

III. Updated Forecast and Gap Closing Program

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UPDATED FORECAST

Real Estate Transaction Taxes:

Baseline Real Estate Transaction Tax projections in the November Plan are unchanged from the July Plan. Below-the-line revisions for the Mortgage Recording Taxes and the Urban Taxes have been made to reflect tax actual receipts through November as well as tax receipt forecasts in the November 2008 City of New York's Financial Plan Update. For 2012, updated forecasts of the ten-year U.S. Treasury Note rate, the ninety-day U.S. Treasury Bill rate, New York City private-sector employment and county population levels have also been used.

Receipts from the Real Estate Transaction Taxes (Real Estate Taxes) for 2008 are projected to be \$969.5 million, a reduction of -7.2% from the July Plan. Reductions from the July Plan are also projected for subsequent years:

Total Real Estate Taxes					
(\$ in millions)					
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
July Plan	\$1,045	\$946	\$928	\$954	\$994
November Plan	<u>\$970</u>	<u>\$881</u>	<u>\$848</u>	<u>\$882</u>	<u>\$965</u>
Plan-to-Plan Changes	(\$ 76)	(\$ 66)	(\$ 80)	(\$ 72)	(\$ 29)
	(7.2%)	(6.9%)	(8.6%)	(7.5%)	(2.9%)

The revised 2008 Real Estate Tax forecasts are 38.9% lower than 2007 receipts and year over year declines continue through 2010; receipts in 2011 and 2012 are expected to show annual growth:

Total Real Estate Taxes					
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Year-to-Year Changes	(\$617)	(\$89)	(\$32)	\$34	\$83
	(38.9%)	(9.2%)	(3.7%)	4.0%	9.4%

Mortgage Recording Taxes - The City's November Financial Plan Update assumes total Mortgage Recording Tax (MRT) receipts will decline by 30.1% for City Fiscal Year (CFY) 2009, decline by 8.8% for CFY 2010, increase by 1.7% for CFY 2011 and

increase by 7.6% for CFY 2012; these projections are used to estimate combined MRT-1 receipts from New York City excluding Staten Island. The City's Financial Plan Update assumes residential mortgage recording tax receipts will decline 28.2% for CFY 2009, decline by 13.0% for CFY 2010, increase by 4.7% for CFY 2011 and increase by 10.1% for CFY 2012; these trend assumptions are used to estimate MRT-1 receipts for Staten Island and the suburban counties as well as MRT-2 receipts for the entire MTA region.

For 2012, the ten-year U.S. Treasury Note rate is expected to be 5.44%, unchanged from the projected 2011 rate. Population is expected to increase in 2012, up 0.21% in New York City, up 0.26% in Nassau and Suffolk, up 0.09% in Westchester, up 0.87% in Putnam, up 0.60% in Dutchess, up 0.38% in Rockland and up 0.75% in Orange.

The 2008 forecast is based on November year-to-date actual cash receipts. The forecast for December, based on the average of receipts for September through November 2008, has been added to year-to-date receipts in order to obtain a 2008 forecast.

MRT receipts on a cash basis are estimated at \$427.4 million, a decrease of \$276.1 million, or 39.2% from the 2007 level. MRT-1 receipts are projected to be \$282.7 million, a \$177.6 million (-38.6%) decrease over 2007, while MRT-2 receipts are projected to be \$144.7 million, a \$98.5 million (-40.5%) decline over 2007.

Mortgage Recording Taxes

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
July Plan	\$485	\$462	\$456	\$470	\$477
November Plan	<u>\$427</u>	<u>\$380</u>	<u>\$362</u>	<u>\$384</u>	<u>\$392</u>
Plan-to-Plan Changes	(\$57) (11.8%)	(\$82) (17.8%)	(\$94) (20.7%)	(\$85) (18.2%)	(\$85) (17.9%)
Year-to-Year Changes	(\$276) (39.2%)	(\$48) (11.1%)	(\$18) (4.7%)	\$23 6.2%	\$7 1.9%

Overall, the combined MRT estimate reflects a decrease of \$57.1 million, or -11.8%, over the July Plan projection. The MRT-1 estimate is \$34.4 lower (-10.9%) and the MRT-2 estimate is \$22.7 million lower (-13.6%) than the estimates in the July Plan.

Urban Taxes - The City's November Financial Plan Update assumes real property transfer tax receipts from commercial property transactions will decline by 25.3% for City Fiscal Year (CFY) 2009, decline by 5.4% for CFY 2010, decline by 0.6% for CFY

2011 and increase by 4.5% for CFY 2012; these projections are used to estimate the Real Property Transfer Tax (RPTT) component of the Urban Taxes. The City's Financial Plan Update assumes commercial property mortgage recording tax receipts will decline 31.6% for CFY 2009, decline by 5.2% for CFY 2010, decline by 0.7% for CFY 2011 and increase by 5.5% for CFY 2012; these trend assumptions are used to estimate the Mortgage Recording Tax (Urban MRT) component of the Urban Taxes.

For 2012, the ninety-day U.S. Treasury Bill rate is expected to be 4.59%, unchanged from the projected 2011 rate. New York City private-sector employment is expected to increase by 1.64% in 2012.

The 2008 forecast is based on November year-to-date actual cash receipts. The forecast for December, based on the average of receipts for September through November 2008, has been added to year-to-date receipts in order to obtain a 2008 forecast.

Urban Tax receipts on a cash basis are estimated at \$542.1 million, a decrease of \$341.4 million, or 38.6% from the 2007 level. RPTT receipts are projected to be \$363.8 million, a \$233.5 million (-39.1%) decrease over 2007, while Urban MRT receipts are projected to be \$178.3 million, a \$107.9 million (-37.7%) decline over 2007.

Urban Taxes					
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
July Plan	\$561	\$484	\$472	\$484	\$517
November Plan	<u>\$542</u>	<u>\$501</u>	<u>\$486</u>	<u>\$498</u>	<u>\$573</u>
Plan-to-Plan Changes	(\$18) (3.3%)	\$17 3.4%	\$15 3.1%	\$14 2.8%	\$56 10.8%
Year-to-Year Changes	(\$341) (38.6%)	(\$41) (7.6%)	(\$14) (2.8%)	\$11 2.3%	\$75 15.1%

Overall, for 2008 the combined Urban Tax estimate reflects a decrease of \$18.4 million (-3.3%) from the July Plan projection. The RPTT estimate is \$7.2 million lower (-1.9%) and the Urban MRT estimate is \$11.2 million lower (-5.9%) than the estimates in the July Plan.

Urban Tax receipts are expected to continue declining in 2009 to \$500.7 million, a decline of \$41.4 million (-7.6%) from the 2008 level. RPTT is projected to decline by \$25.6 million (-7.0%) to \$338.2 million, while Urban MRT is projected to decline by

\$15.8 million (-8.9%) to \$162.5 million. Declines are expected to continue in 2010 as Urban Tax receipts fall another 2.8%, with RPTT down 2.6% and Urban MRT down 3.3%. By 2011, commercial activity is expected to reach a sustainable level, with RPTT receipts expected to increase 2.4% along with an increase of 2.0% in Urban MRT receipts; overall Urban Tax receipts are expected to grow by 2.3% in 2011. In 2012, Urban Tax receipts are expected increase 15.1% with RPTT up 13.5% and Urban MRT up 18.5%.

State Dedicated Taxes

Since the MTA July Plan, New York State's forecasts of receipts from the MMTOA and PBT taxes have been revised. The impact of these latest forecasts based on the State's October Mid-Year Financial Plan Update is reflected here as below-the-line assumptions and have not been incorporated into the 2008 November Plan baseline.

Beginning in 2008 and continuing through the Plan period, MMTOA and PBT tax yields are projected to decrease from the July Plan levels in each year. The impact of these latest State forecasts on MTA MMTOA and PBT is reflected in the table below:

MTA's Share of MMTOA Changes to the Baseline (July Plan) (\$ in millions)						
	<u>Shares</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Downstate Share of MMTOA ¹		<u>(\$94)</u>	<u>(\$180)</u>	<u>(\$133)</u>	<u>(\$133)</u>	<u>(\$121)</u>
New York City Transit/Staten Island Railway	60.0%	0.0	(108)	(80)	(80)	(73)
MTA/Commuter Rail Roads	27.2%	0.0	(49)	(36)	(36)	(33)
Long Island Bus	<u>2.7%</u>	<u>0.0</u>	<u>(5)</u>	<u>(4)</u>	<u>(4)</u>	<u>(3)</u>
	89.9%	\$0.0	(\$162)	(\$120)	(\$120)	(\$109)

¹It is assumed that the shortfall in 2008 is covered by prior balances in the MMTOA account.

MTA's Share of PBT - Dedicated Tax Fund Changes to the Baseline (July Plan) (\$ in millions)						
Cash Basis		<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
New York City Transit	85.0%	(\$13)	(\$11)	(\$11)	(\$12)	(\$12)
MTA/Commuter Rail Roads	15.0%	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
		(\$15)	(\$13)	(\$13)	(\$14)	(\$14)

In the State's October Mid-Year Financial Plan Update, for each of the years in the Plan period, 2008 through 2012, the forecast for MMTOA revenues are below the levels in the State Enacted Budget, which was the basis for the MTA Mid-Year Forecast (July Plan). Total Downstate MMTOA revenue estimates are lower than the July Plan levels by \$94 million in 2008, \$180 million in 2009, \$133 million in 2010, \$133 in 2011 and \$121 million in 2012. This is mostly due to lower than expected Corporate Surcharge taxes. Of the total downstate reductions, the MTA's share is approximately 90 percent or \$162 million in 2009, \$120 million in 2010 and 2011, and \$109 million in 2012; these shares are consistent with the State's Enacted Budget for SFY 2008/09. In 2008, it is assumed that the shortfall is covered by prior balances in the MMTOA account.

The MTA November Plan baseline MMTOA remains unchanged from the July Plan forecast. However, the anticipated shortfalls in 2009 through 2012 are reflected as below-the-line assumptions in the Plan.

For 2008 through 2012, the State's October Mid-Year Financial Plan Update reflects lower PBT revenues than forecasted in the State Enacted Budget, which was the basis for the MTA Mid-Year Forecast (July Plan). On a calendar year basis, the MTA's PBT cash revenues are estimated to be \$15 million below the July Plan level in 2008, \$13 million in 2009 and 2010, and \$14 million in 2011 and 2012. This is mostly the result of lower than expected petroleum business tax revenues and motor vehicle fees.

Similar to the handling of MMTOA in the MTA November Plan, the baseline PBT estimates remain unchanged from the July Plan forecast. However, the anticipated shortfalls in 2008 through 2012 are reflected here as below-the-line assumptions.

Pension Valuation

The ongoing deterioration of the financial markets is having an impact on the assets of the MTA's pension plans. A provision is established for the expected losses in the equities of the MTA's pension plans. (This provision does not include the City's NYCERS or the State's NYSLRS plans.) The Plan assumes losses will be amortized over a five year period beginning in 2009 and is forecast as follows: \$35 million in 2009; \$70 million in 2010; \$105 million in 2011; and \$140 million in 2012.

Fuel

Energy costs in the November Baseline (Volume 2) were based on instructions and prices that were available in early October. These projections were consistent with fuel hedge contracts that were made at the time. The average annual price per gallon for Ultra Low Sulfur Diesel (ULSD) that Agencies applied was \$3.47 in 2008, \$3.39 in 2009, \$3.24 in 2010, \$3.12 in 2011 and \$3.30 in 2012. Since that time, prices have dropped significantly. The average annual price per gallon for ULSD is now expected to be \$2.65 in 2008, \$2.49 in 2009, \$2.64 in 2010, \$2.69 in 2011 and \$2.78 in 2012. Volume 1 of the November Plan captures the savings from these lower prices (net of the

hedge), which is \$6.4 million in 2008, \$30.9 million in 2009, \$44.7 million 2010, \$32.0 million in 2011 and \$38.6 million in 2012.

Other

The impact of the updated forecast of urban taxes for paratransit, which is included in NYCT's Other Operating Revenue, is reflected below as changes to the July Plan baseline:

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Paratransit	(\$1)	\$1	\$1	\$1	\$4

GAP CLOSING PROGRAMS

The discussion below reflects Gap Closing Program initiatives proposed as part of the November Plan; these below-the-line items, categorized under the headings of Internal Actions, External Actions, Additional Actions for Budget Balance and Fares/Tolls, reflect prudent decisions and realistic actions that are essential to maintaining our operations, providing safety and security to our customers and employees, and implementing steps necessary to achieve MTA goals.

Internal Actions:

2009 Agency Program to Eliminate the Gap - The 2009 Program to Eliminate the Gap (PEG) consists of savings of \$16 million and 115 positions in 2008, \$82 million and 473 positions in 2009, \$81 million and 482 positions in 2010, \$88 million and 517 positions in 2011, and \$78 million and 454 positions in 2012. These 2009 PEG savings exclude MTA Bus' PEGs which would serve to reduce the City subsidy to MTA Bus.

For a fuller discussion and summary of the 2009 PEG program, please refer to the PEG Detail section.

Post-2009 Agency Program to Eliminate the Gap - MTA Agencies are expected to achieve targeted savings equivalent to a 1.5% reduction in controllable expenses in each of the Plan years (6% cumulative by the end of 2012). Agencies will identify PEGs beginning in 2010 during next year's budget cycle. Therefore, the vast majority of the Post-2009 PEG program remains unspecified at this time. On an MTA-wide basis, the value of these "unspecified" PEGs is \$97 million in 2010, \$175 million in 2011, and \$276 million in 2012. The LIRR has identified a very small portion of its Post-PEG program (\$1 million per year). These savings exclude MTA Bus' PEGs which would serve to reduce the City subsidy to MTA Bus.

For a fuller discussion and summary of the 2009 Post-PEG program, please refer to the PEG Detail section.

Business Service Center - In an effort to enhance financial stability, the MTA created a Business Service Center (BSC) to streamline financial operations. At the BSC, select administrative functions for all the Agencies will be combined and the use of one PeopleSoft Enterprise Resource Planning (ERP) Financial and HR/Payroll system, along with other technologies to process administrative and "back-office" functions will be utilized.

Implementation costs, including capital and feasibility studies, are expected to total \$210 million. This financial plan provides operating funding for implementation that will result in a net increase in projected spending of \$8 million, \$10 million, and \$15 million in 2009, 2010, and 2011, respectively. The BSC will be opening its door in 2011 and will complete consolidation of back office functions throughout that year. It will achieve

efficiencies resulting in headcount reductions of approximately 249 positions throughout the Agencies. In addition, it will begin to recoup initial outlays with net operating savings of \$29 million in 2012 growing to over \$30 million annually thereafter.

New Contracts Labor Contribution – MTA is proposing that upon the expiration of labor contracts in 2009 and 2010, the net value of new contract costs would enable a reduction to baseline assumptions for one year which would help close future-year budget gaps. Savings would occur in the year of the reduction and in the out-years as well since the base for future growth would be reduced. Savings are projected at \$53 million in 2009, \$82 million in 2010, \$85 million in 2011 and \$86 million in 2012.

MTA Reorganization – In the July Plan, this initiative was valued at \$3 million in 2009 and \$13 million annually thereafter, and was based on two assumptions:

- 1) A key tactic of MTA's goal for institutional transformation is the consolidation of MTA's bus services. It is expected that the Regional Bus Operation will allow its younger bus companies to leverage the resources of its older, more established agencies and for both to adopt best practices. This is expected to result in greater accountability, reduce administrative inefficiency and improve customer service.

In the November Plan these savings have been captured within Additional Actions for Budget Balance (discussed below); thus, \$10 million annually has been eliminated from this proposal.

- 2) The July Plan also assumed that in addition to the Business Service Center efficiencies, reflected separately in the Plan, MTA expects to review other back-office operations to generate additional administrative cost savings. That assumption is still maintained in the November Plan and savings of \$1 million are expected in 2009 with annual savings of \$3 million thereafter.

Reduce Subsidy to Long Island Bus – MTA is proposing to reduce LIB's subsidy by \$4 million in every year of the Plan beginning in 2009. It is anticipated that other government entities also responsible for funding LIB will provide sufficient aid so that the Agency achieves a balanced budget. Absent such funding, additional fare increases and/or service cuts may be necessary.

LIB Deficit Reduction – In the absence of additional funding from Nassau County, LI Bus will need to make additional expense reductions (or revenue enhancements) of \$5 million in 2009, \$3 million in 2010, and \$2 million in 2011 and 2012 in order to achieve budget balance. These actions are in addition to fare increases, PEGs, projected savings from New Contracts Labor contribution, Other Administrative Reductions, and Additional Actions for Budget Balance. These projections are reflective of the reduction in subsidies from MTA.

2006 Surplus Recovery – In 2006, MTA used a portion of the 2006 surplus to fund Capital Security and other non-recurring expenses. It is proposed that \$120 million of these funds yet to be committed will be transferred back to the operating budget in 2008 to be used for future gap-closing. Funding for most of the Capital Security projects is expected to be part of the MTA's Capital Plan. Since the July Plan, it was determined that \$40 million should be budgeted in 2009 for those security projects that may need to be started earlier than the approval of the 2010 through 2014 Capital Program.

Eliminate E-Z Pass Forgiveness - The November Plan includes an increase in revenues of \$10 million annually from charging official city, state and county vehicles for Bridge and Tunnel crossings, which are currently granted non-revenue status. The MTA Board approved this in October 2008. Billings are expected to generate \$1 million in 2008 (The July Plan assumed \$3 million in 2008). Projections for 2009 and beyond remain at \$10 million per year.

Inter-Agency Loan – The MTA is proposing to borrow \$135 million in 2009 and 2010 and to pay these Inter-Agency Loans back in 2011 and 2012.

External Actions:

Federal Legislative Actions - The MTA is proposing changes in federal legislation that would eliminate certain federal mandates for commuter rail employees without impacting employee benefits.

State Legislative Actions – Tax Statute Revisions - Discussions with State Budget have already begun to develop legislative proposals which would be introduced in the 2009 Legislative session to tighten up the tax codes relating to MTA real estate taxes. These statutory changes are expected to generate \$50 million annually of additional revenue earmarked for MTA.

New Governmental Aid - The November Plan no longer assumes that new governmental aid will be made available to MTA.

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ADDITIONAL ACTIONS FOR BUDGET BALANCE

In response to reduced dedicated tax forecasts and declining state and local aid, the MTA is proposing Additional Actions for Budget Balance as part of the November Financial Plan. These proposals do not compromise the safety of the public or MTA employees. In addition, in evaluating proposed service reduction actions, every effort was made to identify those actions that would achieve savings while minimizing the impact to our customers. Where possible, the MTA is seeking efficiency gains from improved work practices.

Proposals are functionally categorized into the following areas: Administration, Customer Convenience & Amenities, Maintenance, Service, Service Support, Safety/Security, Revenue, Paratransit, Other, Other Administrative Reductions and Reimbursement Offset.

These additional actions are expected to generate savings of \$261 million in 2009, \$401 million in 2010 (when proposals are fully annualized), \$384 million in 2011 and \$389 million in 2012. The associated position reductions from these proposals are 2,600 in 2009, 2,764 in 2010, and 2,738 in each year from 2011-2012. The attached schedules summarize the program by Agency and by category; in addition more detailed information can be found in the Agency sections which follow.

Please note: MTA Capital Construction's (MTACC) proposals total \$1 million annually beginning in 2009 with no associated position reductions. However, MTACC expenses are reimbursable and have no direct impact on MTA's operating funds. Similarly, MTA Bus savings result in lower subsidies for New York City and no net savings to MTA's financial plan.

Administration

Administrative savings are expected to generate savings of \$65 million in 2009 and approximately \$75 million in each year from 2010 to 2012, mainly through the reduction of managers and support staff. This includes the reduction of 410 positions in 2010, when proposals are fully annualized. Non-payroll related expenditures are also included in these actions, such as the reduction of advertising, marketing, contracting, and other business expenses. These savings are in addition to the Other Administrative Reductions that were implemented immediately following the release of the July Plan, which are described on the next page. Efficiencies will be generated through consolidations and the re-engineering of processes.

Customer Convenience & Amenities

Agencies propose reducing staff and hours of operation at underutilized stations and for travel information services. In particular, NYCT proposes the elimination of Station Customer Assistant (SCA) Tours, which will result in staffing reductions of 596 positions beginning in 2009 and associated savings of \$38 million in 2010, when proposals are fully annualized. Studies have shown relatively low rates of SCA utilization and interaction with customers even at high-registration control areas. Additional actions in

this category include the reduction of car and station cleaning initiatives. In total, these proposals are expected to generate headcount reductions of 854 and 885 in 2009 and 2010, respectively, with savings of \$32 million and \$61 million in 2009 and 2010, respectively. The 2010 values carry through 2012.

Maintenance

Whenever possible, Agencies sought efficiency gains from improved work practices. Agencies proposed overhaul deferrals, extending life cycle maintenance programs, contract savings, forgoing new positions, and reductions of materials, overtime and maintenance staff. NYCT will be eliminating previously added positions to track cleaning and there will be contract savings to the R62 Converter project. B&T is reducing costs by better aligning its Bridge Painting program with the 2010-2014 Capital Program. At the LIRR, operating funds for Bridge Painting will be eliminated, new positions at the Arch Street Maintenance Facility will be forgone, and Engineering overtime and Station Maintenance will be reduced. At MNR, overhaul programs will be delayed; shop tools, material usage, agreement personnel, and overtime will be reduced. The reductions proposed in maintenance will result in minimal issues for the fleets, particularly for fleet performance. These actions are expected to generate \$39 million in 2009, \$45 million in 2010, \$29 million in 2011 and \$33 million in 2012. The associated headcount reductions total 152 in 2009, 200 in 2010 and 194 in each year from 2011 to 2012.

Service

The service proposals reflect actions that would have the least possible impact on riders. Agencies identified savings of \$76 million in 2009, \$154 million in 2010 and approximately \$152 million in each year from 2011-2012. NYCT accounted for most of these proposals with savings of \$59 million in 2009, and \$129 million in each year from 2010-2012. Associated position reductions total 1,115 in 2009, 1,191 in 2010, and 1,171 in each year from 2011-2012.

Agencies sought to streamline routes by combining routes where alternatives exist, maintaining routes where no alternatives are available (albeit with increased waiting times), and changing loading guidelines to maximize efficiency. In the case of route elimination, Agencies included only the lowest performing and/or most underutilized routes, primarily during the off-peak, weekend and late night hours. NYCT's proposals include increasing the interval time (headway) for subway service on late night routes (2AM to 5AM), increasing loading capacity for mid-day and evening subways and combining bus routes and amending bus service guidelines. MNR's proposals include reductions in train service for East and West of Hudson Service while also changing passenger seating loading standards for minimum and maximum levels that will result in reductions to train consists. The LIRR proposes eliminating all weekend service on the West Hempstead and some on the Port Washington branches and largely eliminating Belmont Service. In most cases, riders will have proximate access to alternative stations or options for service.

Service Support

Agencies identified savings of \$3 million in 2009 and approximately \$5 million in each year from 2010-2012. This is mainly due to the LIRR's attrition of train crew members, which will generate headcounts reductions of 42 in each year after the program is fully annualized.

Safety/Security

The commuter railroads identified savings of \$8 million in 2009 and approximately \$2 million in 2010-2012. The LIRR is pursuing \$6 million of FRA (Federal Railroad Administration) capital funds in 2009 for their Gap Mitigation Safety program. MNR will reduce positions for Security System coverage. These actions pose a minimal impact on the safety/security of MTA's customers and employees.

Revenue

Agencies identified sources of additional revenue through an increase in advertising sales, elimination of specific rebate programs, and proposing an increase in express bus fare from \$5.00 to \$7.50 at MTA Bus and NYCT. These actions are expected to generate \$2 million in 2008, \$4 million in 2009 and approximately \$7 million in each year thereafter.

Paratransit

Increasing the Paratransit fare from \$2.00 to \$4.00 and tightening the customer cancellation/no-show policy at NYCT are expected to generate savings of \$26 million in 2009 and \$55 million in each year from 2010-2012.

Other

Agencies identified savings of \$10 million in 2008 and \$5 million in each year from 2009-2012. NYCT has identified savings of \$10 million in 2008 due to a re-estimate of pension contributions. The bus companies are expected to receive savings provided by the Alternative Fuel Excise Tax Credit. B&T proposes reducing truck weight enforcement and security staffing at low priority facilities. There are 14 position reductions associated with these proposals.

Other Administrative Reductions

The MTA has taken a number of steps to reduce administrative costs and improve its cash position. These include extending the current lead time for new hires, reducing non-revenue vehicle mileage, and significantly reducing costs for travel, catering, professional memberships, subscriptions, and telecommunications, among other actions. This is expected to result in savings of \$5 million in 2008 and \$10 million in 2009. These actions were implemented immediately after the July 2008 Board Meeting. Savings are less than the \$15 million and \$30 million initially projected in the July Plan; the balance of these savings contemplated in July is now being captured within the Administration category above.

Reimbursement Offset

The reduction programs proposed by Metro-North will result in a decrease in the subsidy reimbursement paid by the Connecticut Department of Transportation (CDOT). The impact of these subsidy shortfalls is expected to be \$6 million in each year from 2009-2012.

**Metropolitan Transportation Authority
November Financial Plan 2009-2012
Additional Actions for Budget Balance by Agency
(\$ in millions)**

	2008		2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
New York City Transit/Staten Island Railway	0	\$12.7	2,269	\$154.5	2,279	\$279.8	2,279	\$279.8	2,279	\$279.8
Bridges & Tunnels	0	0	28	17.1	28	24.2	28	7.4	28	10.7
Long Island Rail Road	0	0	173	36.2	327	52.8	301	52.6	301	54.0
Metro North Railroad	0	0	88	35.0	88	35.0	88	35.0	88	35.0
MTA Headquarters	0	0	21	8.6	21	8.7	21	8.9	21	9.1
Long Island Bus	0	0	21	5.4	21	5.9	21	5.9	21	5.9
Other Administrative Reductions	0	5.0	0	10.0	0	0	0	0	0	0
Reimbursement Offset	0	0	0	(5.8)	0	(5.8)	0	(5.8)	0	(5.8)
Total MTA-Wide	0	\$17.7	2,600	\$261.1	2,764	\$400.5	2,738	\$383.9	2,738	\$388.8
MTA Bus			249	\$16.9	249	\$24.3	249	\$22.8	249	\$23.6

Note: MTA Bus impact from Additional Actions for Budget Balance will be used to reduce NYC subsidy. MTACC is contributing an administrative reduction of 5% (\$1.1M). There are no position reductions.

Metropolitan Transportation Authority
November Financial Plan 2009-2012
Additional Actions for Budget Balance by Agency Programs
(\$ in millions)

	2008		2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Administration										
New York City Transit/Staten Island Railway		0.3	340	31.1	319	37.0	319	37.2	319	37.2
Bridges & Tunnels			14	4.8	14	3.0	14	3.0	14	3.0
Long Island Rail Road			27	4.7	32	4.8	32	5.1	32	5.2
Metro North Railroad			18	13.8	18	18.9	18	18.9	18	18.9
MTA Headquarters			21	8.6	21	8.7	21	8.9	21	9.1
Long Island Bus			6	1.7	6	1.6	6	1.7	6	1.7
Sub-Total: Administration	0	\$0.3	426	\$64.7	410	\$74.0	410	\$74.8	410	\$75.2
Customer Convenience & Amenities										
New York City Transit/Staten Island Railway			808	25.1	808	52.0	808	52.0	808	52.0
Bridges & Tunnels				0.7		0.9		0.9		0.9
Long Island Rail Road			12	2.5	43	4.5	43	4.6	43	4.7
Metro North Railroad			34	3.4	34	3.2	34	3.2	34	3.2
Sub-Total: Customer Convenience & Amenities	0	\$0.0	854	\$31.7	885	\$60.5	885	\$60.6	885	\$60.8
Maintenance										
New York City Transit/ Staten Island Railway			86	12.5	86	7.7	86	7.4	86	7.4
Bridges & Tunnels				6.1		13.1		(3.7)		(0.4)
Long Island Rail Road			56	11.4	104	20.3	98	21.1	98	21.6
Metro North Railroad			10	9.2	10	4.2	10	4.2	10	4.2
Sub-Total: Maintenance	0	\$0.0	152	\$39.2	200	\$45.3	194	\$29.0	194	\$32.8
Service										
New York City Transit/Staten Island Railway			1,035	59.4	1,066	128.5	1,066	128.5	1,066	128.5
Bridges & Tunnels				0.6		0.8		0.8		0.8
Long Island Rail Road			49	6.7	94	14.8	74	13.2	74	13.6
Metro North Railroad			16	7.6	16	7.7	16	7.7	16	7.7
Long Island Bus			15	1.3	15	1.8	15	1.8	15	1.8
Sub-Total: Service	0	\$0.0	1,115	\$75.6	1,191	\$153.5	1,171	\$152.0	1,171	\$152.5
Service Support										
Bridges & Tunnels				0.3		0.3		0.3		0.3
Long Island Rail Road			19	2.5	42	4.5	42	4.6	42	4.7
Sub-Total: Service Support	0	\$0.0	19	\$2.7	42	\$4.7	42	\$4.8	42	\$5.0

	2008		2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Safety/Security										
Long Island Rail Road			10	7.0	12	1.0	12	1.1	12	1.1
Metro North Railroad			10	1.0	10	1.0	10	1.0	10	1.0
Sub-Total: Safety/Security	0	\$0.0	20	\$8.0	22	\$2.0	22	\$2.1	22	\$2.1
Revenue										
New York City Transit/Staten Island Railway		2.4								
Bridges & Tunnels				2.2		3.6		3.6		3.6
Long Island Rail Road				1.5		3.0		3.0		3.0
Sub-Total: Revenue	0	\$2.4	0	\$3.7	0	\$6.6	0	\$6.6	0	\$6.6
Paratransit										
New York City Transit/Staten Island Railway				26.4	0	54.7	0	54.7	0	54.7
Sub-Total: Paratransit	0	\$0.0	0	\$26.4	0	\$54.7	0	\$54.7	0	\$54.7
Other										
New York City Transit/Staten Island Railway		10.0								
Bridges & Tunnels			14	2.5	14	2.5	14	2.5	14	2.5
Long Island Bus				2.4		2.5		2.4		2.4
Sub-Total: Other	0	\$10.0	14	\$4.9	14	\$5.0	14	\$4.9	14	\$4.9
Other Administrative Reductions	0	\$5.0	0	\$10.0						
Reimbursement Offset				(\$5.8)		(\$5.8)		(\$5.8)		(\$5.8)
Total MTA-Wide by Category	0	\$17.7	2,600	\$261.1	2,764	\$400.5	2,738	\$383.9	2,738	\$388.8
MTA Bus										
Administration			18	2.4	18	2.4	18	2.5	18	2.6
Maintenance			22	2.1	22	1.5	22	1.6	22	1.6
Service			209	6.6	209	10.3	209	10.4	209	10.7
Revenue				4.1		8.3		8.4		8.7
Other				1.7		1.7		0.0		0.0
Total MTA Bus	0	\$0.0	249	\$16.9	249	\$24.3	249	\$22.8	249	\$23.6

Note: MTA Bus impact from Additional Actions for Budget Balance will be used to reduce NYC subsidy. MTACC is contributing an administrative reduction of 5% (\$1.1M). There are no position reductions.

**New York City Transit/Staten Island Railway
November Financial Plan 2009-2012
Additional Actions for Budget Balance**

OVERVIEW

In response to the extremely weak economic environment and the resulting severe budget gap we are facing, MTA New York City Transit has developed several additional actions to achieve budget balance.

The proposed additional actions project significant savings primarily in the areas of subway/bus service, paratransit, customer convenience and administration.

Total savings (net of revenue losses) of \$167.2 million are proposed for 2008/2009 and \$279.8 million of savings are proposed for each year 2010 through 2012. End-of-year position reductions of 2,269 are proposed for 2009 and 2,279 for each year 2010 through 2012.

In evaluating proposed service reduction actions, every effort was made to identify those actions that would achieve savings while minimizing the impact to our customers.

Descriptions of the proposed additional actions are as follows:

SUBWAY SERVICE - SAVINGS \$5.5 MILLION 2009, \$25.2 MILLION ANNUALLY 2010-2012, POSITION REDUCTIONS 113

Shorten G to Court Square All Times

Currently the G operates from Smith/9th Streets in Brooklyn to Court Square in Queens during rush hours and middays, and is extended to 71st Ave/Forest Hills evenings, nights, and weekends. However, on most weekends, construction work requires the G to terminate at Court Square. This service change would have the G operate at all times to Court Square, requiring G customers traveling to/from the Queens Boulevard line to transfer between the G and the EV at Court Square/23rd St-Ely Ave. Scheduling service to 71st Ave/Forest Hills and then not operating that service is inefficient and confusing to riders. In addition, the travel market between Brooklyn and the areas of Queens east of Court Square is relatively small.

Increase Subdivision B Headway on Weekends to 10 Minutes

Currently, most Subdivision B lines operate on eight-minute headways on weekends. This proposal increases the headway from eight minutes to ten minutes on the ADEFGJMNQR on Saturdays and the ADEFGNQR on Sundays. Increasing headways to ten minutes will result in most trains operating over guidelines. However, weekend construction work often necessitates ten-minute headways for Subdivision B lines, and ten minute headways are actually smoother operationally.

Revise Midday & Evening Guidelines to 125% Seated Load

Currently, weekday midday and evening guidelines are for 100% seated load, which requires trains to be scheduled so that, on average, there are seats available for all customers. This proposal revises the guideline to 125% of a seated load, which is equivalent to 10-18 standees per car (depending on car type) at the maximum load point. Increasing this guideline to 125% will result in an increase in crowding as well as an increase in headways. Most affected customers will experience an average of 1-2 minutes of additional wait time. The 147AEFL lines are affected middays; the 1567ABEFNQR lines are affected evenings. After implementation of the Subdivision B 10-minute weekend headways (see above), most lines will already be at 125% seated load or greater on weekends.

Increase Headways From 2am-5am to 30 Minutes

Currently, headways are 20 minutes on all operating lines between 2:00AM and 5:00AM. This proposal will increase headways from 20 to 30 minutes late nights when subway ridership is lowest. All subway lines that operate during this overnight period are affected. Average waiting time for most late night customers will increase from 10 minutes to 15 minutes (less in corridors where multiple services operate during late nights).

Operate N via Manhattan Bridge Late Nights

Currently, the N operates via the Manhattan Bridge at all times except late nights, when it operates via the Montague Tunnel (replacing the R, which does not operate in Manhattan during late nights). Operating the N via the Manhattan Bridge late nights will result in no N service at five stations (two in Downtown Brooklyn and three in Lower Manhattan). Three of these stations will be closed entirely during late nights, while the other two are part of station complexes where service will still operate on other lines. Customers currently using these stations will be required to use the parallel 4 line, which serves stations within 200 feet of all of the N stations that will close; transfers between the N and the 4 are also available at both ends of the tunnel route segment to be closed. N customers traveling between Brooklyn and Manhattan will experience reduced travel time.

Eliminate W and Extend Q to Astoria

Currently, the W operates weekdays only between Astoria and Whitehall Street, supplementing N service in Queens and R service in Manhattan. This proposal would eliminate the W entirely. The Q would be extended from its current terminal at 57th St/7th Ave in Midtown to Astoria on weekdays, replacing the W. The N would replace the W in Manhattan north of Canal Street by operating local at all times. South of Canal Street, the R would continue to serve current W stations. As a result of this service change, some customers along the Broadway line south of Canal Street in Manhattan will experience longer wait times, some current N customers will experience slightly longer travel times, and Astoria customers will need to transfer to access Lower Manhattan. In addition, the extension of the Q and the N operating local in Manhattan requires the N and Q to share the Astoria terminal and merge multiple times, potentially reducing reliability.

Operate M to Broad St. Rush Hours; Eliminate Z, Add J Local Service

Currently, the M operates during weekday rush hours between Metropolitan Avenue in Queens and Bay Parkway in Brooklyn. This proposal would shorten M service to only operate between Metropolitan Avenue in Queens and Broad Street in Manhattan. M service in southern Brooklyn supplements the D and R and is the most lightly-used rush-hour service. Current M riders would take the D or R instead, and may experience extra transfers, additional wait time, and/or additional walking time at the Manhattan end of their trips. In addition, JZ skip-stop service would be eliminated and the J would make all stops, requiring some partially offsetting increases in J service. Due to operational constraints at Broad Street, some rush-hour J trains would need to terminate at Chambers Street. As a result, some current JZ riders will have longer travel times, while others will have reduced waiting times.

BUS SERVICE - SAVINGS \$53.9 MILLION 2009, \$103.3 MILLION ANNUALLY 2010-2012, POSITION REDUCTIONS 922 For 2009, 953 For 2010-2012**Revised Platform Budget Forecast**

Throughout the year, the service budget for the following year – known formally as the Platform Budget – is revised as new information is available and as specific schedules are developed. This item reflects changes that further reduce costs in the 2009 Platform Budget since it was last revised in September.

Cancel X23/X24 Takeover

Currently, Atlantic Express operates the X23 and X24 express bus routes from the south shore of Staten Island to Midtown Manhattan under contract with NYCDOT. When the Charleston Depot is opened on Staten Island in 2010, NYCT is scheduled to take over the operation of the service at a net cost. This proposal requires that New York City maintain its financial responsibility for X23/X24 service.

Increase Express Bus Fare to Improve Cost Recovery

The express bus network currently achieves an average farebox recovery of slightly more than half that of the local bus network. This proposal improves express bus farebox recovery to approach the level achieved by local buses. To achieve this improvement, the express bus fare would be increased from \$5 to \$7.50; over time, it is anticipated that express bus service would be reduced to meet lower demand, with some partially offsetting service increases on adjacent local bus services.

On weekdays, service would be reduced on all express bus routes based on projected ridership declines. In addition, the X25 and X32 would be eliminated because the projected ridership would not be enough to operate a single express bus trip. On weekends, service would be reduced on the X1 and X10 based on projected ridership declines.

Eliminate Low Performing Weekend Express Bus Service

This proposal eliminates X27 and X28 weekend express bus service between southern Brooklyn and Manhattan, which are very lightly used. Both routes operate near subway services; customers can walk or take local buses to reach the subway as an alternative.

Discontinue Overnight Service on Low Performing Routes

Ridership on all overnight local bus service was analyzed using MetroCard data. A guideline-based threshold of 15-20 passengers per hour was applied for the overnight period; routes that did not meet this ridership threshold for at least three consecutive hours during each day of service were initially identified for overnight elimination. Because of the high availability of alternatives in Manhattan, additional Manhattan routes were identified for overnight elimination.

Overnight service would be eliminated on 25 routes:

- B7, B14, B31, B45, B48, B57, B64, B65, B67, and B77 in Brooklyn
- Bx10 in The Bronx
- M1, M2, M16, M22, M23, M42, M50, M66, M79, M96, M102, M103, and M104 in Manhattan
- Q30 in Queens

Overnight service would continue to operate on 71 routes as well as the entire subway system.

Discontinue Bus to Baretto Park Pool & SIR Baseball Special

This proposal eliminates two seasonal special services with low ridership. In the Bronx, NYCT inaugurated shuttle service in the summer of 2008 between the subway and the pool at Barretto Point Park. In Staten Island, the Staten Island Railway operates a special train to the Stadium station at the Richmond County Ballpark on game days only.

Reduce Service Span on Low Performing Routes

Ridership during the first two and last two hours of service for all local bus routes that do not operate 24 hours was analyzed and compared to system averages. Routes falling below two-thirds of the system average in terms of passengers per trip during the beginning or end of service were identified for span reductions. Because these reductions eliminate just a handful of trips at either end of the service span of a route (while the majority of service on affected routes is retained), the customer impact is low.

The proposed span reductions are as follows:

- Weekday morning service would begin later on the B16, B69, B70, B71, Bx33, M11, M20, M21, S57, and S66
- Weekday evening service would end earlier on the B2, B4, B9, B11, B13, B16, B69, M21, Q42, Q79, S54, and S60
- On Saturdays, service would begin later on the M20, M100, and M116, while service would end earlier on the B9 and M20
- On Sundays, service would begin later on the M20 and end earlier on the B9 and Q48

Restructure Local Bus Routes to Eliminate Underutilized or Duplicative Segments

This proposal includes both route truncation and route restructuring. Two Manhattan routes that significantly overlap other bus services are proposed for truncation; the M104 would be shortened seven days a week while the M1 would be shortened on weekends only. In addition, to reduce duplication and to shorten travel times, the restructuring of numerous routes in the Lower East Side area of Manhattan (affecting the M9, M15, M20, and M21) and the Co-op City area of The Bronx (affecting the Bx26, Bx28, and Bx30) is proposed.

Discontinue Weekend Service on Low Performing Routes

This proposal would eliminate weekend service on local bus routes with low ridership and farebox recovery. Initially, routes with less than 2/3 of the system average ridership and farebox recovery on weekends were identified for weekend elimination. Additional routes were identified based on ridership trends and service duplication.

37 local bus routes are proposed for weekend elimination:

- B2, B4, B7, B16, B23, B24, B37, B39, B48, B57, B65, B69, B71, and B75 in Brooklyn
- Bx8 (Sun only), Bx14, Bx18, Bx20, Bx33, and Bx34 in The Bronx
- M6, M8, M18, M21, M22, M27, and M50 in Manhattan
- Q14, Q31, Q76, Q79, and Q84 in Queens
- S42, S54, S57, S60, and S76 in Staten Island

Eliminate or Restructure Local Bus Routes that Duplicate the Subway

The local bus network was analyzed for duplication with the subway network. Initial candidate routes had more than 50% of their length within 0.2 miles of a subway line; ridership and alternative services were then analyzed. This proposal would eliminate weekend service on four routes that operate above, below, or adjacent to one or more subway lines for their entire length (the B25, Bx4, M10, and Q56). Although these routes do carry significant numbers of customers, the subway provides direct alternative service. In addition, segments of the B13 and the Q24 that are underutilized and that duplicate the subway are also proposed for elimination.

Discontinue Low Performing Local Routes with Alternatives Available

Initially, local bus routes were identified for weekday elimination based on ridership, farebox recovery, and service duplication. Routes with less than 2/3 of the system average weekday ridership and farebox recovery and routes that primarily duplicate other bus or subway services were considered for weekday elimination. These routes were then analyzed based on the availability of practical alternatives (such as the availability of a parallel bus route within ½ mile). The routes proposed for weekday elimination have practical bus and/or subway alternatives for customers along the entire length of the route. While customers may experience additional walking or waiting time and may need to make an additional transfer, they will still be able to complete their trips.

The routes proposed for weekday elimination are:

- B23, B25, B37, B39, B51, and B75 in Brooklyn
- Bx4, Bx14, Bx20, and Bx34 in The Bronx
- M6, M8, M10, M18, M27, and M30 in Manhattan
- Q26, Q56, Q74, Q75, and Q84 in Queens

Maintenance and Cleaning Headcount

The proposed service changes reduce bus cleaning and maintenance requirements. The dollar value of this change is calculated automatically using standard cost factors and included as part of the savings shown for each service change. This change represents the position adjustment associated with this dollar savings in maintenance and cleaning.

PARATRANSIT - SAVINGS \$26.4 MILLION 2009, \$54.7 MILLION 2010-2012

Raise Fare to Twice the Regular Base Fare

This initiative will increase the Paratransit fare to double the regular base fare. Under the current fare structure, the increase would be from \$2 to \$4. ADA guidelines allow the Paratransit fare to be up to two times that of the non-discount base transit fare, and other cities/counties currently do this including SEPTA (Philadelphia), Atlanta, Miami-Dade, and Denver. To implement this change, New York City concurrence will be required to modify the current Memorandum of Understanding under which NYCT provides Paratransit service. The annual savings estimate reflects \$9.3 million in increased revenue from the fare change and \$26.7 million in operating savings from decreased ridership.

Tighten Customer Cancellation/No-Show Policy

Current Paratransit policy requires suspension of service if 40% of trips are late cancellation/no-shows in a month, provided 7 or more trips have been reserved during that month. This proposal tightens the policy, in line with that of Long Island Bus, and temporarily suspends service if there are 8 late cancellations/no-shows in a six-month period. It requires negotiation with the FTA.

Paratransit Rate Reduction Initiative

This initiative will maximize use of in-house services and redistribute Paratransit service to lower priced carriers to reduce costs associated with higher priced contractors.

CUSTOMER CONVENIENCE - SAVINGS \$25.1 MILLION 2009, \$52.0 MILLION 2010-2012, POSITION REDUCTIONS 808

Eliminate Station Customer Assistant (SCA) Tours

SCA's are deployed at station entrances where all fare sales are handled by MetroCard vending machines. A recent internal study by NYCT found relatively low rates of SCA utilization/interaction with customers, even at high-registration control areas. Eliminating this function results in staffing reductions of 570 SCA's and 26 Station Supervisors.

Reduce Staffing at Stations with More Than One Full-Time Booth

Several stations and station complexes have more than one full-time booth – a total of 78 booths at 36 stations/complexes. It is proposed to eliminate 29 of these staffed booths. An additional 13 booths at major stations, such as Times Square and Penn Station, will have staffing reduced from full-time to part-time. All stations/complexes will retain one full-time booth.

ADMINISTRATION - SAVINGS \$31.2 MILLION 2008/2009, \$36.8 MILLION 2010, \$37.0 MILLION 2011-2012, POSITION REDUCTIONS 338 For 2009, 317 For 2010-2012

Managerial 5% Reduction - Bus Service Streamlining

In developing these proposed additional actions, an internal target was established to achieve a 5 percent reduction in managerial expenses. Towards that target, the bus service changes described above will allow the Department of Buses to reduce 14 superintendent positions: 8 from reclassification of depots downsized from mega-depot status; and 2 each from Training, the Bus Command Center, and the Shop.

Managerial 5% Reduction - Station Automation

Nine Superintendent positions can be eliminated in concert with booth closures, SCA eliminations and tour reductions noted above.

Managerial 5% Reduction - Subways Reorganization

The ongoing line management-based reorganization of the Department of Subways will streamline reporting relationships and eliminate existing organizational silos, resulting in a net savings of 68 positions. This includes 24 managers, 1 professional employee, 1 clerical position, 39 supervisors, and 3 hourly positions.

Managerial 5% Reduction - All Other

To achieve the overall target savings equivalent to 5 percent of managerial positions, departments were asked to identify reductions in administrative and support functions. In combination with the savings achieved by the Bus Service Streamlining, Station Automation and Subways Reorganization initiatives, this will result in saving the cost of 5 percent of NYCT's managerial workforce.

Additional Administrative Reductions

The 5 percent managerial reduction noted above was expanded to increase savings from managerial positions and include a similar reduction in professional, technical, engineering (PTE) and clerical positions. Resultant savings will be approximately equivalent to the cost of 7.5 percent of NYCT's managerial, PTE and clerical positions.

TIS Contract Reforecast

A reforecast of projected contract costs/renewals results in changes in the timing of expenses over several years.

OTPS Reductions

Savings will be achieved through reductions in maintenance, operating, and professional service contracts based on reductions in usage and anticipated under spending.

MAINTENANCE - SAVINGS \$12.5 MILLION 2009, \$7.7 MILLION 2010, \$7.4 MILLION 2011-2012, POSITION REDUCTIONS 86

Track Cleaning Reduction

Resources were added for track cleaning in station areas during the fall of 2007 as part of the Safety and Customer Satisfaction Pilot Programs to increase the frequency of cleaning from weekly or bi-weekly to twice a week. Eight of the original 94 positions were reduced in 2008 due to productivity improvements. Because of budget constraints, the remaining 86 positions are now being eliminated and the track cleaning cycle at the pilot stations will revert back to its original schedule.

R62 Converter – Actual Bid Savings

The converters on the 315-car R62 fleet have deteriorated significantly and are being replaced as part of a fleet improvement project in conjunction with SMS on this car class. NYCT has now received a bid price that is significantly lower than budget which will result in savings to this project.

OTHER - SAVINGS \$10.0 MILLION 2008

Defer NYCERS 55/25 AMC Refund Forecast

The July Financial Plan assumed that the funding of the 55/25 additional member contribution refund would include a lump sum payment in 2008 reflecting the actual cash refund to members as of June 2008. A deferral of \$75 million of the lump sum payment is included in the November financial Plan baseline, which means that this cost will be amortized through the normal cost funding mechanism. A re-estimate has resulted in an additional deferral of \$10.0 million.

REVENUE - INCREASE OF \$2.4 MILLION 2008

Revised Farebox Revenue Forecast

It is now estimated that an additional \$2.4 million of farebox revenue above the baseline estimate will be realized in 2008.

MTA New York City Transit/Staten Island Railway										
November Financial Plan 2009-2012										
Additional Actions for Budget Balance-Proposed Savings										
Amounts Better/(Worse) in millions										
Proposal	2008		2009		2010		2011		2012	
	EOY	Amount	EOY	Amount	EOY	Amount	EOY	Amount	EOY	Amount
Administration										
Managerial 5% Reduction - Bus Service Streamlining			14	\$1.9	14	\$1.9	14	\$1.9	14	\$1.9
Managerial 5% Reduction - Station Automation			9	0.6	9	1.2	9	1.2	9	1.2
Managerial 5% Reduction - Subways Reorganization			68	7.2	68	7.2	68	7.2	68	7.2
Managerial 5% Reduction - All Other			15	3.3	15	3.3	15	3.3	15	3.3
Additional Administrative Reductions (7.5% Mgrl/PTE/Clerical)			211	10.7	211	21.9	211	21.9	211	21.9
TIS Contract Reforecast		0.3	21	3.6		(3.3)		(0.1)		(0.4)
OTPS Reductions				3.6		4.6		1.7		1.9
Subtotal Administration	0	\$0.3	338	\$30.9	317	\$36.8	317	\$37.0	317	\$37.0
Customer Convenience/Amenities										
Eliminate Station Customer Assistant (SCA) Tours			596	16.0	596	38.4	596	38.4	596	38.4
Reduce Staffing at Stations with >1 Full-Time Booth			212	9.1	212	13.6	212	13.6	212	13.6
Subtotal Customer Convenience/Amenities	0	\$0.0	808	\$25.1	808	\$52.0	808	\$52.0	808	\$52.0
Maintenance										
Track Cleaning Reduction			86	7.4	86	7.4	86	7.4	86	7.4
R62 Converter - Actual Bid Savings				5.2		0.3		0.0		
Subtotal Maintenance	0	\$0.0	86	\$12.5	86	\$7.7	86	\$7.4	86	\$7.4
Paratransit										
Raise Fare to Twice the Regular Base Fare			-	18.0	-	36.0	-	36.0	-	36.0
Tighten Late Cancellation/Customer No-Show Policy			-	2.4	-	2.4	-	2.4	-	2.4
Paratransit Rate Reduction Initiative			-	6.0	-	16.3	-	16.3	-	16.3
Subtotal Paratransit	-	\$0.0	-	\$26.4	-	\$54.7	-	\$54.7	-	\$54.7
Service - Subways										
Shorten G to Court Square All Times			10	0.2	10	1.9	10	1.9	10	1.9
Increase B Subdiv Headway on Weekends to 10 Minutes			40	2.9	40	5.0	40	5.0	40	5.0
Revise Midday & Evening Guidelines to 125% Seated Load			22	1.4	22	8.4	22	8.4	22	8.4
Increase Headways During 2-5am to 30 Minutes			-	0.3	-	4.1	-	4.1	-	4.1
Operate N via Manhattan Bridge Late Nights			6	0.3	6	0.4	6	0.4	6	0.4
Eliminate W and Extend Q to Astoria			9	0.3	9	3.0	9	3.0	9	3.0
Operate M to Broad St Rush Hrs; Eliminate Z, Add J Local Svce			26	0.2	26	2.4	26	2.4	26	2.4
Subtotal Service - Subways	0	\$0.0	113	\$5.5	113	\$25.2	113	\$25.2	113	\$25.2

	MTA New York City Transit/Staten Island Railway										
	November Financial Plan 2009-2012										
	Additional Actions for Budget Balance-Proposed Savings										
	Amounts Better/(Worse) in millions										
		2008		2009		2010		2011		2012	
	Proposal	EOY	Amount	EOY	Amount	EOY	Amount	EOY	Amount	EOY	Amount
	Service - Buses										
	Revised Platform Budget Forecast			30	2.6	30	4.1	30	4.1	30	4.1
	Cancel X23/X24 Takeover			0	0.0	30	5.3	30	5.3	30	5.3
	Increase Express Bus Fare to Improve Cost Recovery			101	10.4	101	25.8	101	25.8	101	25.8
	Eliminate Low Performing Weekend Express Bus Svc			8	0.6	8	0.9	8	0.9	8	0.9
	Discontinue Overnight Service on Low Performing Routes			19	1.3	19	2.0	19	2.0	19	2.0
	Discontinue Bus to Baretto Park Pool & SIR Baseball Special			-	0.1	-	0.1	-	0.1	-	0.1
	Reduce Service Span on Low Performing Routes			16	1.1	16	1.6	16	1.6	16	1.6
	Restructure Local Bus Routes to Elim Underutilized Segments			56	4.2	56	6.3	56	6.3	56	6.3
	Discontinue Weekend Service on Low Performing Routes			145	10.1	145	15.1	145	15.1	145	15.1
	Elim or Restruc Local Bus Routes that Duplicate Subway			62	3.9	62	5.9	62	5.9	62	5.9
	Discontinue Low Performing Local Routes w/ Alts Available			350	19.6	350	36.2	350	36.2	350	36.2
	Maintenance & Cleaning Hdct			134		134		134		134	
	Subtotal Service - Buses	0	\$0.0	922	\$53.9	953	\$103.3	953	\$103.3	953	\$103.3
	Other										
	Defer NYCERS 55/25 AMC Refund Payment		10.0				0.0		0.0		0.0
	Revised Farebox Revenue Forecast		2.4				0.0		0.0		0.0
	SIR 5% Managerial Reduction			2	0.2	2	0.2	2	0.2	2	0.2
	TOTAL	0	\$12.7	2,269	\$154.5	2,279	\$279.8	2,279	\$279.8	2,279	\$279.8

MTA BRIDGES AND TUNNELS
November Financial Plan 2009-2012
Additional Actions for Budget Balance

In developing the additional actions for budget balance, B&T has followed the guidance of the MTA and put forth reductions that will not compromise the safety of the public or its employees. With that said, however, many of the actions proposed by B&T and accepted by the MTA will be difficult for employees and/or customers. A total of \$59.4 million in changes are being proposed over the 2009-2012 period with approximately 25 percent of the potential savings classified as administrative. A total of 14 non-represented positions would be reduced through these actions.

Administration

Reduction in Non-Represented Employees \$6.0 million

There will be a reduction of 14 non-represented positions. These reductions will affect several departments requiring them to reorganize and re-engineer processes. Productivity is likely to be affected. If employees cannot be assigned to other vacancies, the elimination of these positions may require some involuntary separations.

Receipt of Lower-Than-Budgeted Bids \$7.3 million

Several different procurements or purchases are currently underway within the Agency. In some cases, lower-than-anticipated bids or prices have been received enabling B&T to reduce projected contracted expenses.

Guard Service Coverage at B&T 2 Broadway Offices \$0.5 million

B&T will reduce spending on private guard services by reprioritizing security coverage at its 2 Broadway offices.

Customer Convenience/Amenities

E-ZPass Paper Statements \$1.9 million

B&T E-ZPass customers can either receive free monthly e-mail statements or free bi-monthly paper statements mailed to their address of record. (55% of all B&T's E-ZPass accountholders receive the bi-monthly paper statements.) To reduce costs, B&T is proposing to move from free bi-monthly to free quarterly paper statements, thereby reducing operating costs by \$500,000 per year. While account balances can still be checked on line or by calling the E-ZPass Customer Service Center's toll free number, this change will likely result in additional in-lane interventions caused by negative E-ZPass accounts.

MTA BRIDGES AND TUNNELS
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Additional Actions for Budget Balance

E-ZPass Bad Debt \$1.5 million

B&T will tighten controls over replenishment payments for E-ZPass accounts paying by check and cash. These accounts will always be required to carry positive balances in order to have an account in good standing. This change will result in less Bad Debt and fewer E-ZPass accounts going to collections. This change will also result in an increase in plaza interventions for bridge and tunnel staff when accounts are turned off, causing some traffic delays in the E-ZPass lanes. Calls by customers to the E-ZPass Customer Service Center are likely to increase as a result of this action.

Maintenance

Timing of Bridge Painting \$15.0 million

For efficiency purposes, attempts are made to coordinate large painting jobs with capital projects. This causes painting expenditures to vary by year. Due to rescheduling of capital construction, two major painting jobs originally expected to be carried out in 2009 and 2010 will be carried out later during the 2010 to 2014 capital program. In addition, B&T has been benefiting from some favorable recent bids on contracts, further reducing projected future expenses. The structural integrity of the facilities will not be compromised by this action.

Revenue

Rockaway Resident - Cross Bay Bridge Rebate Program \$13.0 million

This action would eliminate the rebate received by registered Rockaway residents using E-ZPass to travel over the Cross Bay Bridge. While B&T's net revenue will not change through this action, the elimination of this program, which was adopted by the MTA Board in 1998, will return to the MTA \$3.6 million per year in Mortgage Recording Tax funds, which are used to provide revenue to B&T that is equivalent to the rebate.

Service

Manual Toll Lane Scheduling \$3.0 million

Work schedule and staffing will be better aligned to meet the seasonally changing needs of B&T manual/cash toll collection. This will result in the closing of some manual/cash lanes in the periods of lower traffic demand and may result in slightly longer cash queues during these periods.

MTA BRIDGES AND TUNNELS
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Additional Actions for Budget Balance

Service Support

Toll Collection Software Maintenance \$1.0 million

The maintenance contract for the toll collection in-lane system is being reduced by \$250,000 per year to eliminate contingency funding for potential future software changes. The funding that remains will cover the remaining portions of the contract, which has averaged about \$6.4 million annually over the last three years.

Other

B&T Facility Security Assignments \$6.0 million

In coordination with MTA Security, facility security assignments will be reprioritized, resulting in a reduction of 14 facility staff. These changes will not compromise the safety of customers and security of the facilities.

Truck Weight Enforcement \$4.1 million

B&T funded dedicated weight enforcement personnel and overtime in 2007 to enforce B&T rules and regulations in regard to trucks traveling on its bridges. The program was created to protect the key structural elements of the facilities by reducing or eliminating the number of overweight trucks. This program will continue, but at a reduced level.

MTA BRIDGES & TUNNELS
November Financial Plan 2009-2012
Additional Actions for Budget Balance
(\$ in millions)

		Favorable/(Unfavorable)				
						Total
	Positions	2009	2010	2011	2012	2009-2012
<u>Administration</u>						
Reduction in Non-Represented Employees	14	1.5	1.5	1.5	1.5	6.0
Receipt of Lower-than-Budgeted Bids	-	3.2	1.4	1.4	1.4	7.3
Guard Service Coverage at 2 B'dwy Offices	-	0.1	0.1	0.1	0.1	0.5
<u>Subtotal Administration</u>	14	4.8	3.0	3.0	3.0	13.8
% of Total Proposed		28.1%	12.4%	40.8%	28.0%	23.3%
<u>Customer Convenience/Amenities</u>						
E-ZPass Paper Statements	-	0.4	0.5	0.5	0.5	1.9
Reduce E-ZPass Bad Debt	-	0.3	0.4	0.4	0.4	1.5
<u>Subtotal Customer Convenience/Amenities</u>	-	0.7	0.9	0.9	0.9	3.4
% of Total Proposed		4.1%	3.7%	12.2%	8.4%	5.7%
<u>Maintenance</u>						
Timing of Bridge Painting	-	6.1	13.1	(3.7)	(0.4)	15.0
<u>Subtotal Maintenance</u>	-	6.1	13.1	(3.7)	(0.4)	15.0
% of Total Proposed		35.4%	54.0%	-50.4%	-3.4%	25.3%
<u>Revenue</u>						
Rockaway Resident - Cross Bay Bridge Rebate Program	-	2.2	3.6	3.6	3.6	13.0
<u>Subtotal Revenue Enhancement</u>	-	2.2	3.6	3.6	3.6	13.0
% of Total Proposed		12.9%	15.0%	48.8%	33.6%	21.9%
<u>Safety</u>						
None	-	0.0	0.0	0.0	0.0	0.0
<u>Subtotal Safety</u>	-	0.0	0.0	0.0	0.0	0.0
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Security</u>						
None	-	0.0	0.0	0.0	0.0	0.0
<u>Subtotal Security</u>	-	0.0	0.0	0.0	0.0	0.0
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%
<u>Service</u>						
Manual Toll Lane Scheduling	-	0.6	0.8	0.8	0.8	3.0
<u>Subtotal Service</u>	-	0.6	0.8	0.8	0.8	3.0
% of Total Proposed		3.2%	3.3%	10.9%	7.5%	5.0%
<u>Service Support</u>						
Toll Collection Software Maintenance	-	0.3	0.3	0.3	0.3	1.0
<u>Subtotal Service Support</u>	-	0.3	0.3	0.3	0.3	1.0
% of Total Proposed		1.5%	1.0%	3.4%	2.3%	1.7%
<u>Other</u>						
B&T Facility Security Assignments	14	1.5	1.5	1.5	1.5	6.0
Truck Weight Enforcement	-	1.0	1.0	1.0	1.0	4.1
<u>Subtotal Other</u>	14	2.5	2.5	2.5	2.5	10.1
% of Total Proposed		14.8%	10.5%	34.4%	23.6%	17.1%
Total Proposed	28	\$17.1	\$24.2	\$7.4	\$10.7	\$59.4

**MTA Long Island Rail Road
November Financial Plan 2009-2012
Additional Actions for Budget Balance**

Given the downturn in the economy and its impact on the financial plan, the MTA recently asked its agencies to develop additional actions to achieve budget balance, part of which would be achieved through a 5% cut in administrative/managerial costs

The Long Island Rail Road's effort to meet its \$54 million annualized reduction target was difficult. The first priority was to identify as many actions as possible that would produce administrative savings and efficiencies but not impact mission critical services to customers. Consequently, approximately 64% of the full-year value of the LIRR's contingency plan package is achieved in this manner. Unfortunately, it is not possible to achieve a budget reduction of this magnitude without affecting service, and the remaining 36% of the package would result in reduced train service and/or customer amenities. That having been said, the actions in the plan were selected because they would have the lowest impact on the fewest number of riders.

The actions would place pressure on the LIRR to maintain service standards and sustain recent improvements in operating performance, because the size of the workforce would drop by 327 positions by the end of 2010 if the full plan were put into effect. It is anticipated that eliminating selected vacant positions and accomplishing the remainder through natural attrition could achieve this reduction. The LIRR is confident in the dedicated men and women of the LIRR to continue their record of accomplishment.

The list below summarizes the individual proposals:

ADMINISTRATION

Administrative Headcount Reductions

The LIRR would reduce its administrative staffing level by 18 positions by the end of 2010. Departments would balance the workload among remaining staff. Five of these positions are currently vacant. The rest would be eliminated through attrition.

Engineering Administrative & Support Headcount Reductions

The LIRR would eliminate five vacant positions in the Engineering Department that have administrative and support responsibilities.

Maintenance of Equipment Administrative Headcount Reductions

The LIRR would reduce staffing of the crew board that monitors staff utilization and manpower allocation. Two vacant positions would be eliminated.

Miscellaneous Non-Payroll reductions

Advertising, consulting and other non-payroll spending would be reduced.

Re-Estimate of Leave Balance Payments

Based on prior year trends, the LIRR believes it can reduce its budget provision for Leave Balance lump sum payments.

Eliminate Vacant Maintenance of Equipment Management Support Positions

The LIRR would eliminate five vacant management positions, including one Master Mechanic, two Supervisors of Equipment, one Software Configuration Manager and one Mechanical Engineer, Operations Engineering.

Reduction to Administrative Support Staffing and Non-Payroll in Transportation

The LIRR would reduce the size of its Special Duty Conductor team by one position through redeployment. This team monitors train crew fare collection practices. The Rail Road also would eliminate one vacant Transportation Supervisory position, which assists the Rail Road in recruiting for Transportation Manager positions by expanding the pool of eligible candidates. Finally, this reduction initiative will delay non-FRA required training.

CUSTOMER CONVENIENCE/AMENITIES

Close Ticket Windows/Reduce Ticket Selling Positions

The LIRR would close ticket offices at its 20 lowest utilized stations, reduce overnight ticket selling tours at Penn Station, Jamaica and Flatbush, and reduce the ticket clerk extra list and overtime. This would leave 30 stations with open ticket offices. Additional staffing for ticket vending machine maintenance would partially offset the impact of these reductions.

Delay/Cancel Maintenance Upgrades to M3 Toilets and Interiors

The LIRR would reduce the size of its mobile toilet gang, which is responsible for the maintenance and repair of toilets on the fleet. It would also cancel the scheduled overhaul of M3 toilets and the 6-year program to replace seats, windows, wainscot and lighting on the M3s.

Cancel the Elevator/Escalator Remote Sensor Pilot

The Engineering Department's budget contains funding to install elevator/escalator remote sensing system at selected sites as a pilot initiative. The sensors would enable the Rail Road to report the operating status of elevators and escalators in real time on the web site. The reduction would eliminate the funding for this pilot initiative.

Reduce Graffiti Removal and Station Maintenance

The dedicated Graffiti Removal Team would be eliminated and its two staff redeployed. Existing staff will address graffiti removal requests as workload permits.

Reduce Travel Information Office Staffing

The Travel Information Center staffing will be reduced by 11% through attrition. The travel information center handles customer calls for travel related information.

MAINTENANCE

Arch Street Maintenance Facility

The November Financial Plan adds new positions to the Maintenance of Equipment Department in 2010, when it would assume operational responsibility for the Arch Street Maintenance Facility. This proposal would forego the new positions and require the Maintenance of Equipment Department to shift existing budgeted work to the Arch Street Maintenance Facility.

Electrician Apprenticeship Program

The LIRR would cancel the start-up of a two year Electrician Apprenticeship Program within the Maintenance of Equipment Department. This would eliminate 15 vacant positions.

Eliminate Operating Funds for Bridge Painting

The LIRR would eliminate virtually all bridge painting funded in the operating budget. In 2009, approximately \$450,000 remains for high priority projects. Beginning in 2010, only capitally funded projects would take place.

Engineering Overtime Reductions

The Engineering Department will reduce its non-reimbursable overtime budget by 12%. This will be achieved by only performing critical repair needs on overtime. All other work will be conducted on straight time.

Extend Life Cycle Maintenance (LCM) Program.

Due to the better than anticipated performance of the M7 fleet, the LIRR would immediately re-balance the five-year LCM program from 90 pairs per year to 84 pairs per year. In order to achieve the full \$6.5 million in annual savings from this proposal, the Rail Road would need to secure an FRA waiver to extend the 5-year replacement requirement of air brakes to six years. Meetings with the FRA already have occurred.

Extend Vehicle Replacement Cycle – Reduce Annual Purchase Requirement

The LIRR would extend the replacement cycle by one year for most vehicle types, thereby reducing the number of work vehicles and passenger cars purchased, saving \$700,000 annually.

Improve Inventory Management

The LIRR believes that by implementing new oversight and accountability measures, it can reduce its materials purchases. The savings are net of adding two additional positions required to achieve these savings.

Re-Estimate of Material and Consultant Costs in Maintenance of Equipment

Based on prior year spending trends, the LIRR will reduce non-payroll funding for material and consultants to a level more in line with prior year actual costs.

Re-Estimate Life Cycle Maintenance Contingency Budget

The Maintenance of Equipment Life Cycle Maintenance budget reflects the rebuild and reuse of rolling stock components. The annual work level includes an assumption for rebuilding spare material. The spare LCM inventory rebuilt by the support shops would be reduced by 50% to reflect actual experience.

Reduce Right of Way Maintenance

The LIRR would generate \$2 million in savings by reducing its right of way and tree trimming efforts by 25%.

Reduce Staffing for Maintenance & Repair of Power and Communication Systems

The LIRR would reduce its staffing dedicated to communication, third-rail, lighting system, and substation maintenance by 11% through attrition. Remaining staff would absorb the workload.

Reduction in Station Maintenance

The LIRR would reduce its staffing dedicated to station and facility maintenance by 8% through attrition. In addition, the proposal would result in a 50% reduction to third party station painting. Requests for assistance from branch line managers and the public would be addressed as manpower becomes available.

REVENUE

Exterior Train Car Advertisement Pilot Project

The LIRR will pursue the placement of advertisements on the exterior of its M7 fleet. Based on placing advertisement on 100 cars, it is estimated that the LIRR would generate \$3 million annually.

SAFETY & SECURITY

Modify Gap Mitigation

The LIRR will pursue new FRA capital funds of approximately \$6 million to support a portion of the 5'7" platform gap mitigation work in 2008. Extending the completion date for low risk locations from 2012 to 2014 would generate additional savings. Platform gap mitigation work at high risk stations will be completed as per the original schedule. This proposal would eliminate via attrition two of the four special platform conductors that were funded per the Gap Safety Initiative.

Re-Estimate of Environmental Maintenance Costs

Based on prior experience, the LIRR believes it can reduce funding for Environmental Maintenance by 20%.

SERVICE

Reduce Spare Ratio - Place M3 Cars in Reserve

The LIRR would place 10 M3 cars into a non-revenue service reserve status. They would not be available for service.

Service Reductions

The LIRR would eliminate train service in a manner that impacts the least number of riders and would still leave them with viable alternative transportation options. Proposed service reduction would include: elimination of Port Washington off-peak half hourly service, elimination of non-Stakes Belmont service (visitors would have the option to utilize bus service from the nearby Queens Village Station), eliminate weekend West Hempstead service (riders would be able to utilize train service from the nearby Babylon and Hempstead branches). In addition, selected trains would be cancelled and combined in a manner that increases capacity utilization, bringing ridership levels close to the maximum permitted under the Service Guidelines. Specific proposals include merging two AM peak and two PM Babylon Branch trains, canceling one PM peak Long Beach train and canceling one Ronkonkoma PM peak train. These savings will also result in corresponding fleet support reductions.

SERVICE SUPPORT

Train Crew Staffing Reductions

Various crews would be combined to generate headcount savings through attrition. Further, additional Collector positions that supplement the base crew for fare collection on crowded trains would be reduced by 50% through attrition.

MTA Long Island Rail Road
November Financial Plan 2009-2012
Additional Actions for Budget Balance

MTA CATEGORY	DESCRIPTION	2009		2010		2011		2012	
		Pos YE	\$ millions	POS	\$ millions	POS	\$ millions	POS	\$ millions
Administration or Management	Administrative Headcount Reductions	13	\$1.2	18	\$1.6	18	\$1.8	18	\$1.9
Administration or Management	Engineering administrative & support headcount reductions	5	\$0.5	5	\$0.5	5	\$0.5	5	\$0.5
Administration or Management	Maintenance of Equipment administrative headcount reductions	2	\$0.2	2	\$0.2	2	\$0.2	2	\$0.2
Administration or Management	Miscellaneous Non-payroll reductions	-	\$1.8	-	\$1.7	-	\$1.7	-	\$1.7
Administration or Management	Re-estimate of leave balance payments	-	\$0.2	-	\$0.1	-	\$0.1	-	\$0.1
Administration or Management	Eliminate vacant Maintenance of Equipment management support positions	5	\$0.5	5	\$0.5	5	\$0.5	5	\$0.5
Administration or Management	Reduction to administrative support staffing and non-payroll in Transportation	2	\$0.4	2	\$0.3	2	\$0.3	2	\$0.3
		27	\$4.7	32	\$4.8	32	\$5.1	32	\$5.2
Customer Convenience & Amenities	Close ticket windows/reduce ticket selling positions	-	\$0.0	26	\$2.2	26	\$2.3	26	\$2.3
Customer Convenience & Amenities	Delay/cancel maintenance upgrades to M3 toilets & interiors	10	\$1.8	13	\$1.9	13	\$2.0	13	\$2.0
Customer Convenience & Amenities	Cancel the elevator/escalator remote sensor pilot	-	\$0.5		\$0.0	-	\$0.0	-	\$0.0
Customer Convenience & Amenities	Reduce graffiti removal and station maintenance	-	\$0.0	2	\$0.2	2	\$0.2	2	\$0.2
Customer Convenience & Amenities	Reduce Travel Information Office Staffing	2	\$0.2	2	\$0.2	2	\$0.2	2	\$0.2
		12	\$2.5	43	\$4.5	43	\$4.6	43	\$4.7
Maintenance	Arch Street Maintenance Facility	-	\$0.0	21	\$2.0	21	\$2.1	21	\$2.1
Maintenance	Electrician Apprentice Program	15	\$1.0	15	\$1.0	15	\$1.1	15	\$1.1
Maintenance	Eliminate operating funds for bridge painting	-	\$2.5	-	\$0.5	-	\$0.5	-	\$0.5

MTA Long Island Rail Road
November Financial Plan 2009-2012
Additional Actions for Budget Balance

MTA CATEGORY	DESCRIPTION	2009		2010		2011		2012	
		Pos YE	\$ millions	POS	\$ millions	POS	\$ millions	POS	\$ millions
Maintenance	Engineering overtime reductions	-	\$1.1	-	\$1.2	-	\$1.2	-	\$1.3
Maintenance	Extend Life Cycle Maintenance program	24	\$2.3	24	\$6.5	24	\$6.7	24	\$6.9
Maintenance	Extend vehicle replacement cycle - reduce annual purchase requirement	-	\$0.7	-	\$0.7	-	\$0.7	-	\$0.7
Maintenance	Improve Inventory Management	(2)	(\$0.3)	(2)	\$1.7	(2)	\$2.7	(2)	\$2.7
Maintenance	Re-estimate material and consultant costs in Maintenance of Equipment	-	\$0.3	-	\$0.3	-	\$0.3	-	\$0.3
Maintenance	Re-estimate Life Cycle Maintenance contingency budget	5	\$1.5	5	\$1.5	5	\$1.6	5	\$1.6
Maintenance	Reduce maintenance of right of way	-	\$0.5	15	\$2.0	15	\$1.9	15	\$1.9
Maintenance	Reduce staffing for maintenance & repair of Power and Communication systems	11	\$1.0	15	\$1.5	15	\$1.5	15	\$1.6
Maintenance	Reduction to station maintenance	3	\$0.7	11	\$1.4	5	\$0.9	5	\$0.9
		56	\$11.4	104	\$20.3	98	\$21.1	98	\$21.6
Revenue	Exterior train car advertisement	-	\$1.5	-	\$3.0	-	\$3.0	-	\$3.0
		-	\$1.5	-	\$3.0	-	\$3.0	-	\$3.0
Safety & Security	Modify gap mitigation schedule	10	\$6.9	12	\$1.0	12	\$1.0	12	\$1.1
Safety & Security	Re-estimate of environmental maintenance costs	-	\$0.0	-	\$0.0	-	\$0.0	-	\$0.0
		10	\$7.0	12	\$1.0	12	\$1.1	12	\$1.1
Service	Reduce Spare Ratio - place M3 cars in reserve	9	\$2.1	9	\$2.2	9	\$2.3	9	\$2.3
Service	Service Reductions	40	\$4.5	85	\$12.6	65	\$11.0	65	\$11.3
		49	\$6.7	94	\$14.8	74	\$13.2	74	\$13.6
Service Support	Train crew staffing reductions	19	\$2.5	42	\$4.5	42	\$4.6	42	\$4.7
		19	\$2.5	42	\$4.5	42	\$4.6	42	\$4.7
		173	\$36.2	327	\$52.8	301	\$52.6	301	\$54.0

**MTA Metro-North Railroad
November Financial Plan 2009 to 2012
Additional Actions for Budget Balance**

In identifying \$35 million in additional actions to achieve budget balance, Metro-North Railroad used certain guiding principles. 1) None of the reductions would impact customer or employee safety. 2) Impacts to customers and existing employees would be minimized to the extent possible. 3) Opportunities to keep and grow revenue would be maintained.

Administrative reductions in the amount of \$13.8 million have been identified, including the elimination of 18 administrative positions. Ultimately, the overall reduction target could not be accomplished without affecting the quantity and quality of service for rail lines East and West of the Hudson River as well as impacting the workforce that provides those services.

ADMINISTRATION:

Administrative Position Reductions

Eighteen administrative positions will be identified for elimination; thirteen non-represented and five represented. Metro-North is attempting to achieve this goal by identifying vacant jobs. The reduction will result in deferral of select corporate priorities.

Reduce Operating Capital Funded Management Initiatives

A substantial number of Operating/Capital initiatives affecting IT and Operations would be eliminated or deferred. Several of these items will impact customers (purchasing additional buses for the Hudson Rail Link service and improving lighting at New Haven Line stations) as well as items that are required to maintain Metro-North infrastructure (a third rail gauge measurement system, a replacement wrecking crane and non-revenue vehicle replacements). Information Technology initiatives that are required to improve the railroad's network infrastructure for better communication and to effect efficiency investments will also be eliminated or deferred.

Reduce miscellaneous non-payroll expenditures budgeted for Maintenance and Other Operations Contracts, Professional Services & Business Expenditures.

Provisions for miscellaneous contracts and contracts for services will be reduced.

Reduce Advertising

This reflects a 69% reduction in advertising.

Eliminate expansion of handheld units to automate field reporting and provide for retrieval of data for C&S and Track & Structures Department

Reductions include the deferral of a project to adopt the new technology developed for the onboard ticket issuing machines to automate and better manage operations in the field.

Reduce non-capital vehicle replacements

Provision budgeted to replace electric and other specialty maintenance vehicles that do not meet capitalization criteria will be eliminated.

Reduce expenditures for special/employee recognition events

Provisions for miscellaneous expenditures budgeted for special/employee recognition events will be reduced.

CUSTOMER CONVENIENCE & AMENITIES:**CUSTOMER FEES****Eliminate toll free 1-800 Customer Information Center number**

Metro-North will eliminate the toll-free telephone number for its Customer Information Center; some customers would incur long-distance telephone charges.

Add CPI to 2009 Commissary

Metro-North will add a consumer price index increase mid-year to commissary items (including alcoholic beverages) purchased by customers.

GRAND CENTRAL TERMINAL ENVIRONMENT & SERVICES**Reduce GCT cleaning**

GCT cleaning would be reduced and six positions eliminated. Reductions would occur in two specific areas. The overnight cleaning crew in Grand Central would be reduced. This crew is tasked with cleaning the Terminal in a span of 3-1/2 hours and cleaning up after storms - rain and snow. This reduction will impact Metro-North's ability to clean the building in normal conditions, but will inhibit special event support (much of which takes place during the hours that the terminal is closed) and emergency response. Platforms will also be cleaned of paper and debris with less frequency. The frequency of power washing the tactile warning strips will also be reduced, resulting in increased dirtiness and continued deterioration.

Close GCT North Station Master's Office

The Station Master's Office (SMO) in Grand Central North will close. The SMO North Office provides a location for commuters and visitors to obtain assistance and directions on that side of the terminal. .

Reduce GCT ticket sellers at the ticket windows

Two ticket seller positions will be eliminated. The amount of time that some customers will have to wait on line to purchase a ticket will increase.

CUSTOMER SERVICES

Reduce car cleaning

Eleven car cleaning positions in the Car Appearance Department will be eliminated. The proposed reduction of eleven positions would change the extraordinary car cleaning program from the current 60-day cycle to a 90-day cycle. It is anticipated that this will have a direct effect on the cleanliness and appearance of the fleet – inside and out.

Reduce station cleaning

Two cleaning positions will be eliminated: one from the New Haven Line and one from the Harlem Line. As a result, extraordinary cleaning work at stations will only be performed Monday through Friday.

Reduce the number of Customer Information Center phone service representatives

Four Telephone Representative positions will be eliminated in the Customer Information Center. This reduction will result in increased customer wait times for information during service disruptions and special events.

Close Ticket Offices

Ticket offices at Crestwood, Harrison and New Canaan stations will close. Ticket machines are available at those locations.

Reduce ticket window hours at 4 New Haven Line stations

Ticket window hours would also be reduced at 4 New Haven Line stations, Port Chester, Greenwich, Westport and Fairfield. Ticket machines are available at these locations.

Defer credit/debit rollout for On-Board Ticket Selling Machines

Defer the roll-out of credit/debit function for hand-held ticket machines. Although a much-desired customer amenity, activating this feature of the hand-helds will ultimately be deferred.

SERVICE:

Reduce car consist and increase loading standards for East of Hudson

East of Hudson, Metro-North currently has peak loading standards of not allowing occupancy to exceed 95% on any train (“the ceiling”) and not reducing any consist if it will result in train occupancy above 87% (“the floor”). Under this proposal, Metro-North will increase the minimum to 95% and reduce peak consists to come as close to 95% occupancy as possible. Similarly in the off-peak, the minimum standards will be increased from 75% to 85% and reduce consists to maximize occupancies according to the new higher standard. On weekends, Metro-North will raise both the maximum (currently 75%) and the minimum (now 65%) to 80% and reduce consists wherever possible to ensure the highest occupancy according to the new higher standards.

Customers on all lines east of the Hudson will notice crowding and see standees on certain days.

Reduce car consist and increase loading standards for West of Hudson

West of Hudson, Metro-North will not change the existing 92% maximum peak loading standard, but will reduce consists wherever possible to maximize occupancies within that limit. West of Hudson, 3,600 of weekday customers will be affected; there is no impact to weekend service under this scenario. Savings will be realized through a reduction in propulsion costs.

Reduce service for east of Hudson, net of revenues

Eliminate nine East of Hudson trains (three Hudson Line; two Harlem Line; four New Haven Line). The reduction includes, one pm-peak train, seven off-peak weekday trains and one weekend train. Six of the nine trains will be combined with other trains, thereby increasing travel time. The remaining three trains will be eliminated, reducing train frequency. Over 2,000 customers will experience a reduction in train frequency from 30 up to 75 minutes and approximately 3,500 customers will experience an increase in travel time up to 19 minutes. Twelve engineer/conductor positions will be eliminated.

Reduce service for West of Hudson, net of revenues

West of Hudson, Port Jervis Line express trains will make local stops in New Jersey, adding 10-20 minutes of travel time. The weekend service on the Pascack Valley Line, which was just instituted a year ago, will be reduced.

Retire 30 M-1 cars

Metro-North has retained 30 M1 cars which now will be retired from service and prepared for disposal. This would further exacerbate the potential of not meeting consist compliance numbers, worsen crowding conditions, eliminate ability to have replacement vehicles for emergencies and not have a dedicated fleet for Yankee Stadium shuttle service.

MAINTENANCE:

Defer West of Hudson F-40 locomotive overhaul program

The overhaul of 2 F-40 locomotives will be deferred until 2010.

Reduce Maintenance of Equipment shop materials usage

The Equipment Department will implement an overall reduction in material usage; minor reduction in support shop pool levels, and a reduction in discretionary part change-outs.

Defer portion of M3 interior overhaul program

The overhaul of M3 car interiors will be reduced from 48 to 32 cars. Work will begin in 2009 but extend until the end of 2011.

Defer portion of regular cyclical seat change out program for all fleets

Reduce provision for cyclical seat replacement programs.

Reduce Maintenance of Equipment agreement personnel

Ten agreement positions will be eliminated in the Maintenance of Equipment department affecting all shops. Service could be negatively affected as it may take longer to return trains to service once they require unscheduled maintenance. In turn, fewer cars - and therefore fewer seats - would be available for customers.

Reduce overtime for Maintenance of Equipment, Maintenance of Way and Operating Services Departments

Metro-North will have fewer financial resources for emergency repairs and to quickly respond to service disruptions

Defer funding for repairs of accident damaged cars

The repair of two heavily-damaged coaches will be deferred.

Reduce purchase of shop tools

Provision to purchase and/or maintain shop equipment and tools will be reduced.

Reduce GCT restoration efforts

During the past 15 years, significant progress had been made in restoring and maintaining the Terminal to a high standard. This landmarked facility consistently receives almost perfect scores on Metro-North's customer surveys. The restoration work that began in Grand Central Terminal in the late 1990s is not complete and areas that continue to need attention such as fixing decayed entrance doors or water infiltration of the metal canopy will be partially deferred.

SAFETY/SECURITY:**Reduce Maintenance of Way agreement personnel**

Ten radio maintainer agreement positions that would have been dedicated to Security System coverage will be eliminated. Originally, there was to be a dedicated staff available to maintain this system 24 hour 7 days a week. Under this reduction plan, coverage to make straight time repair and maintenance will only be available during two tours of duty, Monday to Friday only.

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Additional Actions for Budget Balance
(\$ in millions)

2009		2010		2011		2012	
Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
18	\$2.1	18	\$2.1	18	\$2.1	18	\$2.1
-	6.6	-	11.6	-	11.6	-	11.6
-	2.8	-	2.9	-	2.9	-	2.9
-	1.5	-	1.5	-	1.5	-	1.5
-	0.4	-	0.4	-	0.4	-	0.4
-	0.2	-	0.2	-	0.2	-	0.2
-	0.2	-	0.2	-	0.2	-	0.2
18	\$13.8	18	\$18.9	18	\$18.9	18	\$18.9
-	\$0.2	-	\$0.2	-	\$0.2	-	\$0.2
-	0.1	-	0.1	-	0.1	-	0.1
-		-		-		-	
6	0.6	6	0.6	6	0.6	6	0.6
2	0.2	2	0.2	2	0.2	2	0.2
2	0.2	2	0.2	2	0.2	2	0.2

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Additional Actions for Budget Balance
(\$ in millions)

	2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Customer Services								
Reduce car cleaning	11	0.7	11	0.7	11	0.7	11	0.7
Reduce station cleaning	2	0.2	2	0.2	2	0.2	2	0.2
Reduce the number of Customer Information Center phone service representatives	4	0.4	4	0.4	4	0.4	4	0.4
Close Crestwood Station, Harrison and New Canaan ticket offices	3	0.3	3	0.3	3	0.3	3	0.3
Reduce ticket window hours at 4 New Haven line stations - Port Chester, Greenwich, Westport, Fairfield.	4	0.2	4	0.2	4	0.2	4	0.2
Defer credit/debit rollout for On- Board Ticket Selling Machines	-	0.3	-	0.0	-	0.0	-	0.0
Sub Total Customer Convenience & Amenities	34	\$3.4	34	\$3.2	34	\$3.2	34	\$3.2
Service:								
Reduce car consist and increase loading standards for East of Hudson	-	\$4.0	-	\$4.1	-	\$4.1	-	\$4.1
Reduce car consist and increase loading standards for West of Hudson	-	0.2	-	0.2	-	0.2	-	0.2
Reduce service for East of Hudson, net of revenues	12	1.5	12	1.5	12	1.5	12	1.5
Reduce service for West of Hudson, net of revenues	-	0.5	-	0.5	-	0.5	-	0.5
Retire 30 M-1 cars	4	1.4	4	1.4	4	1.4	4	1.4
Sub Total Service	16	\$7.6	16	\$7.7	16	\$7.7	16	\$7.7

MTA Metro-North Railroad
November Financial Plan 2009 - 2012
Additional Actions for Budget Balance
(\$ in millions)

	2009		2010		2011		2012	
	Positions	Dollars	Positions	Dollars	Positions	Dollars	Positions	Dollars
Maintenance:								
Defer West of Hudson F-40 locomotive overhaul program	-	\$3.2	-	\$0.0	-	\$0.0	-	\$0.0
Reduce Maintenance of Equipment shop material usage	-	1.2	-	1.2	-	1.2	-	1.2
Defer portion of M3 interior overhaul program	-	0.8	-	0.0	-	0.0	-	0.0
Defer portion of regular cyclical seat change out program for all fleets	-	0.2	-	0.0	-	0.0	-	0.0
Reduce Maintenance of Equipment agreement personnel	10	1.0	10	1.0	10	1.0	10	1.0
Reduce overtime for Maintenance of Equipment, Maintenance of Way and Operations Services Departments	-	1.0	-	1.0	-	1.0	-	1.0
Defer funding for repairs to heavily damaged equipment	-	0.7	-	0.0	-	0.0	-	0.0
Reduce purchases of shop tools	-	0.3	-	0.1	-	0.1	-	0.1
Reduce GCT restoration efforts	-	0.8	-	0.8	-	0.8	-	0.8
Sub Total Maintenance	10	\$9.2	10	\$4.2	10	\$4.2	10	\$4.2
Safety/Security:								
Reduce Maintenance of Way agreement personnel	10	\$1.0	10	\$1.0	10	\$1.0	10	\$1.0
Sub Total Safety/Security	10	\$1.0	10	\$1.0	10	\$1.0	10	\$1.0
Other:								
Sub Total Other	0	0.0	0	0.0	0	0.0	0	0.0
Total 2009 Add'l Actions for Budget Balance	88	35.0	88	35.0	88	35.0	88	35.0

**MTA Headquarters
November Financial Plan 2009-2012
Additional Actions for Budget Balance**

MTA Headquarters' additional actions for budget balance in 2009 total \$8.6 million. These reductions include the attrition of 21 managerial and staff positions, and other managerial expenses (\$3.560 million); reduced advertising expenditures (\$0.697 million); and other than personnel expense reductions (\$4.343 million). The details are as follows:

5% Managerial Expense Reduction (\$3.560 million, 21 positions)

This proposal calls for the reduction of 10 managerial positions, 9 non-managerial support staff positions, and 2 MTA Police civilian managerial positions totaling \$2.395 million. It is expected that the reductions can be achieved primarily through attrition.

Other than personnel services managerial expense reductions related to position reductions of \$1.165 million are primarily for outside audit services, promotions and marketing, and professional services.

Advertising Reductions (\$0.727 million)

A reduction of \$0.697 million represents a budget reduction of 26% and leaves approximately \$1.6 million for management discretion for future programs or MTA-wide advertising campaigns. Also included is the elimination of contingency fees related to advertising for RFPs, public hearings, etc.

Other Than Personnel Reductions (\$4.313 million)

Maintenance and Utility Costs \$0.925 million

Maintenance and utility costs will be reduced due to general efficiencies in maintenance practices for all the MTA headquarters buildings.

Professional Services \$0.657 million

Through more efficient use of consulting services, savings can be achieved for Human Resources, the IT Data Center, and Treasury.

Non-Represented Personnel Costs \$0.592 million

Lower personnel costs are due to the hiring of vacant non-represented positions at lower compensation levels.

Legal and Claims Expenses \$0.584 million

Legal and claims expenses can be reduced due to the elimination of contingencies for claims previously settled and projected to be completed.

Information Technology Expenses \$0.400 million

Expenses can be reduced due to lower consulting needs as MTA Headquarters personnel become more efficient at solving problems in IT applications coordinating Headquarters personnel with Business Service Center staff.

Equipment and Supplies \$0.396 million

Reductions can be made in equipment and supplies needs through greater oversight and efficiencies.

Travel Expenses \$0.318 million

Additional travel reductions have been identified and eliminated; however, this reduction will impact MTA Headquarters visibility in the various Transit conferences related to issues for the New York region regarding Mass Transit.

Audit Expenses \$0.292 million

Reduced Audit fees are made possible by the decision to use one external audit company.

Police Academy Fees \$0.148 million

Reduced Police Academy fees reflect attrition and hiring projections.

MTA Headquarters
November Financial Plan 2009-2012
Additional Actions for Budget Balance

<u>Additional Actions</u>	<u>Savings Category</u>	<u>Net Savings</u>			
		<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
5% Management Expense Reductions	Administrative	\$3.6	\$3.5	\$3.6	\$3.8
<i>Reduction in Headcount</i>		21	21	21	21
<i>Salary</i>		1.8	1.8	1.8	1.9
<i>Fringe</i>		0.6	0.6	0.6	0.6
<i>Professional Services</i>		0.4	0.4	0.4	0.4
<i>Outside Audit Services</i>		0.1	0.1	0.1	0.1
<i>Outside Promo Marketing</i>		0.2	0.2	0.2	0.2
<i>Various</i>		0.5	0.5	0.5	0.5
Advertising Reductions	Administrative	\$0.7	\$0.7	\$0.8	\$0.8
Other than Personnel Reductions	Administrative	\$4.3	\$4.4	\$4.5	\$4.6
<i>Lower Maintenance and Utility Reserves</i>		0.9	0.9	1.0	1.0
<i>Lower Personnel Costs</i>		0.6	0.6	0.6	0.6
<i>Reduced Legal and Claims Expenses</i>		0.6	0.6	0.6	0.6
<i>Reduced Contractual Needs</i>		0.7	0.7	0.7	0.7
<i>Reduced Consulting Expenses</i>		0.4	0.4	0.4	0.4
<i>Lower Equipment and Supplies</i>		0.4	0.4	0.4	0.4
<i>Reduced Travel Expenses</i>		0.3	0.3	0.3	0.3
<i>Reduced Audit Fees</i>		0.3	0.3	0.3	0.3
<i>Reduced Police Academy Fees</i>		0.1	0.2	0.2	0.2
Total Additional Actions for Budget Balance		\$8.6	\$8.7	\$8.9	\$9.1

MTA Long Island Bus

November Financial Plan 2009-2012

Additional Actions for Budget Balance

Overview

In response to the extremely weak economic environment and the resulting severe budget gap, Long Island Bus has developed several additional action proposals that may be required to help meet our legal requirement of a balanced operating budget on a cash basis.

These proposed additional actions project significant savings primarily in bus service and administration. Total savings (net of revenue losses) are:

Programs	EOY Positions	Savings (\$'s in millions)				
		2009	2010	2011	2012	Total
Total of Proposals	21	\$ 5.4	\$ 5.9	\$ 5.9	\$ 5.9	\$ 23.2

In evaluating proposed service reduction actions, every effort was made to identify those actions that would achieve savings while minimizing the impact to our customers.

Descriptions of the proposed additional actions and their 2010 annual impact are as follows:

Service Delivery

Programs	EOY Positions	Savings (\$'s in millions)				
		2009	2010	2011	2012	Total
Service Delivery	15	\$ 1.3	\$ 1.8	\$ 1.8	\$ 1.8	\$ 6.7

1. Discontinue Underused Local Bus Routes.

\$1.3 million, 15 positions

Several bus routes perform well-below the system-wide average. This reduction is based on eliminating the least-utilized routes within the system. Specifically, the N51, N53, N80, N93, N65, N66, N67 and N87 routes have been identified.

2. Streamline Select Routes.

\$0.5 million, 0 positions

Several routes have minor variations from their primary path which can be revised to more efficiently serve their respective communities. Specifically, the N1, N2, N15, N20, N24, N27, N73, N81 routes have been identified for these improvements.

Administration

Programs	EOY Positions	Savings (\$'s in millions)				
		2009	2010	2011	2012	Total
Administration	6	\$ 1.7	\$ 1.6	\$ 1.7	\$ 1.7	\$ 6.7

1. Reduce Managerial Workforce by up to 10%.

\$0.8 million, 6 positions

Consolidation of senior management positions across the three companies has already begun, and this restructured leadership team will drive the effort to maximize efficiencies in all areas of bus operations and maintenance. Instead of having three separate executives, Joseph Smith is now Senior Vice President of NYCT DOB, President of MTA Bus Company, and President of LI Bus. As a result of this initiative, we can eliminate the following positions: President, Senior Vice President and a Senior Director and 3 Superintendents (Transportation).

2. Reduction in Operating and Professional Contracts.

\$0.5 million, 0 positions

Operating and service contracts were reviewed and where economies were possible, either through the use of internal workforce or lower service levels, the listed savings were realized. Every attempt was made to maintain reliability and safety while considering these reductions.

3. Increased Health & Welfare Employee Contributions Due to New Long Island Bus Lifetime Health Policy

\$0.3 million, 0 positions

Based on lifetime health approval for non-represented employees, employee contribution will increase from 1% of base to 18%/10% of health premium thereby reducing the cost to Long Island Bus net of premium for retirees.

Other

Programs	EOY Positions	Savings (\$'s in millions)				
		2009	2010	2011	2012	Total
Other	0	\$ 2.4	\$ 2.5	\$ 2.4	\$ 2.4	\$ 9.7

1. Realize Savings Driven from Reductions in CNG prices.

\$1.0 million, 0 positions

Current prices on CNG fuel fall substantially below the assumed prices in the November baseline. Savings of \$1.0 million in 2009 are achievable if these prices remain stable.

2. Explore Savings Available by Purchasing Natural Gas from an ESCO.

\$1.5 million, 0 positions

Energy Service Companies compete to provide energy and energy savings solutions to the end users. Long Island Bus will explore economies associated with purchasing natural gas from such a supplier in an effort to take advantage of lower prices offered by competition.

Long Island Bus

November Financial Plan 2009-2012
2009 Additional Actions for 2009 Budget Balance
(\$ in millions)

		(Favorable)/Unfavorable					
	Positions	2009	2010	2011	2012	Total	
Administration							
10% Managerial Savings	6	\$ 0.800	\$ 0.824	\$ 0.839	\$ 0.858	\$ 3.320	
Reduction in Operating & Professional Contracts	-	0.500	0.515	0.524	0.536	2.075	
Increased Health & Welfare Employee Contributions due to new LIB	-						
Lifetime Health Policy	-	0.300	0.309	0.315	0.322	1.245	
Other	-	0.100	-	-	-	0.100	
Subtotal Administration	6	1.700	1.647	1.678	1.715	6.740	
% of Total Proposed		31.3%	27.9%	28.3%	28.8%	29.0%	
Customer Convenience/Amenities							
None	-	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal Customer Convenience/Amenities	-	-	-	-	-	-	
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%	
Maintenance							
None	-	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal Maintenance	-	-	-	-	-	-	
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%	
Revenue Enhancement							
None	-	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal Revenue Enhancement	-	-	-	-	-	-	
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%	
Safety							
None	-	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal Safety	-	-	-	-	-	-	
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%	
Security							
None	-	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal Security	-	-	-	-	-	-	
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%	
Service							
N93, N53, N51/80	10	\$ 0.672	\$ 0.897	\$ 0.913	\$ 0.934	\$ 3.416	
N65/66/67 (Academic)	5	0.236	0.314	0.320	0.327	1.198	
N87 (Jones Beach)	-	0.052	0.052	0.053	0.055	0.213	
Route Streamlining	-	0.375	0.500	0.509	0.521	1.905	
Subtotal Service	15	1.336	1.764	1.797	1.837	6.733	
% of Total Proposed		24.6%	29.9%	30.3%	30.9%	29.0%	
Service Support							
None	-	\$ -	\$ -	\$ -	\$ -	\$ -	
Subtotal Service Support	-	-	-	-	-	-	
% of Total Proposed		0.0%	0.0%	0.0%	0.0%	0.0%	
Other							
Reduce CNG Prices - Savings Assumed 10/31	-	1.000	1.040	1.019	0.999	4.058	
CNG ESCO (April 2009 Implementation)	-	1.400	1.456	1.427	1.398	5.681	
Subtotal Other	-	2.400	2.496	2.446	2.397	9.739	
% of Total Proposed		44.2%	42.3%	41.3%	40.3%	42.0%	
Total Proposed	22	\$ 16.561	\$ 21.343	\$ 18.884	\$ 18.953	\$ 75.741	
Revised Total Proposed	21	\$ 5.436	\$ 5.907	\$ 5.920	\$ 5.949	\$ 23.212	

MTA Bus Company
November Financial Plan 2009-2012
Additional Actions for Budget Balance

Overview

In response to the extremely weak economic environment and the resulting severe budget gap, MTA Bus Company has developed several additional proposals that may be required to achieve savings.

These proposed additional actions project significant savings primarily in bus service delivery, administration and maintenance. Total savings (net of revenue losses) are:

Program	EOY Positions	Savings (\$'s in millions)				
		2009	2010	2011	2012	Total
Total of Proposals	249	\$ 16.9	\$ 24.3	\$ 22.8	\$ 23.6	\$ 87.6

In evaluating proposed service reduction actions, every effort was made to identify those actions that would achieve savings while minimizing the impact to our customers.

Descriptions of the proposed additional actions and their 2010 annual impact are as follows:

Service Delivery

Program	EOY Positions	Savings (\$'s in millions)				
		2009	2010	2011	2012	Total
Service Delivery	209	\$ 10.7	\$ 18.6	\$ 18.8	\$ 19.4	\$ 67.5

1. Realign Peak Period Express Bus Service to MTA – NYCT Loading Guidelines.
\$6.7 million, 61 positions

Currently, MTA Bus does not use loading guidelines. However, with the evolution of the MTA Bus organization and the accurate reporting of necessary ridership data on an on-going basis, the application of loading guidelines identical to that employed by NYCT's Operations Planning Division can now be achieved. Routes affected by this change include: BM1, BM2, BM3, BM4, BM5, BxM1, BxM2, BxM3, BxM4A/4B, BxM6, BxM7, BxM7A, BxM9, BxM10, BxM11, BxM18, QM1/1A, QM2, QM2A, QM4, QM10, QM11, QM12, QM21, QM24.

2. Discontinue Underused Express and Local Bus Routes.
\$2.0 million, 29 positions

Several bus routes perform well-below the system-wide average. This reduction is based on eliminating the least-utilized routes within the system. Specifically, the QM22, QM23, BxM7B routes have been identified.

3. Utilize NYCT – Department of Buses Facilities for Mid-day Layovers.
\$0.8 million, 2 positions

MTA Bus can save fuel and maintenance costs associated with mileage that can be eliminated by introducing mid-day layovers at DOB's Michael J. Quill, 100th Street and 126th Street Depots. This reduction represents those savings.

4. Streamline Select Routes.

\$0.8 million, 0 positions

Several routes have minor variations from their primary path which can be revised to more efficiently serve their respective communities. Specifically, the Q18, Q38, Q41, Q67, Q110, B103, BM2, BM3, QM21, BxM1 and BxM2 routes have been identified for these improvements.

5. Increase Express Bus Fare to \$7.50.

\$8.3 million, 116 positions

The express bus network currently achieves an average farebox recovery of slightly more than half that of the local bus network. This proposal improves express farebox recovery to match local. To achieve this improvement, the express bus fare would be increased from \$5 to \$7.50; over time, it is anticipated that express bus service would be reduced to meet lower demand, with some partially offsetting service increases on adjacent local bus services. All express routes would see weekday service reductions based on projected ridership decline. The \$8.3M represents the net savings of: Revenue increase resulting from the fare increase and, service reductions offset by revenue losses due to the anticipated loss of ridership and revenue resulting from fare increases.

Administration

Program	EOY Positions	Savings (\$'s in millions)				
		2009	2010	2011	2012	Total
Administration	18	\$ 2.4	\$ 2.4	\$ 2.5	\$ 2.6	\$ 9.9

1. Reduce Managerial Workforce by up to 10%.

\$2.4 million, 18 positions

Consolidation of senior management positions across the three companies has already begun, and this restructured leadership team will drive the effort to maximize efficiencies in all areas of bus operations and maintenance. Instead of having three separate executives, Joseph Smith is now Senior Vice President of NYCT DOB, President of MTA Bus Company, and President of LI Bus. As a result of this initiative, we can eliminate the following positions: President, Senior Vice President, Chief Maintenance Officer, Chief Transportation Officer, Chief Facilities Officer, General Counsel, Chief Officer Non-Revenue and two Superintendents (Maintenance) and nine Superintendents (Transportation).

Maintenance

Program	EOY Positions	Savings (\$'s in millions)				
		2009	2010	2011	2012	Total
Maintenance	22	\$ 2.1	\$ 1.5	\$ 1.6	\$ 1.6	\$ 6.8

1. Reduce facility contract expenditures.

\$1.0 million, 0 positions

Savings will be primarily achieved through the introduction of an in-house workforce which will complete select construction projects currently planned for completion by outside contracts in a more cost-efficient and timely manner.

2. Implement new allocation formulas for maintenance hourly positions.
\$0.5 million, 14 positions (\$1.1 million, 22 positions in 2009)

MTA Bus will implement the budget and allocations models identified as a best practice by the Regional Bus Merger Team. The models, which will be applied to all MTA Bus operations and service requirements, use zero-based formulas and ratios to determine the proper level of fixed, unique, scheduled operation and variable/unscheduled requirements for maintenance and non-revenue hourly positions necessary to keep buses in a state of good repair.

Other

Programs	EOY Positions	Savings (\$'s in millions)				Total
		2009	2010	2011	2012	
Other	0	\$ 1.7	\$ 1.7	\$ -	\$ -	\$ 3.4

1. Extend savings provided by the Alternative Fuel Excise Tax Credit.
\$1.7 million, 0 positions

An excise tax credit is available for alternative fuel that is sold for use or used as a fuel to operate a motor vehicle. The credit is \$0.50 per gasoline gallon equivalent (GGE) of compressed natural gas. The credit is currently available until December 31, 2009, but is expected to be extended. The savings proposed reflect savings through 2010.

MTA Bus Company

November Financial Plan 2009-2012
Additional Actions for 2009 Budget Balance - Proposed Savings
Amounts Better/(Worse) - \$ in millions

	<u>Positions</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Administration					
Reduce managerial workforce by 5%	9 \$	1.200 \$	1.222 \$	1.250 \$	1.277
Additional managerial, professional and admin. reductions	9	1.200	1.222	1.250	1.277
Subtotal Administration	18	2.400	2.445	2.499	2.554
<i>% of Total Proposed</i>		14.2%	10.1%	10.9%	10.8%
Customer Convenience/Amenities					
None	- \$	- \$	- \$	- \$	-
Subtotal Customer Convenience/Amenities	-	-	-	-	-
<i>% of Total Proposed</i>		0.0%	0.0%	0.0%	0.0%
Maintenance					
Reduce facility contract expenditures	- \$	1.000 \$	1.019 \$	1.041 \$	1.064
Reimbursement for third party non-revenue maintainer work	8	0.600	-	-	-
Implement new allocation formulas for maintenance hourly positions	14	0.500	0.509	0.521	0.532
Subtotal Maintenance	22	2.100	1.528	1.562	1.596
<i>% of Total Proposed</i>		12.5%	6.3%	6.8%	6.8%
Revenue Enhancement					
Express Bus Fare Increase (\$7.50 effective 07/01/2009)	116 \$	4.100 \$	8.299 \$	8.405 \$	8.731
Subtotal Revenue Enhancement	116	4.100	8.299	8.405	8.731
<i>% of Total Proposed</i>		24.3%	34.1%	36.8%	37.0%
Safety					
None	- \$	- \$	- \$	- \$	-
Subtotal Safety	-	-	-	-	-
<i>% of Total Proposed</i>		0.0%	0.0%	0.0%	0.0%
Security					
None	- \$	- \$	- \$	- \$	-
Subtotal Security	-	-	-	-	-
<i>% of Total Proposed</i>		0.0%	0.0%	0.0%	0.0%
Service					
Adjust peak period express bus to meet loading guidelines	61 \$	4.323 \$	6.734 \$	6.763 \$	6.954
Discontinue underused express and local routes	29	0.987	2.005	2.006	2.085
Use NYCT DOB Facilities for layover	2	0.769	0.756	0.761	0.793
Streamlining of routes	1	0.273	0.440	0.442	0.457
Additional streamlining of routes	-	0.200	0.403	0.408	0.420
Subtotal Service	93	6.551	10.338	10.380	10.709
<i>% of Total Proposed</i>		38.9%	42.5%	45.4%	45.4%
Service Support					
None	- \$	- \$	- \$	- \$	-
Subtotal Service Support	-	-	-	-	-
<i>% of Total Proposed</i>		0.0%	0.0%	0.0%	0.0%
Other					
Extend savings provided by Alternate Fuel Excise Tax Credit	- \$	1.700 \$	1.700 \$	- \$	-
Subtotal Other	-	1.700	1.700	-	-
<i>% of Total Proposed</i>		10.1%	7.0%	0.0%	0.0%
Total Proposed	249 \$	16.851 \$	24.309 \$	22.846 \$	23.591

Fares/Tolls:

2009 Increased Fare and Toll Yields – The November Plan proposes a 23% increase in MTA consolidated farebox and toll revenue yields beginning June 1, 2009. Consolidated fare and toll revenues, excluding MTA Bus revenues, are expected to increase by \$670 million in 2009, \$1,147 million in 2010, \$1,172 million in 2011 and \$1,188 million in 2012. MTA Bus revenue is expected to increase by \$15 million in 2009 and \$25 million per year in 2010 through 2012. These additional MTA Bus revenues will be used to reduce NYC subsidy for the costs associated with MTA Bus operations. Also, these increases exclude proposed NYCT and MTA Bus express bus fare yield increases, which are reflected in Additional Actions to Balance the Budget.

As a 2009 gap closing action, the July Financial Plan anticipated an 8% yield increase beginning July 1, 2009 which was estimated to generate \$201 million in 2009, \$405 million in 2010, \$414 million in 2011 and \$418 million in 2012. Additionally, MTA Bus farebox revenues of \$6 million in 2009 and \$13 million per year in 2010 through 2012 were expected to be generated by the increased fare yield as an offset to its NYC subsidy.

2011 Increased Fare and Toll Yields – A 5% consolidated farebox and toll revenue yield increase is also proposed for implementation on January 1, 2011, and is estimated to yield an additional \$316 million in 2011 and \$329 million in 2012, excluding yield increases for MTA Bus. The 5% farebox yield increase at MTA Bus is expected to generate additional revenue of \$10 million in 2011 and in 2012, and will be used to hold down NYC subsidy to MTA Bus. This action reflects MTA policy to implement small alternate year fare and toll increases to cover inflation.

The July Financial Plan, as a post-2009 gap closing action, assumed a 5% consolidated farebox and toll revenue yield increase on January 1, 2011 which was estimated to yield an additional \$272 million in 2011 and \$281 million in 2012, excluding yield increases for MTA Bus. The 5% farebox yield increase at MTA Bus, to be used to hold down NYC subsidy to MTA Bus, was expected to generate additional revenue of \$9 million in 2011 and in 2012.

MTA Consolidated Utilization

MTA Agency Fare and Toll Revenue Projections, in millions Including the Impact of PEGs and Fare/Toll Yields in 2009 & 2011

		2008	2009			
		November	Final			
		Forecast	Proposed	2010	2011	2012
Fare Revenue						
Long Island Bus ¹	- November Baseline	\$41.002	\$40.735	\$40.858	\$40.939	\$41.062
	- 6/1/09 Fare Yield	0.000	5.484	9.397	9.416	9.444
	- 1/1/11 Fare Yield	0.000	0.000	0.000	2.518	2.525
		\$41.002	\$46.219	\$50.255	\$52.873	\$53.032
Long Island Rail Road	- November Baseline	\$508.486	\$506.816	\$505.850	\$510.389	\$514.976
	- 6/1/09 Fare Yield	0.000	70.034	116.346	117.389	118.445
	- 1/1/11 Fare Yield	0.000	0.000	0.000	31.389	31.671
	- PEGs	0.000	0.400	0.800	0.800	0.800
		\$508.486	\$577.250	\$622.996	\$659.967	\$665.892
Metro-North Railroad ²	- November Baseline	\$507.229	\$512.005	\$519.188	\$533.717	\$549.503
	- 6/1/09 Fare Yield	0.000	41.882	70.920	73.206	75.571
	- 1/1/11 Fare Yield	0.000	0.000	0.000	18.036	18.624
	- PEGs	0.000	8.478	9.050	9.101	9.101
		\$507.229	\$562.365	\$599.158	\$634.060	\$652.798
MTA Bus Company	- November Baseline	\$153.812	\$153.043	\$153.655	\$155.038	\$156.588
	- 6/1/09 Fare Yield ³	0.000	14.588	24.700	24.923	25.172
	- 1/1/11 Fare Yield ³	0.000	0.000	0.000	9.535	9.630
		\$153.812	\$167.631	\$178.355	\$189.495	\$191.390
New York City Transit ¹	- November Baseline	\$2,974.848	\$2,949.781	\$2,963.662	\$3,006.537	\$3,052.846
	- 6/1/09 Fare Yield	0.000	395.744	670.002	679.699	690.174
	- 1/1/11 Fare Yield	0.000	0.000	0.000	184.312	187.151
		\$2,974.848	\$3,345.525	\$3,633.664	\$3,870.548	\$3,930.171
Staten Island Railway	- November Baseline	\$4.402	\$4.707	\$5.047	\$5.112	\$5.176
	- 6/1/09 Fare Yield	0.000	0.644	1.161	1.176	1.190
	- 1/1/11 Fare Yield	0.000	0.000	0.000	0.314	0.318
		\$4.402	\$5.351	\$6.208	\$6.602	\$6.685
Total Farebox Revenue						
	- November Baseline	\$4,189.779	\$4,167.087	\$4,188.260	\$4,251.731	\$4,320.151
	- 6/1/09 Fare Yield	0.000	528.376	892.526	905.809	919.995
	- 1/1/11 Fare Yield	0.000	0.000	0.000	246.104	249.919
	- PEGs	0.000	8.878	9.850	9.901	9.901
		\$4,189.779	\$4,704.341	\$5,090.635	\$5,413.545	\$5,499.967
Toll Revenue						
Bridges & Tunnels	- November Baseline	\$1,273.180	\$1,263.730	\$1,263.592	\$1,267.946	\$1,275.080
	- 6/1/09 Toll Yield	0.000	156.129	278.911	291.527	293.104
	- 1/1/11 Toll Yield	0.000	0.000	0.000	70.181	78.374
		\$1,273.180	\$1,419.859	\$1,542.503	\$1,629.654	\$1,646.558
TOTAL FARE & TOLL REVENUE ³						
	- November Baseline	\$5,462.959	\$5,430.817	\$5,451.852	\$5,519.677	\$5,595.231
	- 6/1/09 Fare/Toll Yield	0.000	684.505	1,171.437	1,197.337	1,213.100
	- 1/1/11 Fare/Toll Yield	0.000	0.000	0.000	316.285	328.293
	- PEGs	0.000	8.878	9.850	9.901	9.901
		\$5,462.959	\$6,124.200	\$6,633.139	\$7,043.199	\$7,146.525

¹ Excludes Paratransit Operations.

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

³ MTA Bus revenue from Fare Yield will be used to reduce NYC subsidy to MTA Bus.

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2009 - 2012
Consolidated Positions Including Impact of Gap Closing Program

Category	2008 November Forecast	2009 Final Proposed	2010	2011	2012
Baseline Non-Reimbursable	63,372	63,959	64,196	64,336	63,984
NYC Transit	43,637	44,113	44,242	44,335	43,941
Long Island Rail Road	6,136	6,134	6,181	6,169	6,163
Metro-North Railroad	5,466	5,511	5,580	5,633	5,681
Bridges & Tunnels	1,779	1,787	1,779	1,786	1,786
Headquarters	1,445	1,446	1,446	1,446	1,446
Long Island Bus	1,139	1,139	1,139	1,139	1,139
Staten Island Railway	275	280	280	279	279
Capital Construction Company	-	-	-	-	-
Bus Company	3,495	3,549	3,549	3,549	3,549
Gap Closing Program					
<i>Internal Actions:</i>					
<i>2009 Agency Program to Eliminate the Gap</i>	115	467	476	511	448
NYC Transit	103	501	510	545	482
Long Island Rail Road	11	15	15	15	15
Metro-North Railroad	-	(52)	(52)	(52)	(52)
Bridges & Tunnels	-	3	3	3	3
Headquarters	-	-	-	-	-
Long Island Bus	-	2	2	2	2
Staten Island Railway	1	4	4	4	4
Capital Construction Company	-	-	-	-	-
Bus Company	-	(6)	(6)	(6)	(6)
<i>Post-2009 Agency Program to Eliminate the Gap</i>	-	-	10	10	10
NYC Transit	-	-	-	-	-
Long Island Rail Road	-	-	10	10	10
Metro-North Railroad	-	-	-	-	-
Bridges & Tunnels	-	-	-	-	-
Headquarters	-	-	-	-	-
Long Island Bus	-	-	-	-	-
Staten Island Railway	-	-	-	-	-
Capital Construction Company	-	-	-	-	-
Bus Company	-	-	-	-	-
<i>Additional Actions for Budget Balance (AABB)</i>	-	2,849	3,013	2,987	2,987
NYC Transit/Staten Island Railway	-	2,269	2,279	2,279	2,279
Long Island Rail Road	-	173	327	301	301
Metro-North Railroad	-	88	88	88	88
Bridges & Tunnels	-	28	28	28	28
Headquarters	-	21	21	21	21
Long Island Bus	-	21	21	21	21
Capital Construction Company	-	-	-	-	-
Bus Company	-	249	249	249	249
Business Service Center	(22)	(67)	(67)	(46)	249
NYC Transit	-	-	-	81	309
Long Island Rail Road	-	-	-	61	61
Metro-North Railroad	24	24	24	84	84
Bridges & Tunnels	-	-	-	16	41
Headquarters	(46)	(91)	(91)	(341)	(299)
Long Island Bus	-	-	-	15	15
Staten Island Railway	-	-	-	2	2
Capital Construction Company	-	-	-	3	3
Bus Company	-	-	-	33	33

METROPOLITAN TRANSPORTATION AUTHORITY
November Financial Plan 2009-2012

Category	2008 November Forecast	2009 Final Proposed	2010	2011	2012
<i>Total Non-Reimbursable</i>	63,279	60,710	60,764	60,877	60,293
NYC Transit/Staten Island Railway	43,808	41,619	41,729	41,703	41,144
Long Island Rail Road	6,125	5,946	5,829	5,782	5,776
Metro-North Railroad	5,442	5,451	5,520	5,513	5,561
Bridges & Tunnels	1,779	1,756	1,748	1,739	1,714
Headquarters	1,491	1,516	1,516	1,766	1,724
Long Island Bus	1,139	1,116	1,116	1,101	1,101
Capital Construction Company	-	-	-	-	-
Bus Company	3,495	3,306	3,306	3,273	3,273
<i>Total Reimbursable</i>	7,346	7,112	7,032	6,797	6,754
NYC Transit/Staten Island Railway	5,656	5,434	5,157	4,934	4,890
Long Island Rail Road	825	776	962	951	951
Metro-North Railroad	588	629	629	629	629
Bridges & Tunnels	53	45	53	53	53
Headquarters	44	48	51	53	54
Long Island Bus	14	14	14	14	14
Capital Construction Company	150	150	150	147	147
Bus Company	16	16	16	16	16
<i>Total Positions</i>	70,625	67,822	67,796	67,674	67,047
NYC Transit/Staten Island Railway	49,464	47,053	46,886	46,637	46,034
Long Island Rail Road	6,950	6,722	6,791	6,733	6,727
Metro-North Railroad	6,030	6,080	6,149	6,142	6,190
Bridges & Tunnels	1,832	1,801	1,801	1,792	1,767
Headquarters	1,535	1,564	1,567	1,819	1,778
Long Island Bus	1,153	1,130	1,130	1,115	1,115
Capital Construction Company	150	150	150	147	147
Bus Company	3,511	3,322	3,322	3,289	3,289
<i>Total Full-Time</i>	70,301	67,516	67,490	67,368	66,741
NYC Transit/Staten Island Railway	49,254	46,861	46,694	46,445	45,842
Long Island Rail Road	6,950	6,722	6,791	6,733	6,727
Metro-North Railroad	6,025	6,075	6,144	6,137	6,185
Bridges & Tunnels	1,832	1,801	1,801	1,792	1,767
Headquarters	1,535	1,564	1,567	1,819	1,778
Long Island Bus	1,044	1,021	1,021	1,006	1,006
Capital Construction Company	150	150	150	147	147
Bus Company	3,511	3,322	3,322	3,289	3,289
<i>Total Full-Time-Equivalents</i>	324	306	306	306	306
NYC Transit/Staten Island Railway	210	192	192	192	192
Long Island Rail Road	-	-	-	-	-
Metro-North Railroad	5	5	5	5	5
Bridges & Tunnels	-	-	-	-	-
Headquarters	-	-	-	-	-
Long Island Bus	109	109	109	109	109
Capital Construction Company	-	-	-	-	-
Bus Company	-	-	-	-	-

NOTE: It is assumed Program to Eliminate the Gap, Business Service Center and Additional Actions to Balance the Budget positions are Non-Reimbursable and Full-Time, although a small portion are Reimbursable and Full-Time Equivalents. The Capital Construction Company is the only exception, since the Agency is 100% Reimbursable.

PEG Detail:

2009 Agency Program to Eliminate the Gap

The 2009 Program to Eliminate the Gap (PEG), including MTA Bus, reflects savings of \$19 million and 115 positions in 2008, \$89 million and 467 positions in 2009, \$87 million and 476 positions in 2010, \$95 million and 511 positions in 2011, and \$86 million and 448 positions in 2012. These PEGs are in addition to the 2008 PEG program approved by the MTA Board in December of 2007 and included in the February 2008 Baseline. Included in the November Plan are prior year PEG re-forecasts which reduce the projected savings in the baseline by \$1.8 million in 2008, and leave projected savings unchanged each year thereafter. Prior year PEG re-forecasts had no effect on positions.

Agencies were also encouraged to start 2009 savings as soon as possible; therefore, some programs have begun in 2008 with savings of \$19 million.

2008 Impact:

NYCT's 2009 PEGs beginning in 2008 are expected to save \$10 million and 103 positions in 2008; savings are primarily in the areas of Maintenance (\$7M and 67 positions), Administration (\$2M and 15 positions), and Service Support (\$1M and 21 positions). Maintenance savings are expected from efficiencies in terminal car cleaning, station track cleaning, RTO and Car Equipment, SONET/ATM maintenance, and bus facility maintenance. Administrative savings are expected from efficiencies and position reductions across all departments. Lastly, Service Support savings are expected from efficiencies in revenue collection/processing, and traffic checking. NYCT's 2009 PEGs beginning in 2008 are expected to yield average annual savings of approximately \$18 million over the 2009 through 2012 period.

The LIRR's 2009 PEGs beginning in 2008 are expected to save \$5 million and 11 positions in 2008 primarily from a deferral of the planned installation of Multiple Unit sanders, and a reduction in "in-house" tree trimming forces. The LIRR's 2009 PEGs beginning in 2008 are expected to yield average annual savings of approximately \$2 million over the 2009 through 2012 period.

MTA Bus' 2009 PEGs beginning in 2008 are expected to generate savings of \$3 million in 2008 through the recovery of qualified tax credits based on the use of Compressed Natural Gas (CNG) clean fuel in buses and reductions in maintenance material consumption. MTA Bus' 2009 PEGs beginning in 2008 are expected to yield average annual savings of approximately \$3 million over the 2009 through 2012 period.

SIR's 2009 PEGs beginning in 2008 are expected to save \$.2 million in 2008 through administrative efficiencies, and average annual savings of \$.3 million over the 2009 through 2012 period.

2009 – 2012:

NYCT's total 2009 PEG program is expected to save \$61 million and 501 positions in 2009, \$62 million and 510 positions in 2010, \$69 million and 545 positions in 2011, and \$59 million and 482 positions in 2012. PEG savings in 2009 are primarily in Maintenance (\$39 million and 328 positions), Service Support/Other (\$12 million and 115 positions), and Administration (\$10 million and 58 positions). Maintenance savings include PEGs starting in 2008 (mentioned above), revisions to Buses' 12-year upgrade program, revisions to Car Quality Control Initiatives (e.g. removing scratchitti), bus maintenance efficiencies (e.g. changed maintenance practices and reductions in the bus spare factor), water intrusion remediation efficiencies, and various other efficiencies. Service Support/Other savings include PEGs starting in 2008 (mentioned above), elimination of the Work Experience Program (WEP), efficiencies derived from better monitoring and management of bus depots' Extra Lists, platform conductor reductions, and RTO safety initiative efficiencies. Administrative savings include PEGs starting in 2008 (mentioned above), a re-negotiated prescription drug contract, and efficiencies across all departments. NYCT's November Plan baseline positions for 2009 are 296 higher than the July Plan. Net of PEGs, baseline positions decrease by 205.

MNR's total 2009 PEG program is expected to save \$9 million in 2009 and in each year of the Plan and increase positions by 52. PEG savings in 2009 are primarily in Customer Convenience /Amenities (\$5 million and 0 positions), Other (\$2 million and 2 positions), Revenue Enhancement (\$1 million and an increase of 62 positions), and Maintenance (\$.8 million and 8 positions). Customer Convenience/Amenities savings result from cancellation of the Component System Replacement (CSR) program on 30 M1 cars intended for use as a Yankee Stadium shuttle. MNR now plans to use newer equipment to provide this service. Projected "Other" savings are mainly due to re-estimates of the cost for MTA Police services on the New Haven Line, and Grand Central Terminal barrier separation maintenance. MNR's Revenue Enhancement PEG reflects net revenues of approximately \$1 million per year associated with the opening of the new Yankee Stadium station. MNR's November Plan baseline positions for 2009 are 49 lower than the July Plan. Net of PEGs, baseline positions increase by 3.

The LIRR's total 2009 PEG program is expected to save \$8 million in 2009, \$6 million in 2010, and approximately \$6 million in both 2011 and 2012. PEG position reductions remain flat at 15 over the Plan period. PEG savings in 2009 are primarily in Maintenance (\$4 million and 13 positions), Administration (\$2 million and 1 position), Service/Service Support (\$1 million and 1 position), Other (\$.7 million and 0 positions), and Revenue Enhancement (\$.1 million and 0 positions). Maintenance savings are entirely due to a continuation of PEGs starting in 2008 (mentioned above). Administration savings are expected mainly from improved oversight of retiree health and welfare benefits, a health insurance "Opt Out" buyback program, and the deferral of the Origin and Destination Study update. Service/Service Support savings are expected from an evaluation of off-peak and other supporting services to identify savings which are consistent with current service guidelines. Other savings are

projected as a result of the increased oversight of the free rail pass policy, and a projected increase in real estate revenues from stations that currently have underutilized excess space. The LIRR's November Plan baseline positions for 2009 are 135 lower than the July Plan. Net of PEGs, baseline positions decrease by 150.

MTA Bus's total 2009 PEG program is expected to save \$7 million in 2009 and increase positions by 6. Average annual savings of \$7 million are projected for each of the years 2010 through 2012. PEG savings in 2009 are primarily in Administration (\$3 million and an increase of 6 positions), Maintenance (\$3 million and 0 positions), and Safety (\$1 million and 0 positions). Net administrative savings are expected from the addition of 6 positions to assume Worker's Compensation functions currently performed by outside contractors. The balance of the Administration PEG savings, as well as all of the Maintenance savings are derived from a continuation of PEGs starting in 2008 (mentioned above). Lastly, savings are projected through the initiation of numerous safe operation initiatives that will reduce the quantity and size of claims. MTA Bus' November Plan baseline positions for 2009 did not change from the July Plan. Net of PEGs, baseline positions increase by 6.

MTA HQ's total 2009 PEG program is expected to save \$3 million in 2009, with average annual savings of \$3 million in each of the years 2010 through 2012. PEG savings in 2009 are primarily in Administration (\$2 million and 0 positions) and Security (\$1 million and 0 positions). Administration savings are entirely due to a continuation of PEGs starting in 2008. Security savings are projected from reductions in overtime resulting from MTA Police deployment efficiencies. MTA HQ's November Plan baseline positions for 2009 did not change from the July Plan, nor did they change net of PEGs.

SIR's total 2009 PEG program is expected to save \$1 million and 4 positions in 2009, and \$.4 million in each of the out-years. Most of the savings in 2009 are in Administration and are due to a continuation of PEGs starting in 2008 (mentioned above). SIR's November Plan baseline positions for 2009 are 6 higher than the July Plan. Net of PEGs, baseline positions increase by 2.

LIB's total 2009 PEG program is expected to save \$1 million and 2 positions in 2009, with average annual savings of \$.4 million thereafter. PEG savings in 2009 are primarily in Maintenance (\$.4 million and 2 positions) and Other (\$.3 million and 0 positions). Maintenance savings are anticipated as new Paratransit and Fixed Route buses are purchased. Additional savings in electricity are expected from charging batteries during lower rate/low peak hours and fueling buses on battery power during high rate/high peak periods, saving a total of 2 positions. Savings in the "Other" category result primarily from the implementation of enhanced warranty tracking initiatives as new replacement buses enter service. LIB's November Plan baseline positions for 2009 did not change from the July Plan. Net of PEGs, baseline positions decrease by 2.

B&T's 2009 PEG program is expected to save \$0.3 million and 3 positions in each year of the Plan. PEG savings in 2009 are entirely in Administration and are driven by

efficiencies in Human Resources and the Controller's department. B&T's November Plan baseline positions for 2009 did not change from the July Plan. Net of PEGs, baseline positions decrease by 3.

2009 Agency PEGs - Positions

The 2009 Agency PEGs include headcount reductions of 115 in 2008, 467 in 2009, 476 in 2010, 511 in 2011, and 448 in 2012.

Agency PEGs are expected to result in position reductions at the end of 2012 of 482 at NYCT, 15 at the LIRR, 4 at SIR, 2 at LIB, and 3 at B&T, and position increases of 52 at MNR and 6 at MTA Bus. Positions are reduced in Maintenance (-327), Service/Service Support (-106), Administration (-62) and Other (-15), and increase in Revenue Enhancement (+62).

Post-2009 Agency Program to Eliminate the Gap

Post – 2009 PEGs identified by the agencies are expected to achieve savings of \$1 million in each of the years 2010 through 2012. Additionally, each Agency reflects a target PEG equivalent to a 1.5% reduction in controllable expenses. These PEGs have not been fully identified by the Agencies and so are designated “unspecified”. On an MTA-wide basis, the value of this “unspecified” PEG is \$101 million in 2010, \$184 million in 2011, and \$289 million in 2012.

The LIRR's post – 2009 PEGs are expected to result in savings of \$1 million and 10 positions in each of the years 2010 through 2012. Savings from these PEGs are primarily due to the consolidation and replacement of the Jay, Hall, and Dunton Towers with a new “Mini-Theater” located in the Jamaica Central Control building, and administrative and service support efficiencies.

METROPOLITAN TRANSPORTATION AUTHORITY
November Plan 2009 - 2012
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

	2008		2009		2010		2011		2012	
MTA-Wide	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
MTA BRIDGES AND TUNNELS	0	0.000	3	0.264	3	0.313	3	0.323	3	0.334
MTA METRO-NORTH RAILROAD	0	0.000	(52)	9.226	(52)	9.251	(52)	9.251	(52)	9.251
MTA LONG ISLAND RAIL ROAD	11	5.094	15	7.891	15	6.145	15	5.731	15	5.820
MTA STATEN ISLAND RAILWAY	1	0.225	4	0.743	4	0.428	4	0.428	4	0.428
MTA BUS COMPANY	0	2.563	(6)	6.555	(6)	6.291	(6)	7.307	(6)	7.964
MTA LONG ISLAND BUS	0	0.000	2	0.640	2	0.540	2	0.400	2	0.340
MTA HEADQUARTERS	0	1.044	0	2.446	0	2.498	0	2.557	0	2.609
MTA NEW YORK CITY TRANSIT	103	9.929	501	60.973	510	61.939	545	69.303	482	59.114
Total MTA-Wide	115	\$ 18.855	467	\$ 88.738	476	\$ 87.405	511	\$ 95.300	448	\$ 85.860
MTA-Wide by Category										
Administration	16	5.386	59	17.883	62	19.030	62	19.834	62	20.278
Customer Convenience/Amenities	0	0.000	0	5.354	0	0.000	0	0.000	0	0.000
Maintenance	78	12.026	351	47.134	355	41.433	390	48.148	327	38.020
Other	0	0.000	15	4.708	15	10.378	15	10.478	15	10.518
Revenue Enhancement	0	0.000	(62)	1.157	(62)	1.508	(62)	1.346	(62)	1.253
Safety	0	0.000	0	0.478	0	0.650	0	0.839	0	1.047
Security	0	0.000	0	0.639	0	0.669	0	0.695	0	0.712
Service	0	0.000	1	1.002	1	2.380	1	2.450	1	2.520
Service Support	21	1.443	103	10.383	105	11.357	105	11.510	105	11.512
Total MTA-Wide by Category	115	\$ 18.855	467	\$ 88.738	476	\$ 87.405	511	\$ 95.300	448	\$ 85.860

METROPOLITAN TRANSPORTATION AUTHORITY
November Plan 2009 - 2012
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

	2008		2009		2010		2011		2012	
	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
LIST of AGENCY PROGRAMS										
Administration										
MTA BRIDGES AND TUNNELS	0	0.000	3	0.264	3	0.313	3	0.323	3	0.334
MTA HEADQUARTERS	0	1.044	0	1.807	0	1.829	0	1.862	0	1.897
MTA BUS COMPANY	0	1.851	(6)	3.498	(6)	3.009	(6)	3.784	(6)	4.178
MTA NEW YORK CITY TRANSIT	15	1.766	58	9.567	61	12.445	61	12.428	61	12.428
MTA STATEN ISLAND RAILWAY	1	0.225	3	0.666	3	0.351	3	0.351	3	0.351
MTA LONG ISLAND RAIL ROAD	0	0.500	1	2.081	1	1.083	1	1.086	1	1.090
Sub-Total: Administration	16	\$ 5.386	59	\$ 17.883	62	\$ 19.030	62	\$ 19.834	62	\$ 20.278
Customer Convenience/Amenities										
MTA METRO-NORTH RAILROAD	0	0.000	0	5.354	0	0.000	0	0.000	0	0.000
Sub-Total: Customer Convenience/Amenities	0	\$ 0.000	0	\$ 5.354	0	\$ 0.000	0	\$ 0.000	0	\$ 0.000
Maintenance										
MTA BUS COMPANY	0	0.712	0	2.579	0	2.632	0	2.684	0	2.739
MTA LONG ISLAND BUS	0	0.000	2	0.370	2	0.270	2	0.180	2	0.160
MTA METRO-NORTH RAILROAD	0	0.000	8	0.790	8	0.801	8	0.816	8	0.833
MTA LONG ISLAND RAIL ROAD	11	4.594	13	4.044	13	1.263	13	0.770	13	0.779
MTA NEW YORK CITY TRANSIT	67	6.720	328	39.351	332	36.467	367	43.698	304	33.509
Sub-Total: Maintenance	78	\$ 12.026	351	\$ 47.134	355	\$ 41.433	390	\$ 48.148	327	\$ 38.020
Other										
MTA LONG ISLAND BUS	0	0.000	0	0.270	0	0.270	0	0.220	0	0.180
MTA METRO-NORTH RAILROAD	0	0.000	2	2.036	2	7.056	2	7.206	2	7.286
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.650	0	1.300	0	1.300	0	1.300
MTA NEW YORK CITY TRANSIT	0	0.000	13	1.752	13	1.752	13	1.752	13	1.752
Sub-Total: Other	0	\$ 0.000	15	\$ 4.708	15	\$ 10.378	15	\$ 10.478	15	\$ 10.518
Revenue Enhancement										
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.111	0	0.114	0	0.117	0	0.121

METROPOLITAN TRANSPORTATION AUTHORITY
November Plan 2009 - 2012
Summary of 2009 Program to Eliminate the Gap(PEGs)
(\$ in millions)

	2008		2009		2010		2011		2012	
	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
LIST of AGENCY PROGRAMS										
MTA METRO-NORTH RAILROAD	0	0.000	(62)	1.046	(62)	1.394	(62)	1.229	(62)	1.132
Sub-Total: Revenue Enhancement	0	\$ 0.000	(62)	\$ 1.157	(62)	\$ 1.508	(62)	\$ 1.346	(62)	\$ 1.253
Safety										
MTA BUS COMPANY	0	0.000	0	0.478	0	0.650	0	0.839	0	1.047
Sub-Total: Safety	0	\$ 0.000	0	\$ 0.478	0	\$ 0.650	0	\$ 0.839	0	\$ 1.047
Security										
MTA HEADQUARTERS	0	0.000	0	0.639	0	0.669	0	0.695	0	0.712
Sub-Total: Security	0	\$ 0.000	0	\$ 0.639	0	\$ 0.669	0	\$ 0.695	0	\$ 0.712
Service										
MTA STATEN ISLAND RAILWAY	0	0.000	1	0.077	1	0.077	1	0.077	1	0.077
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.925	0	2.303	0	2.373	0	2.443
Sub-Total: Service	0	\$ 0.000	1	\$ 1.002	1	\$ 2.380	1	\$ 2.450	1	\$ 2.520
Service Support										
MTA LONG ISLAND RAIL ROAD	0	0.000	1	0.080	1	0.082	1	0.085	1	0.087
MTA NEW YORK CITY TRANSIT	21	1.443	102	10.303	104	11.275	104	11.425	104	11.425
Sub-Total: Service Support	21	\$ 1.443	103	\$ 10.383	105	\$ 11.357	105	\$ 11.510	105	\$ 11.512
Total Agency PEGs	115	\$ 18.855	467	\$ 88.738	476	\$ 87.405	511	\$ 95.300	448	\$ 85.860

METROPOLITAN TRANSPORTATION AUTHORITY
November Plan 2009 - 2012
Summary of Post 2009 PEGs
(\$ in millions)

	2008		2009		2010		2011		2012	
MTA-Wide	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
MTA BUS COMPANY	0	0.000	0	0.000	0	4.965	0	9.930	0	14.895
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.000	10	21.973	10	18.247	10	40.271
MTA LONG ISLAND BUS	0	0.000	0	0.000	0	1.491	0	2.982	0	4.473
MTA BRIDGES AND TUNNELS	0	0.000	0	0.000	0	2.010	0	11.308	0	16.962
MTA METRO-NORTH RAILROAD	0	0.000	0	0.000	0	9.251	0	18.502	0	27.753
MTA NEW YORK CITY TRANSIT	0	0.000	0	0.000	0	59.613	0	119.226	0	178.839
MTA HEADQUARTERS	0	0.000	0	0.000	0	2.162	0	4.431	0	6.707
MTA STATEN ISLAND RAILWAY	0	0.000	0	0.000	0	0.420	0	0.840	0	1.260
Total MTA-Wide	0	\$ 0.000	0	\$ 0.000	10	\$ 101.885	10	\$ 185.466	10	\$ 291.160
MTA-Wide by Category										
Administration	0	0.000	0	0.000	4	0.400	4	0.412	4	0.424
Other	0	0.000	0	0.000	5	101.403	5	184.969	5	290.649
Service Support	0	0.000	0	0.000	1	0.082	1	0.085	1	0.087
Total MTA-Wide by Category	0	\$ 0.000	0	\$ 0.000	10	\$ 101.885	10	\$ 185.466	10	\$ 291.160

METROPOLITAN TRANSPORTATION AUTHORITY
November Plan 2009 - 2012
Summary of Post 2009 PEGs
(\$ in millions)

	2008		2009		2010		2011		2012	
	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>	<u>Positions</u>	<u>Dollars</u>
LIST of AGENCY PROGRAMS										
Administration										
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.000	4	0.400	4	0.412	4	0.424
Sub-Total: Administration	0	\$ 0.000	0	\$ 0.000	4	\$ 0.400	4	\$ 0.412	4	\$ 0.424
Other										
MTA BRIDGES AND TUNNELS	0	0.000	0	0.000	0	2.010	0	11.308	0	16.962
MTA METRO-NORTH RAILROAD	0	0.000	0	0.000	0	9.251	0	18.502	0	27.753
MTA HEADQUARTERS	0	0.000	0	0.000	0	2.162	0	4.431	0	6.707
MTA STATEN ISLAND RAILWAY	0	0.000	0	0.000	0	0.420	0	0.840	0	1.260
MTA BUS COMPANY	0	0.000	0	0.000	0	4.965	0	9.930	0	14.895
MTA NEW YORK CITY TRANSIT	0	0.000	0	0.000	0	59.613	0	119.226	0	178.839
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.000	5	21.491	5	17.750	5	39.760
MTA LONG ISLAND BUS	0	0.000	0	0.000	0	1.491	0	2.982	0	4.473
Sub-Total: Other	0	\$ 0.000	0	\$ 0.000	5	\$ 101.403	5	\$ 184.969	5	\$ 290.649
Service Support										
MTA LONG ISLAND RAIL ROAD	0	0.000	0	0.000	1	0.082	1	0.085	1	0.087
Sub-Total: Service Support	0	\$ 0.000	0	\$ 0.000	1	\$ 0.082	1	\$ 0.085	1	\$ 0.087
Total Agency PEGs	0	\$ 0.000	0	\$ 0.000	10	\$ 101.885	10	\$ 185.466	10	\$ 291.160

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IV. 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, Elliot G. Sander, 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 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: _____

Elliot G. Sander
Executive Director

Dated: November 17, 2008

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