

TESTIMONY OF MARIA C. LEHMAN, P.E.
NEW YORK STATE THRUWAY AUTHORITY & NEW YORK STATE
CANAL CORPORATION

2016 JOINT HEARING OF THE LEGISLATIVE FISCAL COMMITTEES -
TRANSPORTATION
WEDNESDAY, JANUARY 20, 2016

Chairperson Young, Chairperson Farrell, and members of the Senate and Assembly Fiscal and Transportation Committees; thank you for having me here today. I am Maria Lehman, Interim Executive Director and Chief Operating Officer for the New York State Thruway Authority and Canal Corporation.

This is a very important year for the Thruway Authority: The Executive Budget proposes a capital appropriation of \$700 million for the *Thruway Stabilization Program*. This is in addition to the nearly \$1.3 billion approved in 2015. We are grateful to the Governor for this infusion of capital from the settlements with banks and financial institutions. These funds will allow us to continue the progress we've made on the New NY Bridge as well as meet our system-wide capital needs, all while enabling tolls to remain frozen at current levels until at least 2020.

The Executive Budget also includes a tax credit that will cut tolls for frequent users of the Thruway and eliminate tolls for agricultural users benefiting nearly one million passenger, business and farm vehicles. Drivers of passenger vehicles who spend at least \$50 annually, and businesses and commercial account holders who spend between \$100 and \$9,999 annually in Thruway tolls, would receive a tax credit worth 50 percent of the tolls paid. Further, farming vehicles bringing farm goods to market would have tolls eliminated completely through a 100 percent tax credit.

Finally, the Executive Budget proposes the transfer of the Canal Corporation to the New York Power Authority in recognition of the natural nexus of missions between Canals and the Power Authority. The 27 hydroelectric generating facilities along the Canal System represent nine percent of the state's total hydroelectric facilities and approximately 2.3 percent of its annual hydroelectric power production. The Power Authority currently manages the Corporation's largest reservoir, Hinckley Reservoir, and the Corporation routinely performs maintenance work for the Power Authority at the Crescent and Vischer Ferry dams, where the Power Authority operates hydroelectric power generating facilities.

The transfer allows the Thruway Authority to reassume roughly \$85 million in operating costs that have been supported by the state since 2013. These costs include approximately \$26 million in state support and approximately \$59 million for New York State Police Troop T costs that were assumed by the state, which will now be returning to the Thruway Authority.

The Thruway Authority adopted a 2016 budget that is balanced, and provides the necessary resources to maintain the current levels of maintenance, safety and service on our system. The Thruway Authority's capital and operating costs are being effectively and efficiently managed and our 2015 revenue has exceeded expectations. Another noteworthy point is that the Thruway Authority has held annual operating growth to less than one percent since 2011 and we project that we can maintain that growth rate into the near future.

There is significant progress on the construction of the New NY Bridge thanks to dedicated professionals working on the project. The single largest bridge and highway infrastructure project in North America, this new crossing is literally rising from the water and stretching further across the Hudson every day. In the past months the first steel girders have reached the Rockland landing and additional progress includes: 55 percent of the concrete piers

are complete; 46 percent of the steel girders are fabricated; and, 34 percent of the deck panels are fabricated.

The Governor's '16-'17 proposed Budget recognizes the Thruway's vital role as the backbone for commerce, tourism and commuters in New York. It's important to reiterate that the funds included in the Executive Proposal are for capital improvements, not operating costs. The \$700 million in assistance will ensure that all of the necessary capital maintenance and improvements we have planned can occur without requiring a toll adjustment.

One final note: We could not do any of what we do without our dedicated employees across the state, and I want to take this opportunity to acknowledge their hard work, dedication and ongoing commitment to the highest standards of safety and reliability in every area of our operations.

Thank you for your time. I would be happy to respond to any questions you may have.

