



NEW YORK STATE SENATOR

Timothy M. Kennedy

Senator Kennedy Stands Opposed to Proposed Thruway Toll Hike

TIMOTHY M. KENNEDY August 16, 2012

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With regional equity concerns still unaddressed, Kennedy urges the Thruway Authority to reverse course on toll hike

BUFFALO, N.Y. – Senator Tim Kennedy, D-Buffalo, voiced his opposition to the toll hike proposed by NYS Thruway Authority at their public hearing Thursday at the Downtown Central Library. In outlining his opposition, Kennedy detailed ongoing regional inequities and funding disparities that Western New York has suffered in recent years.

“Western New Yorkers stand opposed to this toll hike because our region has consistently experienced delays, downgrades and cancellations of Thruway Authority projects,” Kennedy said. “In the past, we were given promises for future investment in regional transportation infrastructure, but actual expenditures fell far short of any promises made.”

He added, “Recent media reports tied to the timing of this proposed toll hike are starting to sound like the first pages in the latest chapter of the ongoing regional funding inequities that have developed between upstate and downstate.”

When the Thruway Authority unveiled their 2005-2011 Capital Plan, it included a total Western New York expenditure of approximately \$593 million. The Authority contended that they needed a toll increase to pay for the capital plan, and local residents reluctantly

accepted the new tolls because the region was promised such extensive road reconstruction.

In reality, the Thruway Authority only spent \$390 million in Western New York over the course of the capital plan – which represents a funding shortfall of about \$200 million, from the initially promised \$593 million. At the same time, it was proposed that the New York City Division receive \$684 million during the 2005-2011 Capital Plan, but the actual funding allocated to the downstate division amounted to \$783.5 million – an increase of about \$100 million over the original proposal.

“It’s a question of fairness,” Kennedy said. “Western New Yorkers were promised substantial road reconstruction projects if we agreed to pay higher tolls. Instead we got far less than what we were promised, while money was funneled downstate. It meant Western New Yorkers were stuck paying more, but getting less. The Thruway Authority must address this ongoing regional funding disparity.”

Kennedy also discussed the negative impact this dramatic toll hike could have on regional economic recovery. Numerous studies have indicated that Western New York is uniquely positioned to become a bi-national hub for trade and commerce. Increasing tolls would present a barrier to this economic opportunity.

“Based on projected trade patterns and our region’s strategic advantages, the logistics and distribution industry could generate long-term economic growth and create good-paying jobs,” Kennedy said. “This 45 percent commercial-toll increase threatens to impede the development of this significant regional opportunity.”

In addition to his testimony Thursday, Kennedy also voiced his opposition in a letter he sent July 17 to the chair of the Thruway Board of Directors.

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Full Testimony before Thruway Authority Public Hearing:

I'm here today to voice my strong opposition to the proposed 45 percent increase in commercial truck tolls.

This drastic toll hike would run counter to the work we're doing to improve the business climate in New York State, and it will threaten regional economic recovery. Higher tolls increase shipping costs – which will not only hurt business, it will also be felt by hardworking local families who will be paying more for food and other consumer goods.

In addition to the negative impact it will have on commerce, Western New Yorkers stand opposed to this toll hike because our region has consistently experienced delays, downgrades and cancellations of Thruway Authority projects. In the past, we were given promises for future investment in regional transportation infrastructure, but actual expenditures fell far short of any promises made.

Thus far, the only justification given for this proposed toll hike has been to assist in paying the Authority's short-term debt and to maintain current Thruway conditions. This explanation is vague and empty.

Recent media reports tied to the timing of this proposed toll hike are starting to sound like the first pages in the latest chapter of the ongoing regional funding inequities that have developed between upstate and downstate.

Assurances have been made that revenues from a potential toll increase will not be directly sent downstate, but assurances and promises aren't good enough anymore, given the fact that those made in the past have not been honored.

This is not simply rhetoric. There are real numbers from our very recent history demonstrating the funding disparity that Western New York has suffered.

When the Thruway Authority unveiled their 2005-2011 Capital Plan, it included a total Western New York expenditure of approximately \$593 million over the course of the plan.

The Authority assured Western New York that they needed a toll increase to pay for the capital plan, and residents reluctantly accepted the toll increase because the expectation was that the region was going to undergo significant road reconstruction.

In reality, the Thruway Authority only spent \$390 million in Western New York – which represents a funding shortfall of \$200 million, from that which was promised.

So Western New Yorkers were stuck paying more, but getting less.

At the same time, it was proposed that the New York City Division receive \$684 million during the 2005-2011 Capital Plan, but the actual funding allocated to the downstate division amounted to \$783.5 million – an increase of about \$100 million from what was originally proposed.

So at the end of the Capital Plan... Western New York received \$200 million less than what we were promised, while New York City saw funding in their region increase by \$100 million over the original proposal.

It's a question of fairness. Western New Yorkers were promised \$593 million if we agreed to pay higher tolls. Instead, we got far less than what we were promised, while money was funneled downstate.

A \$200 million shortfall means Western New York missed out on the creation of thousands of jobs and hundreds of millions of dollars in economic activity.

The vague justifications given for this newly proposed toll increase leave Western New Yorkers feeling that once again, we'll be stuck paying more, while still getting far less than

our fair share of investment.

Another point I'd like to raise is the ongoing work being done to make Western New York a bi-national hub for trade and commerce.

Numerous studies, including those endorsed by the Western New York Regional Economic Development Council and the Greater Buffalo-Niagara Regional Transportation Council (GBNRTC), indicate that Western New York is a prime location for the logistics and distribution industry. Based on projected trade patterns and the region's assets and strategic advantages, this industry is anticipated to generate long-term economic growth and create good-paying jobs.

This 45 percent commercial-toll increase threatens to impede the development of this significant regional opportunity.

With regional equity concerns still unaddressed and commerce at risk of being stifled, I strongly urge the Thruway Authority to reverse course on their proposed toll hike and ensure that current Thruway revenues are used solely for infrastructure improvements that truly reflect the needs of the Western New York region.

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Senator Timothy M. Kennedy represents the New York State Senate's 58th District, which is comprised of the towns of Cheektowaga, Eden, Hamburg and West Seneca, the city of Lackawanna and parts of the city of Buffalo. More information is available at <http://kennedy.nysenate.gov>.