II. Major Assumptions 2009-2012 Projections-Baseline

Overview MTA Initiatives

OVERVIEW MTA INITIATIVES

The MTA and all of its agencies continually strive to improve the transit services we provide our customers throughout the entire regional commuting district, an area comprising twelve New York counties as well as parts of New Jersey and Connecticut. To advance this general goal, the MTA's senior staff has identified seven distinct but interrelated areas on which current and future MTA initiatives will focus. As such, these seven priority areas constitute both a directive for policy and, in and of themselves, an achievable set of goals. The 2009 Preliminary Budget shows that the MTA's agencies, individually and collectively, are making significant progress toward realizing these seven priorities**.**

<u>Customer Service</u>

NYCT will begin a comprehensive plan to improve the appearance and reliability of its elevators and escalators, an important step toward making our transit system more easily accessible to people with disabilities; NYCT will revise its current bus overhaul schedule from a 4-year to a 3-year cycle and will institute Select Bus Service (Bus Rapid Transit) fare collection, both measures that will go a long way toward improving the speed and quality of NYCT bus trips. NYCT also plans several service adjustments, beginning in the fall of 2008. These include: operating the 3 Line service late nights between Times Square and 148th Street; increased evening service on the 1, 4 and 6 Lines; increased hours of service on the W and B Lines; an extension of M Line service to Manhattan on weekday evenings; increased weekend service on the L Line and increased afternoon service on the 4 Line. For bus users, NYCT will also take the steps necessary to implement a bus rapid transit service; and, in partnership with MasterCard, NYCT will continue its participation in the SmartCard program on select routes.

LIRR will initiate a Low Adhesion Mitigation Strategy—including a budgeted $2 million for vegetation management—that will prevent slip-slide conditions and further preserve the agency's remarkable on-time performance record.

LIB will strive to improve upon its Able-Ride Paratransit operations, which offer curb-to-curb transportation for eligible customers with disabilities. Major new LIB projects will center around the completion of the Paratransit Facility rehabilitation and the receipt of replacement fixed route and Paratransit buses. Additionally, the agency will improve customer communications by developing a web-based system to allow paratransit customers to look up the location of and estimated arrival time of the bus scheduled to pick them up. LIB also plans to expand various way-finding and signage projects to provide for its customers a bus system that is even easier to use.

Between 2005 and 2007, MTA Bus introduced 475 new over-the-road express buses into service, so that 60% of its fleet has by now been replaced. The infusion of new buses into the MTABC fleet, in conjunction with the introduction of comprehensive maintenance programs, will significantly improve the reliability of the fleet and customer comfort.

The 2009 Preliminary Budget for MNR includes several renovation projects for Grand Central Terminal that will be undertaken through 2012 and that will maintain this facility's landmark status. MNR will also increase the reliability and capacity of the outdated customer telephone information system by introducing a new Interactive Voice Response system; and the railroad will make commuting more convenient by introducing hand-held computers for issuing tickets on-board.

For B&T, improving the reliability of its services means reducing regional traffic congestion and minimizing the median amount of time customers spend in queues, especially at peak times. The E-ZPass program, begun in the 1990's, responds to these needs. B&T has recently simplified the application process for E-ZPasses, and is also piloting the E-ZPass-on-the-Go program, both steps designed to increase the market share of E-ZPass and to help B&T maintain the already high level of customer satisfaction with the program.

Financial Stability

In formulating the July Plan, Agencies were instructed to adhere to the spending envelope contained in the February Financial Plan. Any expense growth beyond the levels in the February Plan (including any "New Need" program) had to be made up with internal savings. These internal savings could take the form of expense re-estimates or additional PEGs. The exception to this is that growth in "uncontrollable" areas including Health & Welfare, Pensions, Energy, Insurance and Paratransit would be permissible, as these categories are heavily dependent on rates determined by outside factors. In addition, the Agencies have now identified savings programs for 2009 and beyond that are consistent with the 1.5% annual reduction targets that they were given. Agencies were asked to identify savings that would not only reduce expenses in the short-term, but would also result in long-term improvements to MTA's financial picture. Much of these savings are being generated through the 2009 PEG Program and are not part of the baseline; but rather are included below-the-line as part of MTA gap-closing actions. The details of this program are included in a separate section of this report, "Gap Closing Programs". Other savings are captured in the baseline through favorable expense re-estimates.

One significant change to the February Plan is that the Service Enhancement Programs that were included within the Baseline have now been eliminated because of the sharp decline in MTA's real estate-related revenue streams. As a result, the bottom line has been reduced by $27 million in 2008 and $60 million annually beginning in 2009.

As reflected in the 2009 Preliminary Budget, NYCT will reduce costs significantly by achieving economies in the purchase of light duty vehicles and by meeting reduction targets on various inventory/non-inventory consumables. On the revenue side, NYCT will ensure that fare collection is in line with actual ridership by partnering with the NYPD in a concerted program to thwart fare evasion. Also part of NYCT's extensive PEG program are plans to achieve efficiencies in terminal car cleaning, station track cleaning, revenue collection/processing, administrative positions as well as economies in maintenance and other areas throughout the agency, without compromising standards or customer service.

SIR, which is part of NYCT, will realize administrative and organizational efficiencies that will allow slowing the rate at which the railroad fills vacant positions between 2009 and 2012, resulting in savings of over $300,000 annually; additionally, the agency plans a pc-based interlocking control system that is expected to allow automatic dispatching and routing of trains at two terminals, resulting in savings of $80,000 annually. The establishment and use of a medical assessment facility on Staten Island is expected to increase employee availability, and will also result in significant savings to the railroad.

Toward the attainment of fiscal soundness, LIRR will take measures designed to right-size inventory and employee health and welfare, while introducing new technology to streamline operations. In 2009, the railroad will also evaluate off-peak service and other supporting services to identify savings that are consistent with current service guidelines. LIRR will seek to lower expenses through better management of health and welfare retiree payments.

LIB will achieve savings by budgeting maintenance contracts and material needs in closer accordance with the receipt of new buses and by pursuing cost-reducing electricity conservation initiatives. Future savings will be realized by more efficiently planning the refueling schedules of buses, and by fueling more Paratransit buses at depot pumps.

MTA Bus has realized financial efficiencies by adopting PeopleSoft financial application modules that enable the agency to better identify factors driving expenses and therefore to perform more in-depth expenditure analysis. On the revenue side, the bus company has benefited from the implementation of a new MTA-wide advertising campaign.

MNR will improve revenues by introducing new train service that will not entail significant cost in the short term and that, in the long term, will have the potential to accelerate ridership growth. The railroad will also incorporate Kronos timekeeping at all of its facilities to improve the tracking and reporting of personnel costs; and it will employ GPS technology on its truck fleet to improve deployment, tracking and reporting of personnel and vehicles.

To counter the trend of rising construction costs, MTACC will reduce the scope and complexity of contracts and thus limit the number of subcontractors within a project. Contracts will also stipulate escalation clauses to account for rising materials prices. Additionally, schedules for large scale projects will be adjusted to encourage competition among contractors, and therefore to get more favorable bids on MTA projects.

Institutional Transformation

The most significant MTA initiative toward achieving institutional transformation will be the consolidation of the MTA's bus services. The MTA envisions establishing Regional Bus Operations that will allow its younger bus companies to leverage the resources of its older, more established agencies and to adopt their tried and true best practices. A more collaborative bus system will eliminate silos for greater accountability, will reduce administrative inefficiency and will improve customer service. The MTA Bus Company is partnering with Long Island Bus Company and NYCT's Department of Buses to make this happen.

Another dynamic maneuver toward institutional transformation will be implementation of a shared services business service center (BSC) that will combine select administrative functions for all MTA agencies and will use a single payroll system, as well as other technologies to process back-office transactions. In addition, the MTA Defined Benefit Pension plan, currently administered separately by six different agencies, will be centralized, resulting in significant savings and the elimination of duplicate functions.

Projects and Planning

The MTA looks forward to the development of several large-scale, long-term projects, including East Side Access, the Second Avenue Subway Project, the Fulton Street Transit Center and the No. 7 Line Extension. Construction of the New South Ferry Terminal Station, which has been ongoing for two years, should be complete in 2008. In addition, MTACC continues to implement projects funded from the system-wide security capital program.

Over the next few years, LIRR will be transformed by the East Side Access project, by the Hudson River Yard Development and by Brookfield Overbuild, large-scale projects that alone will transfigure the operational presence of the railroad.

MNR is progressing with the construction of a new train station at Yankee Stadium, which, according to the 2009 Preliminary Budget, should be operational by the spring of 2009. The railroad will provide a combination of shuttle and through service to and from the station on the Harlem, Hudson and New Haven

Lines for Yankee home games, and regular year-round service on the Hudson Line between the stadium and several destinations to the north. MNR also plans to maintain and improve the efficiency of its information communication network by upgrading supporting equipment, increasing its capacity, and installing additional security refinements.

Safety and Security

The MTA will greatly enhance the safety and security of its transportation network by inaugurating an Integrated Electronic Security System (IESS) and its supporting Command, Control, and Communication Centers (C3). The project will be directed by MTACC and will involve several agencies, including NYCT, LIRR, MTA B&T, and the MTA Police Department. The IESS/C3 program will consist of the installation of Closed Circuit TV systems to provide 24/7 recorded visual surveillance of MTA property, access control devices to identify people who are entering our facilities and intrusion detection devices to alert operators of people obtaining unwarranted entry to our properties.

Further progressing toward the goal of safety and security, NYCT will conduct hundreds of audits on construction and maintenance projects and, as part of the initiative to reduce customer slips and falls, will introduce a program of reports to the Chief Station Officers at which such accidents have occurred. NYCT will also perform undercover rides on its buses to ensure safety compliance and will develop a plan to increase the security of its overnight fleet storage.

In the area of Safety and Security, LIRR, too, plans to extend its recent success by devoting substantial resources to such initiatives as the TRACKS Progam and Operation Lifesaver; and more than $30 million has been earmarked in the 2009-2012 Financial Plan for the Platform Gap Mitigation Strategy.

MNR plans significant payroll expenditure on employee training and security, which will improve the safety of the railroad's customers and personnel. In addition, the agency has incorporated resources to support the maintenance and monitoring functions of new security systems in New York and Connecticut; and security services at outlying yard locations will be in place by the end of 2008.

B&T has excelled in the area of employee safety and will continue to carry out initiatives that will help assure the safe passage of its customers. The agency will devote significant resources to identifying collision hot-spots, re-evaluating and modifying traffic patterns in construction zones and improving roadway signage. In addition, B&T will use a combination of new personnel and overtime to better enforce truck weight restrictions on its suspension bridges, and it will maintain a regular facility presence to conduct credential checks.

MTA Headquarters will improve system security by continuing the use of Directed Patrols to increase police visibility and accessibility on board LIRR, MNR and SIRTOA and by deploying K-9 and Emergency Service units in greater force.

To improve the safety and security of its passengers and employees, LIB has upgraded most of its security-related infrastructure, including new perimeter fencing, strategically placed security bollards, and additional and upgraded CCTV systems. Through meetings and written communications, the workforce is frequently reminded and updated about personal, workplace and customer safety.

Sustainability

The MTA has intensified its focus on environmental issues by convening a Blue Ribbon Commission on Sustainability. Working with liaisons from the MTA agencies, the 21-member commission has developed sustainability benchmarks and goals in five key areas: Energy and Carbon, Facilities, Materials Flow, Water Management, and Smart Growth/Transit-Oriented Development (TOD). The Commission's Master Plan and Final Report will be issued at the end of 2008.

The agencies of the MTA, in accordance with the Blue Ribbon Commission, have decided to help structure Transit-Oriented Development projects (TODs) in several nearby communities. The goal is to cluster residential and commercial development—green development—within walking distance of mass transit, and thereby reduce the amount of energy our region consumes. Toward this end, MNR has issued a Request for Expressions of Interest (RFEI), inviting developers at its Beacon Station in Dutchess County to transform 18 acres into a self-sustaining, mixed-use project that will link downtown Beacon to a planned reclaimed riverfront. The RFEI design guidelines incorporate public use components identified in the Station Master Plan, including a parking garage with landscaped rooftop "garden" elements, an inter-modal plaza that's safe and attractive and an expanded and improved train station. A TOD is also underway in Westchester's village of Harrison, where MNR has recently held a public Open House to discuss Smart Growth plans for a downtown revitalization project. The project's goals are to improve MNR station access and increase downtown parking capacity, and to design a downtown business district that has a distinctive character, high quality urban and architectural design, and pedestrian and urban amenities.

As part of the effort toward sustainability, NYCT will complete the testing of cleaner biodiesel bus fuels at its West Farms and College Point Depots, and upon successful completion, will roll out the evaluation program at all depots. NYCT will also expand its recycling programs by identifying viable recycling outlets and procuring the necessary tools and equipment; and the agency will implement an eco-driving program that aims to minimize fuel consumption.

LIRR will dedicate funding toward environmentally friendly cleaning products and will advance its effort to achieve a light duty vehicle fleet that is 100 percent hybrid by 2011. LIRR is also working with Deer Park, Bayshore and Farmingdale on planning Transit- Oriented Developments (TODs).

LIB, which operates the largest 100% Clean Fuel Compressed Natural Gas (CNG) fleet in the eastern USA, will apply its 2009 CNG tax credit to offset its projected CNG fuel expenses; and the bus company plans other savings in 2009 from electricity conservation initiatives. MTA Bus and NYCT Bus are also qualifying for these credits.

MTA Bus has already introduced 284 new hybrid electric buses for local service, and an option for an additional 105 new hybrids has been exercised. Deliveries will begin in early 2009.

MTACC projects will include several provisions to save energy. One such measure is the installation of platform edge doors in the No. 7 Line Extension, which will separate the cooler station air from the warmer tunnel air. Other energy-saving ideas include stations that are designed for maximum day lighting, demand-controlled escalators, LED lighting in tunnels and use of an aluminum third rail, which has less electrical resistance than steel.

B&T has also made significant progress toward environmental sustainability by expanding its use of LED aviation obstruction lighting on bridges, by converting to bio-fuels for heating, by increasing its inventory of alternative fuel and hybrid vehicles, and by switching to “green” cleaners for tunnel washing and booth cleaning. Other B&T initiatives are now in various stages of implementation, including “green” improvement plans for all administrative buildings.

Workforce Development

The MTA will heed the recommendations of the Blue Ribbon Panel on Workforce Development, which suggested addressing organizational culture, workforce development, succession planning, employee availability, and labor-management relations. MTAHQ’s Organizational Development and Training Division, which now reports directly to the MTA Headquarters Chief of Staff, has been tasked with insuring that all MTA agencies are working to address issues raised in each of these areas. In addition to extending more opportunities to recognize the workforce, increasing communication through letters, and offering more training, focus groups and newsletters, some examples of relevant initiatives underway are described below.

To improve Employee/Management relations, NYCT will sponsor four bus operator action committee meetings and provide employee quality-of-life improvements at DOB facilities. NYCT has also established four labor management committees to address issues regarding wellness, health benefits, employee availability and medical. Over 9,000 transit employees from its Maintenance of Way (MOW) and Rapid Transit Operations (RTO) divisions attended track safety training at safety stand downs in 2008. The agency will also focus effort on identifying anticipated retirements within senior ranks so that it is better able to devise and communicate plans for succession.

In anticipation of significant employee turnover, MNR will increase staff between 2009 and 2012 to administer employee training. The Mid-Year Forecast for 2008 also provided for a Learning Management System that will allow employees electronic access to the railroad’s training programs.

MTAHQ, in collaboration with all of the agencies, will develop a Talent Management Strategy to be implemented MTA-wide. This Talent Management Strategy will identify and develop candidates for senior-level positions to ensure the continuity of managerial expertise and leadership skills in the organization. This is a growing concern at the MTA in light of the increasing number of baby boomers eligible to retire within the next three to five years. Efforts are also focuses on increasing training throughout the organization.

B&T is working with MTAHQ and other MTA agencies on several workforce development task forces and sub-committees. Among the initiatives being undertaken this year is a new management training program for maintenance personnel, a new Leadership Academy Program for mid-level managers, and the standardization of maintenance worker work rules.

Utilization
(Revenue, Ridership, Vehicle Traffic)

UTILIZATION

2008 Ridership, Traffic and Revenue

The 2008 Mid-Year Forecast for MTA consolidated ridership is projected to total 2,669 million passengers, while crossings at Bridges and Tunnels (B&T) facilities are projected to total 296 million vehicular crossings. New York City Transit (NYCT) combined subway and bus ridership for the 2008 Mid-Year Forecast accounts for 88% of MTA consolidated ridership, while ridership for Long Island Rail Road (LIRR) and Metro-North Railroad's (MNR) East-of-Hudson operations each account for 3%. MTA Bus Company (MTABC) ridership accounts for 4% of MTA consolidated ridership. Staten Island Railway (SIR) ridership is estimated to be 4 million (0.2% of MTA ridership) and Long Island Bus (LIB) fixed route ridership is estimated to be 33 million (1% of MTA ridership).

MTA consolidated farebox revenue for the 2008 Mid-Year Forecast is estimated to be $4,143 million, and toll revenue is estimated to be $1,276 million. NYCT combined subway and bus farebox revenue for the 2008 Mid-Year Forecast is expected be $2,941 million, while LIRR is projecting $502 million in farebox revenue and MNR is projecting $504 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be $4 million, LIB fixed route farebox revenue is estimated to be $41 million, and MTABC farebox revenue is expected to be $151 million.

2008 Mid-Year Forecasts are based on actual results through May 2008 for B&T and through April 2008 for NYCT, LIRR, MNR, MTABC, LIB and SIR.

The 2008 Mid-Year Forecasts reflect cancellation and delays in several service enhancements that were expected to have an impact on utilization levels for NYCT and MNR. For NYCT, plans to increase hours of operation and extend service several bus routes was cancelled, as was additional weekday evening and weekend frequency on the 'G' subway line and plans to extend weekend 'M' subway service into Manhattan. Takeover of X23/24 service from a private carrier, expected to begin in 2008, has been delayed until 2010. These changes reduce NYCT – and MTA consolidated ridership and farebox revenue by 1 million trips and $2 million in 2008.

Utilization impacts from MNR and LIRR service enhancements have also been removed from the baseline projections for the 2008 Mid-Year Forecast, totaling 0.1 million trips and $1.2 million in farebox revenue for 2008.

The 2008 Mid-Year Forecast for MTA consolidated ridership is projected to increase by 58 million trips – a 2% increase – over 2007 MTA consolidated ridership. MTA ridership for the 2008 Mid-Year Forecast is expected to increase on all MTA operations from 2007 levels. Conversely, the 2008 Mid-Year Forecast for traffic at B&T facilities is expected to decline by 8 million crossings, a decrease of 3% over the 2007 traffic level. The 2008 Mid-Year Forecast for farebox revenue is projected to increase by $202 million, a 5% increase, and is projected to be higher for each MTA agency. B&T toll revenue is expected to be $26 million greater than 2007 toll revenue, a 2% increase.

Year to year increases in farebox and toll revenue reflect fare and toll increases that went into effect in March 2008. Fares for NYCT, SIR, LIB and MTABC changed on March 2. The $2 cash, single ride ticket and regular Pay-Per-Ride fares did not change, but the Bonus Pay-Per-Ride MetroCard changed from a 20% bonus with a minimum purchase of $10 to a 15% bonus with a minimum purchase of $7. The prices of Unlimited Ride MetroCards also increased: the 1-Day Fun Pass increased from $7 to $7.50; the 7-Day Unlimited Ride MetroCard increased from $24 to $25, and; the 30-Day Unlimited Ride MetroCard increased from $76 to $81. The existing $41 price of the 7-Day Express Bus Plus Unlimited MetroCard was unchanged. In addition, a 14-Day Unlimited Ride MetroCard priced at $47 was introduced.

Fare changes for LIRR and MNR became effective on March 1, with prices of one-way, ten-trip, weekly and monthly tickets increasing to yield a 3.85% average change in ticket prices. City Ticket fares increased from $3 to $3.25, and the 5% Mail & Ride fare discount on the commuter railroad portion of the joint Monthly Commutation/Monthly Unlimited Ride MetroCard was retained.

B&T facility tolls increased on March 16. Cash tolls for passenger vehicles on major facilities and the Henry Hudson Bridge rose by 50 cents (and by $1 for the one-way cash toll on the Verrazano-Narrows Bridge), and by 25 cents at the Rockaway facilities. Cash tolls for trucks also increased, depending on the number of vehicle axles, while trucks using E-ZPass now receive a 25% discount from the cash toll, an increase from the former 20% discount.

Ridership increases are also the result of New York City employment levels that, despite news reports of national and regional economic slowdowns, were higher during the first five months of 2008 relative to 2007. These year-over-year improvements in employment levels are not expected to continue during the remainder of 2008, as evident by the recent flattening of seasonally adjusted NYC employment levels. Ridership levels have also benefited from gasoline prices, which have adversely affected B&T vehicular traffic levels. According to the Automobile Association of America's fuel gauge report, the average price per gallon for regular grade gasoline in NYC has increased about 35% during the past twelve months, and up almost 30% just since January. These spikes have made automobile travel significantly more expensive, and traffic at B&T crossings has declined as vehicle usage has been reduced.

MTA consolidated ridership for the 2008 Mid-Year Forecast is expected to surpass the 2008 Adopted Budget projection by 23 million trips, a 1% increase, with all MTA agencies projecting increases in 2008 ridership relative to the Adopted Budget ridership levels. At B&T facilities, the Mid-Year Forecast projects 6 million fewer vehicular crossings, a 2% decrease, over the Adopted Budget forecast.

MTA consolidated farebox revenue in the 2008 Mid-Year Forecast is projected to improve by $31 million from the 2008 Adopted Budget, a 1% increase, reflecting higher farebox revenue projections relative to the 2008 Adopted Budget for all MTA agencies. The 2008 Mid-Year Forecast for B&T toll revenue is projected to be $26 million lower, a 2% decline, over the Adopted Budget forecast.

The decline in vehicular traffic and toll revenue at B&T facilities, compared with the Adopted Budget, is due to changes in travel as the price of gasoline has continued to rise. Compared with 2007, B&T traffic has fallen dramatically during the first five months of 2008, and the drop has grown each month. January 2008 traffic was 1.4% less than traffic in January 2007, and by May the drop-off had grown to 4.6% compared with May 2007.

The opposite is true for the other MTA agencies. Utilization improvements over the 2008 Adopted Budget levels reflect year-to-date ridership improvements and are at least in some part due to commutation shifts spurred by high prices for gasoline. It is expected that this trend will continue for the remainder of the year.

While overall NYCT Mid-Year Forecast estimates for ridership and farebox revenue are higher than projections in the Adopted Budget, the updated forecast reflects greater than expected Subway ridership and lower than expected Bus ridership trends during the first four months of 2008. These trends – 1% above budget for Subway ridership and 0.2% below budget for Bus ridership – are projected to continue for the remainder of 2008. Subway ridership in the Mid-Year Forecast is projected to be 17 million greater than the Adopted Budget forecast, while Bus ridership in the Mid-Year Forecast is estimated to be 2 million less than the Adopted Budget level. Farebox revenue has similarly changed as a result of the ridership re-estimates, with Subway farebox revenue increasing $16 million over the Adopted Budget level and Bus farebox revenue projected to be $8 million lower than the Adopted Budget forecast.

Plan to Plan changes in utilization result in slightly lower average fares for NYCT customers. Over the Plan period, the baseline Non-Student average fare – the average fare for all riders except those using student passes – is expected to be $1.34 per trip, unchanged from the February Plan. The “Regular Rider” average fare – this average fare excludes utilization for students, express bus riders and those using senior/disabled fares – is expected to decline half of one cent from the February Plan, to $1.36.

LIRR’s Mid-Year Forecast anticipates modest growth in ridership relative to the Adopted Budget, totaling 0.5 million additional trips for the year, a 1% increase, and $4 million in additional farebox revenue, up 1% from the Adopted Budget level. MNR ridership is projected to surpass the Adopted Budget forecast by 2 million trips, a 2% improvement, and by $11 million in farebox revenue, 2% greater than the Adopted Budget forecast.

The ridership forecast for MTA Bus has been increased by 6 million, a 5% improvement, and by $7 million, a 5% increase, over the Adopted Budget ridership and farebox revenue levels. LIB is projecting an additional 0.3 million passengers over the Adopted

Budget level, a 1.0% improvement, and increased farebox revenue of $0.4 million, a 1.0% increase over the Adopted Budget level. SIR is projecting an additional 0.4 million riders, a 9% improvement, and an additional $0.5 million, a 12% increase, over the Adopted Budget levels.

2009 Ridership, Traffic and Revenue

The 2009 forecast for MTA consolidated ridership is projected to total 2,667 million passengers, while crossings at B&T facilities are projected to total 295 million vehicular crossings. NYCT combined subway and bus ridership is expected to be 2,340 million, while LIRR is projecting 87 million passengers and MNR is projecting 82 million passengers for its East-of-Hudson operations. SIR ridership is estimated to be 5 million, LIB fixed route ridership is estimated to be 33 million, and MTABC ridership is expected to be 120 million.

MTA consolidated farebox revenue for 2009 is estimated to be $4,170 million, and toll revenue is estimated to be $1,281 million. NYCT combined subway and bus farebox revenue is expected be $2,953 million, while LIRR is projecting $505 million in farebox revenue and MNR is projecting $511 million in farebox revenue for its East-of-Hudson operations. SIR farebox revenue is estimated to be $5 million, LIB fixed route farebox revenue is estimated to be $41 million, and MTABC farebox revenue is expected to be $155 million.

Cancellation and delay of service enhancements reduce NYCT utilization by 3 million trips and $5 million in farebox revenue during 2009, relative to the February Financial Plan. Removal of the utilization impacts from MNR and LIRR service enhancements have also reduces the baseline projections in 2009 by 0.2 million trips and $1.5 million in farebox revenue.

MTA ridership and traffic trends from the 2008 Mid-Year Forecast to 2009 show mixed results, as do fare and toll revenue changes. Year to year, MTA consolidated ridership is down 2 million trips, a 0.1% decline, while B&T traffic is down 1 million vehicular crossings, a 0.4% decline. NYCT ridership is projected to decline from 2008 by 7 million trips, a 0.3% decline, and LIRR ridership is also expected to drop, declining by 100 thousand trips, a 0.1% decline, over 2008. Modest ridership increases are projected for MNR (700 thousand; 0.9%), LIB (300 thousand; 1%), and SIR (200 thousand; 5.3%). MTABC ridership is projected to grow by 3.5 million trips, a 3% increase.

Farebox revenue is projected to increase $27 million over 2008, a 0.6% increase, and toll revenue is forecast to increase by $5 million, a 0.4% increase. All MTA Agencies are expected to see farebox revenue increase from 2008 to 2009; despite forecasts for lower B&T traffic and ridership for NYCT and LIRR in 2009, the fully annualized impact of the March 2008 fare and toll increases are expected to yield year-over-year farebox and toll revenue increases for these operations.

MTA consolidated ridership for 2009 in the July Plan is expected to fall short of the February Plan projection by 4 million trips, a decrease of 0.2%. At B&T facilities, the July Plan for 2009 reflects 6 million fewer vehicular crossings, a 2% decrease, over the February Plan forecast. MTA consolidated farebox revenue for 2009 in the July Plan is forecast to be lower than projections in the February Plan by $14 million, a 0.3% decrease. B&T toll revenue for 2009 is projected to be $28 million, or 2%, below the February Plan forecast.

MTA agency forecasts for ridership and farebox revenue reflect the growth trends that are impacting the 2008 Mid-Year Forecast, primarily due to increased demand for public transportation in light of high gasoline prices. These same external variables continue to adversely affect B&T vehicular traffic and toll revenue in 2009. Also affecting 2009 utilization forecasts for all MTA agencies is the slowdown in the national and regional economies, which are expected to impact employment levels, particularly in New York City. For 2009, utilization forecasts assume NYC employment will remain unchanged from 2008, a more pessimistic projection than the one prepared by Global Insight in April 2008. Global Insight's forecast for 2009 projected NYC employment to grow by 0.6% over the 2008 employment level. However, with many firms – particularly those in the financial services area – announcing layoffs and poor corporate earnings, MTA has chosen a more conservative forecast.

2010 – 2012 Ridership, Traffic and Revenue

MTA consolidated ridership and vehicle crossings, along with both farebox and toll revenue, are expected to modestly increase in 2010 over 2009 levels. Consolidated ridership is projected to reach 2,693 million passengers, up 1%, while farebox revenue is estimated to reach $4,216 million, an increase of 0.1%. B&T vehicle crossings are projected to be 296 million, a 0.3% annual increase, and toll revenue is estimated to increase to $1,283 million, up 0.1%.

MTA consolidated ridership and vehicle crossing levels are expected to increase in 2011 and 2012, with consolidated ridership reaching 2,749 million in 2012, increasing by 1.1% in 2011 and by 0.9% in 2012. Vehicular crossings at B&T facilities are projected to reach 298 million in 2012, increasing by 0.4% in 2011 and by 0.5% in 2012. Consolidated farebox revenue is expected to reach $4,315 million in 2012, up 1.2% in 2011 and 1.1% in 2012, while B&T toll revenue is projected to reach $1,291 million by 2012, up 0.3% in 2011 and up 0.4% in 2012.

Compared with the February Plan, MTA consolidated ridership is projected to be 0.1% lower in 2010, followed by modest improvements of 0.1% in 2011 and 0.2% in 2012. The July Plan forecast for traffic at B&T facilities falls short of the February Plan forecast, down 2% each year. NYCT ridership is forecast to fall short of the February Plan by 0.3% in 2010 and by 0.1% in 2011, and outpace the February Plan by 0.1% in 2012. The July Plan for LIRR ridership falls of projections in the February Plan by 0.4% each year. Ridership projections in the July Plan outpace projections in the February

Plan for MNR (0.6% in 2010; 0.7% in 2011; 0.8% in 2012); MTABC (3.4%; 2.4%; 1.4% in 2012), SIR (8.8%; 8.7%; 9.2% in 2012), and; LIB (1.5% each year).

Plan-to-plan changes in farebox and toll revenue are similar to the ridership and traffic changes. MTA consolidated farebox revenue is expected to be 0.3% and 0.1% below the February Plan level in 2010 and 2011, respectively, followed by a 0.1% improvement over the February Plan in 2012. B&T toll revenue is projected to fall short of the February Plan forecasts by 2% each year. NYCT farebox revenue is forecast to fall short of the February Plan by 0.7% in 2010, 0.4% in 2011 and 0.2% in 2012. The July Plan for LIRR farebox revenue falls of projections in the February Plan by 0.2% each year. Farebox revenue projections in the July Plan outpace projections in the February Plan for MNR (0.5% in 2010; 0.4% in 2011; 0.8% in 2012); MTABC (4.4%; 4.3%; 3.3% in 2012), SIR (12.3%; 12.3%; 12.8% in 2012), and; LIB (1% each year).

MTA Consolidated Utilization

Plan-to-Plan Comparison

Baseline Before Gap-Closing Actions (in millions)

	July Financial Plan				
	2008 Mid-Year Forecast	2009	2010	2011	2012
Traffic					
Bridges & Tunnels	296.0	294.8	295.6	296.8	298.4
Ridership					
Long Island Bus [1]	32.8	33.1	33.3	33.5	33.6
Long Island Rail Road	87.2	87.1	87.8	88.5	89.4
Metro-North Railroad [2]	81.4	82.1	83.7	85.7	87.5
MTA Bus Company	116.5	120.0	123.6	127.3	131.1
New York City Transit [1, 3]	2,346.8	2,340.0	2,359.5	2,383.4	2,402.3
Staten Island Railway	4.4	4.7	4.9	5.0	5.0
Total Ridership	*2,669.1*	*2,667.0*	*2,692.9*	*2,723.3*	*2,749.1*

	February Financial Plan				
	2008 Adopted Budget	2009	2010	2011	2012
Traffic					
Bridges & Tunnels	302.2	301.2	302.0	303.3	304.6
Ridership					
Long Island Bus [1]	32.5	32.6	32.8	33.0	33.1
Long Island Rail Road	86.7	87.5	88.2	88.8	89.8
Metro-North Railroad [2]	79.7	81.4	83.2	85.1	86.8
MTA Bus Company	110.7	115.1	119.5	124.3	129.2
New York City Transit [1, 3]	2,332.5	2,350.1	2,367.8	2,386.0	2,399.3
Staten Island Railway	4.0	4.5	4.5	4.6	4.6
Total Ridership	*2,646.1*	*2,671.2*	*2,696.0*	*2,721.7*	*2,742.8*

	Plan-to-Plan Changes: Favorable / (Unfavorable)				
	2008	2009	2010	2011	2012
Traffic					
Bridges & Tunnels	(6.3)	(6.4)	(6.5)	(6.4)	(6.2)
Ridership					
Long Island Bus [1]	0.3	0.5	0.5	0.5	0.5
Long Island Rail Road	0.5	(0.3)	(0.3)	(0.3)	(0.3)
Metro-North Railroad [2]	1.7	0.8	0.5	0.6	0.7
MTA Bus Company	5.8	4.9	4.1	3.0	1.9
New York City Transit [1, 3]	14.3	(10.1)	(8.3)	(2.6)	3.1
Staten Island Railway	0.4	0.1	0.4	0.4	0.4
Total Ridership	*23.0*	*(4.2)*	*(3.1)*	*1.6*	*6.2*

[1] Excludes Paratransit Operations.

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

[3] Excludes Fare Media Liability.

MTA Consolidated Utilization

Plan-to-Plan Comparison

Baseline Before Gap-Closing Actions (in millions)

	July Financial Plan				
	2008 Mid-Year Forecast	2009	2010	2011	2012
Toll Revenue					
Bridges & Tunnels	$1,276.4	$1,281.1	$1,282.5	$1,286.0	$1,290.8
Fare Revenue					
Long Island Bus [1]	$41.0	$41.4	$41.6	$41.8	$42.0
Long Island Rail Road	501.6	505.2	509.2	513.8	518.4
Metro-North Railroad [2]	504.0	510.7	521.5	533.7	546.0
MTA Bus Company	151.4	154.8	158.2	161.6	165.2
New York City Transit [1,3]	2,940.5	2,952.8	2,980.8	3,012.9	3,038.2
Staten Island Railway	4.4	4.8	5.1	5.2	5.2
Total Farebox Revenue	*$4,142.9*	*$4,169.6*	*$4,216.4*	*$4,269.0*	*$4,315.1*

	February Financial Plan				
	2008 Adopted Budget	2009	2010	2011	2012
Toll Revenue					
Bridges & Tunnels	$1,302.3	$1,308.9	$1,310.5	$1,313.7	$1,317.4
Fare Revenue					
Long Island Bus [1]	$40.6	$41.0	$41.2	$41.4	$41.6
Long Island Rail Road	$498.0	$506.4	$510.4	$515.0	$519.7
Metro-North Railroad [2]	$493.3	$506.6	$519.0	$531.3	$541.8
MTA Bus Company	$144.2	$148.3	$151.5	$155.0	$159.9
New York City Transit [1,3]	$2,931.8	$2,977.1	$3,000.8	$3,025.4	$3,043.2
Staten Island Railway	$3.9	$4.5	$4.6	$4.6	$4.6
Total Farebox Revenue	*$4,111.9*	*$4,183.9*	*$4,227.5*	*$4,272.7*	*$4,310.7*

	Plan-to-Plan Changes: Favorable / (Unfavorable)				
	2008	2009	2010	2011	2012
Toll Revenue					
Bridges & Tunnels	($25.9)	($27.8)	($28.0)	($27.7)	($26.7)
Fare Revenue					
Long Island Bus [1]	$0.4	$0.4	$0.4	$0.4	$0.4
Long Island Rail Road	3.6	(1.2)	(1.2)	(1.2)	(1.3)
Metro-North Railroad [2]	10.7	4.1	2.5	2.3	4.2
MTA Bus Company	7.2	6.4	6.6	6.6	5.3
New York City Transit [1,3]	8.7	(24.3)	(20.0)	(12.5)	(5.0)
Staten Island Railway	0.5	0.2	0.6	0.6	0.6
Total Farebox Revenue	*$31.0*	*($14.3)*	*($11.2)*	*($3.8)*	*$4.3*

[1] Excludes Paratransit Operations.

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

[3] Excludes Fare Media Liability.

Subsidies

SUBSIDIES - Major Assumptions

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

As shown on the following tables, Dedicated Taxes & State and Local Subsidies for the 2008 Mid-Year Forecast total $4.391 billion, on a cash basis, which is $66 million below the 2008 Adopted Budget (February Plan) level. This is mostly due to substantial decreases in the real estate forecast, as well as reduced State appropriation of MMTOA for the MTA. The 2008 Mid-Year Forecast reflects decreases in the gross real estate tax forecast of $201 million, as well as a decrease of $39 million in MMTOA funds due to NYS's late State-wide reductions of aid to localities. This is being offset by a favorable variance for NYCT pension expenses of $117 million, which reflects lump-sum refunds to union employees for prior contributions to the 55/25 pension program. The funds are being transferred from the GASB account to reimburse the NYCERS and MaBSTOA pension plan in 2008.

During the period 2009 to 2012, the July Financial Plan projects that overall Dedicated Taxes and State and Local Subsidies will decrease from the levels projected in the February Plan by $210 in 2009, $331 million in 2010, $345 million in 2011. These decreases are largely due to changes in MRT and Urban Tax forecasts. In addition, beginning in 2009, the plan projects the elimination of AMTAP subsidies to the commuter railroads in the amount of $20 million annually due to declining MRT-1 receipts (See explanation in the State and Local Subsidies Section that follows).

The Plan reflects technical adjustments for certain policy actions that are incorporated as part of the Subsidy baseline projections - Enhanced Security Training ($6 million each year in 2008, 2009 and 2010), anticipated downsizing costs associated with future headcount reductions ($41 million in each year 2009 and 2010), and MTA Bus Debt Service ($25 million in 2008, $23 million in 2009 and $25 million in each year from 2010 through 2012) are funded from the MRT-2 collections. In addition, the plan assumes that the full amount of the cash defeasance loan to TBTA made in 2007 will be repaid to the MTA in 2009.

Gross subsidies include City Subsidy to MTA Bus. This reflects the current agreement with the City that it will cover MTA Bus' expenses. The City subsidy covers the operating deficit for MTA Bus. MMTOA, 18-b and Urban Taxes, that are designated for the former private buses subsidized by the City, are paid directly to the City and used by the City to partially fund MTA Bus.

MTA Consolidated Subsidies
July Financial Plan 2009 - 2012
Accrual Basis
($ in millions)

	2007 Actual	2008 Adopted Budget	2009	2010	2011	2012
Subsidies						
Dedicated Taxes						
Metro. Mass Transp. Oper. Asst. (MMTOA)	$1,570.8	$1,706.2	$1,585.4	$1,594.3	$1,639.1	$1,701.4
Petroleum Business Tax (PBT) Receipts	601.5	627.6	638.6	644.1	646.6	649.1
Mortgage Recording Tax (MRT)	686.9	482.7	461.5	457.4	470.5	477.9
MRT Transfer to Suburban Counties	(32.9)	(8.3)	(7.6)	(7.5)	(7.8)	(8.1)
Use of MRT Balances	(30.1)	45.0	10.0	0.0	0.0	0.0
Carryover Balances	0.0	0.0	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Interest	23.4	8.2	8.2	8.3	8.3	8.4
Urban Tax	893.7	554.2	483.1	472.7	486.7	518.9
Investment Income	2.3	2.3	2.4	2.4	2.5	2.5
	$3,699.1	**$3,401.3**	**$3,165.2**	**$3,155.2**	**$3,229.4**	**$3,333.6**
State and Local Subsidies						
State Operating Assistance	$190.9	$190.9	$190.9	$190.9	$190.9	$190.9
Local Operating Assistance	187.9	187.9	187.9	187.9	187.9	187.9
Nassau County Subsidy	10.8	10.5	10.5	10.5	10.5	10.5
CDOT Subsidy	63.9	73.2	86.9	97.0	112.6	121.4
Station Maintenance	141.6	144.0	146.9	149.8	152.8	156.0
AMTAP	20.0	0.0	0.0	0.0	0.0	0.0
	$615.1	**$606.5**	**$623.2**	**$636.1**	**$654.7**	**$666.7**
Sub-total Dedicated Taxes & State and Local Subsidies	**$4,314.2**	**$4,007.8**	**$3,788.4**	**$3,791.3**	**$3,884.1**	**$4,000.3**
City Subsidy for MTA Bus	$245.0	$251.9	$262.4	$268.9	$276.9	$286.8
Total Dedicated Taxes & State and Local Subsidies	**$4,559.2**	**$4,259.7**	**$4,050.8**	**$4,060.2**	**$4,161.0**	**$4,287.1**
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	$406.4	$327.6	$273.5	$247.1	$234.4	$210.5
MTA Subsidy to Subsidiaries	41.8	40.9	42.7	38.3	39.5	40.5
	$448.2	**$368.5**	**$316.2**	**$285.3**	**$273.9**	**$251.1**
GROSS SUBSIDIES	**$5,007.4**	**$4,628.2**	**$4,367.0**	**$4,345.5**	**$4,434.8**	**$4,538.2**

MTA Consolidated Subsidies
July Financial Plan 2009 - 2012
Summary of Changes Between July Plan and February Plan
Accrual Basis
($ in millions)

	2007	2008	2009	2010	2011
Subsidies					
Dedicated Taxes					
Metro. Mass Transp. Oper. Asst. (MMTOA)	$0.0	($38.5)	($9.2)	($64.2)	($94.9)
Petroleum Business Tax (PBT) Receipts[1]	(7.1)	(1.9)	(10.2)	(21.3)	(28.8)
Mortgage Recording Tax (MRT)	(3.9)	(95.7)	(135.9)	(153.6)	(153.1)
MRT Transfer to Suburban Counties	10.9	7.3	6.8	4.6	4.1
Use of MRT Balances	(40.1)	35.0	0.0	0.0	0.0
Carryover Balances	3.8	0.0	0.0	0.0	0.0
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0	0.0
Interest	21.9	6.6	6.6	6.6	6.6
Urban Tax	45.4	(108.6)	(109.8)	(130.3)	(153.1)
Investment Income	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
	$30.7	($196.0)	($251.8)	($358.4)	($419.5)
State and Local Subsidies					
State Operating Assistance	$0.0	($0.0)	$0.0	$0.0	$0.0
Local Operating Assistance	0.0	0.0	0.0	0.0	0.0
Nassau County Subsidy	0.3	0.0	0.0	0.0	0.0
CDOT Subsidy - Effect of Fare Increase & PEGs	(2.3)	(1.1)	4.3	(1.8)	1.6
Station Maintenance	2.2	1.6	1.5	1.4	1.3
AMTAP	0.0	0.0	0.0	0.0	(0.2)
	$0.3	$0.5	$5.9	($0.4)	$2.6
Sub-total Dedicated Taxes & State and Local Subsidies	**$31.0**	**($195.5)**	**($245.9)**	**($358.8)**	**($416.8)**
City Subsidy for MTA Bus	$13.0	$3.8	$5.8	$3.8	$2.3
Total Dedicated Taxes & State and Local Subsidies	**$44.0**	**($191.7)**	**($240.1)**	**($355.0)**	**($414.5)**
Inter-agency Subsidy Transactions					
B&T Operating Surplus Transfer	$24.9	($44.5)	($94.9)	($71.8)	($68.9)
MTA Subsidy to Subsidiaries	0.3	(0.3)	(0.0)	(0.7)	(0.7)
	$25.2	($44.8)	($94.9)	($72.5)	($69.6)
GROSS SUBSIDIES	**$69.3**	**($236.6)**	**($335.0)**	**($427.5)**	**($484.2)**

MTA Consolidated Subsidies
July Financial Plan 2009 - 2012
Cash Basis
($ in millions)

	2007 Actual	2008 Mid-Year Forecast	2009 Preliminary Budget	2010	2011	2012
Subsidies						
Dedicated Taxes						
Metro. Mass Transp. Oper. Asst. (MMTOA)	$1,622.2	$1,706.2	$1,585.4	$1,594.3	$1,639.1	$1,701.4
Petroleum Business Tax (PBT) Receipts	611.1	626.6	638.1	643.8	646.4	648.9
Mortgage Recording Tax (MRT)	703.5	484.6	462.0	456.3	469.9	477.1
MRT Transfer to Suburban Counties	(36.4)	(12.2)	(8.3)	(7.6)	(7.5)	(7.8)
Use of MRT Balances	10.0	10.0	10.0	0.0	0.0	0.0
Carry Over/Adjustments	(5.0)	19.2	0.0	0.0	0.0	0.0
OPEB	0.0	0.0	61.2	64.2	67.1	70.2
Reimburse Agency Security Costs	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Downsizing	3.6	0.0	(40.5)	(40.5)	0.0	0.0
Enhanced Security Training	(6.2)	(6.2)	(6.2)	(6.2)	0.0	0.0
Service Marketing Campaign	(5.0)	5.0	0.0	0.0	0.0	0.0
MTA Bus Debt Service	(26.6)	(24.6)	(23.2)	(24.9)	(24.9)	(24.9)
Cash Defeasance Loan for TBTA	(90.8)	0.0	90.8	0.0	0.0	0.0
Other Outstanding 2007 Loans	36.9	0.0	0.0	0.0	0.0	0.0
Interest	23.4	8.2	8.2	8.3	8.3	8.4
Urban Tax	883.1	560.5	484.1	471.6	483.9	516.8
Investment Income	2.3	2.3	2.4	2.4	2.5	2.5
	$3,709.4	$3,363.1	$3,247.6	$3,145.3	$3,268.3	$3,376.2
State and Local Subsidies						
State Operating Assistance	$190.9	$190.9	$190.9	$190.9	$190.9	$190.9
Local Operating Assistance (18-b)	187.9	187.9	187.9	187.9	187.9	187.9
Nassau County Subsidy (includes 18-b local match)	10.8	10.5	10.5	10.5	10.5	10.5
CDOT Subsidy	61.2	73.2	86.9	97.0	112.6	121.4
Station Maintenance	138.5	141.9	144.7	147.7	150.5	153.6
AMTAP	20.0	19.6	0.0	0.0	0.0	0.0
	$609.2	$624.0	$621.0	$634.0	$652.4	$664.3
Other Subsidy Adjustments						
South Ferry	(35.0)	0.0	0.0	0.0	0.0	0.0
55/25 Pension Funding	0.0	117.4	0.0	0.0	0.0	0.0
Fulton Street/# 1 Train - Port Authority	(56.0)	(50.0)	(50.0)	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	0.0	(12.0)	(11.5)	(11.5)	(11.5)	(11.5)
Energy Hedging Strategy	(150.0)	79.0	83.0	0.0	0.0	0.0
Pension Pre-Payment	(91.0)	0.0	0.0	0.0	0.0	0.0
	($332.0)	$134.4	$21.5	($11.5)	($11.5)	($11.5)
Sub-total Dedicated Taxes & State and Local Subsidies	**$3,986.6**	**$4,121.5**	**$3,890.0**	**$3,767.8**	**$3,909.3**	**$4,029.0**
City Subsidy for MTA Bus	$185.0	$269.9	$260.7	$267.8	$275.5	$285.2
Total Dedicated Taxes & State and Local Subsidies	**$4,171.6**	**$4,391.4**	**$4,150.7**	**$4,035.6**	**$4,184.8**	**$4,314.2**
Inter-agency Subsidy Transactions						
B&T Operating Surplus Transfer	$406.3	$341.2	$279.0	$249.7	$235.6	$212.9
MTA Subsidy to Subsidiaries	39.8	40.9	42.7	38.3	39.5	40.5
	$446.2	$382.1	$321.6	$288.0	$275.1	$253.4
GROSS SUBSIDIES	**$4,617.8**	**$4,773.5**	**$4,472.3**	**$4,323.5**	**$4,459.9**	**$4,567.6**

MTA Consolidated Subsidies
July Financial Plan 2009 - 2012
Summary of Changes Between July Plan and February Plan
Cash Basis
($ in millions)

	2007	2008	2009	2010	2011
Subsidies					
Dedicated Taxes					
Metro. Mass Transp. Oper. Asst. (MMTOA)	1.3	(38.5)	(9.2)	(64.2)	(94.9)
Petroleum Business Tax (PBT) Receipts	3.8	(2.4)	(10.5)	(21.3)	(29.0)
Mortgage Recording Tax (MRT)	1.2	(92.2)	(134.3)	(153.8)	(151.4)
MRT Transfer to Suburban Counties	0.0	22.2	23.7	24.1	24.7
Use of MRT Balances	0.0	0.0	0.0	0.0	0.0
Carry Over/Adjustments	(47.1)	19.2	0.0	0.0	0.0
OPEB	0.0	0.0	61.2	64.2	67.1
Reimburse Agency Security Costs	0.0	0.0	0.0	0.0	0.0
Downsizing	3.6	0.0	(40.5)	(40.5)	0.0
Enhanced Security Training	0.0	0.0	0.0	0.0	0.0
Service Marketing Campaign	0.0	0.0	0.0	0.0	0.0
MTA Bus Debt Service	0.0	0.0	0.0	0.0	0.0
Cash Defeasance Loan for TBTA	0.0	(11.5)	11.5	0.0	0.0
Other Outstanding 2007 Loans	0.0	0.0	0.0	0.0	0.0
Interest	21.9	6.6	6.6	6.6	6.6
Urban Tax	21.6	(108.7)	(108.1)	(128.2)	(153.4)
Investment Income	(0.2)	(0.2)	(0.2)	(0.2)	(0.2)
	$6.2	**($205.5)**	**($199.6)**	**($313.3)**	**($330.4)**
State and Local Subsidies					
State Operating Assistance	0.0	(0.0)	0.0	0.0	0.0
Local Operating Assistance (18-b)	0.0	0.0	0.0	0.0	0.0
Nassau County Subsidy (includes 18-b local match)	0.3	0.0	0.0	0.0	0.0
CDOT Subsidy - Effect of Fare Increase & PEGs	(5.0)	(1.1)	4.3	(1.8)	1.6
Station Maintenance	1.3	1.8	1.6	1.5	1.3
AMTAP	0.0	(0.4)	(20.0)	(20.0)	(20.0)
	($3.5)	**$0.3**	**($14.1)**	**($20.2)**	**($17.2)**
Other Subsidy Adjustments					
South Ferry	0.0	0.0	0.0	0.0	0.0
55/25 Pension Funding	0.0	117.4	0.0	0.0	0.0
Fulton Street/# 1 Train - Port Authority	0.0	0.0	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	0.0	0.0	0.0	0.0	0.0
Energy Hedging Strategy	0.0	0.0	0.0	0.0	0.0
Pension Pre-Payment	0.0	0.0	0.0	0.0	0.0
	$0.0	**$117.4**	**$0.0**	**$0.0**	**$0.0**
Sub-total Dedicated Taxes & State and Local Subsidies	**$2.7**	**($87.8)**	**($213.7)**	**($333.5)**	**($347.6)**
City Subsidy for MTA Bus	(47.0)	21.8	4.0	2.7	1.0
Total Dedicated Taxes & State and Local Subsidies	**($44.3)**	**($66.0)**	**($209.7)**	**($330.8)**	**($346.6)**
Inter-agency Subsidy Transactions					
B&T Operating Surplus Transfer	16.7	(31.9)	(89.9)	(74.1)	(69.2)
MTA Subsidy to Subsidiaries	(1.6)	(0.3)	(0.0)	(0.7)	(0.7)
	$15.1	**($32.2)**	**($89.9)**	**($74.8)**	**($69.9)**
GROSS SUBSIDIES	**($29.1)**	**($98.2)**	**($299.6)**	**($405.6)**	**($416.5)**

METROPOLITAN MASS TRANSPORTATION OPERATING ASSISTANCE (MMTOA)

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

Total Statewide MMTOA taxes for 2008 are estimated at $1,926.4 million, of which $1,861.6 million is allotted for Downstate transit properties. Of the Downstate allotment, $189.5 million is earmarked to fund the State's 18-b obligations. The percentage allocation of the Downstate share for NYCT/SIR represents 60.0% and the percentage allocation to the commuter railroads represent 27.3%. These shares are slightly lower than the February Plan levels based on the amounts appropriated in NYS's 2008-09 Enacted Budget. A portion was also allotted to Long Island Bus, MTA Bus and other downstate transportation properties.

2008 Mid-Year Forecast

The 2008 Mid-Year Forecast reflects New York State Enacted Budget appropriation for MTA's MMTOA of $1,706.2 million, which is $38.5 million below the February Plan level due to NYS's late State-wide reductions of aid to localities. The forecast also reflects an increase of $135.4 million over the 2007 appropriation. Of the total estimated MMTOA cash receipts, $1,102.2 million is appropriated for NYCT/SIR, $549.2 million for the commuter railroads, and $54.8 million for Long Island Bus. These amounts reflect the NY State Enacted Budget appropriation for MTA.

Overall gross receipts in the NYS' MMTOA account are slightly lower than the February Plan forecast due to lower Corporate Surcharge revenues attributable to a slowing economy.

In 2008, the State will fund $189.5 million in 18-b obligations from MMTOA, which is $3.0 million higher than the February Plan estimate. The February Plan assumed that the 18-b funding would remain at 2007 level.

In 2008, the percentage allocation of MTA's share of Downstate MMTOA is derived from the actual amounts appropriated by the State.

The July Plan continues the February Plan assumption that $100.0 million of NYCT's MMTOA appropriation would be paid in two equal payments of $50.0 million in 2008 and 2009, as part of the State's support for MTA projects in areas devastated by the World Trade Center Disaster. The 2008 and 2009 plan assumes $50.0 million each year would be used for the #1 train underpinning project in collaboration with the Port Authority of New York and New Jersey.

2009

For 2009, total MTA MMTOA is estimated to be $1,585.4 million, which is $9.1 million lower than the February Plan level, and reflects NYS' reforecast of revenues. Of the total, $1,021.7 million is earmarked for NYCT and SIR, $512.6 million is earmarked for the commuter railroads and an additional $51.2 million for Long Island Bus.

The Plan assumes that in 2008, the State's funding of its 18-b obligations will remain at the 2008 level of $189.5 million, which is slightly increased from the February Plan level. The percentage allocations of MMTOA's downstate share that comes to the MTA represent 60.0% for NYCT/SIR and 27.3% for the commuter railroads, to reflect the 2008 levels.

The 2009 MTA forecast of the individual MMTOA taxes assumes the following tax growth rates from the 2008 level:

Sales Tax		3.5%
Petroleum Business Tax		1.9%
Corporate Franchise Tax		0.0%
Corporate Tax Surcharge		3.6%

This forecast reflects New York State's updated projections of MMTOA revenues as contained in the State's 2008-09 Enacted Budget, gross MMTOA tax yields for the downstate region; downstate collections are projected to decrease from the February Plan levels by $31.9 million, $56.7 million and $89.2 million in 2009, 2010 and 2011, respectively.

2010 - 2012

For 2010 through 2012, the MTA MMTOA forecast is based on New York State's enacted budget projections of MMTOA revenues. In 2010, the July Plan projection for MMTOA is $1,594.3 million, which is $64.2 million below the February Plan forecast and just slightly higher than the 2009 estimate.

In 2011 and 2012, the July Plan forecasts for MTA MMTOA cash receipts are $94.9 million and $135.4 million lower than the February Plan levels, respectively.

The MTA 2010 through 2012 forecasts assume the following tax growth rates:

		2010	2011	2012
Sales Tax		3.6%	3.6%	3.8%
Petroleum Business Tax		1.2%	0.5%	0.9%
Corporate Franchise Tax		0.0%	0.0%	0.0%
Corporate Tax Surcharge		1.4%	1.9%	3.6%

MMTOA STATE DEDICATED TAXES
July Financial Plan 2009 - 2012
Tax Yield Distribution 2008 - 2012
($ in millions)

	ACTUAL	FORECAST				
	2007	**2008**	**2009**	**2010**	**2011**	**2012**
Forecast of MMTOA Gross Receipts (SFY):						
Sales Tax	$743.6	$780.4	$807.4	$836.8	$867.2	$899.8
PBT	138.2	144.0	146.7	148.5	149.3	150.5
Corporate Franchise	68.0	68.0	68.0	68.0	68.0	68.0
Corporate Surcharge	974.9	934.0	968.0	982.0	1,001.0	1,037.0
Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
Total Gross Receipts Available for Allocation	**$1,924.7**	**$1,926.4**	**$1,990.1**	**$2,035.3**	**$2,085.5**	**$2,155.3**
Allocation of Total Gross Receipts to DownState:						
Total Gross Receipts	$1,924.7	$1,926.4	$1,990.1	$2,035.3	$2,085.5	$2,155.3
Less: Upstate Share of PBT	(62.2)	(64.8)	(66.0)	(66.8)	(67.2)	(67.7)
Upstate Percent Share of Investment Income	3.23%	3.36%	3.32%	3.28%	3.22%	3.14%
Less: Upstate Share of Investment Income	0.0	0.0	0.0	0.0	0.0	0.0
Total Net DownState Share Available for Allocation	**$1,862.5**	**$1,861.6**	**$1,924.1**	**$1,968.5**	**$2,018.3**	**$2,087.6**
Less: 18-B Adjustment	(186.5)	(189.5)	(189.5)	(189.5)	(189.5)	(189.5)
Adjusted Total Net DownState Share for Allocation	**$1,676.0**	**$1,672.1**	**$1,734.6**	**$1,779.0**	**$1,828.8**	**$1,898.1**
Allocation of Total Net DownState Share to NYCT/SIR:						
NYCT/SIR Share	**60.07%**	**60.01%**	**60.01%**	**60.01%**	**60.01%**	**60.01%**
From Total Net DownState Share	$1,169.7	$1,256.0	$1,175.5	$1,181.4	$1,211.3	$1,252.9
Less: 18-B Adjustment	(153.1)	(153.9)	(153.9)	(153.9)	(153.9)	(153.9)
Adjusted Total Net DownState Share	$1,016.6	$1,102.2	$1,021.7	$1,027.5	$1,057.4	$1,099.0
From Carryover	36.1	0.0	0.0	0.0	0.0	0.0
Total NYCT/SIR Share of Net DownState Share	**$1,052.7**	**$1,102.2**	**$1,021.7**	**$1,027.5**	**$1,057.4**	**$1,099.0**
Total SIR Share	3.2	3.5	3.3	3.3	3.4	3.5
Total NYCT Share of Net DownState Share	**$1,049.6**	**$1,098.6**	**$1,018.4**	**$1,024.2**	**$1,054.0**	**$1,095.5**
Allocation of Total Net DownState Share to MTA:						
MTA Share	**27.18%**	**27.25%**	**27.25%**	**27.25%**	**27.25%**	**27.25%**
From Total Net DownState Share	$529.2	$570.4	$533.8	$536.5	$550.0	$568.9
Less: 18-B Adjustment	(19.9)	(21.2)	(21.2)	(21.2)	(21.2)	(21.2)
Adjusted Total Net DownState Share	$509.3	$549.2	$512.6	$515.3	$528.8	$547.7
From Carryover	13.9	0.0	0.0	0.0	0.0	0.0
Total MTA Share of Net DownState Share	**$523.2**	**$549.2**	**$512.6**	**$515.3**	**$528.8**	**$547.7**
	$1,575.925					
Allocation of Total Net DownState Share to LIB:						
LI Bus Share	**2.41%**	**2.72%**	**2.72%**	**2.72%**	**2.72%**	**2.72%**
From Total Net DownState Share	$46.9	$57.0	$53.3	$53.6	$55.0	$56.8
Less: Used for 18-B/other	(2.0)	(2.1)	(2.1)	(2.1)	(2.1)	(2.1)
Adjusted Total Net DownState Share	$44.9	$54.8	$51.2	$51.5	$52.8	$54.7
From Carryover	0.0	0.0	0.0	0.0	0.0	0.0
Total LIB Share of Net DownState Share	**$44.9**	**$54.8**	**$51.2**	**$51.5**	**$52.8**	**$54.7**

PETROLEUM BUSINESS TAXES (PBT)
(Trust Fund Taxes)

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

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

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

2008 Mid-Year Forecast

The 2008 Mid-Year PBT estimate, on a cash basis, is $626.6 million, which is $2.4 million lower than the February Plan forecast and reflects NYS's enacted budget forecast. Of the total PBT allocation, 85% or $532.6 million is earmarked for New York City Transit and 15% or $94.0 million for the commuter railroads.

On an accrual basis, PBT estimates for 2008 are $627.6 million. The accrual estimate is based on a one-month lag in the booking and collection of PBT proceeds.

2009 Forecast

The 2009 PBT cash projection is $638.1 million, which is $10.5 million lower than the February Plan estimate, reflecting NYS' enacted budget estimates of PBT revenues. Of the total PBT, $542.4 million, or 85% is earmarked for New York City Transit, and $95.7 million, or 15% is earmarked for the commuter railroads.

On an accrual basis, PBT is estimated to be $638.6 million, an increase of $8.8 million over the prior year's level.

Based on New York State's enacted budget projections of PBT revenues, beginning in 2009 and continuing throughout the Plan period, projected PBT revenues have declined from the February Plan levels.

2010 - 2012

For 2010 through 2012, PBT cash estimates are $643.8 million, $646.4 million and $648.9 million, respectively. In each of the respective years, the PBT estimates are lower than the February Plan estimates by $21.3 million, $29.0 million and $20.2 million, which reflect NYS's enacted budget forecast of PBT revenue estimate. The 2010 through 2012 forecasts inflate the previous year's level by 0.9%, 0.4% and 0.4% respectively.

On an accrual basis, PBT estimates for 2010 through 2012 are $644.1 million, $646.6 million and $649.1 million respectively.

PETROLEUM BUSINESS TAX PROJECTIONS
July Financial Plan 2009 - 2012
Tax Yield Distribution 2008 -2012
($ in millions)

Line No		ACTUAL 2007	FORECAST 2008	2009	2010	2011	2012
10	**Total Net PBT Collections Available for Distribution**	**$1,797.2**	**$1,843.1**	**$1,876.7**	**$1,893.7**	**$1,901.1**	**$1,908.5**
12	***Distribution Shares:***						
14	MTA Total	34.0%	34.0%	34.0%	34.0%	34.0%	34.0%
15	Other Transit	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
16	Highway Trust Fund	63.0%	63.0%	63.0%	63.0%	63.0%	63.0%
17	General Fund	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	**Share Total**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
22	***Amount of Total Net Collections Available for the MTA:***						
24	**MTA Total**	**$611.1**	**$626.6**	**$638.1**	**$643.8**	**$646.4**	**$648.9**
26	**Accrued**						
28	NYCT/SIR Share of MTA Total	$511.3	$533.5	$542.8	$547.4	$549.6	$551.7
29	Commuter Railroad Share of MTA Total	90.2	94.1	95.8	96.6	97.0	97.4
31	**MTA Total of Net Collections**	**$601.5**	**$627.6**	**$638.6**	**$644.1**	**$646.6**	**$649.1**
33	**Cash**						
35	NYCT/SIR Share of MTA Total	$519.4	$532.6	$542.4	$547.3	$549.4	$551.6
36	Commuter Railroad Share of MTA Total	91.7	94.0	95.7	96.6	97.0	97.3
38	**MTA Total of Net Collections**	**$611.1**	**$626.6**	**$638.1**	**$643.8**	**$646.4**	**$648.9**

MORTGAGE RECORDING TAXES (MRT)

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

MRT-1 is imposed on the borrower for recorded mortgages of real property, subject to certain exclusions, and collected by New York City and the seven other counties within the MTA's service area, at the rate of three-tenths of one percent (3/10%) of the debt secured by certain real estate mortgages. This rate was increased from one-quarter of one percent in June 2005. Receipts from MRT-1 must be applied, first, to meet MTA Headquarters operating expenses and, second, to make deposits into the New York City Transit (NYCT) Account (55% of the remaining amount) and the Commuter Railroad Account (45% of the remaining amount).

Moneys in the NYCT Account are required to be used to pay operating and capital costs of NYCT, its subsidiaries, and Staten Island Railway (SIR). Moneys in the Commuter Railroad Account are required to be first used to pay up to $20 million to the State Suburban Transportation Fund each year. In the event the transfer to the Suburban Fund would result in a Commuter Railroad operating deficit, the amount of the deficit is appropriated to the MTA for Commuter Railroad operating purposes, and not transferred to the Suburban Fund. After first making the required transfers to the Suburban Fund, the balance in the Commuter Railroad Account is required to be used to pay commuter railroad operating and capital costs.

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

MTA is required to transfer an annual amount of $5.0 million, made in equal quarterly installments, from the Corporate Transportation Account to the MTA's Dutchess, Orange and Rockland Fund (DORF); $1.5 million is for each of the counties of Dutchess and Orange, and $2.0 million is for the county of Rockland. Additionally, MTA must transfer from the Corporate Transportation Account to DORF for each of these three counties, respectively, an amount equal to the product of (i) the percentage by which such county's mortgage recording tax payment (MRT-1, excluding recent rate increases plus MRT-2) to MTA in the preceding calendar year increased over such payment in calendar year 1989 and (ii) $1.5 million each for Dutchess and Orange Counties and $2.0 million for Rockland County.

Forecast Methodology

Forecasts of Mortgage Recording Tax receipts for the second half of 2008, and for 2009 through 2011, are based on tax receipt trends for mortgage originations projected by the City of New York in its May 2008 Executive Budget. An adjustment for the second half of 2008 was made to account for second quarter mortgage activity which was weaker than the City trend forecast anticipated and which MTA expects would continue into the third quarter; this adjustment is consistent with changes made to the City's forecasts that have been incorporated in its Adopted Budget. For 2012, MRT estimates are projected by utilizing 16 individual models; for each of eight jurisdictions – New York City and the seven suburban counties in the MTA region – there is an MRT-1 model and an MRT-2 model. These models, which are time-series regression models with a log-log specification, project tax receipts as a function of the ten-year U.S. Treasury Note rate and population of the jurisdiction.

2008 Mid-Year Forecast

The 2008 Mid-Year Forecast is based on June year-to-date actual cash receipts. The forecasts for the remaining six months of the year, based on City of New York trend projections and recent activity, have been added to the year-to-date actuals in order to obtain a 2008 Mid-Year Forecast.

MRT receipts on a cash basis are estimated at $484.6 million, a decrease of $218.9 million, or 31.1% from the 2007 level. MRT-1 receipts are projected to be $317.1 million, a $143.1 million (-31.1%) decrease over 2007, while MRT-2 receipts are projected to be $167.4 million, a $75.8 million (-31.2%) decline over 2007. These trends reflect significant weakening in commercial property transactions, along with the continued weakness in residential real estate that began in 2006. MRT-1 includes taxes collected on mortgages for both commercial properties and residential properties, while MRT-2 is paid only on residential properties with fewer than seven units in the structure.

The City of New York's Executive Budget, which is the basis of MTA projections for MRT through 2011, assumes total mortgage recording tax receipts will decline by 25.4% for City Fiscal Year (CFY) 2009; this projection was used to estimate combined MRT-1 receipts from New York City excluding Staten Island. The City's Executive Budget assumes residential mortgage recording tax receipts will decline 13.3% for CFY 2009; this trend assumption was used to estimate MRT-1 receipts for Staten Island and the suburban counties as well as MRT-2 receipts for the entire MTA region.

Overall, the combined MRT estimate reflects a decrease of $92.2 million, or -16.0%, over the Adopted Budget projection. The MRT-1 estimate is $56.3 lower (-15.1%) and the MRT-2 estimate is $35.9 million lower (-17.7%) than the Adopted Budget projections.

2009 - 2012

Since MRT collections reached a record level of $763 million in 2006 – with MRT-1 peaking in 2006 and MRT-2 peaking in 2005 – mortgage activity has slowed considerably for both residential and commercial properties, and mortgage activity is expected to continue slowing through 2010 before modestly improving.

MRT receipts are expected to continue to decline from 2008 to 2009 by $22.5 million, a 4.7% decline. MRT-1 is projected to decline $21.0 million, a 6.6% decrease, while MRT-2 is projected to decline $1.5 million, a 0.9% decrease. Declines are expected to continue in 2010 as MRT receipts fall another 1.2%, with MRT-1 down 1.4% and MRT-2 down 1.0%. By 2011, both residential and commercial activity are expected to reach sustainable levels, with MRT-1 receipts expected to increase 2.9% along with an increase of 3.1% in MRT-2 receipts; overall MRT receipts are expected to grow by 3.0% in 2011. In 2012, overall MRT receipts are expected increase 1.5% with MRT-1 up 1.7% and MRT-2 up 1.3%.

The City Executive Budget projects total mortgage recording tax receipts – used to project MRT-1 for New York City excluding Staten Island – will decline 25.4% during City Fiscal Year 2009, decline 2.4% in CFY 2010, decrease 1.3% in CFY 2011 and increase 6.1% during CFY 2012. The City Executive Budget assumes residential mortgage recording tax receipts – used for MRT-1 projections for Staten Island and the suburban counties along with MRT-2 projections for the full MTA region – will decline 13.3% in CFY 2009, increase 0.2% in CFY 2010, decrease 1.8% in CFY 2011 and increase 6.6% during CFY 2012.

For the 2012 Financial Plan projection, the ten-year U.S. Treasury Note rate is expected to be 5.39%, unchanged from the projected 2011 rate. Population is expected to increase in 2012, up 0.16% in New York City, up 0.21% in Nassau and Suffolk, up 0.03% in Westchester, up 0.82% in Putnam, up 0.55% in Dutchess, up 0.33% in Rockland and up 0.70% in Orange.

The Plan forecasts for 2009 through 2012 reflect these assumptions. Over the Financial Plan period, MRT receipts are projected to be $462.0 million in 2009, $456.3 million in 2010, $469.9 million in 2011 and $477.1 million in 2012. These projections are significantly lower than estimates incorporated in the February Financial Plan, with decreases of $134.3 million in 2009 (-22.5%), $153.8 million in 2010 (-25.2%), $151.4 million in 2011 (-24.4%), and $172.2 million in 2012 (-26.5%).

MRT-1 receipts are estimated to be $296.1 million in 2009, $292.0 million in 2010, $300.6 million in 2011 and $305.5 million in 2012. These levels are lower than projections in the February Financial Plan, ranging from $82.3 million less in 2009 to $105.6 million less in 2012. MRT-2 receipts have also been declined over the levels in the February Financial Plan – down between $39.5 million and $44.5 million each year – with receipts projected to be $165.9 million in 2009, $164.3 million in 2010, $169.3 million in 2011 and $171.6 million in 2012.

Additional Assumptions

The MTA General Reserve is funded by MRT-2. Like the February Plan, the July Plan reallocates $40 million in unspent General Reserve earmarked for 2005 in equal installments in 2006 through 2009, with $10 million reflected in each year. In addition, the July Plan reduces the 2008 General Reserve level from the February Plan level of $75.0 million to $37.5 million. Beginning in 2009 through the plan period the July Plan maintains the general reserve level of $75.0 million annually.

MRT-2 is also used to reimburse the agencies for certain security expenses from a fund managed by MTA Police. These funds are used for agency security projects that are capitally eligible and therefore will affect depreciation and asset values in the MTA Financial Statements. An amount of $16.5 million annually has been earmarked in the Plan to cover these security expenses in each of the years from 2008 through 2012.

Technical Adjustments:

Consistent with the February Plan, the July Financial Plan continues to reflect the implementation into the baseline of certain policy actions that were previously handled below the line. The Plan continues to reflect the impact of these funds on agency transfers as follows:

*Downsizin*g – The Downsizing Account was established in the 2007 Adopted Budget in anticipation of major cost reductions that would need to be implemented in order to achieve budget balance after 2007. The July Plan, like the February Plan, continues to assume that these funds would not be needed until 2009 and 2010.

Enhanced Security Training – The July Plan makes no change to the February Plan's allocation of $25.0 million over four years, which began in 2007 ($6.2 million in equal installments), for enhanced security training for NYCT, Metro-North, and LIRR's operating personnel; The MTA has undertaken this initiative on the recommendations of Kroll Associates, the security consulting firm that the MTA engaged to review the agencies' safety/security training curriculum, and has sought and received the approval of the MTA Board.

Other MRT-2 Adjustments –

In addition to the adjustments above, the July Plan, like the February Plan, assumes that MRT-2 funds will be used to cover debt service cash flow requirements of the MTA Bus Company. For the period 2008 through 2012, the plan assumes $24.6 million in 2008, $23.2 million in 2009 and $24.9 million annually thereafter.

In 2007, the MTA committed $90.8 million in MRT-2 funds for a cash defeasance loan to TBTA. The 2008 July Plan assumes that the full amount of this loan will be paid back to the MTA by 2009.

MTAHQ accrued expenses are funded by MRT-1 receipts; as a result, Other Post Employment Benefits (OPEB) are now included in the calculation of MRT-1 distributions. The July Plan assumes that the cash value of the future OPEB liability for MTAHQ, beginning in 2008, would be transferred from MRT-1 to the MRT-2 Corporate Account. These funds are needed to balance MTAHQ on a cash basis as well as meet current and future corporate costs, including OPEB.

Summary of Mortgage Recording Tax Projections
July Financial Plan 2009 - 2012
Tax Yield Distribution 2008 - 2012
($ in millions)

Cash Basis

	ACTUAL	FORECAST				
MORTGAGE RECORDING TAX #261-1	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Receipts Available for Transfer to NYCT and CRs:						
Total Gross Receipts	$460.2	$317.1	$296.1	$292.0	$300.6	$305.5
Carryover	0.0	0.0	0.0	0.0	0.0	0.0
Less: MTAHQ Operating Deficit	(280.369)	(351.623)	(359.518)	(365.929)	(378.614)	(387.376)
Receipts Available for Transfer	**$179.9**	**($34.5)**	**($63.4)**	**($73.9)**	**($78.1)**	**($81.8)**
Adjustments	(25.0)	(20.0)	0.0	0.0	0.0	0.0
MRT-2 Required to Balance	0.0	54.5	63.4	73.9	78.1	81.8
Adjusted Receipts Available for Transfer	**$154.8**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Allocation of Net Receipts to NYCT/SIR Account:						
NYCT/SIR Share	**55%**	**55%**	**55%**	**55%**	**55%**	**55%**
Carryover from MTAHQ Post-Close Adjustment	0.0	21.7	0.0	0.0	0.0	0.0
Total NYCT/SIR Net Cash Share	**$0.0**	**$21.7**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Total SIR Net Cash Share	0.3	0.0	0.0	0.0	0.0	0.0
Total NYCT Net Cash Share	**$0.0**	**$21.7**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Allocation of Net Receipts to Commuter Railroad Account:						
Commuter Railroad Share	**45%**	**45%**	**45%**	**45%**	**45%**	**45%**
Carryover from MTAHQ Post-Close Adjustment	0.0	17.5	0.0	0.0	0.0	0.0
Less: Suburban Highway Fund	(20.0)	0.0	0.0	0.0	0.0	0.0
Total Commuter Railroad Net Cash Share	**$0.0**	**$17.5**	**$0.0**	**$0.0**	**$0.0**	**$0.0**

MORTGAGE RECORDING TAX #261-2						
Receipts Available						
Total Receipts to Corporate Account	$243.3	$167.4	$165.9	$164.3	$169.3	$171.6
Opening Fund Balance	30.0	20.0	10.0	0.0	0.0	0.0
OPEB Cash Adjustment	0.0	0.0	61.2	64.2	67.1	70.2
All Agency Security Pool	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Downsizing	3.6	0.0	(40.5)	(40.5)	0.0	0.0
Enhanced Security Training	(6.2)	(6.2)	(6.2)	(6.2)	0.0	0.0
Service Marketing Campaign	(5.0)	5.0	0.0	0.0	0.0	0.0
MTA Bus Debt Service	(26.6)	(24.6)	(23.2)	(24.9)	(24.9)	(24.9)
Outstanding 2006 Loans	36.9	0.0	0.0	0.0	0.0	0.0
Cash Defeasance Loan for TBTA	(90.8)	0.0	90.8	0.0	0.0	0.0
Reserve for Following Year/Cash Flow Provision	(20.0)	(10.0)	0.0	0.0	0.0	0.0
General Reserve	0.0	(37.5)	(75.0)	(75.0)	(75.0)	(75.0)
Investment Income	23.4	8.2	8.2	8.3	8.3	8.4
Total Receipts Available for Transfer	**$171.9**	**$105.8**	**$174.8**	**$73.7**	**$128.4**	**$133.8**
Use of Total Receipts:						
DORF Opening Balance	$3.8	$4.5	$4.5	$4.5	$4.5	$4.5
Less: Transfer to MTA DORF Account	(20.1)	(16.7)	(12.8)	(12.0)	(11.9)	(12.3)
Less: Transfer to MTAHQ Funds	0.0	(54.5)	(63.4)	(73.9)	(78.1)	(81.8)
Net Receipts Available	**$155.6**	**$39.1**	**$103.0**	**($7.8)**	**$42.9**	**$44.1**

URBAN TAXES

Urban Taxes consist of two separate taxes applied to certain commercial real property transactions and commercial mortgage recordings within New York City: a Mortgage Recording Tax (MRT) is imposed on mortgages exceeding $500,000 on New York City commercial properties; and, a Real Property Transfer Tax (RPTT) imposed on the transfer of New York City commercial real properties valued over $500,000. Tax receipts are available only for transit purposes in New York City, with 90% of the receipts earmarked for New York City Transit (NYCT) general operations and 6% used for the partial reimbursement of NYCT Paratransit costs. The remaining 4% earmarked as subsidy for the New York City private buses; the City is currently utilizing these funds to reimburse MTA Bus expenses.

Forecast Methodology

Forecasts of Urban Tax receipts for the second half of 2008, and for 2009 through 2011, are based on tax receipt trends for commercial property transactions projected by the City of New York in its May 2008 Executive Budget. Two adjustments for 2008 were made to the trend forecast. An adjustment for the second half of 2008 was made to account for second quarter commercial real estate activity which was weaker than the City trend forecast anticipated and which MTA expects would continue into the third quarter; this adjustment is consistent with changes made to the City's forecasts that have been incorporated in its Adopted Budget. A second adjustment was made to account for receipts anticipated from the purchase of the GM Building and four other properties by Boston Properties for $3.95 billion. For 2012, Urban Tax estimates are based on two forecasting models, one for the MRT and one for the RPTT. In these models, which are time-series regression models with a log-log specification, tax receipts are a function of the ninety-day U.S. Treasury Bill rate and New York City private-sector employment.

2008 Mid-Year Forecast

The revenue projections for the 2008 Mid-Year Forecast include actual cash tax receipts to the MTA through June 2008. Forecasts for the remaining six months of the year, based on the adjusted City of New York trend projections, have been added to the year-to-date actuals in order to obtain a 2008 Mid-Year Forecast.

Urban Tax receipts on a cash basis are estimated at $560.5 million, a decrease of $323.0 million, or 36.6% less than the 2007 level. This forecast reflects a substantially weakened commercial real estate market in New York City, and in particular the softening market receptivity for so-called high-priced trophy properties in Manhattan. The City of New York's Executive Budget assumes commercial MRT receipts will decrease by 34.9% for City Fiscal Year (CFY) 2009 while RPTT receipts will decrease by 26.9% for CFY 2009. After the release of the City trend projections, Urban Tax receipts continued to remain low for May and June – lower than even the City projections anticipated. To reflect this, the Urban Tax projections for the second half of 2008 were further lowered to reflect actual receipts for March, April and May.

Additionally, in late May the GM Building and four other Manhattan properties were sold by Macklowe Properties to Boston Properties for a reported $3.95 billion; $35.6 million in Real Property Transfer Tax revenue has been added to the 2008 projection to reflect this transaction.

The 2008 Urban Tax estimate reflects a decrease of $108.7 million, or 16.2%, over the projection in the Adopted Budget.

2009 - 2012

From a peak level of $883.5 million in 2007, which was spurred by low interest rates and strong demand for commercial investment properties, Urban Tax receipts are expected to continue declining, by 13.6% in 2009 and by 2.6% in 2010, and then growing by 2.6% in 2011 and 6.8% in 2012.

Urban Tax projections in the Financial Plan for 2009 through 2011 are based on commercial real estate transaction projections in the City of New York Executive Budget, while the 2012 forecast is based on individual time-series models for the MRT and RPTT components that are based on the 3-month U.S. Treasury Bill rate and the New York City private-sector employment level.

The City Executive Budget projects commercial MRT receipts to decrease 34.9% during City Fiscal Year 2009, decline 5.2% during CFY 2010, decrease 0.7% for CFY 2011 and increase 5.5% in CFY 2012. Commercial RPTT receipts are forecast to decline 26.9% in CFY 2009, decline 5.4% in CFY 2010, decrease 0.6% in CFY 2011 and increase 4.5% in CFY 2012.

For the 2012 Financial Plan projection, the 3-month U.S. Treasury Bill rate is expected to be 4.59%, unchanged from 2011, while New York City private-sector employment is expected to grow 0.76% in 2012.

The Plan forecasts for 2009 through 2012 reflect these assumptions. Over the Financial Plan period, Urban Tax receipts are projected to be $484.1 million in 2009, $471.6 million in 2010, $483.9 million in 2011 and $516.8 million in 2012. These projections are lower than the estimates in the February Financial Plan, ranging from a decrease of $108.1 million (18.2%) in 2009 to a $153.4 million decline (24.1%) in 2011; the decline in 2012 is $150.2 million (22.5%).

Urban Tax receipts have grown at unprecedented rates over the past three and half years: from 2003 to 2004, Urban Tax receipts doubled, and receipts doubled again from 2004 to 2006. Receipts increased by another 21% in 2007, and from 2007 through 2010 receipts are expected to decline by 47% before modestly increasing in subsequent years. These receipts are generated by market conditions that can change dramatically, and significant declines have occurred before: after reaching a then-record level in 1987, Urban Tax receipts declined 85% over a five year period.

STATE AND LOCAL SUBSIDIES

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

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

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

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

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

The current costs of the MTA Bus' operations are 100% reimbursable by the City of New York. Under agreement with the MTA, the City of New York agreed to pay MTA Bus the difference between the actual operating costs of the City bus routes and all revenue received for operations from said routes. It is assumed in the Plan that a portion of potential Health and Welfare savings that may result from on-going labor negotiations would be earmarked for the MTA GASB Fund. MMTOA, 18-b and Urban Taxes, that are designated for the former private buses subsidized by the City by Statute, are paid directly to the City and are used by the City to partially fund MTA Bus.

2008 Mid-Year Forecast

In the 2008 Mid-Year Forecast, total State and Local cash subsidy receipts are estimated at $624.0 million, a slight increase of $0.3 million over the February Plan. The change is primarily due to a higher level of station maintenance subsidies, partially offset by unfavorable CDOT and AMTAP subsidies. The

AMTAP reduction of $0.4 million was due to NYS' late State-wide reductions of aid to localities.

2009 – 2012

In 2009, 2010, 2011, and 2012 State and Local subsidy estimates are $14.1 million, $20.2 million, $17.2 million and $18.7 million lower than the prior years' level, respectively. The changes primarily represent elimination of AMTAP subsidies to the commuter railroads beginning in 2009, partially offset by favorable CDOT and/or station maintenance levels in each of the Plan years. The AMTAP grant to the commuter railroads is based on the amount MTA distributes to the state suburban highway fund as part of the MRT-1 fund allocations. Because of declining MRT-1 receipts, all MRT-1 receipts are needed to balance MTAHQ, which has first lien on all MRT-1 receipts; since there will not be any distributions to the state suburban highway fund, the corresponding AMTAP allocation would no longer be available during the plan period.

MTA SUBSIDY TO SUBSIDIARIES

In the 2008 Mid-Year Forecast, total estimated MTA subsidy payment to its subsidiaries on a cash basis is $40.9 million, which is $0.3 million lower than the February Plan Forecast. Staten Island Railroad's (SIR) share is $26.9 million; Long Island Bus' (LIB) share is $14.0 million.

For the 2008 Mid-Year Forecast, SIR's share reflects amounts needed to cover the operating deficit after all other subsidies and operating revenues are allocated.

In 2009, the forecast for MTA subsidy payment to LIB and SIR on a cash basis is $42.7 million, which is consistent with the February Plan Forecast.

For each of the years 2010 through 2012, MTA subsidy to its subsidiaries is $38.3 million, $39.5 million and $40.5 million respectively. The Long Island Bus portion remains at $14.0 million in each year.

SUBSIDY AND OTHER TECHNICAL ADJUSTMENTS

In addition to the adjustments to MRT-2, which are discussed in the MRT Section, the July Plan includes other subsidy adjustments for 2008, 2009, 2010, 2011 and 2012.

NYCT pension expenses in the July Plan reflect lump-sum refunds to union employees who had previously made contributions to the 55/25 pension program. These refunds were part of the December 2005 labor agreement and subsequent arbitration award with union employees and NYCT. The 2008 payments, totaling $117 million, were made by the NYCERS and MaBSTOA pension plans. The Mid-Year Forecast for NYCT subsidies includes a transfer of $117 million from the GASB account to reimburse the NYCERS and MaBSTOA pension plans in 2008. In 2006, a portion of the GASB account was funded by one-time cash savings stemming from reductions in NYCT NYCERS costs; it was intended that these savings would be used for this purpose when the monies were deposited in the GASB account.

In 2008 and 2009, as previously noted in the MMTOA section and consistent with the February Plan, the plan assumes that $100.0 million in two equal payments of $50.0 million from MMTOA funds would be used to pay for the #1 train underpinning project. These adjustments assume the transfer of funds to the project budget, which is not part of the MTA operating budget.

The July Plan continues to assume that an energy hedging strategy or similar mechanism will be used to lock-in fuel prices. In 2007, $150.0 million was prepaid for NYCT, LIRR and Metro-North's energy. The Plan continues to reflect a reduction in energy of $79.0 million in 2008 and $83.0 million in 2009 resulting in net savings of $12.0 million from this strategy.

Consistent with the February Plan, the July Plan reflects the MTA's agreement with the City of New York to fund a portion of MTA Bus' debt service from New York City Transit subsidies, which account for $12.0 million in 2008 and $11.5 million in each year beginning in 2009 for the duration of the Plan period. These amounts reflect reimbursement to MTA Bus under a swap agreement with New York City Transit in which Federal capital grant moneys are paid directly to New York City Transit for the benefit of MTA Bus; NYCT applies these funds to cover its own capital projects and in turn reimburses MTA Bus.

MTA New York City Transit Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
($ in millions)

	2007	2008	2009	2010	2011	2012
Subsidies						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assist. (MMTOA)	$1,049.6	$1,098.6	$1,018.4	$1,024.2	$1,054.0	$1,095.5
Petroleum Business Tax (PBT) Receipts	519.4	532.6	542.4	547.3	549.4	551.6
Mortgage Recording Tax (MRT)	0.0	21.7	0.0	0.0	0.0	0.0
Urban Tax	883.1	560.5	484.1	471.6	483.9	516.8
	$2,452.1	$2,213.5	$2,044.9	$2,043.1	$2,087.4	$2,163.9
State and Local Subsidies						
State Operating Assistance	$158.1	$158.2	$158.2	$158.2	$158.2	$158.2
Local Operating Assistance	158.2	158.2	158.2	158.2	158.2	158.2
	$316.2	$316.4	$316.4	$316.4	$316.4	$316.4
South Ferry	($35.0)	$0.0	$0.0	$0.0	$0.0	$0.0
55/25 Pension Funding	$0.0	$117.4	$0.0	$0.0	$0.0	$0.0
Fulton Street #1 Train - Port Authority	(56.0)	(50.0)	(50.0)	0.0	0.0	0.0
NYCT Charge Back of MTA Bus Debt Service	0.0	(12.0)	(11.5)	(11.5)	(11.5)	(11.5)
Energy Hedging Strategy	(117.8)	62.0	65.2	0.0	0.0	0.0
	($208.8)	$117.4	$3.7	($11.5)	($11.5)	($11.5)
Total Dedicated Taxes & State and Local Subsidies	**$2,559.6**	**$2,647.3**	**$2,364.9**	**$2,348.0**	**$2,392.2**	**$2,468.7**
Inter-agency Subsidy Transactions						
Bridges and Tunnels Operating Surplus Transfer	$156.4	$114.4	$80.0	$65.6	$58.7	$47.4
GROSS SUBSIDIES	**$2,716.0**	**$2,761.8**	**$2,444.9**	**$2,413.6**	**$2,451.0**	**$2,516.1**

MTA Commuter Railroad Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
($ in millions)

	2007	2008	2009	2010	2011	2012
Subsidies						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	$523.2	$549.2	$512.6	$515.3	$528.8	$547.7
Petroleum Business Tax (PBT) Receipts	91.7	94.0	95.7	96.6	97.0	97.3
Mortgage Recording Tax (MRT)	0.0	17.5	0.0	0.0	0.0	0.0
Investment Income	2.3	2.3	2.4	2.4	2.5	2.5
	$617.2	$663.0	$610.7	$614.3	$628.3	$647.6
State and Local Subsidies						
State Operating Assistance	$29.3	$29.3	$29.3	$29.3	$29.3	$29.3
Local Operating Assistance	29.3	29.3	29.3	29.3	29.3	29.3
CDOT Subsidy	61.2	73.2	86.9	97.0	112.6	121.4
Station Maintenance	138.5	141.9	144.7	147.7	150.5	153.6
AMTAP	20.0	19.6	0.0	0.0	0.0	0.0
	$278.1	$293.2	$290.2	$303.2	$321.6	$333.5
Forward Energy Contracts	($32.2)	$17.0	$17.8	$0.0	$0.0	$0.0
Pension Pre-Payment	(91.0)	0.0	0.0	0.0	0.0	0.0
	($123.2)	$17.0	$17.8	$0.0	$0.0	$0.0
Total Dedicated Taxes & State and Local Subsidies	**$772.0**	**$973.2**	**$918.7**	**$917.5**	**$949.9**	**$981.1**
Inter-agency Subsidy Transactions						
Bridges and Tunnels Operating Surplus Transfer	$249.9	$226.8	$198.9	$184.1	$176.9	$165.6
GROSS SUBSIDIES	**$1,022.0**	**$1,200.0**	**$1,117.6**	**$1,101.6**	**$1,126.8**	**$1,146.7**

MTA Long Island Bus Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
($ in millions)

	2007	2008	2009	2010	2011	2012
Subsidies						
Dedicated Taxes						
MMTOA Allocation	$44.9	$54.8	$51.2	$51.5	$52.8	$54.7
State and Local Subsidies						
State Operating Assistance	$3.0	$2.9	$3.0	$3.0	$3.0	$3.0
Nassau County Subsidy	10.8	10.5	10.5	10.5	10.5	10.5
	$13.8	$13.4	$13.5	$13.5	**13.5**	**13.5**
Total Dedicated Taxes & State and Local Subsidies	**$58.7**	**$68.3**	**$64.6**	**$64.9**	$66.3	$68.2
Inter-agency Subsidy Transactions						
MTA Subsidy to Subsidiaries	$20.3	$14.0	$14.0	$14.0	$14.0	$14.0
GROSS SUBSIDIES	**$79.0**	**$82.3**	**$78.6**	**$78.9**	**$80.3**	**$82.2**

MTA Staten Island Railway Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
($ in millions)

	2007	2008	2009	2010	2011	2012
Subsidies						
Dedicated Taxes						
Metropolitan Mass Transportation Operating Assistance (MMTOA)	$4.5	$3.5	$3.3	$3.3	$3.4	$3.5
Mortgage Recording Tax (MRT)	0.3	0.0	0.0	0.0	0.0	0.0
	$4.8	$3.5	$3.3	$3.3	$3.4	$3.5
State and Local Subsidies						
State Operating Assistance	$0.6	$0.5	$0.5	$0.5	$0.5	$0.5
Local Operating Assistance	0.5	0.5	0.5	0.5	0.5	0.5
	$1.1	$1.0	$1.0	$1.0	$1.0	$1.0
Total Dedicated Taxes & State and Local Subsidies	**$5.9**	**$4.5**	**$4.3**	**$4.3**	**$4.4**	**$4.5**
Inter-agency Subsidy Transactions						
MTA Subsidy to Subsidiaries	$21.5	$26.9	$28.7	$24.3	$25.5	$26.5
GROSS SUBSIDIES	**$27.3**	**$31.4**	**$32.9**	**$28.5**	**$29.9**	**$31.0**

MTA Headquarters Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
($ in millions)

	2007	2008	2009	2010	2011	2012
Subsidies						
Dedicated Taxes						
Mortgage Recording Tax-1						
Net Receipts After Agency Transfers	$305.4	$297.1	$296.1	$292.0	$300.6	$305.5
Adjustments						
Diversion of MRT to Suburban Counties	($20.0)	$0.0	$0.0	$0.0	$0.0	$0.0
Carryover/Opening Balances/Interest	(5.0)	0.0	0.0	0.0	0.0	0.0
MRT-2 Required to Balance	0.0	54.5	63.4	73.9	78.1	81.8
Total Adjustments	*($25.0)*	*$54.5*	*$63.4*	*$73.9*	*$78.1*	*$81.8*
Net Funding of MTA Headquarters	**$280.4**	**$351.6**	**$359.5**	**$365.9**	**$378.6**	**$387.4**
Mortgage Recording Tax - 2						
Net Receipts	$253.3	$177.4	$175.9	$164.3	$169.3	$171.6
Adjustments						
Funding of General Reserve	$0.0	($37.5)	($75.0)	($75.0)	($75.0)	($75.0)
Diversion of MRT to Suburban Counties	(16.4)	(12.2)	(8.3)	(7.6)	(7.5)	(7.8)
Carryover/Opening Balances/Interest	23.4	8.2	8.2	8.3	8.3	8.4
OPEB Cash Adjustment	0.0	0.0	61.2	64.2	67.1	70.2
Agency Security Costs from MRT	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)	(16.5)
Transfer to MRT-1	0.0	(54.5)	(63.4)	(73.9)	(78.1)	(81.8)
Downsizing	3.6	0.0	(40.5)	(40.5)	0.0	0.0
Enhanced Security Training	(6.2)	(6.2)	(6.2)	(6.2)	0.0	0.0
Service Marketing Campaign	(5.0)	5.0	0.0	0.0	0.0	0.0
MTA Bus Debt Service	(26.6)	(24.6)	(23.2)	(24.9)	(24.9)	(24.9)
Outstanding 2006 Loans	36.9	0.0	0.0	0.0	0.0	0.0
Cash Defeasance Loan for TBTA	(90.8)	0.0	90.8	0.0	0.0	0.0
Total Adjustments	*($97.7)*	*($138.3)*	*($72.9)*	*($172.1)*	*($126.5)*	*($127.5)*
Unallocated MRT-2 Receipts	**$155.6**	**$39.1**	**$103.0**	**($7.8)**	**$42.9**	**$44.1**

MTA Bus Company Subsidy Allocation
July Financial Plan 2009 - 2012
Cash Basis
($ in millions)

	2007	2008	2009	2010	2011	2012
Subsidies						
City Subsidy to MTA Bus Company	**$185.0**	**$269.9**	**$260.7**	**$267.8**	**$275.5**	**$285.2**

MTA BRIDGES & TUNNELS
MULTI-YEAR FINANCIAL PLAN
2009 - 2012
($ in millions)

NON-REIMBURSABLE

	ACTUAL	FORECAST				
	2007	2008	2009	2010	2011	2012
Deductions from Net Operating Income:						
Investment Income	$5.558	$2.551	$2.259	$4.564	$5.185	$5.185
Total Debt Service	463.748	497.482	555.015	556.584	568.110	581.075
Reserves	16.156	13.667	13.953	14.261	14.531	14.809
Capitalized Assets	6.314	17.745	18.604	13.502	13.757	14.020
GASB Reserves	1.670	1.845	2.036	2.238	2.283	2.329
Total Deductions from Net Operating Income	**$493.446**	**$533.290**	**$591.868**	**$591.149**	**$603.866**	**$617.418**
Net Income Available for Transfer to MTA and NYCT	**$406.443**	**$327.640**	**$273.540**	**$247.071**	**$234.374**	**$210.529**
Distribution of Funds to MTA:						
Investment Income in Current Year	$5.558	$2.551	$2.259	$4.564	$5.185	$5.185
Accrued Current Year Allocation	249.968	217.288	196.902	182.732	176.247	164.364
Total Accrued Amount Distributed to MTA	**$255.526**	**$219.839**	**$199.161**	**$187.296**	**$181.432**	**$169.549**
Distribution of Funds to NYCT:						
First $24 million of Surplus reserved for NYCT	$24.000	$24.000	$24.000	$24.000	$24.000	$24.000
Additional Accrued Current Year Allocation	132.474	86.352	52.638	40.339	34.126	22.165
Total Accrued Amount Distributed to NYCT	**$156.474**	**$110.352**	**$76.638**	**$64.339**	**$58.126**	**$46.165**
Actual Cash Transfer to MTA and NYCT:						
From Current Year Surplus	$249.945	$226.804	$198.941	$184.149	$176.896	$165.552
Investment Income in Prior Year	8.637	5.558	2.551	2.259	4.564	5.185
Total Cash Amount Distributed to MTA	**$258.581**	**$232.362**	**$201.492**	**$186.408**	**$181.460**	**$170.737**
Total Cash Amount Distributed to NYCT	**$156.397**	**$114.417**	**$80.009**	**$65.569**	**$58.748**	**$47.361**

	ACTUAL	FORECAST				
	2007	2008	2009	2010	2011	2012
Debt Service Detail by Agency:						
B&T Own Purpose DS	$140.544	$157.756	$180.829	$187.614	$199.848	$212.615
NYCT Transportation DS	220.349	235.331	259.225	255.681	255.191	255.330
MTA Transportation DS	102.855	104.395	114.961	113.289	113.071	113.131
Total Debt Service by Agency	**$463.748**	**$497.482**	**$555.015**	**$556.584**	**$568.110**	**$581.075**
Total Accrued Amount for Transfer to MTA and NYCT:						
Total Adjusted Net Income Available for Transfer	$870.191	$825.122	$828.555	$803.655	$802.484	$791.604
Less: B&T Total Debt Service	(140.544)	(157.756)	(180.829)	(187.614)	(199.848)	(212.615)
Less: first $24 million reserved for NYCT	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)	(24.000)
Remainder of Total Accrued Amount for Transfer	**$705.647**	**$643.366**	**$623.726**	**$592.041**	**$578.636**	**$554.989**
Calculation of Actual Cash Transfer to MTA:						
Distribution of Remainder to MTA						
Fifty Percent of Total Accrued Amount for Transfer	$352.823	$321.683	$311.863	$296.020	$289.318	$277.495
Less: MTA Total Debt Service	(102.855)	(104.395)	(114.961)	(113.289)	(113.071)	(113.131)
MTA's Accrued Current Year Allocation	**$249.968**	**$217.288**	**$196.902**	**$182.732**	**$176.247**	**$164.364**
Cash Conversion of MTA's Accrued Amount						
Current Year Amount	$218.724	$195.559	$177.212	$164.459	$158.623	$147.927
Balance of Prior Year	31.221	31.245	21.729	19.690	18.273	17.625
Cash Transfer to MTA	**$249.945**	**$226.804**	**$198.941**	**$184.149**	**$176.896**	**$165.552**
Calculation of Actual Cash Transfer to NYCT:						
Distribution of Remainder to NYCT						
Fifty Percent of Total Accrued Amount for Transfer	$352.823	$321.683	$311.863	$296.020	$289.318	$277.495
Less: NYCT Total Debt Service	(220.349)	(235.331)	(259.225)	(255.681)	(255.191)	(255.330)
Plus: first $24 million reserved for NYCT	24.000	24.000	24.000	24.000	24.000	24.000
NYCT's Accrued Current Year Allocation	**$156.474**	**$110.352**	**$76.638**	**$64.339**	**$58.126**	**$46.165**
Cash Conversion of NYCT's Accrued Amount						
Current Year Amount	$141.375	$99.317	$68.974	$57.905	$52.314	$41.549
Balance of Prior Year	15.023	15.100	11.035	7.664	6.434	5.813
Cash Transfer to NYCT	**$156.397**	**$114.417**	**$80.009**	**$65.569**	**$58.748**	**$47.361**
B & T Charged Debt Service Detail by Type:						
Project Debt Service						
B & T Own Purpose Debt Service	$140.544	$157.756	$180.829	$187.614	$199.848	$212.615
NYCT Transportation Project Debt Service	220.349	235.331	259.225	255.681	255.191	255.330
MTA Transportation Project Debt Service	102.855	104.395	114.961	113.289	113.071	113.131
Total Project Debt Service	**$463.748**	**$497.482**	**$555.015**	**$556.584**	**$568.110**	**$581.075**
Business Service Center	**$0.000**	**$0.000**	**$0.000**	**$0.000**	**$1.691**	**$4.049**

SUMMARY
MTA LONG ISLAND BUS
MULTI-YEAR FINANCIAL PLAN
2009 - 2012
($ in millions)

	ACTUAL	FORECAST				
Revenue Summary:	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Farebox Revenue	$40.3	$42.1	$42.5	$42.8	$43.0	$43.2
Other Revenue	1.4	2.3	2.1	2.2	2.5	2.6
State/Local Subsidies	58.7	68.3	64.6	64.9	66.3	68.2
Total Revenue Before MTA Subsidy	**$100.5**	**$112.7**	**$109.3**	**$109.9**	**$111.7**	**$113.9**
Non-Reimbursable Expense Summary:						
Labor Expenses	$89.7	$95.3	$98.4	$101.1	$103.9	$106.9
Non-Labor Expenses	33.0	29.7	32.8	34.2	35.9	36.1
Depreciation	0.0	0.0	0.0	0.0	0.0	0.0
OPEB Obligation	5.7	6.0	6.5	6.9	7.3	7.7
Environmetal Remediation	0.0	0.0	0.0	0.0	0.0	0.0
Total Non-Reimbursable Expenses	**$128.4**	**$130.9**	**$137.7**	**$142.2**	**$147.1**	**$150.7**
Total Net Revenue	**($27.9)**	**($18.3)**	**($28.3)**	**($32.3)**	**($35.4)**	**($36.8)**
Cash Adjustment Summary:						
Operating Cash Adjustments	$4.7	($0.0)	$7.8	$7.4	$7.9	$8.3
Subsidy Cash Adjustments	0.0	0.0	0.0	0.0	0.0	0.0
Total Cash Adjustment	**$4.7**	**($0.0)**	**$7.8**	**$7.4**	**$7.9**	**$8.3**
Gross Cash Balance	**($23.2)**	**($18.3)**	**($20.6)**	**($24.9)**	**($27.5)**	**($28.5)**
MTA Internal Subsidy	20.3	14.0	14.0	14.0	14.0	14.0
Unspecified Actions to Reduce Deficit	0.0	0.0	2.6	4.4	1.1	0.6
Net Cash Balance from Previous Year	**$7.8**	**$4.8**	**$0.5**	**$0.0**	**$0.0**	**$0.0**
Baseline Net Cash Surplus/(Deficit)	**$4.8**	**$0.5**	**($3.5)**	**($6.6)**	**($12.5)**	**($14.0)**

SUMMARY
MTA STATEN ISLAND RAILWAY
MULTI-YEAR FINANCIAL PLAN
2009 - 2012
($ in millions)

	ACTUAL	FORECAST				
	2007	**2008**	**2009**	**2010**	**2011**	**2012**
Revenue Summary:						
Farebox Revenue	$3.9	$4.4	$4.8	$5.1	$5.2	$5.2
Other Revenue	2.1	2.1	2.1	2.1	2.1	2.1
State/City Subsidies	4.2	4.6	4.3	4.3	4.4	4.5
Total Revenue Before MTA Subsidy	**$10.2**	**$11.1**	**$11.1**	**$11.5**	**$11.6**	**$11.8**
Non-Reimbursable Expense Summary:						
Labor Expenses	$23.9	$25.3	$26.4	$27.5	$28.4	$29.6
Non-Labor Expenses	6.7	15.0	13.1	8.0	8.4	8.4
Depreciation	7.1	10.3	10.3	10.3	10.3	10.3
OPEB Obligation	2.4	2.6	2.7	2.8	2.8	3.0
Environmental Remediation	0.0	0.0	0.0	0.0	0.0	0.0
Total Non-Reimbursable Expenses	**$40.1**	**$53.2**	**$52.6**	**$48.6**	**$49.9**	**$51.3**
Total Net Revenue	**($29.9)**	**($42.1)**	**($41.5)**	**($37.1)**	**($38.3)**	**($39.5)**
Cash Adjustment Summary:						
Operating Cash Adjustments	$9.0	$15.4	$12.8	$12.8	$12.8	$13.0
Subsidy Cash Adjustments	(0.2)	(0.1)	0.0	0.0	0.0	0.0
Total Cash Adjustment	**$8.7**	**$15.3**	**$12.8**	**$12.8**	**$12.8**	**$13.0**
Gross Cash Balance	**($21.2)**	**($26.9)**	**($28.7)**	**($24.3)**	**($25.5)**	**($26.5)**
MTA Internal Subsidy before PEGs	21.5	26.9	28.7	24.3	25.5	26.5
Net Cash Balance from Previous Year	**$0.0**	**$0.2**	**$0.2**	**$0.2**	**$0.2**	**$0.2**
Baseline Net Cash Surplus/(Deficit)	**$0.2**	**$0.2**	**$0.2**	**$0.2**	**$0.2**	**$0.2**

SUMMARY
MTA BUS COMPANY
MULTI-YEAR FINANCIAL PLAN
2009 - 2012
($ in millions)

	ACTUAL	FORECAST				
	2007	**2008**	**2009**	**2010**	**2011**	**2012**
Revenue Summary:						
Farebox Revenue	$139.8	$151.4	$154.8	$158.2	$161.6	$165.2
Other Revenue	21.9	26.0	26.5	27.1	27.6	28.2
Total Revenue Before MTA Subsidy	**$161.7**	**$177.4**	**$181.3**	**$185.2**	**$189.2**	**$193.3**
Non-Reimbursable Expense Summary:						
Labor Expenses	$297.7	$310.0	$316.8	$325.5	$334.2	$343.6
Non-Labor Expenses	119.9	116.3	123.6	125.1	127.9	132.3
Depreciation	30.0	34.7	37.1	40.2	42.2	42.2
Other Post Employment Benefits	45.7	49.0	51.7	53.6	55.5	57.8
Total Non-Reimbursable Expenses	**$493.2**	**$510.1**	**$529.2**	**$544.3**	**$559.9**	**$575.9**
Total Net Revenue	**($331.5)**	**($332.6)**	**($347.9)**	**($359.1)**	**($370.7)**	**($382.5)**
Cash Adjustments	$86.5	$80.7	$85.5	$90.2	$93.8	$95.7
Total Cash Adjustment	**$86.5**	**$80.7**	**$85.5**	**$90.2**	**$93.8**	**$95.7**
Gross Cash Balance	**($245.0)**	**($251.9)**	**($262.4)**	**($268.9)**	**($276.9)**	**($286.8)**
City Subsidy						
Accrued	245.0	251.9	262.4	268.9	276.9	286.8
Cash	185.0	269.9	260.7	267.8	275.5	285.2
CFA	(60.0)	18.0	(1.8)	(1.1)	(1.3)	(1.7)
Net Cash Balance from Previous Year	**$0.0**	**$0.0**	**$18.0**	**$16.2**	**$15.2**	**$13.8**
Baseline Net Cash Surplus/(Deficit)	**($60.0)**	**$18.0**	**$16.2**	**$15.2**	**$13.8**	**$12.2**

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Debt Service

Debt Service in the Financial Plan

- The following table reflects debt service projections for 2008 through 2012 associated with *approved* Capital Programs. The table compares all MTA and TBTA debt service in the MTA February 2008 Financial Plan with newly revised estimates for this July 2008 Financial Plan (this excludes State Service Contract and Convention Center debt service which is fully paid by New York State).

Debt Service Forecast (in millions) (1)

Year	February Plan Debt Service	July Plan Debt Service	Difference Favorable/(Unfavorable)
2008	$1,529	$1,513	$16
2009	1,432	1,455	(23)
2010	1,862	1,851	11
2011	1,974	1,922	52
2012	2,084	2,025	59
Total:	**$8,882**	**$8,767**	**$116**

(1) The above table includes the effect of cash defeasance in 2008 and 2009..

- Additionally, a preliminary estimate of debt service has been included in the detailed table below for borrowing for expenditures associated with a 2010-2014 Capital Program. For forecasting purposes, it was assumed that the core Capital Program would inflate at CPI and be funded in a similar fashion as the 2005-2009 Capital Program and the remainder of the local share of Second Avenue Subway Phase 1 and East Side Access projects would be financed. Debt service impact during the Financial Plan period would be minimal at about $7 million in 2010, $33 million in 2011 and $97 million in 2012. These estimates are based on a borrowing forecast of $2.2 billion during the 2010-2012 period for a future 2010-2014 Capital Program.

- The effects of the cash defeasance transaction completed in September have been incorporated into the debt service budget. $299.3 million of cash and $4.3 million already set-aside in the debt service accounts were used to create the requisite escrow. Savings are calculated to be $2.1 million in 2007, $37.5 million in 2008 and $283.3 million in 2009. In order to defease TBTA's debt, $90.8 million of excess MRT receipts were used in 2007 as an interagency loan. TBTA will need to repay this over to the MRT accounts. The 90.8 million repayment has no effect on consolidated debt service listed on the table below. However, TBTA's debt service listed in the TBTA's section of this Financial Plan has been increased by that amount.

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

Debt Issuance Assumptions:

Forecasted Borrowing Schedule	2008	2009	2010	2011	2012
New Money Bonds **(*$ in millions*)*	944	2,464	1,824	1,614	2,489
Assumed Fixed-Rates					
Transportation Revenue Bonds	4.99%	5.12%	5.20%	5.23%	5.24%
Dedicated Tax Fund Bonds	4.74%	4.86%	4.94%	4.96%	4.98%
Triborough Bridge & Tunnel Authority	4.74%	4.86%	4.94%	4.96%	4.98%
Assumed Variable Rates	4.00%	4.00%	4.00%	4.00%	4.00%
Weighted Average Interest Rates **					
Transportation Revenue Bonds	4.84%	4.95%	5.02%	5.04%	5.05%
Dedicated Tax Fund Bonds	4.63%	4.73%	4.80%	4.82%	4.83%
Triborough Bridge & Tunnel Authority	4.63%	4.73%	4.80%	4.82%	4.83%

* 2010 to 2012 include assumed borrowing for the 2010-2014 Capital Programs. 2008 borrowing is only for the remainder of the year.

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

- All debt is assumed to be issued as 30-year level debt, principal amortized over the life of the bonds.
- Current fixed-rate estimates derived from prevailing Fair Market Yield Curves for A- and AA- Transportation issuers using Bloomberg Information Service. Financial Plan years 2008– 2012 derived by applying changes in U.S. Municipal Forward Curves to prevailing transportation curves (as of June 16, 2008).
- Split of fixed-rate debt versus variable rate debt each year is 85% / 15%.
- New bond issues calculated interest rate at time of issuance use weighted average of fixed and variable assumptions (actual fixed-rates in table above assumed for fixed-rate bonds).
- Cost of issuance is 2% of gross bonding amount.
- New money bonds for currently approved transit and commuter projects assumed issued 25% under the DTF credit and 75% under the Transportation credit.
- All bonds issued to finance TBTA capital projects issued under the TBTA General Revenue Resolution.
- No reserve funds.

Metropolitan Transportation Authority

July Financial Plan 2009 - 2012

Summary of Total Budgeted Debt Service

($ in millions)

Line Number		ACTUAL 2007	FORECAST 2008	2009	2010	2011	2012
9	***New York City Transit:***						
10							
11	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	$324.504	$431.184	$329.222	$405.507	$398.797	$406.471
12	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	18.049	79.773	145.183	187.647	231.927
13	2 Broadway Certificates of Participation - NYCT Share	21.205	17.439	21.888	21.894	21.898	21.904
15	Transportation Resolution Commercial Paper	11.801	12.412	16.847	16.847	16.847	27.347
16	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	207.226	215.141	173.128	211.185	211.409	211.204
17	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	5.870	25.936	47.196	60.995	75.382
19	*Sub-Total MTA Paid Debt Service*	$564.736	$700.095	$646.794	$847.812	$897.593	$974.235
20							
21	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	$139.430	$153.486	$142.078	$174.969	$174.468	$174.401
22	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	83.691	83.110	77.100	81.785	81.814	82.035
23	*Sub-Total B&T Paid Debt Service*	$223.121	$236.596	$219.178	$256.755	$256.283	$256.436
24							
25	**Total NYCT Debt Service**	**$787.856**	**$936.691**	**$865.972**	**$1,104.567**	**$1,153.876**	**$1,230.671**
26							
27	***Commuter Railroads:***						
28							
29	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	$323.719	$252.953	$261.520	$322.117	$316.787	$322.883
30	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	2.914	18.002	37.873	45.571	45.571
31	Transportation Resolution Commercial Paper	7.932	7.722	10.534	10.534	10.534	17.099
32	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	40.699	40.274	32.826	40.042	40.084	40.046
33	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	0.948	5.853	19.073	28.337	28.337
35	*Sub-Total MTA Paid Debt Service*	$372.350	$304.811	$328.735	$429.639	$441.313	$453.935
36							
37	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	$62.409	$68.440	$63.200	$77.831	$77.608	$77.579
38	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	36.474	36.515	33.875	35.933	35.946	36.043
39	*Sub-Total B&T Paid Debt Service*	$98.882	$104.955	$97.075	$113.764	$113.554	$113.621
40							
41	**Total CRR Debt Service**	**$471.233**	**$409.766**	**$425.809**	**$543.404**	**$554.867**	**$567.556**
42							
43	***Bridges and Tunnels:***						
44							
45	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	$107.724	$123.240	$111.917	$137.826	$137.432	$137.378
46	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	33.356	32.830	30.456	32.307	32.318	32.405
47	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	4.337	14.958	26.806	37.206
48	2 Broadway Certificates of Participation - TBTA Share	2.753	2.466	3.095	3.096	3.097	3.098
50							
51	**Total B&T Debt Service**	**$143.832**	**$158.536**	**$149.805**	**$188.186**	**$199.652**	**$210.087**
52							
53	***MTA Bus:***						
54							
55	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	$5.865	$7.875	$7.130	$8.782	$8.637	$8.803
56	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	2.198	5.138	5.879	5.879	5.879
57	Transportation Resolution Commercial Paper	2.944	3.074	4.194	4.194	4.194	6.807
58							
59	**Total MTA Bus Debt Service**	**$8.809**	**$13.147**	**$16.461**	**$18.855**	**$18.710**	**$21.490**
60							
61	**Total MTA HQ Debt Service for 2 Broadway Certificates of Participation**	**$2.898**	**$2.393**	**$3.003**	**$3.004**	**$3.004**	**$3.005**

Metropolitan Transportation Authority
July Financial Plan 2009 - 2012
Summary of Total Budgeted Debt Service
($ in millions)

Line Number		ACTUAL 2007	FORECAST 2008	2009	2010	2011	2012
62							
63	***MTA Total:***						
64							
65	Budgeted Gross Debt Service for Existing Transportation Revenue Bonds	$654.088	$692.012	$597.872	$736.406	$724.221	$738.157
66	Budgeted Gross Debt Service for Existing Dedicated Tax Fund Bonds	247.925	255.415	205.954	251.227	251.493	251.250
67	Budgeted Gross Debt Service for Existing TBTA (B&T) General Revenue Bonds	309.562	345.166	317.195	390.627	389.508	389.358
68	Budgeted Gross Debt Service for Existing TBTA (B&T) Subordinate Revenue Bonds	153.521	152.455	141.431	150.025	150.078	150.483
69	2 Broadway Certificates of Participation	26.856	22.298	27.986	27.994	27.999	28.006
70	Transportation Resolution Commercial Paper	22.678	23.208	31.575	31.575	31.575	51.253
71	Debt Service on Additional Transportation Revenue Bonds Supporting Approved Capital Programs	0.000	23.161	102.912	188.936	239.097	283.377
72	Debt Service on Additional Dedicated Tax Fund Bonds Supporting Approved Capital Programs	0.000	6.817	31.789	66.270	89.332	103.719
73	Debt Service on Additional TBTA (B&T) General Revenue Bonds Supporting Approved Capital Programs	0.000	0.000	4.337	14.958	26.806	37.206
75							
76	**Total Debt Service**	**$1,414.628**	**$1,520.533**	**$1,461.051**	**$1,858.016**	**$1,930.109**	**$2,032.808**
77							
78	***MTA Investment Income by Resolution***						
79							
80	Investment Income from Transportation Debt Service Fund	$0.000	($3.405)	($2.856)	($3.771)	($3.926)	($4.163)
81	Investment Income from Dedicated Tax Fund Debt Service Fund	0.000	(1.279)	(0.969)	(1.294)	(1.389)	(1.446)
82	Investment Income from TBTA (B&T) General Revenue Debt Service Fund	0.000	(1.545)	(1.310)	(1.653)	(1.696)	(1.738)
83	Investment Income from TBTA (B&T) Subordinate Revenue Debt Service Fund	0.000	(1.061)	(0.576)	(0.611)	(0.612)	(0.613)
84	Investment Income from 2 Broadway Certificates of Participation Debt Service Fund	0.000	0.000	0.000	0.000	0.000	0.000
85							
86	**Total MTA Wide Investment Income**	**$0.000**	**($7.290)**	**($5.711)**	**($7.329)**	**($7.622)**	**($7.961)**
87							
88	***MTA Wide Net Total***						
89							
90	Net Transportation Revenue Bonds Debt Service	$654.088	$711.768	$697.929	$921.571	$959.393	$1,017.371
91	Transportation Resolution Commercial Paper	22.678	23.208	31.575	31.575	31.575	51.253
92	Net Dedicated Tax Fund Bonds Debt Service	247.925	260.953	236.774	316.203	339.436	353.522
93	Net TBTA (B&T) General Revenue Bonds Debt Service	309.562	343.622	320.221	403.931	414.618	424.826
94	Net TBTA (B&T) Subordinate Revenue Bonds Debt Service	153.521	151.394	140.855	149.414	149.467	149.869
95	Net 2 Broadway Certificates of Participation Debt Service	26.856	22.298	27.986	27.994	27.999	28.006
96							
97	**Total MTA Wide Net Debt Service for Approved Capital Programs**	**$1,414.628**	**$1,513.243**	**$1,455.339**	**$1,850.687**	**$1,922.487**	**$2,024.848**
98							
99	**MTA Wide Debt Service Associated with 2010-2014 Capital Programs**	**$0.000**	**$0.000**	**$0.000**	**$6.838**	**$33.051**	**$97.468**
100							
101	**Total MTA Wide Net Debt Service including 2010-2014 Capital Programs**	**$1,711.816**	**$1,513.243**	**$1,455.339**	**$1,857.526**	**$1,955.538**	**$2,122.316**

Debt Service Affordability Statement

MTA 2009 - 2012 Financial Plan
Debt Affordability Statement

$ in millions

Forecasted Debt Service and Borrowing Schedule	Notes	2007	2008	2009	2010	2011	2012
Combined MTA/TBTA Forecasted Debt Service Schedule	1, 2, 3	1,685.0	1,490.9	1,427.4	1,829.5	1,927.5	2,094.3
Forecasted New Money Bonds Issued	4	1,978.7	1,665.2	2,463.6	1,614.6	1,020.4	1,111.1
Forecasted Debt Service by Credit	**Notes**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Transportation Revenue Bonds							
Pledged Revenues	5	$8,569.9	$8,515.8	$8,209.4	$8,189.7	$8,316.5	$8,467.8
Debt Service	9	832.6	735.0	729.5	953.1	991.0	1,068.6
Debt Service as a % of Pledged Revenues		10%	9%	9%	12%	12%	13%
Dedicated Tax Fund Bonds							
Pledged Revenues	6	$611.1	$626.6	$638.1	$643.8	$646.4	$648.9
Debt Service	9	299.2	261.0	236.8	316.2	339.4	353.5
Debt Service as a % of Pledged Revenues		49%	42%	37%	49%	53%	54%
Triborough Bridge and Tunnel Authority General Revenue Bonds							
Pledged Revenues	7	$899.9	$860.9	$865.4	$838.2	$838.2	$827.9
Debt Service	9	390.2	343.6	320.2	403.9	414.6	424.8
Debt Service as a % of Total Pledged Revenues		43%	40%	37%	48%	49%	51%
Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds							
Pledged Revenues	8	$509.6	$517.3	$545.2	$434.3	$423.6	$403.1
Debt Service	9	163.0	151.4	140.9	149.4	149.5	149.9
Debt Service as a % of Total Pledged Revenues		32%	29%	26%	34%	35%	37%
Cumulative Debt Service (Excluding State Service Contract Bonds)	**Notes**	**2007**	**2008**	**2009**	**2010**	**2011**	**2011**
Total Debt Service		$1,685.0	$1,490.9	$1,427.4	$1,829.5	$1,927.5	$2,094.3
Operating Revenues and Subsidies		10,285.1	10,205.1	10,053.0	10,133.9	10,319.9	10,525.9
Total Debt Service as a % of Operating Revenues and Subsidies		16%	15%	14%	18%	19%	20%
Fare and Toll Revenues		5,245.9	5,472.8	5,509.0	5,559.8	5,618.5	5,672.2
Total Debt Service as a % of Fare and Toll Revenue		32%	27%	26%	33%	34%	37%
Non-reimbursable expenses		11,532.6	12,511.4	13,003.6	13,508.6	13,990.1	14,440.3
Total Debt Service as % of Non-reimbursable expenses		15%	12%	11%	14%	14%	15%

Notes on the following page are integral to this table.

Notes

1 Unhedged tax-exempt variable rate debt forecast at 4.00%.
2 Synthetic fixed-rate debt assumed at swap rate.
3 Total debt service excludes COPS lease payments. All debt service numbers reduced by expected investment income.
4 New money bonds amortized as 30-year level debt. New debt issued assumed 75% fixed-rate and 25% variable rate. Actual 2008 issuance to date is included with the forecast.
5 Transportation Revenue Bonds pledged revenues consist generally of the following: fares and other miscellaneous revenues from the transit and commuter systems, including advertising, rental income and certain concession revenues (not including Grand Central Terminal and Penn Station); revenues from the distribution to the transit and commuter system of TBTA surplus; State and local general operating subsidies; special tax-supported operating subsidies after the payment of debt service on the MTA Dedicated Tax Fund Bonds; New York City urban tax for transit; station maintenance and service reimbursements; and revenues from the investment of capital program funds. Pledged revenues secure Transportation Revenue Bonds before the payment of operating and maintenance expenses. Starting in 2006, revenues, expenses and debt service for MTA Bus have also been included.
6 Dedicated Tax Fund pledged revenues consist generally of the following: petroleum business tax, motor fuel tax and motor vehicle fees deposited into the Dedicated Mass Transportation Trust Fund for the benefit of the MTA; and the petroleum business tax, district sales tax, franchise taxes and temporary franchise surcharges deposited into the Metropolitan Mass Transportation Operating Assistance Account for the benefit of the MTA. Thereafter, such payments are available to pay debt service on the MTA Transportation Revenue Bonds, and then any remaining amounts are available to be used to meet operating costs of the transit system, the commuter system, and SIRTOA.
7 Triborough Bridge and Tunnel Authority General Revenue Bond pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels. Pledged revenues secure TBTA General Revenue Bonds after the payment of TBTA operating and maintenance expenses, including certain reserves.
8 Triborough Bridge and Tunnel Authority Subordinate Revenue Bonds pledged revenues consist primarily of the tolls charged by TBTA on its seven bridges and two tunnels, after the payment of debt service on the TBTA General Revenue Bonds.
9 Debt service schedules for each credit are attached as addendum hereto.

Special Notes

(1) Debt service associated with the 2010-2014 Capital programs is included in the table above.
(2) Includes effect of cash defeasance implemented in September 2007.

Metropolitan Transportation Authority (including Triborough Bridge and Tunnel Authority)

Total Budgeted Annual Debt Service

All Issuance to June 9,2008 ($ in millions)

	Transportation Revenue Resolution			Dedicated Tax Fund Resolution			TBTA General Revenue Resolution			TBTA Subordinate Resolution			MTA and TBTA Debt Service		
Fiscal Year	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined	Existing DS	Additional DS	Combined
2008	715.2	23.2	738.4	255.4	6.8	262.2	345.2	-	345.2	152.5	-	152.5	1,468.3	30.0	1,498.2
2009	629.4	102.9	732.4	206.0	31.8	237.7	317.2	4.3	321.5	141.4	-	141.4	1,294.0	139.0	1,433.1
2010	768.0	195.6	963.6	251.2	66.3	317.5	390.6	15.1	405.7	150.0	-	150.0	1,559.9	277.0	1,836.9
2011	755.8	271.2	1,027.0	251.5	89.3	340.8	389.5	27.7	417.2	150.1	-	150.1	1,546.9	388.3	1,935.2
2012	789.4	377.6	1,167.0	251.2	103.7	355.0	389.4	40.5	429.8	150.5	-	150.5	1,580.5	521.8	2,102.3
2013	783.9	542.8	1,326.7	253.2	117.7	370.9	390.2	54.2	444.4	150.0	-	150.0	1,577.3	714.8	2,292.1
2014	778.0	749.5	1,527.5	251.3	128.6	379.9	389.2	69.2	458.4	150.0	-	150.0	1,568.5	947.3	2,515.8
2015	778.8	959.4	1,738.1	251.6	135.4	387.0	389.3	84.3	473.6	150.3	-	150.3	1,570.0	1,179.1	2,749.1
2016	778.3	1,139.7	1,918.0	251.7	137.8	389.5	388.9	97.4	486.4	150.1	-	150.1	1,568.9	1,375.0	2,943.9
2017	778.0	1,265.1	2,043.1	251.6	137.8	389.5	389.4	106.7	496.1	152.8	-	152.8	1,571.9	1,509.6	3,081.5
2018	778.4	1,333.5	2,111.8	251.9	137.8	389.8	389.2	111.7	500.8	146.5	-	146.5	1,566.0	1,583.0	3,149.0
2019	778.8	1,363.3	2,142.1	245.4	137.8	383.3	389.0	113.9	502.9	142.9	-	142.9	1,556.1	1,615.1	3,171.2
2020	777.6	1,372.6	2,150.3	247.6	137.8	385.5	389.4	114.6	504.0	142.6	-	142.6	1,557.3	1,625.0	3,182.3
2021	777.9	1,373.9	2,151.7	247.1	137.8	385.0	386.6	114.7	501.2	143.0	-	143.0	1,554.6	1,626.4	3,181.0
2022	776.6	1,373.9	2,150.4	244.2	137.8	382.1	389.3	114.7	503.9	142.9	-	142.9	1,553.0	1,626.4	3,179.3
2023	786.3	1,373.9	2,160.2	247.5	137.8	385.3	385.1	114.7	499.7	142.7	-	142.7	1,561.5	1,626.4	3,187.9
2024	786.4	1,373.9	2,160.3	247.3	137.8	385.1	389.2	114.7	503.9	143.2	-	143.2	1,566.1	1,626.4	3,192.4
2025	787.2	1,373.9	2,161.1	247.5	137.8	385.3	389.1	114.7	503.8	142.4	-	142.4	1,566.2	1,626.4	3,192.6
2026	796.3	1,373.9	2,170.2	247.6	137.8	385.4	387.7	114.7	502.4	142.7	-	142.7	1,574.4	1,626.4	3,200.7
2027	806.9	1,373.9	2,180.7	247.5	137.8	385.3	387.6	114.7	502.2	142.8	-	142.8	1,584.8	1,626.4	3,211.1
2028	806.9	1,373.9	2,180.8	247.6	137.8	385.4	389.3	114.7	503.9	142.9	-	142.9	1,586.7	1,626.4	3,213.0
2029	806.6	1,373.9	2,180.4	247.6	137.8	385.4	387.3	114.7	501.9	142.8	-	142.8	1,584.2	1,626.4	3,210.6
2030	806.9	1,373.9	2,180.7	247.6	137.8	385.5	389.3	114.7	504.0	142.8	-	142.8	1,586.6	1,626.4	3,213.0
2031	804.4	1,373.9	2,178.3	246.3	137.8	384.2	411.6	114.7	526.3	140.5	-	140.5	1,602.8	1,626.4	3,229.2
2032	707.7	1,373.9	2,081.5	228.1	137.8	366.0	330.4	114.7	445.1	108.3	-	108.3	1,374.5	1,626.4	3,000.8
2033	403.7	1,373.9	1,777.6	97.6	137.8	235.5	108.7	114.7	223.4	-	-	-	610.1	1,626.4	2,236.4
2034	403.9	1,373.9	1,777.7	58.8	137.8	196.7	108.7	114.7	223.4	-	-	-	571.4	1,626.4	2,197.8
2035	376.4	1,373.9	1,750.3	45.5	137.8	183.4	107.3	114.7	222.0	-	-	-	529.3	1,626.4	2,155.6
2036	192.5	1,373.9	1,566.4	22.3	137.8	160.1	100.0	114.7	214.7	-	-	-	314.9	1,626.4	1,941.2
2037	161.6	1,373.9	1,535.4	-	137.8	137.8	99.9	114.7	214.5	-	-	-	261.5	1,626.4	1,887.8
2038	106.6	1,350.7	1,457.3	-	131.0	131.0	86.5	114.7	201.1	-	-	-	193.1	1,596.4	1,789.5
2039	51.3	1,270.9	1,322.2	-	106.1	106.1	-	110.3	110.3	-	-	-	51.3	1,487.3	1,538.6
2040	51.3	1,178.2	1,229.5	-	71.6	71.6	-	99.6	99.6	-	-	-	51.3	1,349.4	1,400.6
2041	51.3	1,102.6	1,153.9	-	48.5	48.5	-	86.9	86.9	-	-	-	51.3	1,238.1	1,289.3
2042	-	996.3	996.3	-	34.1	34.1	-	74.2	74.2	-	-	-	-	1,104.6	1,104.6
2043	-	831.0	831.0	-	20.1	20.1	-	60.4	60.4	-	-	-	-	911.6	911.6
2044	-	624.4	624.4	-	9.3	9.3	-	45.4	45.4	-	-	-	-	679.1	679.1
2045	-	414.5	414.5	-	2.4	2.4	-	30.4	30.4	-	-	-	-	447.3	447.3
2046	-	234.1	234.1	-	0.0	0.0	-	17.2	17.2	-	-	-	-	251.4	251.4
2047	-	108.8	108.8	-	-	-	-	8.0	8.0	-	-	-	-	116.8	116.8
2048	-	40.4	40.4	-	-	-	-	3.0	3.0	-	-	-	-	43.4	43.4
2049	-	10.5	10.5	-	-	-	-	0.8	0.8	-	-	-	-	11.3	11.3
2050	-	1.3	1.3	-	-	-	-	0.1	0.1	-	-	-	-	1.3	1.3

Notes:

Does not include debt service for State Service Contract Bonds and Convention Center Bonds, which is paid by NY State. Also excludes COPS lease payments.
Includes interest budgeted for Transportation Revenue Commercial Paper and debt service on bonds that will defease the CP in 2012
Forecasted Investment Income is not included above.
Debt service associated with the 2010-2014 Capital programs is included in the table above
Includes effect of cash defeasance implemented in September 2007.

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Agency Baseline Assumptions

Agency Baseline Assumptions

The 2009 Preliminary Budget and 2009-2012 Financial Plan updates the February Financial Plan and includes one additional year (2012).

In formulating the July Plan, Agencies were instructed to adhere to the spending envelope contained in the February Financial Plan. Any expense growth beyond the levels in the February Plan (including any “New Need” program) had to be made up with internal savings. These internal savings could take the form of expense re-estimates or additional PEGs. The exception to this is that growth in “uncontrollable” areas including Health & Welfare, Pensions, Energy, Insurance and Paratransit would be permissible, as these categories are heavily dependent on rates determined by outside factors. In addition, the Agencies have now identified savings programs for 2009 and beyond that are consistent with the 1.5% annual reduction targets that they were given. Agencies were asked to identify savings that would not only reduce expenses in the short-term, but would also result in long-term improvements to MTA’s financial picture. Much of these savings are being generated through the 2009 PEG Program and are not part of the baseline; but rather are included below-the-line as part of MTA gap-closing actions. The details of this program are included in a separate section of this report, “Gap Closing Programs”. Other savings are captured in the baseline through favorable expense re-estimates.

One significant change to the February Plan is that the Service Enhancement Programs that were included within the Baseline have now been cancelled because of the sharp decline in MTA’s real estate-related revenue streams. As a result, the bottom line has been reduced by $27 million in 2008 and $60 million annually beginning in 2009.

As evidenced on the following chart, the growth in uncontrollable expenses, especially fuel, is having a significantly adverse impact on the MTA bottom line. The 2009 PEG Program and other baseline re-estimates are offsetting some of this growth, including the early impact (in 2008) of those PEGS that are starting this year. The chart also demonstrates that excluding the uncontrollable expense growth, the MTA is favorable when compared with the February Financial Plan in every year. The impact of favorable 2007 results contributes to the offset as well.

Metropolitan Transportation Authority
Agency Financials Compared With The February Plan
Includes 2009 Agency PEGs *
($ in millions)

	Favorable/(Unfavorable)			
	2008	**2009**	**2010**	**2011**
New Needs/Investments	**($41)**	**($77)**	**($67)**	**($73)**
New Service	(6)	(13)	(14)	(14)
Maintenance	(18)	(40)	(28)	(33)
Safety & Security	(7)	(11)	(9)	(9)
Other New Needs	(10)	(13)	(15)	(17)
Baseline Re-estimates	**$21**	**$65**	**$43**	**$37**
Favorable 2007 Results	**$12**			
2009 PEG Program	**$19**	**$89**	**$87**	**$95**
Total Change before Uncontrollable Expenses and Revenues and the Cancellation of MTA Service Enhancements	**$11**	**$77**	**$63**	**$60**
Cancel 2008 Service Enhancements	**27**	**60**	**60**	**60**
Total Change before Uncontrollable Expenses and Revenues	**38**	**137**	**123**	**120**
Uncontrollable Expenses and Revenues				
Traction and Propulsion Power	7	(4)	(7)	(14)
Fuel for Buses and Trains	(88)	(123)	(59)	(45)
Other Energy Adjustments	(15)	(31)	(27)	(27)
Passenger/Toll Revenue	5	(42)	(39)	(31)
Health & Welfare	27	31	47	62
Pensions **	(92)	(33)	(43)	(36)
Paratransit Service	(9)	(9)	(9)	(9)
Paratransit Urban Tax Reimbursement	(7)	(7)	(9)	(10)
Insurance	(9)	1	(2)	(5)
Bond Service Fees	(1)	(1)	(1)	(1)
Total Uncontrollable Expenses and Revenues	**($182)**	**($218)**	**($148)**	**($116)**

* Excludes subsidies, depreciation, debt service, and certain other liability adjustments.

** 2008 Pensions include a one-time payment to NYCERS and MaBSTOA for refunds associated with the 55/25 retirement program.

The 2009 Baseline Net Operating Deficit before Subsidies, Debt Service and Gap Closing Actions of $7,001 million is $435.0 million higher than the 2008 Mid-Year Forecast primarily as a result of an increase in expenses. The change in Depreciation, OPEB and Environmental Remediation expenses accounts for $148 million of the year to year change. Operating Revenues are improving by less than 1% ($57 million). Total expenses Before Depreciation, OPEB and Environmental Remediation are growing $345 million, or 3.7%. Some $152 million of this increase to the baseline, of which $123 million is fuel, is the result of a 9.7%[1] growth in "uncontrollable" baseline expenses (excludes debt service, policy actions and PEGs). The remaining expenses grow at 2.4% due primarily to contractual wage increases of 3.0% at the commuter railroads, and higher materials costs due to the continued increase in maintenance efforts and rise in material prices. Over the 2008 to 2012 period, accrued baseline expenses, before below-the-line gap-closing actions, grow at an average annual rate of 3.7%. "Uncontrollable" expenses are projected to grow over the period by 6.6%, while "controllable" expenses will grow by only 2.3%.

As mentioned earlier, the baseline excludes MTA Gap Closing actions which are described in a separate volume of this report. Inclusion of these actions would lower the growth rate in 2009 to 3.6% and growth over the 2008-2012 period to an average increase of 2.7%. Controllable expenses would increase only 0.4% in 2009 with average annual growth of only 0.8%.

The February 2008 Plan incorporated into its baseline the 2008 Program to Eliminate the Gap (PEG) savings. A re-estimate of these PEGS for the July Plan includes a very slight improvement (less than $1 million in total) in the value of these PEGs over the Plan period. The values of these programs in the July Plan are $50 million in 2008, $63 million in 2009, $58 million in 2010, $55 million in 2011 and $54 million in 2012. These programs remain in the baseline and are monitored quarterly.

The following table details the major changes in the Agency Baseline Forecasts between the February and July Plans:

[1] This and related calculations for "uncontrollable" expense growth excludes a one-time lump sum pension payment made in 2008, which is totally funded by the GASB account (see Subsidies Section).

AGENCY BASELINE
JULY CHANGES FROM FEBRUARY PLAN

Favorable/(Unfavorable)
($ in millions)

	2008	2009	2010	2011
New Needs/Investments	**($41)**	**($77)**	**($67)**	**($73)**
New Service	(6)	(13)	(14)	(14)
Maintenance	(18)	(40)	(28)	(33)
Safety & Security	(7)	(11)	(9)	(9)
Other New Needs	(10)	(13)	(15)	(17)
Other Adjustments	**$53**	**$83**	**$65**	**$66**
Passenger/Toll Revenue	5	(42)	(39)	(31)
Cancel 2008 Service Enhancements	27	60	60	60
Baseline Re-estimates	21	65	43	37
Uncontrollable Expenses	**($187)**	**($176)**	**($109)**	**($85)**
Traction and Propulsion Power	7	(4)	(7)	(14)
Fuel for Buses and Trains	(88)	(123)	(59)	(45)
Other Energy Adjustments	(15)	(31)	(27)	(27)
Health & Welfare	27	31	47	62
Pensions	(92)	(33)	(43)	(36)
Paratransit Service	(9)	(9)	(9)	(9)
Paratransit Urban Tax Revenue	(7)	(7)	(9)	(10)
Insurance	(9)	1	(2)	(5)
Bond Service Fees	(1)	(1)	(1)	(1)
Net Baseline Change	**($175)**	**($170)**	**($111)**	**($92)**

Overall, the baseline cash deficit is increasing over the plan period due primarily to increases in uncontrollable expenses, particularly Fuel and Pension costs. Pension costs in 2008 were primarily impacted by the refund to NYCT union employees for prior-period pension contributions (see discussion in pension section). Anticipated reductions in toll and farebox revenue are also having a significant impact. These results combined with the steep declines in our real estate-related subsidies have significantly worsened the MTA financial outlook. As a result, the MTA will postpone those planned service enhancements that were included in the February 2008 Financial Plan.

The recent run-up on fuel prices is having an especially harsh impact on MTA finances. When compared with the February Plan, the cost of fuel for buses and trains is higher by $88 million in 2008 and $123 million in 2009. When compared with 2007, fuel costs in 2008 are expected to increase $118 million. Higher fuel prices have also increased occupancy and maintenance costs and resulted in lower toll revenue. The 2008 Mid-Year Forecast for B&T toll revenue is projected to be $26 million lower, a 2% decline, over the Adopted Budget forecast. These same external variables continue to adversely affect B&T vehicular traffic and toll revenue in 2009. B&T toll revenue for 2009 is projected to be $28 million, or 2%, below the February Plan forecast.

Partially offsetting some of these adverse impacts is the short-term improvement in passenger revenue. MTA consolidated farebox revenue in the 2008 Mid-Year Forecast is projected to improve by $31 million from the 2008 Adopted Budget, a 1% increase, reflecting higher ridership projections for all MTA agencies. Utilization improvements over the 2008 Adopted Budget levels reflect year-to-date ridership improvements and are at least in some part due to commutation shifts spurred by high prices for gasoline. However, also affecting 2009 utilization forecasts for all MTA agencies is the slowdown in the national and regional economies, which is expected to negatively impact employment levels, particularly in New York City. For 2009, utilization forecasts assume NYC employment will remain unchanged from 2008, a more pessimistic projection than the one prepared by Global Insight in April 2008. MTA consolidated farebox revenue for 2009 in the July Plan is forecast to be lower than projections in the February Plan by $14 million, a 0.3% decrease.

The 2009 Preliminary Baseline Budget includes modest service increases, all of which were funded internally by the Agencies. Much of the increase is at NYCT which will be providing additional off-peak subway service on several lines and express service to Shea Stadium. The LIRR will be adding cars on certain over-crowded trains. Metro-North is adjusting its 2009 Service levels on both the East and West of Hudson to match projected ridership. It will also be adding Yankee Stadium service; however the impact of that is captured in the PEG section of this report.

The MTA is continuing to improve the reliability and performance of its fleet and infra-structure through increased maintenance. The 2009 Preliminary Budget includes a significant increase in resources to address maintenance needs, all of which are funded internally by Agency cost reductions.

NYCT will be increasing the frequency of its bus overhaul schedule from a four-year to a three-year cycle, which will more closely align the timing of overhauls with major component life expectancies. The Staten Island Maintenance Action Plan will significantly improve the reliability and appearance of buses on Staten Island. In addition, NYCT will be adding resources for Elevator and Escalator maintenance.

Metro-North will be establishing a life cycle maintenance plan for its new M-7 fleet and will be implementing an expanded gear box overhaul program. In 2010 it will be adding positions to support a new maintenance facility shop complex in New Haven. Metro-North will continue to perform the extraordinary maintenance tasks in Grand Central Terminal which are necessary to maintain its Landmark status and preserve the GCT retail revenue stream. The LIRR will be implementing an improved station maintenance plan and is spending additional monies to mitigate Gap issues on the platforms.

The establishment of Regional Bus operations (an important component of institutional transformation) is expected to improve the bus maintenance practices at NYCT, LI Bus and MTA Bus through the utilization of technical services resources and best practices. MTA Bus performance will also be aided by the delivery of 105 new hybrid-electric buses beginning in 2009 to replace older local buses.

Safety & Security costs are increasing in each year of the Plan due primarily to track safety and bus operator training at NYCT, public address system testing at the LIRR, and the installation of CCTV equipment at various MNR New Haven Line stations.

Other new needs include increases for workforce development at NYCT, improvements in warranty management and inventory control at the LIRR, increases for information systems and fees associated with higher credit card usage at MNR, and MTA Bus improvements to its traffic checking operations.

Other Baseline Re-estimates are favorable in every year of the Plan as Agencies are making every effort to reduce expenses. Some of these actions taken include payroll re-estimates, training adjustments, cash and timing adjustments and reductions in operating capital expenditures. NYCT is delaying the implementation of the X23/X24 Service transfer (from NYCDOT) in Staten Island until the opening of the Charleston Depot. Other express bus service increases in Staten Island will be delayed one year.

The rate of growth for Health & Welfare costs is decreasing in every year of the Plan due to lower inflation rate assumptions. Paratransit costs are increasing as NYCT is required to cover the mobilization and oversight of additional service providers. In addition, the cost for paratransit insurance has also increased.

Integrated Electronic Security Systems (IESS) – The MTA is enhancing and expanding its security and safety systems. A large part of this initiative includes the MTA Capital Construction development of an Integrated Electronic Security System (IESS). This project provides for the deployment of various electronic technologies at critical and sensitive MTA facilities with the aim of detecting, deterring, identifying, delaying, and/or preventing terrorist security threats by tying these technologies to Command, Control, and Communications "C3" Centers coupled with a coordinated response. The IESS program involves a number of MTA agencies including; New York City Transit, Long Island Railroad, Metro-North, MTA Bridges and Tunnels and the MTA Police Department. In addition there are other security system initiatives that are projected to come on line over 2009-2012. Both the IESS and pending security projects will have operating budget impacts associated with the system's operations and maintenance. In the February Plan, IESS was captured as a Policy Action. These expenditures and associated headcount changes are now captured in MTA baseline cash; however, the change is excluded from the Plan-to-Plan cash reconciliation. These costs are $8 million in 2008, $29 million in 2009, $33 million in 2010, $31 million in 2011, and $31 million in 2012.

Accrued Baseline Assumptions

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

2008 Mid-Year Forecast

In its 2008 Mid-Year Forecast, the MTA projects a Net Operating Deficit Before Subsidies and Debt Service of $6,566 million, $161 million worse than the Adopted Budget. Total Operating Revenue and Total Operating Expenses were $ 3 million and $158 million worse, respectively.

Revenue

Farebox Revenue is expected to be $31 million (1%) higher than the 2008 Adopted Budget, primarily reflecting higher ridership growth. Toll Revenue is expected to be $26 million (2%) worse due to the impact of higher gasoline prices.

Expenses

Payroll expenses are expected to decrease $27 million from the Adopted Budget due primarily to vacancies at MTA Bus and programmatic changes at the LIRR. These vacancies are resulting in a corresponding increase in Overtime costs.

Pension costs are expected to increase $92 million from the Adopted Budget primarily due to the impact of a refund to NYCT union employees for prior pension contributions and higher actuarial assumptions that were partially offset by the elimination of the pension reserve and one-time lower projections for the MTA defined benefit plan.

The cost of Fuel for Buses and Trains is increasing $88 million. The General Reserve is being halved since the year is approximately half over and the monies have not been needed so far.

2009 Preliminary Budget

MTA's 2009 Preliminary Baseline Budget projects a Net Operating Deficit before Subsidies and Debt Service of $7,001 million. Total Operating Revenue of $6,002 million is only $57 million higher than the 2008 Mid-Year Forecast due to a slow-down in projected increases for farebox and toll revenue. When compared with the 2009 Forecast in the February Plan, revenue is $49 million worse higher due to lower ridership resulting from an expected decrease in employment statistics. Moreover, the impact of higher fuel prices is expected to have a continuing impact on B&T toll revenue.

Total 2009 Operating Expenses of $13,004 million are $493 million higher than the 2008 Mid-Year Forecast due to increases in Fuel, Pension, Materials, Paratransit and inflationary payroll (including contractual requirements). When compared with the 2009

Forecast in the February Plan, expenses are $151 million higher. Virtually all of this increase is the result of higher uncontrollable expenses, especially Fuel.

2010 – 2012 Forecast

The July Forecast includes increases to the baseline in the out years mainly as a result of higher costs for Fuel, Pensions and Maintenance that are partially offset by lower costs for Health & Welfare. In addition, it includes lower projections for Toll/Fare and Other Revenue.

The following pages provide a more detailed description of the assumptions used in formulating the 2009 Preliminary Budget and the forecasts for the years 2010 through 2012. Additional detail can be found in individual Agency sections.

OTHER OPERATING REVENUE

Other Operating Revenue growth from 2008 through 2012 was influenced by a number of different factors including government reimbursements, fees and contractual and inflationary increases.

NYCT's year-to-year increases are primarily due to advertising revenue, NYC reimbursements for Paratransit expenses and non-recurring cash receipts. At MNR, the increase of $4.1 million in 2009 reflects the resumption of retail and event activities in the newly restored Vanderbilt Hall, a lower level of funding for the GCT restoration projects during the year and higher revenues from parking expansions and advertising. The increases in 2010-2012 reflect contracted increases in advertising revenue and higher GCT retail revenue, offset by a higher provision for GCT restoration projects. The LIRR's year-to-year growth is primarily due to scrap sales, interest on overnight deposits, Mineola Parking and special services revenue. B&T's Other Operating Revenue in 2008 is projected at $11.0 million and is estimated to increase by $1.1 million in 2009 primarily due to lower 2008 income from the Battery Parking Garage resulting from a one-time expense for a new revenue control system. Year-to-year increases at MTA Bus are due to additional advertising revenue. The minor fluctuations in year-to-year increases for LI Bus are based on contract rates tied to advertising and grant funding.

The 2008-2012 July Plan decreases, compared with the February Plan, are primarily the result of NYCT's reduction in Urban Tax revenue dedicated to Paratransit operations based upon a weakening NYC commercial real estate market. These decreases are partially offset by an increase at MTA Bus, mainly due to advertising. There is also an increase at the LIRR in 2008-2012 largely due to higher scrap sales, interest on overnight deposits, rent and Mineola Parking.

PAYROLL

MTA consolidated payroll expenses from 2008 through 2012 are influenced by a number of factors including position levels, Global Insight inflation assumptions, labor agreements, deferred salaries & wages, and capital project activity. Overall, wage increases for represented employees generally follow the pattern established by the TWU contract. The current TWU contract agreement for represented employees at NYCT is 3.5% in 2008. Metro-North assumptions are based on a recently negotiated labor settlement (3.5%, 3.0%, 1.05%, and 2.0% from 2008 to 2011, respectively). The LIRR's recently settled labor agreement saw its 2009 contractual rate increase to 3.0%; however, the 3.0% is for an 18 month period which saves money in the following year. For the out-year baseline projection, in which there is no current labor agreement, agencies are using CPI.

2008 Mid-Year Forecast

Consolidated payroll expenses of $4,073 million are forecasted to be $28 million or 0.7% lower than the 2008 February Plan. The decrease is mainly due to MTA Bus which has had difficulty executing its hiring plan. Consequently, its 2008 Mid-Year Forecast for payroll has been reduced by $15 million. The reduction in the LIRR's forecast by nearly $10 million was mostly due to programmatic changes and capital work re-estimates. MNR's payroll expenses decrease by $6 million mainly due to favorable vacancy levels and the impact of Capital Program activity. NYCT's payroll increase of $1 million was in part due to unbudgeted cash adjustments.

2009 Preliminary Budget

MTA consolidated payroll expenses of $4,203 million are $130 million (3.2%) more than 2008. This change is primarily caused by assumed labor rate increases and an increase of 398 non-reimbursable positions in 2009 compared with 2008.

Payroll expenses are forecast to be $22 million lower than the February Plan for 2009. The decreases are composed of NYCT ($18 million), MNR ($4 million) and the LIRR ($1 million).

Both NYCT and the LIRR payroll decreases are largely the result of non-reimbursable position reductions, which decrease by 99 and 36, respectively, from the February Plan and revised labor assumptions. MNR's payroll expense decreases are in part the result of a continuation of capital project levels similar to the 2008 Mid-Year Forecast.

2010 – 2012 Forecasts

Consolidated payroll expenses in 2010 of $4,314 million are $111 million (2.6%) more than 2009. On a year-to-year basis, payroll expenses in 2011 and 2012 of $4,403 million and $4,476 million increase $89 million (2.1%) and $73 million (1.7%) from the respective previous years. These increases are due mostly to assumed labor rate inflators.

Compared with the February Plan, consolidated payroll expenses decrease by $20 million in 2010 and $19 million in 2011. MNR's payroll decreases by $10 million in 2010 and $8 million in 2011 due in part to the result of a continuation of capital project levels similar to the 2008 Mid-Year Forecast. NYCT's payroll decreases in 2010 and 2011 by $9 million and $12 million. NYCT's changes are mostly due to the favorable impact of position decreases from various re-estimates including the cancellation of service enhancements. Changes from the February Plan at other agencies are generally continuations of those identified above for 2008 and 2009.

OVERTIME

MTA consolidated overtime expenses from 2008 to 2012 are influenced by a number of factors including position levels, Global Insight inflation assumptions, labor agreements, deferred salaries & wages, and capital project activity. Overall, wage increases for represented employees generally follow the pattern established by the TWU contract.

2008 Mid-Year Forecast

Consolidated overtime expenses of $469 million are forecasted to be $27 million more than the February Plan. The MTA Bus Mid-Year Forecast is $16 million higher than the February Plan due to vacancies and availability shortfalls. The LIRR's overtime expenses increase $7 million over the February Plan based upon higher actual expenses during the first several months of 2008 resulting from vacancies and open job coverage. B&T's overtime increases by $2 million as a result of vacancies and staffing needs. MNR's overtime is nearly $2 million more than the February Plan based upon actual results for the first several months of 2008 when MNR had higher overtime for maintenance and vacancy coverage.

2009 Preliminary Budget

Consolidated overtime expenses of $456 million are $13 million (2.8%) less than 2008. This decrease is due to incident and non-recurring trends in the 2008 Mid-Year forecast that are not expected to continue into 2009 such as unscheduled overtime requirements for vacancy coverage at MTA Bus and the other agencies. This decrease in overtime is partially offset by increased represented labor rate assumptions.

Consolidated overtime expenses are forecasted to be $2 million more than the figures identified in the February Plan. MNR's overtime increases by over $2 million reflecting the impact of additional maintenance and overhaul programs and additional coverage requirements. LIRR overtime costs increase by nearly $2 million from the February Plan largely due to re-estimates of planned activities, additional coverage requirements and unanticipated maintenance and repairs. NYCT's overtime assumption decreases by nearly $2 million from the February Plan due to a re-estimate of overtime requirements. B&T's overtime decreases by over $1 million due to the anticipation of fewer vacancies.

2010 – 2012 Forecasts

Consolidated overtime expenses in 2010 of $465 million are $9 million (1.97%) more than 2009. This change is primarily caused by an assumed labor rate increase of 2.05% (3.0% for the LIRR and MNR through June 15). On a year-to-year basis, overtime expenses increase $9 million (1.94%) in 2011 and $10 million (2.11%) in 2012. These increases closely reflect assumed labor rate inflators of 1.94% in 2011 and 2.04% in 2012.

The consolidated overtime assumption for 2010 is $3 million more than the February Plan. Compared with the February Plan, overtime increases by $3 million in 2011. Increases in 2010 and 2011 are mainly caused by overtime re-estimates at MNR and the LIRR which has increased combined expenses by $4 million in those years largely due to higher wage assumptions and re-estimate of overtime requirements. Changes from the February Plan at other agencies are generally continuations of those identified above for 2008 and 2009.

HEALTH & WELFARE

Year-to-year increases are primarily driven by inflators provided by The NYS Department of Civil Service (DCS). For individual coverage, an increase of 4.5% is applied over 2007 premium rates, an increase of 9.7% for 2009, and an increase of 6.6% for 2010-2012. For family coverage, an increase of 5.9% is applied over 2007 premium rates, an increase of 9.9% for 2009, and an increase of 7.3% for 2010-2012.

Also contributing to the Health & Welfare variances are changes in employee levels and a higher assumed rate for NYCT's HIP and GHI plans.

Decreases from the February Plan in the years 2008-2012 are primarily the result of lower projected rate increases and the current payments for retired employee's health and welfare expenses being separately reported under the Other Than Post-Employment Benefits (OPEB) line.

OTHER POST EMPLOYMENT BENEFITS (OPEB) and GASB FUND

In the MTA Consolidated Financial Statements for the first quarter ending, March 31, 2007, MTA implemented the Governmental Accounting Standard Board Statement No. 45 ("GASB-45") -- the "Accounting and Financial Reporting for Employers for Post Employment Benefits Other Than Pensions".

For the MTA and other governmental employers, the Other Post-Employment Benefits have been funded on a "pay-as-you-go" basis and have been reported in the financial statements when the "promised" benefits were paid. GASB-45 now requires that state and local governmental entities' financial reports reflect systematic, accrual-based measurements and the recognition of OPEB costs (expense) over a period that approximates the employee's years of services and provides information about actuarial accrued liabilities and to what extent progress is made in the funding.

To provide the valuation of the various elements, the MTA engaged the firm of Milliman Consultants and Actuaries. The results of their report were reviewed and approved by the MTA's independent auditors, Deloitte and Touche LLP and PricewaterhouseCoopers, LLC.

The impact over a 22 year period per Milliman's actuarial report grows to an overall impact of a Frozen Accrued Liability of approximately $13,415 million. These balances, which will be recalculated every two years to reflect any adjustments or changes in the MTA's demographic information, have been recognized and accounted for in MTA Consolidated Financial Statements beginning in 2007.

While the GASB standard only requires the disclosure of this future liability, the MTA has created a GASB fund which appears only on the Cash Receipts and Expenditures Statement and not on the accrual-based Statement of Operations. On June of 2008, the MTA Board approved the establishment of the "MTA Retiree Welfare Benefits Trust" to govern the administration and investment of the OPEB trust assets. Contributions to this fund began in 2006 and include additional revenues generated by increased real-estate-related tax activity (MRT-2).

The July Plan projects Agency contributions of $60 million in 2008, $64 million in 2009, $66 million in 2010, $69 million in 2011, and $72 million in 2012. Included in these contributions are the Health & Welfare contributions made by those represented employees required to do so.

The July Financial Plan reflects the pay-as-you-go component for OPEBs in the expense category called "OPEB Current Payment". The accrued liability is captured in a separate line called "OPEB Obligation" which appears only on the Statement of Operations and not on the Cash Receipts and Expenditures statement.

CONSOLIDATED PENSIONS

MTA Consolidated Pensions
July Financial Plan
($ in millions)

	2008	2009	2010	2011	2012
Accrual					
Non-Reimbursable	$961	$904	$887	$863	$868
Reimbursable	49	47	44	45	45
Total Accrual	1,010	951	931	908	913
Cash	763	937	929	902	900

<u>Year-to-Year Changes:</u>

Consolidated pension expenses decrease from 2008 to 2009 due to the 2008 impact of NYCT's 55/25 refund to union employees (see plan-to-plan discussion). The impact, $117 million in 2008, decreases to $7 million in 2009 and then remains $9 million, thereafter. Between 2009 and 2011, consolidated pension expenses generally decrease due to reductions in NYCERS and MaBSTOA payroll expenses. NYCERS reductions reflect the valuation assumptions by the City's Chief Actuary. The MaBSTOA decreases are the result of assumed savings in projected amortization payments resulting from funds transferred from the MTA to the plan in 2006. Partly offsetting these year-to-year reductions are general increases in the MTA Defined Benefit Plan (MTA DB Plan) that affect multiple agencies. Other pension plans change little from year-to-year.

Cash significantly differs from accrued expenses in 2008. In 2007, the MTA made a prepayment of $200 million to the MaBSTOA, MTA DB and LIRR Pension plans. This resulted in $216 million in lower costs in 2008. As a result, cash pension expenses increases significantly from 2008 to 2009. After 2008, the differences between cash and accrual are primarily due to B&T's pension expenses that are not included in the cash pension figures (The B&T Financial Plan is presented on an accrual basis only; the impact of B&T on cash is reflected in the B&T Operating Surplus Transfer). Year-to-year cash increases generally reflect accrued expenses.

Plan-to-Plan Changes:

July Financial Plan vs. February Financial Plan
Favorable / (Unfavorable)
($ in millions)

	2008	2009	2010	2011
Non-Reimbursable	($92)	($33)	($43)	($36)
Reimbursable	(1)	(4)	(1)	(1)
Total Accrual	(93)	(37)	(44)	(37)
Cash	($103)	($31)	($39)	($32)

2008 pension expenses increase $93 million from the February Plan. $117 million of this increase reflects higher 2008 expenses for NYCT's NYCERS and MaBSTOA plans representing a refund to union employees who had previously made contributions to the 55/25 program. This refund was part of the December 2005 labor agreement and subsequent arbitration award with the unions and NYCT. Most of the impact is concentrated in 2008 with lesser impacts thereafter. The July Plan for NYCT's subsidies includes a transfer of $117 million from the GASB account to reimburse the NYCERS and MaBSTOA plans in 2008. In 2006, a portion of the GASB account was funded by one-time cash savings stemming from reductions in NYCT NYCERS costs; it was intended that these savings would be used for this purpose when the monies were deposited in the GASB account. The use of these monies to fund the lump-sum payments is reflected as a subsidy credit in 2008.

NYCT's expenses also increase in 2008 by a net $28 million due to revised assumptions for the MaBSTOA Plan, primarily mortality. Expenses at the MTA DB Plan and the LIRR Plans each increase about $5 million due to recently available 2007 actuarial valuations. The MTA DB valuation resulted in $23 million of lower expenses in 2007 which have been captured in consolidated pension figures as lower expenses in 2008. These lower expenses were primarily due to the 2007 valuation not reflecting the impact of certain MNR employees, formerly in MNR's discontinued Defined Contribution Plan, who opted to join the MTA DB Plan. The true impact of these employees will be reflected in future valuations.

From 2009 to 2011, plan-to-plan changes are primarily driven by the changes at NYCT. These include the impact of the 55/25 refund, resulting in $9 million in additional expenses per year after 2008, and higher MaBSTOA expenses for revised assumptions, resulting in $28 million more per year. Also, higher investment expenses for the NYCERS Plan result in $8 million in additional expenses in 2009, increasing to $16 million in 2011. From 2009 to 2011, expenses for the LIRR Plans and the MTA DB Plan continue to increase by about $5 million each due to revised 2007 actuarial valuations.

A $40 million annual pension reserve was included in MTAHQ's 2007 Adopted Budget. This reserve was meant to cover anticipated increases to agencies' pension expenses resulting from future actuarial valuations. In July 2007, the reserve was partially distributed due to the results of 2006 actuarial valuations. The remaining reserve in the MTAHQ Plan was valued at $24 million in 2007, $23 million in 2008, $20 million in 2009, $17 million in 2010 and $13 million in 2011. Due to the impact of recently available 2007 actuarial valuations the entire reserve has been removed from the July Plan's HQ budget, and is used to partially offset the increases noted above.

TRACTION AND PROPULSION POWER

MTA has a Long-Term Agreement ("LTA") through 2017 with the New York Power Authority ("NYPA") to supply electricity within the City of New York and Westchester County. The LTA dedicates many of NYPA's assets to serve its New York City governmental customers including two power plants in New York City, dedicated transmission lines from upstate, and a purchase power agreement with Entergy for below market nuclear energy. The above described assets limit the exposure of volatility in the energy markets but do not eliminate it completely. In that regard, the MTA, City of New York and other government customers have worked with NYPA to implement a hedge program, with customers responsible for marginal gains or losses due to market prices.

NYPA has provided cost of service projections for 2008-2011. Rates for 2009 and 2010 increase substantially from 2008 as a result of expiring power contracts and the closing of the Astoria Poletti power plant. Global Insight forecasts were applied in 2012.

LIPA reports an increase of 2.0% in 2008, 6.1% in 2009, 5.0% in 2010 and 0.3% in 2011. CL&P reports an increase of 8.0% in 2008, decreases of 2.8% and 6.1% in 2009 and 2010, respectively, and an increase of 1.0% in 2011. Global Insight forecasts were applied in 2012.

Con Edison delivers the NYPA power in New York City and Westchester. As a result of the most recent Con Ed rate case, costs for 2008 are expected to increase by 24.0%, 15.0% for 2009, 7.0% for 2010 and 10.0% for 2011. Global Insight forecasts were applied in 2012.

The LIRR updated its usage based on current and historical performance in addition to the aforementioned rate increases. MNR's forecast also reflects current consumption trends as well as the incorporation of service additions. In years 2010-2012, MNR has incorporated the net effect of the Equipment Replacement Plans for the New Haven and Harlem and Hudson Lines. Changes over the period are primarily due to the incorporation of the new M8 cars into New Haven Line service offset by the gradual retirement of the M2 car fleet.

Compared to the February Plan, the LIRR is favorable by approximately $11 million in each year of the Plan primarily due to an audit adjustment of $9 million for the recording of LIPA expenses (please reference the LIRR section for more details) as well as the removal of planned service enhancements of over $1 million during the period. LIRR's favorable adjustment partially offset unfavorable results at all other MTA Agencies starting in 2009 as a result of revised projections for traction and propulsion power. Compared to the February Plan, expenses are favorable by $7 million in 2008, but grow unfavorable by $4 million in 2009, $7 million 2010 and $14 million 2011.

FUEL FOR BUSES AND TRAINS

Fuel prices have reached historic highs in 2008 and are having a significant impact on current and future costs. Adjusted for inflation, prices are now higher than during the energy crisis and recession of the early 1980's. MTA uses the New York Mercantile Exchange's (NYMEX) futures and option contracts to forecast future price changes for diesel fuel and natural gas. The forecasts extend out 36 months for diesel and 60 months for natural gas.

Using NYMEX projections as a basis, in May 2008 MTA instructed Agencies to apply a projected rate increase of 1.5% in 2009 and a rate decrease of 3.1% in 2010, with rates remaining flat in 2011. Global Insight forecasts as of April 2008 are applied in 2012. MNR also incorporated the cost for its service plan enhancements.

In light of recent increases in prices and an unstable market for fuel, additional increases of $33 million, in 2008 and $50 million in 2009 have been incorporated into the MTA Consolidated July Financial Plan projections over and above the amounts in the Agency Plans. These additional amounts are based on Global Insight's latest forecast[2] for fuel, which anticipates fuel prices peaking during the second half of 2009. The Global Insight forecast then projects declining costs through 2012, with decreases of $15 million, $33 million and $47 million in 2010, 2011 and 2012, respectively; these changes have been incorporated into the MTA Consolidated July Financial Plan projections. These estimates are updates to Agency projections to reflect the most current data available, and therefore, are not captured in individual Agency submissions.

Compared to the February Plan, expenses for fuel, which include those adjustments made to the MTA Consolidated July Plan projections, are unfavorable by $88 million, or 39.3% in 2008, $123 million, or 59.2% in 2009, $59 million, or 28.1% in 2010, and $45 million, or 21.6% in 2011.

INSURANCE

Year-to-year increases in Insurance expenses are primarily driven by a 10% per annum market-rate increase based on an assessment of market conditions made by MTA's Risk Management Department. In 2008, expenses are lower than the outer years due to the purchase in 2007 of several policies, such as All-Agency Property and Sabotage and Terrorism, on an eighteen-month basis that are not due for renewal until May 2009. In 2011, the additional increase in Insurance expenses reflects the renewal of several multi-year policies, including All-Agency Environmental Liability, Travel Accident, Lead Abatement and Comprehensive Automotive Liability policies.

Compared to the February Plan, Insurance expenses are lower in the July Plan for years 2008-2010 primarily due to an expense adjustment in 2008 at MTAHQ and overall lower expenses at all MTA Agencies, except NYCT, as determined by the latest MTA Risk Management estimates. NYCT's expenses are higher in all years of the Plan primarily due to increases in the Paratransit (Access-a-Ride) policy in anticipation of the addition of new carriers. Additionally, this policy is being driven by a 15% per annum rate increase, which is based on an assessment of actuarial data, including historical losses and projected ridership growth.

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

CLAIMS

For all agencies, Claims expenses are based on inflationary assumptions as well as historical performance. Claims expenses are higher in 2009 than in 2008 primarily due

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[2] The forecast through 2010 was derived using inflators from Global Petroleum Monthly, June 2008 (released on July 8, 2008). Forecasts for 2011 and 2012 were derived using inflators from U.S. Economic Outlook, July 2008.

to FMTAC as expenses are determined by actuarial projections of the actual claims expense paid and any adjustments to reserves. On a year-to-year basis, NYCT's forecast includes an annual inflation rate of 2.5% in addition to historical performance and 2008 includes a $3.7 million favorable cash timing adjustment from 2007. These expense increases are offset by decreases at MTA Bus reflecting the application of guideline CPI's. MNR is also favorable in 2009 and is stable in 2010-2012 reflecting current claims trends.

On a plan-to-plan basis, FMTAC is unfavorable compared to the February Plan due to revised ultimate loss projections from actuarial projections. MNR also made unfavorable adjustments in 2008 to reflect current trends.

PARATRANSIT SERVICE CONTRACTS

Expenses increase from $280 million in 2008 to $523 million in 2012 or 86.8% over the period. The annual percentage increase per year is 13.0% in 2009, 15.7% in 2010, 20.4% in 2011 and 18.6% in 2012. The primary driver of these expense increases is projected annual ridership growth of 15% and cost-per-trip inflation projections based upon current carrier contracts.

Compared to the February Plan, Paratransit costs increase in each year from 2008 to 2012 primarily due to a productivity decrease caused by the accumulation of additional vendors needed to help meet increased capacity requirements. There are increases of $8 million in 2008 and $9 million in each year from 2009 to 2012.

MAINTENANCE AND OTHER OPERATING CONTRACTS

Expenses for Maintenance and Other Operating Contracts for all MTA Agencies are inflated by Global Insight's CPI-U forecasts in each year from 2009 through 2012.

In addition to these inflationary increases, NYCT includes the NYPA/Con Edison energy rate increases of 11.4% in 2009, 18.1% in 2010, 7.3% in 2011, and 1.3% in 2012 for non-traction power electric costs (e.g., facilities).

For 2008 to 2009, the LIRR includes additional expenses for M7 Threshold plates.

For MNR, 2009-2012 includes fluctuating costs for East and West of Hudson locomotive overhauls. In 2009 these costs increase by $3.6 million; 2010-2012 include reductions of $3.0 million, $1.2 million and $5.6 million, respectively, as program costs wind down or are completed. Also, included in 2009 are additional costs for office space renovations, GCT maintenance, and security monitoring services. In addition, West of Hudson subsidy payments increased by $2 million in 2010 and $1 million in 2011 and 2012, respectively, due to contract cost escalations and increases in services. 2010-2012 includes equipment disposal costs primarily for M2 cars.

B&T's expenses are $16 million lower in 2009 than 2008 primarily due to lower maintenance spending resulting from the acceleration of work for the Bronx-Whitestone Queens Approach and revised estimates for 2008 projects. Other expenses contributing to this favorable variance are lower EZPass Customer Service Center (CSC) expenses due to a new operating contract. In 2010, expenses are $6.6 million higher than 2009 due primarily to higher major maintenance and bridge painting expenses. In 2011, expenses are $7.2 million lower than 2010 primarily due to a reduction in bridge painting expenses after the completion of work at the Henry Hudson, Triborough and Throgs Neck Bridges. In 2012, expenses are $11.1 million higher than 2011 primarily due to higher bridge painting expenses resulting from anticipated construction start-up for new painting work.

SIR's expenses for 2009-2012 reflect the NYPA annual increases consistent with the Global Insight inflation forecast. 2009 and 2010 include an estimated $11 million of one-time fleet maintenance expenses to maintain the safety and reliability of the 64-car fleet until anticipated replacement in 2014.

Compared with the February Plan, NYCT expenses are unfavorable in 2008-2012 due to the increased cost of heating fuel.

B&T is unfavorable in 2008 compared with the February Plan due to higher expenses for both maintenance and bridge painting due mainly to the carryover from work begun in 2007. 2009-2012 is favorable due to the full implementation of a new contract for the E-ZPass CSC. In addition, there are lower bridge painting needs in 2009 ($6.0 million) due to the rescheduling of work to 2008. In 2012, there is a reduction of $5.6 million due to a re-estimate of painting needs in that year.

MTAHQ expenses were favorable in 2008 compared with the February Plan due to lower maintenance and repair work for MTA Headquarters facilities.

On a plan-to-plan basis, MTA Bus expenses are unfavorable in 2008 by $5.1 million due to one-time operating contract additions and renewals.

PROFESSIONAL SERVICE CONTRACTS

Increases in Professional Service Contracts for all agencies for 2009 through 2012 are inflated primarily by Global Insight's Regional CPI-U forecasts.

B&T's expenses in 2009 are $4.1 million higher than 2008 primarily due to the addition of a cashless toll study and re-estimates of MTA chargeback expenses for increased technical support. MTA Bus' increase of $3.9 million in 2009 is due to a new traffic checking contract. MNR's increase of $2.9 million in 2009 includes the restoration of a cost provision for general advertising fees and an adjustment to MTA Police charges. NYCT's year-to-year increases are largely due to inflation and 2008 includes a $1.9

million unfavorable cash timing adjustment from 2007. Expenses at MTAHQ are higher in 2008 than 2009 due to one-time West Side Yard development fees. The LIRR experiences a favorable $0.7 million from 2008 to 2009 primarily associated with expenses related to various new Information Technology initiatives.

With the exception of 2009, overall decreases from the February Plan are primarily driven by the LIRR due to the capitalization of certain Information Technology initiatives. There is also a decrease at MTA Bus due to expense re-estimates and the application of favorable CPI's. Plan-to-Plan increases in 2009 are driven by B&T resulting from higher bond service fees, an assessment of cashless tolling and higher MTA chargeback expenses largely for Transcom membership dues.

MATERIALS & SUPPLIES

All-Agency increases in Materials and Supplies for 2009 through 2012 are inflated primarily by Global Insight's Regional CPI-U forecasts.

Materials and Supplies costs increase $34 million or 6% between 2008 and 2009. MNR's expense increase of $18 million in 2009 from 2008 results from the M-7 five year Life Cycle Maintenance (LCM) program, office space renovations, and the overhaul of M1 cars. NYCT year-to-year increases were primarily due to the timing of subway and bus fleet maintenance programs. B&T's expenses increase in 2009, 2010, and 2011 by $1.5 million, $17 million, and $2.7 million, respectively, result from an E-ZPass replacement program. For 2012, expenses are $8.0 million lower primarily due to lower tag replacement requirements than in previous years. The LIRR reflects an increase between 2008 and 2009 primarily due to East Side Access material costs.

Compared to the February Plan, expenses are favorable for MTA Bus by $7.6 million in 2008 due to an expense re-estimate. NYCT is $30 million favorable in 2009 primarily due to a delay in the receipt of material required to replace the R62 fleet group boxes (propulsion system). These savings will be offset by increases of $14.3 million in 2011 and $14.2 million in 2012, as the replacement program begins. For the LIRR, Material & Supplies expenses change each year due to unbudgeted East Side Access material and a re-estimate of material costs associated with Life Cycle Maintenance (LCM) program. MNR's expenses increase in 2008-2011 due to higher material usage, component prices, and the establishment of the M-7 LCM program.

OTHER BUSINESS EXPENSES

Increases in Other Business Expenses in 2009-2012 are inflated primarily by MTA Regional CPI-U forecasts provided by Global Insight.

The consolidated decrease of $11 million in 2009 from 2008 is driven by a reclassification of expenses primary to Maintenance and Other Operating Contracts at

MTAHQ. There is a minor decrease in 2009 and an increase in 2010 of $2.0 million at MNR primarily due to increased credit card fees associated with higher ridership and an increase in customer use of credit cards to purchase tickets. The LIRR decrease of $0.3 million from 2008 to 2009 reflects changes in credit/debit authorization fees (allowing debit and credit card sales at the ticket windows). NYCT's changes in 2009-2012 reflect inflationary increases.

July Plan expenses changed compared with the February Plan in 2008 through 2011 by an increase of $10.0 million in 2008, an increase of $0.3 million in 2009, a decrease of $2.0 million in 2010 and a decrease of $2.0 million in 2011. The significant increase in 2008 is primarily driven by MTAHQ due to unfavorable inter-company activity. MTA Bus also had unfavorable increases in 2008 due to program re-estimates. MNR's increases in 2008 reflect higher credit card fees associated with higher ridership and an increase in credit card usage.

ENVIRONMENTAL REMEDIATION

The July Plan reflects the implementation of the Governmental Accounting Standard Board Statement No. 49 ("GASB-49") -- the "Accounting and Financial Reporting for Pollution Remediation Obligations". The purpose of this new reporting requirement is for governmental bodies to provide the public with better information about the financial impact of environmental cleanups. Liabilities and expenses were estimated using an "expected cash flow" measurement technique. In the MTA Consolidated Financial Statements for the first quarter ending, March 31, 2008, the MTA recorded expenses of $21.8 million and a total accrued liability of $98.3 million.

Positions (Headcount)

BASELINE POSITIONS (Headcount)

This section excludes below-the-line Agency PEG reductions.

Plan-to-Plan (2008) Mid-Year Forecast

MTA consolidated baseline positions of 70,672 are 290 lower than the 2008 Adopted Budget. Non-Reimbursable positions are forecast to decrease by 416 and Reimbursable positions to increase by 126. Total positions decrease by 341 at NYCT and 101 at MNR, while positions increase by 72 at the LIRR, 11 at MTA HQ, 3 at B&T and 2 at SIR. Positions decrease in Operations (-393) and Maintenance (-124), and increase in Administration (+110), Engineering (+39), and Public Safety (+78), which includes 64 IESS positions.

NYCT's decrease is composed of 448 Non-Reimbursable position reductions and 107 Reimbursable position increases. Positions decrease in Operations (-422), Maintenance (-15) and Engineering (-1), and increase in Administration (+79) and Public Safety (+18). The bulk of the position reduction is due to the elimination of the MTA Service Enhancement initiative (-427), partially offset by increases related to New Needs (+128). Among these New Needs are 66 positions for Elevator and Escalator improvement, track safety refresher training, bus rapid transit fare collection, and the Staten Island Maintenance Action Plan. An additional 62 positions are for added service in order to bring subway service loads within Board-approved loading guidelines. Position increases in Administration include "in-house" support staff for new technology information systems such as Communication Based Train Control (CBTC), Automated Train Supervision (ATS-A), and the Paratransit Automated Vehicle Locator (AVL) system. Administration positions also increase as a result of staffing required for Training, Workforce Development and MTA Bus Support.

MNR's decrease is made up of reductions of 70 Non-Reimbursable positions and 31 Reimbursable positions. Positions decrease in Maintenance (-95), Administration (-8) and Engineering (-2), and increase in Operations (+4). Position reductions reflect the use of an outside contractor for safety monitoring functions and Mid-Year Forecast adjustments related to the timing of capital project requirements, delays in the implementation of new security control systems, and an increase in the number of retirees. Partially offsetting these reductions was a Mid-Year Forecast adjustment increasing the number of on-board train service employees in the latter part of the year.

The LIRR's increase is made up of 29 Non-Reimbursable positions and 43 Reimbursable positions. Positions increase in Operations (+19), Administration (+15) and Engineering (+54), and decrease in Maintenance (-16). Increases of 111 positions are primarily for capital project and other reimbursable activity, Information Technology Operations Management System (OMS) development and support, and the Transportation East End management restructure and Train Movement initiative. These increases are partially offset by reductions related to adjustments in the gap mitigation program (27 positions), and the elimination of the Service Enhancement Initiative (11 positions).

MTA HQ's increase is made up of 4 Non-Reimbursable positions and 7 Reimbursable positions. Positions increase in Administration (+15) and decrease in Public Safety (-4). The increase in Administrative positions is primarily due to the consolidation of MTA Agencies' defined benefit plans into a centralized PeopleSoft Pension Administration System, increased responsibilities of the Deferred Compensation department, and implementation of the recommendations of the Blue Ribbon Commission on Sustainability.

<u>Plan-to-Plan (2009) Preliminary Budget</u>

Total baseline positions are increasing by 195 compared with the February Plan. Non-Reimbursable positions increase by 3 and Reimbursable positions by 192. Positions increase by 57 at the LIRR, 14 at MTA HQ, 3 at B&T, 2 at SIR and 1 at MNR, while positions decrease by 11 at NYCT. Additionally, IESS positions increase by 129 over the February Plan.

The LIRR's increase is composed of a 36 Non-Reimbursable position reduction and a 93 Reimbursable position increase. Positions increase in Engineering (+62) and Administration (+17), and drop in Operations (-15) and Maintenance (-7). Position increases of 141 are partially offset by reductions of 84. Positions increase as a result of electrician apprenticeship program revisions, signal system and diesel fleet maintenance, Life Cycle Maintenance (LCM) program changes, inspections mandated by the Federal Railroad Administration (FRA), station maintenance, warranty management, and the continuation of 2008 July Plan initiatives (listed above). These increases are partially offset by reductions of 84 positions related to the timing of hires and training programs (-36), elimination of the Service Enhancement Initiative (-35) and the continuation of 2008 July Plan reductions listed above.

NYCT's decrease is made up of reductions of 99 Non-Reimbursable positions and increases of 88 Reimbursable positions. Positions drop in Operations (-388) and Engineering (-33), and increase in Maintenance (+280), Administration (+111), and Public Safety (+19). Most of the change in positions is due to a reduction of 427 positions related to the elimination of the MTA Service Enhancement initiative. This reduction is mostly offset by position increases for additional capital work (+88), labor contract apprentice program requirements (+38), subway fleet scheduled maintenance (+37), and the continuation of 2008 July Plan initiatives listed above (+205).

MTA HQ's increase is made up of 3 Non-Reimbursable positions and 11 Reimbursable positions and Positions increase in Administration (+18) and decrease in Public Safety (-4). Position increases result from the continuation of 2008 July Plan initiatives (listed above).

Plan-to-Plan (2010 – 2011)

When compared with the February Plan, positions are lower in 2010 (-8) and higher in 2011 (+137). Positions decrease in 2010 at NYCT (-120) and MNR (-93), and increase at the LIRR (+42), MTA HQ (+17), B&T (+3), and SIR (+2). Additionally, IESS positions increase by 141 over the February Plan.

NYCT's decrease in 2010 and 2011 reflects the elimination of 427 positions related to the MTA Service Enhancement Fund partially offset by increases resulting from the continuation of 2008 July Plan initiatives (listed above).

MNR's decrease in 2010 and 2011 primarily reflects reductions in the New Haven Maintenance Facility Shop Complex, Security Plan adjustments, changes in service and quality control programs, changes related to the Harmon Shop replacement master plan, signal improvements on the Danbury branch, and Harlem/Hudson power improvements. These reductions are partially offset by increased training personnel and the management of the Grand Central Terminal Building Maintenance 2^{nd} shift.

The LIRR's increase in 2010 and 2011 is primarily due to a continuation of 2008 July Plan initiatives (listed above), partially offset by the elimination of the Service Enhancement Initiative (-35) and a continuation of 2008 July Plan reductions (listed above).

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Baseline Change Between 2008 February Financial Plan vs. 2008 July Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

	Favorable/(Unfavorable) Variance			
Category	**2008**	**2009**	**2010**	**2011**
Baseline Total Positions	**290**	**(195)**	**8**	**(137)**
NYC Transit	341	11	120	59
Long Island Rail Road	(72)	(57)	(42)	(81)
Metro-North Railroad	101	(1)	93	57
Bridges & Tunnels	(3)	(3)	(3)	(10)
Headquarters	(11)	(14)	(17)	(19)
Long Island Bus	0	0	0	0
Staten Island Railway	(2)	(2)	(2)	(2)
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)*	(64)	(129)	(141)	(141)
Non-Reimbursable	**416**	**(3)**	**172**	**(37)**
NYC Transit	448	99	197	81
Long Island Rail Road	(29)	36	31	(19)
Metro-North Railroad	70	(1)	93	57
Bridges & Tunnels	(3)	(3)	(3)	(10)
Headquarters	(4)	(3)	(3)	(3)
Long Island Bus	0	0	0	0
Staten Island Railway	(2)	(2)	(2)	(2)
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)*	(64)	(129)	(141)	(141)
Reimbursable	**(126)**	**(192)**	**(164)**	**(100)**
NYC Transit	(107)	(88)	(77)	(22)
Long Island Rail Road	(43)	(93)	(73)	(62)
Metro-North Railroad	31	0	0	0
Bridges & Tunnels	0	0	0	0
Headquarters	(7)	(11)	(14)	(16)
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)*	0	0	0	0
Total Full-Time	**287**	**(191)**	**12**	**(133)**
NYC Transit	338	15	124	63
Long Island Rail Road	(72)	(57)	(42)	(81)
Metro-North Railroad	101	(1)	93	57
Bridges & Tunnels	(3)	(3)	(3)	(10)
Headquarters	(11)	(14)	(17)	(19)
Long Island Bus	0	0	0	0
Staten Island Railway	(2)	(2)	(2)	(2)
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)*	(64)	(129)	(141)	(141)
Total Full-Time-Equivalents	**3**	**(4)**	**(4)**	**(4)**
NYC Transit	3	(4)	(4)	(4)
Long Island Rail Road	0	0	0	0
Metro-North Railroad	0	0	0	0
Bridges & Tunnels	0	0	0	0
Headquarters	0	0	0	0
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)*	0	0	0	0

*IESS is in addition to Agency baselines.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Baseline Change Between 2008 February Financial Plan vs. 2008 July Financial Plan
Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

Function	2008	2009	2010	2011
	Favorable/(Unfavorable) Variance			
Administration	**(110)**	**(126)**	**(138)**	**(141)**
NYC Transit	(79)	(111)	(111)	(111)
Long Island Rail Road	(15)	(17)	(17)	(17)
Metro-North Railroad	8	4	(5)	(6)
Bridges & Tunnels	(1)	(1)	(1)	(1)
Headquarters	(15)	(18)	(21)	(23)
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	(12)	13	13	13
Bus Company	4	4	4	4
Operations	**393**	**393**	**430**	**417**
NYC Transit	422	388	380	371
Long Island Rail Road	(19)	15	15	15
Metro-North Railroad	(4)	(4)	41	37
Bridges & Tunnels	0	0	0	0
Headquarters	0	0	0	0
Long Island Bus	0	0	0	0
Staten Island Railway	(2)	(2)	(2)	(2)
Capital Construction Company	0	0	0	0
Bus Company	(4)	(4)	(4)	(4)
Maintenance	**124**	**(276)**	**(87)**	**(216)**
NYC Transit	15	(280)	(164)	(216)
Long Island Rail Road	16	7	22	(17)
Metro-North Railroad	95	(1)	57	26
Bridges & Tunnels	(2)	(2)	(2)	(9)
Headquarters	0	0	0	0
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Engineering/Capital	**(39)**	**(42)**	**(42)**	**(42)**
NYC Transit	1	33	33	33
Long Island Rail Road	(54)	(62)	(62)	(62)
Metro-North Railroad	2	0	0	0
Bridges & Tunnels	0	0	0	0
Headquarters	0	0	0	0
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	12	(13)	(13)	(13)
Bus Company	0	0	0	0
Public Safety	**(78)**	**(144)**	**(155)**	**(155)**
NYC Transit	(18)	(19)	(18)	(18)
Long Island Rail Road	0	0	0	0
Metro-North Railroad	0	0	0	0
Bridges & Tunnels	0	0	0	0
Headquarters	4	4	4	4
Long Island Bus	0	0	0	0
Staten Island Railway	0	0	0	0
Capital Construction Company	0	0	0	0
Bus Company	0	0	0	0
Integrated Electronic Security Systems (IESS)	(64)	(129)	(141)	(141)

Metropolitan Transportation Authority
July Financial Plan 2009 - 2012
Baseline Change Between 2009 February Financial Plan vs. 2009 July Financial Plan
Full-time Positions and Full-time Equivalents by Occupational Group and Agency

Favorable/(Unfavorable) Variance

FUNCTION/OCCUPATIONAL GROUP	2008 JFP	2008 FFP	2008	2009 JFP	2009 FFP	2009	2010 JFP	2010 FFP	2010	2011 JFP	2011 FFP	2011	2012 JFP	2012 FFP	2012
Administration															
Managers/Supervisors	1,856	1,821	(35)	1,856	1,822	(34)	1,851	1,818	(33)	1,849	1,816	(33)	1,848	1,814	(34)
Professional, Technical, Clerical	3,256	3,189	(67)	3,260	3,175	(85)	3,268	3,170	(98)	3,271	3,170	(101)	3,273	3,170	(103)
Operational Hourlies	70	62	(8)	69	62	(7)	69	62	(7)	69	62	(7)	69	62	(7)
Total Administration	5,182	5,072	(110)	5,185	5,059	(126)	5,188	5,050	(138)	5,189	5,048	(141)	5,190	5,046	(144)
Operations															
Managers/Supervisors	3,315	3,311	(4)	3,264	3,246	(18)	3,242	3,231	(11)	3,237	3,225	(12)	3,235	3,224	(11)
Professional, Technical, Clerical	1,074	1,074	-	1,080	1,071	(9)	1,078	1,084	6	1,078	1,084	6	1,078	1,084	6
Operational Hourlies	26,700	27,097	397	26,686	27,106	420	26,668	27,103	435	26,689	27,112	423	26,702	27,123	421
Total Operations	31,089	31,482	393	31,030	31,423	393	30,988	31,418	430	31,004	31,421	417	31,015	31,431	416
Maintenance															
Managers/Supervisors	4,846	4,943	97	4,913	4,926	13	4,899	4,928	29	4,883	4,904	21	4,827	4,855	28
Professional, Technical, Clerical	2,678	2,673	(5)	2,652	2,636	(16)	2,624	2,613	(11)	2,605	2,592	(13)	2,597	2,589	(8)
Operational Hourlies	23,204	23,236	32	23,390	23,117	(273)	23,442	23,337	(105)	23,454	23,230	(224)	23,050	22,975	(75)
Total Maintenance	30,728	30,852	124	30,955	30,679	(276)	30,965	30,878	(87)	30,942	30,726	(216)	30,474	30,419	(55)
Engineering/Capital															
Managers/Supervisors	537	490	(47)	540	484	(56)	540	484	(56)	540	484	(56)	540	484	(56)
Professional, Technical, Clerical	1,505	1,513	8	1,498	1,512	14	1,498	1,512	14	1,498	1,512	14	1,498	1,512	14
Operational Hourlies	2	2	-	2	2	-	2	2	-	2	2	-	2	2	-
Total Engineering/Capital	2,044	2,005	(39)	2,040	1,998	(42)	2,040	1,998	(42)	2,040	1,998	(42)	2,040	1,998	(42)
Public Safety															
Managers/Supervisors	143	127	(16)	142	126	(16)	142	126	(16)	142	126	(16)	142	126	(16)
Professional, Technical, Clerical	119	122	3	120	122	2	120	122	2	120	122	2	120	122	2
Operational Hourlies	1,303	1,302	(1)	1,298	1,297	(1)	1,297	1,297	-	1,297	1,297	-	1,297	1,297	-
Integrated Electronic Security Systems (IESS)	64	-	(64)	129	-	(129)	141	-	(141)	141	-	(141)	141	-	(141)
Total Public Safety	1,629	1,551	(78)	1,689	1,545	(144)	1,700	1,545	(155)	1,700	1,545	(155)	1,700	1,545	(155)
Baseline Total Positions															
Managers/Supervisors	10,697	10,692	(5)	10,715	10,604	(111)	10,674	10,587	(87)	10,651	10,555	(96)	10,592	10,503	(89)
Professional, Technical, Clerical	8,632	8,571	(61)	8,610	8,516	(94)	8,588	8,501	(87)	8,572	8,480	(92)	8,566	8,477	(89)
Operational Hourlies	51,279	51,699	420	51,445	51,584	139	51,478	51,801	323	51,511	51,703	192	51,120	51,459	339
Integrated Electronic Security Systems (IESS)	64	-	(64)	129	-	(129)	141	-	(141)	141	-	(141)	141	-	(141)
Baseline Total Positions	70,672	70,962	290	70,899	70,704	(195)	70,881	70,889	8	70,875	70,738	(137)	70,419	70,439	20

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Agency

Category	2007 Actual	2008 Mid-Year Forecast	2009	2010	2011	2012
Baseline Total Positions	**69,117**	**70,672**	**70,899**	**70,881**	**70,875**	**70,419**
NYC Transit	48,910	49,235	49,171	49,049	49,002	48,513
Long Island Rail Road	6,471	6,963	7,030	7,048	7,027	7,011
Metro-North Railroad	5,855	6,034	6,189	6,260	6,313	6,361
Bridges & Tunnels	1,772	1,819	1,819	1,819	1,826	1,826
Headquarters	1,347	1,465	1,470	1,473	1,475	1,476
Long Island Bus	1,103	1,153	1,153	1,153	1,153	1,153
Staten Island Railway	268	278	277	277	277	277
Capital Construction Company	90	150	150	150	150	150
Bus Company	3,301	3,511	3,511	3,511	3,511	3,511
Integrated Electronic Security Systems (IESS)*	0	64	129	141	141	141
Non-Reimbursable	**62,940**	**63,283**	**63,746**	**63,945**	**64,108**	**63,663**
NYC Transit	44,025	43,633	43,884	43,975	44,088	43,611
Long Island Rail Road	5,829	6,071	6,094	6,119	6,109	6,093
Metro-North Railroad	5,386	5,418	5,542	5,613	5,666	5,714
Bridges & Tunnels	1,720	1,766	1,766	1,766	1,773	1,773
Headquarters	1,324	1,422	1,423	1,423	1,423	1,423
Long Island Bus	1,090	1,139	1,139	1,139	1,139	1,139
Staten Island Railway	265	275	274	274	274	274
Capital Construction Company	0	0	0	0	0	0
Bus Company	3,301	3,495	3,495	3,495	3,495	3,495
Integrated Electronic Security Systems (IESS)*	0	64	129	141	141	141
Reimbursable	**6,177**	**7,389**	**7,153**	**6,936**	**6,767**	**6,756**
NYC Transit	4,885	5,602	5,287	5,074	4,914	4,902
Long Island Rail Road	642	892	936	929	918	918
Metro-North Railroad	469	616	647	647	647	647
Bridges & Tunnels	52	53	53	53	53	53
Headquarters	23	43	47	50	52	53
Long Island Bus	13	14	14	14	14	14
Staten Island Railway	3	3	3	3	3	3
Capital Construction Company	90	150	150	150	150	150
Bus Company	0	16	16	16	16	16
Integrated Electronic Security Systems (IESS)*	0	0	0	0	0	0
Total Full-Time	**68,737**	**70,363**	**70,598**	**70,580**	**70,574**	**70,118**
NYC Transit	48,630	49,040	48,984	48,862	48,815	48,326
Long Island Rail Road	6,471	6,963	7,030	7,048	7,027	7,011
Metro-North Railroad	5,850	6,029	6,184	6,255	6,308	6,356
Bridges & Tunnels	1,772	1,819	1,819	1,819	1,826	1,826
Headquarters	1,347	1,465	1,470	1,473	1,475	1,476
Long Island Bus	1,008	1,044	1,044	1,044	1,044	1,044
Staten Island Railway	268	278	277	277	277	277
Capital Construction Company	90	150	150	150	150	150
Bus Company	3,301	3,511	3,511	3,511	3,511	3,511
Integrated Electronic Security Systems (IESS)*	0	64	129	141	141	141
Total Full-Time-Equivalents	**380**	**309**	**301**	**301**	**301**	**301**
NYC Transit	280	195	187	187	187	187
Long Island Rail Road	0	0	0	0	0	0
Metro-North Railroad	5	5	5	5	5	5
Bridges & Tunnels	0	0	0	0	0	0
Headquarters	0	0	0	0	0	0
Long Island Bus	95	109	109	109	109	109
Staten Island Railway	0	0	0	0	0	0
Capital Construction Company	0	0	0	0	0	0
Bus Company	0	0	0	0	0	0
Integrated Electronic Security Systems (IESS)*	0	0	0	0	0	0

Business Service Center - Savings	0	33	33	33	367	620
Business Service Center - HQ Additions	0	(55)	(100)	(100)	(413)	(371)
Net Agency-Wide Impact	0	(22)	(67)	(67)	(46)	249

*IESS is in addition to Agency baselines.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents by Function and Agency

Function	2007 Actual	2008 Mid-Year Forecast	2009	2010	2011	2012
Administration	**4,883**	**5,182**	**5,185**	**5,188**	**5,189**	**5,190**
NYC Transit	2,540	2,523	2,536	2,525	2,522	2,521
Long Island Rail Road	649	735	741	743	744	744
Metro-North Railroad	710	740	744	753	754	755
Bridges & Tunnels	140	144	144	144	144	144
Headquarters	616	699	704	707	709	710
Long Island Bus	85	96	96	96	96	96
Staten Island Railway	27	29	29	29	29	29
Capital Construction Company	21	55	30	30	30	30
Bus Company	95	161	161	161	161	161
Operations	**30,940**	**31,089**	**31,030**	**30,988**	**31,004**	**31,015**
NYC Transit	23,171	23,181	23,123	23,060	23,055	23,048
Long Island Rail Road	2,043	2,092	2,079	2,079	2,079	2,079
Metro-North Railroad	1,755	1,843	1,855	1,876	1,897	1,915
Bridges & Tunnels	760	800	800	800	800	800
Headquarters	0	0	0	0	0	0
Long Island Bus	758	777	777	777	777	777
Staten Island Railway	91	94	94	94	94	94
Capital Construction Company	0	0	0	0	0	0
Bus Company	2,362	2,302	2,302	2,302	2,302	2,302
Maintenance	**29,883**	**30,728**	**30,955**	**30,965**	**30,942**	**30,474**
NYC Transit	21,284	21,564	21,582	21,535	21,496	21,015
Long Island Rail Road	3,704	3,997	4,070	4,086	4,064	4,048
Metro-North Railroad	3,285	3,338	3,475	3,516	3,547	3,576
Bridges & Tunnels	394	398	398	398	405	405
Headquarters	0	0	0	0	0	0
Long Island Bus	243	261	261	261	261	261
Staten Island Railway	150	155	154	154	154	154
Capital Construction Company	0	0	0	0	0	0
Bus Company	823	1,015	1,015	1,015	1,015	1,015
Engineering/Capital	**1,883**	**2,044**	**2,040**	**2,040**	**2,040**	**2,040**
NYC Transit	1,431	1,468	1,436	1,436	1,436	1,436
Long Island Rail Road	75	139	140	140	140	140
Metro-North Railroad	105	113	115	115	115	115
Bridges & Tunnels	177	190	190	190	190	190
Headquarters	0	0	0	0	0	0
Long Island Bus	15	16	16	16	16	16
Staten Island Railway	0	0	0	0	0	0
Capital Construction Company	69	95	120	120	120	120
Bus Company	11	23	23	23	23	23
Public Safety	**1,528**	**1,629**	**1,689**	**1,700**	**1,700**	**1,700**
NYC Transit	484	499	494	493	493	493
Long Island Rail Road	0	0	0	0	0	0
Metro-North Railroad	0	0	0	0	0	0
Bridges & Tunnels	301	287	287	287	287	287
Headquarters	731	766	766	766	766	766
Long Island Bus	2	3	3	3	3	3
Staten Island Railway	0	0	0	0	0	0
Capital Construction Company	0	0	0	0	0	0
Bus Company	10	10	10	10	10	10
Integrated Electronic Security Systems (IESS)	0	64	129	141	141	141

Metropolitan Transportation Authority
July Financial Plan 2009 - 2012
Baseline Total Full-time Positions and Full-time Equivalents by Function and Occupational Group

FUNCTION/OCCUPATIONAL GROUP		2007 Actuals	2008 Mid-Year Forecast	2009	2010	2011	2012
Administration							
	Managers/Supervisors	1,692	1,856	1,856	1,851	1,849	1,848
	Professional, Technical, Clerical	3,063	3,256	3,260	3,268	3,271	3,273
	Operational Hourlies	128	70	69	69	69	69
	Total Administration	4,883	5,182	5,185	5,188	5,189	5,190
Operations							
	Managers/Supervisors	3,175	3,315	3,264	3,242	3,237	3,235
	Professional, Technical, Clerical	1,054	1,074	1,080	1,078	1,078	1,078
	Operational Hourlies	26,711	26,700	26,686	26,668	26,689	26,702
	Total Operations	30,940	31,089	31,030	30,988	31,004	31,015
Maintenance							
	Managers/Supervisors	4,800	4,846	4,913	4,899	4,883	4,827
	Professional, Technical, Clerical	2,528	2,678	2,652	2,624	2,605	2,597
	Operational Hourlies	22,555	23,204	23,390	23,442	23,454	23,050
	Total Maintenance	29,883	30,728	30,955	30,965	30,942	30,474
Engineering/Capital							
	Managers/Supervisors	449	537	540	540	540	540
	Professional, Technical, Clerical	1,432	1,505	1,498	1,498	1,498	1,498
	Operational Hourlies	2	2	2	2	2	2
	Total Engineering/Capital	1,883	2,044	2,040	2,040	2,040	2,040
Public Safety							
	Managers/Supervisors	121	143	142	142	142	142
	Professional, Technical, Clerical	98	119	120	120	120	120
	Operational Hourlies	1,309	1,303	1,298	1,297	1,297	1,297
	Integrated Electronic Security Systems (IESS)	-	64	129	141	141	141
	Total Public Safety	1,528	1,629	1,689	1,700	1,700	1,700
Baseline Total Positions							
	Managers/Supervisors	10,237	10,697	10,715	10,674	10,651	10,592
	Professional, Technical, Clerical	8,175	8,632	8,610	8,588	8,572	8,566
	Operational Hourlies	50,705	51,279	51,445	51,478	51,511	51,120
	Integrated Electronic Security Systems (IESS)	-	64	129	141	141	141
	Baseline Total Positions	69,117	70,672	70,899	70,881	70,875	70,419

BASELINE POSITIONS (Headcount)

This section excludes below-the-line Agency PEG reductions.

Year-to-Year (2009 vs 2008)

The MTA consolidated 2009 baseline reflects positions of 70,899, which are 227 more than 2008. Non-Reimbursable positions increase by 463 and Reimbursable positions decrease by 236. Positions increase by 155 at MNR, 67 at the LIRR and 5 at MTA HQ, while positions decrease by 64 at NYCT and 1 at SIR. Additionally, IESS positions increase by 65 over 2008 (129 versus 64).

MNR's increase is made up of 124 Non-Reimbursable and 31 Reimbursable positions. Positions increase in Maintenance (+137), Operations (+12), Administration (+4) and Engineering (+2). Position increases are related to staffing in support of the new M8 car procurements, the M7 five-year life cycle maintenance program, maintenance support of new security systems, Mid-Hudson station improvements, additional training personnel, Grand Central Terminal maintenance, and fleet management.

The LIRR's increase is made up of 44 Reimbursable positions and 23 Non-Reimbursable positions. Positions increase in Maintenance (+73), Administration (+6) and Engineering/Capital (+1), and decrease in Operations (-13). Position increases are primarily due to Maintenance of Equipment initiatives related to FRA mandates, the apprenticeship program, gap mitigation, and capital program activities.

NYCT's decrease is composed of 251 Non-Reimbursable position increases and 315 Reimbursable position reductions. Positions decrease in Operations (-58), Engineering (-32) and Security (-5), and increase in Maintenance (+18) and Administration (+13). Reimbursable position reductions are primarily due to reductions in tunnel lighting, delays in Scheduled Maintenance System (SMS) work (on behalf of SIR), R160 acceptance testing, and a reduction in Capital Program Management forces. The increase in Non-Reimbursable positions is mainly due to the opening of the Charleston Annex, an increase in the Scheduled Maintenance System (SMS), and an increase in Signal Helpers to reduce overtime.

Year-to-Year (2010 – 2012)

Total forecasted position levels drop by 480 from the end of 2009 to the end of 2012. Positions decrease by 18 in 2010, 6 in 2011, and 456 in 2012. Agencies with the largest position changes at the end of the three-year period are NYCT with a decrease of 658, and MNR with an increase of 172.

NYCT's decrease is made up of decreases of 385 Reimbursable positions and 273 Non-Reimbursable positions. Reimbursable positions decrease due to the warranty period ending (and consequently capital funding) for the R160 subway cars, as well as completion of the following projects: Antenna Cable Replacement, Battery Cable Replacement, Signal Circuit Key-By, R68/68A Passenger Emergency Intercom, and various security projects. Non-reimbursable positions drop as a result of reduced staffing requirements for the Scheduled Maintenance System (SMS).

MNR's increase is made up entirely of Non-Reimbursable positions. Positions increase in Maintenance (+101), Operations (+60) and Administration (+11). Position increases primarily result from increased maintenance positions to support the new M8 cars, the establishment of a second shift coach shop at Harmon, on-board train service positions required for new train service, staffing required to support security improvements, maintenance positions to support completed right-of-way and facility improvements, and positions to support signal improvements on the Danbury branch.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Year to Year Changes for Positions by Function and Agency
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents

Function	2007	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010	2012	Change 2012-2011
Baseline Total Positions	**69,117**	**70,672**	**(1,555)**	**70,899**	**(227)**	**70,881**	**18**	**70,875**	**6**	**70,419**	**456**
NYC Transit	48,910	49,235	(325)	49,171	64	49,049	122	49,002	47	48,513	489
Long Island Rail Road	6,471	6,963	(492)	7,030	(67)	7,048	(18)	7,027	21	7,011	16
Metro-North Railroad	5,855	6,034	(179)	6,189	(155)	6,260	(71)	6,313	(53)	6,361	(48)
Bridges & Tunnels	1,772	1,819	(47)	1,819	0	1,819	0	1,826	(7)	1,826	0
Headquarters	1,347	1,465	(118)	1,470	(5)	1,473	(3)	1,475	(2)	1,476	(1)
Long Island Bus	1,103	1,153	(50)	1,153	0	1,153	0	1,153	0	1,153	0
Staten Island Railway	268	278	(10)	277	1	277	0	277	0	277	0
Capital Construction Company	90	150	(60)	150	0	150	0	150	0	150	0
Bus Company	3,301	3,511	(210)	3,511	0	3,511	0	3,511	0	3,511	0
Integrated Electronic Security Systems (IESS)*	0	64	(64)	129	(65)	141	(12)	141	0	141	0
Non-Reimbursable	**62,940**	**63,283**	**(343)**	**63,746**	**(463)**	**63,945**	**(199)**	**64,108**	**(163)**	**63,663**	**445**
NYC Transit	44,025	43,633	392	43,884	(251)	43,975	(91)	44,088	(113)	43,611	477
Long Island Rail Road	5,829	6,071	(242)	6,094	(23)	6,119	(25)	6,109	10	6,093	16
Metro-North Railroad	5,386	5,418	(32)	5,542	(124)	5,613	(71)	5,666	(53)	5,714	(48)
Bridges & Tunnels	1,720	1,766	(46)	1,766	0	1,766	0	1,773	(7)	1,773	0
Headquarters	1,324	1,422	(98)	1,423	(1)	1,423	0	1,423	0	1,423	0
Long Island Bus	1,090	1,139	(49)	1,139	0	1,139	0	1,139	0	1,139	0
Staten Island Railway	265	275	(10)	274	1	274	0	274	0	274	0
Capital Construction Company	0	0	0	0	0	0	0	0	0	0	0
Bus Company	3,301	3,495	(194)	3,495	0	3,495	0	3,495	0	3,495	0
Integrated Electronic Security Systems (IESS)*	0	64	(64)	129	(65)	141	(12)	141	0	141	0
Reimbursable	**6,177**	**7,389**	**(1,212)**	**7,153**	**236**	**6,936**	**217**	**6,767**	**169**	**6,756**	**11**
NYC Transit	4,885	5,602	(717)	5,287	315	5,074	213	4,914	160	4,902	12
Long Island Rail Road	642	892	(250)	936	(44)	929	7	918	11	918	0
Metro-North Railroad	469	616	(147)	647	(31)	647	0	647	0	647	0
Bridges & Tunnels	52	53	(1)	53	0	53	0	53	0	53	0
Headquarters	23	43	(20)	47	(4)	50	(3)	52	(2)	53	(1)
Long Island Bus	13	14	(1)	14	0	14	0	14	0	14	0
Staten Island Railway	3	3	0	3	0	3	0	3	0	3	0
Capital Construction Company	90	150	(60)	150	0	150	0	150	0	150	0
Bus Company	0	16	(16)	16	0	16	0	16	0	16	0
Integrated Electronic Security Systems (IESS)*	0	0	0	0	0	0	0	0	0	0	0
Total Full-Time	**68,737**	**70,363**	**(1,626)**	**70,598**	**(235)**	**70,580**	**18**	**70,574**	**6**	**70,118**	**456**
NYC Transit	48,630	49,040	(410)	48,984	56	48,862	122	48,815	47	48,326	489
Long Island Rail Road	6,471	6,963	(492)	7,030	(67)	7,048	(18)	7,027	21	7,011	16
Metro-North Railroad	5,850	6,029	(179)	6,184	(155)	6,255	(71)	6,308	(53)	6,356	(48)
Bridges & Tunnels	1,772	1,819	(47)	1,819	0	1,819	0	1,826	(7)	1,826	0
Headquarters	1,347	1,465	(118)	1,470	(5)	1,473	(3)	1,475	(2)	1,476	(1)
Long Island Bus	1,008	1,044	(36)	1,044	0	1,044	0	1,044	0	1,044	0
Staten Island Railway	268	278	(10)	277	1	277	0	277	0	277	0
Capital Construction Company	90	150	(60)	150	0	150	0	150	0	150	0
Bus Company	3,301	3,511	(210)	3,511	0	3,511	0	3,511	0	3,511	0
Integrated Electronic Security Systems (IESS)*	0	64	(64)	129	(65)	141	(12)	141	0	141	0
Total Full-Time-Equivalents	**380**	**309**	**71**	**301**	**8**	**301**	**0**	**301**	**0**	**301**	**0**
NYC Transit	280	195	85	187	8	187	0	187	0	187	0
Long Island Rail Road	0	0	0	0	0	0	0	0	0	0	0
Metro-North Railroad	5	5	0	5	0	5	0	5	0	5	0
Bridges & Tunnels	0	0	0	0	0	0	0	0	0	0	0
Headquarters	0	0	0	0	0	0	0	0	0	0	0
Long Island Bus	95	109	(14)	109	0	109	0	109	0	109	0
Staten Island Railway	0	0	0	0	0	0	0	0	0	0	0
Capital Construction Company	0	0	0	0	0	0	0	0	0	0	0
Bus Company	0	0	0	0	0	0	0	0	0	0	0
Integrated Electronic Security Systems (IESS)*	0	0	0	0	0	0	0	0	0		

*IESS is in addition to Agency baselines.

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Year to Year Changes for Positions by Function and Agency
Baseline Total Non-Reimbursable - Reimbursable Positions
Full-Time Positions and Full Time Equivalents

FUNCTION/DEPARTMENT	2007	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010	2012	Change 2012-2011
Administration	**4,883**	**5,182**	**(299)**	**5,185**	**(3)**	**5,188**	**(3)**	**5,189**	**(1)**	**5,190**	**(1)**
NYC Transit	2,540	2,523	17	2,536	(13)	2,525	11	2,522	3	2,521	1
Long Island Rail Road	649	735	(86)	741	(6)	743	(2)	744	(1)	744	0
Metro-North Railroad	710	740	(30)	744	(4)	753	(9)	754	(1)	755	(1)
Bridges & Tunnels	140	144	(4)	144	0	144	0	144	0	144	0
Headquarters	616	699	(83)	704	(5)	707	(3)	709	(2)	710	(1)
Long Island Bus	85	96	(11)	96	0	96	0	96	0	96	0
Staten Island Railway	27	29	(2)	29	0	29	0	29	0	29	0
Capital Construction Company	21	55	(34)	30	25	30	0	30	0	30	0
Bus Company	95	161	(66)	161	0	161	0	161	0	161	0
Operations	**30,940**	**31,089**	**(149)**	**31,030**	**59**	**30,988**	**42**	**31,004**	**(16)**	**31,015**	**(11)**
NYC Transit	23,171	23,181	(10)	23,123	58	23,060	63	23,055	5	23,048	7
Long Island Rail Road	2,043	2,092	(49)	2,079	13	2,079	0	2,079	0	2,079	0
Metro-North Railroad	1,755	1,843	(88)	1,855	(12)	1,876	(21)	1,897	(21)	1,915	(18)
Bridges & Tunnels	760	800	(40)	800	0	800	0	800	0	800	0
Headquarters	0	0	0	0	0	0	0	0	0	0	0
Long Island Bus	758	777	(19)	777	0	777	0	777	0	777	0
Staten Island Railway	91	94	(3)	94	0	94	0	94	0	94	0
Capital Construction Company	0	0	0	0	0	0	0	0	0	0	0
Bus Company	2,362	2,302	60	2,302	0	2,302	0	2,302	0	2,302	0
Maintenance	**29,883**	**30,728**	**(845)**	**30,955**	**(227)**	**30,965**	**(10)**	**30,942**	**23**	**30,474**	**468**
NYC Transit	21,284	21,564	(280)	21,582	(18)	21,535	47	21,496	39	21,015	481
Long Island Rail Road	3,704	3,997	(293)	4,070	(73)	4,086	(16)	4,064	22	4,048	16
Metro-North Railroad	3,285	3,338	(53)	3,475	(137)	3,516	(41)	3,547	(31)	3,576	(29)
Bridges & Tunnels	394	398	(4)	398	0	398	0	405	(7)	405	0
Headquarters	0	0	0	0	0	0	0	0	0	0	0
Long Island Bus	243	261	(18)	261	0	261	0	261	0	261	0
Staten Island Railway	150	155	(5)	154	1	154	0	154	0	154	0
Capital Construction Company	0	0	0	0	0	0	0	0	0	0	0
Bus Company	823	1,015	(192)	1,015	0	1,015	0	1,015	0	1,015	0
Engineering/Capital	**1,883**	**2,044**	**(161)**	**2,040**	**4**	**2,040**	**0**	**2,040**	**0**	**2,040**	**0**
NYC Transit	1,431	1,468	(37)	1,436	32	1,436	0	1,436	0	1,436	0
Long Island Rail Road	75	139	(64)	140	(1)	140	0	140	0	140	0
Metro-North Railroad	105	113	(8)	115	(2)	115	0	115	0	115	0
Bridges & Tunnels	177	190	(13)	190	0	190	0	190	0	190	0
Headquarters	0	0	0	0	0	0	0	0	0	0	0
Long Island Bus	15	16	(1)	16	0	16	0	16	0	16	0
Staten Island Railway	0	0	0	0	0	0	0	0	0	0	0
Capital Construction Company	69	95	(26)	120	(25)	120	0	120	0	120	0
Bus Company	11	23	(12)	23	0	23	0	23	0	23	0
Public Safety	**1,528**	**1,629**	**(101)**	**1,689**	**(60)**	**1,700**	**(11)**	**1,700**	**0**	**1,700**	**0**
NYC Transit	484	499	(15)	494	5	493	1	493	0	493	0
Long Island Rail Road	0	0	0	0	0	0	0	0	0	0	0
Metro-North Railroad	0	0	0	0	0	0	0	0	0	0	0
Bridges & Tunnels	301	287	14	287	0	287	0	287	0	287	0
Headquarters	731	766	(35)	766	0	766	0	766	0	766	0
Long Island Bus	2	3	(1)	3	0	3	0	3	0	3	0
Staten Island Railway	0	0	0	0	0	0	0	0	0	0	0
Capital Construction Company	0	0	0	0	0	0	0	0	0	0	0
Bus Company	10	10	0	10	0	10	0	10	0	10	0
Integrated Electronic Security Systems (IESS)	0	64	(64)	129	(65)	141	(12)	141	0	141	0

Metropolitan Transportation Authority
July Financial Plan 2009 - 2012
Year to Year Changes for Positions by Function and Occupational Group
Baseline Total Full-time Positions and Full-time Equivalents

FUNCTION/OCCUPATIONAL GROUP		Actual 2007	2008	Change 2008-2007	2009	Change 2009-2008	2010	Change 2010-2009	2011	Change 2011-2010	2012	Change 2012-2011	2012	Change 2012-2011
Administration														
	Managers/Supervisors	1,692	1,856	(164)	1,856	-	1,851	5	1,849	2	1,848	1	-	1,816
	Professional, Technical, Clerical	3,063	3,256	(193)	3,260	(4)	3,268	(8)	3,271	(3)	3,273	(2)	-	3,170
	Operational Hourlies	128	70	58	69	1	69	-	69	-	69	-	-	62
	Total Administration	4,883	5,182	(299)	5,185	(3)	5,188	(3)	5,189	(1)	5,190	(1)	-	5,048
Operations														
	Managers/Supervisors	3,175	3,315	(140)	3,264	51	3,242	22	3,237	5	3,235	2	-	3,225
	Professional, Technical, Clerical	1,054	1,074	(20)	1,080	(6)	1,078	2	1,078	-	1,078	-	-	1,084
	Operational Hourlies	26,711	26,700	11	26,686	14	26,668	18	26,689	(21)	26,702	(13)	-	27,112
	Total Operations	30,940	31,089	(149)	31,030	59	30,988	42	31,004	(16)	31,015	(11)	-	31,421
Maintenance														
	Managers/Supervisors	4,800	4,846	(46)	4,913	(67)	4,899	14	4,883	16	4,827	56	-	4,904
	Professional, Technical, Clerical	2,528	2,678	(150)	2,652	26	2,624	28	2,605	19	2,597	8	-	2,592
	Operational Hourlies	22,555	23,204	(649)	23,390	(186)	23,442	(52)	23,454	(12)	23,050	404	-	23,230
	Total Maintenance	29,883	30,728	(845)	30,955	(227)	30,965	(10)	30,942	23	30,474	468	-	30,726
Engineering/Capital														
	Managers/Supervisors	449	537	(88)	540	(3)	540	-	540	-	540	-	-	484
	Professional, Technical, Clerical	1,432	1,505	(73)	1,498	7	1,498	-	1,498	-	1,498	-	-	1,512
	Operational Hourlies	2	2	-	2	-	2	-	2	-	2	-	-	2
	Total Engineering/Capital	1,883	2,044	(161)	2,040	4	2,040	-	2,040	-	2,040	-	-	1,998
Public Safety														
	Managers/Supervisors	121	143	(22)	142	1	142	-	142	-	142	-	-	126
	Professional, Technical, Clerical	98	119	(21)	120	(1)	120	-	120	-	120	-	-	122
	Operational Hourlies	1,309	1,303	6	1,298	5	1,297	1	1,297	-	1,297	-	-	1,297
	Integrated Electronic Security Systems (IESS)	-	64	(64)	129	(65)	141	(12)	141	-	141	-		
	Total Public Safety	1,528	1,629	(101)	1,689	(60)	1,700	(11)	1,700	-	1,700	-	-	1,545
Baseline Total Positions														
	Managers/Supervisors	10,237	10,697	(460)	10,715	(18)	10,674	41	10,651	23	10,592	59	-	10,555
	Professional, Technical, Clerical	8,175	8,632	(457)	8,610	22	8,588	22	8,572	16	8,566	6	-	8,480
	Operational Hourlies	50,705	51,279	(574)	51,445	(166)	51,478	(33)	51,511	(33)	51,120	391	-	51,703
	Integrated Electronic Security Systems (IESS)	-	64	(64)	129	(65)	141	(12)	141	-	141	-	-	-
	Baseline Total Positions	69,117	70,672	(1,555)	70,899	(227)	70,881	18	70,875	6	70,419	456	-	70,738

Status of 2008 Agency PEGs

STATUS OF THE 2008 PEGs

As reflected on the chart below, the February Plan included within its baseline, 2008 Program to Eliminate the GAP (PEG) savings of $51 million and 338 positions in 2008. Savings increase to $62 million in 2009 and then fall to $58 million in 2010 and $55 million in 2011. PEG position savings increase to 366 positions in 2009 and remain constant through 2011. In the July Plan the value of these PEGs was slightly increased by $0.5 million in 2008, and by $0.8 million in 2009. Long Island Bus re-estimated the savings associated with its "CNG tax credit" PEG upward by $0.7 million and $0.8 million in 2008 and 2009. B&T re-estimated its "Reductions of Headcount in the Operations Dept." PEG downward by $0.2 million in 2008 to reflect changes in the estimated date of attrition (from March, 2008 to October, 2008).

METROPOLITAN TRANSPORTATION AUTHORITY
July Financial Plan 2009 - 2012
Summary of the 2008 PEG Program
($ in millions)

	February Plan		July Plan	
	Positions	Dollars	Positions	Dollars
2007	62	$8	62	$8
2008	338	$51	338	$50
2009	366	$62	366	$63
2010	366	$58	230	$58
2011	366	$55	230	$55

In addition to the 2008 PEG Program re-estimates listed above, the July Financial Plan includes re-estimates to the 2005 and 2007 PEG Programs. SIR re-estimated the savings associated with its 2005 "Tompkinsville Fare Collection" PEG due to delays in construction work at Tomkinsville station. This resulted in a reduction to savings of $0.2 million in 2009, and then increases to savings of $0.1 million in 2010 and 2011. B&T re-estimated the savings associated with its 2007 "Net Reduction of Headcount in the Operations Department" PEG downward by $1.0 million in 2008 and upward by $0.1 million in each of the out-years to reflect changes in the estimated date of attrition (from March, 2008 to October, 2008).

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