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Press Release

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IMMEDIATE

MTA Announces Commitment To Reduce Fare Increase

*Higher Than Expected Year-End Revenues Enable Reduced Fare Increase;
\$2.00 Subway and Bus Fare Saved*

MTA Executive Director and Chief Executive Officer Elliot G. Sander and Chairman H. Dale Hemmerdinger today committed to giving straphangers and commuters a break and reducing the amount of the proposed fare and toll increase at a press conference with Governor Eliot Spitzer. The announcement was prompted by feedback from public hearings and the arrival of updated budget forecasts, which added \$220 million to the MTA's year-end balance.

Governor Spitzer expressed his support for the responsible long-term fiscal planning in the MTA's financial plan, but also urged the MTA to ease the burden on its riders. The MTA committed to revising its fare proposal to hold the \$2.00 base fare for subway and bus riders and return the full \$220 million to MTA customers over a two year period.

"The MTA's long-term fiscal picture remains difficult, but right now riders are facing tough financial times and I am pleased that the MTA has agreed to reduce the increase," Governor Spitzer said.

The MTA announced year-end projections \$220 million above the figures projected in July, when the agency's preliminary financial plan was released. The additional \$220 million was derived from the following sources:

Farebox revenue: \$60 million due to an approximately one percent increase in anticipated ridership

Real estate taxes: \$60 million higher than expected

Underspending: \$60 million saved

Debt service costs: \$40 million saved

The MTA announced that it would reduce its proposed 6.5 percent fare and toll increase to return the entire \$220 million to riders over the next two years, shared proportionately across the MTA's operating agencies. The reduction will allow the MTA to hold the base fare for subway and bus riders at \$2.00.

"The MTA is grateful to Governor Spitzer for his commitment to funding public transit and our four-year financial plan," Sander said. "We are glad that revenues came in high enough to allow us to limit the fare increase and still address \$6 billion in deficits over the next four years."

MTA Chairman H. Dale Hemmerdinger joined the Governor and Sander in the announcement, and pledged to work with the Board to reach a conclusion in December.

"When I was confirmed I said I would listen to the public and review the numbers and I am thrilled that we are able to give something back," Hemmerdinger said. "I believe this is a compromise that helps our customers without compromising our fiduciary responsibility, and I look forward to discussing it further with my fellow Board members."