



NEW YORK STATE SENATOR

Patrick M. Gallivan

Senators Gallivan and Grisanti, Assemblyman Gabryszak Announce Legislation to Separate Canal System From Thruway Authority

PATRICK M. GALLIVAN September 5, 2012

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Reform Would Save Thruway Authority Millions Annually, Help Prevent Toll Hike

Chairman of the Senate's Commerce, Economic Development, and Small Business Committee, Senator Patrick M. Gallivan (R - Elma), joined with Senator Mark Grisanti (R -

Buffalo) and Assemblyman Dennis Gabryszak (D - Cheektowaga) this afternoon at Canalside, the historical terminus of the Erie Canal, on Buffalo's waterfront to announce formal legislation to sever the New York State canal system from the New York State Thruway Authority.

The announcement comes as the Thruway Authority is considering a plan to raise tolls on three-axle vehicles by 45 percent.

"What the Thruway Authority has described as a "modest" toll increase, we call unacceptable. New York State has made significant strides the past two years to reform state government and repair the state's reputation as hostile to private business; any toll increase will erode that progress and prove detrimental to small businesses and local farms," said Senator Gallivan.

"The Thruway Authority has increased tolls four times in the past seven years, with little examination of their own administrative and operational costs," said Senator Grisanti.

"Another increase on tractor-trailers – especially one as steep as 45 percent – will only serve to raise the cost of consumer goods being shipped in New York State while forcing local governments to raise taxes to repair local roads that will see increased traffic as trucks inevitably seek alternative routes to save costs."

"The rising costs of tolls could ultimately place heavy burdens on businesses and could have a negative impact on a business's long-term sustainability," Assemblyman Gabryszak said.

"We should be looking for ways to make it more affordable to do business in New York State – not make it more expensive."

The Thruway Authority has claimed that the toll hike is needed to cover a \$90 million budget deficit. The New York State canal system has been under the umbrella of the New York State

Thruway Authority since 1992, consuming more than \$1 billion of the Thruway Authority's resources over that period. Separating the canal system from the Thruway Authority would have saved the Thruway Authority nearly \$107 million in combined operating and capital expenses in 2012, and would realize similar annual savings in future years. Thruway tolls were increased in 2005, 2008, 2009 and 2010.

The plan outlined by the three western New York legislators would place the canal system under the control of the New York State Department of Transportation, thereby subjecting its cost and operation to legislative oversight through the annual state budget process.

"To assist the Thruway Authority in its search for cost savings, we are introducing a long overdue reform to relieve the Thruway Authority of its administrative responsibilities of the New York State canal system – saving the Thruway Authority hundreds of millions in future expenses," said Senator Gallivan.

"The canal system is a historical treasure, and a major economic development tool and recreational tourist attraction for many communities that dot its course," said Senator Grisanti. "But at a time when the Thruway Authority is seriously considering hiking tolls for the fifth time in seven years, I believe the administrative and cost responsibility of the canal system should shift to a state agency that has more experience in efficiently managing the state's diverse array of physical infrastructure."

Senators Gallivan and Grisanti sent a formal letter to the Chairman of the Thruway Authority, Howard Milstein, calling on the Thruway Authority's board to endorse their proposal and agree to bridge any remaining budget gap through cost savings, not toll increases, at their September board meeting.

“The Thruway Authority needs to examine every way imaginable to cut costs and avoid a toll hike, I hope today signifies that the legislature can be a willing partner to help achieve the savings necessary to accomplish this,” concluded Gallivan.

Plans to increase tolls were announced by the Thruway Authority in May. The proposal has since been met with significant opposition from elected officials, business owners and advocates, consumer groups, and local government leaders.

“Trade with the rapidly-growing market in Toronto and Southern Ontario is widely recognized as key for our economic growth well into the future. Buffalo Niagara's strategic border location is an asset that offers this end of New York State great opportunity for private investment and job creation,” said Andrew J. Rudnick, President & CEO of the Buffalo Niagara Partnership. “However, a proposed 45 percent Thruway toll increase flies in the face of all that. We understand fully the need for infrastructure funding, but before any increase in tolls can be considered, it is imperative that the Thruway Authority be divested of any financial responsibilities it has that are not related to the roadways used for trade.”

“This legislation represents an important step toward addressing the Thruway Authority's fiscal challenges,” said Brian Sampson, executive director of Unshackle Upstate. “Relieving the Thruway Authority of the burdensome New York State canal system will result in tens of millions in immediate and long-term savings – and hopefully put an end to the proposed 45-percent toll hike. We simply cannot let a 19th century transportation system hold back our 21st century economy. Unshackle Upstate commend Senator Gallivan and Senator Grisanti for responding to our call to action with this timely, smart legislation. We call on Gov. Cuomo and the members of the Legislature to support this measure.”

In July, Senator Gallivan submitted a formal letter to the Thruway Authority, opposing any proposed toll increase, and reiterated his opposition in August through formal testimony submitted at a public hearing conducted by the Thruway Authority.