

Thruway Authority and Bridge Authority Merger FAQs

Q: Why is Governor Cuomo proposing the merger between the Thruway Authority and Bridge Authority?

A: Governor Cuomo's proposal to merge the state Bridge Authority and Thruway Authority is an opportunity to streamline government services by bringing together two organizations with overlapping roles and resources. Both authorities operate roads and bridges. They keep roads in good repair, ensure bridges are structurally sound and clear snow in the winter. Bringing these authorities together will streamline administrative functions to reduce duplication, achieve economies of scale in purchasing and contracting and deliver savings to toll payers.

Q: How much savings will be actualized by this merger?

A: Merging the two authorities creates economies of scale, reduces duplication for back office administrative services (human resources, purchasing, etc.) and creates opportunities for better and more responsive investment and maintenance. This includes access to a larger workforce to complete major projects as well as routine and emergency maintenance, without having to wait until other projects are completed.

Outside stakeholders, including vendors and contractors, would have a centralized and streamlined procurement process with one State entity and construction and engineering projects allowing expertise to be leveraged, increase coordination and facilitate efficient operations.

Q. Is this proposed merger just a money grab and a way to subsidize tolls across the Thruway system and the Gov. Mario M. Cuomo Bridge?

A: No. We are not comingling the funds, they will be kept separate. Tolls generated by the Bridge Authority will continue to be used to support the upkeep of the Bridge Authority's facilities; Thruway finances are in excellent shape and revenues are more than sufficient to pay for the operating and capital expenses at the Thruway. The Thruway Authority's revenue base is 1,300 percent more than the Bridge Authority and incorporating its operating and capital expenses would cause no material impacts to Thruway finances.

It should be noted that the Bridge Authority revenues are around \$62M with \$30M of that coming from the Newburgh Beacon Bridge which currently subsidizes the other four bridges that the Bridge Authority owns.

Both spans of the Governor Mario M. Cuomo Bridge are open and its revenues for 2019 are on track to reach \$155M – more than two and a half times the total Bridge Authority revenue. The Thruway Authority's fiscal health is strong, validated by a rating increase in 2019. The Thruway Authority collects about \$800 million in revenue annually.

Q. The Thruway has a track record of poor fiscal management - if merged, would Bridge Authority tolls need to increase?

A: Through fiscal discipline, Thruway tolls have not increased in 10 years, resulting in some of the lowest toll rates in the Northeast. Thruway's recently proposed toll adjustment keeps tolls as low as possible for its customers, and mainly impacts motorists without a NY E-ZPass, except at the Gov.

Thruway Authority and Bridge Authority Merger FAQs

Mario M. Cuomo Bridge. This same discipline and fiscal planning will be brought to the Bridge Authority for the benefit of their customers as well.

In fact, it is important to remember that last fall, the Bridge Authority proposed a drastic 60% toll increase for all of its facilities. This prompted State Division of Budget Director, Robert Mujica to write a public letter outlining the reasons why the proposed increase was too high. The plan would have unfairly burdened current toll payers with paying for the entire cost of assets and improvements that will be used for decades into the future. The Bridge Authority's original proposal would have increased E-ZPass tolls by 60% in one year to \$2.

With DOB guidance, the Bridge Authority scaled back their proposal to a more modest and aligned toll modification. This modified adjustment would raise E-ZPass tolls by an average of 8% per year for four years eventually reaching \$1.65, nearly half the amount the Bridge Authority originally proposed for one year. This new proposal passed by the Bridge Authority board will proceed as planned to help them meet their capital needs.

Q. Can you guarantee that tolls at the five Bridge Authority Bridges will not increase after the merger?

A: Yes, the tolls will not go up beyond what is already planned. The Thruway Authority has not raised tolls since 2010. This same level of fiscal discipline will continue. The current toll level, including the recently enacted Bridge Authority toll increase, is enough to meet capital needs. The ongoing maintenance of these bridges is not free and no matter who owns them, the future costs to maintain and operate these bridges will be evaluated.

Q. How would this merger streamline services?

A: Operationally, the authorities align with similar missions and the Thruway Authority's maintenance facilities are already located in close proximity to the Bridge Authority's structures. Efficiencies can be created within fleet and facility management services, and engineering and contract services to name a few, while also upholding the highest level of service for all of our customers by maintaining bridges and highways and conducting snow removal operations effectively. Administrative functions can be further streamlined to reduce duplication and there are economies of scale that can result in savings with no loss in local oversight. Savings will also come from the enhanced purchasing power that results from consolidating the smaller volume and less frequent procurements of the Bridge Authority with the larger more complex procurements that the Thruway routinely executes.

Q. Will the merger cause locals to lose its oversight and management of the bridges?

A: The Thruway Authority has four maintenance divisions throughout the 570-mile system who keep roadways maintained at a high level. Each division is managed by staff from those communities. Management of the Bridge Authority would continue at the local level.

Q. Will the quality of maintenance on the five Bridge Authority bridges decline?

A: No. Keeping our transportation system/network safe has always been, and will continue to be, the primary focus of the Thruway Authority. The same high quality of care will go into the maintenance

Thruway Authority and Bridge Authority Merger FAQs

and operation of the current Bridge Authority bridges. The merger will provide access to larger combined workforce to complete major projects as well as routine and emergency maintenance with a wider pool of equipment.

Q. Does streamlining services mean layoffs?

A: No. Streamlining services means taking advantage of common missions and operations. This merger will eliminate duplication and encourage savings through economies of scale. Layoffs are not part of this proposal. We value the Bridge Authority workforce and are looking forward to working with them.

Q. Will the merger impact the Bridge Authority's capital plan?

A: No. The Bridge Authority's capital plan will remain intact and its project to re-deck the Newburgh Beacon Bridge will proceed as scheduled.

Q. Will the Bridge Authority bridges still convert to cashless tolling?

A: Yes. The plan to implement cashless tolling at their bridges will move ahead. The merger will benefit the Bridge Authority because the Thruway Authority has already implemented cashless tolling at seven toll barriers and is in the process of implementing it on the ticketed system by the end of the year. The lessons learned from these experiences will help mitigate customer complaints and other concerns.

Q. What other operations would be impacted by this merger?

A: Efficiencies can be created within fleet and facility management services, and engineering and contract services to name a few, while also upholding the highest level of service for all of our customers by maintaining bridges and highways and conducting snow removal operations effectively. Administrative functions can be further streamlined to reduce duplication and economies of scale can result in savings without losing local oversight. Savings will also come from the enhanced purchasing power that results from consolidating the smaller volume and less frequent procurements of the Bridge Authority with the larger more complex procurements that the Thruway routinely executes.

Q. Federal law states tolls collected on the Newburgh-Beacon Bridge can only be used to operate, maintain and repair the authority's bridges. How is this impacted by the merger?

A: It doesn't. The tolls collected by the Newburgh-Bridge will continue to be used for Bridge Authority operations and maintenance. The authorizing language for the merger provides the Thruway, as the successor agency, the ability to honor any existing agreements.

Q. How will the merger impact the Bridge Authority's procurement and contracting policies and how they deal with construction contractors?

A: Outside stakeholders, including vendors and contractors, would have a centralized and streamlined procurement process with one state entity for very similar road and bridge construction

Thruway Authority and Bridge Authority Merger FAQs

and engineering projects. This would allow expertise to be leveraged, increase coordination, and facilitate efficient operations.

Q. What support have you offered Thruway toll collectors following the announcement that the system was converting to cashless and eliminating their jobs?

A: Since its announcement in January 2018, the Thruway Authority commenced with a detailed outreach program including dedicated resources to connect all impacted toll employees with future professional career opportunities and potential career paths. This consists of more than 40 cashless tolling outreach sessions for staff, training programs such as resume writing, interviewing skills, and workshops detailing the Civil Service system, as well as additional training courses. The Authority has also offered impacted staff incentives such as enrollment in CDL-B Training Programs and Tuition Assistance to help further their careers at and beyond the Thruway Authority.