

NEW YORK STATE THRUWAY AUTHORITY AND CANAL CORPORATION

2013 ANNUAL REPORT





HOWARD P. MILSTEIN
Chairman, New York State
Thruway Authority and
Canal Corporation

CHAIRMAN'S MESSAGE

The New York State Thruway is the nation's premier superhighway, widely known for its safety and reliability. Hundreds of millions of motorists travel billions of miles each year on the Thruway's extensive interstate system, a vital regional economic link connecting New York City and upstate New York with the rest of the nation and Canada.

2013 was a notable year in the nearly-six-decade history of the Thruway Authority, as we began construction on the \$3.9 billion New NY Bridge to replace the Tappan Zee. Among the largest transportation infrastructure projects in North America, the New NY Bridge boasts the largest single contract procurement in New York State history and is its first major design-build contract.

Through a collaborative focus on cost savings, efficiency, transparency, and environmental sensitivity, the Thruway Authority completed extensive procurement and environmental reviews for the new crossing in less than one year – a process that typically takes six to seven years for projects of this magnitude. Because of these efforts, the cost of design and construction for the new bridge will be nearly \$2 billion less than early estimates.

The landmark accomplishments we are making on this historic project are the result of pairing entrepreneurial principles from private enterprise with the work of government professionals. This new, innovative process is already serving as a model for public infrastructure development across the nation.

In 2013, we also continued a private-sector approach to managing our internal costs to ensure we keep tolls as low as possible, adding value to the millions of customers that rely on our system every day. This disciplined approach included managing operating costs more effectively and implementing new capital program protocols and asset management systems to ensure toll dollars are spent wisely.

These positive and needed changes will continue in the coming years as we maintain our commitment to prudent financial management and operational excellence while maintaining the high levels of safety and service our customers have come to expect and enjoy.

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THE NEW YORK STATE THRUWAY

Since its opening nearly 60 years ago, the 570-mile New York State Thruway has served as the central artery of the state's transportation system, providing a vital link between its major cities from the Atlantic Ocean to Canada and the Great Lakes. Our extensive interstate highway system serves travelers with a variety of needs and purposes, including commuters, business travelers, recreational travelers and commercial vehicle traffic. In 2013, 250 million customers traveled approximately 7.8 billion vehicle-miles on the highway.

The Thruway has provided a dependable roadway system for these travelers, sustaining and encouraging economic growth, fostering job creation and generating tax revenues to the state and its local governments. We have taken actions that have resulted in a highway system that is one of the safest and most well maintained in the nation, financed with toll rates that are among the lowest across the country. We are continually evolving to better serve our patrons, improving customer service with advances in technology, adding new capacity to highways and bridges in high-demand corridors, and performing strategic capital repairs to ensure our system remains in a state of good repair.



THE NEW YORK STATE CANAL SYSTEM

Since 1992, the Thruway Authority has had the responsibility of operating and maintaining the historic New York State Canal system, ensuring it remains a viable waterway for boating, shipping and recreation and an important component of the upstate economy. After decades of decline, commercial utilization of the 524-mile inland waterway network is again on the rise. Commercial traffic on the Canal has climbed, with traffic totaling 96,433 tons in 2013, an increase of approximately 124 percent over 2012 and the most tonnage moved since 1993. Increased canal usage by commercial shippers reflects their growing emphasis on efficient, low-carbon transportation methods.

The Canal system also includes the Erie Canalway Trail, a nearly completed 360-mile multi-purpose shared use path which brings important economic, public health, tourism and quality of life benefits to 3.7 million New Yorkers in the 14 counties where the trail is located. The trail will soon be the longest, continuous intrastate multi-use trail in the nation, connecting millions of people with regional employment, commercial, recreational and cultural centers.





THOMAS J. MADISON
Executive Director

EXECUTIVE DIRECTOR'S MESSAGE

The Thruway Authority manages an extensive, 570-mile system of interstate roadways and oversees the historic New York State Canal system, a 524-mile network of navigable inland waterways that has become a world class recreationway and tourist destination in upstate New York. Our extensive superhighway and waterway systems provide service to New Yorkers from every part of the state, and attract many millions more from outside our borders.

Every day we remain focused on improving our operations so we can continue to efficiently deliver safe and reliable transportation services while making major capital investments to keep our infrastructure in good condition.

In 2013 we completed a three-year, \$100 million project to add a third travel lane in each direction of the Thruway along a busy commuter corridor near Albany. We also installed new road surface on the South Grand Island Bridges between Buffalo and Niagara Falls.

In the wake of the devastation from storms Irene, Lee and Sandy, we continue work to upgrade century-old "movable dams" on the Mohawk River section of the Erie Canal. These are the only structures of their kind in the country, and are vital to keeping the waterway navigable for recreational and commercial users.

At the same time, we have progressed efforts to streamline all aspects of Thruway and Canal operations, flattening our management structure, reorganizing operating divisions, and finding new ways to deliver services in the most efficient and cost-effective manner.

None of these accomplishments would be possible without the support of our fully engaged Board of Directors and the hard work of our dedicated employees. From snow plow drivers and lock operators to engineers and information technology experts, these are the individuals who work together every day to ensure the highest degree of safety and reliability for our customers.

As we review our achievements from 2013 and look forward to the opportunities and challenges that lie ahead, we express our deepest appreciation to all Thruway Authority and Canal Corporation employees.

TOP TEN CONSTRUCTION CONTRACTS OF 2013

Utilizing newly developed and innovative asset management tools, the Thruway Authority delivers an annual capital program that addresses critical highway, bridge and canal infrastructure needs to ensure high levels of patron safety and service. Rehabilitation, reconstruction and enhancement of infrastructure are constantly balanced with available financial resources – resulting in a program that will have the most favorable impact on infrastructure conditions and system reliability.

The Thruway Authority's capital program is continuously reviewed to maintain project priorities and verify that infrastructure needs are being met. Implementation of the program, in conjunction with the ongoing maintenance efforts of our staff in the field, ensures that the operational and structural integrity of critical Thruway and Canal infrastructure are maintained.



In 2013 the Thruway Authority let 62 projects worth a total of \$339.5 million, including:

RANK	PROJECT	LOCATION	BUDGET
1	Deck replacement	North Grand Island Bridge (southbound)	\$55,360,128
2	Pavement rehabilitation	North of Newburgh to south of New Paltz	\$28,938,888
3	Pavement resurfacing and rehabilitation of two bridges	I-287/Route 17S to north of Suffern	\$28,762,000
4	Rehabilitation of Movable Dam 7 at Erie Canal Lock 11	Amsterdam	\$21,464,462
5	Pavement resurfacing	Dunkirk to Westfield	\$16,388,664
6	Rehabilitation of the Silver Creek and Walnut Creek Bridges	Silver Creek	\$15,649,366
7	Pavement resurfacing	Leroy to west of Batavia	\$15,417,235
8	Construction of the Mohawk Valley Gateway Lookout (NYS Funds)	Amsterdam	\$14,627,944
9	Spillway and site work at Erie Canal Locks 8 and 9	Scotia and Rotterdam	\$9,569,570
10	Pavement resurfacing and safety upgrades	Verona to Canastota	\$8,627,689

FLOOD WARNING SYSTEM

The devastating impacts of the flooding which affected upstate New York in 2011 and 2013 continue to challenge our canal operations and communities along our waterway system. In October 2013, Governor Andrew M. Cuomo announced the creation of the Upstate New York Flood Warning System, managed by the Thruway Authority, to help minimize the impact of future events. The new Flood Warning System will encompass three watersheds – the Oswego River Basin, the Mohawk River Basin and the Upper Hudson River Basin – spanning 27 upstate counties where flooding has been a recurring problem. Weather forecasts, precipitation gauges, and stream gauges will be used to supply more precise flood warning information. The new Flood Warning System will provide state and local emergency personnel with earlier and more detailed data, allowing them to make better informed and timely decisions regarding water control and emergency evacuations. In November 2013, FEMA approved an \$8.5 million grant to fund the new Flood Warning System, which is expected to be completed in 2015.



INTERCHANGES 23 TO 24 HIGHWAY RECONSTRUCTION

From 2011 to 2013, the Thruway Authority reconstructed seven miles of the Thruway between Interchanges 23 and 24. Valued at nearly \$100 million, the contract included: adding a third lane in each direction; replacing the existing pavement with concrete; adding 12 water storage

ponds to improve the corridor's drainage system; constructing 1.8 acres of new wetlands; planting new trees and shrubs to offset those affected by the construction; repainting three bridges that cross over the Thruway; and installing approximately two miles of noise barriers. This three-year contract was undertaken while keeping two lanes of traffic open in each direction, thus minimizing the impact on travelers.

INTERCHANGES 57 TO 58 HIGHWAY AND BRIDGE REHABILITATION

In 2013, the Thruway Authority completed a \$90 million contract to rehabilitate 13 miles of pavement from Interchange 57 to east of Interchange 58 in Erie County. This contract also included the rehabilitation of four bridges and the painting of four additional bridges.



CANAL SYSTEM FLOOD DAMAGE REPAIR

In response to damage incurred as a result of storms from 2011 through 2013, 16 projects, totaling \$67 million in capital investments, have been completed or are underway all across the Canal system. These projects include repairs to water control structures, retaining wall replacements, building replacements, dredging, road and site reconstruction, electrical repairs, and bridge slope and scour repairs. To mitigate future flood impacts, six projects, totaling \$28 million, have been completed or are underway for improvements to water control structures on the canalized Mohawk River. In addition, in 2013 we began to design the restoration of historic Guy Park Manor in Amsterdam that was heavily damaged by Tropical Storms Irene and Lee. All of these projects are eligible for reimbursement by FEMA.

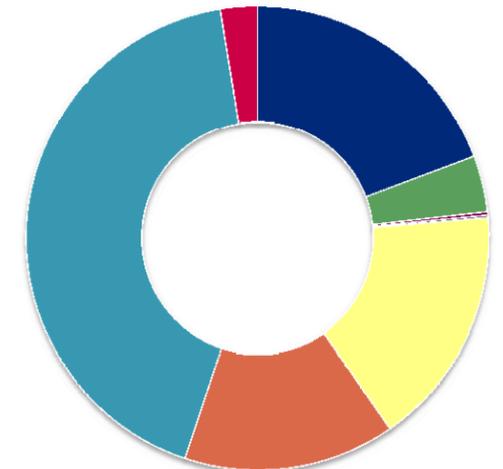


SOURCES OF FUNDS - \$1.450 BILLION

Federal Funds	\$30,477,924
Thruway Revenues	\$680,708,619
Other Funds	\$36,928,655
Bond, Notes and Reserves	\$702,200,474
Total	\$1,450,315,672

USES OF FUNDS - \$1.450 BILLION

Thruway Operating	\$279,589,922
Canal Operating	\$57,050,572
Provisions for Claims & Environmental Remediation	\$3,481,811
Canal Development Fund	\$2,470,384
Debt Service	\$242,404,520
Thruway Capital Program	\$214,410,825
New NY Bridge	\$613,406,654
Canal Capital Program	\$37,500,984
Total	\$1,450,315,672



TOTAL THRUWAY TRIPS BY LOCATION - 249,785,246

Harriman Barrier	18,300,685	7.3%
Spring Valley Barrier	1,429,750	0.6%
New Rochelle Barrier	19,819,875	7.9%
Yonkers Barrier	16,923,102	6.8%
Tappan Zee Bridge	25,065,142	10.0%
Grand Island Bridges	22,997,743	9.2%
Ticket - Erie Section	20,124,248	8.1%
Ticket - Woodbury to Buffalo	125,124,701	50.1%
Total	249,785,246	

NEW NY BRIDGE PROJECT

After more than a decade of delay, a New NY Bridge to replace the Tappan Zee is becoming a reality. The first span of the new twin-span bridge is scheduled to open in 2016 with the project completed in 2018 at the opening of the second span. The new bridge is being designed and constructed to last 100 years without major structural maintenance.

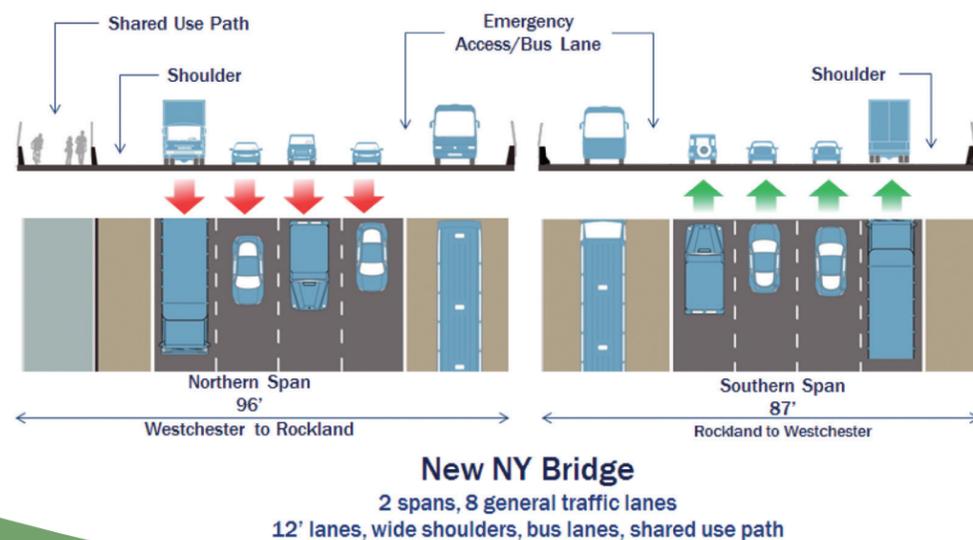


The New NY Bridge will mean less congestion for motorists, with eight traffic lanes, four breakdown/emergency lanes, and state-of-the-art traffic monitoring systems, as well as a dedicated commuter bus lane from the day it opens. Designed and constructed to be mass-transit-ready, the new crossing will be able to accommodate bus rapid transit, light rail or commuter rail. The bridge will also include a bike and pedestrian path.

Plans for a new bridge to replace the Tappan Zee were first discussed in 1999, and over the next 11 years \$88 million in taxpayer dollars was spent, 430 meetings were held, 150 concepts were considered, but the project did not move forward.

Under Governor Andrew Cuomo's leadership and with the support of President Barack Obama and the federal government, the project has moved from dysfunction to construction. Since October 2011, new design-build legislation was enacted, concurrent environmental review and procurement processes were completed, a project labor agreement was negotiated with construction unions, and pre-construction activities commenced – all with an unprecedented level of transparency and community involvement.

CHANGING LANES: THE NEW NY BRIDGE

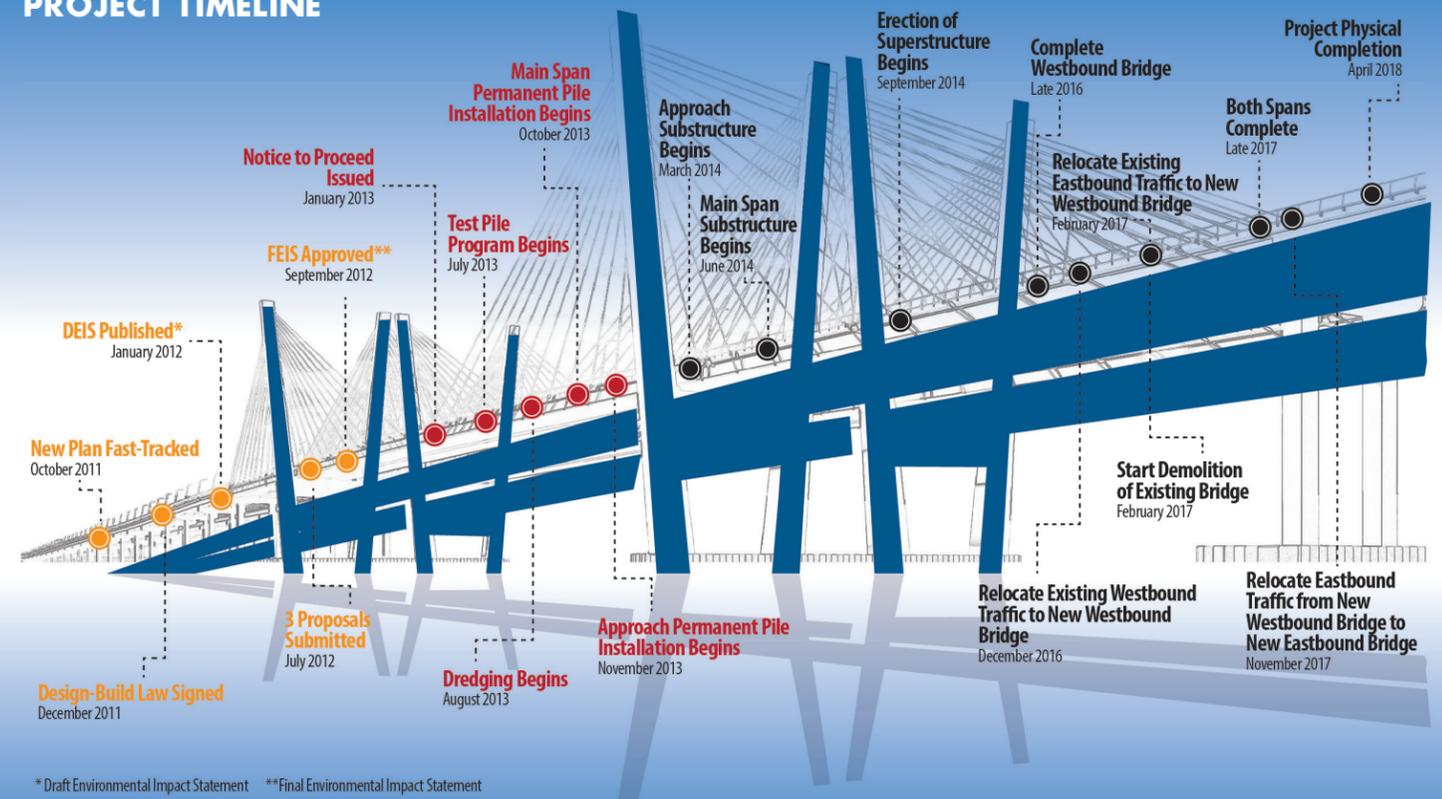


FEATURES

The new bridge will be a visually striking, recognizable landmark and the widest cable-stayed structure of its kind in the world.

- Twin three-mile structures designed to last 100 years
- Twin tower cable-stayed bridges with a 1,200 foot main span
- 350 foot steel girder approach spans
- Eight traffic lanes, four breakdown/emergency lanes, shoulders and dedicated bus lanes
- State-of-the-art traffic monitoring systems
- Strength and capacity to accommodate bus rapid transit, light rail or commuter rail
- Dedicated bike and pedestrian path

PROJECT TIMELINE



Extensive measures will be in place throughout the duration of the project to protect the environment and to monitor the impact of construction on surrounding communities. The Final Environmental Impact Statement meets or exceeds all standards, including less dredging than was originally anticipated.



The total cost of the New NY Bridge project is \$3.9 billion, far less than initially expected. The design-build contract for the bridge will help keep the project on-budget and on-time, because financial risk associated with most cost overruns or schedule delays lies with the contractor, rather than toll payers or taxpayers.

The bridge is being designed and built by Tappan Zee Constructors, LLC (TZC), a consortium of some of the world's best-known and most highly-regarded design, engineering and construction firms, including Fluor, American Bridge, Granite, and Traylor Bros., along with key design firms HDR, Buckland & Taylor, URS and GZA. TZC is working closely on the project with a team of employees from the New York State Thruway Authority and the State Department of Transportation.

ESTIMATED PROJECT BUDGET

Tappan Zee Constructors Design-Build Contract	\$3.1 billion
Contingencies and Allowances for Design & Other Changes	\$0.7 billion
Oversight Engineering and Other Project Management Costs	\$0.1 billion
Total Project Budget	\$3.9 billion

For more information and updates on the project, visit www.newnybridge.com.

THRUWAY AND CANALS BY THE NUMBERS



96,433 tons of cargo shipped through the Canal system by barge, representing an increase of 124% from 2012



247,721 staff hours spent and **1,716,334 miles** traveled conducting snow and ice operations

157,402 tons of salt and **469,562 gallons** of anti-icing agents applied during winter maintenance season

58,322 roadside service calls received by the Thruway Statewide Operations Center

48,107 Special Hauling Permits issued to oversize and overweight vehicles



7 new miles of Canalway trail completed, increasing the trail between Albany and Buffalo to 284 miles, one of the longest, multi-purpose trails in the United States

Nearly **20%** of Thruway Authority contracts awarded to Minority and Women Owned Business Enterprises

38,666 square feet of material used to fabricate 24,591 new road, trail and waterway signs



Over **158,000 tickets** issued by New York State Police Troop T, of which 75,817 were for speeding violations

9,222 accidents investigated

2,458 criminal and **891** DWI arrests made



292,325 total hours of bridge work performed by maintenance staff



34 million visitors to the Thruway's 27 Travel Plazas

Over **67 million gallons** of gasoline and diesel fuel sold at Thruway Travel Plazas

231,163 square feet of highway pavement repaired

27,563 staff hours spent performing landscape maintenance, including tree and brush removal, growth control and rock/earth slope repair

OUR GREEN INITIATIVES

WIND ENERGY – TURBINES

In an effort to fulfill the Thruway Authority's commitment to environmental stewardship and enhance its use of renewable energy, last year we began designing and installing wind energy facilities at five locations along the Erie Section of the Thruway, south of Buffalo. These facilities will provide economical, clean electrical energy sufficient to reduce our regional power needs by over 30 percent while decreasing our carbon footprint in the region.

The wind energy sites (expected to be completed in the Summer of 2014) are in close proximity to some of New York's most valuable wind resources, located at:

- Dunkirk Interchange 59 (Town of Dunkirk)
- Eden/Angola Interchange 57A (Town of Evans)
- Silver Creek Interchange 58 (Town of Hanover)
- Ripley Toll Barrier (Town of Ripley)
- Westfield Maintenance Facility, near Interchange 60 (Town of Westfield)



LIVING SNOW FENCE PROGRAM

In the winter months, blowing and drifting snow can be a safety hazard for the traveling public. To help alleviate this issue, we continue to install specially engineered "living snow fences" parallel to the highway. Rows and clusters of willow trees and evergreens are strategically planted in areas prone to heavy snow fall and blowing and drifting snow. These densely planted configurations trap some of the snow and dissipate blowing snow before it can collect on the highway.



Living snow fences were first installed in 2006, in collaboration with the State University of New York, College of Environmental Science and Forestry. Today, there are more than 5,600 willows and 1,400 conifers located along over 18,000 feet of Thruway right-of-way, with other potential locations identified each year.

LED LIGHTING UPGRADES

As part of the New York State Energy and Research Development Authority's Flex Tech Program, the Thruway Authority has developed a new Energy Master Plan. The completed energy audits and cost benefit analyses identified a number of exciting energy efficiency and conservation projects, including LED lighting upgrades. Performing these lighting upgrades not only increases energy efficiency and reduces costs, but also improves visibility and enhances patron safety. By the end of 2013, upgrades were completed at the Chittenango Travel Plaza; Interchanges 23, 24, 25A, 27, 31, 33, 34, 38, 39, 48A; and the Williamsville Toll Barrier.

EVANGOLA STATE PARK WETLAND MITIGATION

The Thruway Authority, in partnership with the New York State Office of Parks, Recreation and Historic Preservation, completed a noteworthy wetland project at Evangola State Park on Lake Erie, south of Buffalo. As a result of a 2010 road reconstruction project located on nearby



I-90, a wetland mitigation project created three new acres of wetlands within the park to restore the natural landscape. These valuable wetlands provide a variety of environmental benefits as well as educational and recreational opportunities for the public to enjoy. The wildlife habitat will help support the natural food chain, create a stopover for migrating waterfowl, foster a breeding habitat for migratory and nesting bird species, and provide a winter home for amphibians. Additional features of the project include walking trail and interpretive signs. In 2013, the American Council of Engineering Companies of New York selected this project as its Gold Award Winner.

ALTERNATIVE FUELS

The Thruway Authority is actively engaged in alternative fuels programs to reduce our dependency on foreign oil, improve air quality and reduce greenhouse gas emissions which contribute to global warming. Currently, our fleet is comprised of over 550 light duty vehicles that operate on E85 fuel (85 percent Ethanol and 15 percent Gasoline) along with hybrid electric cars and Compressed Natural Gas (CNG) vehicles. In 2013, over 129,000 gallons of E85 fuel were used in these vehicles and another 450,000 gallons of Bio Diesel, in varying blends of B5 to B20, were used in Thruway diesel powered trucks and equipment.



NOISE WALL CONSTRUCTION

Noise walls or barriers are typically constructed to help reduce traffic noise. In addition to this primary function, noise walls also provide visual screening for neighborhoods and communities along the highway. As part of the Interchanges 23 to 24 Highway Reconstruction project, the Thruway Authority constructed ten noise barriers totaling approximately two miles in length.



IMPROVING CUSTOMER SERVICE

STATE POLICE TROOP T

The State Police has a troop dedicated to patrolling the Thruway and Canal systems. In addition to general policing activities, in 2013 State Police Troop T conducted the 37th annual "Pumpkin Patrol" program aimed at preventing Halloween pranks and protecting motorists along the Thruway. The program involved 15 local organizations that provided over 300 volunteers and spanned 19 counties. Troopers and volunteers, posted on highway bridges and overpasses, successfully prevented any incidents of property damage or mischief.

In 2013, State Police Troop T also conducted its annual "Operation Summer Brake", a program spearheaded by Troop T and the Thruway Authority. This community safety program takes place during peak travel times surrounding the Labor Day holiday. The initiative targeted the prevention of crash-causing behavior such as driving while intoxicated, aggressive driving and speeding.

Last year, the Thruway Authority, in conjunction with Mothers Against Drunk Driving (MADD) and State Police Troop T, held its Annual "Red Ribbon" Campaign to raise public awareness of its anti-DWI initiative. As part of MADD's holiday program, our toll collectors distributed approximately 35,000 ribbons at key locations throughout the Thruway system. The ribbons are a symbol chosen by MADD to raise public awareness about dangers of impaired driving and visibly remind and encourage others to take the pledge.



Governor Andrew M. Cuomo's initiative, designed to highlight products that are grown and produced in New York State, is a key component of the nearly \$60 million plan to grow New York industries, create jobs and attract even more visitors to the Empire State while promoting New York grown or produced products. In 2013, the Thruway Authority partnered with the New York State Department of Agriculture and Markets and its food concessionaires to promote and sell New York products at the New Baltimore, Chittenango, Seneca, Pembroke, Scottsville and Clarence Travel Plazas.

TEXT STOPS

In response to new legislation that addresses distracted driving on our state's highway system, the Thruway Authority, in conjunction with the Governor's Office and its state transportation partners, established official "Text Stops" for the safe use of cell phones on the highway. In 2013, a coordinated statewide effort resulted in designating over 80 parking and rest/service areas as text stops; enhanced State Police enforcement to reduce accidents due to distracted driving; and a plan to enhance awareness, including the installation of dedicated signs along the highway.



Last year, Governor Andrew M. Cuomo's "Path Through History" initiative was launched to highlight the rich history and culture of New York State and to promote tourism and economic development in communities in every region. Marked by brand new signs that will be placed along the Thruway and other major arteries to direct travelers to historic sites in the area, the "Path Through History" provides an opportunity to learn the important story of New York and the role it played in our nation's history. To discover hundreds of destinations located throughout the entire state, plan a trip, find out about special events or learn about important people and events that helped make our country great, visit the interactive website at www.paththroughhistory.ny.gov.

FARMER'S MARKET PROGRAM

For almost 20 years, the Thruway Authority and New York State Department of Agriculture and Markets have partnered to give travelers the chance to sample some of the finest locally grown produce that New York's farms have to offer. In 2013, eight different farmers participated in the Tailgate Farmer's Market program at 16 Travel Plazas, offering everything from fresh fruits and vegetables to edible herbs and horticulture products.



The majority of new E-ZPass accounts established in 2013 came from the E-ZPass On-the-Go (OTG) Program. Individuals seeking to obtain an E-ZPass transponder can visit one of 669 retail locations, 52 of which were added in 2013. OTG retailers include all major grocery retailers in upstate New York, convenience stores and gas stations, municipalities, AAA locations, auto dealers and repair shops, college book stores, motor vehicle services and insurance businesses, check cashing businesses, as well as select Thruway Travel Plazas and New York Bridge Authority and Thruway Authority office locations. For specific E-ZPass OTG retail locations, visit our website at www.e-zpassny.com/en/onthego/locations.shtml.

CANALWAY GRANT PROGRAM

In 2013, as part of the \$715.9 million awarded by Governor Andrew M. Cuomo's Regional Economic Development Councils (REDC), seven upstate communities received \$1,014,933 in grants from the Canal Corporation in support of eight projects, ranging from new trail segments in Canal communities to the expansion of public access to the Canal waterfront. These grants were awarded through the Canalway Grant Program, which supports capital projects intended to enhance and promote tourism, recreation and historic interpretation along the Canal system.

TUG URGER

The tugboat "URGER", a 1901 fishing vessel, serves as the focal point of a program to educate school children and adults about the importance of New York's historic Canal system and the role that inland waterways historically played, and continue to play, in the lives of people who live along them. During the school year, the URGER visits communities along the Canal system where students participate in shore side "hands-on" educational sessions. Throughout the summer, the URGER and its four-member crew serve as Canal ambassadors at community festivals celebrating their Canal heritage. In 2013, the URGER traveled over 1,000 miles, attending 10 major events and festivals and hosting school groups, with over 4,000 students and over 5,000 other visitors stepping aboard.



SOCIAL MEDIA

In 2013, the Canal Corporation and Thruway Authority entered the world of social media.

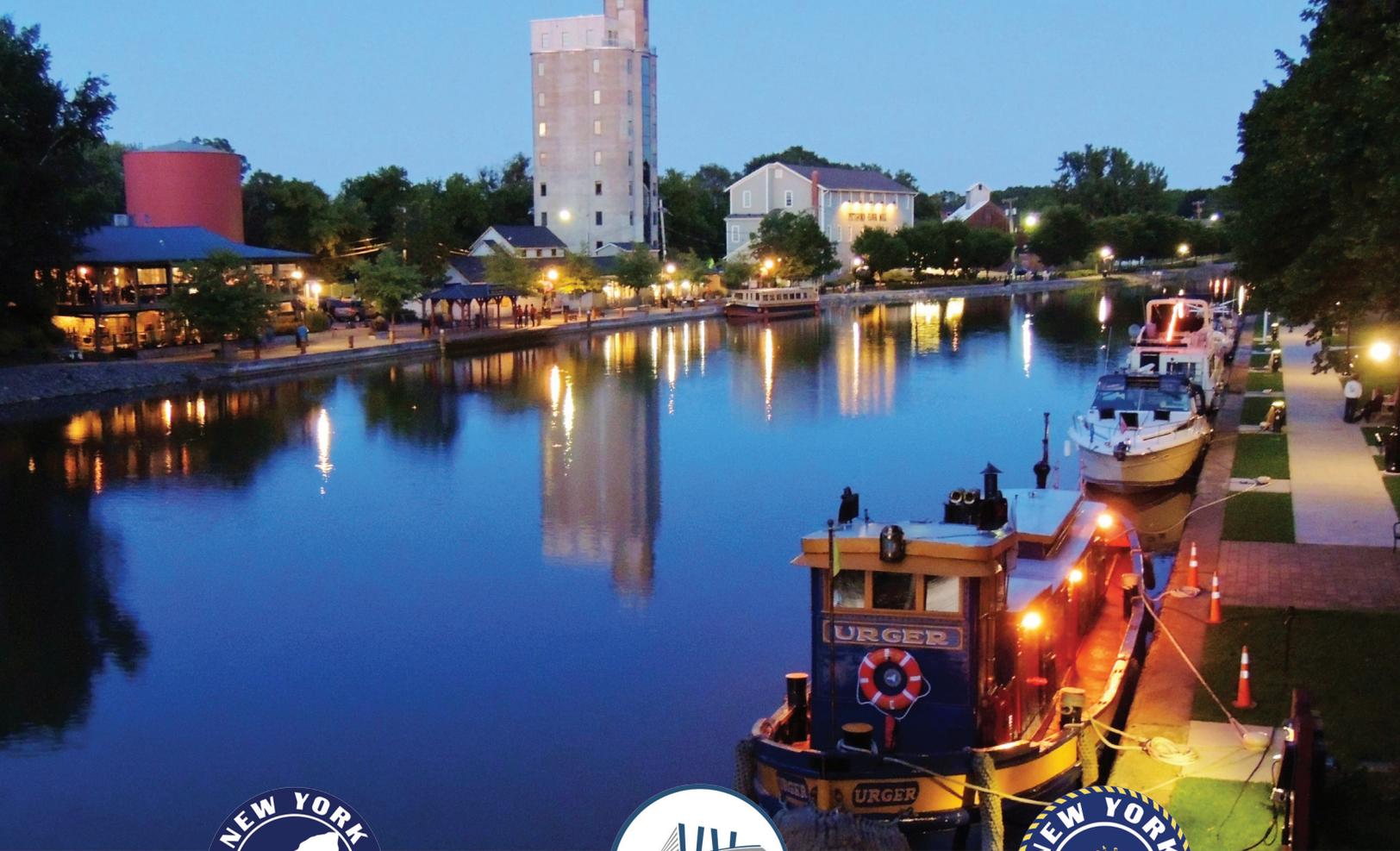
The Canal Corporation launched Facebook and Twitter pages which have amassed nearly 1,500 combined followers. Both pages provide the Canal Corporation with greater ability to directly reach its customers, supporters and neighbors with news, photos, historical facts, upcoming events, and essential alerts in emergency situations.



The Thruway Authority began streaming all TRANSalerts on Twitter, allowing its traffic alerts to reach an even greater number of people than in previous years. A Thruway Authority Facebook page was launched in early 2014.

The use of social media played a role in assisting travelers in the Buffalo/Niagara regions as

they navigated through the blizzard-like conditions in early 2014. Social media will continue to be a vital resource, especially in emergency situations, due to its ability to reach customers quickly.



For more information, visit us at:

www.thruway.ny.gov • www.canals.ny.gov • www.newnybridge.com