63.970)	811.741	(67.080)
Pensions	456.820	540.651	(83.831)	559.836	(19.185)	564.780	(4.944)	562.067	2.713
Other Fringe Benefits	200.138	203.909	(3.771)	209.725	(5.816)	215.934	(6.209)	221.197	(5.263)
Total Fringe Benefits	1,230.661	1,371.832	(141.171)	1,450.252	(78.420)	1,525.375	(75.123)	1,595.005	(69.630)
Reimbursable Overhead	(144.182)	(158.207)	14.025	(153.795)	(4.412)	(155.952)	2.157	(154.962)	(0.990)
Total Labor Expenses	\$3,714.410	\$3,882.195	(\$167.785)	\$4,019.700	(\$137.505)	\$4,182.114	(\$162.414)	\$4,322.537	(\$140.423)
Non-Labor:									
Traction and Propulsion Power	134.164	140.941	(6.777)	140.640	0.301	141.338	(0.698)	143.813	(2.475)
Fuel for Buses and Trains	103.621	116.083	(12.462)	104.889	11.194	99.939	4.950	102.088	(2.149)
Insurance	31.979	34.559	(2.580)	39.014	(4.455)	42.297	(3.283)	46.424	(4.127)
Claims	69.441	71.350	(1.909)	73.306	(1.956)	75.314	(2.008)	77.370	(2.056)
Paratransit Service Contracts	160.328	192.329	(32.001)	223.289	(30.960)	260.299	(37.010)	303.970	(43.671)
Mtce. and Other Operating Contracts	178.870	196.499	(17.629)	200.828	(4.329)	199.044	1.784	208.047	(9.003)
Professional Service Contracts	94.192	89.495	4.697	88.315	1.180	91.863	(3.548)	94.208	(2.345)
Materials & Supplies	248.739	249.073	(0.334)	258.882	(9.809)	253.960	4.922	249.215	4.745
Other Business Expenses	32.563	32.444	0.119	32.849	(0.405)	33.434	(0.585)	33.687	(0.253)
Total Non-Labor Expenses	\$1,053.897	\$1,122.773	(\$68.876)	\$1,162.012	(\$39.239)	\$1,197.488	(\$35.476)	\$1,258.822	(\$61.334)
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	\$4,768.307	\$5,004.968	(\$236.661)	\$5,181.712	(\$176.744)	\$5,379.602	(\$197.890)	\$5,581.359	(\$201.757)
Depreciation	962.300	1,074.500	(112.200)	1,228.100	(153.600)	1,381.700	(153.600)	1,535.300	(153.600)
Total Expenses	\$5,730.607	\$6,079.468	(\$348.861)	\$6,409.812	(\$330.344)	\$6,761.302	(\$351.490)	\$7,116.659	(\$355.357)
Baseline Net Surplus/(Deficit)	(\$2,772.113)	(\$3,039.496)	(\$267.383)	(\$3,333.256)	(\$293.760)	(\$3,642.583)	(\$309.327)	(\$3,980.520)	(\$337.937)
2006 Agency Program to Eliminate the Gap	5.307	18.317	13.010	19.475	1.158	20.492	1.017	22.050	1.558
Post-2006 Agency Program to Eliminate the Gap	0.000	0.000	0.000	1.962	1.962	14.356	12.394	20.447	6.091
Net Surplus/(Deficit)	(\$2,766.806)	(\$3,021.179)	(\$254.373)	(\$3,311.819)	(\$290.640)	(\$3,607.735)	(\$295.916)	(\$3,938.023)	(\$330.288)

REIMBURSABLE

[illegible]

MTA New York City Transit
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2005	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008
Revenue									
Farebox Revenue:									
Subway	\$1,900.727	\$1,970.208	\$69.481	\$1,989.876	\$19.668	\$2,010.440	\$20.564	\$2,014.320	\$3.880
Bus	776.563	788.714	12.151	794.799	6.085	802.961	8.162	804.475	1.514
Paratransit	7.298	8.393	1.095	9.652	1.259	11.100	1.448	12.764	1.664
Fare Media Liability	19.900	20.900	1.000	21.700	0.800	21.900	0.200	22.200	0.300
Total Farebox Revenue	\$2,704.488	\$2,788.215	\$83.727	\$2,816.027	\$27.812	\$2,846.401	\$30.374	\$2,853.759	\$7.358
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	61.620	58.379	(3.241)	66.833	8.454	78.222	11.389	88.469	10.247
Other	88.620	89.612	0.992	89.930	0.318	90.330	0.400	90.145	(0.185)
Total Other Operating Revenue	254.006	251.757	(2.249)	260.529	8.772	272.318	11.789	282.380	10.062
Capital and Other Reimbursements	755.743	765.779	10.036	736.084	(29.695)	748.019	11.935	752.038	4.019
Total Revenue	\$3,714.237	\$3,805.751	\$91.514	\$3,812.640	\$6.889	\$3,866.738	\$54.098	\$3,888.177	\$21.439
Expenses									
Labor:									
Payroll	2,731.684	2,803.833	(72.149)	2,851.418	(47.585)	2,941.084	(89.666)	3,007.894	(66.810)
Overtime	283.855	252.066	31.789	253.532	(1.466)	259.622	(6.090)	266.416	(6.794)
Total Salaries & Wages	3,015.539	3,055.899	(40.360)	3,104.950	(49.051)	3,200.706	(95.756)	3,274.310	(73.604)
Health and Welfare	592.521	647.162	(54.641)	702.477	(55.315)	768.506	(66.029)	837.837	(69.331)
Pensions	468.355	554.891	(86.536)	574.590	(19.699)	580.055	(5.465)	577.414	2.641
Other Fringe Benefits	279.259	283.668	(4.409)	287.194	(3.526)	294.292	(7.098)	299.689	(5.397)
Total Fringe Benefits	1,340.135	1,485.721	(145.586)	1,564.261	(78.540)	1,642.853	(78.592)	1,714.940	(72.087)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$4,355.674	\$4,541.620	(\$185.946)	\$4,669.211	(\$127.591)	\$4,843.559	(\$174.348)	\$4,989.250	(\$145.691)
Non-Labor:									
Traction and Propulsion Power	134.164	140.941	(6.777)	140.640	0.301	141.338	(0.698)	143.813	(2.475)
Fuel for Buses and Trains	103.621	116.083	(12.462)	104.889	11.194	99.939	4.950	102.088	(2.149)
Insurance	31.979	34.559	(2.580)	39.014	(4.455)	42.297	(3.283)	46.424	(4.127)
Claims	69.441	71.350	(1.909)	73.306	(1.956)	75.314	(2.008)	77.370	(2.056)
Paratransit Service Contracts	160.328	192.329	(32.001)	223.289	(30.960)	260.299	(37.010)	303.970	(43.671)
Mtce. and Other Operating Contracts	220.147	232.406	(12.259)	230.676	1.730	228.892	1.784	237.895	(9.003)
Professional Service Contracts	112.765	106.452	6.313	104.387	2.065	107.935	(3.548)	110.280	(2.345)
Materials & Supplies	300.940	300.050	0.890	297.022	3.028	292.101	4.921	286.107	5.994
Other Business Expenses	34.991	34.957	0.034	35.362	(0.405)	35.947	(0.585)	36.200	(0.253)
Total Non-Labor Expenses	\$1,168.376	\$1,229.127	(\$60.751)	\$1,248.585	(\$19.458)	\$1,284.062	(\$35.477)	\$1,344.147	(\$60.085)
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	\$5,524.050	\$5,770.747	(\$246.697)	\$5,917.796	(\$147.049)	\$6,127.621	(\$209.825)	\$6,333.397	(\$205.776)
Depreciation	962.300	1,074.500	(112.200)	1,228.100	(153.600)	1,381.700	(153.600)	1,535.300	(153.600)
Total Expenses	\$6,486.350	\$6,845.247	(\$358.897)	\$7,145.896	(\$300.649)	\$7,509.321	(\$363.425)	\$7,868.697	(\$359.376)
Baseline Net Surplus/(Deficit)	(\$2,772.113)	(\$3,039.496)	(\$267.383)	(\$3,333.256)	(\$293.760)	(\$3,642.583)	(\$309.327)	(\$3,980.520)	(\$337.937)
2006 Agency Program to Eliminate the Gap	5.307	18.317	13.010	19.475	1.158	20.492	1.017	22.050	1.558
Post-2006 Agency Program to Eliminate the G	0.000	0.000	0.000	1.962	1.962	14.356	12.394	20.447	6.091
Net Surplus/(Deficit)	(\$2,766.806)	(\$3,021.179)	(\$254.373)	(\$3,311.819)	(\$290.640)	(\$3,607.735)	(\$295.916)	(\$3,938.023)	(\$330.288)

MTA New York City Transit
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Basis
(\$ in millions)

	Favorable/(Unfavorable)								
	2005	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008
<u>Receipts</u>									
Farebox Revenue	\$2,715.988	\$2,790.915	\$74.927	\$2,825.127	\$34.212	\$2,855.201	\$30.074	\$2,859.259	\$4.058
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	62.120	58.379	(3.741)	66.833	8.454	78.222	11.389	88.469	10.247
Other	111.720	91.712	(20.008)	92.030	0.318	92.430	0.400	92.245	(0.185)
Total Other Operating Revenue	\$277.606	\$253.857	(\$23.749)	\$262.629	\$8.772	\$274.418	\$11.789	\$284.480	\$10.062
Capital and Other Reimbursements	745.584	773.865	28.281	737.269	(36.596)	740.531	3.262	746.199	5.668
Total Receipts	\$3,739.178	\$3,818.637	\$79.459	\$3,825.025	\$6.388	\$3,870.150	\$45.125	\$3,889.938	\$19.788
<u>Expenditures</u>									
Labor:									
Payroll	2,723.580	2,782.934	(59.354)	2,829.927	(46.994)	2,920.053	(90.126)	2,985.028	(64.975)
Overtime	283.013	250.186	32.827	251.620	(1.433)	257.758	(6.138)	264.380	(6.622)
Total Salaries & Wages	3,006.593	3,033.120	(26.527)	3,081.547	(48.427)	3,177.811	(96.264)	3,249.408	(71.597)
Health and Welfare	597.518	644.889	(47.371)	700.045	(55.156)	765.904	(65.859)	835.053	(69.149)
Pensions	334.725	515.927	(181.202)	567.020	(51.093)	578.710	(11.690)	579.363	(0.653)
Other Fringe Benefits	268.269	273.941	(5.672)	277.996	(4.055)	285.706	(7.710)	291.523	(5.817)
Total Fringe Benefits	1,200.512	1,434.757	(234.245)	1,545.061	(110.304)	1,630.320	(85.259)	1,705.939	(75.619)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$4,207.105	\$4,467.877	(\$260.772)	\$4,626.608	(\$158.731)	\$4,808.131	(\$181.523)	\$4,955.347	(\$147.216)
Non-Labor:									
Traction and Propulsion Power	134.164	140.941	(6.777)	140.640	0.301	141.338	(0.698)	143.813	(2.475)
Fuel for Buses and Trains	103.621	116.083	(12.462)	104.889	11.194	99.939	4.950	102.088	(2.149)
Insurance	33.746	35.290	(1.544)	39.410	(4.120)	46.197	(6.787)	46.176	0.021
Claims	63.098	60.208	2.890	61.947	(1.739)	63.735	(1.788)	65.576	(1.841)
Paratransit Service Contracts	157.128	188.129	(31.001)	223.289	(35.160)	260.299	(37.010)	303.970	(43.671)
Mtce. and Other Operating Contracts	228.601	240.860	(12.259)	239.130	1.730	237.346	1.784	246.349	(9.003)
Professional Service Contracts	107.119	102.052	5.067	100.387	1.665	103.935	(3.548)	106.280	(2.345)
Materials & Supplies	296.868	297.300	(0.432)	295.022	2.278	290.101	4.921	284.107	5.994
Other Business Expenditures	34.991	34.957	0.034	35.362	(0.405)	35.947	(0.585)	36.200	(0.253)
Total Non-Labor Expenditures	\$1,159.336	\$1,215.820	(\$56.484)	\$1,240.076	(\$24.256)	\$1,278.837	(\$38.761)	\$1,334.559	(\$55.722)
Other Expenditure Adjustments:									
Depreciation	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
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	\$5,366.441	\$5,683.697	(\$317.256)	\$5,866.684	(\$182.987)	\$6,086.968	(\$220.284)	\$6,289.906	(\$202.938)
Baseline Net Cash Deficit	(\$1,627.263)	(\$1,865.060)	(\$237.797)	(\$2,041.659)	(\$176.599)	(\$2,216.818)	(\$175.159)	(\$2,399.968)	(\$183.150)
2006 Agency Program to Eliminate the Gap	5.307	19.517	14.210	20.675	1.158	21.692	1.017	23.250	1.558
Post-2006 Agency Program to Eliminate the Gap	0.000	0.000	0.000	1.962	1.962	14.356	12.394	20.447	6.091
Net Cash Deficit	(\$1,621.956)	(\$1,845.543)	(\$223.587)	(\$2,019.022)	(\$173.479)	(\$2,180.770)	(\$161.748)	(\$2,356.271)	(\$175.501)

MTA New York City Transit
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	Favorable/(Unfavorable)								
	2005	2006	Change 2006-2005	2007	Change 2007-2006	2008	Change 2008-2007	2009	Change 2009-2008
Receipts									
Farebox Revenue	\$11.500	\$2.700	(\$8.800)	\$9.100	\$6.400	\$8.800	(\$0.300)	\$5.500	(\$3.300)
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	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Paratransit Reimbursement	0.500	0.000	(0.500)	0.000	0.000	0.000	0.000	0.000	0.000
Other	23.100	2.100	(21.000)	2.100	0.000	2.100	0.000	2.100	0.000
Total Other Operating Revenue	\$23.600	\$2.100	(\$21.500)	\$2.100	\$0.000	\$2.100	\$0.000	\$2.100	\$0.000
Capital and Other Reimbursements	(10.159)	8.086	18.245	1.185	(6.901)	(7.488)	(8.673)	(5.839)	1.649
Total Receipt Adjustments	\$24.941	\$12.886	(\$12.055)	\$12.385	(\$0.501)	\$3.412	(\$8.973)	\$1.761	(\$1.651)
Expenditures									
Labor:									
Payroll	8.104	20.899	12.795	21.491	0.591	21.031	(0.460)	22.866	1.835
Overtime	0.842	1.880	1.038	1.912	0.033	1.864	(0.048)	2.036	0.172
Total Salaries & Wages	8.946	22.779	13.833	23.403	0.624	22.895	(0.508)	24.902	2.007
Health and Welfare	(4.997)	2.273	7.270	2.432	0.159	2.602	0.170	2.784	0.182
Pensions	133.630	38.964	(94.666)	7.570	(31.394)	1.345	(6.225)	(1.949)	(3.294)
Other Fringe Benefits	10.990	9.727	(1.263)	9.198	(0.529)	8.586	(0.612)	8.166	(0.420)
Total Fringe Benefits	139.623	50.964	(88.659)	19.200	(31.764)	12.533	(6.667)	9.001	(3.532)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$148.569	\$73.743	(\$74.826)	\$42.603	(\$31.140)	\$35.428	(\$7.175)	\$33.903	(\$1.525)
Non-Labor:									
Traction and Propulsion Power	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	(1.767)	(0.731)	1.036	(0.396)	0.335	(3.900)	(3.504)	0.248	4.148
Claims	6.343	11.142	4.799	11.359	0.217	11.579	0.220	11.794	0.215
Paratransit Service Contracts	3.200	4.200	1.000	0.000	(4.200)	0.000	0.000	0.000	0.000
Mtce. and Other Operating Contracts	(8.454)	(8.454)	0.000	(8.454)	0.000	(8.454)	0.000	(8.454)	0.000
Professional Service Contracts	5.646	4.400	(1.246)	4.000	(0.400)	4.000	0.000	4.000	0.000
Materials & Supplies	4.072	2.750	(1.322)	2.000	(0.750)	2.000	0.000	2.000	0.000
Other Business Expenditures	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	\$9.040	\$13.307	\$4.267	\$8.509	(\$4.798)	\$5.225	(\$3.284)	\$9.588	\$4.363
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 Expenditure Adjustments	\$157.609	\$87.050	(\$70.559)	\$51.112	(\$35.938)	\$40.653	(\$10.459)	\$43.491	\$2.838
Total Cash Conversion Adjustments before Depreciation	\$182.550	\$99.936	(\$82.614)	\$63.497	(\$36.439)	\$44.065	(\$19.432)	\$45.252	\$1.187
Depreciation Adjustment	962.300	1,074.500	112.200	1,228.100	153.600	1,381.700	153.600	1,535.300	153.600
Baseline Total Cash Conversion Adj.	\$1,144.850	\$1,174.436	\$29.586	\$1,291.597	\$117.161	\$1,425.765	\$134.168	\$1,580.552	\$154.787
2006 Agency Program to Eliminate the Gap	0.000	1.200	1.200	1.200	0.000	1.200	0.000	1.200	0.000
Post-2006 Agency Program to Eliminate the Gap	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$1,144.850	\$1,175.636	\$30.786	\$1,292.797	\$117.161	\$1,426.965	\$134.168	\$1,581.752	\$154.787

**MTA New York City Transit
November Financial Plan 2006 – 2009
Ridership (Utilization)**

November Financial Plan Ridership increased from the July Financial Plan as follows: 2005=0.5%, 2006=1.6%, 2007=1.4%, 2008=1.6%, and 2009=1.7%.

The 2005 improvement included a 1.2% subway increase and a 0.8% bus decrease, consistent with current trends.

The 2006 increase is based primarily on Global Insight's projected employment growth and an additional subway growth factor of 1.5% based upon recent experience.

The 2007 through 2009 increases are based on Global Insight's employment growth projections.

MTA New York City Transit
November Financial Plan 2006 - 2009
Ridership/Traffic Volume (Utilization)
(in millions)

	2004	2005	2006			
	Actual	November	Final Proposed	2007	2008	2009
		Forecast	Budget			
Subway	1,426.040	1,464.149	1,504.137	1,519.985	1,535.057	1,537.901
Bus	740.586	741.845	745.515	750.450	757.485	758.790
Paratransit	3.983	4.720	5.428	6.242	7.179	8.256
Baseline Total Ridership	2,170.609	2,210.714	2,255.080	2,276.677	2,299.721	2,304.947
Impact of: PEG Program						
Total Ridership	2,170.609	2,210.714	2,255.080	2,276.677	2,299.721	2,304.947

MTA New York City Transit
November Financial Plan 2006-2009
Summary of Major Plan-to-Plan Changes

2005: November Financial Plan vs. July Financial Plan

Revenue Changes

Operating revenue changes from the July Plan result in a reduction of \$0.6 million.

Major changes include:

- Farebox revenue decreases by \$11.4 million due mostly to an unfavorable market share shift to 30-day passes from pay-per-ride partly offset by higher non-student ridership.
- Re-estimates of expired card value resulted in an improvement of \$6.8 million.
- Other operating revenue is projected to improve by \$4.1 million due largely to increased paratransit urban tax revenues of \$3.0 million based upon a very strong commercial real estate market and projected higher advertising revenues of \$1.0 million.

Capital reimbursements decreased by \$13.0 million due to reductions in Capital Program requirements.

Expense Changes

Non-reimbursable expense changes from the July Plan result in increased expenses of \$1.5 million. Major variances include:

- Increased bus and heating fuel expenses of \$18.8 million due to higher projected prices.
- Pension expense reestimates resulting in an increase of \$10.4 million.
- A net increase of \$8.0 million primarily related to departmental reassessment of labor and non-labor spending levels including rescheduling of expenses to subsequent years.
- A health & welfare expense reduction of \$16.2 million based upon lower rate increases than anticipated in the Mid-Year Forecast.
- A reestimate of non-cash depreciation expense resulted in a reduction of \$19.3 million primarily due to the timing of assets reaching beneficial use.

Reimbursable expenses decreased by \$13.0 million due to reduced Capital Program requirements.

Cash Adjustments

Cash adjustments were unfavorable by \$21.9 million. Major variances include:

- Depreciation offset to the non-cash expense change was unfavorable \$19.3 million.

- The timing of capital reimbursements was unfavorable \$13.3 million.
- The timing of fringe benefit payments was favorable \$8.6 million.

2006: November Financial Plan vs. July Financial Plan

Revenue Changes

Operating revenue changes from the July Plan result in an increase of \$27.9 million.

Major changes include:

- Farebox revenue improves by \$19.3 million due primarily to projected additional subway revenue growth of 1.5% based on recent year's experience of ridership growth above employment growth levels.
- Reestimates of expired card value result in an improvement of \$8.2 million.

Capital reimbursements increase by \$51.1 million due to additional Capital Program requirements.

Expense Changes

Non-reimbursable expense changes from the July Plan result in increased expenses of \$10.0 million. Major variances include:

- Increased bus and heating fuel expenses of \$41.1 million due to higher projected prices.
- An increase of \$7.1 million of expenses rescheduled from 2005.
- A projected increase in paratransit trip growth from 13% to 15% results in an increase in expense of \$5.7 million.
- An expense reduction of \$22.5 million from higher reimbursable overhead credits arising from increased Capital Program requirements and a higher overhead billing rate, largely due to higher pension costs.
- A health & welfare expense reduction of \$20.0 million based upon lower rate increase projections than anticipated in the July Plan.

Reimbursable expenses increase by \$51.1 million due to higher Capital Program requirements in buses (\$19.2 million) and subways (\$14.9 million). The remainder is mostly due to higher overhead billing rate expense increases, largely due to increased pension costs.

Cash Adjustments

Cash adjustments were unfavorable by \$12.6 million. Major variances include:

- Depreciation offset to the non-cash expense change was unfavorable \$12.0 million.
- Farebox revenue was unfavorable \$6.3 million largely due to reestimates of the timing/depositing of cash receipts and expired card values.
- The timing of capital reimbursements was favorable \$2.6 million.
- The timing of fringe benefit payments was favorable \$5.0 million.

2007: November Financial Plan vs. July Financial Plan

Revenue Changes

Operating revenue changes from the July Plan result in an increase of \$22.6 million. Major changes include:

- Farebox revenue improves by \$13.6 million based primarily upon Global Insight's employment projections.
- Reestimates of expired card value results in an improvement of \$8.7 million.

Capital reimbursements increase by \$15.0 million due to additional Capital Program requirements.

Expense Changes

Non-reimbursable expense changes from the July Plan result in increased expenses of \$41.5 million. Major variances include:

- A reestimate of non-cash depreciation expense resulting in an increase of \$36.8 million representing additional assets reaching beneficial use.
- Increased bus and heating fuel expenses of \$29.0 million due to higher projected prices.
- A projected increase in paratransit trip growth from 13% to 15%, resulting in an increase in expense of \$8.0 million.
- An expense reduction of \$17.7 million from higher reimbursable overhead credits arising from increased Capital Program requirements and a higher overhead billing rate, largely due to higher pension costs.
- A health & welfare expense reduction of \$23.2 million based upon lower rate increase projections than anticipated in the July Plan.

Reimbursable expenses increase by \$15.0 million due to higher Capital Program requirements.

Cash Adjustments

Cash adjustments were favorable by \$36.1 million. Major variances include:

- Depreciation offset to the non-cash expense change was favorable \$36.8 million.
- Farebox revenue was unfavorable \$12.2 million largely due to re-estimates of the timing/depositing of cash receipts and expired card values.
- The timing of capital reimbursements was favorable \$7.5 million.
- The timing of fringe benefit payments was favorable \$4.6 million.

2008: November Financial Plan vs. July Financial Plan

Revenue Changes

Operating revenue changes from the July Plan result in an increase of \$26.9 million. Major changes include:

- Farebox revenue improves by \$18.0 million based primarily upon Global Insight's employment projections.
- Reestimates of expired card value result in an improvement of \$8.6 million.

Capital reimbursements increase by \$10.0 million due to additional Capital Program requirements.

Expense Changes

Non-reimbursable expense changes from the July Plan result in increased expenses of \$93.5 million. Major variances include:

- A re-estimate of non-cash depreciation expense resulting in an increase of \$89.2 million representing additional assets reaching beneficial use.
- Increased bus and heating fuel expenses of \$23.0 million due to higher projected prices.
- A projected increase in paratransit trip growth from 13% to 15%, resulting in an increase in expense of \$11.3 million.
- An expense reduction of \$16.7 million from higher reimbursable overhead credits arising from increased Capital Program requirements and a higher overhead billing rate, largely due to higher pension costs.
- A health & welfare expense reduction of \$26.7 million based upon projected lower rate increases than anticipated in the July Plan.

Reimbursable expenses increase by \$10.0 million due to higher Capital Program requirements.

Cash Adjustments

Cash adjustments were favorable by \$92.9 million. Major variances include:

- Depreciation offset to the non-cash expense change was favorable \$89.2 million.
- The timing of fringe benefit payments was favorable \$4.5 million.

2009: November Financial Plan vs. July Financial Plan

Revenue Changes

Operating revenue changes from the July Plan result in an increase of \$31.0 million. Major changes include:

- Farebox revenue improves by \$22.1 million based primarily upon Global Insight's employment projections.
- Reestimates of expired card value resulted in an improvement of \$8.6 million.

Capital reimbursements increase by \$7.5 million due to additional Capital Program requirements.

Expense Changes

Non-reimbursable expense changes from the July Plan result in increased expenses of \$139.6 million. Major variances include:

- A re-estimate of non-cash depreciation expense resulting in an increase of \$139.0 million representing additional assets reaching beneficial use.
- Increased bus and heating fuel expenses of \$23.6 million due to higher projected prices.
- A projected increase in paratransit trip growth from 13% to 15%, resulting in an increase in expense of \$18.8 million.
- An expense reduction of \$16.2 million from higher reimbursable overhead credits arising from increased Capital Program requirements and a higher overhead billing rate, largely due to higher pension costs.
- A health & welfare expense reduction of \$29.5 million based upon projected lower rate increases than anticipated in the July Plan.

Reimbursable expenses increase by \$7.5 million due to higher Capital Program requirements.

Cash Adjustments

Cash adjustments were favorable by \$137.7 million. Major variances include:

- Depreciation offset to the non-cash expense change was favorable \$139.0 million.

MTA New York City Transit
November Financial Plan 2006 - 2009
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$1,603.285)	(\$1,870.335)	(\$2,058.935)	(\$2,243.078)	(\$2,429.057)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Farebox Revenue Re-estimate-Subway, Bus, Paratransit	(11.439)	19.256	13.600	17.960	22.055
Expired Card Value Re-estimate	6.800	8.200	8.700	8.600	8.600
Other Operating Revenue Re-estimates	4.085	.415	.333	.333	.333
Sub-Total Non-Reimbursable Revenue Changes	(\$.554)	\$27.871	\$22.633	\$26.893	\$30.988
Expenses					
Bus & Heating Fuel Price Increases	(18.822)	(41.128)	(29.030)	(22.957)	(23.559)
Traction and Non-Traction Power Prices	3.288	(2.104)	(0.304)	0.115	(0.741)
Insurance Cost Re-estimate	1.069	2.872	2.204	2.588	3.909
Other Inflation Changes	0.000	(4.359)	0.339	(7.178)	(2.300)
Pension Re-estimate	(10.379)	(3.480)	(2.098)	(0.536)	3.498
Health & Welfare Rate Savings	16.193	20.011	23.167	26.724	29.541
Worker's Compensation Board Fees	(2.960)	(2.110)	(4.110)	(4.110)	(4.110)
Paratransit Expense Reforecast	2.134	(5.707)	(8.027)	(11.314)	(18.761)
"L" Line OPTO Elimination	(0.251)	(3.545)	(4.388)	(4.388)	(4.388)
Maintenance Program Revision	0.000	(1.138)	(1.060)	(1.060)	(0.982)
Impact of Reimbursable Changes	1.137	22.493	17.673	16.673	16.153
Rescheduling of 2005 Expenses	10.515	(7.062)	(3.453)	0.000	0.000
Other Fringe Benefit Re-estimates	(2.839)	(3.311)	(3.067)	(2.912)	(2.460)
Other 2005 Spending Re-estimates	(18.458)	0.000	0.000	0.000	0.000
Average Pay Rate Adjustment	0.000	8.842	8.782	8.623	8.281
Depreciation Re-estimate	19.300	12.000	(36.800)	(89.200)	(139.000)
All Other	(1.420)	(2.280)	(1.294)	(4.583)	(4.656)
Sub-Total Non-Reimbursable Expense Changes	(\$1.493)	(\$10.006)	(\$41.466)	(\$93.515)	(\$139.575)
Total Non-Reimbursable Major Changes	(\$2.047)	\$17.865	(\$18.833)	(\$66.622)	(\$108.587)
<i>Reimbursable Major Changes</i>					
Revenue					
Reimbursements Provided To Cover Expense Changes Below	(13.019)	51.118	15.042	9.990	7.488
Sub-Total Reimbursable Revenue Changes	(\$13.019)	\$51.118	\$15.042	\$9.990	\$7.488
Expenses					
Change in Capital Program Requirements (see Narrative)	13.019	(51.118)	(15.042)	(9.990)	(7.488)
Sub-Total Reimbursable Expense Changes	\$13.019	(\$51.118)	(\$15.042)	(\$9.990)	(\$7.488)
Total Reimbursable Major Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Accrual Changes	(\$2.047)	\$17.865	(\$18.833)	(\$66.622)	(\$108.587)
<i>Cash Adjustment Changes</i>					
Depreciation Offset to Expense Revision-Non Cash	(19.300)	(12.000)	36.800	89.200	139.000
Capital Reimbursement Timing	(13.269)	2.634	7.514	1.052	0.521
Farebox Revenue Revisions	2.800	(6.300)	(12.200)	(0.900)	(4.200)
Fringe Benefit Cash Payment Timing	8.551	4.973	4.632	4.502	3.884
Public Liability (Claims) Payment Re-estimates	(5.120)	(1.157)	(1.421)	(1.694)	0.919
Insurance Payment Timing	1.482	(0.713)	0.567	0.942	(1.879)
Other Changes	2.925	(0.027)	0.217	(0.220)	(0.569)
Total Cash Adjustment Changes	(\$21.931)	(\$12.590)	\$36.109	\$92.882	\$137.676
Total Baseline Changes	(\$23.978)	\$5.275	\$17.276	\$26.260	\$29.089
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$1,627.263)	(\$1,865.060)	(\$2,041.659)	(\$2,216.818)	(\$2,399.968)

MTA New York City Transit
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$1,606.398)	(\$1,875.788)	(\$2,052.604)	(\$2,234.538)	(\$2,422.697)
Baseline Changes					
Revenue					
Farebox Revenue	(\$4.639)	\$27.456	\$22.300	\$26.560	\$30.655
Other Operating Revenue	\$4.085	\$0.415	\$0.333	\$0.333	\$0.333
Capital and Other Reimbursement	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Revenue Changes	(\$0.554)	\$27.871	\$22.633	\$26.893	\$30.988
Expenses					
<i>Labor:</i>					
Payroll	(\$1.947)	\$0.872	\$2.689	(\$6.037)	(\$2.857)
Overtime	(\$15.744)	\$2.027	\$3.775	\$3.978	\$4.327
Health and Welfare	\$15.015	\$16.242	\$20.350	\$24.448	\$27.427
Pensions	(\$10.203)	(\$3.153)	(\$1.194)	\$0.336	\$4.522
Other Fringe Benefits	(\$7.577)	(\$3.158)	(\$3.874)	(\$4.293)	(\$3.734)
Reimbursable Overhead	\$1.137	\$26.653	\$21.648	\$20.440	\$19.468
Total Labor Expense Changes	(\$19.319)	\$39.483	\$43.394	\$38.872	\$49.153
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$4.225	\$1.305	\$3.161	\$3.800	\$3.785
Fuel for Buses and Trains	(\$14.737)	(\$32.608)	(\$24.021)	(\$19.372)	(\$19.974)
Insurance	\$1.685	\$0.919	(\$1.438)	(\$2.563)	(\$4.773)
Claims	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Paratransit Service Contracts	\$1.600	(\$4.223)	(\$3.383)	(\$4.480)	(\$7.693)
Maintenance and Other Operating Contracts	\$10.934	(\$7.616)	(\$11.969)	(\$11.798)	(\$11.749)
Professional Service Contracts	(\$2.575)	(\$5.116)	(\$5.129)	(\$6.514)	(\$7.006)
Materials & Supplies	(\$0.379)	(\$11.899)	(\$3.054)	\$0.295	\$0.288
Other Business Expenses	(\$2.227)	(\$2.251)	(\$2.227)	(\$2.555)	(\$2.606)
Total Non-Labor Expense Changes	(\$1.474)	(\$61.489)	(\$48.060)	(\$43.187)	(\$49.728)
Depreciation	\$19.300	\$12.000	(\$36.800)	(\$89.200)	(\$139.000)
Total Expense Changes	(\$1.493)	(\$10.006)	(\$41.466)	(\$93.515)	(\$139.575)
Cash Adjustment Changes					
Revenue	\$3.800	(\$6.300)	(\$12.200)	(\$0.900)	(\$4.200)
Expense	\$6.840	\$3.077	\$3.993	\$3.530	\$2.355
Depreciation	(\$19.300)	(\$12.000)	\$36.800	\$89.200	\$139.000
Total Cash Adjustment Changes	(\$8.660)	(\$15.223)	\$28.593	\$91.830	\$137.155
Total Baseline Changes	(\$10.707)	\$2.642	\$9.760	\$25.208	\$28.568
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$1,617.105)	(\$1,873.146)	(\$2,042.844)	(\$2,209.330)	(\$2,394.129)

MTA New York City Transit
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$3.113	\$5.453	(\$6.331)	(\$8.540)	(\$6.360)
Baseline Changes					
Revenue					
Farebox Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Operating Revenue	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Capital and Other Reimbursement	(\$13.019)	\$51.118	\$15.042	\$9.990	\$7.488
Total Revenue Changes	(\$13.019)	\$51.118	\$15.042	\$9.990	\$7.488
Expenses					
<i>Labor:</i>					
Payroll	\$13.217	(\$6.423)	\$0.781	\$3.589	\$5.189
Overtime	(\$7.161)	(\$1.777)	\$0.248	\$0.315	\$0.461
Health and Welfare	(\$0.549)	\$0.905	\$0.915	\$0.939	\$0.966
Pensions	\$0.457	\$0.737	\$1.594	\$1.585	\$1.527
Other Fringe Benefits	\$2.666	(\$2.422)	\$0.085	\$0.886	\$1.355
Reimbursable Overhead	(\$1.137)	(\$26.653)	(\$21.648)	(\$20.440)	(\$19.468)
Total Labor Expense Changes	\$7.493	(\$35.633)	(\$18.025)	(\$13.126)	(\$9.970)
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Fuel for Buses and Trains	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Insurance	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Claims	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Paratransit Service Contracts	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Maintenance and Other Operating Contracts	(\$3.292)	(\$4.323)	\$1.736	\$1.736	\$1.236
Professional Service Contracts	\$1.455	(\$0.357)	\$0.528	\$0.528	\$0.528
Materials & Supplies	\$6.692	(\$10.992)	\$0.532	\$0.685	\$0.532
Other Business Expenses	\$0.671	\$0.187	\$0.187	\$0.187	\$0.186
Total Non-Labor Expense Changes	\$5.526	(\$15.485)	\$2.983	\$3.136	\$2.482
Total Expense Changes	\$13.019	(\$51.118)	(\$15.042)	(\$9.990)	(\$7.488)
Cash Adjustment Changes					
Capital Reimbursement Timing	(\$13.271)	\$2.633	\$7.516	\$1.052	\$0.521
Total Cash Adjustment Changes	(\$13.271)	\$2.633	\$7.516	\$1.052	\$0.521
Total Baseline Changes	(\$13.271)	\$2.633	\$7.516	\$1.052	\$0.521
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$10.158)	\$8.086	\$1.185	(\$7.488)	(\$5.839)

MTA New York City Transit
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$1,603.285)	(\$1,870.335)	(\$2,058.935)	(\$2,243.078)	(\$2,429.057)
Baseline Changes					
Revenue					
Farebox Revenue	(\$4.639)	\$27.456	\$22.300	\$26.560	\$30.655
Other Operating Revenue	\$4.085	\$0.415	\$0.333	\$0.333	\$0.333
Capital and Other Reimbursement	(\$13.019)	\$51.118	\$15.042	\$9.990	\$7.488
Total Revenue Changes	(\$13.573)	\$78.989	\$37.675	\$36.883	\$38.476
Expenses					
<i>Labor:</i>					
Payroll	\$11.270	(\$5.551)	\$3.470	(\$2.448)	\$2.332
Overtime	(\$22.905)	\$0.250	\$4.023	\$4.293	\$4.788
Health and Welfare	\$14.466	\$17.147	\$21.265	\$25.387	\$28.393
Pensions	(\$9.746)	(\$2.416)	\$0.400	\$1.921	\$6.049
Other Fringe Benefits	(\$4.911)	(\$5.580)	(\$3.789)	(\$3.407)	(\$2.379)
Reimbursable Overhead	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Labor Expense Changes	(\$11.826)	\$3.850	\$25.369	\$25.746	\$39.183
<i>Non-Labor:</i>					
Traction and Propulsion Power	\$4.225	\$1.305	\$3.161	\$3.800	\$3.785
Fuel for Buses and Trains	(\$14.737)	(\$32.608)	(\$24.021)	(\$19.372)	(\$19.974)
Insurance	\$1.685	\$0.919	(\$1.438)	(\$2.563)	(\$4.773)
Claims	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Paratransit Service Contracts	\$1.600	(\$4.223)	(\$3.383)	(\$4.480)	(\$7.693)
Maintenance and Other Operating Contracts	\$7.642	(\$11.939)	(\$10.233)	(\$10.062)	(\$10.513)
Professional Service Contracts	(\$1.120)	(\$5.473)	(\$4.601)	(\$5.986)	(\$6.478)
Materials & Supplies	\$6.313	(\$22.891)	(\$2.522)	\$0.980	\$0.820
Other Business Expenses	(\$1.556)	(\$2.064)	(\$2.040)	(\$2.368)	(\$2.420)
Total Non-Labor Expense Changes	\$4.052	(\$76.974)	(\$45.077)	(\$40.051)	(\$47.246)
Depreciation	\$19.300	\$12.000	(\$36.800)	(\$89.200)	(\$139.000)
Total Expense Changes	\$11.526	(\$61.124)	(\$56.508)	(\$103.505)	(\$147.063)
Cash Adjustment Changes					
Revenue	\$3.800	(\$6.300)	(\$12.200)	(\$0.900)	(\$4.200)
Expense	\$6.840	\$3.077	\$3.993	\$3.530	\$2.355
Capital Reimbursement Timing	(\$13.271)	\$2.633	\$7.516	\$1.052	\$0.521
Depreciation	(\$19.300)	(\$12.000)	\$36.800	\$89.200	\$139.000
Total Cash Adjustment Changes	(\$21.931)	(\$12.590)	\$36.109	\$92.882	\$137.676
Total Baseline Changes	(\$23.978)	\$5.275	\$17.276	\$26.260	\$29.089
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$1,627.263)	(\$1,865.060)	(\$2,041.659)	(\$2,216.818)	(\$2,399.968)

MTA New York City Transit
November Financial Plan 2006 - 2009
Summary of 2006 PEGs
(\$ in millions)

Favorable/(Unfavorable)									
2005		2006		2007		2008		2009	
Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
LIST of PROGRAMS									
Administration:									
Document Imaging System	0.000	1	0.072	1	0.072	2	0.144	2	0.144
MOW/Rolling Stock Administrative Savings	0.000	4	0.311	4	0.311	4	0.311	4	0.311
New Car Acceptance Support	0.000	6	0.645	6	0.645	6	0.645	6	0.645
Law Administrative Savings	0.000		0.141		0.141		0.151		0.151
No-Fault Loss Transfer Program	0.000	(1)	0.162	(1)	0.162	(1)	0.162	(1)	0.162
Workers Comp Loss Transfer Program	0.000		0.930		0.930		0.930		0.930
Health and Welfare Savings - Mgmt Actions	(5)	(3)	4.413	(3)	4.497	(3)	4.497	(3)	4.497
Implement Disease Management Program			1.400		1.400		1.400		1.400
Human Resources Staffing/Overtime Reduction		5	0.432	5	0.432	5	0.432	5	0.432
Reduce Revenue Processing Staff		2	0.130	2	0.130	2	0.130	2	0.130
OMB Administrative Savings	1	1	0.179	1	0.129	1	0.129	1	0.129
Corporate Communications Admin Savings		1	0.607	1	0.607	1	0.607	1	0.607
Reduce Circuit Design Staff		6	0.513	6	0.513	6	0.513	6	0.513
Labor Relations Administrative Savings			0.075		0.075		0.075		0.075
Controller Administrative Savings		1	0.112	1	0.112	1	0.112	1	0.112
Sub-Total Administration	(4)	23	\$10.122	23	\$10.156	24	\$10.238	24	\$10.238
Customer Convenience & Amenities:									
Reduce Grand Central Station Info Booth Hours		2	0.117	2	0.117	2	0.117	2	0.117
Sub-Total Customer Convenience & Amenities		2	\$0.117	2	\$0.117	2	\$0.117	2	\$0.117
Direct Service:									
Hybrid Bus Fuel Savings			1.247		1.870		2.805		4.363
Sub-Total Service			\$1.247		\$1.870		\$2.805		\$4.363

MTA New York City Transit
November Financial Plan 2006 - 2009
Summary of 2006 PEGs
(\$ in millions)

	Favorable/(Unfavorable)									
	2005		2006		2007		2008		2009	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
Service Support										
Grand Concourse Master Tower		0.000	5	0.203	5	0.348	5	0.348	5	0.348
L Line / CBTC Switching Conductors		0.000	4	0.255	4	0.255	4	0.255	4	0.255
Misc Tower Operator Switching Reductions		0.000	7	0.487	7	0.487	7	0.487	7	0.487
Subdivision A Managerial Reduction - ATS		0.000	3	0.353	3	0.353	3	0.353	3	0.353
Eliminate Annual Cordon Count		0.000		0.148		0.148		0.148		0.148
Eliminate Overnight Performance Indicator Program		0.000		0.213		0.213		0.213		0.213
Eliminate Traffic Checker Ops Desk-Nights/Wkends		0.000	3	0.339	3	0.339	3	0.339	3	0.339
Sub-Total Service Support		\$0.000	22	\$1.998	22	\$2.143	22	\$2.143	22	\$2.143
Maintenance:										
RTO Maintenance Support Savings		0.000	6	0.429	6	0.429	6	0.429	6	0.429
Consolidate Machine Shops		0.000	6	0.469	6	0.469	6	0.469	6	0.469
Reduce Overtime - "B" Defect Repairs		0.000		0.522		0.522		0.522		0.522
Reduce Power Ops Emergency Crew Helpers		0.000	8	0.473	8	0.473	8	0.473	8	0.473
Buses Hardware Savings		0.500		0.500		0.500		0.500		0.500
AFC Maintenance Field Support		0.000	7	0.658	7	0.658	7	0.658	7	0.658
Central Electronics Shop Productivity Savings		0.000	13	1.101	13	1.101	13	1.101	13	1.101
Central Warehouse Reduction		0.000	3	0.195	3	0.195	3	0.195	3	0.195
RCI Pre-Service Inspections			15	1.152	15	1.152	15	1.152	15	1.152
Sub-Total Maintenance		\$0.500	58	\$5.499	58	\$5.499	58	\$5.499	58	\$5.499
Revenue Enhancements:										
Sub-Total Revenue Enhancements		0.000		0.000		0.000		0.000		0.000
Other:										
Security Posts-Field Locations		0.000	13	0.534	13	0.890	13	0.890	13	0.890
Sub-Total Other		\$0.000	13	\$0.534	13	\$0.890	13	\$0.890	13	\$0.890
Total PEGs	(4)	\$5.307	118	\$19.517	118	\$20.675	119	\$21.692	119	\$23.250

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

Favorable/(Unfavorable)

Revenue Enhancements:

MTA New York City Transit
November Financial Plan 2006 - 2009
Summary of Post-2006 PEGs
(\$ in millions)

	Favorable/(Unfavorable)									
	2005		2006		2007		2008		2009	
	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars	Positions ¹	Dollars
Sub-Total Revenue Enhancements		0.000		0.000		0.000		0.000		0.000
Other:										
Sub-Total Other		\$0.000		\$0.000		\$0.000		\$0.000		\$0.000
Total PEGs		\$0.000		\$0.000	159	\$1.962	313	\$14.356	313	\$20.447

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

MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)

PEG Category: Administration
Program: Document Imaging System

Background Details:	Document imaging will allow RTO and Station Divisions to digitize and index paper forms/documents contained in employee files. Paper documents will be converted to electronic format and will be easily accessible. The proliferation of paper documents results in increased operating costs and creates a burden for securing them and providing long term storage.
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PEG Description/Implementation Plan:	Imaging will streamline every aspect of the process for creating and maintaining employee files and will result in savings in staff and a reduction in the cost of filing and archiving documents. It will also replace the technologically outdated Microfiche System in use by Stations. The estimated cost of the imaging equipment (hardware, software, licensing) is \$175,000. This system will be purchased in 2005 and will result in a savings of Train Operator position in 2006 and 2007 and one additional Station Agent position in 2008.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.072	\$0.072	\$0.144	\$0.144
Total Reduction in Positions Required	0	0	1	1	2	2
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: MOW/Rolling Stock Administrative Savings

Background Details: Maintenance of Way (MOW) /Rolling Stock (RS) consolidation allows for reduction of 4 Analyst positions; 2 from MOW Administration and 2 from Car Equipment.

PEG Description/Implementation Plan:

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.311	\$0.311	\$0.311	\$0.311

Total Reduction in Positions Required	0	0	4	4	4	4
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Current Vacancies
(List title of vacant positions)

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

Other (Identify Appropriate Indicator):

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

Eliminate New Car Field Acceptance Support

Background Details:

Eliminate six field positions added to the acceptance/testing of new cars including initial acceptance/burn-in, documentation of defects and interface with New Car Engineering.

PEG Description/Implementation Plan:

This proposal will eliminate four superintendents and two analysts associated with new car field acceptance support. This reduction will require New Car Engineering to absorb the function.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.645	\$0.645	\$0.645	\$0.645
Total Reduction in Positions Required	0	0	6	6	6	6
Current Vacancies (List title of vacant positions)						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: Law Administrative Savings

Background Details: Law administrative savings include downgrading titles, eliminating a clerical position, and reducing trial assistants budget.

PEG Description/Implementation Plan: The implementation will start as of January 2006.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.141	\$0.141	\$0.151	\$0.151
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: No-Fault Loss Transfer Program

Background Details:	The Law Department has recently embarked on an aggressive program to recover monies paid to injured claimants pursuant to the No-Fault law on accidents where ultimate responsibility lies with another party. This proposal reduces the estimated \$270K budgeted for using outside counsel in this matter, less \$108K for an in-house attorney to perform this work.
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PEG Description/Implementation Plan:	The implementation will start as of January 2006.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.162	\$0.162	\$0.162	\$0.162
Total Reduction in Positions Required	0	0	(1)	(1)	(1)	(1)
Current Vacancies <i>(List title of vacant positions)</i>						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

Worker's Compensation Loss Transfer Program

Background Details:

Reduce operating expenses by retaining outside counsel to recover via subrogation Workers Compensation sums paid to employees in connection with accidents chargeable to a third party represented by an insurance company.

PEG Description/Implementation Plan:

Retain outside counsel services to seek recovery of loss transfer revenues on workers' compensation cases. The gross savings under this initiative is projected to be \$1.2 million and reflected in NYCT's Workers Compensation costs.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.930	\$0.930	\$0.930	\$0.930
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

Health and Welfare Savings - Management Actions

Background Details:

This program represents continued savings in health and welfare costs due to actions taken by Employee Benefits. The savings are primarily due to removal of ineligible employees, retirees, and dependents who were being carried as eligible by HIP and GHI.

PEG Description/Implementation Plan:

These actions began with the transfer of the health benefit administrative function to New York City Transit.

PEG Implementation Date:

1/1/2005

When will PEG savings begin?:

1/1/2005

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$4.654	\$4.413	\$4.497	\$4.497	\$4.497
Total Reduction in Positions Required	0	(5)	(3)	(3)	(3)	(3)
Current Vacancies (List title of vacant positions)						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: Implement Disease Management Program

Background Details:	Implement the disease management program which is intended to reduce health benefits costs. A vendor will be selected to originate and manage a chronic disease program by identifying employees at risk, support plan of care, emphasize prevention, continuously evaluate clinical, holistic and economic outcomes and provide feedback.
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PEG Description/Implementation Plan:	Resulting health benefit savings are net of disease management vendor costs.		
PEG Implementation Date:	Jan-06	When will PEG savings begin?:	Jan-06

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$1.400	\$1.400	\$1.400	\$1.400
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies <i>(List title of vacant positions)</i>						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: Human Resources' Staffing/Overtime Reduction

Background Details: Reduce five administrative positions and unscheduled overtime in Human Resources.

PEG Description/Implementation Plan: Position reductions and overtime savings begin January 1, 2006.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** Jan-06

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.010	\$0.432	\$0.432	\$0.432	\$0.432
Total Reduction in Positions Required	0	0	5	5	5	5
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: Reduce Revenue Processing Staff

Background Details:	Reduce two positions in the revenue collection and processing functions. One Cashier position will be reduced as a result of re-engineering of LIRR revenue collection and processing functions. One Analyst position will be reduced in currency processing due to anticipated efficiencies at the Consolidated Revenue Facility.
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PEG Description/Implementation Plan:	Two positions will be eliminated beginning January 1, 2006.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.130	\$0.130	\$0.130	\$0.130
Total Reduction in Positions Required	0	0	2	2	2	2
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Administration

Program:

Office of Management and Budget Administrative Savings

Background Details:

Eliminate one position and miscellaneous other than personal services (OTPS) in the Office of Management and Budget Staff.

PEG Description/Implementation Plan:

One Manager's position will be reduced effective 2005. \$25K OTPS savings will be reduced in 2005, \$50K in 2006.

PEG Implementation Date:

Jan-05

When will PEG savings begin?:

Jan-05

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.143	\$0.179	\$0.129	\$0.129	\$0.129
Total Reduction in Positions Required	0	1	1	1	1	1
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: Corporate Communications Administrative Savings

Background Details:	Reduce Other Than Personal Services costs for market research and outside marketing services, targeted advertising, magnetic transfers, specialty cards and miscellaneous other accounts. Convert one position in the Special Event unit from non-reimbursable to non-capital reimbursable to coincide with reimbursable film and television projects.
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PEG Description/Implementation Plan:	Budget reductions will begin January 2006.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.607	\$0.607	\$0.607	\$0.607
Total Reduction in Positions Required	0	0	1	1	1	1
Current Vacancies <i>(List title of vacant positions)</i>						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: Reduce Circuit Design Staff

Background Details:	Reduce support staff that performs circuit design, coordination and installation for all voice and data services. Reductions will increase timeframes from 3-4 weeks from request to completion to 6-8 weeks (based on the size of the request). In 2004, there were over 1,500 requests for phones and data services.
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PEG Description/Implementation Plan:	Reduce six positions beginning January 2006.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.513	\$0.513	\$0.513	\$0.513
Total Reduction in Positions Required	0	0	6	6	6	6
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: Labor Relations Administrative Savings

Background Details: The savings reflects a reduction in overtime hours and OTPS.

PEG Description/Implementation Plan: Reduce overtime and OTPS. Reductions will begin January 2006.

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

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.075	\$0.075	\$0.075	\$0.075
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Administration
Program: Controller's Administrative Savings

Background Details: Reduce Controller's staff by one position, overtime in all sections and miscellaneous other than personal services (OTPS).

PEG Description/Implementation Plan: The implementation will start as of January 2006.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.112	\$0.112	\$0.112	\$0.112
Total Reduction in Positions Required	0	0	1	1	1	1
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Customer Convenience & Amenities

Program:

Reduce Grand Central Station Information Booth Hours

Background Details:

Customer Service representatives provide bus and subway information and maps to customers passing through Grand Central Station. The information booth is staffed from 8:00 am to 8:00 pm, Monday to Friday and from 9:00 am to 5:00 pm on weekends. This proposal will reduce information booth hours to 8:00 am to 4:00 pm Monday through Friday and eliminate staffing on weekends and holidays.

PEG Description/Implementation Plan:

Reduced information booth hours will begin January 2006. Most customer requests are for maps, directions to Grand Central Terminal amenities and to the Lexington Avenue line. Most customer requests can be handled by MetroNorth employees.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.117	\$0.117	\$0.117	\$0.117
Total Reduction in Positions Required	0	0	2	2	2	2
Current Vacancies (List title of vacant positions)						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Direct Service
Program: Hybrid Bus Fuel Savings

Background Details: This PEG represents the savings achieved due to better fuel efficiency of hybrid electric buses relative to the balance of the diesel and CNG bus fleets. Under current plans, the DOB fleet will include 1,075 Hybrid buses by 2010. Hybrid buses currently are averaging 3.6 mpg versus 2.4 mpg for standard buses. With this complement of Hybrid Electric buses, DOB is expected to consume approximately 12 million gallons less fuel over the 2005-2010 period which will generate diesel fuel savings and create a cleaner environment.

PEG Description/Implementation Plan: The purchase of Hybrid buses has created a diesel fuel savings.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$1.247	\$1.870	\$2.805	\$4.363
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: Grand Concourse Master Tower

Background Details:	The Concourse Line Project will furnish and install a new conventional signal system on the Concourse Line from 125th Street in Manhattan to 205th Street in the Bronx. It will enhance safety and improve the operational flexibility and reliability of the signal system on the Concourse Line. As part of this project, the Grand Concourse Master Tower will be refurbished with automated tower switching equipment.
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PEG Description/Implementation Plan:	Five Tower Operator positions can be eliminated, due to automation of train routing, when the Master Tower at Grand Concourse comes online in mid 2006.
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PEG Implementation Date:	6/1/2006	When will PEG savings begin?:	6/1/2006
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	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.203	\$0.348	\$0.348	\$0.348
Total Reduction in Positions Required	0	0	5	5	5	5
Current Vacancies <i>(List title of vacant positions)</i>						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: L Line / CBTC Switching Conductors

Background Details: As part of the Canarsie Line Communication-Based Train Control (CBTC) project, the Canarsie Yard will have full CBTC operational capabilities.

PEG Description/Implementation Plan: Four Conductor positions performing hand switching jobs can be eliminated due to automation of Canarsie Yard switching functions.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.255	\$0.255	\$0.255	\$0.255
Total Reduction in Positions Required	0	0	4	4	4	4
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: Miscellaneous Tower Operator Switching Reductions

Background Details: The Tower Operator work program was reconfigured to make more efficient use of Work As assigned (WAA) time.

PEG Description/Implementation Plan: This proposal reflects various efficiencies in Subdivision "B" yard and station switching operations. In addition, re-work of the Tower Operator work program resulted in efficiencies as well.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.487	\$0.487	\$0.487	\$0.487
Total Reduction in Positions Required	0	0	7	7	7	7
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Service Support

Program:

Subdivision "A" Managerial Reductions - Automatic Train Supervision (ATS)

Background Details:

The implementation of Automatic Train Supervision (ATS) in Subdivision A will transfer the functions from the lines to the Rail Control Center (RCC) without impacting the delivery of service to customers.

PEG Description/Implementation Plan:

Three field Managers can be eliminated due to automation of train dispatching (routing) when the Automatic Train Supervision (ATS) System is fully operational in 2006.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.353	\$0.353	\$0.353	\$0.353
Total Reduction in Positions Required	0	0	3	3	3	3
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: Eliminate Annual Cordon Count Survey

Background Details:	Eliminate the annual cordon count survey, which is an annual survey that counts the number of passengers entering and exiting the Manhattan Central Business District, over East River crossings and 60th Street.
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PEG Description/Implementation Plan:	Operations Planning will eliminate 7 part-time traffic checkers beginning January 1, 2006. Operations Planning will continue to collect data using peak period/max load point checks at selected points that coincide with cordon locations.
PEG Implementation Date:	1/1/2006
When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.148	\$0.148	\$0.148	\$0.148
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: Eliminate Overnight Performance Indicator Program

Background Details: The performance indicators program monitors daytime and overnight wait assessment and enroute on-time performance/schedule adherence. This initiative will eliminate the overnight bus and subway performance surveys between the hours of 10 pm and 6 am.

PEG Description/Implementation Plan: The elimination of the overnight performance monitoring program will eliminate ten part-time traffic checking positions beginning 1/1/06.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.213	\$0.213	\$0.213	\$0.213
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Service Support

Program:

Eliminate Traffic Checker Ops Desk - Nights/Wkends

Background Details:

Eliminate overnight and weekend staffing at the traffic checker operations desk. Currently, the traffic checker operations desk is staffed 7x24 and serves all dispatching functions and takes traffic checker sick calls.

PEG Description/Implementation Plan:

This initiative eliminates three positions beginning January 1, 2006. Operations Planning will absorb overnight dispatching functions with operational changes and will establish a dedicated "sick" line to handle sick calls.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.339	\$0.339	\$0.339	\$0.339
Total Reduction in Positions Required	0	0	3	3	3	3
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)

PEG Category: Maintenance
Program: RTO Maintenance Support Savings

Background Details: Subdivision C has a total of 1,100 employees allocated among five support units. They provide support for diversions, flagging, work trains, as well as the contract reviews necessary to facilitate capital projects and maintenance activities along the right-of-way. In addition, in support of the MOW Signal Division, RTO operates a work train that delivers material and supplies to various signal maintenance facilities throughout the system.

PEG Description/Implementation Plan: This proposal eliminates five Subdivision "C" positions in hand switching, tower operations, work train operations, and yard dispatching. RTO is also eliminating the Conductor from the Signal Dolly in Subdivision "B", and the function of opening and closing the doors of this work train will be taken over by the Train Operator.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.429	\$0.429	\$0.429	\$0.429
Total Reduction in Positions Required	0	0	6	6	6	6
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Maintenance
Program: Consolidate Machine Shops

Background Details: Currently there are separate machine shops at the Coney Island Overhaul Shop and the 207th Street Overhaul Shop. This proposal will eliminate the 207th Street Machine Shop and consolidate all work at Coney Island.

PEG Description/Implementation Plan: This proposal would eliminate one supervisor and five CMB's by consolidating all the work at the Coney Island Machine Shop.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.469	\$0.469	\$0.469	\$0.469
Total Reduction in Positions Required	0	0	6	6	6	6
Current Vacancies (List title of vacant positions)						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Maintenance
Program: Reduce Overtime - "B" Defect Repairs

Background Details:	"B" defects include small cracks or corrosion in various structural steel elements that do not pose an imminent threat to safety or passenger service. The Iron Operations Unit is responsible for performing "B" defect repairs. There have been consistent underruns in its overtime budget.
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PEG Description/Implementation Plan:	This proposal reduces the overtime budget for the Iron Operations Unit by 50% or 16,770 hours. As Iron Operations has consistently underrun its overtime budget, this savings will not impact their ability to address "B" defects.		
PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.522	\$0.522	\$0.522	\$0.522
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies <i>(List title of vacant positions)</i>						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

Reduce Power Ops Emergency Crew Helpers

Background Details:

Batteries are part of a fail safe system which provides power to mission critical circuits - they operate circuit breakers, emergency alarms and tube shell circuits even during local utility power outages. In addition to performing an average of 1,380 battery maintenance procedures per year, the Power Operations Emergency Crews respond to all system emergencies. This includes but is not limited to responding to Con Edison and LIPA utility outages; securing and restoring power equipment for General Order work; addressing Supervisory Control and Data Acquisition (SCADA) equipment failures; responding to and investigating Tube Shell operations, Ground Protection operations (approximately 12 per year per crew) and intrusion alarms.

PEG Description/Implementation Plan:

This is a reduction of 8 Helper positions effective 1/1/06. This reduction will not compromise emergency operations. All emergency situations will continue to be addressed quickly and safely.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.473	\$0.473	\$0.473	\$0.473
Total Reduction in Positions Required	0	0	8	8	8	8
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Maintenance
Program: Buses Hardware Savings

Background Details:	Since 2000 DOB has contracted for the purchase, and on-site delivery, of various maintenance related hardware materials. Through centralized management, DOB has lowered overall hardware unit costs, improved material availability and quality, and streamlined the material's hardware acquisition process. As a result of these initiatives, DOB anticipates that it will be able to reduce its future hardware costs by \$500k annually.
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PEG Description/Implementation Plan:	
PEG Implementation Date:	1/1/2006
When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.500	\$0.500	\$0.500	\$0.500	\$0.500
Total Reduction in Positions Required	0	0	0	0	0	0
Current Vacancies (List title of vacant positions)						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Maintenance
Program: AFC Maintenance Field Support

Background Details:	AFC Maintenance will consolidate functions and achieve a reduction of seven positions. These reductions will have impact on the following functions: defining, testing and implementing functionality of software; refresher training schedules; installation acceptance test schedules for AFC equipment; and CADD (drawing) preparations for AFC installations.
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PEG Description/Implementation Plan:	To alleviate the impact of the reductions, AFC Maintenance will reduce the schedule peak of each of the activities by spreading them over a more sustainable schedule. The reductions will begin January 2006.
PEG Implementation Date:	1/1/2006
When will PEG savings begin?:	1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.658	\$0.658	\$0.658	\$0.658
Total Reduction in Positions Required	0	0	7	7	7	7
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

**MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category:

Maintenance

Program:

Central Electronic Shop Productivity Savings

Background Details:

Productivity improvements will yield 5% savings (13 positons) in the Central Electronics Shop (CES). Savings can be realized due to increased efficiency of shop operations, including increased span of control for managers, the streamlining of the technical research and review function in the Electronics Integrations group, elimination of maintainers in Shipping and Receiving due to the use of bar code readers, and the transfer of the CES Machine Shop to Electronic Maintenance Division's (EMD's) Bus Electronics Maintenance Division which will also be headquartered at EMD's Glendale facility. This allows the Machine Shop's supervision to be absorbed into Bus Electronic Maintenance's existing management structure.

PEG Description/Implementation Plan:

Productivity savings will begin January 2006.

PEG Implementation Date:

1/1/2006

When will PEG savings begin?:

1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$1.101	\$1.101	\$1.101	\$1.101
Total Reduction in Positions Required	0	0	13	13	13	13
Current Vacancies (List title of vacant positions)						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Maintenance
Program: Central Warehouse Reduction

Background Details: Reduce warehousing costs by reducing three hourly positions. This will result in further increases in the backlog in the Pick File and receiving dock receipts, and a further loss in kit production hours.

PEG Description/Implementation Plan: The implementation will start as of January 2006.
PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.195	\$0.195	\$0.195	\$0.195
Total Reduction in Positions Required	0	0	3	3	3	3
Current Vacancies (List title of vacant positions)						
Impact on Operations:						
Ridership Per Week (in thousands)						
Mean Distance Between Failure						
On-Time Performance						
Other (Identify Appropriate Indicator):						

MTA New York City Transit
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)

PEG Category: Maintenance
Program: DCE-RCI Reduce Pre-Service Inspections

Background Details:	With the continuing improvement in subway car reliability as well as a continuing increase in Mean Distance Between Failure (MDBF) of the subway car fleet it has been decided to eliminate 13 Road Car Inspector (RCI) positions (one per maintenance shop) involved with pre-service inspections as well as one each at the overhaul shops. There are currently 205 RCI's assigned to the maintenance and overhaul shops, this would reduce the number by 15 positions.
----------------------------	---

PEG Description/Implementation Plan:	This proposal will eliminate 15 RCI positions, one position from each of the 13 maintenance shops involved with pre-service inspections, and one position from each of the overhaul shops. This reduction will require the remaining 190 RCI positions to absorb this function.
---	---

PEG Implementation Date:	1/1/2006	When will PEG savings begin?:	1/1/2006
---------------------------------	----------	--------------------------------------	----------

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$1.152	\$1.152	\$1.152	\$1.152
Total Reduction in Positions Required	0	0	15	15	15	15
Current Vacancies (List title of vacant positions)						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Safety & Security
Program: Security Posts-Field Locations

Background Details:	Eliminate/reduce security coverage at Kingsbridge Depot, Cozine Iron Shop, Woodside Shop, and Livingston Street.
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PEG Description/Implementation Plan: Reduced Property Protection Agent coverage is possible with installation of security equipment. PM & Night coverage at post 77B, Kingsbridge Depot Tower will be eliminated. This agent is responsible for fire alarm monitoring and surveillance, not access control; the alarm monitoring function will be transferred back to the Depot. One-time OTPS funding is provided to relocate the existing security booth and fire alarm monitor to the dispatcher's station. At Cozine Iron Shop, the AM & PM tours, M-F at post 35A will be eliminated, with access at this entrance controlled by a HEET; funding is provided for installation of an intrusion detection system. Woodside Shop 24X7 coverage at post 21A will be eliminated, with access controlled by a HEET. Finally, installation of Livingston Plaza lobby turnstiles facilitates eliminating the AM tour M-F at post 50B, the second lobby post.

PEG Implementation Date: 1/1/2006 **When will PEG savings begin?:** 1/1/2006

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.534	\$0.890	\$0.890	\$0.890
Total Reduction in Positions Required	0	0	13	13	13	13
Current Vacancies (List title of vacant positions)						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: OPTO #7 Line - Dec 07

Background Details:	With the introduction of the R142/A cars on the Flushing line, an opportunity exists for implementation of One Person Train Operation (OPTO) in conjunction with other safety enhancements including CCTV's and Passenger Emergency Intercom (PEI) systems.
----------------------------	---

PEG Description/Implementation Plan:	Implementation of OPTO on the #7 line will result in a net reduction of 89 Conductor positions. This includes redeployment of 30 Conductors for platform duties. Implementation is scheduled for December 2007, contingent upon equipment availability and CCTV installation along the Flushing corridor.				
PEG Implementation Date:	12/1/2007	When will PEG savings begin?:	12/1/2007		

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.000	\$0.474	\$5.676	\$5.676
Total Reduction in Positions Required	0	0	0	89	89	89
Current Vacancies						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: OPTO J Line - Fall 07

Background Details:	With the introduction of the R160 cars on the Jamaica line, an opportunity exists for implementation of OPTO in conjunction with other safety enhancements such as CCTV and Passenger Emergency Intercom (PEI) systems.
----------------------------	---

PEG Description/Implementation Plan:	Reduction of 70 Conductor positions on the J Line through the implementation of full-time One Person Train Operation. Scheduled implementation on September 1, 2007 dependent on availability of R160 cars.				
PEG Implementation Date:	9/1/2007	When will PEG savings begin?:	9/1/2007		

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.000	\$1.488	\$4.464	\$4.464
Total Reduction in Positions Required	0	0	0	70	70	70
Current Vacancies						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: OPTO M Line - Weekdays, Spring 2008

Background Details:	With the introduction of the R160 cars on the Myrtle Avenue line, an opportunity exists for implementation of One Person Train Operation (OPTO) in conjunction with other safety enhancements such as CCTV installation and Passenger Emergency Intercom (PEI) systems.
----------------------------	---

PEG Description/Implementation Plan:	This proposal allows for reduction of 44 Conductor positions on the M Line through the implementation of full-time One Person Train Operation. Implementation is scheduled for May 2008 dependent on availability of R160 cars.				
PEG Implementation Date:	5/1/2008	When will PEG savings begin?:	5/1/2008		

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.000	\$0.000	\$1.963	\$2.945
Total Reduction in Positions Required	0	0	0	0	44	44
Current Vacancies						
<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
November Financial Plan 2006 - 2009
Program to Eliminate the Gap Worksheet
(\$ in millions)**

PEG Category: Service Support
Program: OPTO N Line - Fall 08

Background Details:	With the introduction of the R160 cars on the N line, an opportunity exists for implementation of OPTO in conjunction with other safety enhancements such as CCTV and Passenger Emergency Intercom (PEI) systems.
----------------------------	---

PEG Description/Implementation Plan:	Reduction of 110 Conductor positions on the N Line through the implementation of full-time One Person Train Operation. Scheduled implementation on September 1, 2008 dependent on availability of R160 cars.				
PEG Implementation Date:	9/1/2008	When will PEG savings begin?:	9/1/2008		

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<i>Financial Impact (Operating)</i>						
Net Savings (in millions)	\$0.000	\$0.000	\$0.000	\$0.000	\$2.253	\$7.362
Total Reduction in Positions Required	0	0	0	0	110	110
Current Vacancies						
<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
November Financial Plan 2006 - 2009
PEG Reconciliation (List of Changes) Between Financial Plans
(\$ in millions)

	2005 November Forecast		2006 Final Proposed Budget		2007		2008		2009	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
2005 July Financial Plan - Total PEGs	-4	\$5.307	129	\$19.517	288	\$22.637	443	\$36.048	443	\$43.697
<i>List of PEG Changes</i>										
Administration (List changes by PEG)										
<i>Total Administrative Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Customer Convenience & Amenities (List changes by PEG)										
<i>Total Customer Convenience & Amenities Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service (List changes by PEG)										
<i>Total Service Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Maintenance (List changes by PEG)										
<i>Total Maintenance Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Revenue Enhancements (List changes by PEG)										
<i>Total Revenue Enhancement Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Other (List changes by PEG)										
<i>Total Other Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Total PEG Changes	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
2005 November Financial Plan - Total PEGs	(4)	\$5.307	129	\$19.517	288	\$22.637	443	\$36.048	443	\$43.697

MTA New York City Transit
November Financial Plan 2006 – 2009
Total Non-reimbursable and Reimbursable Positions

2005: November Financial Plan vs. July Financial Plan

The total number of NYC Transit positions in 2005 increased by 9 positions in the November plan as compared to the July Plan.

2006: November Financial Plan vs. July Financial Plan

The total number of NYC Transit positions in 2006 increased by 251 positions in the November plan as compared to the July Plan. The 2006 increase is mainly attributable to the following programs:

- OPTO L Line Elimination (71 positions)
- Bus Service Adjustments/Employee Availability (58 positions)
- Convert Revenue Redbird Cars to Work Trains (40 positions)
- Complete Installation of Antenna Cable (28 positions)
- All other programmatic/technical changes (54 positions)

2007: November Financial Plan vs. July Financial Plan

The total number of NYC Transit positions in 2007 increased by 143 positions in the November plan as compared to the July Plan. The 2007 increase is mainly attributable to increases in the following programs:

- OPTO L Line Elimination (71 positions)
- R160 Acceptance Testing (35 positions)
- Bus Service Adjustments/Employee Availability (27 positions)
- All other programmatic/technical changes (10 positions)

2008: November Financial Plan vs. July Financial Plan

The total number of NYC Transit positions in 2008 increased by 88 positions in the November plan as compared to the July Plan. The 2008 increase is mainly attributable to increases in the following programs:

- OPTO L Line Elimination (71 positions)
- Bus Service Adjustments/Employee Availability (27 positions)
- All other programmatic/technical changes (reduction of 10 positions)

2009: November Financial Plan vs. July Financial Plan

The total number of NYC Transit positions in 2009 increased by 84 positions in the November plan as compared to the July Plan. The 2009 increase is mainly attributable to increases in the following programs:

- OPTO L Line Elimination (71 positions)
- Bus Service Adjustments/Employee Availability (27 positions)
- All other programmatic/technical changes (reduction of 14 positions)

MTA NEW YORK CITY TRANSIT
November Financial Plan 2006-2009
TOTAL FULL-TIME POSITIONS and FULL-TIME EQUIVALENTS by FUNCTION and DEPARTMENT
NON-REIMBURSABLE and REIMBURSABLE

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Administration						
Office of the EVP	17	18	18	18	18	18
Human Resources	475	459	468	453	453	453
Office of Management and Budget	33	35	35	35	35	35
Technology & Information Services	561	514	516	513	513	506
Materiel	264	261	260	260	260	260
Controller	238	236	236	236	236	236
Office of the President	6	5	5	5	5	5
Law	286	298	298	298	298	298
Corporate Communications	291	297	300	300	300	300
Non-Departmental	-	11	5	5	5	5
Labor Relations	111	103	102	102	102	102
Total Administration	2,282	2,237	2,243	2,225	2,225	2,218
Operations						
Subways Service Delivery	11,400	11,290	11,420	11,366	11,368	11,369
Buses	10,408	10,393	10,029	10,066	10,076	10,076
Paratransit	110	109	109	109	109	109
Operations Planning	402	402	489	449	416	408
Revenue Control	443	473	483	483	483	483
Total Operations	22,763	22,667	22,530	22,473	22,452	22,445
Maintenance						
Subways Service Delivery	2,629	2,881	2,774	2,777	2,789	2,706
Maintenance of Way & Rolling Stock	12,745	12,704	12,947	12,767	12,725	12,621
Buses	3,710	3,729	3,858	3,860	3,981	3,941
Revenue Control	131	131	131	131	131	131
Supply Logistics	556	557	557	557	557	557
System Safety	95	90	90	90	90	90
Total Maintenance	19,866	20,092	20,357	20,182	20,273	20,046
Engineering/Capital						
Capital Program Management	1,495	1,566	1,519	1,519	1,519	1,519
Total Engineering/Capital	1,495	1,566	1,519	1,519	1,519	1,519
Public Safety						
Subways Senior VP	577	586	583	547	545	544
Total Public Safety	577	586	583	547	545	544
Baseline Total Positions	46,983	47,148	47,232	46,946	47,014	46,772
Non-Reimbursable	40,985	41,899	42,044	41,968	42,109	41,961
Reimbursable	5,998	5,249	5,188	4,978	4,905	4,811
Total Full-Time	46,721	46,958	46,958	46,702	46,803	46,569
Total Full-Time Equivalents	262	190	274	244	211	203
Impact of:						
2006 Program to Eliminate the Gap	-	4	(129)	(288)	(443)	(443)
Total Positions	46,983	47,152	47,103	46,658	46,571	46,329
Non-Reimbursable	40,985	41,903	41,915	41,680	41,666	41,518
Reimbursable	5,998	5,249	5,188	4,978	4,905	4,811
Total Full-Time	46,721	46,962	46,840	46,425	46,371	46,137
Total Full-Time Equivalents	262	190	263	233	200	192

MTA New York City Transit
November Financial Plan 2006-2009
Total Full-time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006 Final Proposed Budget	2007	2008	2009
Administration				
Managers/Supervisors	806	791	791	790
Professional, Technical, Clerical	1,404	1,401	1,401	1,395
Operational Hourlies	33	33	33	33
Total Administration	2,243	2,225	2,225	2,218
Operations				
Managers/Supervisors	2,497	2,470	2,476	2,477
Professional, Technical, Clerical	406	398	398	398
Operational Hourlies	19,627	19,605	19,578	19,570
Total Operations	22,530	22,473	22,452	22,445
Maintenance				
Managers/Supervisors	3,624	3,572	3,587	3,561
Professional, Technical, Clerical	1,201	1,165	1,152	1,143
Operational Hourlies	15,532	15,445	15,534	15,342
Total Maintenance	20,357	20,182	20,273	20,046
Engineering/Capital				
Managers/Supervisors	344	344	344	344
Professional, Technical, Clerical	1,173	1,173	1,173	1,173
Operational Hourlies	2	2	2	2
Total Engineering/Capital	1,519	1,519	1,519	1,519
Public Safety				
Managers/Supervisors	100	87	86	86
Professional, Technical, Clerical	77	61	60	59
Operational Hourlies	406	399	399	399
Total Public Safety	583	547	545	544
Total				
Managers/Supervisors	7,371	7,264	7,284	7,258
Professional, Technical, Clerical	4,261	4,198	4,184	4,168
Operational Hourlies	35,600	35,484	35,546	35,346
Total	47,232	46,946	47,014	46,772
Baseline Total Positions	47,232	46,946	47,014	46,772
Non-Reimbursable	42,044	41,968	42,109	41,961
Reimbursable	5,188	4,978	4,905	4,811
Total Full-Time	46,958	46,702	46,803	46,569
Total Full-Time Equivalents	274	244	211	203
Impact of:				
2006 Program to Eliminate the Gap	(129)	(288)	(443)	(443)
Total Positions	47,103	46,658	46,571	46,329
Non-Reimbursable	41,915	41,680	41,666	41,518
Reimbursable	5,188	4,978	4,905	4,811
Total Full-Time	46,840	46,425	46,371	46,137
Total Full-Time Equivalents	263	233	200	192

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Staten Island Railway

**MTA Staten Island Railway
2006 Final Proposed Budget
November Financial Plan 2006-2009**

MISSION STATEMENT

The mission of MTA Staten Island Railway is to provide customers with safe, reliable, and convenient public transportation in a cost-effective manner.

FINANCIAL OVERVIEW

MTA Staten Island Railway carries out its mission by providing effective and cost-efficient transportation services through:

- a subway system operating 64 subway cars over 28.6 route miles and 26.6 miles of mainline track, serving 22 stations located on the south shore of Staten Island.

The 2006 Final Proposed Budget and projections for the years 2007-2009 provide sufficient funding to increase current service levels by providing resources to match enhanced ferry service as well as to maintain MTA's commitment to safety and security. This is accomplished primarily through implementation of organizational and operating efficiencies that optimize the use of resources to achieve agency goals. Performance indicators including mean distance between failures and on time performance remain within targeted levels.

2005 November Forecast

MTA Staten Island Railway's 2005 November Forecast is slightly improved from the Mid-Year Forecast. A decline in farebox revenue primarily due to reduced non-student ridership is more than offset by favorable non-labor expense re-estimates and increased student fare reimbursements based upon higher student ridership. The November Forecast reflects total expenses before depreciation of \$27.206 million including \$26.181 million of non-reimbursable expenses and \$1.025 million of reimbursable expenses. Total revenues are projected to be \$6.243 million, of which \$5.218 million are operating revenues and \$1.025 million represent capital reimbursements. Total full-time positions are 283 including 280 non-reimbursable positions and 3 reimbursable positions. The above information excludes the effects of Programs to Eliminate the GAP (PEGs), which are presented separately on the attached financial tables.

Providing quality service is paramount to MTA Staten Island Railway. To ensure this goal, the 2005 November Forecast includes additional funding necessary to properly maintain fleet and other equipment integral to Staten Island Railway system operations.

Major assumptions and reconciliations are discussed later in this section.

2006 Final Proposed Budget-Baseline

MTA Staten Island Railway's final proposed budget baseline projections reflects total expenses before depreciation for 2006 of \$28.215 million. Non-reimbursable expenses

before depreciation for 2006 are projected at \$27.161 million. Reimbursable expenses for 2006 are projected at \$1.054 million. Total revenues are projected for 2006 at \$6.400 million. Operating revenues for 2006 are projected at \$5.346 million. Capital reimbursements are projected at \$1.054 million. Total full-time positions are projected at 288. Non-reimbursable positions are projected to be 285. Reimbursable positions are projected to be 3. The above information excludes the effects of Programs to Eliminate the GAP, which are presented separately on the attached financial tables.

Programs to Eliminate the GAP, which are described below, represent deficit reductions of \$0.384 million and position reductions of 7.

2007-2009 Projections

MTA Staten Island Railway's projections for 2007-2009 reflect total expenses before depreciation as follows: 2007-\$29.195 million, 2008-\$30.096 million, and 2009-\$31.367 million. Non-reimbursable expenses before depreciation are projected as follows: 2007-\$28.108 million, 2008-\$28.967 million, and 2009-\$30.221 million. Reimbursable expenses are projected as follows: 2007-\$1.087 million, 2008-\$1.129 million, and 2009-\$1.146 million. Total revenues are projected as follows: 2007-\$6.773 million, 2008-\$6.851 million, and 2009-\$6.875 million. Operating revenues are projected as follows: 2007-\$5.686 million, 2008-\$5.722 million and 2009-\$5.729 million. Capital reimbursements are projected as follows: 2007-\$1.087 million, 2008-\$1.129 million, and 2009-\$1.146 million. Total full-time positions are projected to be as follows: 2007-290, 2008-290, and 2009-290. Non-reimbursable positions are projected to be as follows: 2007-287, 2008-287, and 2009-287. Reimbursable positions are projected to be 3 in each year. The above information excludes the effects of Programs to Eliminate the GAP, which are presented separately on the attached financial tables.

Programs to Eliminate the GAP, which are described below, represent deficit reductions of \$0.734 million in 2007, \$1.737 million in 2008 and \$2.815 million in 2009. Position reductions are projected to be 11 in 2007, 24 in 2008 and 37 in 2009.

Major assumptions and reconciliations are discussed later in this section.

GAP CLOSING MEASURES

2006 Programs to Eliminate the Gap (PEGs) Actions

MTA Staten Island Railway has developed programs that will save \$0.384 million in 2006 as shown below.

- Operational Efficiencies - The commissioning of the new Staten Island Railway Control Center will enable the Railway to perform the movement control and supervision function more effectively and efficiently. The current staffing level for the movement control function is one Train Dispatcher and one Tower Operator 24/7. The consolidation and performance of all movement control operations at one location will enable staffing to be reduced to one Train Dispatcher 24/7 and an assisting Train Dispatcher for AM and PM Weekday Peak Service. This

change will enable the Railway to address its long-standing deficit in the area of transportation service line supervision through redeployment of part of this headcount savings.

Installation of additional MVMs in the St. George Terminal will enable the Railway to reduce its Agent/Operator headcount by 3. The change to a MetroCard based fare collection and transfer of the crew assignment function to Control Center supervisors will enable a reduction/re-assignment of two Transportation Department clerical employees. This will result in a headcount reduction of 2.

The net benefit to the Transportation Department will be readily available line supervision, necessary for the safe and efficient operation of service, while at the same time allowing for an overall reduction in headcount of 5 and a projected savings of \$0.245 million in 2006. This program will be extended and remain in effect from 2007 through 2009 for additional savings of \$1.089.

- Facility Painting/Station Maintenance - Currently, the Authority budget cycle for painting interiors/exterior of facilities is 5 years, while station maintenance is performed continuously on an as needed basis. In 2005, interior/exterior facility painting cycles were increased to every 6 years and efficiencies will be developed and implemented for station related masonry and carpentry repairs. This program was implemented on schedule. Full savings of \$0.139 million will be realized in 2006. This program will be extended and remain in effect from 2007 through 2009 for additional saving of \$0.448.

Programs to Eliminate the GAP described above continue in 2007 through 2009 with deficit reductions of \$0.495 million in 2007, \$0.512 million in 2008, and \$0.530 million in 2009. Position reductions are projected to be 7 in each year.

2007 - 2009 Programs to Eliminate the Gap (PEGs) Actions

Two additional efficiencies will be implemented beginning in 2007 as follows:

- Reduce the Size of the Car Fleet by 12 R44 B Units - The current Staten Island Railway fleet of 64 cars includes an increase of 12 cars early in the 1990's. This action was in anticipation of operating 5 car trains to accommodate the expected growth in ridership which has not materialized. However, this reduction has been postponed pending the completion of a more comprehensive fleet replacement analysis. Therefore, internal efficiencies have been implemented to realize the projected savings of \$0.239 million in 2005 and 2006. This program will be extended and remain in effect from 2007 through 2009 for additional savings of \$0.747.
- One Person Train Operation (OPTO) - Currently the Authority operates four car trains with a crew of 1 Train Operator and 1 Conductor. The existing R44 car

fleet is not equipped with the door obstruction sensing capability required for OPTO. Given the estimated cost of retrofit, a replacement fleet will likely be required. Projected implementation of One Person Train Operation (OPTO) in July 2008 will reduce crew size to one Train Operator. Projections are that 13 Conductor positions can be eliminated in 2008, saving \$0.975 million and 26 Conductor positions in 2009, saving \$2.027 million.

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

NON-REIMBURSABLE

	2004	2005	2006			
	Actuals	November	Final			
	Actuals	Forecast	Proposed	2007	2008	2009
Revenue						
Farebox Revenue	\$3.137	\$3.214	\$3.342	\$3.682	\$3.718	\$3.725
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.784	2.004	2.004	2.004	2.004	2.004
Capital and Other Reimbursements	0.000	0.000	0.000	0.000	0.000	0.000
Total Revenue	\$4.921	\$5.218	\$5.346	\$5.686	\$5.722	\$5.729
Expenses						
Labor:						
Payroll	14.784	14.645	14.744	15.215	15.686	16.197
Overtime	1.150	0.720	0.698	0.717	0.740	0.764
Health and Welfare	2.537	2.811	3.014	3.303	3.604	3.933
Pensions	1.452	1.635	1.746	1.814	1.760	1.991
Other Fringe Benefits	1.682	1.281	1.301	1.342	1.382	1.426
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$21.605	\$21.092	\$21.503	\$22.391	\$23.172	\$24.311
Non-Labor:						
Traction and Propulsion Power	1.676	1.550	1.746	1.741	1.749	1.777
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.147	0.168	0.182	0.201	0.222	0.244
Claims	0.289	0.230	0.235	0.239	0.244	0.249
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other						
Operating Contracts	1.591	2.006	2.232	2.247	2.272	2.315
Professional Service Contracts	0.266	0.319	0.319	0.325	0.331	0.338
Materials & Supplies	0.796	0.811	0.939	0.959	0.972	0.982
Other Business Expenses	0.005	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$4.770	\$5.089	\$5.658	\$5.717	\$5.795	\$5.910
Other Expenses 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	\$26.375	\$26.181	\$27.161	\$28.108	\$28.967	\$30.221
Depreciation	7.063	10.337	10.337	10.337	10.337	10.337
Total Expenses	\$33.438	\$36.518	\$37.498	\$38.445	\$39.304	\$40.558
Baseline Net Surplus/(Deficit)	(\$28.517)	(\$31.300)	(\$32.152)	(\$32.759)	(\$33.582)	(\$34.829)
2006 Agency Program to Eliminate the GAP	0.000	0.035	0.384	0.495	0.512	0.530
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.239	1.225	2.285
Net Surplus/(Deficit)	(\$28.517)	(\$31.265)	(\$31.768)	(\$32.025)	(\$31.845)	(\$32.014)

REIMBURSABLE

[illegible]

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Accrual Statement of Operations by Category
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2004	2005	2006			
	Actuals	November	Final			
		Forecast	Proposed	2007	2008	2009
			Budget			
<u>Revenue</u>						
Farebox Revenue	\$ 3.137	\$ 3.214	\$ 3.342	\$ 3.682	\$ 3.718	\$ 3.725
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.784	2.004	2.004	2.004	2.004	2.004
Capital and Other Reimbursements	1.835	1.025	1.054	1.087	1.129	1.146
Total Revenue	\$ 6.756	\$ 6.243	\$ 6.400	\$ 6.773	\$ 6.851	\$ 6.875
<u>Expenses</u>						
Labor:						
Payroll	15.537	14.900	15.006	15.484	15.963	16.463
Overtime	1.608	1.301	1.294	1.330	1.371	1.415
Health and Welfare	2.949	2.861	3.068	3.362	3.669	4.004
Pensions	1.547	1.710	1.823	1.893	1.847	2.078
Other Fringe Benefits	1.757	1.345	1.366	1.409	1.451	1.497
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$ 23.398	\$ 22.117	\$ 22.557	\$ 23.478	\$ 24.301	\$ 25.457
Non-Labor:						
Traction and Propulsion Power	1.676	1.550	1.746	1.741	1.749	1.777
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.147	0.168	0.182	0.201	0.222	0.244
Claims	0.289	0.230	0.235	0.239	0.244	0.249
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other						
Operating Contracts	1.591	2.006	2.232	2.247	2.272	2.315
Professional Service Contracts	0.266	0.319	0.319	0.325	0.331	0.338
Materials & Supplies	0.838	0.811	0.939	0.959	0.972	0.982
Other Business Expenses	0.005	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenses	\$ 4.812	\$ 5.089	\$ 5.658	\$ 5.717	\$ 5.795	\$ 5.910
Other Expenses 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	\$ 28.210	\$ 27.206	\$ 28.215	\$ 29.195	\$ 30.096	\$ 31.367
Depreciation	7.063	10.337	10.337	10.337	10.337	10.337
Total Expenses	\$ 35.273	\$ 37.543	\$ 38.552	\$ 39.532	\$ 40.433	\$ 41.704
Baseline Net Surplus/(Deficit)	\$ (28.517)	\$ (31.300)	\$ (32.152)	\$ (32.759)	\$ (33.582)	\$ (34.829)
2006 Agency Program to Eliminate the GAP	0.000	0.035	0.384	0.495	0.512	0.530
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.239	1.225	2.285
Net Surplus/(Deficit)	\$ (28.517)	\$ (31.265)	\$ (31.768)	\$ (32.025)	\$ (31.845)	\$ (32.014)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Cash Receipts & Expenditures
(\$ in millions)

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
<u>Receipts</u>						
Farebox Revenue	\$3.120	\$3.214	\$3.342	\$3.682	\$3.718	\$3.725
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	1.749	2.004	2.004	2.004	2.004	2.004
Capital and Other Reimbursements	1.703	1.019	1.048	1.080	1.129	1.146
Total Receipts	\$6.572	\$6.237	\$6.394	\$6.766	\$6.851	\$6.875
<u>Expenditures</u>						
Labor:						
Payroll	15.492	14.900	15.006	15.484	15.963	16.463
Overtime	1.586	1.301	1.294	1.330	1.371	1.415
Health and Welfare	2.994	2.861	3.068	3.362	3.669	4.004
Pensions	1.544	1.710	1.823	1.893	1.847	2.078
Other Fringe Benefits	1.607	1.345	1.366	1.409	1.451	1.497
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$23.223	\$22.117	\$22.557	\$23.478	\$24.301	\$25.457
Non-Labor:						
Traction and Propulsion Power	1.727	1.550	1.746	1.741	1.749	1.777
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.222	0.168	0.182	0.201	0.222	0.244
Claims	0.615	0.230	0.235	0.239	0.244	0.249
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	1.373	2.006	2.232	2.247	2.272	2.315
Professional Service Contracts	0.171	0.319	0.319	0.325	0.331	0.338
Materials & Supplies	0.938	0.811	0.939	0.959	0.972	0.982
Other Business Expenses	0.005	0.005	0.005	0.005	0.005	0.005
Total Non-Labor Expenditures	\$5.051	\$5.089	\$5.658	\$5.717	\$5.795	\$5.910
Other Expenditure Adjustments:						
Other	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
Total Expenditures	\$28.274	\$27.206	\$28.215	\$29.195	\$30.096	\$31.367
Baseline Net Cash Deficit	(\$21.702)	(\$20.969)	(\$21.821)	(\$22.429)	(\$23.245)	(\$24.492)
2006 Agency Program to Eliminate the GAP	0.000	0.035	0.384	0.495	0.512	0.530
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.239	1.225	2.285
Net Cash Deficit	(\$21.702)	(\$20.934)	(\$21.437)	(\$21.695)	(\$21.508)	(\$21.677)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Cash Conversion (Cash Flow Adjustments)
(\$ in millions)

	2004	2005	2006			
	Actuals	November	Final	2007	2008	2009
		Forecast	Proposed			
			Budget			
<u>Receipts</u>						
Farebox Revenue	(\$0.017)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	(0.035)	0.000	0.000	0.000	0.000	0.000
Capital and Other Reimbursements	(0.132)	(0.006)	(0.006)	(0.007)	0.000	0.000
Total Receipt Adjustments	(\$0.184)	(\$0.006)	(\$0.006)	(\$0.007)	\$0.000	\$0.000
<u>Expenditures</u>						
Labor:						
Payroll	0.045	0.000	0.000	0.000	0.000	0.000
Overtime	0.022	0.000	0.000	0.000	0.000	0.000
Health and Welfare	(0.045)	0.000	0.000	0.000	0.000	0.000
Pensions	0.003	0.000	0.000	0.000	0.000	0.000
Other Fringe Benefits	0.150	0.000	0.000	0.000	0.000	0.000
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$0.175	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Non-Labor:						
Traction and Propulsion Power	(0.051)	0.000	0.000	0.000	0.000	0.000
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	(0.075)	0.000	0.000	0.000	0.000	0.000
Claims	(0.326)	0.000	0.000	0.000	0.000	0.000
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other Operating Contracts	0.218	0.000	0.000	0.000	0.000	0.000
Professional Service Contracts	0.095	0.000	0.000	0.000	0.000	0.000
Materials & Supplies	(0.100)	0.000	0.000	0.000	0.000	0.000
Other Business Expenditures	0.000	0.000	0.000	0.000	0.000	0.000
Total Non-Labor Expenditures	(\$0.239)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Other Expenditure Adjustments:						
Other	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
Total Cash Conversion Adjustments						
before Depreciation	(\$0.248)	(\$0.006)	(\$0.006)	(\$0.007)	\$0.000	\$0.000
Depreciation Adjustment	7.063	10.337	10.337	10.337	10.337	10.337
Baseline Total Cash Conversion Adjustments	\$6.815	\$10.331	\$10.331	\$10.330	\$10.337	\$10.337
2006 Agency Program to Eliminate the GAP	0.000	0.000	0.000	0.000	0.000	0.000
Post-2006 Agency Program to Elim. The Gap	0.000	0.000	0.000	0.000	0.000	0.000
Total Cash Conversion Adjustments	\$6.815	\$10.331	\$10.331	\$10.330	\$10.337	\$10.337

**MTA Staten Island Railway
November Financial Plan 2006-2009
Year-to-Year Changes by Category-Baseline Narrative**

TOTAL REVENUES

Farebox Revenue

- Farebox revenue improvements of: 2006-\$0.128 million (4.0%), 2007-\$0.340 million (10.2%), 2008-\$0.036 million (1.0%), and 2009-\$0.007 (0.2%) million were due to projected increases in ridership.
- The ridership increase is based primarily upon forecasted growth in NYC employment.

Other Operating Revenue

- No changes.

Capital and Other Reimbursements

- Annual increases are projected from 2006 through 2009 to provide for reimbursement consistent with projected CPI increases for labor expenses and actuarial-based pension increases as explained below.

TOTAL EXPENSES

In 2005, Staten Island Railway's Police Department was merged into the MTA Police Department. Beginning 6/1/05, these expenses were transferred to the MTA.

Payroll

- Increases represent projected CPI rate increases as follows: 2006-2.77%, 2007-2.56%, 2008-2.91%, and 2009-3.07%.

Overtime

- 2006-2009 payroll wage rate increase assumptions apply.

Health & Welfare

- Increases include the following inflation rate assumptions: 2006 through 2009-9.34%.

Pension

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

Other Fringe Benefits

- Inflation assumptions consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Reflects projected New York Power Authority (NYPA) annual rate increases.

Insurance

- Inflation-adjusted expenses provided by the MTA.

Claims

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.

Maintenance and Other Operating Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: For facility power (lighting) 2006-5.00%, 2007-0.28%, 2008-0.43%, and 2009-1.64%. For other maintenance expenses 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.
- 2006-2009 increased power consumption associated with new signal system as follows: 2006-2.8%, 2007-3.3%, and 2008-3.4%.

Professional Service Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.
- 2006-2009 reflects higher costs associated with NYS bridge inspection requirements as follows: 2006-1.9%, 2007-2.5%, 2008-2.4%, and 2009-2.4%.

Materials and Supplies

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.60%, 2007-2.15%, 2008-1.33%, and 2009-0.98%.

Other Business Expenses

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.

Depreciation

- Annual expenses do not increase during the financial plan period as no additional capital assets are projected to reach beneficial use.

TOTAL RECEIPTS**Farebox Receipts**

- Farebox revenue improvements of: 2006-\$0.128 million (4.0%), 2007-\$0.340 million (10.1%), 2008-\$0.036 million (1.0%), and 2009-\$0.007 million were due to projected increases in ridership.
- The ridership increase is based primarily upon projected growth in NYC employment.

Other Operating Receipts

- No changes.

Capital and Other Reimbursements

- Annual increases are projected from 2006 through 2009 to provide for reimbursement consistent with projected CPI increases for labor expenses and actuarial-based pension increases as explained below.

TOTAL EXPENDITURES

In 2005, Staten Island Railway's Police Department was merged into the MTA Police Department. Beginning 6/1/05, these expenses were transferred to the MTA.

Payroll

- Increases represent projected CPI rate increases as follows: 2006-2.77%, 2007-2.56%, 2008-2.91%, and 2009-3.07%.

Overtime

- 2006-2009 payroll wage rate increase assumptions apply.

Health & Welfare

- Increases include the following inflation rate assumptions: 2006 through 2009-9.34%.

Pension

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

Other Fringe Benefits

- Inflation assumptions consistent with payroll rate increase assumptions.

Traction and Propulsion Power

- Reflects NYPA projected annual rate increases.

Insurance

- Inflation-adjusted expenses provided by the MTA.

Claims

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.

Maintenance and Other Operating Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: For facility power (lighting) 2006-5.00%, 2007-0.28%, 2008-0.43%, and 2009-1.64%. For other maintenance expenses 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.
- 2006-2009 increased power consumption associated with new signal system as follows: 2006-2.8%, 2007-3.3%, and 2008-3.4%.

Professional Service Contracts

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.
- 2006-2009 reflects higher costs associated with NYS bridge inspection requirements as follows: 2006-1.9%, 2007-2.5%, 2008-2.4% and 2009-2.4%.

Materials and Supplies

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.60%, 2007-2.15%, 2008-1.33%, and 2009-0.98%.

Other Business Expenses

- 2006-2009 inflation assumptions are based upon Global Insight's estimates as follows: 2006-2.20%, 2007-1.70%, 2008-1.86%, and 2009-2.09%.

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Accrual Basis
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
Revenue									
Farebox Revenue	\$3.214	\$3.342	\$0.128	\$3.682	\$0.340	\$3.718	\$0.036	\$3.725	\$0.007
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.004	2.004	0.000	2.004	0.000	2.004	0.000	2.004	0.000
Capital and Other Reimbursements	\$1.025	\$1.054	\$0.029	\$1.087	\$0.033	\$1.129	\$0.042	\$1.146	\$0.017
Total Revenue	\$6.243	\$6.400	\$0.157	\$6.773	\$0.373	\$6.851	\$0.078	\$6.875	\$0.024
Expenses									
Labor:									
Payroll	14.900	15.006	(0.106)	15.484	(0.478)	15.963	(0.479)	16.463	(0.500)
Overtime	1.301	1.294	0.007	1.330	(0.036)	1.371	(0.041)	1.415	(0.044)
Health and Welfare	2.861	3.068	(0.207)	3.362	(0.294)	3.669	(0.307)	4.004	(0.335)
Pensions	1.710	1.823	(0.113)	1.893	(0.070)	1.847	0.046	2.078	(0.231)
Other Fringe Benefits	1.345	1.366	(0.021)	1.409	(0.043)	1.451	(0.042)	1.497	(0.046)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenses	\$22.117	\$22.557	(\$0.440)	\$23.478	(\$0.921)	\$24.301	(\$0.823)	\$25.457	(\$1.156)
Non-Labor:									
Traction and Propulsion Power	1.550	1.746	(0.196)	1.741	0.005	1.749	(0.008)	1.777	(0.028)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.168	0.182	(0.014)	0.201	(0.019)	0.222	(0.021)	0.244	(0.022)
Claims	0.230	0.235	(0.005)	0.239	(0.004)	0.244	(0.005)	0.249	(0.005)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	2.006	2.232	(0.226)	2.247	(0.015)	2.272	(0.025)	2.315	(0.043)
Professional Service Contracts	0.319	0.319	0.000	0.325	(0.006)	0.331	(0.006)	0.338	(0.007)
Materials & Supplies	0.811	0.939	(0.128)	0.959	(0.020)	0.972	(0.013)	0.982	(0.010)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.005	0.000
Total Non-Labor Expenses	\$5.089	\$5.658	(\$0.569)	\$5.717	(\$0.059)	\$5.795	(\$0.078)	\$5.910	(\$0.115)
Other Expenses 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	\$27.206	\$28.215	(\$1.009)	\$29.195	(\$0.980)	\$30.096	(\$0.901)	\$31.367	(\$1.271)
Depreciation	10.337	10.337	0.000	10.337	0.000	10.337	0.000	10.337	0.000
Total Expenses	\$37.543	\$38.552	(\$1.009)	\$39.532	(\$0.980)	\$40.433	(\$0.901)	\$41.704	(\$1.271)
Baseline Net Surplus/(Deficit)	(\$31.300)	(\$32.152)	(\$0.852)	(\$32.759)	(\$0.607)	(\$33.582)	(\$0.823)	(\$34.829)	(\$1.247)
2006 Agency Prog. to Elim. the GAP	0.035	0.384	0.349	0.495	0.111	0.512	0.017	0.530	0.018
Post-2006 Agency Prog. to Elim. The Gap	0.000	0.000	0.000	0.239	0.239	1.225	0.986	2.285	1.060
Net Surplus/(Deficit)	(\$31.265)	(\$31.768)	(\$0.503)	(\$32.025)	(\$0.257)	(\$31.845)	\$0.180	(\$32.014)	(\$0.169)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Year-to-Year Changes by Category - Cash Receipts and Expenditures
(\$ in millions)

	Favorable/(Unfavorable)								
	2005	2006	Change 2006 - 2005	2007	Change 2007 - 2006	2008	Change 2008 - 2007	2009	Change 2009 - 2008
<u>Receipts</u>									
Farebox Revenue	\$3.214	\$3.342	\$0.128	\$3.682	\$0.340	\$3.718	\$0.036	\$3.725	\$0.007
Vehicle Toll Revenue	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Other Operating Revenue	2.004	2.004	0.000	2.004	0.000	2.004	0.000	2.004	0.000
Capital and Other Reimbursements	1.019	1.048	0.029	1.080	0.032	1.129	0.049	1.146	0.017
Total Receipts	\$6.237	\$6.394	\$0.157	\$6.766	\$0.372	\$6.851	\$0.085	\$6.875	\$0.024
<u>Expenditures</u>									
Labor:									
Payroll	14.900	15.006	(0.106)	15.484	(0.478)	15.963	(0.479)	16.463	(0.500)
Overtime	1.301	1.294	0.007	1.330	(0.036)	1.371	(0.041)	1.415	(0.044)
Health and Welfare	2.861	3.068	(0.207)	3.362	(0.294)	3.669	(0.307)	4.004	(0.335)
Pensions	1.710	1.823	(0.113)	1.893	(0.070)	1.847	0.046	2.078	(0.231)
Other Fringe Benefits	1.345	1.366	(0.021)	1.409	(0.043)	1.451	(0.042)	1.497	(0.046)
Reimbursable Overhead	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Total Labor Expenditures	\$22.117	\$22.557	(\$0.440)	\$23.478	(\$0.921)	\$24.301	(\$0.823)	\$25.457	(\$1.156)
Non-Labor:									
Traction and Propulsion Power	1.550	1.746	(0.196)	1.741	0.005	1.749	(0.008)	1.777	(0.028)
Fuel for Buses and Trains	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Insurance	0.168	0.182	(0.014)	0.201	(0.019)	0.222	(0.021)	0.244	(0.022)
Claims	0.230	0.235	(0.005)	0.239	(0.004)	0.244	(0.005)	0.249	(0.005)
Paratransit Service Contracts	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Maintenance and Other									
Operating Contracts	2.006	2.232	(0.226)	2.247	(0.015)	2.272	(0.025)	2.315	(0.043)
Professional Service Contracts	0.319	0.319	0.000	0.325	(0.006)	0.331	(0.006)	0.338	(0.007)
Materials & Supplies	0.811	0.939	(0.128)	0.959	(0.020)	0.972	(0.013)	0.982	(0.010)
Other Business Expenses	0.005	0.005	0.000	0.005	0.000	0.005	0.000	0.005	0.000
Total Non-Labor Expenditures	\$5.089	\$5.658	(\$0.569)	\$5.717	(\$0.059)	\$5.795	(\$0.078)	\$5.910	(\$0.115)
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	\$27.206	\$28.215	(\$1.009)	\$29.195	(\$0.980)	\$30.096	(\$0.901)	\$31.367	(\$1.271)
Baseline Net Cash Deficit	(20.969)	(21.821)	(0.852)	(22.429)	(0.608)	(23.245)	(0.816)	(24.492)	(1.247)
2006 Agency Prog. to Elim. the GAP	0.035	0.384	0.349	0.495	0.111	0.512	0.017	0.530	0.018
Post-2006 Agency Prog. to Elim. The Gap	0.000	0.000	0.000	0.239	0.239	1.225	0.986	2.285	1.060
Net Cash Deficit	(\$20.934)	(\$21.437)	(\$0.503)	(\$21.695)	(\$0.258)	(\$21.508)	\$0.187	(\$21.677)	(\$0.169)

**MTA Staten Island Railway
November Financial Plan 2006-2009
Utilization**

Non-student Ridership (Utilization) decreased from the July Financial Plan while student ridership increased. The increase in 2007 ridership from 2006 is primarily due to the planned hardening of the Tompkinsville Station.

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Ridership/Traffic Volume (Utilization)
(in millions)

	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline Total Ridership	3.343	3.423	3.522	3.812	3.843	3.848
<i>Impact of: PEG Program</i>						
Total Ridership	3.343	3.423	3.522	3.812	3.843	3.848

**MTA Staten Island Railway
November Financial Plan 2006-2009
Summary of Plan to Plan Changes-Baseline Narrative**

2005: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- Farebox revenue is reduced by \$0.242 million based upon a projected decline in non-student ridership.
- Other Operating Revenue includes an increase in school fare reimbursement of \$0.113 million based upon a projected increase in student ridership.

Expense Re-estimates

- Non-Labor expenses were reduced by \$0.209 million to reflect under-runs in Maintenance and Other Operating Contracts of \$0.099 million and Materials & Supplies of \$0.110 million.
- No adjustments to PEG's or New Needs were required

2006: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- Farebox revenue is reduced by \$0.193 million based upon a projected decline in non-student ridership.
- Other Operating Revenue includes an increase in school fare reimbursement of \$0.113 million based upon a projected increase in student ridership.

Expense Re-estimates

- Expense inflation increase of \$0.175 million primarily based upon an update of Global Insight's economic and demographics forecasts.
- No adjustments to PEG's or New Needs were required

2007: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- Farebox revenue is reduced by \$0.202 million based upon a projected decline in non-student ridership.
- Other Operating Revenue includes an increase in school fare reimbursement of \$0.113 million based upon a projected increase in student ridership.

Expense Re-estimates

- Expense inflation decrease of \$0.121 million primarily based upon an update of Global Insight's economic and demographics forecasts.
- No adjustments to PEG's or New Needs were required

2008: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- Farebox revenue is reduced by \$0.209 million based upon a projected decline in non-student ridership.
- Other Operating Revenue includes an increase in school fare reimbursement of \$0.113 million based upon a projected increase in student ridership.

Expense Re-estimates

- Expense inflation decrease of \$0.337 million primarily based upon an update of Global Insight's economic and demographics forecasts.
- No adjustments to PEG's or New Needs were required

2009: November Financial Plan vs. July Financial Plan

Revenue Re-estimates

- Farebox revenue is reduced by \$0.245 million based upon a projected decline in non-student ridership.
- Other Operating Revenue includes an increase in school fare reimbursement of \$0.113 million based upon a projected increase in student ridership.

Expense Re-estimates

- Expense inflation decrease of \$0.537 million primarily based upon an update of Global Insight's economic and demographics forecasts.
- No adjustments to PEG's or New Needs were required

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Summary of Major Programmatic Changes Between Financial Plans
(\$ in millions)

NON-REIMBURSABLE and REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$21.014)	(\$21.182)	(\$21.727)	(\$21.749)	(\$22.082)
<i>Non-Reimbursable Major Changes</i>					
Revenue					
Fare Revenue Re-estimate	(0.242)	(0.193)	(0.202)	(0.209)	(0.245)
School Fare Reimbursement Re-estimate	0.113	0.113	0.113	0.113	0.113
Sub-Total Non-Reimbursable Revenue Changes	(\$.129)	(\$.080)	(\$.089)	(\$.096)	(\$.132)
Expenses					
Non-Labor Re-estimates	0.209	0.000	0.000	0.000	0.000
Impact of Revised Inflation	0.000	(0.175)	0.121	0.337	0.537
Sub-Total Non-Reimbursable Expense Changes	\$.209	(\$.175)	\$.121	\$.337	\$.537
Total Non-Reimbursable Major Changes	\$.080	(\$.255)	\$.032	\$.241	\$.405
<i>Reimbursable Major Changes</i>					
Revenue					
Sub-Total Reimbursable Revenue Changes					
Expenses					
Inflation					
Sub-Total Reimbursable Expense Changes					
Total Reimbursable Major Changes	\$.000	\$.000	\$.000	\$.000	\$.000
Total Accrual Changes	\$0.080	(\$0.255)	\$0.032	\$0.241	\$0.405
<i>Cash Adjustment Changes</i>					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.080	(\$0.255)	\$0.032	\$0.241	\$0.405
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$20.934)	(\$21.437)	(\$21.695)	(\$21.508)	(\$21.677)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

NON-REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$21.014)	(\$21.182)	(\$21.727)	(\$21.749)	(\$22.082)
Baseline Changes					
Revenue					
Farebox Revenue	(0.242)	(0.193)	(0.202)	(0.209)	(0.245)
Other Operating Revenue	0.113	0.113	0.113	0.113	0.113
Capital and Other Reimbursement					
Total Revenue Changes	(\$0.129)	(\$0.080)	(\$0.089)	(\$0.096)	(\$0.132)
Expenses					
<i>Labor:</i>					
Payroll		(0.037)	(0.001)	0.006	0.025
Health and Welfare		0.013	0.061	0.064	0.069
Pensions					
Other Fringe Benefits		(0.011)	(0.008)	(0.007)	(0.006)
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	(\$0.035)	\$0.052	\$0.063	\$0.088
<i>Non-Labor:</i>					
Traction and Propulsion Power		(0.083)	0.042	0.162	0.258
Fuel for Buses and Trains					
Insurance					
Claims		(0.001)	0.002	0.004	0.007
Paratransit Service Contracts					
Maintenance and Other Operating Contracts	0.099	(0.060)	0.024	0.106	0.178
Professional Service Contracts			0.001	0.003	0.004
Materials & Supplies	0.110	0.004		(0.001)	0.001
Other Business Expenses					0.001
Total Non-Labor Expense Changes	\$0.209	(\$0.140)	\$0.069	\$0.274	\$0.449
Total Expense Changes	\$0.209	(\$0.175)	\$0.121	\$0.337	\$0.537
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.080	(\$0.255)	\$0.032	\$0.241	\$0.405
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$20.934)	(\$21.437)	(\$21.695)	(\$21.508)	(\$21.677)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

REIMBURSABLE

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline Changes					
Revenue					
Farebox Revenue					
Other Operating Revenue					
Capital and Other Reimbursement					
Total Revenue Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Expenses					
<i>Labor:</i>					
Payroll					
Health and Welfare					
Pensions					
Other Fringe Benefits					
Reimbursable Overhead					
Total Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
<i>Non-Labor:</i>					
Traction and Propulsion Power					
Fuel for Buses and Trains					
Insurance					
Claims					
Paratransit Service Contracts					
Maintenance and Other Operating Contracts					
Materials & Supplies					
Other Business Expenses					
Total Non-Labor Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Expense Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Cash Adjustment Changes					
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Changes Between Financial Plans by Generic Categories
(\$ in millions)

**NON-REIMBURSABLE and
REIMBURSABLE**

	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Baseline 2005 July Financial Plan - Operating Cash Income/(Deficit)	(\$21.014)	(\$21.182)	(\$21.727)	(\$21.749)	(\$22.082)
Baseline Changes					
Revenue					
Farebox Revenue	(\$.242)	(\$.193)	(\$.202)	(\$.209)	(\$.245)
Other Operating Revenue	.113	.113	.113	.113	.113
Capital and Other Reimbursement					
Total Revenue Changes	(\$.129)	(\$.080)	(\$.089)	(\$.096)	(\$.132)
Expenses					
Labor:					
Payroll	\$.000	(\$.037)	(\$.001)	\$.006	\$.025
Health and Welfare	.000	.013	.061	.064	.069
Pensions	.000	.000	.000	.000	.000
Other Fringe Benefits	.000	(.011)	(.008)	(.007)	(.006)
Reimbursable Overhead	.000	.000	.000	.000	.000
Total Labor Expense Changes	\$.000	(\$.035)	\$.052	\$.063	\$.088
Non-Labor:					
Traction and Propulsion Power	\$.000	(\$.083)	\$.042	\$.162	\$.258
Fuel for Buses and Trains	.000	.000	.000	.000	.000
Insurance	.000	.000	.000	.000	.000
Claims	.000	(.001)	.002	.004	.007
Paratransit Service Contracts	.000	.000	.001	.003	.004
Maintenance and Other Operating Contracts	.099	(.060)	.024	.106	.178
Materials & Supplies	.110	.004	.000	(.001)	.001
Other Business Expenses	.000	.000	.000	.000	.001
Total Non-Labor Expense Changes	\$.209	(\$.140)	\$.069	\$.274	\$.449
Total Expense Changes	\$.209	(\$.175)	\$.121	\$.337	\$.537
Cash Adjustment Changes					
	.000	.000	.000	.000	.000
	.000	.000	.000	.000	.000
	.000	.000	.000	.000	.000
Total Cash Adjustment Changes	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Total Baseline Changes	\$0.080	(\$0.255)	\$0.032	\$0.241	\$0.405
Baseline 2005 November Financial Plan - Operating Cash Income/(Deficit)	(\$20.934)	(\$21.437)	(\$21.695)	(\$21.508)	(\$21.677)

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Summary of 2006 PEGs
(\$ in millions)

	Favorable/(Unfavorable)									
	2005		2006		2007		2008		2009	
	November Forecast		Final Proposed Budget							
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
LIST of PROGRAMS										
Administration:										
Sub-Total Administration	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Customer Convenience & Amenities:										
Sub-Total Customer Convenience & Amenities	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Service:										
Sub-Total Service	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Maintenance:										
Facility Painting/Station Maintenance			2	0.139	2	0.144	2	0.149	2	0.155
Sub-Total Maintenance	0	\$.000	2	\$.139	2	\$.144	2	\$.149	2	\$.155
Revenue Enhancements:										
Sub-Total Revenue Enhancements	0	\$.000	0	\$.000	0	\$.000	0	\$.000	0	\$.000
Other:										
Operational Efficiencies	2	.035	5	0.245	5	0.351	5	0.363	5	0.375
Sub-Total Other	2	\$.035	5	\$.245	5	\$.351	5	\$.363	5	\$.375
Total 2006 PEGs	2	\$.035	7	\$.384	7	\$.495	7	\$.512	7	\$.530

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Summary of Post-2006 PEGs
(\$ in millions)

	Favorable/(Unfavorable)					
	2007		2008		2009	
	Positions	Dollars	Positions	Dollars	Positions	Dollars
LIST of PROGRAMS						
Administration:						
Sub-Total Administration	0	\$.000	0	\$.000	0	\$.000
Customer Convenience & Amenities:						
Sub-Total Customer Convenience & Amenities	0	\$.000	0	\$.000	0	\$.000
Service:						
Sub-Total Service	0	\$.000	0	\$.000	0	\$.000
Maintenance:						
Reduce Size of Car Fleet by 12 R44 B Units	4	0.239	4	0.250	4	0.258
Sub-Total Maintenance	4	\$.239	4	\$.250	4	\$.258
Revenue Enhancements:						
Sub-Total Revenue Enhancements	0	\$.000	0	\$.000	0	\$.000
Other:						
One Person Train Operation (OPTO)						
Service Support	0	0	13	0.975	26	2.027
Sub-Total Other	0	\$.000	13	\$.975	26	\$ 2.027
Total Post 2006 PEGs	4	\$.239	17	\$ 1.225	30	\$ 2.285

**MTA Staten Island Railway
November Financial Plan 2006 - 2009
PEG Worksheet**

PEG Category: Operations

Program: Operational Efficiencies

Background Details: The commissioning of the new Staten Island Railway Control Center will enable the Railway to perform the movement control and supervision function more effectively and efficiently. The current staffing level for the movement control function is one Train Dispatcher and one Tower Operator 24/7. The consolidation and performance of all movement control operations at one location will enable the staffing to be reduced to one Train Dispatcher 24/7 and an assisting Train Dispatcher for AM and PM Weekday Peak Service. This change will enable the Railway to address its long-standing deficit in the area of transportation service line supervision through redeployment of part of this headcount savings. Installation of additional MVMs in St. George Terminal will enable the Railway to reduce its Agent/Operator head count by three (3). The change to a MetroCard based fare collection and assignment of the crew assignment function to Control Center supervisors will enable a reduction/re-assignment of two Transportation Department clerical employees. This will result in a headcount reduction of two (2).

PEG Description and Implementation Plan: The net benefit to the Transportation Department will be readily available line supervision necessary for the safe and efficient operation of the service, while at the same time allowing for an overall reduction in headcount of five (5).

PEG Implementation Date: 10/1/05

When will PEG savings begin?: 10/1/05

Financial Impact (Operating)

Net Savings (in millions)

2005	2006	2007	2008	2009
------	------	------	------	------

\$0.035	\$0.245	\$0.351	\$0.363	\$0.375
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Total Reduction in Positions Required

2	5	5	5	5
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Current Level of Vacancies

0	0	0	0	0
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Impact on Operations:

Ridership Per Week (in thousands)

Mean Distance Between Failure

On-Time Performance

Other

(Identify Appropriate Indicator)

List of Other Concerns:

**MTA Staten Island Railway
November Financial Plan 2006 - 2009
PEG Worksheet**

PEG Category: Maintenance

Program: Continue Facility Painting/Station Maint.

Background Details:	Currently, Authority budgeted cycle for painting interiors/exterior of facilities is 5 years while station maintenance is performed continuously. In 2005 (2005 PEG), painting cycles increased to 6 years and maintenance efficiencies implemented for masonry and carpentry repairs. These efficiencies will now be continued through the financial plan period.
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PEG Description and Implementation Plan:	Continue facility Painting and Station Maintenance efficiencies initiated in 2005.
PEG Implementation Date: 1/1/06	When will PEG savings begin?: 1/1/06

	2005	2006	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)		\$0.139	\$0.144	\$0.149	\$0.155
<i>Total Reduction in Positions Required</i>		2	2	2	2
Current Level of Vacancies		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)					
<i>List of Other Concerns:</i>					

**MTA Staten Island Railway
November Financial Plan 2006 - 2009
PEG Worksheet**

PEG Category: Maintenance

Program: Reduce the size of the car fleet by 12 R44 B units

Background Details:	The current SIR fleet of 64 cars includes an increase of 12 cars early in the 1990's. This action was in anticipation of operating 5 car trains to accommodate the expected growth in ridership which has not materialized. Reducing the fleet size back to its original 52 cars in 2006 will reduce maintenance and cleaning costs saving four (4) positions and \$0.239 million.
----------------------------	--

PEG Description and Implementation Plan:	This 2005 PEG reduction was postponed pending the completion of a more comprehensive fleet replacement analysis. However, internal efficiencies have been implemented to realize the 2005 PEG savings of \$0.269 million. This program will be extended as a 2006 PEG and remain in effect from 2007 through 2009.
PEG Implementation Date: 1/1/07	When will PEG savings begin?: 1/1/07

	2005	2006	2007	2008	2009
<i>Financial Impact (Operating)</i>					
Net Savings (in millions)			\$0.239	\$0.250	\$0.258
<i>Total Reduction in Positions Required</i>			4	4	4
Current Level of Vacancies			0	0	0
<i>Impact on Operations:</i>					
Ridership Per Week (in thousands)					
Mean Distance Between Failure					
On-Time Performance					
Other					
(Identify Appropriate Indicator)					
<i>List of Other Concerns:</i>					

**MTA Staten Island Railway
November Financial Plan 2006 - 2009
PEG Worksheet**

PEG Category: Service

Program: One Person Train Operation (OPTO)

Background Details:	Currently the Authority operates four car trains with a crew of one Train Operator and one Conductor. In 2008, implementation of One Person Train Operation (OPTO) will reduce crew size to one Train Operator. Projections are that 13 Conductor positions can be eliminated by the end of 2008 and 26 by the end of 2009.
----------------------------	---

PEG Description and Implementation Plan:	The existing R44 fleet is not equipped with the door obstruction sensing capability required for OPTO. Given the estimated cost of retrofit, a replacement fleet will likely be required. Therefore, the implementation of this program will be delayed until July 2008.
PEG Implementation Date: 7/1/08	When will PEG savings begin?: 7/1/08

Financial Impact (Operating)

	2005	2006	2007	2008	2009
Net Savings (in millions)	\$0.000	\$0.000	\$0.000	\$0.975	\$2.027
Total Reduction in Positions Required	0	0	0	13	26
Current Level of Vacancies	0	0	0	13	26

Impact on Operations:

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

Other
(Identify Appropriate Indicator)

List of Other Concerns:

MTA Staten Island Railway
November Financial Plan 2006 - 2009
PEG Reconciliation (List of Changes) Between Financial Plans
(\$ in millions)

	2005 November Forecast		2006 Final Proposed Budget		2007		2008		2009	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
2005 July Financial Plan - Total PEGs	2	\$0.035	7	\$0.384	11	\$0.734	24	\$1.737	37	\$2.815
<i>List of PEG Changes</i>										
Administration (List changes by PEG)										
<i>Total Administrative Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Customer Convenience & Amenities (List changes by PEG)										
<i>Total Customer Convenience & Amenities Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Service (List changes by PEG)										
<i>Total Service Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Maintenance (List changes by PEG)										
<i>Total Maintenance Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Revenue Enhancements (List changes by PEG)										
<i>Total Revenue Enhancement Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
Other (List changes by PEG)										
<i>Total Other Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
<i>Total PEG Changes</i>	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000	0	\$0.000
2005 November Financial Plan - Total PEGs	2	\$0.035	7	\$0.384	11	\$0.734	24	\$1.737	37	\$2.815

**MTA Staten Island Railway
November Financial Plan 2006-2009
Positions**

November total baseline positions decreased from the July Financial Plan by 3 in 2006 and four in 2007-2009 due primarily to corrections of July reclassification adjustments.

MTA Staten Island Railway
November Financial Plan 2006 - 2009
Total Non-Reimbursable - Reimbursable Positions at End-of-Year
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2004 Actuals	2005 November Forecast	2006 Final Proposed Budget	2007	2008	2009
Administration						
Executive	12	11	11	11	11	11
General Office	12	13	13	13	13	13
Purchasing/Stores	6	7	7	7	7	7
Operations						
Transportation	93	99	99	99	99	99
Maintenance						
Mechanical	36	35	35	37	37	37
Car and Station Cleaning	19	20	20	20	20	20
Power/Signals	23	25	28	28	28	28
Maintenance of Way	46	49	49	49	49	49
Bridge and Buildings	23	22	24	24	24	24
Material Handling	2	2	2	2	2	2
Engineering/Capital						
None						
Public Safety						
Police	25	0	0	0	0	0
Baseline Total Positions	297	283	288	290	290	290
<i>Non-Reimbursable</i>	291	280	285	287	287	287
<i>Reimbursable</i>	6	3	3	3	3	3
<i>Total Full-Time</i>	297	283	288	290	290	290
<i>Total Full-Time-Equivalents</i>	0	0	0	0	0	0
Impact of:						
2006 Program to Eliminate the Gap	0	(2)	(7)	(7)	(7)	(7)
Post-2006 Prog. to Elim. the Gap	0	0	0	(4)	(17)	(30)
Total Positions	297	281	281	279	266	253
<i>Non-Reimbursable</i>	291	278	278	276	263	250
<i>Reimbursable</i>	6	3	3	3	3	3
<i>Total Full-Time</i>	297	281	281	279	266	253

MTA Staten Island Railway
November Financial Plan 2006-2009
Total Full-Time Positions and Full-time Equivalents by Function and Occupational Group
Non-Reimbursable and Reimbursable

FUNCTION/OCCUPATIONAL GROUP	2006 Final Proposed Budget	2007	2008	2009
Administration				
Managers/Supervisors	14	14	14	14
Professional, Technical, Clerical	17	17	17	17
Operational Hourlies	-			
Total Administration	31	31	31	31
Operations				
Managers/Supervisors	7	7	7	7
Professional, Technical, Clerical	4	4	4	4
Operational Hourlies	88	88	88	88
Total Operations	99	99	99	99
Maintenance				
Managers/Supervisors	11	11	11	11
Professional, Technical, Clerical	2	2	2	2
Operational Hourlies	145	147	147	147
Total Maintenance	158	160	160	160
Engineering/Capital				
Managers/Supervisors				
Professional, Technical, Clerical				
Operational Hourlies				
Total Engineering/Capital	-	-	-	-
Public Safety				
Managers/Supervisors				
Professional, Technical, Clerical				
Operational Hourlies				
Total Public Safety	-	-	-	-
Total				
Managers/Supervisors	32	32	32	32
Professional, Technical, Clerical	23	23	23	23
Operational Hourlies	233	235	235	235
Total	288	290	290	290
Baseline Total Positions	288	290	290	290
Non-Reimbursable	285	287	287	287
Reimbursable	3	3	3	3
Total Full-Time	288	290	290	290
Total Full-Time Equivalents	-	-	-	-
Impact of:				
2006 Program to Eliminate the Gap	(7)	(7)	(7)	(7)
Post-2006 Program to Eliminate the Gap	0	(4)	(17)	(30)
Total Positions	281	279	266	253
Non-Reimbursable	278	276	263	250
Reimbursable	3	3	3	3
Total Full-Time	281	279	266	253
Total Full-Time Equivalents	-	-	-	-

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MTA Bus Company

MTA Bus Company

The MTA Bus Company was created in September 2004 to assume operations of certain New York City bus routes in areas served by seven private bus operators pursuant to franchises granted by the City. By July 1, 2005, MTA Bus had assumed the operations of Liberty Lines Express, Queens Surface Corporation, and New York Bus Service. It is expected that service currently operated by Command Bus Company, Green Bus Lines, Inc, Jamaica Buses, Inc., and Triboro Coach Corporation will be merged into MTA Bus by the end of the third quarter of 2005. Under the agreement between MTA and the City, which was approved by the MTA Board, the City agreed to pay MTA Bus the difference between the actual operating costs of the city bus routes and all revenues received for such route operations. Thus, the current costs of MTA Bus operations are 100% reimbursable by the City.

MTA Bus will be responsible for both the local and express bus operations of the seven companies, consolidating their operations, maintaining current buses, and purchasing new buses to replace the aging fleet currently in service. The seven companies currently operate 46 local routes and 35 express bus routes between Manhattan and the Bronx, Brooklyn, or Queens. Together the seven companies have 1,228 buses, which will make MTA Bus the 11th largest bus fleet in the United States and Canada, serving 400,000 riders daily.

MTA Bus Company has been reporting monthly to the MTA Board the status of its operations as well as its current operating revenues and costs.

The consolidated MTA budget does not currently include MTA Bus financial information, either in the Financial Plan nor the monthly reports prepared for the MTA Board. When the status of transferring the remaining bus lines has been finalized, MTA Bus will develop a line-item annual budget and four-year financial plan, which will be included in the consolidated MTA budget.

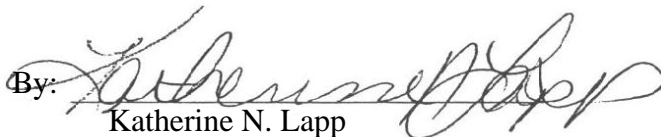
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VIII. Appendix

**Certification of the Executive Director
of the
Metropolitan Transportation Authority
in accordance with Section 202.3(l)
of the
State Comptroller's Regulations**

I, Katherine N. Lapp, Executive Director of the Metropolitan Transportation Authority ("MTA"), hereby certify, to the best of my knowledge and belief after reasonable inquiry, including certifications from senior management at the MTA agencies, that, subject to the items identified in the attached letter to the State Comptroller, dated November , 2004, the attached budget and financial plan is based on reasonable assumptions and methods of estimation and that the requirements of Section 202.3 and 202.4 of the Regulations referenced above have been satisfied.

Metropolitan Transportation Authority

By: 
Katherine N. Lapp
Executive Director

Dated: November 14, 2004

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