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**TESTIMONY OF THOMAS J. MADISON, JR., EXECUTIVE DIRECTOR**  
**NYS THRUWAY AUTHORITY/NYS CANAL CORPORATION**

**2014 JOINT HEARING OF THE LEGISLATIVE FISCAL COMMITTEES**  
**THURSDAY, JANUARY 30, 2014**

Good morning Chairman DeFrancisco, Chairman Farrell, members of the Senate and Assembly Fiscal Committees and Transportation Committee leaders Gantt and Robach. Thank you for inviting me here today; my name is Tom Madison and I am the Executive Director of the New York State Thruway Authority and the New York State Canal Corporation.

Transportation infrastructure plays a vital role in everyone's lives every single day, and maintaining a modern, coordinated system is at the very heart of New York's economic competitiveness and our ability to keep and create jobs. That's why, after years of deferring needed investment in our aging transportation system, it is so exciting to see real progress through the intelligent, strategic investments recommended in Governor Cuomo's 2014-2015 Executive Budget. The Governor's spending plan includes \$3.4 billion to support transportation projects, including \$225 million for accelerated road and bridge projects and hundreds of millions more to support local transportation needs. We are grateful for the Governor's strong leadership and substantial fiscal support for transportation infrastructure programs.

It is important to note that, appropriately, the Thruway will receive only a very small amount of state budget funding because we are supported almost entirely by user tolls and revenues. The revenues we collect provide us with the necessary funding to safely and reliably operate and maintain our roadways, bridges, interchanges, commuter and commercial parking areas, service plazas, and other facilities. These revenues also support hundreds of millions of dollars in capital investments and improvements in our system each year.

The Thruway Authority is committed to delivering the high levels of safety and reliability that we are known for, and that our patrons expect and deserve. We remain focused on streamlining every aspect of our organization and continuing to improve operations, reduce costs, and enhance customer service.

In recent years, the Thruway Authority and Canal Corporation have implemented significant cost containment initiatives to add value for our customers. In 2013, Thruway and Canals reduced operating costs by 30 percent, largely due to the approval by the Legislature and Governor of a new law that permanently relieves us from the cost of policing our roadway and other operating expenses.

We have also looked internally for savings and efficiencies, and have:

- extended the useful life of our vehicles and equipment;
- reorganized field divisions;
- flattened our management structure;
- improved internal and external coordination and communications; and
- modernized operations.

We are also increasing the use of shared resources and procurement services with the state Department of Transportation and other state agencies and authorities to enhance savings and improve service delivery. In addition, we are modernizing our capital asset management system and implementing a new project selection process to improve the way we deliver our capital program and to maximize the impact of every capital dollar we spend on our 570-mile superhighway and 524-mile canal system.

Another way we are reducing costs is through green energy programs. For example, in Western New York, new wind power facilities are helping reduce regional energy costs by nearly a third. New LED lighting throughout our system will reduce electric costs by an estimated 20 percent while improving visibility and enhancing patron safety. And we are working with the New York Power Authority through New York's statewide "electric vehicle charging" initiative to provide power stations for green vehicles at our travel plazas.

Our operational improvements support and enhance the Thruway's ability to respond to accidents, emergencies and extreme weather events. Motorist safety remains our top priority, and 2012 and 2013 were the safest years in Thruway history. In 2012 alone, more than 345 million vehicles traveled 8.5 billion miles on the Thruway system. Despite the huge volume, our highway fatality rate is just one-fifth the national average and we continue to look for ways to improve on that historic record.

For example, after seeing an increase in the number of wrong-way vehicle incidents on the Thruway, our own engineers developed new first-in-the-nation Doppler-radar enhanced LED

“Wrong Way” signs to re-direct wrong way drivers before they enter the roadway – and to enhance the safety of all Thruway motorists. The signs are being installed now.

The Thruway Authority and Canal Corporation have a robust \$1.5 billion multi-year capital construction program that invests in highways, bridges, and canal infrastructure across our entire system. Our projects are carefully selected using new asset management protocols that ensure a statewide balance, enhance safety and reliability for our patrons and improve the resiliency of our system. Again, these capital improvements are almost entirely funded by the direct investment of patron toll dollars.

This year we continue with the largest single new construction project in Thruway Authority history – the \$3.9 billion dollar New NY Bridge to replace the Tappan Zee. The New NY Bridge is the state’s most ambitious single infrastructure project and one of the largest construction projects currently underway in the United States. Equipment mobilization, a test piling program, and other pre-construction activities continued until October of last year, when permanent construction commenced. A consortium of the world’s foremost bridge design and construction experts are currently working alongside our owner’s team of state employees and consultants to establish a new model for the way we deliver major projects in New York. We are all working toward the common goal of building a world class project on time and on budget.

In December, the Thruway secured a \$1.6 billion long-term low interest loan to support the project from the U.S. Department of Transportation program. This is the largest loan in the history of the federal TIFIA program, and fully \$700 million more than the program’s next largest loan. Thruway

bonds will provide much of the remaining funds for the New NY Bridge, and we continue to look at ways to minimize the impact of the project on toll payers.

Thanks to the leadership of Governor Cuomo and the efforts of the state Legislature, New York's design-build law has already helped us realize extraordinary cost savings on the New NY Bridge project, and I am pleased to note that this legislation would become permanent under the Governor's budget proposal this year. The design-build best-value procurement process, expedited environmental reviews, project labor agreement, and other innovative project delivery features helped us secure a \$3.9 billion price for design and construction for the New NY Bridge – far less than the initial \$5.4 billion federal estimate.

When completed, the New NY Bridge will dramatically improve a vital local and regional transportation link. It will mean less congestion for motorists, with eight traffic lanes, four emergency lanes, state-of-the-art traffic monitoring systems, and enhanced express bus service 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 twin-span bridge will also include a shared use bicycle and pedestrian path.

The Thruway Authority shares the goals of other transportation agencies in New York State – Putting “drivers first” by focusing on the needs of our customers, operating as efficiently as possible, and continually striving to improve the safety and reliability of our system. Thanks to the great efforts of our dedicated workforce, I am proud to say that we are achieving those goals. Thank you for the opportunity to testify here today.