



COVID's Impact on Metro-North Ridership

December 8, 2021



Metro-North Railroad



Metro-North's Ridership Before COVID

Metro-North's ridership of 86.9 million in 2019 was its highest ever

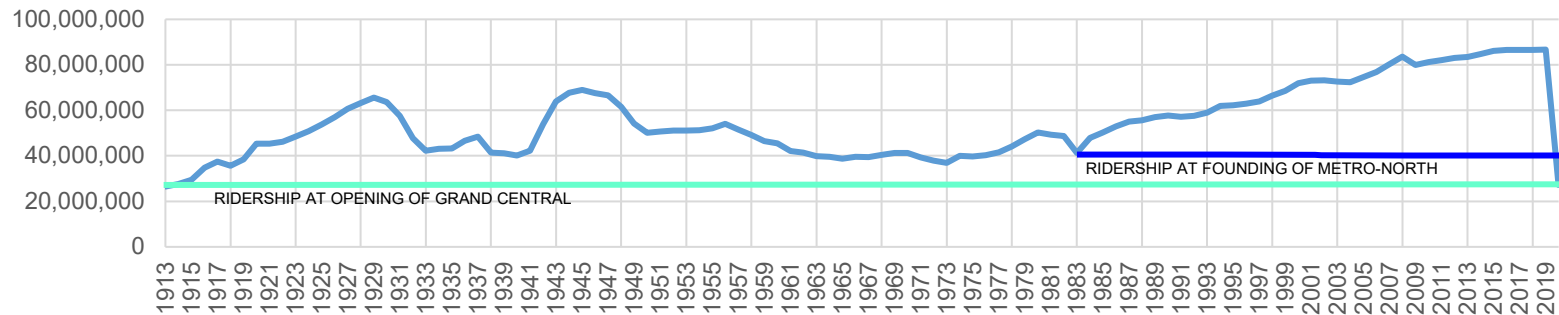
- This was the apex of a steady trend of over 2% average annual ridership growth since Metro-North was founded in 1983
 - an average increase of slightly over one million rides a year
- Growth resulted from targeted service improvements to serve peak and off-peak travelers, using crews and trains more efficiently
 - By the mid 2010s, Metro-North had added so much reverse peak and off-peak service that these trips matched or exceeded NYC commutation on an annual basis
- Metro-North had an 86% market share of commuters in its service territory and approximately 70% of discretionary riders
- Ridership revenue provided a Farebox Recovery rate of 56%



The impact of COVID in context

Metro-North's ridership of 86.9 million in 2019 was its highest ever

- Metro-North lost 59.7 million rides in 2020, a drop of 69% to 27.2 million
 - East of Hudson ridership dropped 69%; West of Hudson dropped 63%
 - At its lowest point, Metro-North was carrying 5% of ridership from the previous year
- 2020 ridership was approximately two thirds of the ridership in 1983

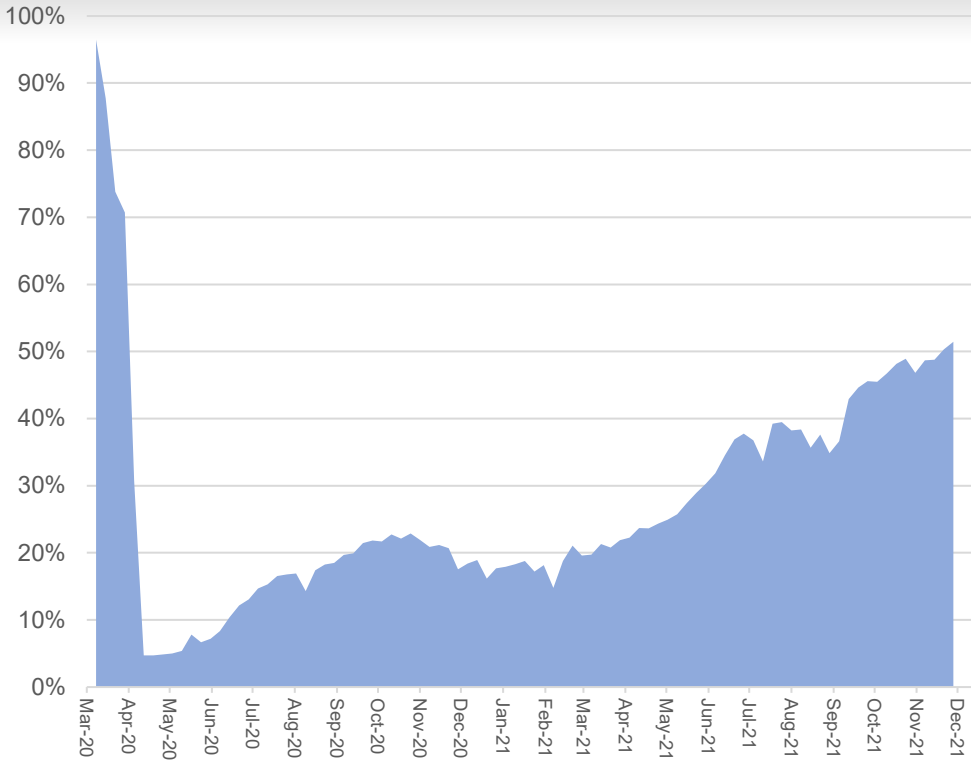




Weekday Pandemic Ridership vs 2019 Ridership

From its 5% low in March 2020 and the bumpy 20 months that followed, Metro-North's ridership is now growing consistently as vaccinations climb and restrictions ease

- Ridership in late Q4 2021 is approximately 50% of 2019 levels
- Ridership has increased approximately 12.6% since mid-September
- Spacing and mask restrictions remain in place on Metro-North
 - A small number of trains in the traditional peak are reporting loading of 70% or more.
- Metro-North is currently running approximately 82% of its pre-COVID all-day service and approximately 62% of pre-COVID peak service

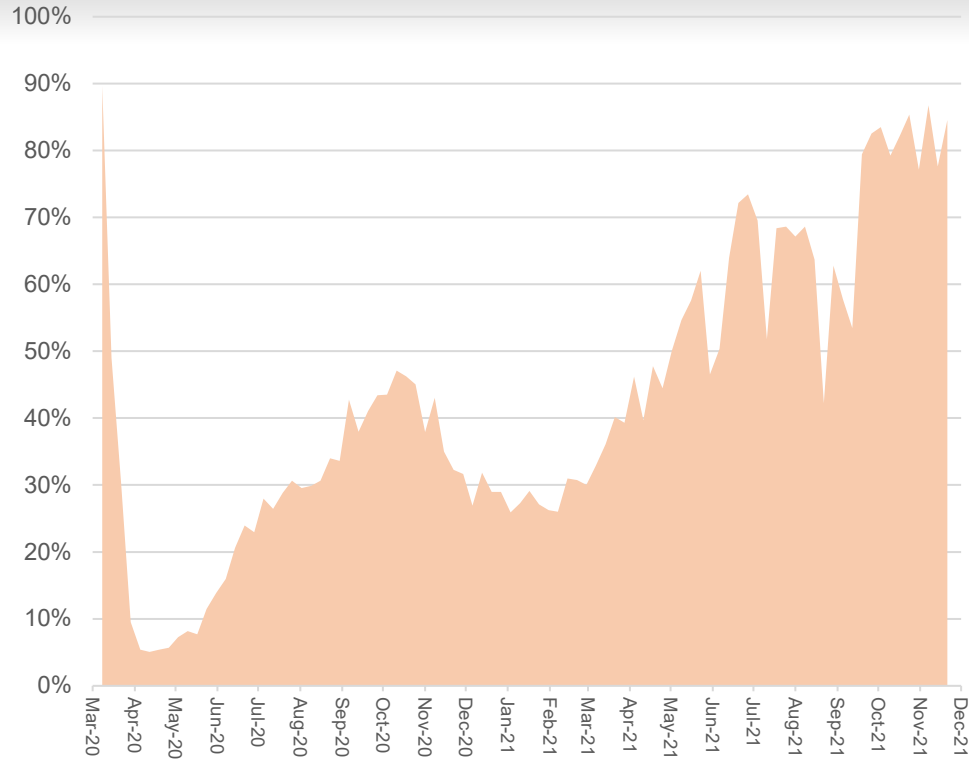




Weekend Pandemic Ridership vs 2019 Ridership

Weekend ridership has shown the same profile, but at a much higher rate of return

- Weekend ridership has been extremely strong throughout the fall, with ridership on a recent Sunday at almost 90% of pre-COVID levels
- Higher levels of weekend travel appear to be driven by discretionary travel in couples and small groups to locations and with friends or family deemed “safe”
 - There is less concern about travel when riders are with those they know



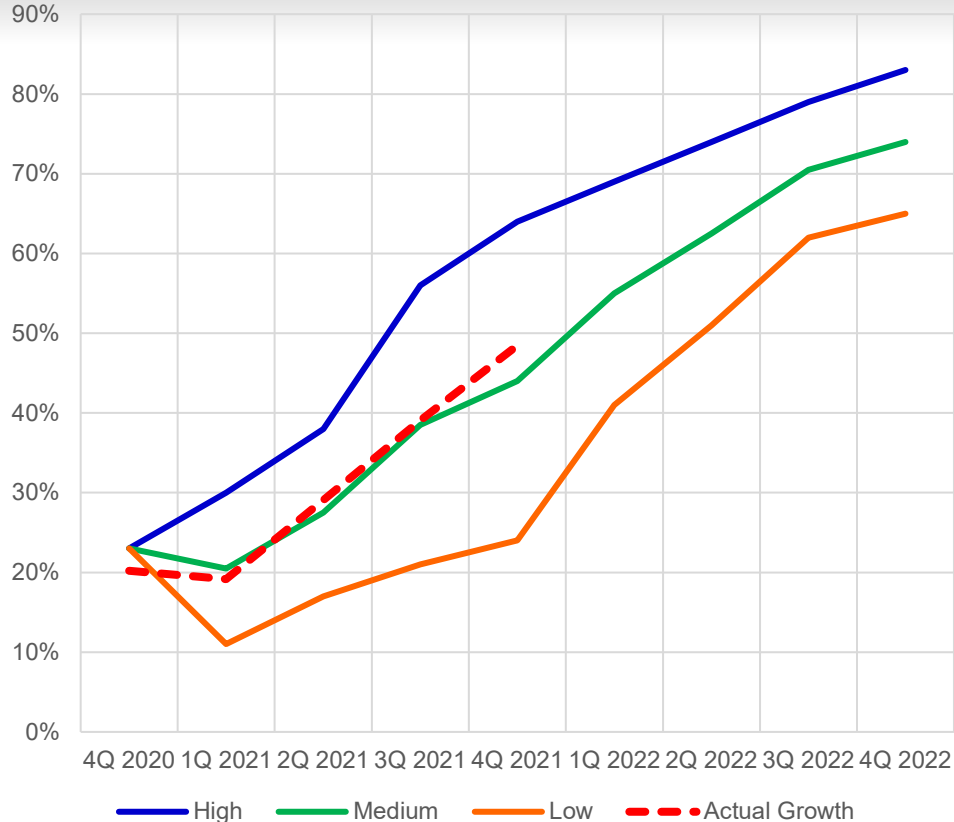


Near Term Return Projections

Recent Near-Term Projections indicate ridership will return slowly, with up to 84% of 2019 ridership returning by the end of 2022

- “High” scenario assumes steady recovery without major spikes, lifting of public health restrictions, and rebounding economy and public confidence
- “Low” scenario assumes second wave in early 2021, drop back to Spring 2020 ridership, slow vaccine rollout, long-term economic stress

Comparison with Weekday ridership trends on Slide 4 shows that Metro-North ridership is tracking slightly above mid-point, and MTA Financial projections are based upon the assumption that this trend line will continue





Longer-Term Is Not So Clear

Metro-North's ridership has historically relied on a mix of "essential" workers who tend to travel early in the peaks, and "professional" workers who tend to be highly compensated and are more likely to be able to work from home

- Essential workers have remained a key component of Metro-North's ridership especially during COVID
- A recent survey by the Partnership for New York City for the period between October 19 and October 29, 2021 showed the following:
 - As of late October, 28% of Manhattan office workers were at the workplace on an average workday; only 8% were in the office five days a week
 - 54% of office workers were fully remote
 - Employers expect that 49% of office workers will be in the office on an average weekday by January 2022, with 57% of them in the office at least three days a week and 21% of traditional office workers remaining fully remote
 - This survey does not reflect any changes in remote work associated with the recently identified "Omicron" variant
- Traditional "monthly" ticket is upended by these patterns
 - More flexible fare options such as 20-trip tickets or other options are possible



What has worked in attracting people back to the system?

- More frequent service
 - Metro-North implemented a schedule change in late August, and continues to monitor trains for heavy loading
 - **But** some pre-COVID express trains have not been restored, which has generated customer complaints.
- Loading information
 - Customers remain concerned about social distancing, so MNR has launched a feature within its Train Time app that allows customers to monitor on-board passenger loading and position themselves in less crowded cars
- On-time performance/travel times
- Safety and security
 - COVID cleaning
 - Mask compliance
 - Visible law enforcement presence