Financial Outlook for the Metropolitan Transportation Authority

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- **The MTA ended calendar year 2005 with a cash balance of nearly $1.2 billion—the largest cash balance it has ever had.**
- **Expenditures are projected to grow at an average annual rate of 6.2 percent during the financial plan period—more than twice the regional inflation rate. In contrast, revenues will grow at an annual rate of 1 percent under conservative economic assumptions.**
- **The MTA projects budget gaps of nearly $1.1 billion in 2008 and $1.5 billion in 2009. These gaps represent 11.9 percent and 16.3 percent of revenues, respectively.**
- **Debt service will grow from $1 billion in 2005 to $1.8 billion in 2009, an increase of 78 percent.**
- **The growth in debt service accounts for more than half of the $1.5 billion budget gap projected by the MTA for 2009.**
- **Debt service has consumed, on average, about 12 percent of total revenues between 1996 and 2005, but is expected to consume 20 percent of revenues by 2009, an increase of 66 percent.**
- **Outstanding debt grew from $13 billion in 2000 to $20 billion in 2005, and will reach $32 billion by 2010.**
- **New accounting regulations require the MTA to calculate the value of post-retirement benefits other than pensions. The MTA could come under pressure to set aside resources for that purpose.**
- **The MTA and the Transport Workers Union have not made progress toward reaching a new labor agreement to replace the contract that expired on December 15, 2005.**

Over the past three years, the Metropolitan Transportation Authority (MTA) has built up large cash balances from two fare and toll increases, higher State taxes and fees, and unexpected tax collections from real estate transactions. While the 2006 budget is off to a good start, out-year budget gaps remain a serious concern.

The MTA ended calendar year 2005 with a cash balance of almost $1.2 billion—the largest it has ever had. The MTA set aside $700 million of the surplus to pay down unfunded pension liabilities, and to fund security and service enhancements as well as holiday fare discount programs in 2005 and 2006.

The current four-year financial plan was released by the MTA in February 2006 and covers calendar years 2006 through 2009. The February Plan assumes that expenditures will grow at an average annual rate of 6.2 percent during the financial plan period—more than twice the regional inflation rate. In contrast, revenues are projected to increase at an average annual rate of only 1 percent based on the MTA's conservative assumptions.

Even though the financial plan projects a year-end cash balance of $217 million for 2006, it shows growing out-year budget gaps due to divergent revenue and expenditure trends. The growth in debt service accounts for more than half of the $1.5 billion budget gap projected for 2009. Debt service is projected to grow from $1 billion in 2005 to $1.8 billion by 2009, an increase of 78 percent.

Our review indicates that the MTA's 2006 year-end cash balance could total $533 million, which is $316 million more than anticipated in the February Plan. Most of the additional resources would come from continued strength in tax collections from real estate transactions, additional surplus resources from 2005, and lower-than-planned pension contributions.

Despite the improvement in the MTA's short-term financial position, the State Comptroller cautions that the MTA's long-term fiscal challenges remain formidable. The MTA projects budget gaps of nearly $1.1 billion in 2008 and $1.5 billion in 2009, which represent 11.9 percent and 16.3 percent of total revenues, respectively. In addition, the MTA has large unfunded pension and other post-retirement liabilities.

The MTA is relying heavily on fare and toll increases of 5 percent in each of calendar years 2007 and 2009 to balance the 2007 budget and to narrow the out-year gaps. Even if such increases occur, the MTA's financial plan shows that large out-year budget gaps would still remain. The State Comptroller believes the MTA should outline a comprehensive strategy to close these gaps and that the MTA should demonstrate substantial progress in its July 2006 financial plan. The State Comptroller also believes that management improvements should play a role in closing the out-year budget gaps.

The additional resources identified in this report would be more than enough to take the place a planned fare and toll increase in 2007. Alternatively, the resources could be held in reserve to help balance future budgets, improve services, or strengthen the MTA's financial position (e.g., by paying down debt or other unfunded liabilities). The public will be able to participate in debating this matter because of the reforms implemented by the MTA since April 2003 and the budget regulations promulgated by the State Comptroller that improved the transparency of the MTA's budget.

Year-End Cash Balances

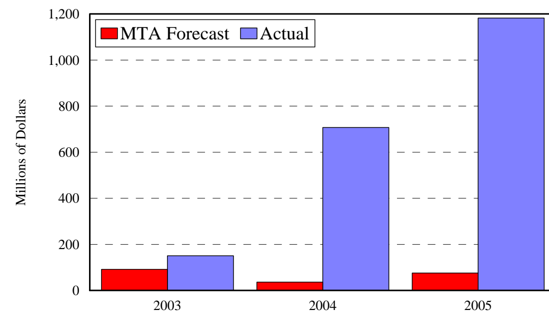
Over the past few years the MTA has been able to build up large cash balances as a result of fare and toll hikes in 2003 and 2005; an increase in dedicated State taxes and fees to help fund debt service; unexpected strength in real estate–related tax collections; and debt service savings from lower-than-planned interest rates and delays in the capital program.

In December 2002, the MTA Board proposed raising fares and tolls by 25 percent to close a $236 million budget gap that it projected for 2003. A report issued by the State Comptroller in April 2003 found that in December 2002 the MTA misled the public about its financial condition by not disclosing that it had secretly planned to transfer hundreds of millions of dollars from 2002 to 2004.[1] The report concluded that a fare increase could have been avoided in 2003 if the MTA had used resources that were at its disposal to balance the budget. In response to the report, the MTA instituted a series of reforms and the State Comptroller promulgated budget regulations designed to improve the transparency and accountability of the MTA's budgeting process.

The MTA ended 2004 with a cash balance of $707 million, far more than its initial forecast of $36 million (see Figure 1). Most of the additional resources came from tax collections on real estate transactions ($364 million), insurance proceeds for losses sustained from the attack on the World Trade Center ($147 million), and debt service savings ($95 million). The MTA set aside $200 million of the 2004 surplus to help balance the 2006 budget, and the remainder was rolled over to 2005.

Figure 1

Year-End Cash Balances



Sources: Metropolitan Transportation Authority; OSDC analysis

In 2005, the MTA again raised tolls and fares, this time by 5 percent ($227 million), and lobbied the State Legislature to increase State taxes and fees to help fund the MTA's operating and capital budgets. In April 2005, the State approved actions, including a tax increase, which would generate about $300 million annually. A report issued by the State Comptroller in May 2005 found that these resources would not be needed until 2007.[2] The MTA ended 2005 with a cash balance of almost $1.2 billion—67 percent more than the

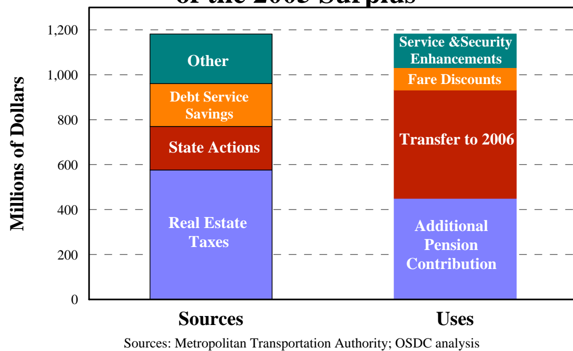
[1] See our report 4-2004, *An Examination of the Finances of the Metropolitan Transportation Authority*, April 2003.

[2] For a discussion on new State taxes and fees dedicated to transit, see our report 1-2006, *Financial Outlook for the Metropolitan Transportation Authority,* May 2005.

prior year, and far more than the MTA's February 2005 forecast of $76 million.

Figure 2

Sources and Uses of the 2005 Surplus



Sources: Metropolitan Transportation Authority; OSDC analysis

As shown in Figure 2, more than half of the additional resources in 2005 came from tax collections on real estate transactions ($586 million). The balance came mostly from State actions and debt service savings from lower-than-anticipated interest rates and delays in the capital program. In December 2005, the MTA Board voted to use $700 million of its cash reserves to pay down unfunded pension liabilities ($450 million) and to fund security and service improvements ($150 million) and holiday fare discounts ($100 million).[3] The remaining $482 million will be available to help fund the 2006 budget (also shown in Figure 2).

Balancing the 2006 Budget

One year ago, the MTA projected budget gaps of $813 million for 2006, $1.1 billion for 2007, $1.4 billion for 2008, and $1.8 billion for 2009. The 2006 budget was balanced largely with surplus resources from prior years, and the factors that led to a large unexpected surplus in 2005, such as continued strength in the economy and State actions, also improved the fiscal outlook for subsequent years. Thus the MTA now projects a surplus of $217 million for 2006, and has reduced its out-year budget gap forecasts by about $300 million (see Figure 3). The February Plan assumes that management actions will generate $84 million in savings and revenues during 2006 and slightly larger amounts in subsequent years (see Figure 3). About half ($42 million) would come from paying down unfunded pension liabilities with surplus resources.

Figure 3
Financial Plan Reconciliation
(in millions)

	2006	2007	2008	2009
February 2005 Gaps	**$(813)**	**$(1,105)**	**$(1,398)**	**$(1,751)**
Surplus Transfers[4]	562	- - -	- - -	- - -
State Actions	286	301	302	303
Tax Reestimates	218	232	182	231
Other Reestimates	135	113	86	2
Management Actions	84	86	89	92
All Other (Net)[5]	(255)	(242)	(318)	(337)
February 2006 Gaps	**$ 217**	**$ (615)**	**$ (1,057)**	**$ (1,460)**

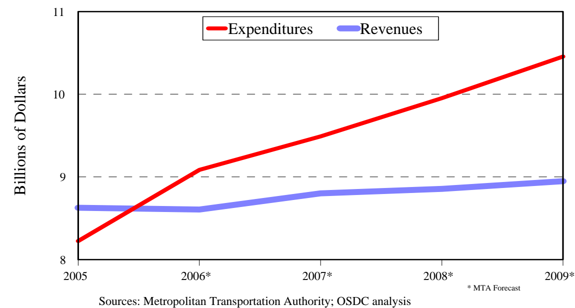
Sources: Metropolitan Transportation Authority; OSDC analysis

Revenue and Expenditure Trends

Expenditures[6] are projected to grow at an average annual rate of 6.2 percent from 2005 through 2009, but revenues are projected to increase by only 1 percent annually during the same period (see Figure 4). In 2006, even though expenditures are projected to exceed revenues, the budget is balanced on a cash basis by applying surplus resources from prior years.

Figure 4

Revenue and Expenditure Trends



Sources: Metropolitan Transportation Authority; OSDC analysis

Subway, bus, and commuter rail utilization is projected to increase by 2.1 percent in 2006, and by about 1 percent annually in subsequent years, based on the MTA's forecast for growth in regional employment. In contrast, use of bridge and tunnel crossings is projected to grow by a total

[3] The MTA has not yet transferred any of the $450 million that it intends to use to pay down unfunded pension liabilities. These resources are being held in a separate interest-bearing account. Only $33 million of the resources set aside to fund security improvements have been dedicated; the balance has also been deposited in an interest-bearing account.

[4] Estimate includes $362 million that was transferred from 2005 and $200 million that was transferred from 2004.

[5] Estimate includes higher costs due to inflation, maintenance, energy price increases, service and security enhancements, and an increase in the general reserve.

[6] Accrual estimates excluding depreciation.

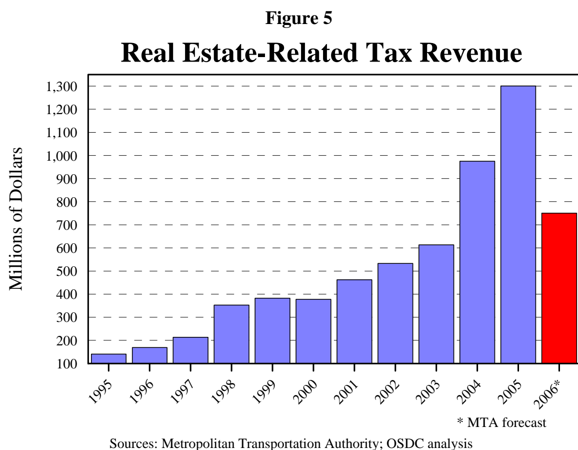
of only 1.6 percent throughout the financial plan period. Government subsidies, mostly from New York State and New York City, are projected to grow by only 0.9 percent annually during the financial plan period, considerably less than the projected inflation rate.

Tax revenues (excluding revenues from actions taken by New York State in April 2005) are projected to decline by 19 percent in 2006 and then to increase at an average annual rate of 2.6 percent through 2009. Overall, tax revenues are projected to decline by 0.6 percent during the financial plan period. The decline is based on the assumption that tax collections from real estate transactions will decline steeply in the second half of calendar year 2006.

In each of the past three years, the MTA has significantly underestimated the amount of tax collections from real estate transactions, which has also defied the expectations of New York City and the oversight community. Last year, for example, the MTA assumed collections would decline by $326 million, or 33 percent, compared to the record set in 2004. Actual collections, however, set a new record of $1.3 billion in 2005, or $652 million more than the MTA had anticipated. Since 2002, the MTA has underestimated tax collections from real estate transactions by 77 percent, or nearly $1.5 billion.

Figure 5

Real Estate-Related Tax Revenue



Sources: Metropolitan Transportation Authority; OSDC analysis

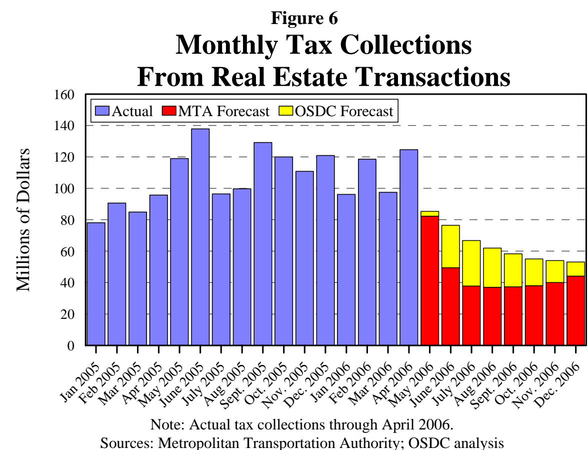
The MTA's February 2006 Financial Plan assumes that tax collections from real estate transactions will drop sharply during 2006, and that collections for the year will total 42 percent less than for 2005 (see Figure 5). Such a decline has not occurred since 1991, when a severe recession jolted the regional economy.

Although rising long-term interest rates are likely to reduce mortgage refinancings, the recent growth in tax collections has come mostly from new mortgages, commercial transactions, and rising real estate prices. The demand for new mortgages has declined slightly, but commercial activity has remained robust, and a recent study by the National Association of Realtors suggests that price declines in the New York metropolitan region are unlikely in the near future because of continued employment gains.

Real estate tax collections have averaged $109 million during the first four months of the year, but the MTA assumes that monthly collections will average only $47 million during the second half of the year—which is less than collections made in the second half of 2002. While collections are likely to decline by the end of the year, our analysis indicates that the decline is likely to be less severe than assumed by the MTA (see Figure 6). We estimate that collections could be $200 million more than the MTA forecast for 2006 and $50 million more for 2007. Collections have already exceeded the MTA's forecasts by $55 million through April 2006.

Figure 6

Monthly Tax Collections From Real Estate Transactions



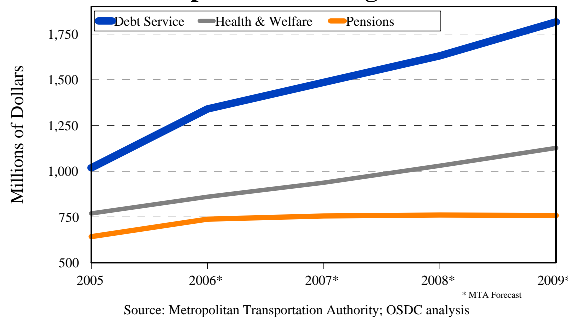
Note: Actual tax collections through April 2006.
Sources: Metropolitan Transportation Authority; OSDC analysis

In July 2005, New York City also projected a sharp decline in tax collections from real estate transactions, but since then it has revised its forecast three times to show a much smaller decline. The MTA has not updated its forecast since July 2005. The State Comptroller urges the MTA to revise its estimate in its July 2006 Plan.

MTA expenditures are projected to increase by a total of $2.2 billion during the financial plan period. Of the growth, debt service accounts for 36 percent; health and welfare costs account for

16 percent; and pension contributions account for 5.2 percent (see Figure 7). In the current year, spending is projected to rise from $8.2 billion in 2005 to $9.1 billion in 2006—an increase of 10.5 percent—and then grow steadily to nearly $10.5 billion by 2009. Some major expenditure categories are discussed below.

Figure 7
Trends in Selected Expenditure Categories



Source: Metropolitan Transportation Authority; OSDC analysis

- Debt service is expected to increase from $1 billion in 2005 to $1.8 billion in 2009, an increase of 78 percent. The rapid rise reflects growth in the MTA's capital program and the MTA's reliance on borrowing to finance its capital programs.
- Pension contributions have grown rapidly over the past few years to make up for pension fund investment shortfalls and underfunding liabilities, as well as benefit enhancements. Contributions are projected to total $737 million in 2006—an increase of 15 percent over 2005—and then remain relatively level during the balance of the financial plan period.
- Health insurance costs are expected to increase by 47 percent—from $769 million in 2005 to $1.1 billion by 2009—based largely on the expected growth in health insurance premiums. The MTA assumes that premiums will rise during the financial plan period at an average annual rate of 9.3 percent, which is consistent with national and regional patterns.
- Maintenance and other operating contracts are projected to rise 15 percent to $521 million in 2006. As discussed in a prior report,[7] many of the 270,000 concrete ties that Metro-North and the LIRR jointly purchased in 1997 and 1998 to replace aging wooden ties are deteriorating prematurely. Another 39,000 concrete ties were purchased in 2001. The MTA will initially fund the cost of installing 106,000 replacement ties pending the outcome of negotiations with the manufacturer over the extent of the warranty. The MTA could incur additional operating budget costs of $80 million if it must replace and install the remaining 203,000 concrete ties at its own expense.

Status of Labor Negotiations

The MTA's February Plan assumes that the MTA will reach new labor agreements that will increase wages and fringe benefits at the projected regional inflation rate—an average of almost 2.8 percent during the financial plan period.

The MTA's contract with the Transport Workers Union (TWU), which represents some 34,000 subway and bus workers, expired on December 15, 2005. With the assistance of mediators from the Public Employment Relations Board (PERB), the MTA and the TWU reached a tentative agreement on December 27, 2005—but only after a three-day strike by bus and subway workers in response to MTA demands for reduced pension benefits and higher employee pension contributions.

The tentative agreement calls for workers to receive wage increases of 10.9 percent over a 37-month period (an annual average of 3.5 percent). The MTA dropped its demands for reduced pension benefits and higher employee pension contributions in exchange for employee contributions of 1.5 percent of wages to mitigate the growth in health insurance premiums.

The agreement also calls for employees to receive refunds from overpayments to the pension systems.[8] These refunds would average about $8,200 per employee and would have an aggregate value of $131.7 million. (A side letter agreement

[7] See our report 6-2006, *Financial Outlook for the Metropolitan Transportation Authority,* September 2005.

[8] In 1994 the State, with the support of the MTA, enacted legislation that permitted TWU members to retire at age 55 with 25 years of service if they paid an additional 2.3 percent of their salaries into the pension fund on top of the 3 percent standard payment at that time. In 2000, the State eliminated the 2.3 percent surcharge. The TWU contends that employee contributions made before the enhancement was enacted should be refunded.

made during the December 2005 negotiations stated that the MTA would refund the pension overpayments from its own budget if the State did not pass legislation authorizing the refunds.) The Governor opposed the pension refunds even though he had stated in the past that the issue should be settled through collective bargaining.

In January 2006, the tentative agreement was rejected by the rank and file by a margin of only seven votes (22,461 total votes were cast). The TWU maintains that the agreement was rejected because of misinformation regarding employee health insurance contributions and because the Governor threatened to veto the legislation needed to authorize the refund provision.

A second vote was held on April 18 and the agreement was approved by 71 percent of the votes. The MTA, however, maintains that the offer is off the table even though it approved contracts containing the same terms with two locals of the Amalgamated Transit Union. In addition, the MTA has reinstituted its demand for pension givebacks and is seeking to reach a new agreement through binding arbitration, which the TWU opposes. On March 23 the PERB declared an impasse and ordered the parties to submit to binding arbitration.

Other transit employees are working without contracts, or will be soon. About three quarters of the employees at Metro-North and the Triborough Bridge and Tunnel Authority are currently working without contracts, and all of the contracts with the employees of the Long Island Rail Road will have expired by December 31, 2006.

Retiree Health Benefits

The MTA is required to comply with new accounting rules established by the Governmental Accounting Standards Board that require all governmental entities to calculate their obligations to current and future retirees for post-employment benefits other than pensions, such as health insurance.

While the MTA and other governmental entities will not be required to fund these obligations on an actuarial basis, credit rating agencies will undoubtedly take into account the size of these obligations and how they are funded when making their credit ratings. The MTA has hired Milliman, an actuarial consulting firm, to assist in preparing an estimate of its obligations. The new accounting rules will take effect for the fiscal year that begins on January 1, 2007.

Preliminary estimates put the City's obligations at more than $50 billion, and over the next two years the City intends to contribute $2 billion from its general fund to a trust for the benefit of current and future retirees. Based on the relative sizes of the MTA and City personal service budgets, the MTA's obligation could total $10 billion. The MTA presently has no plans to fund its liability, but it should consider allocating resources to a trust fund for this purpose, as the City has done.

The Out-Year Budget Gaps

The MTA's February Plan projects budget gaps of $615 million for 2007, $1.1 billion for 2008, and nearly $1.5 billion for 2009. The MTA is currently relying on fare and toll increases rather than on internal management improvements and other cost efficiencies to narrow these gaps (see Figure 8)—it proposes to raise fare and toll revenues by 5 percent in each of calendar years 2007 and 2009. These hikes come on top of fare and toll increases that were implemented in 2003 (25 percent) and 2005 (5 percent), and would still leave the MTA with sizeable out-year budget gaps.

Figure 8
Out-Year Gap-Closing Program
(in millions)

	2007	2008	2009
MTA Projected Gaps	**$ (615)**	**$ (1,057)**	**$ (1,460)**
Gap-Closing Program			
Increased Fares & Tolls	241	244	502
2006 Surplus Transfer	217	- - -	- - -
Management Actions	3	16	24
Total	**461**	**260**	**526**
MTA Remaining Gaps	**$ (154)**	**$ (797)**	**$ (934)**

Note: Columns may not add due to rounding.
Sources: Metropolitan Transportation Authority; OSDC analysis

The out-year gap-closing program currently anticipates savings from management actions of only $3 million in 2007, an amount that would grow to only $24 million by 2009. All but $1 million of the savings each year would come from the expansion of one-person subway train operations—yet an arbitrator ruled in February 2006 that the MTA could not proceed with those

operations without the approval of the transit union.

The State Comptroller and the MTA have both demonstrated the potential for management actions to help balance the budget. In October 2004, the State Comptroller identified 2,110 positions in five MTA agencies that performed essentially the same functions.[9] The MTA itself reported that many of the functions performed by the more than 2,700 personnel employed in finance, procurement, human resources, and information technology—at a total annual cost of $708.9 million—were duplicative and that there were opportunities for efficiencies.

While the MTA has made some progress in trimming costs, management improvements should also play a role in reducing the size of the out-year budget gaps to manageable levels. In response to a draft of this report, the MTA stated that it "is currently in the process of developing its Preliminary 2007 Budget, which will be presented in July of 2006. At that time, additional "management actions" will be provided to achieve budget balance in 2007 and reduce, but not eliminate, subsequent year gaps."

OSDC Risk Assessment

Our review finds the 2006 year-end cash surplus could total $533 million, which is $316 million more than projected by the MTA in the February Plan (see Figure 9). These additional resources would be more than enough to take the place of a 5 percent increase in fares and tolls that is part of the MTA's gap-closing program for 2007.[10]

Most of the additional resources come from our higher estimate of collections from taxes on real estate transactions. In addition, 2006 will benefit by $58 million because the 2005 cash balance was larger than assumed in the February Plan. The MTA also received $14 million in fines from the TWU following the transit strike. While pension contributions could be less by $101 million during calendar years 2006 and 2007 because the State is expected to approve changes in actuarial assumptions and methodologies that were approved by the trustees of the New York City Employees' Retirement System, these savings would be more than offset by higher costs in subsequent years.

Figure 9
OSDC Risk Assessment
(in millions)
(Better/Worse)

	2006	2007	2008	2009
MTA Surplus/(Gap)	**$217**	**$(615)**	**$(1,057)**	**$(1,460)**
OSDC Identified Potential Risks and Offsets:				
Real Estate Taxes	200	50	- - -	- - -
Pension Costs	75	26	(63)	(132)
Addt'l 2005 Surplus	58	- - -	- - -	- - -
Taylor Law Fines	14	- - -	- - -	- - -
Fare Collections	(22)	- - -	- - -	- - -
E-ZPass Fees	(9)	(15)	(15)	(15)
Subtotal	**316**	**61**	**(78)**	**(147)**
OSDC Surplus/(Gap)	**533**	**(554)**	**(1,135)**	**(1,607)**
Surplus Transfer	(533)	533	- - -	- - -
OSDC Surplus/(Gap)	**$ - - -**	**$(21)**	**$(1,135)**	**$(1,607)**

Sources: Metropolitan Transportation Authority; OSDC analysis

Our review also found a shortfall in anticipated fare and toll collections during the first quarter of 2006—both because of heavy snowfall and because more riders are taking advantage of discounts than anticipated by the MTA. The MTA, however, believes it is premature to project the long-term implications of this development. In addition, recent changes in State law will prevent the MTA from collecting fees for administrating the E-ZPass program starting June 1, 2006.

While difficult to quantify at this time, we also note the potential during the financial plan period for higher energy costs; higher-than-expected inflation; and unplanned costs for replacing defective concrete railroad ties.

The February Plan includes reserves of $80 million in 2006 and about $75 million in each subsequent year, and the MTA has not yet committed $50 million that it set aside to fund holiday fare discounts in 2006.

Financing the Capital Program

The 2005-2009 capital program is expected to cost $21.3 billion and to be funded through a combination of resources. Half of the program will be funded with capital grants from the federal government and New York City, and with

[9] See our report 7-2005, *Review of the Proposed Financial Plan and Capital Program for the Metropolitan Transportation Authority,* October 2004.

[10] A 5 percent increase in fares and tolls would generate an estimated $241 million in 2007.

proceeds from a Statewide transportation bond act (see Figure 10). The other half will be funded by the MTA itself largely through bond proceeds and the sale of assets.

Figure 10
Financing the 2005-2009 Capital Program
(in billions)

Capital Grants	
Federal	$ 6.7
New York City	2.4
Transportation Bond Act	1.5
Subtotal	**10.6**
Bond Proceeds	
MTA Bonds	4.2
MTA Bonds Backed by New York State Revenues	5.1
Subtotal	**9.3**
Other	
Proceeds from Asset Sales	1.0
Prior-Year Rollover	0.4
Subtotal	**1.4**
Total	**$ 21.3**

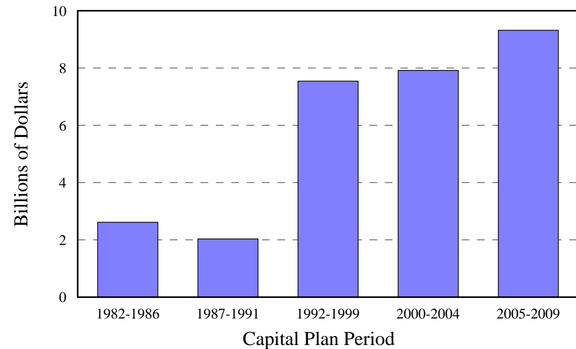
Sources: Metropolitan Transportation Authority; OSDC analysis

The current capital program relies on new debt to a greater extent than any prior program. New money bonds are expected to generate about $9.3 billion and account for 44 percent of the financing for the 2005-2009 capital program—also more than any other program (see Figure 11). Moreover, the level of borrowing could increase further in the event of a shortfall in resources anticipated from other sources, or if costs are higher than expected.

Already, signs indicate that the 2005-2009 capital program will experience difficulties. For example, the MTA is counting on $495 million from the federal government to fund the entire second phase of the capital security program, but the MTA has not obtained the government's commitment to fully fund this program. In addition, the cost of the East Side Access project continues to escalate and the project has fallen further behind schedule, and the City and the MTA have not yet reached an agreement on funding cost overruns from extending the No. 7 subway line.

The MTA has realized $100 million from the sale of the development rights over the Atlantic Yards, and is actively negotiating with New York City over the sale of development rights over the western and eastern rail yards on the West Side of Manhattan. An independent consultant appraised the western rail yard at $923 million, but the MTA accepted a bid of $250 million from the New York Jets in a failed effort by the City to construct a multipurpose sports facility on the site.

Figure 11
New Money Bonds



Source: Metropolitan Transportation Authority; OSDC analysis

The MTA's outstanding debt grew by $7 billion in the last five years, from $13 billion in 2000 to $20 billion in 2005. In the next five years outstanding debt is projected to increase by $12 billion, reaching $32 billion in 2010. The heavy reliance on debt to finance the capital program is taking a toll on the operating budget.

Debt service is projected to rise by 78 percent between 2005 and 2009, and is projected to consume an increasing share of revenues over the next few years (see Figure 12). For example, debt service has consumed about 12 percent of total revenues, on average, between 1996 and 2005, but is expected to consume 20 percent of revenues by 2009, an increase of 66 percent. Similarly, debt service will consume 35 percent of fare and toll revenue by 2009, up from 21 percent in 2005.

Figure 12
Debt Service Indicators

	2005	2006	2007	2008	2009
Debt Service as a Percentage of:					
Total Revenues	12%	16%	17%	18%	20%
Fares & Tolls	21%	26%	29%	32%	35%
Pledged Revenues	13%	17%	19%	21%	23%

Source: Metropolitan Transportation Authority; OSDC analysis

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