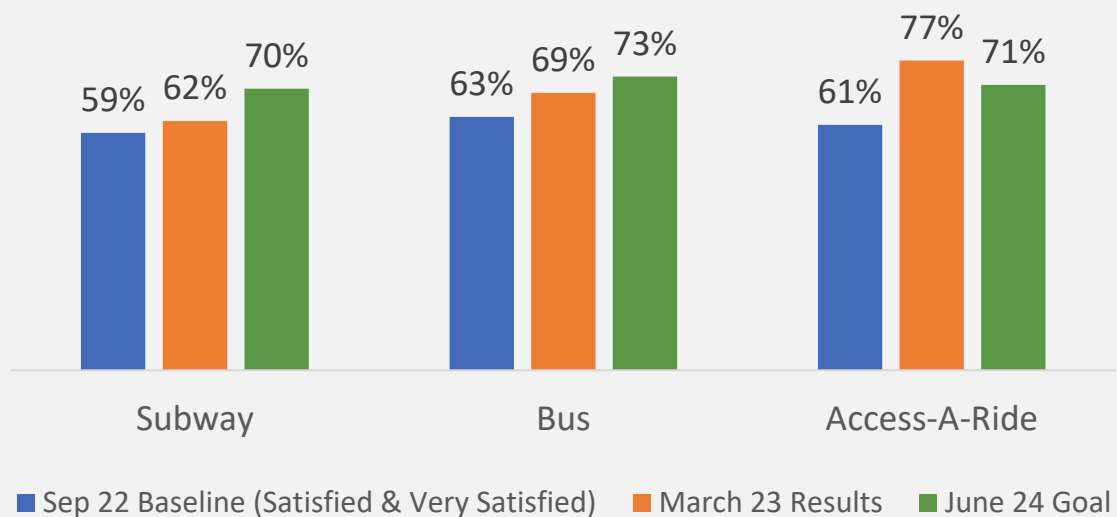




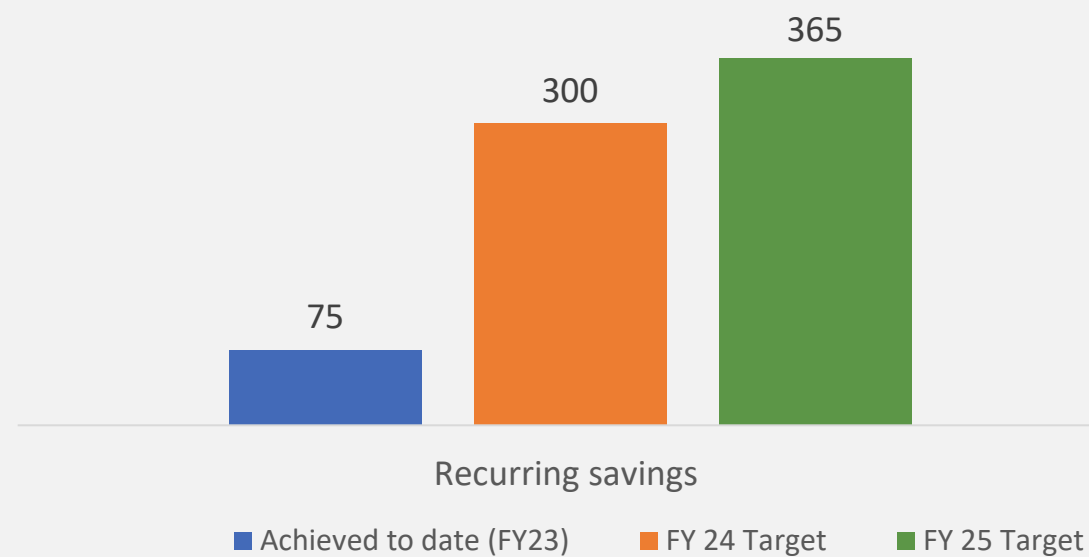
# NYCT Operating Efficiencies

# NYC Transit is achieving its goal to improve customer satisfaction 10% by June 2024, while creating operating efficiencies

## Faster, Cleaner, Safer Goals



## Operating efficiencies (\$M)



1. Baseline based on results from September 2022 customer survey

# Four strategies to reduce operating costs

Harness technology  
and data to  
improve productivity

Develop common standards  
and best practices

Sharpen management focus  
on cost drivers

Invest capital  
to reduce operating  
expenses

# Detail: How we are reducing operating costs

*Examples – Selected deep dives below*

Harness technology  
and data to  
improve productivity

- **Explore e-mirrors to reduce collisions**
- Predictive maintenance
- Digitize business processes

Sharpen  
management focus  
on cost drivers

- **Improve employee availability**
- Insource cleaning positions
- Renegotiate with top suppliers

Develop  
common standards  
and best practices

- **Re-imagine role of the Station Agent to improve customer experience**
- Collaborate with Metro-North Railroad and Long Island Railroad to reduce contractor costs in common areas
- Optimize track access to improve productivity and minimize customer impact

Invest capital  
to reduce operating  
expenses

- **Pursue green energy investments**
- Optimize Total Cost of Ownership of non-revenue fleet
- Improve maintenance productivity by enhancing shop layout and equipment

## Harness technology and data to improve productivity: E-mirrors

Collisions involving bus mirrors accounted for ~1,800 collisions in 2022, 25% of all bus collisions

Collisions drive costs through increased maintenance for NYCT, and legal settlements

In addition, they disrupt service for customers

- On average, each collision means two lost trips for that bus while maintenance takes place

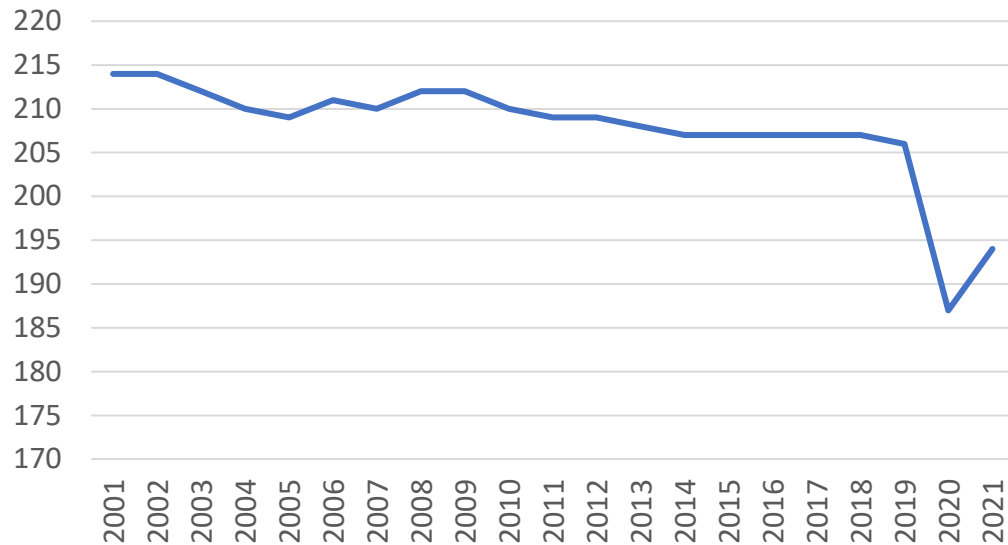
Bus is exploring e-mirrors as a solution

- Provide as good or better visibility to drivers leveraging camera footage displayed in the cab
- Eliminate physical mirror and associated collisions



# Sharpen management focus on cost drivers: Employee Availability

Available days per employee per year declined a total of 20 days between 2001 and 2021



Lower availability affects both costs and service:

- Cost. Lower availability requires maintaining reserve staff and paying overtime to backfill critical roles
- Service. In '22, ~3% of scheduled Subway and Bus trips cancelled because no operator was available

Decline in availability driven by increase in days off for Workers' Compensation and Sick Leave

- This long-term trend predates COVID
- Increasingly, small number of employees drive the majority of days off

## Sharpen management focus on cost drivers: Employee Availability

Efforts underway to improve availability include:

- Recognizing employees with perfect or exemplary attendance
- Scaling successful Aware & Care program for employees working with managers improve their attendance record
- Joint workgroups with Labor to reduce number of assaults on employees
- Addressing employee feedback received from NYCT-wide engagement survey
- Safeguard leave programs against abuse to preserve them for employees that need them

**These efforts are bearing fruit as we have already seen a >2 day improvement in availability over the past year**

## Develop common standards and best practices: Station Agents

Landmark agreement with TWU redefines the role of Station Agents and how they are deployed

As a result, new Station Agent program provides:

- Better customer service, including 15 new Customer Service Centers
- Increased hourly pay for Station Agents
- Lower total costs to NYCT including overtime reduction

Stay tuned for a video presentation on our new Station Agents





# Invest capital to reduce operating expenses: Energy savings

Reducing energy consumption both lowers costs and greenhouse gas emissions

Initiatives we are pursuing include:

- Continuing to install LED lighting throughout Subway system and on trains
- Replacing legacy boilers with energy efficient units
- Rolling out new Energy Management System, and working with utilities to record actual vs. estimated usage
- Conducting energy audits on facilities
- Installing rapid roll-up doors at depots as part of campaign to reduce HVAC usage and expense
- Piloting innovative technologies such as Regenerative Braking

*Example: New, brighter LED installed at York St Station*

