

THE SENATE
STATE OF NEW YORK
ALBANY 12247



PATRICK M. GALLIVAN

September 5, 2012

Howard P. Milstein
Chairman – New York State Thruway Authority
200 Southern Blvd.
PO Box 189
Albany, NY 12201

Dear Chairman Milstein,

We are in the process of introducing a bill that would return responsibility of the Canal System to the purview of the Department of Transportation from the Thruway Authority. We hope that you will consider supporting this proposal as an alternative to increasing tolls.

When the Canal System was transferred to the Thruway Authority in 1992 the stated objective of this change was to achieve a more self-sufficient canal system without detracting from the Authority's core mission. Unfortunately that has not been the case. Instead of relying on direct government funding the canal system has become reliant on toll revenue from the Thruway system to fund both operational and capital expenses. Just this year the Canal System is projected to require \$55.7 million for operating expenses and \$51.4 million for capital expenses. At the same time, annual revenue from the Canal System totals only \$2 million, a small fraction of its annual cost. This gap in revenue has to be covered each and every year by commuters and commercial drivers using the Thruway.

Instead of continuing to burden the Thruway Authority with responsibility for a revenue losing canal system and having these costs passed on to consumers in the form of higher tolls and higher costs for numerous goods and services transported across the Thruway, we believe it is time for New York State to once again bring responsibility for the canal system back under the control of the Department of Transportation. If this is done, the savings to the Thruway Authority will be significant, covering the majority, if not the entirety, of the Thruway's \$90 million current fiscal need.

We ask that you introduce a resolution at the next meeting of the Thruway Board of Directors calling on New York to pass this legislation and return responsibility of the canal system to the Department of Transportation. New Yorkers cannot afford to pay higher prices at tolls or on goods that are transported across the Thruway. We are fully committed to pursuing whatever legislative solutions are necessary to avoid a toll increase, and we ask that, as Chairman of the Thruway Authority, you support us in this endeavor.

Sincerely,

Patrick M. Gallivan
Senator – 59th District

Mark J. Grisanti
Senator – 60th District

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