

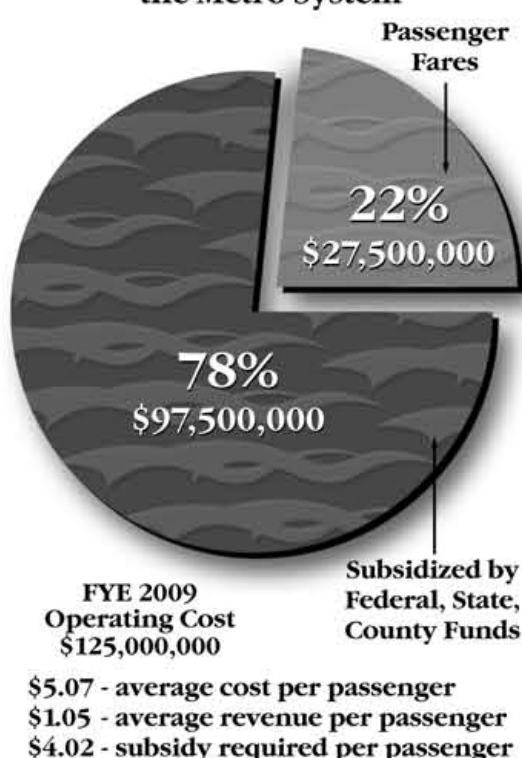
PROPOSED METRO FARE ADJUSTMENT



The Niagara Frontier Transportation Authority is proposing to adjust Metro's fare structure on January 1, 2009 and July 1, 2009 as outlined further in this brochure.

The fare adjustments are unfortunately necessary as a result of a \$3.16 million shortfall in anticipated operating assistance in this budget year ending March 31, 2009.

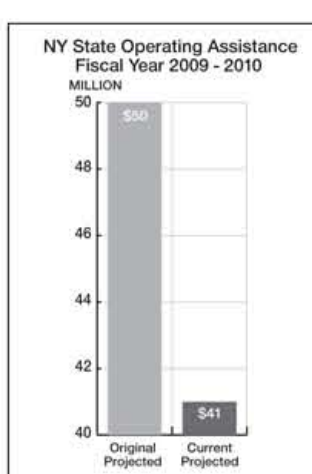
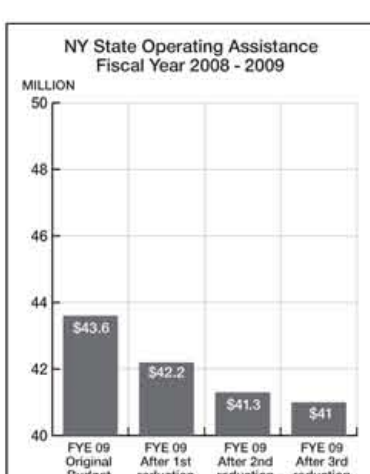
Cost of Operating the Metro System



While Metro ridership has indeed been on the rise over the past 12-months, the added passenger revenues are nowhere large enough to offset increasing operating expenses and negate the need for the fare adjustments as illustrated by the accompanying charts.

In an effort to reduce spending and balance its budget, the NFTA has and will continue to implement cost cutting measures such as reducing personnel through attrition, limiting out of town travel, reducing insurance costs as a result of improved safety measures, locking in additional fuel contracts and trimming advertising expenditures.

If enacted, this fare adjustment would be only the second increase in 13-years and the first since 2003, during which time Metro has increased service miles by 25 percent or 2.5 million miles to accommodate its riders and added 43 energy efficient electric Hybrid buses to its fleet.



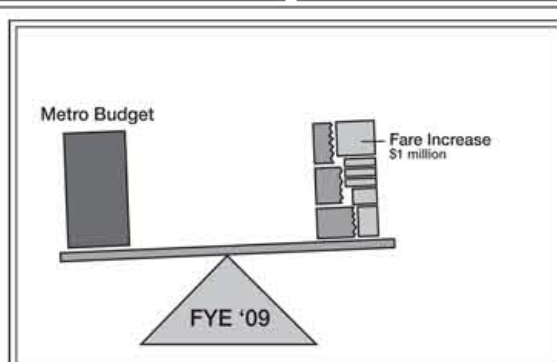
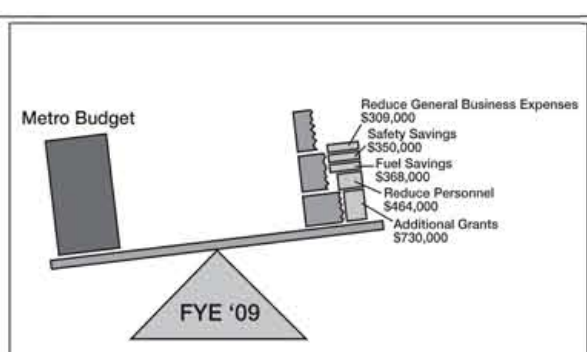
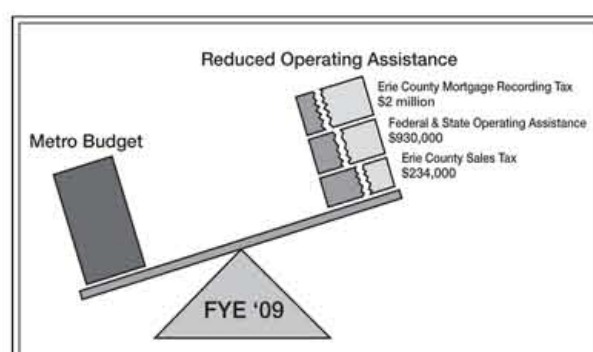
It's important to know that fares paid by Metro customers account for only 22 percent of the cost of providing bus and rail service, with the balance made up by funding from county, state and federal government sources, which have recently been drastically reduced. With the reduction in government funding and sales and mortgage tax revenues predicted to be less in the forthcoming year, economic realities dictate that we continue to make prudent decisions in an effort to provide the residents of Erie and Niagara counties with the most efficient and cost-effective service possible.

Keeping Pace With Inflation

| | 1995 | 2008 |
|--|--------|------|
| Cost of a gallon of regular gas: | \$1.15 | 2.50 |
| Cost of a dozen eggs: | \$1.16 | 2.17 |
| Cost of a gallon of milk: | \$2.96 | 3.50 |
| Metro's 1995 fare of \$1.25 would be \$1.76 through 2009 adjusted for inflation. | | |

BALANCING METRO'S BUDGET

January - March, 2009



PROPOSED METRO FARE INCREASE

EFFECTIVE JANUARY 1, 2009

CASH FARES

| | |
|---------------------|------------------|
| Adult Boarding Fare | \$1.50 to \$1.75 |
| Reduced Fare* | \$.65 to \$.75 |
| Adult Zone Charge | \$.25 to \$.30 |
| Reduced Fare* | \$.10 to \$.15 |

TRANSFERS

| | |
|---------------------|----------------|
| Adult Boarding Fare | \$.30 to \$.35 |
| Reduced Fare* | \$.15 to \$.15 |

| | |
|--|------------------|
| TOKENS when purchased in quantities of 10 or more. | \$1.35 to \$1.60 |
|--|------------------|

ALL ZONE DAY PASS

| | |
|---------------|---------------|
| Adult | \$3.50 to \$4 |
| Reduced Fare* | \$1.75 to \$2 |

ALL ZONE WEEKEND PASS

| | |
|---------------|---------------|
| Adult | \$6 to \$7 |
| Reduced Fare* | \$3 to \$3.50 |

MONTHLY & 30 DAY PASSES

Single Zone

| | |
|---------------|-----------------|
| Adult | \$55 to \$64 |
| Reduced Fare* | \$27.50 to \$32 |

All Zone

| | |
|---------------|-----------------|
| Adult | \$66.00 to \$77 |
| Reduced Fare* | \$33 to \$38.50 |

| | |
|-------------------|-----------------|
| SUMMER YOUTH PASS | \$45 to \$52.50 |
|-------------------|-----------------|

Note: Paratransit fares are twice the adult cash fare

* Child (5-11 yrs), Senior Citizen, Disabled, & Medicare with Proper Identification

PROPOSED METRO FARE INCREASE

EFFECTIVE JULY 1, 2009

CASH FARES

| | |
|---------------------|----------------|
| Adult Boarding Fare | \$1.75 to \$2 |
| Reduced Fare* | \$.75 to \$.85 |
| Adult Zone Charge | \$.30 to \$.35 |
| Reduced Fare* | \$.15 to \$.15 |

TRANSFERS

| | |
|---------------------|----------------|
| Adult Boarding Fare | \$.35 to \$.40 |
| Reduced Fare* | \$.15 to \$.20 |

| | |
|--|------------------|
| TOKENS when purchased in quantities of 10 or more. | \$1.60 to \$1.85 |
|--|------------------|

ALL ZONE DAY PASS

| | |
|---------------|---------------|
| Adult | \$4 to \$5 |
| Reduced Fare* | \$2 to \$2.50 |

ALL ZONE WEEKEND PASS

| | |
|---------------|---------------|
| Adult | \$7 to \$8 |
| Reduced Fare* | \$3.50 to \$4 |

MONTHLY & 30 DAY PASSES

Single Zone

| | |
|---------------|-----------------|
| Adult | \$64 to \$73 |
| Reduced Fare* | \$32 to \$36.50 |

All Zone

| | |
|---------------|-----------------|
| Adult | \$77 to \$88 |
| Reduced Fare* | \$38.50 to \$44 |

| | |
|-------------------|-----------------|
| SUMMER YOUTH PASS | \$52.50 to \$61 |
|-------------------|-----------------|

Note: Paratransit fares are twice the adult cash fare

* Child (5-11 yrs), Senior Citizen, Disabled, & Medicare with Proper Identification