

Making Every Dollar Count

January 2011



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Agenda
2011



Letter from Chairman & CEO

Jay H. Walder

One year ago, we set out a vision for creating a more efficient and effective MTA for the millions of people who count on our service every day. While 2010 proved to be a difficult year for the State, the MTA, and our customers, “Making Every Dollar Count” provided a blueprint that helped the transit system get through the worst economic period in a generation. “Agenda 2011” maintains this focus on reducing costs and improving service, building on the lessons we learned in 2010.

We started last year by overhauling how the MTA does business. We identified more than \$525 million in recurring savings by consolidating back office functions into a new Business Service Center, reducing our administrative payrolls, cutting unnecessary overtime, and even convincing our suppliers to renegotiate contracts. As our customers faced service reductions and an end-of-year fare increase, we sought to ensure that we were doing everything possible to reduce operating expenses. This effort—the

most aggressive cost-cutting in the history of the MTA—helped limit the impact of a devastating economic downturn.

At the same time, we didn’t accept the idea that the economic crisis was an excuse for simply treading water. Instead, in 2010 we focused on delivering long-promised benefits to our 8.5 million riders: activating count-down clocks at more than 100 stations; bringing security cameras online; overhauling our website; and demonstrating the promise of our bus system by introducing a series of travel innovations to the most heavily traveled bus route in the country.

But I don’t want to suggest that any of this has been easy. We made tough decisions throughout the year to stick to this agenda, with people throughout our company rising to the challenge and embracing a new economic reality. This year promises to be another tough one, with an ongoing fiscal crisis in New York State. It is more important than ever that we make every dollar count.

In the following pages, we identify specific goals to carry this vision forward in 2011. The emergency cost cutting we implemented in 2010 will set the stage for a more fundamental re-shaping of the MTA, with cumulative cost savings expected to reach \$3.8 billion by 2014. The service

It's a new year but our focus is unchanged. We will continue to cut costs to create a more efficient MTA. We will continue to improve service.

improvements we introduced last year will expand to cover more of our system, with systemic changes—like all-electronic tolling—on the way. We should be held accountable for achieving these goals, and all of our work will proceed with the transparency brought to the MTA in 2010, highlighted by a new, user-friendly website.

But 2011 is also a critical year for the long-term health of a transit

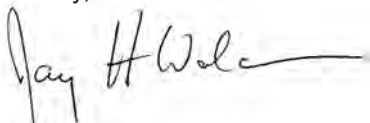
system that secures our place in the global economy. Funding for the MTA's critical capital investments—which maintain, improve, and expand our network—runs out at the end of the year. Last year we overhauled our capital program to maximize the value of our investments, reducing costs by

\$2 billion. This year, we must ensure that critical investments are made to keep our system running reliably.

It's a new year but our focus is unchanged. We will make every dollar count. We will continue to cut costs to create a more effi-

cient MTA. We will continue to improve service for our customers. And we will work with our funding partners to prioritize investments in our infrastructure. It's the best formula for a regional economic recovery and the strengthening of the transit system that makes New York possible.

Yours truly,

A handwritten signature in black ink, appearing to read "Jay H. Walder". The signature is fluid and cursive, with a long horizontal stroke at the end.

Jay H. Walder

Cutting Costs

to Create a More Efficient MTA

The unprecedented fiscal crisis

that hit the MTA in late 2009 created a massive gap in our operating budget that had to be addressed in 2010. We needed to act quickly, and we knew that going to Albany for help wasn't an option. Instead, we looked internally, slashing costs with a focus on immediate savings.

Moving into 2011, we have the benefit of a leaner, more effective MTA

We cut administrative payroll across the board. We used the crisis as an opportunity to renegotiate contracts with our suppliers. We developed a new process to identify projects for deferral or elimination—reducing costs and giving us a new, more cost-effective way to evaluate projects going forward. We rebid our healthcare arrangements for the first time in a generation. In short, we looked at every aspect of our operation to show riders and taxpayers that we are making every dollar count. The result has been the most aggressive cost-cutting initiative in the history of the MTA. All told, we cut more

than \$525 million out of our annual budget, savings that will recur year after year.

But this wasn't just an emergency budget-balancing exercise. The work done in 2010 laid the foundation for permanent, structural changes to the way we operate. These improvements will begin to manifest themselves in 2011 and continue to transform our company in the years ahead. For the MTA, these structural changes will mean a fundamental streamlining of all the operations across our seven companies. For taxpayers and our customers, they will simply mean better, more efficient service.

*Cumulative savings will grow
to \$3.8 billion by 2014*

Moving into 2011, we have the benefit of a leaner, more effective MTA. The challenge this year is to keep our focus on continuing to drive costs out of our company, taking the steps needed to grow our cumulative savings to \$3.8 billion by 2014.



Slashing Administrative Expenses



Payroll reduced

Last year, we cut administrative staff by 20 percent at MTA headquarters and 15 percent across the board—achieving \$100 million in annual savings.

Wages frozen

Reflecting the ongoing economic downturn, we implemented the second year of a wage freeze for all non-represented employees.

Redundant functions eliminated

In 2010, the MTA identified \$15 million in recurring savings through consolidation:

- We reduced our public information phone numbers from 117 to 18, enabling us to merge call centers into one virtual customer service call center. Going forward, we will move to a single phone number the public can call to reach us.
- Five different press offices were consolidated into a single, centralized office—cutting costs by one-third.
- Redundant IT functions were merged, including data centers, IT security monitoring, e-mail systems, help desk, wide area networks, and voice and data systems.

Supplier contracts renegotiated

We successfully renegotiated contracts with 43 vendors and suppliers, saving more than \$70 million over the life of the contracts.

Healthcare arrangements rebid

We rebid all our healthcare arrangements in parts of our organization. This will save us more than \$55 million annually at New York City Transit alone—or more than \$350 million over the full term of the contract.

➤ **Consolidate back office functions**

In January 2011, the MTA opened its new Business Service Center—streamlining operations for MTA agencies in Human Resources, Finance, and other back office functions. Savings from the Center will exceed \$25 million annually by 2014.

➤ **Cut unnecessary overtime**

In 2009, we began a crackdown on unnecessary overtime that will save the MTA \$70 million annually—a 13 percent reduction in overtime spending. At the same time, we've maintained the overtime that is critically important to deal with snow removal, emergency situations, safety inspections, and other high-priority areas.

➤ **Reduce office space costs**

We will finally rationalize the MTA's use of office space, currently scattered inefficiently across a series of headquarters facilities. We will maximize the benefit of the office space we need and sell off properties we don't to support investment in our transit network. Overall, we will reduce the space we occupy by 15 percent.



Moving Forward

for Customers

In 2010, we proved that we could deliver major service improvements even as we slashed costs internally. We're advancing even further in 2011, embracing technology to modernize service while doing even more to streamline operations. For our customers, that means a new vision for 21st century transit service that incorporates the real-time information that has become central to every other aspect of our lives.

Today's MTA is improving, non-stop—and we hope you're noticing the difference.

- **Better Bus Service**
- **Real-Time Train Information**
- **21st Century Toll Collection**
- **New Fare Technology**
- **Improved Subway Stations**

► Better Bus Service

Imagine the possibilities of a bus service that is quick, easy, and dependable—it could revolutionize transportation in our region. But far too often, our city's 2.8 million bus riders are left frustrated by one obstacle after another. You have no clue when the next bus is going to show up; once you get on, the bus seems to take forever at each bus stop; and when you finally get moving the bus gets stuck in traffic!



Today, we have a new vision for bus service:

- First, *you will know when your bus is coming*. You will be able to check your cell phone or your computer to see where your bus is, so you can get to the bus stop when you need to.
- Next, when your bus arrives, *you will board quickly* by using a smart card to tap and go in milliseconds.

This will speed up the boarding process at each and every stop and make your overall trip much faster.

- And finally, *your bus-only lane really will be a bus-only lane* — cameras positioned along the route will see to it.

In 2010, the MTA set the stage to make this vision a reality by testing real-time information systems, piloting new farecard technology, and introducing the first bus lane cameras. We will build on this foundation in 2011.



Cameras enforce bus lanes



Bus lane enforcement cameras installed on 1st and 2nd avenues last year proved that drivers are much less likely to enter bus-only lanes—and slow down your

bus—if they know they’ll get a ticket. This year, we will build on this success by installing cameras on 34th Street in Manhattan and Fordham Road in the Bronx.

BusTime expands to Staten Island

Most New Yorkers today get their “real-time” bus information by peering anxiously down the street looking for the next bus. We now have a better way. Instead of waiting in the rain for a bus that’s 10 minutes away, BusTime—the MTA’s new real-time bus information system—will tell you exactly where your bus is through your computer or cell phone. BusTime will be introduced to every bus on Staten Island later this year. We’re also making real-time information available to application developers, so you can expect to see innovative BusTime applications on your Smartphone or iPad.

On-board security cameras

In 2011, we will be introducing security cameras to more than 400 buses to help ensure that our customers and employees are kept safe on the road.

Select Bus Service debuts on First and Second Avenues in Manhattan

Riders on the M15 in Manhattan are now saving up to 16 minutes a trip—nearly a 20 percent reduction over previous travel times—thanks to Select Bus Service (SBS). SBS is a dramatic departure from the traditional bus riding experience. Off board fare collection, low-floor high capacity buses, and dedicated bus lanes all contribute to a much faster ride. Newly-approved camera legislation advocated by the MTA also allowed us to install bus lane enforcement cameras along this route to enforce bus-only lanes.

By the end of the year, bus lane enforcement cameras will be mounted on every SBS bus on 1st and 2nd avenues. We will also introduce a new traffic signal priority system that means our buses will see fewer red lights. These innovations promise to make SBS service even faster.

➤ Tell Customers When to Expect the Next Train

Until last year, the relationship between New Yorkers and our subway system had not changed significantly in over 100 years. We would rush to the station and then wait without any idea when the train was coming. The same was true on our commuter railroads, where the schedule was posted but real-time information on delays or changes was never available.



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In 2010, the MTA took major steps to put an end to this problem, with the long-overdue arrival of countdown clocks and many other real-time information innovations. The transit system is now catching up with our 21st

century expectation that real-time information is available on our desktop computers, by text message, on our Smartphones, and in ways that make life easier every day. That means knowing if your train is on time before you leave home, getting updates on delays while you're out and about, and having access to system-wide information before you pay your fare. We are now working to expand this real-time information revolution to our entire transportation system.

Countdown clocks reach more than 200 stations in 2011

More than 200 stations will have working countdown clocks by the end of the year—in Manhattan, Brooklyn, the Bronx, and Queens—including the very first countdown clocks on the #7 Line. We'll also be bringing displays to more stations on the lettered lines, targeting stations on the Queens Boulevard Line.

New displays show system-wide status

In 2010, we introduced electronic signs that display the real-time status of the entire subway system before you pay your fare, so you can make the best travel decisions possible. The new signs are currently active at Grand Central Station, Atlantic Avenue/Pacific Street, Queensboro Plaza, and Main Street Terminal on the #7 Line. In 2011, we will be bringing these displays to 34th Street-Penn Station, Mets-Willets Point, Woodside-61st Street and other key hubs across the subway system.



Real-time railroad information spreads across the region

In 2010 we unveiled two new services that allow customers to check the real-time status of their train on a cell phone or computer—Long Island Rail Road's CooCoo and Metro-North's TrainTime. In 2011, the real-time information revolution grows:

- Real-time service status for every station is now available on our website, and in 2011 electronic signs at 50 different Metro-North stations will display the same real-time information.
- Metro-North will join the LIRR in using CooCoo to provide real-time schedule information to customers via cell phone.
- Electronic signs displaying real-time train arrival information will be installed at 14 more LIRR stations, bringing the total number of stations with these signs to 121. We are developing ways to make the system more effective during major service disruptions.

Customers Applaud Arrival of Countdown Clocks

Countdown clocks debut at more than 100 stations on the numbered subway lines

At the beginning of 2010, the MTA set out to achieve an ambitious year-end goal: activate countdown clocks at 75 stations on the numbered subway lines. By the end of the year, we had smashed that goal, activating clocks at more than 100 stations.

Breakthroughs on the lettered subway lines

Riders at 19 stations on the A/C/E lines enjoyed similar information in 2010. The system in use along the lettered lines keeps tabs on a train's movements through track circuits, which detect the presence of a train and trigger a message to be displayed or announced in the stations ahead.

An all-time customer favorite

Subway countdown clocks received a 95 percent approval rating in customer satisfaction surveys, higher than any other feature in the system.





► **Bring Toll Collection Into the 21st Century**

Tollbooths waste time, cause unnecessary traffic, contribute to pollution and are expensive to operate. There's a better way to collect tolls in the 21st century, and it's called all-electronic tolling (AET).



Drivers on AET facilities don't get stuck in traffic waiting to pay a fare—they just drive. It's that simple. No toll booths, no stopping, no traffic. Drivers pay their toll using E-ZPass, or a high-tech camera registers the license plate for billing. AET is in place on facilities in our region and around the world, but has never been implemented in the type of high-volume, urban environment characteristic of the MTA's seven bridges and two tunnels.

We're not letting that slow us down. In fact, our goal today is to bring AET to all of the MTA's bridges and tunnels. More important than the goal, however, is the vision: New York drivers never again getting stuck in traffic waiting to pay a toll on an MTA bridge or tunnel. And although this may sound like nothing more than pure fantasy, it's actually right in front of us.

Big changes await in 2011 and beyond. Much like E-ZPass was the future 20 years ago, AET is the future for New York City drivers.

All Electronic Tolling pilot begins on the Henry Hudson Bridge...

Work began in 2010 to prepare the Henry Hudson Bridge for the MTA's first test of AET. We reconfigured the toll plaza, installed new computer software, and built overhead gantries to hold new, state-of-the-art cameras.



In January 2011, the gates came down on the Henry Hudson Bridge as we introduced the first phase of our AET pilot project. In the gateless phase of the pilot, drivers with E-ZPass no longer need to wait for gate arms to go up, and can now move through the toll lanes without stopping.

Next year, the Henry Hudson goes completely “cashless”

Next year, the Henry Hudson goes completely “cashless.” To ease this transition for customers without E-ZPass and to benefit all New York drivers, MTA Bridges and Tunnels will launch this summer a new E-ZPass reload card. This card will allow customers to refill their E-ZPass

accounts by using cash at more than 2,000 retail stores and kiosks throughout the tri-state region.

...And aims to expand to all the MTA's bridges and tunnels

We're not stopping at the Henry Hudson. We're already laying the groundwork at other facilities. For example, early last year, we tore down the Brooklyn-bound tollbooths on the Verrazano Bridge, which had laid dormant since one-way tolling began on the Verrazano in 1986.

If everything goes well in our AET pilot on the Henry Hudson, we'll be working to bring this revolutionary tolling system to all our bridges and tunnels—promising much more than an end to tollbooth traffic. If we can implement this technology across all of our facilities, AET could save hundreds of millions of dollars a year, creating a win-win for taxpayers and the MTA.

➤ **Make New Fare Technology Work for Customers**

While the MetroCard has become an iconic symbol of New York City, the technology behind the card is now nearly 20 years old and has become obsolete. It's time for a technology that makes life easier for our customers and no longer compels the MTA to invest millions to maintain an outdated system. Fortunately, that technology is right around the corner.

Our successful pilot program in 2010 clearly demonstrated the many advantages of a new, open technology that accepts smart cards at the turnstile — for both customers and the MTA:



Faster boarding

The millions of New Yorkers who rely on our bus

system will enjoy faster trips as boarding times are dramatically reduced. Tapping a contactless smart card takes literally milliseconds. Your smart card will also eliminate the frustration of waiting for everyone to dip their MetroCard before boarding.

Easier to use

You will use the credit or debit card already in your wallet to pay your fare,



so you can skip those long lines at vending machines and stop worrying about having an “Insufficient Fare,” since you can pay as you go. Instead of waiting in line, accounts can be managed easily online.

Less expensive to collect fares

This new technology will enable the MTA to reduce the cost of collecting the fare. More transactions will be processed outside of our system, reducing the number of cards we have to print, the number of machines we have to maintain, and the volume of cash we have to handle.

New Fare System Debuts in 2010

*You'll never again be told
"Please swipe again at this
turnstile"*

2011 and beyond

We are now quickly moving beyond the pilot—going into production and implementing this new system across the entire MTA network. That means much more than subways and buses in New York City. We've tested this technology in partnership with the Port Authority of NY and NJ and NJ TRANSIT, and pilots on Metro-North and Long Island Rail Road are on tap for 2011. As a result, your smart card will one day allow you to travel seamlessly across the entire region.

In addition to the commuter rail pilots, this year we will begin entering into contracts for the behind-the-scenes work that will culminate in a full roll-out of the contactless fare payment system on all buses and at all subway stations by 2015.

Last year, a successful pilot in partnership with the Port Authority and NJ TRANSIT proved that a new contactless fare system can facilitate seamless regional travel. Here's what we learned about this new technology:

- **It works across transit systems.**

The open technology used in our pilot program allowed customers to transfer seamlessly across the region—to and from the MTA's subway and bus system, NJ TRANSIT buses, and PATH trains.

- **It works under tough conditions.**

Card readers proved extremely durable and able to withstand considerable bus vibrations.

- **It works with multiple card brands.**

We started our pilot program accepting MasterCard cards and expanded to include Visa cards, proving that multiple brands can be used to deliver this technology to millions of customers.

- **It works for you.** The pilot allowed customers to buy one ride at a time or monthly passes on the Internet, showing us that customer accounts can be successfully managed online.



Our stations are the front door of the subway system, providing customers with their first impression of our organization every single day.



► Improved Subway Stations

Our stations are the front door of the subway system, providing customers with their first impression of our organization every single day. Stations are also public spaces used by New Yorkers 24 hours a day, 365 days a year, and the look, feel, and security of our stations have a real impact on people's lives.

That's why we're taking better care of stations to improve safety and your riding experience. Today, we understand the critical importance of keeping

For too long, our responsibility to clean, maintain, and repair stations took a backseat to other priorities.

our stations safe and clean, while at the same time protecting our vital capital investments.

For too long, our responsibility to clean, maintain,

and repair stations took a backseat to other priorities. That began to change in 2010, with the introduction of two new comprehensive strategies.

2 million riders (and growing) benefit from new cleaning program

Last year, we implemented a new cleaning program to ensure that we take much better care of our most heavily-used station complexes, and by the end of the year, we had covered 19 stations within complexes from every borough. As a result, almost 2 million customers a day—more than the daily ridership of Washington, D.C. and Chicago's entire subway systems combined—had cleaner, more connected, and

better-maintained stations.

These efforts will expand in 2011 as new station complexes—including 96th Street on Broadway in Manhattan, Jay Street-MetroTech in Brooklyn, and 14 other stations throughout the city—enter the program. And going forward, we will place every newly-completed project into this new maintenance program, so all our beautiful new stations stay looking new and beautiful.



If It's Broke, Fix It

Gaping holes in platform canopies, deteriorating platform edges, or stairs that are literally crumbling ... these problems are simply unacceptable. That's why in 2010 we implemented a new strategy to keep stations in good condition. Instead of waiting for full-station rehabilitations, we are now fixing issues on a component basis and putting an end to battered stations. Using the results of a system-wide survey of more than 14,500 station components, we are now fixing the components most in need of repair first—making better use of capital dollars through targeted repairs. Last year, we successfully awarded component repairs at dozens of stations, including projects like:

- Stair replacements at 36 sets of stairs at stations on the A, J, and Z lines in Queens;
- Platform edge replacements at 12 platform edges on the M Line and eight platform edges on the #2, 3, 4, 5 lines in Brooklyn; and
- Canopy replacements at 10 canopies on the #1 Line in Manhattan and the Bronx.

It seems simple, and it is. When something is broken, we're fixing it—delivering improvements to customers on a timeframe New Yorkers demand.

Connect riders with high-tech Help Points

Help Points—new, 21st century high-tech intercoms—provide riders with a direct connection to service information and

emergency services. They are easily visible, connected through Ethernet technology for clear communications, and will dramatically expand the number of places where customers can get help in each subway station. In 2011,



we will test them at two stations on the #6 line, with approximately ten Help Points located all around each station. System-wide implementation is planned for 2012.

Complete camera activation

In 2010, we turned around the long-delayed installation of security cameras, with more than 3,700 working by the end of the year. We went even further, connecting cameras at key hubs directly to the NYPD's command center, allowing for 24/7 monitoring. In 2011, we will complete a program that introduced interactive cameras to secure key hubs around the region, increasing the total number of cameras to more than 4,200.





Investing

In Our Transportation Network

The MTA's robust transit network provides New York's competitive advantage and enables our region's \$1.26 trillion economy, second in the world only to Tokyo. But this advantage only exists if the transit system is reliable, and that requires continuing investments in our infrastructure.

The MTA accomplishes this through our vital Capital Program. The 2010-2014 Capital Plan will provide enormous benefits to our customers and thousands of jobs to New York State at a critical time. It will protect today's transit system

The 2010-2014 Capital Plan will provide enormous benefits to our customers and thousands of jobs to New York State at a critical time.

by maintaining the trains, buses, track, signals, and bridges that keep our customers safe and on time. It will improve service on today's system by funding projects that maximize the system's capacity and advance customer improvements, like signal improvements,

countdown clocks, and new trains and buses. And it will expand our city's transportation network for the first time in more than a generation by completing the MTA's commitment to East Side Access, the Second Avenue Subway, and the #7 Train Extension.

The program has become an indispensable part of the State's economy, delivering 18,000 construction jobs annually. According to the New York Building Congress, this represents an astonishing 25 percent of the New York City construction industry. A similar impact is felt across the State, where our Capital Program creates thousands of jobs from Plattsburgh to Hornell, Oneida County to Yonkers.

Completing Projects in 2011

Customers can expect major new projects in 2011 thanks to the MTA's Capital Program:

- We will replace 40-year-old cars on Metro-North's New Haven Line with 21st century M-8 cars, improving reliability and service quality while adding seats.
- A new underground transfer between the 45th Road/Courthouse Square #7 station and the Court Square G station will accommodate rapid growth in Long Island City.
- In an award winning construction effort, we are replacing the last of 189 steel spans on the LIRR Atlantic Viaduct, which serves customers travelling between Brooklyn and Jamaica.
- We will make dozens of investments to keep our trains running safely and reliably, including: \$16 million for signal control modifications; \$23 million to replace signal stop cables; and nearly \$300 million to replace 11 miles of mainline track and 225 miles of track surfacing.
- We will complete the rehabilitation of the Queens approach at the Throgs Neck Bridge, replacing more than 140,000 square feet of roadway deck on the 49-year-old bridge.

Capital Program Delivers in 2010

Benefits for customers

- We opened the new Jay Street-MetroTech station, connecting the A, C, F and R lines and benefiting over 35,000 customers a day in downtown Brooklyn. We also built a beautiful new station at 96th Street on the #1, 2, and 3 lines, a new public address system, new security equipment, and new elevators that allow people with disabilities to use it for the first time.



- The Charleston Bus Depot opened on Staten Island, enabling us to service vehicles faster and provide better service in the fastest growing borough in the city.



- We awarded contracts for a modern signaling system on the #7 Line. These signals will allow us to run more trains and add capacity for thousands more customers during peak hours. And that means less waiting and crowding for you.



Expanding Opportunities for Minority- and Women-Owned Businesses



\$2 billion in savings and counting

Last year, we found better ways to deliver our investments, saving \$2 billion in the process. In 2011, we will continue to closely review our Capital Program to identify further cost savings.

Funding the Capital Program

Our Capital Program is funded through 2011, but there is a \$10 billion gap in the program's final three years. This year, we will work to fill this gap in two basic ways. First, we will build on past successes with new cost-cutting efficiencies. Second, we will work with our funding partners to find creative ways to fund the remaining gap.

In 2010, the MTA tore down barriers that had historically made it harder for Minority- and Women-Owned Business Enterprises (MWBEs) to win MTA contracts.

We used groundbreaking legislation to implement a mentoring program for state-certified MWBEs that offers construction training and access to capital. The program awarded its first major contract this year, and is already being copied around the country as an effective tool for increasing MWBE participation.

But we didn't stop there:

- We awarded eight contracts worth \$34 million dollars to New York State certified and local MWBE firms to help us overhaul our paratransit operation;
- We approved an underwriters contract that includes more MWBEs than ever before. On average, over 20 percent of the firms in our underwriters program are now certified MWBEs.

The bottom line: After years of decline, our Disadvantaged Business Enterprise performance has increased by more than one-third since 2008, and 2010 was one of our most successful years ever.

- We replaced Long Island Rail Road's early 1900s relay-based signal technology in Jamaica, Queens with a modern microprocessor-based system.



- We completed and continued station rehabilitation work at 10 Metro-North stations on all three lines.



Improved transparency

In 2010, the MTA was proud to unveil a new Capital Program Dashboard. Recognized by the Citizens Budget Commission for bringing increased transparency to the MTA, this Web-based tool was designed to give the public easy access to information about projects in our 2010-2014 Capital Program. In fact—for the first time ever—customers can see the scope, schedule, and budget of every project in our Capital Program.

Conclusion

With the State's economy still in crisis, 2011 is a critical year for the MTA and the vital transportation system we operate. Faced with similar obstacles in 2010, we rose to the challenge and brought change to the MTA. Under the banner of Making Every Dollar Count, we made long-overdue changes to

means a more transparent, better focused program of capital investments.

Despite this top-to-bottom overhaul, the economic pressures that led to a budget shortfall last year remain. At the same time, funding runs out this year for the vital capital investments that enable us to repair, maintain, and

expand our transportation network. Our job is keep a laser-focus on our own operation, continuing to reduce costs even as we implement new initiatives for our customers and

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how the MTA operates, reducing the cost of our business and delivering a series of customer improvements despite extremely difficult economic times. The work we did in 2010 came in reaction to a crisis, but it was far more than a series of stop-gap measures.

In fact, last year's efforts laid the groundwork for a fundamental re-shaping of our organization that will pay dividends in 2011 and beyond. That means a leaner, more efficient and effective MTA, with enormous savings for taxpayers and customers. It means a new approach to service that prioritizes real-time information and unlocks opportunities for better service across our network. And it

work to develop a stronger partnership with our labor organizations. The agenda presented in this report again sets the stage for doing just that, continuing our focus on Making Every Dollar Count with a fresh agenda of goals for 2011.

The MTA's transportation system is vital to every aspect of our lives as New Yorkers, and we will again recognize its importance by following through on our commitments in 2011. We must also work with our partners to ensure that funding is in place that will allow us to drive forward the critical investments needed for New York's future. Working together, we can keep New York moving forward.

Improvements don't just happen.



**Our thanks to our fellow employees
for their hard work, and solid results.**



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