INVITATION TO OFFER BONDS FOR PURCHASE

dated January 10, 2024,

made by

NEW YORK STATE THRUWAY AUTHORITY

to the Beneficial Owners of

NEW YORK STATE THRUWAY AUTHORITY
GENERAL REVENUE BONDS,
Series M (Federally Taxable)

Base CUSIP Number: 650009

of the maturities and corresponding CUSIP Numbers listed on the inside cover page hereof for a cash price to be determined by Modified Dutch Auction Procedures based upon Offers at Offer Spreads

THIS INVITATION WILL EXPIRE AT 5:00 P.M. EASTERN TIME, ON FRIDAY, JANUARY 26, 2024, UNLESS EARLIER CANCELED OR EXTENDED AS DESCRIBED HEREIN. TENDERED TARGET BONDS MAY BE WITHDRAWN AT ANY TIME PRIOR TO THE EXPIRATION DATE. See "TERMS OF THIS INVITATION" herein.

This Invitation to Offer Bonds for Purchase, dated January 10, 2024 (as it may be amended or supplemented, including the cover page, inside cover page and appendix, this "**Invitation**"), is made by the New York State Thruway Authority (the "**Authority**"), with the assistance of J.P. Morgan Securities LLC, as Dealer Manager (the "**Dealer Manager**"), to the beneficial owners (the "**Holders**" or "**Bondholders**") of the Authority's outstanding General Revenue Bonds, Series M (Federally Taxable), as described on the inside cover page hereof (the "**Target Bonds**"). The Authority, pursuant to this Invitation, is making an offer to purchase all or a portion of the Target Bonds from the Holders thereof for cash (the **"Tender Offer"**). Should the Authority determine to purchase any Target Bonds of a CUSIP Number, there will be a single purchase price (a "**Purchase Price**") for the Target Bonds of such CUSIP Number at which all Target Bonds of such CUSIP Number will be purchased. The Purchase Price for the Target Bonds of a CUSIP Number which the Authority determines to purchase, if any, will not exceed 100% of par and will be calculated by the Authority based on a yield determined by adding a fixed spread (each a **"Purchase Spread"**) to the **Adjusted Treasury Yield** (as defined herein) on the relevant benchmark United States Treasury Security (each, a **"Benchmark Treasury Security"**). See "TERMS OF THIS INVITATION – Determination of Purchase Spread" for a description of the Modified Dutch Auction Procedure for determining the Purchase Spread and resultant Purchase Price of the Target Bonds of each CUSIP Number. Each Bondholder is invited by the Authority to offer (an **"Offer"**), expressed as a spread in basis points to be added to the relevant Adjusted Treasury Yield (an **"Offer Spread"**), to sell to the Authority for payment in cash, all or part of its beneficial ownership interests in the Target Bonds in **Authorized Denominations** (as defined herein). The Target Bonds, if any, which the Authority decides to purchase will be purchased on February 15, 2024 (the **"Settlement Date"**) unless the Settlement Date is extended by the Authority, and, assuming all conditions to the Invitation have then been satisfied or waived by the Authority. Accrued but unpaid interest on the Target Bonds, if any, purchased by the Authority up to but not including the Settlement Date (the "**Accrued Interest**") will also be paid on the Settlement Date.

The total of each Purchase Price of the Target Bonds of each CUSIP Number validly tendered and purchased by the Authority pursuant to this Invitation multiplied by the par amount of each CUSIP Number of such Target Bonds validly tendered and purchased by the Authority pursuant to this Invitation (the "**Aggregate Purchase Price**") plus Accrued Interest, is expected to be funded from a portion of the proceeds of the Authority's General Revenue Bonds, Series P (the "**Series P Bonds**"), which Series P Bonds are expected to be issued on the Settlement Date, and other available funds of the Authority. **The purchase of any Target Bonds tendered pursuant to this Invitation is contingent on, among other things, the issuance of the Series P Bonds, and is also subject to certain other conditions, including, without limitation, the Financing Conditions (as defined herein). See "INTRODUCTION – General" herein.**

TARGET BONDS THAT ARE NOT OFFERED FOR PURCHASE IN RESPONSE TO THIS INVITATION, AS WELL AS TARGET BONDS WHICH THE AUTHORITY DOES NOT PURCHASE IN RESPONSE TO THIS INVITATION (ALL SUCH TARGET BONDS BEING REFERRED TO HEREIN AS, THE "UNPURCHASED BONDS") WILL REMAIN OUTSTANDING AFTER THE SETTLEMENT DATE. UNPURCHASED BONDS THAT ARE OFFERED BUT NOT PURCHASED BY THE AUTHORITY WILL BE RETURNED TO THE RESPECTIVE HOLDERS THAT OFFERED SUCH TARGET BONDS.

IN NO EVENT SHALL THIS OFFER TO PURCHASE IN ANY WAY AFFECT THE ABILITY OF THE AUTHORITY TO REFUND, REDEEM, DEFEASE, OFFER TO PURCHASE OR EXCHANGE SOME OR ALL OF THE UNPURCHASED BONDS ACCORDING TO THEIR TERMS CONCURRENTLY WITH THIS INVITATION OR AT ANY TIME IN THE FUTURE. See "INTRODUCTION – General" and "– Unpurchased Bonds" herein.

ALTHOUGH NOT THE PRESENT INTENT OF THE AUTHORITY, SUBJECT TO THE RESULTS OF THE TENDER OFFER, MARKET CONDITIONS AND CERTAIN OTHER FACTORS (E.G., IRS TAX CODE RESTRICTIONS), THE AUTHORITY MAY DETERMINE IT TO BE NECESSARY OR DESIRABLE TO DEFEASE A PORTION OF CERTAIN MATURITIES OF TARGET BONDS TO THEIR RESPECTIVE MATURITIES. SEE THE CAPTION "PLAN OF FINANCE" IN THE SERIES P BONDS PRELIMINARY OFFICIAL STATEMENT.

To make an informed decision as to whether, and how, to offer Target Bonds, Holders should carefully read this Invitation in its entirety, including Appendix A, and are advised to consult with their broker, account executive, financial advisor, attorney and/or other appropriate professional ("**Financial Representative**").

Any Bondholder wishing to offer Target Bonds for purchase must follow the procedures for Offers more specifically described herein. Bondholders and their Financial Representatives with questions about this Invitation should contact the Dealer Manager or the Information and Tender Agent. For more information about risks associated with this Invitation, please see "ADDITIONAL CONSIDERATIONS" herein.

Key Dates and Times

All of these dates and times are subject to change. All times are Eastern time.
Notices of changes will be sent in the manner provided for in this Invitation.

Launch Date	January 10, 2024
Expiration Date	5:00 p.m. on January 26, 2024
Preliminary Acceptance Date	January 29, 2024
Determination of Purchase Prices	Approximately 10:00 a.m. on January 30, 2024
Notice of Purchase Prices	January 30, 2024
Final Acceptance Date	January 31, 2024
Settlement Date	February 15, 2024

The Dealer Manager for this Invitation is	The Information and Tender Agent for this Invitation is
J.P. Morgan Securities LLC	**Globic Advisors Inc.**

BONDS SUBJECT TO THIS INVITATION

Target Bonds Offered for Purchase
Solicited by Modified Dutch Auction Procedures Based Upon Offer Spreads[1]

New York State Thruway Authority
General Revenue Bonds, Series M (Federally Taxable)
Base CUSIP Number: 650009

Maturity Date (January 1)[2]	CUSIP Number Suffix[3]	Interest Rate	Principal Amount Outstanding	Benchmark Treasury Security[4]	Benchmark Treasury Yield as of COB on January 9, 2024	Yield Adjustment to Benchmark Treasury Security in basis points[5]	Adjusted Treasury Yield	Offer Spread Guidance in basis points[6]	Illustrative Purchase Yield/Price Resulting from Offer Spread Guidance[7]
2025	R96	2.256%	$ 23,075,000	2-Year	4.366%	-100	3.366%	120	4.566% / 98.031
2026	S20	2.406	29,075,000	2-Year	4.366	-100	3.366	100	4.366% / 96.500
2027	S38	2.500	30,530,000	3-Year	4.115	-100	3.115	100	4.115% / 95.656
2028	S46	2.550	32,900,000	5-Year	3.973	-100	2.973	115	4.123% / 94.413
2035[8]	S53	2.900	380,030,000	10-Year	4.015	0	4.015	45	4.465% / 88.165
2042[8]	S61	3.500	344,095,000	20-Year	4.323	0	4.323	55	4.873% / 85.479

Benchmark Treasury Securities[4]	
2-Year	UST 4.250% due 12/31/2025 CUSIP:91282CJS1
3-Year	UST 4.000% due 1/15/2027 CUSIP: 91282CJT9
5-Year	UST 3.750% due 12/31/2028 CUSIP: 91282CJR3
10-Year	UST 4.500% due 11/15/2033 CUSIP: 91282CJJ1
20-Year	UST 4.750% due 11/15/2043 CUSIP: 912810TW8

1 A Bondholder may make an Offer to sell Target Bonds of a CUSIP Number in an amount of its choosing up to the principal amount of Target Bonds owned by the Bondholder expressed as the principal amount of such Target Bonds (in Authorized Denominations) and the Offer Spread to be added to the yield on the relevant yield-adjusted Benchmark Treasury Security used in establishing the Purchase Price for such Target Bonds. An Offer Spread must be expressed as a number of basis points and contain no more than one number to the right of the decimal point. Any Offer Spread containing more than one number to the right of the decimal point will be truncated to one number, without rounding. See "TERMS OF THIS INVITATION – Offers of Target Bonds at an Offer Spread."

2 The Target Bonds maturing on or prior to January 1, 2035 are subject to optional redemption, on any Business Day, at a "make-whole redemption price", plus accrued interest to the date of redemption, as described in the official statement for the Target Bonds. The Target Bonds maturing on January 1, 2042 are subject to optional redemption (i) on any Business Day, at a "make-whole redemption price", plus accrued interest to the date of redemption, prior to January 1, 2030 and (ii) on or after January 1, 2030, at any time, at a redemption price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption, as described in the official statement for the Target Bonds.

3 CUSIP is a registered trademark of the American Bankers Association. CUSIP Number information herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This information is not intended to create a database and does not serve in any way as a substitute for the CUSIP Services. CUSIP Numbers are provided for convenience of reference only. None of the Authority, the Dealer Manager, or the Information and Tender Agent nor their respective agents or counsel assumes responsibility for the accuracy of such numbers.

4 The yields on the Benchmark Treasury Securities to be used in establishing the Purchase Prices for the Target Bonds will be based on the bid-side price of the U.S. Benchmark Treasuries as quoted on the Bloomberg Bond Trader FIT series of pages at approximately 10:00 a.m., Eastern time, on January 30, 2024. See "TERMS OF THIS INVITATION – Determination of the Purchase Spread."

5 In order to accommodate Bondholders who desire to submit an offer of 0.0 bps or an offer at a negative spread to the Benchmark Treasury Security that would result in such Target Bonds being effectively offered at or below the yield of the relevant Benchmark Treasury Security, a Bondholder's Offer Spread will be added to the relevant Adjusted Treasury Yield.

6 The Offer Spread Guidance is provided solely for the purpose of assisting Bondholders in formulating offers for their Target Bonds.

7 Illustrative Price excludes accrued but unpaid interest and is based on yields for Benchmark Treasury Securities as of the close of business on January 9, 2024. The Illustrative Price is provided for informational purposes only. The Purchase Price of a CUSIP Number will be determined based on numerous factors described herein. Bondholders are not permitted to submit offers based on a specific price. Illustrative Price Resulting from Offer Spread Guidance in $ per $100 principal amount.

8 The Term Bond maturing on January 1, 2035 is subject to sinking fund redemption payments on January 1 in 2031, 2032, 2033 and 2034 and its Purchase Price will be calculated assuming its average life date of June 12, 2033 as its maturity date. The Term Bond maturing on January 1, 2042 is subject to sinking fund redemption payments on January 1 in 2036, 2037, 2038, 2039, 2040 and 2041 and its Purchase Price will be calculated assuming its average life date of February 28, 2039 as its maturity date. See "TERMS OF THIS INVITATION – Determination of the Purchase Price" herein.

IMPORTANT INFORMATION

*This Invitation and the other information with respect to this Invitation are and will be available from J.P. Morgan Securities LLC, as Dealer Manager (the "**Dealer Manager**"), and Globic Advisors Inc. (the "**Information and Tender Agent**") at https://emma.msrb.org and www.globic.com/nysta. Bondholders wishing to offer their Target Bonds for purchase pursuant to this Invitation must follow the procedures described in this Invitation. The Authority may cancel, amend or otherwise modify or waive any terms or conditions of this Invitation as described herein. The Authority will have no obligation to accept offered Target Bonds for or to purchase Target Bonds offered and accepted for purchase (A) if this Invitation is cancelled or modified, (B) the Authority fails to issue the Series P Bonds or (C) any of the other conditions set forth herein are not satisfied. The sale of the Series P Bonds is subject to market conditions and conditions to be satisfied on or prior to the Settlement Date. The consummation of this Invitation is also subject to certain other conditions as described herein. The Authority reserves the right to accept nonconforming Offers of Target Bonds or waive irregularities in any Offer of Target Bonds.* ***TARGET BONDS THAT ARE NOT OFFERED FOR PURCHASE IN RESPONSE TO THIS INVITATION, AS WELL AS TARGET BONDS WHICH THE AUTHORITY DOES NOT PURCHASE IN RESPONSE TO THIS INVITATION WILL REMAIN OUTSTANDING AFTER THE SETTLEMENT DATE. UNPURCHASED BONDS THAT ARE OFFERED BUT NOT PURCHASED BY THE AUTHORITY WILL BE RETURNED TO THE RESPECTIVE HOLDERS THAT OFFERED SUCH TARGET BONDS. IN NO EVENT SHALL THIS OFFER TO PURCHASE IN ANY WAY AFFECT THE ABILITY OF THE AUTHORITY TO REFUND, REDEEM, DEFEASE, OFFER TO PURCHASE OR EXCHANGE SOME OR ALL OF THE UNPURCHASED BONDS ACCORDING TO THEIR TERMS CONCURRENTLY WITH THIS INVITATION OR AT ANY TIME IN THE FUTURE. ALTHOUGH NOT THE PRESENT INTENT OF THE AUTHORITY, SUBJECT TO THE RESULTS OF THE TENDER OFFER, MARKET CONDITIONS AND CERTAIN OTHER FACTORS (E.G., IRS TAX CODE RESTRICTIONS), THE AUTHORITY MAY DETERMINE IT TO BE NECESSARY OR DESIRABLE TO DEFEASE A PORTION OF CERTAIN MATURITIES OF TARGET BONDS TO THEIR RESPECTIVE MATURITIES. SEE THE CAPTION "PLAN OF FINANCE" IN THE SERIES P BONDS PRELIMINARY OFFICIAL STATEMENT.***

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS INVITATION OR PASSED UPON THE FAIRNESS OR MERITS OF THIS INVITATION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS INVITATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS INVITATION IS NOT BEING EXTENDED TO, AND OFFERS OF TARGET BONDS AND TARGET BONDS TENDERED IN RESPONSE TO THIS INVITATION WILL NOT BE ACCEPTED FROM OR ON BEHALF OF, BONDHOLDERS IN ANY JURISDICTION IN WHICH THIS INVITATION OR SUCH OFFER OR ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION. IN ANY JURISDICTIONS WHERE SECURITIES, "BLUE SKY" OR OTHER LAWS REQUIRE THIS INVITATION TO BE MADE THROUGH A LICENSED OR REGISTERED BROKER OR DEALER, THIS INVITATION SHALL BE DEEMED TO BE MADE ON BEHALF OF THE AUTHORITY THROUGH THE DEALER MANAGER.

References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not a part of, this Invitation.

The delivery of this Invitation shall not under any circumstances create any implication that any information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the Authority, since the date hereof. The information contained in this Invitation, including Appendix A, is as of the date of this Invitation only and is subject to change, completion, or amendment without notice.

The Authority, the Dealer Manager and the Information and Tender Agent are not responsible (i) for transmitting any offer nor for (ii) the Depository Trust Company ("DTC") process and Holders' interactions with DTC and the DTC participants.

The Dealer Manager makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, including Appendix A. The Dealer Manager has not independently verified any of the information contained herein, and assumes no responsibility for the accuracy or completeness of any such information.

None of the Authority, the Dealer Manager or the Information and Tender Agent makes any recommendation that any Bondholder offer or refrain from offering all or any portion of such Bondholder's Target Bonds for purchase. Bondholders must make their own decisions and should read this Invitation carefully and consult with their Financial Representative in making these decisions.

Certain statements included in this Invitation constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "forecast," "plan," "expect," "estimate," "budget" or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.

This Invitation, including Appendix A, contains important information which should be read in its entirety before any decision is made with respect to this Invitation.

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<u>INVITATION TO OFFER BONDS FOR PURCHASE</u>
dated January 10, 2024,
made by
NEW YORK STATE THRUWAY AUTHORITY
to the Beneficial Owners of
New York State Thruway Authority
General Revenue Bonds,
Series M (Federally Taxable)

INTRODUCTION

General

This Invitation to Offer Bonds for Purchase, dated January 10, 2024 (as it may be amended or supplemented, including the cover page, inside cover page and appendix, this "**Invitation**"), is made by the New York State Thruway Authority (the "**Authority**"), with the assistance of J.P. Morgan Securities LLC, as Dealer Manager (the "**Dealer Manager**"), to the beneficial owners (the "**Holders**" or "**Bondholders**") of the Authority's General Revenue Bonds, Series M (Federally Taxable), as described on the inside cover page hereof (the "**Target Bonds**"). The Authority, pursuant to this Invitation, is making an offer to purchase all or a portion of the Target Bonds from the Holders thereof for cash (the **"Tender Offer"**). Should the Authority determine to purchase any Target Bonds of a CUSIP Number, there will be a single purchase price (a "**Purchase Price**") for the Target Bonds of such CUSIP Number at which all Target Bonds of such CUSIP Number will be purchased. The Purchase Price for the Target Bonds of a CUSIP Number which the Authority determines to purchase, if any, will not exceed 100% of par and will be calculated by the Authority based on a yield determined by adding a fixed spread (each a **"Purchase Spread"**) to the yield on the relevant benchmark United States Treasury Security (each, a **"Benchmark Treasury Security"**) plus a yield adjustment as specified on the inside cover (each an **"Adjusted Treasury Yield"**). See "TERMS OF THIS INVITATION – Determination of Purchase Spread" for a description of the Modified Dutch Auction Procedure for determining the Purchase Spread and resultant Purchase Price of the Target Bonds of each CUSIP Number. Each Bondholder is invited by the Authority to offer (an **"Offer"**), expressed as a spread in basis points to be added to the relevant Adjusted Treasury Yield (an **"Offer Spread"**), to sell to the Authority for payment in cash, all or part of its beneficial ownership interests in the Target Bonds in **Authorized Denominations** (as defined herein). The Target Bonds, if any, which the Authority decides to purchase will be purchased on February 15, 2024 (the **Settlement Date"**), unless such date is extended by the Authority, and assuming all conditions to the Invitation have then been satisfied or waived by the Authority. Accrued but unpaid interest on the Target Bonds, if any, purchased by the Authority up to but not including the Settlement Date (the "**Accrued Interest**") will also be paid on the Settlement Date.

An Offer may be made at an Offer Spread, as described in "TERMS OF THIS INVITATION – Offers of Target Bonds at an Offer Spread." The Authority may decide to purchase less than all (or none) of the Target Bonds offered to the Authority (see "TERMS OF THIS INVITATION – Determination of Amounts to be Purchased"). Offers must be submitted by 5:00 p.m., Eastern time, on January 26, 2024 (or such later date as the Authority may determine, the "**Expiration Date**"). The Authority may extend, amend, waive the terms of or otherwise modify this Invitation at any time on or prior to the Expiration Date. The Authority may also, <u>at any time prior to the Settlement Date</u>, cancel this Invitation for any reason in the Authority's reasonable discretion, in which case the Authority will have no obligation to purchase Target Bonds. See "TERMS OF THIS INVITATION – Extension, Cancellation and Amendment; Changes to Terms" for a description of the right of the Authority to extend, cancel, amend, waive the terms of or otherwise modify this Invitation.

The total of each Purchase Price of the Target Bonds by CUSIP Number validly tendered and purchased by the Authority pursuant to this Invitation multiplied by the par amount of each CUSIP Number of such Target Bonds validly tendered and purchased by the Authority pursuant to this Invitation (the "**Aggregate Purchase Price**") plus Accrued Interest, is expected to be funded from a portion of the proceeds of the Authority's General Revenue Bonds, Series P (the "**Series P Bonds**"), which Series P Bonds are expected to be issued on the Settlement Date. **The purchase of any Target Bonds tendered pursuant to this Invitation is contingent on, among other things, the issuance of the Series P Bonds, and is also subject to certain other conditions, including, without limitation, the Financing Conditions (as defined below).**

Notwithstanding any other provision of this Invitation, the Authority has no obligation to accept for purchase any tendered Target Bonds, and its obligation to pay for Target Bonds validly tendered (and not validly withdrawn) and accepted pursuant to this Invitation is subject to the satisfaction of or waiver of the following conditions on or prior to the Settlement Date: (a) the successful completion by the Authority of the issuance of the Series P Bonds, the proceeds of which will be sufficient to (x) fund the Aggregate Purchase Price of all Target Bonds validly tendered and accepted for purchase pursuant to this Invitation plus Accrued Interest and (y) pay all fees and expenses associated with the issuance of the Series P Bonds and this Invitation; and (b) the Authority obtaining satisfactory and sufficient economic benefit as a result of the consummation of this Invitation when taken together with the issuance of the Series P Bonds (collectively, the "*Financing Conditions*"), all on terms and conditions that are in the Authority's best interest. The Authority reserves the right, subject to applicable law, to amend or waive any of the conditions to this Tender Offer, in whole or in part, at any time prior to the Expiration Date (as defined herein) or from time to time. This Tender Offer may be withdrawn by the Authority at any time prior to the Expiration Date.

In the event that Target Bonds are not accepted for purchase by the Authority, or all of the conditions to this Invitation are not satisfied or waived by the Authority on or prior to the Settlement Date, any such Target Bonds offered pursuant to this Invitation shall be returned to the Bondholder and remain Outstanding.

TARGET BONDS THAT ARE NOT OFFERED FOR PURCHASE IN RESPONSE TO THIS INVITATION, AS WELL AS TARGET BONDS WHICH THE AUTHORITY DOES NOT PURCHASE IN RESPONSE TO THIS INVITATION (ALL SUCH TARGET BONDS BEING REFERRED TO HEREIN AS, THE "UNPURCHASED BONDS") WILL REMAIN OUTSTANDING AFTER THE SETTLEMENT DATE. UNPURCHASED BONDS THAT ARE OFFERED BUT NOT PURCHASED BY THE AUTHORITY WILL BE RETURNED TO THE RESPECTIVE HOLDERS THAT OFFERED SUCH TARGET BONDS.

IN NO EVENT SHALL THIS OFFER TO PURCHASE IN ANY WAY AFFECT THE ABILITY OF THE AUTHORITY TO REFUND, REDEEM, DEFEASE, OFFER TO PURCHASE OR EXCHANGE SOME OR ALL OF THE UNPURCHASED BONDS ACCORDING TO THEIR TERMS CONCURRENTLY WITH THIS INVITATION OR AT ANY TIME IN THE FUTURE. See "– Unpurchased Bonds" herein.

Purpose

This Invitation is being issued as part of a plan of finance which includes the use of a portion of the proceeds from the sale of the Series P Bonds for the purpose of retiring the Target Bonds by purchasing them pursuant to this Invitation. As described herein, the Authority's purchase of Target Bonds pursuant to this Invitation is contingent upon receipt of sufficient proceeds for such purpose from the issuance of the Series P Bonds. There can be no assurance that the Series P Bonds will be issued or when they will be issued, or that the proceeds thereof will be sufficient to enable the Authority to purchase any or all of the Target Bonds validly tendered for purchase.

Among the purposes of the issuance of the Series P Bonds is to produce present value debt service savings with respect to the Series M Bonds. Thus, the final decision to purchase Target Bonds, and, if less than all of the Target Bonds that are tendered are purchased, which Target Bonds will be accepted for purchase by the Authority, in its sole discretion, will be based upon market conditions associated with the sale of the Series P Bonds and other factors outside of the control of the Authority.

Offer Spread Guidance

Based on market conditions as of January 9, 2024, the Authority expects to accept all offers with Offer Spreads equal to or greater than the Offer Spread Guidance shown on the inside cover page hereof (the **"Offer Spread Guidance"**). The Authority will review all Offers and may, in its sole discretion, determine a Purchase Spread for each CUSIP Number which is greater than, less than or equal to the Offer Spread Guidance.

Binding Contract to Sell

If the Authority accepts a Bondholder's Offer by the time specified herein, the Bondholder will be obligated to sell, and the Authority will be obligated to purchase, such Target Bonds on the Settlement Date at the Purchase Price for such Target Bonds, plus Accrued Interest, subject to the conditions described herein.

Sources of Funds to Purchase Target Bonds

The Aggregate Purchase Price, plus Accrued Interest, is expected to be funded from a portion of the proceeds of the Authority's Series P Bonds, which are expected to be issued on the Settlement Date.

The sale of the Series P Bonds is subject to market conditions and conditions to be satisfied on or prior to the Settlement Date. The Series P Bonds are not being offered pursuant to this Invitation.

Brokerage Commissions and Solicitation Fees

Bondholders will not be obligated to pay any brokerage commissions or solicitation fees to the Authority, the Dealer Manager, or the Information and Tender Agent in connection with this Invitation, Offers or consummation of accepted Offers. However, Bondholders should confer with their broker, account executive, financial advisor, attorney and/or other appropriate professional (**"Financial Representative"**) which maintains the account in which their Target Bonds are held to determine whether it will charge any commissions or fees.

Unpurchased Bonds

Unpurchased Bonds will continue to be outstanding, and payable and secured, pursuant to their terms. Unpurchased Bonds that are offered but not purchased by the Authority will be returned to the respective Holders of such offered Target Bonds. Holders of Unpurchased Bonds will continue to bear the risk of ownership of such Unpurchased Bonds.

For information concerning the Authority, see the Preliminary Official Statement for the Series P Bonds (the "Series P Bonds Preliminary Official Statement") attached hereto as Appendix A. Bondholders must read the entirety of this Invitation, including Appendix A, in order to make an informed decision.

The Authority may in the future redeem, refund (on an advance or current basis), or defease, all or any portion of the Unpurchased Bonds or may invite Holders to tender such Target Bonds for purchase by the Authority. See "ADDITIONAL CONSIDERATIONS."

Dealer Manager, Information and Tender Agent

J.P. Morgan Securities LLC is the Dealer Manager for this Invitation. Investors with questions about this Invitation should contact the Dealer Manager or Globic Advisors Inc., which serves as Information and Tender Agent for this Invitation, at the addresses and telephone numbers set forth on the page preceding Appendix A. See "DEALER MANAGER" and "INFORMATION AND TENDER AGENT" herein.

TERMS OF THIS INVITATION

Expiration Date

The Authority's Invitation to submit Offers will expire at 5:00 p.m., Eastern time, on the Expiration Date. Holders tendering Target Bonds must follow the procedures more specifically described herein. Target Bonds offered after 5:00 p.m., Eastern time, on the Expiration Date and prior to the acceptance of Offers by the Authority as described below under the heading "–Irrevocability of Offers; Return of Target Bonds Not Purchased" may be accepted by the Authority, in its sole discretion, for purchase.

The Authority may extend the Expiration Date, the Preliminary Acceptance Date, the Final Acceptance Date (each as defined herein) or the Settlement Date, or cancel, amend or otherwise modify or waive any conditions of this Invitation. See "– Extension, Cancellation and Amendment; Changes to Terms."

Offers Only Through the Authority's DTC ATOP Account

The Target Bonds are all held in book-entry-only form through the facilities of The Depository Trust Company ("**DTC**") and banks, brokers and other institutions that are participants in DTC. The Authority, through the Information and Tender Agent, will establish an Automated Tender Offer Program ("**ATOP**") account (the "**DTC ATOP account**") at DTC for the Target Bonds to which this Invitation relates promptly after the date of this Invitation.

All Offers must be made through the Authority's ATOP account. The Authority will not accept any Offers that are not made through the DTC ATOP account. As a result, Holders who are not DTC participants can only make Offers through the financial institution that maintains the DTC account in which their Target Bonds are held. <u>**LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS INVITATION**</u>.

Any financial institution that is a participant in DTC may make a book-entry tender of the Target Bonds by causing DTC to transfer such Target Bonds into the DTC ATOP account relating to this Invitation and the applicable maturity and CUSIP Number in accordance with DTC's procedures for such transfer. Bondholders who are not DTC participants can only tender Target Bonds pursuant to this Tender Offer by making arrangements with and instructing their Financial Representative to tender the Bondholder's Target Bonds through the DTC ATOP account. To ensure a Bondholder's Target Bonds are tendered to the DTC ATOP account by 5:00 p.m., Eastern time, on the Expiration Date, the Bondholder must provide instructions to the Bondholder's Financial Representative in sufficient time for the Financial Representative to tender the Target Bonds to the DTC ATOP account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder's instructions in order to tender the Bondholder's Target Bonds to the DTC ATOP account by 5:00 p.m., Eastern time, on the Expiration Date.

THE AUTHORITY, THE DEALER MANAGER, AND THE INFORMATION AND TENDER AGENT ARE NOT RESPONSIBLE FOR THE TRANSFER OF ANY TENDERED TARGET BONDS TO THE DTC ATOP ACCOUNT OR FOR ANY MISTAKES, ERRORS OR OMISSIONS IN THE TRANSFER OF ANY TENDERED TARGET BONDS.

Information to Bondholders

The Authority may give information about this Invitation to the market and Bondholders by delivery of the information to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system ("**EMMA**") and DTC (collectively referred to herein, together with the EMMA website and the Information and Tender Agent, as the "**Information Services**."). Additionally, the Authority may give information about this Invitation to the Information and Tender Agent. The Information and Tender Agent will deliver information provided to it by the Authority through its website, <u>www.globic.com/nysta</u>. Delivery of information by or on behalf of the Authority to the Information Services will be deemed to constitute delivery of this information to each Bondholder.

The Authority, the Dealer Manager, and the Information and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

Bondholders who would like to receive information transmitted by or on behalf of the Authority to the Information Services may receive such information from the Dealer Manager or the Information and Tender Agent by contacting them using the contact information under the heading "MISCELLANEOUS" below.

Any updates to this Tender Offer, including, without limitation any supplements to the Series P Bonds Preliminary Official Statement, will be distributed through the Information Services. The final Official Statement with respect to the Series P Bonds (which will set forth the maturities, principal amounts and interest rates on the Series P Bonds) will be posted to the EMMA website subsequent to the Acceptance Date and prior to the Settlement Date.

Authorized Denominations

A Bondholder may submit one or more Offers to sell Target Bonds of a CUSIP Number that it owns in an amount of its choosing, not to exceed the principal amount of such Target Bonds owned by the Bondholder, but only in a principal amount equal to $5,000 or any integral multiple thereof ("**Authorized Denominations**").

Accrued Interest

In addition to the Purchase Prices of the Target Bonds purchased by the Authority pursuant to this Invitation, Accrued Interest on such Target Bonds from the last payment of interest thereon to but not including the Settlement Date will be paid by, or on behalf of, the Authority from the proceeds of the Series P Bonds to the tendering Bondholders on the Settlement Date.

Provisions Applicable to All Offers

Need for Advice. A Bondholder should ask its Financial Representative for advise in determining: (a) whether to offer Target Bonds for purchase, (b) the principal amount of Target Bonds to be offered for purchase, and (c) the Offer Spread at or below that which such Target Bonds are offered to be sold to the Authority. The Authority, the Dealer Manager, and the Information and Tender Agent will not charge any Bondholder for submitting Offers or tendering Target Bonds.

Need for Specificity of Offer. No Offer of Target Bonds of a CUSIP Number may exceed the principal amount of Target Bonds of such CUSIP Number owned by the Bondholder and must include (a) the CUSIP Number(s) of the Target Bonds being offered and (b) the principal amount of the Target Bonds being offered for purchase (such principal amount must be stated in Authorized Denominations and if not so stated, for Offers to sell less than all of the Bondholder's position in the Target Bonds, such principal amount will be reduced to the greatest integral multiple of $5,000). Any Bondholder located outside of the United States should check with its Financial Representative to determine if there are any additional minimal increments, alternative settlement timing or other limitations. See "– Offers of Target Bonds at an Offer Spread" for additional information.

No "all or none", alternative, conditional or contingent Offers will be accepted.

ALL OFFERS FOR PURCHASE MUST BE MADE THROUGH THE DTC ATOP ACCOUNT. THE AUTHORITY WILL NOT ACCEPT ANY OFFERS FOR PURCHASE THAT ARE NOT MADE THROUGH THE DTC ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS TENDER OFFER. See "TERMS OF THIS INVITATION – Tender of Target Bonds through Financial Institutions; DTC ATOP Account" herein.

General. By offering to sell Target Bonds pursuant to this Invitation, a Bondholder represents and agrees with the Authority as set forth under "– Representations by Tendering Bondholders to the Authority." All Offers shall survive the death or incapacity of the tendering Bondholder. All tenders shall survive the death or incapacity of the tendering Bondholder.

Bondholders who would like to receive information furnished by the Authority to the Information Services can review the EMMA website or the website of the Information and Tender Agent at www.globic.com/nysta, or otherwise must make appropriate arrangements with their Financial Representatives or the Information and Tender Agent.

Offers of Target Bonds at an Offer Spread

A Bondholder may make an Offer to sell Target Bonds of a CUSIP Number at an Offer Spread (an "**Offer Spread**") of its choosing, to be added to the relevant Adjusted Treasury Yield (determined as described under "– Adjusted Treasury Yields"). An Offer Spread must be expressed as a positive number of basis points and contain no more than one number to the right of the decimal point. Any Offer Spread containing more than one number to the right of the decimal point will be truncated to one number, without rounding.

Offers for Target Bonds must be based upon Offer Spreads in increments of 0.1 basis points. DTC's ATOP Account is only able to accept Offers within a range of (i) the maximum possible Offer Spread of 200.0 basis points and (ii) a minimum Offer Spread of 0.1 basis points.

For a description of how the Purchase Spread will be determined and how the Purchase Price for the Target Bonds of a CUSIP Number will be determined based on the Purchase Spread, see "– Determination of Purchase Spread."

A Bondholder may make Offers to sell portions (in Authorized Denominations) of Target Bonds of a CUSIP Number at more than one Offer Spread or without an Offer Spread (a **"Non-Competitive Offer"**) so long as all of such Offers in aggregate do not exceed the principal amount of such Target Bonds owned by that Bondholder. Offers at differing Offer Spreads or without an Offer Spread as a Non-Competitive Offer for Target Bonds of a CUSIP Number must each be submitted separately.

Non-Competitive Offers without an Offer Spread

A Bondholder may make an offer to sell all or a portion of their Target Bonds of a particular CUSIP Number in a par amount of Authorized Denominations by offering these Target Bonds without specifying an Offer Spread or a portion of their Target Bonds as a Non-Competitive Offer and a portion or portions with Offer Spreads as described in the prior section.

For a description of how the Purchase Spread will be determined and how the Purchase Price for the Target Bonds of a CUSIP Number will be determined based on the Purchase Spread, see "– Determination of Purchase Spread." If a particular CUSIP Number does not receive any Offers with an Offer Spread or the Authority does not accept any offers with an Offer Spread, then the Authority may determine a Purchase Spread for any Non-Competitive Offers received for such CUSIP Number which is equal to the Offer Spread Guidance for the particular CUSIP Number as indicated on the inside cover page hereof.

Adjusted Treasury Yields

To accommodate Bondholders who desire to submit an offer of 0.0 bps or an offer at a negative spread to the Benchmark Treasury Security that would result in such Target Bonds being effectively offered at or below the yield of the relevant Benchmark Treasury Security, the Authority is accepting offers based on an adjustment to the yield of the relevant Benchmark Treasury Security, which for any maturity and corresponding CUSIP Number for the Target Bonds equals the yield on the related Benchmark Treasury Security, as shown on the inside cover hereof and in the table below, plus the yield adjustment. Please note, that for certain Target Bonds, the Adjusted Treasury Yield will equal the yield on the relevant Benchmark Treasury Security, as shown on such inside cover page and the table below.

The following table provides for each Target Bond: (i) the Benchmark Treasury Security, (ii) the Benchmark Treasury Security bid yield as of close of business on January 9, 2024, (iii) the yield adjustment to the Benchmark Treasury Security in basis points, and (iv) the Adjusted Treasury Yield as of close of business on January 9, 2024:

Maturity Date (January 1)	CUSIP Number Suffix	Benchmark Treasury Security	Benchmark Treasury Yield as of COB on January 9, 2024	Yield Adjustment to Benchmark Treasury Security in basis points	Adjusted Benchmark Treasury Yield
2025	R96	UST 4.250% due 12/31/2025 CUSIP: 91282CJS1	4.366%	-100	3.366%
2026	S20	UST 4.250% due 12/31/2025 CUSIP: 91282CJS1	4.366	-100	3.366
2027	S38	UST 4.000% due 1/15/2027 CUSIP: 91282CJT9	4.115	-100	3.115
2028	S46	UST 3.750% due 12/31/2028 CUSIP: 91282CJR3	3.973	-100	2.973
2035	S53	UST 4.500% due 11/15/2033 CUSIP: 91282CJJ1	4.015	0	4.015
2042	S61	UST 4.750% due 11/15/2043 CUSIP: 912810TW8	4.323	0	4.323

The table below illustrates examples of how a Bondholder, whose Purchase Price will be based on the relevant Benchmark Treasury Security, should express its Offer Spread to reflect the desired/intended offer yield and the yield adjustment of -100 basis points for bonds with maturities from 2025 to 2028 that will be applied to the Offer Spread as delivered to the Authority:

Bondholder Desired/Intended Offer Spread	Yield Adjustment to Benchmark Treasury Yield	Offer Spread Submitted to the Authority Resulting in the Bondholder's Desired/Intended Offer Yield
Benchmark Treasury Yield **minus** 50 bps	**minus** 100 bps	50.0 bps
Benchmark Treasury Yield **minus** 25 bps	**minus** 100 bps	75.0 bps
Benchmark Treasury Yield **plus** 0 bps	**minus** 100 bps	100.0 bps
Benchmark Treasury Yield **plus** 25 bps	**minus** 100 bps	125.0 bps
Benchmark Treasury Yield **plus** 50 bps	**minus** 100 bps	150.0 bps

Representations by Tendering Bondholders to the Authority

By offering to sell and tendering Target Bonds for purchase pursuant to this Invitation, each tendering Bondholder represents to and agrees with the Authority that:

(a) the Bondholder has received this Invitation and has had the opportunity to review this Invitation, in its entirety, including the Series P Bonds Preliminary Official Statement, attached hereto as Appendix A, prior to making its decision to submit an Offer to tender Target Bonds, and agrees if its Offer is accepted by the Authority with respect to any Target Bonds, it will be obligated to sell such Target Bonds on the terms and conditions set forth in this Invitation, and if the purchase of any tendered Target Bonds is consummated, the purchase of such Target Bonds shall be on the terms and conditions set forth in this Invitation;

(b) the Bondholder has full power and authority to offer to tender, sell, assign and transfer the tendered Target Bonds; and if its Offer is accepted by the Authority with respect to any Target Bonds, on the Settlement Date, the Authority will acquire good, marketable and unencumbered title thereto, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims, subject to payment to the Bondholder of the Purchase Price for such Target Bonds plus Accrued Interest;

(c) the Bondholder has made its own independent decision to offer and tender its Target Bonds for purchase pursuant to this Invitation, and as to the terms thereof, and such decision is based upon the Bondholder's own judgment and upon advice from such advisors with whom the Bondholder has determined to consult;

(d) the Bondholder is not relying on any communication from the Authority, the Dealer Manager or the Information and Tender Agent as investment advice or as a recommendation to offer and tender the Bondholder's Target Bonds, it being understood that the information from the Authority, the Dealer Manager and the Information and Tender Agent related to the terms and conditions of this Invitation made pursuant to this Invitation shall not be considered investment advice or a recommendation to offer and tender Target Bonds; and

(e) the Bondholder is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand, agree and accept, the terms and conditions of this Invitation and the Bondholder's Offer.

Tender of Target Bonds through Financial Institutions; DTC ATOP Account

The Authority, through the Information and Tender Agent, will establish the DTC ATOP account for purposes of this Invitation within three Business Days (as defined below) after the date of this Invitation. Offers to sell Target Bonds in accordance with this Invitation may be made to the Authority only through the DTC ATOP account. Any financial institution that is a participant in DTC may make a book-entry Offer of the Target Bonds by causing DTC to transfer the applicable Target Bonds into the DTC ATOP account in accordance with DTC's procedures. Concurrently with the delivery of Target Bonds through book-entry transfer into the DTC ATOP account, an Agent's Message (defined below) in connection with such book-entry transfer must be transmitted to and received at the DTC ATOP account by not later than 5:00 p.m., Eastern time, on the Expiration Date (as this date may have been changed pursuant to this Invitation).

The confirmation of a book-entry transfer into the DTC ATOP account as described above is referred to herein as a "**Book-Entry Confirmation**." The term "**Agent's Message**" means a message transmitted by DTC to, and received by, the DTC participant and forming a part of the Book-Entry Confirmation which states that DTC has received an express acknowledgment from the DTC participant tendering the Target Bonds that are the subject of such Book-Entry Confirmation, and stating (1) the CUSIP Number, series, principal amount of the Target Bonds that have been offered by such participant pursuant to this Invitation, and offered based on an Offer Spread (in the case of a competitive offer) and (2) that such participant on behalf of the related Holder agrees to be bound by the terms of this Invitation. For operational purposes related to the DTC ATOP account only (and not indicative of any spread guidance from the Authority or any other party related to this Invitation), the DTC ATOP account will be calibrated to accept Offers for Target Bonds based upon Offer Spreads in increments of 0.1 basis points with DTC's ATOP system able to accept Offers submitted within a range with the maximum possible Offer Spread of 200.0 basis points and with a minimum Offer Spread of 0.1 basis points in increments of 0.1 basis points.

Target Bonds delivered into DTC's ATOP account must be in an amount expressed as the principal amount of such Target Bonds of its choosing (in Authorized Denominations). An Offer Spread for the Target Bonds must be expressed as a number of basis points and contain no more than one number to the right of the decimal point. Any Offer Spread for the Target Bonds containing more than one number to the right of the decimal point will be truncated to one number, without rounding.

In order to ensure accurate receipt of each Bondholder's intended Offer Spread, and any subsequent dissemination of funds, participants in DTC must submit an individual "voluntary offering instruction" for each Beneficial Owner wishing to submit one or more Offers. Should a Bondholder offer Target Bonds at a variety of Offer Spreads, a unique voluntary offering instruction for each Offer Spread, as applicable, must be submitted. The date and the time of submission of Target Bonds for purchase will be determined by the date and time at which Target Bonds are submitted into DTC'S ATOP account.

"**Business Day**" means a DTC business day, which is any day other than (i) a Saturday or a Sunday, or (ii) a day on which the offices of the Authority or banking institutions in New York, New York, are required or authorized by law to be closed.

THE AUTHORITY, THE DEALER MANAGER, AND THE INFORMATION AND TENDER AGENT ARE NOT RESPONSIBLE FOR THE TRANSFER OF ANY TENDERED TARGET BONDS TO THE AUTHORITY'S ATOP ACCOUNT OR FOR ANY MISTAKES, ERRORS OR OMISSIONS IN THE TRANSFER OF ANY TENDERED TARGET BONDS.

Determinations as to Form and Validity of Offers; Right of Waiver

All questions as to the validity (including the time of receipt at the DTC ATOP account), form, eligibility, and acceptance of Offers will be determined by the Authority in its sole discretion, and will be final, conclusive and binding on the Holders.

The Authority reserves the right to waive any irregularities or defects in any Offer. The Authority, the Dealer Manager and the Information and Tender Agent are not obligated to give notice to the Holders of any defects or irregularities in Offers, and they will have no liability for failing to give such notice.

The Authority reserves the absolute right to reject any and all Offers, whether or not they comply with the terms of this Invitation.

Amendments and Withdrawals of Offers Prior to Expiration Date

A Holder may amend its Offer by causing a withdrawal message for the Offer to be received at the DTC ATOP account with a new Offer for the same Target Bonds to be submitted to the DTC ATOP account by not later than 5:00 p.m., Eastern time, on the Expiration Date.

A Holder may withdraw its Offer by causing a withdrawal notice to be received at the DTC ATOP account by not later than 5:00 p.m., Eastern time, on the Expiration Date.

Any amendment or withdrawal must be submitted in substantially the same manner as an Offer in response to this Invitation. ***All amendments or withdrawal notices must be made through the DTC ATOP account. The Authority will not accept any amendments or withdrawals that are not made through the DTC ATOP account.*** Holders who are not DTC participants can only amend or withdraw their Offer by making arrangements with and instructing their DTC participant to submit the Holder's amended Offer or the Holder's notice of withdrawal through the DTC ATOP account.

Bondholders who have tendered their Target Bonds for purchase will not receive any information from the Authority, the Dealer Manager or the Information and Tender Agent concerning Offers by other Bondholders. Offering Bondholders will not be afforded an opportunity to amend their offers after 5:00 p.m. on the Expiration Date. An amended or withdrawn offer must specify the applicable CUSIP Number, and with respect to amended Offers, the principal amount previously offered and the new amount being offered. All questions as to the validity (including the time of receipt) of an amendment or withdrawal will be determined by the Authority in its sole discretion and will be final, conclusive and binding.

Irrevocability of Offers; Return of Target Bonds Not Purchased

All Offers will become irrevocable at 5:00 p.m., Eastern time, on the Expiration Date, subject to change as set forth in "– Extension, Cancellation and Amendment; Changes to Terms."

The Authority does not have the option to use a "Second Look." Bondholders will not have the ability to submit amended Offers after the Expiration Date.

The Authority will instruct DTC to return to the offering institutions those Target Bonds that were offered but were not accepted for purchase. None of the Authority, the Dealer Manager or the Information and Tender Agent is responsible or liable for the return of Target Bonds to offering institutions or Bondholders or for when such Target Bonds are returned.

Determination of Amounts to be Purchased

The Authority is not required to purchase any Target Bonds offered. The Authority will determine which Target Bonds (and the corresponding CUSIP Number), if any, it will purchase. The Authority therefore has the right to purchase none, some, or all of the offered Target Bonds.

For Target Bonds with CUSIP Numbers 650009S53 and 650009S61 maturing on January 1, 2035 and January 1, 2042, respectively, the Purchased Amount as defined herein shall be allocated against the scheduled sinking fund installments in such manner as the Authority may direct and the average lives of the remaining Target Bonds with these CUSIP Numbers may change. In addition, the Target Bonds with such CUSIP Numbers may no longer be index eligible if Target Bonds tendered and accepted by the Authority for purchase reduce the par amount outstanding of each maturity below relevant index thresholds.

On January 29, 2024, unless such date is extended by the Authority (the "**Preliminary Acceptance Date**"), the Authority will determine the preliminary principal amount (if any) of the Target Bonds of a CUSIP Number that it will purchase, based on the determination of the Authority of the economic benefit from such purchase, and the Purchase Spread for such Target Bonds (if any) that the Authority will purchase. Notice of the preliminary principal amount of the Target Bonds of a CUSIP Number (if any) that the Authority will agree to purchase and the Purchase Spread for such Target Bonds (if any) that the Authority will purchase will be provided to the Information Services on the Preliminary Acceptance Date. See " – Preliminary Notice of Acceptance."

On January 31, 2024, unless such date is extended by the Authority (the "**Final Acceptance Date**"), the Authority will make a final determination of the principal amount of Target Bonds of each CUSIP Number that it wishes to purchase (each such principal amount, a "**Purchased Amount**") from among those Target Bonds of such CUSIP Number that were initially accepted for purchase pursuant to the Preliminary Notice of Acceptance (defined below). No change will be made to the Purchase Spread of any Target Bonds accepted for purchase pursuant to this final determination. The Authority shall be under no obligation to purchase any Target Bond initially accepted on the Preliminary Acceptance Date. The Authority will determine the amount, if any, of Target Bonds of each CUSIP Number that it purchases as specified on the Final Acceptance Date based on its determination of the economic benefit from such purchase. The final determination whether to purchase Target Bonds that were initially accepted for purchase, and, if less than all of the Target Bonds that were initially accepted for purchase are finally accepted for purchase, the reduction of the amounts of Target Bonds that will be purchased, will be made in the order of priority described in " – Priority of Purchases" herein. Notice of the final Purchased Amount for each CUSIP Number, the Principal Amount of all Target Bonds (if any) to be purchased, each Purchase Spread (by CUSIP Number) for the Target Bonds (if any) that the Authority will purchase, and if relevant, allocation of the final Purchased Amount to each sinking fund redemption requirement will be provided to the Information Services on the Final Acceptance Date. See "– Final Notice of Acceptance."

For a description of how each Purchase Spread for the Target Bonds will be determined, see "– Determination of Purchase Spread." For information on the order of priority in which accepted Offers will be accepted, see "– Priority of Purchases."

Determination of Purchase Spread

Should the Authority determine to purchase any Target Bonds, there will be a single Purchase Spread per CUSIP Number on which the Purchase Price for each CUSIP Number will be based, expressed as a number of basis points and containing no more than one number to the right of the decimal point, determined as described in this section for the Target Bonds of such CUSIP Number that the Authority decides to purchase. The Authority will determine each Purchase Spread (by CUSIP Number) for the Target Bonds that the Authority decides to purchase by a "**Modified Dutch Auction Procedure**" described in the following paragraphs.

Under the procedure, if the Authority elects to purchase Target Bonds of a CUSIP Number, the Authority will determine the Purchase Spread upon which the Purchase Price for the Target Bonds of each CUSIP Number will be based. The Authority will provide notice of such Purchase Spread on the Preliminary Acceptance Date (see "– Determination of Amounts to be Purchased" and "– Preliminary Notice of Acceptance").

If a particular CUSIP Number does not receive any Offers with an Offer Spread or the Authority does not accept an offer with an Offer Spread, then the Authority may determine a Purchase Spread for any Non-Competitive Offers received for such CUSIP Number which will be equal to the Offer Spread Guidance for the particular CUSIP Number as indicated on the inside cover page hereof. The Target Bonds validly offered at Offer Spreads equal to or greater than the Purchase Spread established by the Authority for the Target Bonds of each CUSIP Number and accepted for purchase by the Authority will be purchased at the Purchase Price established based on that Purchase Spread established by the Authority, subject to "– Priority of Purchases."

The Purchase Spread of each CUSIP Number will represent the spread which will be added to the Adjusted Treasury Yield on the relevant Benchmark Treasury Security to arrive at a yield (the "**Purchase Yield**") used to calculate the Purchase Price for the Target Bonds of each CUSIP Number. The yield on the relevant Benchmark Treasury Security will be based on the bid-side price of the applicable U.S. Benchmark Treasury as quoted on the Bloomberg Bond Trader FIT series of pages at approximately 10:00 a.m., Eastern time, on January 30, 2024.

Determination of Purchase Prices

The Purchase Price for the Target Bonds of each CUSIP Number will be calculated using the market standard bond pricing formula as of the Settlement Date using the applicable Purchase Yield and the maturity date of such Target Bonds, except that (i) for the Target Bond maturing January 1, 2035 (CUSIP Number 650009S53), using June 12, 2033 as the assumed maturity date and (ii) for the Target Bond maturing January 1, 2042 (CUSIP Number 650009S61), using February 28, 2039 as the assumed maturity date. The total dollar amount to be received by a Bondholder will equal the product of the Purchase Price expressed as a dollar amount per $100 principal amount of Target Bonds, and the par amount of such Bondholder's Target Bonds validly tendered and accepted for purchase divided by 100, plus Accrued Interest. The Authority will provide notice of the Purchase Spread and the Purchase Price for the Target Bonds of each CUSIP Number on the Final Acceptance Date (see "Notice of Purchase Prices", "– Determination of Amounts to be Purchased" and "– Final Notice of Acceptance").

Sinking Fund Amortization of Certain Unpurchased Bonds

The Target Bonds with the CUSIP Numbers 650009S53 and 650009S61 maturing on January 1, 2035 and January 1, 2042, respectively, are subject to mandatory sinking fund redemption in specified annual principal amounts prior to their respective maturity dates. Since fewer than all of such Target Bonds may be purchased by the Authority pursuant to this Invitation, if any of such Target Bonds are purchased, each of the original principal amounts to be redeemed on each mandatory sinking fund redemption date or paid at maturity of such Target Bonds may be reduced. The Authority is permitted to and intends to apply purchases of such Target Bonds to any sinking fund redemption requirement of its choosing including, without limit, to the earliest sinking fund requirements. Such application may result in the extension of the average life of such Unpurchased Bonds. As such, those Unpurchased Bonds will continue to be subject to the mandatory sinking fund redemption in annual amounts that will be reflected on a revised mandatory sinking fund redemption schedule.

Priority of Purchases

Offers to sell Target Bonds of a CUSIP Number pursuant to this Invitation that are accepted by the Authority, if any, will be accepted in the following order of priority, such that the aggregate principal amount of Target Bonds of such CUSIP Number accepted for purchase does not exceed the Purchased Amount of Target Bonds of such CUSIP Number:

- The Target Bonds to be accepted for purchase will be Target Bonds offered without Offer Spreads (i.e., Non-Competitive Offers). If fewer than all such Target Bonds are accepted for purchase, Non-Competitive Offers will be accepted on a pro rata basis reflecting the ratio of (a) the Purchased Amount divided by (b) the total principal amount of Non-Competitive Offers.

- The Target Bonds to be accepted for purchase will then be selected by order of the highest Offer Spreads to the lowest Offer Spreads.

- If all Target Bonds at a particular spread are not accepted, offers will be accepted on a pro rata basis reflecting the approximate ratio of (a) the Purchased Amount less Target Bonds accepted pursuant to the above bullets divided by (b) the total principal amount of offers at the Purchase Spread.

- If, as a result of any pro rata acceptance, the Authority would be required to return a principal amount of Target Bonds of a CUSIP Number that is not equal to an Authorized Denomination, the Authority will round up or down the principal amount of Target Bonds of such CUSIP Number to be accepted from such affected Bondholder so that the principal amount of its Target Bonds returned will be equal to the nearest Authorized Denomination. All such determinations and allocations will be final and binding.

- If the Series P Bonds are not successfully sold as described herein, <u>no</u> Target Bonds will be purchased and all Target Bonds will be returned to the respective Holders that offered such Target Bonds and such Target Bonds will remain outstanding (see "General" herein).

Preliminary Notice of Acceptance

On the Preliminary Acceptance Date, the Authority will determine by CUSIP Number the preliminary principal amount (if any) of the Target Bonds that it will purchase at the Purchase Spread, based on its determination of the economic benefit from such purchases. Notice of the preliminary principal amounts of Target Bonds of each CUSIP Number to be purchased will be provided to the Information Services on the Preliminary Acceptance Date (the "**Preliminary Notice of Acceptance**"). This notification will state the preliminary principal amount of the Target Bonds of each CUSIP Number that the Authority will agree to purchase in accordance with this Invitation, which may be zero, and each Purchase Spread for the Target Bonds (if any) that the Authority will purchase.

Notice of Purchase Prices

On the day that the yields on the Benchmark Treasury Securities and the Purchase Prices are determined, currently expected to be January 30, 2024, the Authority will provide notice of such yields and the resulting Purchase

Yields and Purchase Prices for the Target Bonds indicated in the Preliminary Notice of Acceptance to the Information Services (the **"Notice of Purchase Prices"**).

Final Notice of Acceptance

All Offers will become irrevocable as of 5:00 p.m., Eastern time, on the Expiration Date, subject to change as set forth in "– Extension, Cancellation and Amendment; Changes to Terms."

On the Final Acceptance Date, the Authority will make a final determination of the Purchased Amount of Target Bonds of each CUSIP Number that it wishes to purchase from among those Target Bonds that were initially accepted for purchase pursuant to the Preliminary Notice of Acceptance and, if relevant, allocation of the final Purchased Amount to each sinking fund redemption requirement of the Target Bonds. Notice of the final Purchased Amount of each CUSIP Number and the aggregate principal amount of all Target Bonds to be purchased will be provided to the Information Services on the Final Acceptance Date (the "**Final Notice of Acceptance**"). This notification will state the Purchased Amount of the Target Bonds of each CUSIP Number that the Authority has agreed to purchase, which may be zero, and the Purchase Spread and Purchase Price for the Target Bonds of each CUSIP Number (if any) that the Authority will purchase.

If, as of the Final Acceptance Date, the Authority accepts any Offer, the accepted Offer will constitute an irrevocable agreement by the offering Bondholder to sell and the Authority to purchase such Target Bonds, subject to satisfaction or waiver of all conditions to the Authority's obligation to purchase tendered Target Bonds. Notwithstanding the prior sentence, the Authority may cancel this Invitation at any time prior to the Settlement Date. The Authority will have no obligation to purchase Target Bonds if this Invitation is canceled. See "– Extension, Cancellation and Amendment; Changes to Terms."

Settlement Date; Purchase of Target Bonds

Subject to satisfaction of all conditions to the Authority's obligation to purchase Target Bonds Offered and accepted for purchase pursuant to this Invitation, as described herein, including, without limitation, the Financing Conditions, on the Settlement Date, the Authority will purchase and pay for all Target Bonds validly tendered for sale to the Authority pursuant to accepted Offers, at the applicable Purchase Price, plus Accrued Interest and the tendering Bondholders will sell such Target Bonds to the Authority for such consideration.

If the conditions to the Authority's obligation to purchase Target Bonds are satisfied or waived, the Authority will pay the Aggregate Purchase Price, plus Accrued Interest, in immediately available funds on the Settlement Date by deposit of such amount with DTC. The Authority expects that, in accordance with DTC's standard procedures, DTC will transmit amounts sufficient to purchase the tendered Target Bonds at the Purchase Price in immediately available funds to its participant financial institutions that hold such tendered Target Bonds for delivery to the Bondholders. **None of the Authority, the Dealer Manager or the Information and Tender Agent has any responsibility or liability for the distribution of such amounts by DTC or its participant financial institutions to Bondholders.**

Extension, Cancellation and Amendment; Changes to Terms

The Authority may extend this Invitation by notice given to the Information Services at any time but no later than the first Business Day following the previously scheduled Expiration Date, or any prior extension thereof. Notice of an extension of the Expiration Date will be effective when such notice is given.

The Authority may extend the Preliminary Acceptance Date, the Final Acceptance Date and/or the Settlement Date by notice given to the Information Services at any time but no later than the first Business Day following the previously scheduled Preliminary Acceptance Date, Final Acceptance Date and/or Settlement Date, as applicable, or any prior extension thereof. Notice of an extension of the Preliminary Acceptance Date, the Final Acceptance Date and/or the Settlement Date will be effective when such notice is given.

The Authority may amend, waive the terms of or otherwise modify this Invitation at any time on or prior to the Expiration Date, by giving notice to the Information Services of such amendment, waiver or other modification. The amendment, waiver or modification will be effective at the time specified in such notice.

The Authority may, at any time prior to the Settlement Date, cancel this Invitation for any reason in the Authority's reasonable discretion by giving notice to the Information Services of such cancellation. The Authority will have no obligation to purchase Target Bonds if cancellation of this Invitation occurs or if the Authority fails to accept Offers.

If the Authority amends, modifies or waives any of the terms or conditions of this Invitation in any respect, the Authority may (but is not required to) disseminate additional Invitation materials and extend this Invitation to the extent required to allow, in the Authority's judgment, reasonable time for dissemination to Holders and for Holders to respond.

No extension or amendment or other modification or waiver of the terms or conditions of this Invitation will change the Authority's right to decline to purchase Target Bonds without liability on the conditions stated herein or give rise to any liability of the Authority or the Information and Tender Agent to any Holder or nominee.

ADDITIONAL CONSIDERATIONS

In deciding whether to submit an Offer in response to this Invitation, each Bondholder should consider carefully, in addition to the other information contained in this Invitation, the following:

Unpurchased Bonds. Holders of Unpurchased Bonds will continue to hold such Unpurchased Bonds and such Unpurchased Bonds will remain outstanding after the Settlement Date. See "INTRODUCTION – Unpurchased Bonds" herein.

Future Refunding or Tender. The Authority may concurrently with this Invitation or at any time in the future refund (on an advance or current basis) or defease, and offer to purchase or exchange all or any portion of the Unpurchased Bonds according to their terms. Accordingly, it is possible that such Target Bonds would be redeemed or purchased at a more or less advantageous price than will be available through this Invitation sometime in the future as part of another transaction.

Market for Target Bonds. The Target Bonds are not listed on any national or regional securities exchange. To the extent that the Target Bonds are traded, their prices may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Bondholders may be able to sell Target Bonds at a price greater than the Purchase Price(s).

Ratings. As of the date of this Invitation, the Target Bonds are rated "A1" with a positive outlook by Moody's Investors Service, Inc. and "A+" with a stable outlook by S&P Global Ratings. The ratings of the Target Bonds by each rating agency reflect only the views of such organization and any desired explanation of the significance of such ratings and any outlooks or other statements given by such rating agency with respect thereto should be obtained from such rating agency.

There is no assurance that the current ratings assigned to the Target Bonds will continue for any given period of time or that any of such ratings will not be revised upward or downward, suspended or withdrawn entirely by any rating agency. Any such upward or downward revision, suspension or withdrawal of such ratings may have an effect on the availability of a market for or the market price of the Target Bonds. Each Bondholder should review these ratings and consult with its Financial Representatives concerning them.

Market Conditions for the Series P Bonds. The purpose of the portion of the sale of the Series P Bonds associated with this Invitation is to produce cash flow and present value debt service savings. Thus, the final decision to purchase Target Bonds, and, if less than all of the Target Bonds that are tendered are purchased, which Target Bonds will be accepted for purchase by the Authority will be based upon market conditions associated with the sale of the Series P Bonds and other factors outside of the control of the Authority.

Financing Timetable. There is currently an approximately three Business Days period between the Expiration Date and the Final Acceptance Date, as required by the timetable for the marketing and sale of the Series P Bonds. Bondholders that tender their Target Bonds will not be able to sell or otherwise dispose of their Target Bonds so tendered during this time period, even if their Target Bonds are not initially or ultimately accepted for purchase by the Authority.

Certain Potential Effects of this Invitation on Target Bonds Not Purchased pursuant to this Invitation. The purchase of Target Bonds by the Authority may have certain potential adverse effects on owners of Unpurchased Bonds, including that the principal amount of the Unpurchased Bonds available to trade publicly will be reduced, which could adversely affect the liquidity and market value of the Unpurchased Bonds. The Unpurchased Bonds may command lower prices than comparable issues with greater market liquidity. Reduced market values and reduced liquidity also may make the trading prices of the Unpurchased Bonds more volatile. As a result, the market prices for the Bonds that remain outstanding after the completion of the Offer may be adversely affected as a result of the Offer. Additionally, certain of the Target Bonds, including Target Bonds with CUSIP Numbers 650009S53 and 650009S61 maturing on January 1, 2035 and January 1, 2042, respectively, may currently be included in benchmark bond indices, which may change if Target Bonds tendered and accepted by the Authority for purchase reduce the par amount outstanding of each maturity below relevant index thresholds.

The average lives of Unpurchased Bonds that are Target Bonds with CUSIP Numbers 650009S53 and 650009S61 are likely to change.

SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following is a general summary of the U.S. federal income tax consequences for tendering Bondholders. No assurances can be given that future changes in U.S. federal income tax laws will not alter the conclusions reached herein. The discussion below does not purport to deal with U.S. federal income tax consequences applicable to all categories of investors. Further, this summary does not discuss all aspects of U.S. federal income taxation that may be relevant to a particular investor in the Target Bonds in light of the investor's particular circumstances or to certain types of investors subject to special treatment under U.S. federal income tax laws. Tendering Bondholders should note that no rulings have been or will be sought from the Internal Revenue Service (the "**IRS**"), and no assurance can be given that the IRS will not take contrary positions, with respect to any of the U.S. federal income tax consequences discussed below. This U.S. federal income tax discussion is included for general information only and should not be construed as a tax opinion nor tax advice by the Authority or any of its advisors or agents to the Bondholders, and Bondholders therefore should not rely upon such discussion.

BONDHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE U.S. FEDERAL, STATE, LOCAL, FOREIGN AND ANY OTHER TAX CONSEQUENCES TO THEM FROM THE TENDER OF TARGET BONDS PURSUANT TO THE TENDER OFFER, INCLUDING REGARDING THE RECEIPT OF ACCRUED INTEREST ON ANY TENDERED TARGET BONDS UP TO, BUT NOT INCLUDING THE SETTLEMENT DATE, WHICH ACCRUED INTEREST IS NOT REFLECTED IN THE PURCHASE PRICE.

A Bondholder who tenders its Target Bonds for cash pursuant to the Tender Offer generally will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the amount realized, which is the Purchase Price (not including Accrued Interest) received by the Bondholder, and the Bondholder's adjusted tax basis in its tendered Target Bonds. Any gain or loss arising in connection with a taxable sale pursuant to the Tender Offer may be capital gain or loss (either long-term or short-term, depending on the Bondholder's holding period for the tendered Target Bonds) or may be ordinary income or loss, depending on the particular circumstances of the Bondholder. Non-corporate holders may be eligible for reduced rates of U.S. federal income tax on long-term capital gains. The deductibility of capital losses is subject to various limitations. A Bondholder's amount realized and adjusted tax basis are determined as set forth in the Internal Revenue Code of 1986, as amended, and Treasury Regulations promulgated thereunder (collectively, the "**Code**").

Payments to a Bondholder in connection with a tender of Target Bonds pursuant to the Tender Offer may, under certain circumstances, be subject to U.S. federal backup withholding. Backup withholding applies if such Bondholder: (i) fails to furnish such Bondholder's social security number or other taxpayer identification number

(“***TIN***”); (ii) furnishes an incorrect TIN; (iii) fails to report properly interest, dividends, or other “reportable payments” as defined in the Code; or (iv) under certain circumstances, fails to provide a certified statement, signed under penalty of perjury, that the TIN provided is correct and that such Bondholder is not subject to backup withholding. Bondholders should consult their own tax advisors regarding whether backup withholding applies to them and, if backup withholding applies, regarding qualification for an exemption from backup withholding and the procedures for obtaining such exemption.

DEALER MANAGER

The Authority has retained J.P. Morgan Securities LLC, as Dealer Manager for this Invitation. The Dealer Manager will be paid a fee for its services. In addition, the Dealer Manager shall be reimbursed for all reasonable out-of-pocket expenses related to this Invitation. The Dealer Manager’s fee and reasonable expenses will be paid from the proceeds of the Series P Bonds issued by the Authority.

The Dealer Manager may contact Bondholders regarding this Invitation and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Invitation to beneficial owners of the Target Bonds.

The Dealer Manager, together with its affiliates, is a full-service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealer Manager and its affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the Authority for which it received or will receive fees and expenses. In the ordinary course of its various business activities, the Dealer Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for its own account and for the accounts of its customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of the Authority, including the Target Bonds. Affiliates of the Dealer Manager may have holdings of Target Bonds that they are unable to disclose for legal or regulatory reasons.

In addition to its role as Dealer Manager for the Target Bonds, J.P. Morgan Securities LLC is also serving as underwriter for the Series P Bonds.

The Dealer Manager is not acting as financial or municipal advisor to the Authority in connection with this Invitation.

INFORMATION AND TENDER AGENT

Globic Advisors Inc. has been retained to serve as Information and Tender Agent for this Invitation. The Information and Tender Agent will be paid a fee for its services and will be reimbursed for its reasonable expenses relating to this Invitation.

MISCELLANEOUS

No one has been authorized by the Authority, the Dealer Manager or the Information and Tender Agent to recommend to any Holders whether to offer to sell Target Bonds in response to this Invitation or the amount of Target Bonds to offer or the price or spread, as applicable, at which they are offered, and none of the Authority, the Dealer Manager or the Information and Tender Agent makes any recommendation that any Bondholder offer to sell at any spread (or refrain from offering) all or any portion of such Holder’s Target Bonds. No one has been authorized by the Authority, the Dealer Manager or the Information and Tender Agent to give any information or to make any representation in connection with this Invitation other than those contained in this Invitation (inclusive of Appendix A hereto), and any such recommendation, information, and representations given or made cannot be relied upon as having been authorized by the Authority, the Dealer Manager or the Information and Tender Agent. Bondholders must make these decisions and should read this Invitation and consult with their Financial Representative in doing so.

The Information and Tender Agent for this Invitation is:

Globic Advisors Inc.
Attn: Robert Stevens
485 Madison Ave, 7th Floor
New York, New York 10022
Phone: (212) 227-9622
Email: rstevens@globic.com
Document Website: www.globic.com/nysta

The Dealer Manager for this Invitation is:

J.P. Morgan Securities LLC
Attn: Debt Capital Markets
383 Madison Avenue, 3rd Floor
New York, New York 10179
Tel: (212) 834-3261
Email: public_finance_dcm@jpmorgan.com

Dated: January 10, 2024

APPENDIX A

SERIES P BONDS PRELIMINARY OFFICIAL STATEMENT

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PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 10, 2024

NEW ISSUE **BOOK ENTRY - ONLY**

In the opinion of Hawkins, Delafield & Wood LLP, Bond Counsel to the Authority, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein (i) interest on the Series P Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series P Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Series P Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In addition, in the opinion of Bond Counsel, under the New York State Thruway Authority Act, the Series P Bonds, their transfer and the income therefrom (including any profit made from the sale thereof) are at all times free from taxation within the State of New York and any political subdivision thereof. See "TAX MATTERS" herein for further information.

$1,030,080,000*
New York State Thruway Authority
General Revenue Bonds
Series P

Dated: Date of Delivery **Due: January 1, as shown on the inside cover hereof**

Interest is payable each January 1 and July 1, commencing July 1, 2024. The New York State Thruway Authority General Revenue Bonds, Series P (the "Series P Bonds") are issuable only as fully registered bonds without coupons, in the principal amount of $5,000 or any integral multiple of $5,000 in excess thereof. The Series P Bonds will be issued initially under a book-entry only system and will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Series P Bonds. See **Appendix D —** "Book-Entry Only System" herein. Principal of and premium, if any, and interest on the Series P Bonds will be payable to Bondholders through The Bank of New York Mellon, New York, New York, as Trustee.

The Series P Bonds are subject to redemption prior to maturity as described herein.

The Series P Bonds of the New York State Thruway Authority (the "Authority") will be issued pursuant to the Authority's General Revenue Bond Resolution adopted on August 3, 1992, as supplemented (such General Revenue Bond Resolution as from time to time amended or supplemented being herein called the "Bond Resolution"), including as supplemented by the Twenty First Supplemental Revenue Bond Resolution Authorizing General Revenue Bonds, Series P, adopted by the Authority on September 18, 2023 (the "Twenty First Supplemental Resolution"), and are secured as to the payment of principal, premium, if any, and interest thereon by a pledge of the Revenues and certain funds and accounts established under the Bond Resolution, subject to the application thereof for the purposes and on the terms and conditions provided in the Bond Resolution. **The Series P Bonds are not a debt of the State of New York (the "State") nor shall the State be liable thereon.**

The Series P Bonds are being issued to (i) fund a portion of the Authority's multi-year Capital Program, (ii) make a deposit to the Senior Debt Service Reserve Fund, (iii) fund capitalized interest on the Series P Bonds, (iv) refund certain outstanding Bonds, (v) purchase, through a voluntary tender process, certain outstanding Bonds, and (vi) pay the Costs of Issuance of the Series P Bonds.

MATURITY SCHEDULE — See Inside Cover

The cover and inside cover pages contain certain information for general reference only. They are not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed decision.

The Series P Bonds are offered, when, as and if issued by the Authority and are subject to the approval of legality by Hawkins Delafield & Wood LLP, Bond Counsel to the Authority. Certain legal matters are subject to the approval of Joseph P. Igoe, Esq., First Deputy General Counsel to the Authority and of Harris Beach PLLC, Counsel to the Underwriters. Public Resources Advisory Group and Acacia Financial Group, Inc. are acting as Co-Financial Advisors to the Authority. It is expected that the Series P Bonds will be available for delivery to The Depository Trust Company, New York, New York, on or about February 15, 2024.

J.P Morgan **Siebert Williams Shank & Co., LLC**

BofA Securities **Goldman Sachs & Co. LLC**

Jefferies **RBC Capital Markets** **Wells Fargo Securities**

Academy Securities, Inc. **AmeriVet Securities, Inc.** **Barclays**

Drexel Hamilton, LLC **Loop Capital Markets** **Ramirez & Co., Inc.** **Raymond James**

January __, 2024

* Preliminary, subject to change.

$1,030,080,000*
New York State Thruway Authority
General Revenue Bonds
Series P

Maturities, Principal Amounts, Interest Rates, Prices or Yields and CUSIP Numbers

Due January 1*	Principal Amount*	Interest Rate	Price or Yield	CUSIP Number** (Base# 650009)
2025	$ 61,610,000	%	%	
2026	92,790,000			
2027	103,725,000			
2028	38,880,000			
2029	27,365,000			
2030	28,750,000			
2031	12,495,000			
2032	13,125,000			
2033	63,970,000			
2034	107,000,000			
2035	12,820,000			
2036	56,510,000			
2037	59,335,000			
2038	64,190,000			
2039	19,745,000			
2040	18,630,000			
2041	19,565,000			
2042	20,545,000			
2043	21,570,000			
2044	22,650,000			

$72,405,000* ____% Term Bond due January 1, 2049* Price ___% CUSIP Number: 650009___**

$92,405,000* ____% Term Bond due January 1, 2054* Price ___% CUSIP Number: 650009___**

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* Preliminary, subject to change.

** CUSIP® is a registered trademark of the American Bankers Association ("ABA"). The CUSIP numbers listed above have been assigned by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems, Inc. and are being provided solely for the convenience of the registered owners of the Series P Bonds at the time of the issuance of the Series P Bonds. Neither the Authority nor the Underwriters are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Series P Bonds or as included herein. The CUSIP numbers are subject to being changed after the issuance of the Series P Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series P Bonds.

IN CONNECTION WITH THE OFFERING OF THE SERIES P BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZATION, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations, other than those contained in this Official Statement (the term "Official Statement" when used herein shall for all purposes include reference to the Appendices hereto), and, if given or made, such other information or representations must not be relied upon as having been authorized. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series P Bonds by any person in any jurisdiction in which it is unlawful for the person to make such offer, solicitation or sale.

The information set forth herein has been provided by the Authority and other sources which are believed to be reliable by the Authority, but is not guaranteed as to its accuracy or completeness.

The information herein is subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Authority since the date hereof. This Official Statement is submitted in connection with the sale of the securities referred to herein and may not be reproduced or used, in whole or in part, for any other purpose.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS IN THIS OFFICIAL STATEMENT

This Official Statement and particularly the information contained under the captions "SUMMARY STATEMENT," "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS", "BUDGET AND CAPITAL PROGRAM – TRAFFIC ENGINEER'S REPORT", "INVESTMENT CONSIDERATIONS", and "**Appendix A** – 2023 Traffic Engineer's Report" contain statements relating to future results and economic performance that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words "anticipate", "believe", "may", "will", "should", "seek", "expect", "assume", "estimate", "projection", "plan", "budget", "forecast", "intend", "goal", and similar expressions identify forward-looking statements. The words or phrases "to date", "now", "currently", and the like are intended to mean as of the date of this Official Statement. Examples of forward-looking statements contained in this Official Statement are statements that concern the Authority's future revenues, costs, additional revenue needs, traffic projections and liquidity. The forward-looking statements contained herein are based on the Authority's expectations and are necessarily dependent upon assumptions, estimates and data that it believes are reasonable as of the date made but that may be incorrect, incomplete or imprecise or not reflective of actual results. The Authority does not undertake to update or revise any of the forward-looking statements contained herein, even if it becomes clear that they will not be realized.

Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material. For a discussion of certain of such risks and possible variations in results, see the information under "INVESTMENT CONSIDERATIONS." The Authority does not plan to issue any updates or revisions to those forward-looking statements if or when its expectations, or events, conditions or circumstances on which such statements are based occur.

THE SERIES P BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE SERIES P BONDS IN ACCORDANCE WITH THE APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE JURISDICTIONS NOR ANY OF THEIR AGENCIES HAVE GUARANTEED OR PASSED UPON THE SAFETY OF THE SERIES P BONDS AS AN INVESTMENT, UPON THE PROBABILITY OF ANY EARNINGS THEREON OR UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT.

The order and placement of information in this Official Statement, including appendices, are not an indication of relevance, materiality or relative importance, and this Official Statement, including the appendices, must be read in its entirety. The captions and headings in this Official Statement are for convenience purposes only and in no way define, limit or describe the scope or intent, or affect the meaning or construction, of any provision or section of this Official Statement.

This Official Statement contains summaries of and references to documents that the Authority believes to be accurate; however, reference is made to the actual documents for complete information. All such summaries and references are qualified in their entirety by such reference.

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SUMMARY STATEMENT

This summary statement is qualified in its entirety by reference to the information appearing elsewhere in this Official Statement. Terms used in this summary statement and not defined herein shall have the meanings set forth in the body of this Official Statement.

The Authority

The New York State Thruway Authority (the "Authority"), a body corporate and politic constituting a public corporation of the State of New York (the "State"), created in 1950 by the New York State Thruway Authority Act, as amended, Title 9 of Article 2 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York (the "Act"), is empowered, among other things, to construct, operate and maintain as a toll facility, and to improve and reconstruct the Governor Thomas E. Dewey Thruway (the "Thruway System"), subject to certain statutory limitations on the Authority's right to impose tolls on certain parts of the Thruway System, including the Cross-Westchester Expressway. The Act also authorizes the Authority to issue, from time to time, negotiable bonds and notes for any corporate purpose secured by tolls, revenues, rates, fees, charges, rents and other earned income of the Authority. See "THE AUTHORITY".

The Thruway System is a 570-mile superhighway system crossing the State and is one of the largest toll superhighway systems in the United States. In addition to being the principal artery of travel and commerce within New York connecting the State's principal cities, the Thruway System is a vital link to long distance interstate travel. In addition, the Thruway System provides the major route of access for visitors to the State's tourist destinations including Niagara Falls, the Finger Lakes, the Adirondacks, the Catskills and New York City. The new twin-span Governor Mario M. Cuomo Bridge (also referred to herein as the "New NY Bridge Project"), which replaced the Tappan Zee Bridge, is a major component of the Thruway System spanning the Hudson River north of New York City. See "AUTHORITY GOVERNANCE, FACILITIES AND OPERATIONS — Thruway Facilities and Operations" and **Appendix A —** "2023 Traffic Engineer's Report".

Purpose of Issue

The Series P Bonds are being issued to (i) fund a portion of the Authority's multi-year Capital Program, (ii) make a deposit to the Senior Debt Service Reserve Fund, (iii) pay capitalized interest on the Series P Bonds, (iv) refund certain outstanding Bonds, (v) purchase, through a voluntary tender process, certain outstanding Bonds, and (vi) pay the Costs of Issuance of the Series P Bonds. See "PLAN OF FINANCE, REFUNDING AND TENDER FOR PURCHASE".

Security

The Series P Bonds are direct and general obligations of the Authority. Bonds issued under the Bond Resolution, including the Series P Bonds, are secured as to the payment of principal, premium, if any, and interest thereon by a pledge of the Revenues and certain funds and accounts established under the Bond Resolution, subject to the application thereof for the purposes and on the terms and conditions provided in the Bond Resolution. **The Series P Bonds are not a debt of the State nor shall the State be liable thereon.** The Authority has no taxing power. The Series P Bonds are secured by the Senior Debt Service Reserve Fund in an amount equal to the maximum amount of Aggregate Debt Service for any 12-month period on all Outstanding Bonds secured by the Senior Debt Service Reserve Fund, a substantial portion of which is currently funded by a Reserve Credit Facility as permitted by the Bond Resolution. The Bond Resolution also provides that Operating Expenses of Facilities will be funded from Revenues prior to the provision for accrued Debt Service on the Bonds. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS" and "AGGREGATE ANNUAL DEBT SERVICE REQUIREMENTS".

Toll Covenant

Pursuant to the Bond Resolution, the Authority has covenanted at all times to fix, charge and collect such tolls, fees and charges for the use of the Facilities as are required in order that, in each fiscal year, Net Revenues shall at least equal the Net Revenue Requirement for such year. "Net Revenue Requirement" means, with respect to any period of time, an amount equal to the greater of (i) the sum of amounts required to make payments with respect to Aggregate Debt Service, deposits to the Senior Debt Service Reserve Fund, Reserve Maintenance Payments (minimum, $30 million a year), and the amounts required to be deposited in the Junior Indebtedness Fund pursuant to the Supplemental Resolution or other resolution or agreement authorizing outstanding Junior Indebtedness or (ii) 1.20x the sum of the Aggregate Debt Service for such period. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Tolls, Fees and Charges" and **Appendix C** — "Summary of Certain Provisions of the Bond Resolution — Tolls, Fees and Charges".

Additional Indebtedness

Under the Bond Resolution, the Authority may issue Additional Bonds, Refunding Bonds, Junior Indebtedness and Subordinated Indebtedness payable from Revenues. Additional Bonds may be issued, subject to certain limitations, to pay for Project Costs of the Original Project, any Additional Projects and any Other Authority Projects. Refunding Bonds may be issued, subject to certain limitations, to refund Outstanding Bonds, any Junior Indebtedness and any Subordinated Indebtedness. Such limitations include, but are not limited to, satisfaction of a coverage test or not-to-exceed Aggregate Debt Service test. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Additional Bonds, Refunding Bonds and Other Indebtedness" and "— Reserve Maintenance Fund".

As of January 10, 2024, the Authority had outstanding under the Bond Resolution $3,312,560,000 aggregate principal amount of Bonds. On the date of delivery of the Series P Bonds, the Authority will have outstanding $______________ aggregate principal amount of Bonds.

Junior Indebtedness

On November 7, 2013, the Authority established a subordinate credit structure with the adoption of the "Resolution Authorizing General Revenue Junior Indebtedness Obligations" (the "Junior Indebtedness Resolution"), to finance the costs of a new twin-span New NY Bridge Project (now named The Governor Mario M. Cuomo Bridge) to replace the existing Tappan Zee Bridge. See "The New NY Bridge Project" herein. As of January 10, 2024, the Authority had outstanding under the Junior Indebtedness Resolution $2,538,235,000 of Junior Indebtedness Obligations.

2024 Budget and 2024-2028 Capital Program

On November 14, 2023, the Authority Board approved the 2024 Budget and 2024-2028 Capital Program. The 2024 Budget for the 2024-2028 Capital Program totals $2.4 billion, including $237 million in costs for the New NY Bridge Project. The implementation of enhanced and modernized asset management systems and project selection protocols have allowed the Authority to pursue a more efficient and balanced approach to the 2024-2028 Capital Program project mix, focusing more on high priority and high impact investments to maintain the useful life of Thruway System infrastructure. The 2024-2028 Capital Program expects to complete major, job-sustaining reconstruction projects currently underway and includes new projects that address reconstruction and rehabilitation of roadway, bridges, facilities and support systems of the Thruway System; congestion relief and mobility enhancements; and provision for replacement of equipment and other non-bridge and highway projects of the Authority. See "BUDGET AND CAPITAL PROGRAM; TRAFFIC ENGINEER'S REPORT – 2024-2028 Capital Program" and "– Funding of the 2024-2028 Capital Program" for more information on the 2024-2028 Capital Program and the New NY Bridge Project.

Projected Results

The Authority retained Stantec Consulting Services, Inc., as Traffic Engineer ("Stantec"), to prepare a study (the "2023 Traffic Engineer's Report") that produced a traffic and revenue forecast based on the Authority's programmed 2024 through 2027 toll modifications and reviewed the operations, physical condition of the Thruway System and projected financial results for the period 2024-2028. The 2023 Traffic Engineer's Report projects that the Authority will generate sufficient revenues needed to fulfill its system-wide operating, debt service, and capital needs, exceed management's targets with respect to debt service coverage (1.55x General Revenue Bonds and 1.35x General Revenue Bonds and Junior Indebtedness Obligations combined) as well as the contractual financial covenants contained in its Bond Resolution and Junior Indebtedness Resolution through the forecast period.

The projections for the years 2024 through 2028 are included in the 2023 Traffic Engineer's Report which is included as **Appendix A** hereto, and should be read in its entirety. See "BUDGET AND CAPITAL PROGRAM; TRAFFIC ENGINEER'S REPORT." The 2023 Traffic Engineer's Report is also available for review on the Authority's website.

Recent Toll Initiatives

On September 18, 2023, the Authority Board of Directors approved a set of 2024 through 2027 toll modifications on the Governor Mario M. Cuomo Bridge and systemwide that went into effect on January 1, 2024. Previously, systemwide toll modifications went into effect on January 1, 2021 (tolls had not previously been adjusted since 2010) that included a January 1, 2022 toll adjustment on The Governor Mario M. Cuomo Bridge. In addition, the Authority implemented other tolling changes that supported the statewide conversion to cashless tolling in November 2020.

The New NY Bridge Project

Formal construction of the New NY Bridge Project (now known as "The Governor Mario M. Cuomo Bridge") began in October 2013. Both spans of the bridge were substantially completed and opened for vehicular traffic, with the north span opening on August 25, 2017 and the south span opening on September 12, 2018. Through October 2023, $3.7 billion in total had been spent on the New NY Bridge Project. Of this amount, $7.6 million was spent in 2023. The Governor Mario M. Cuomo Bridge was constructed under a fixed-price, date-certain, Design-Build Contract with TZC, LLC. The original budget established at the commencement of the New NY Bridge Project was $3.981 billion. See BUDGET AND CAPITAL PROGRAM; TRAFFIC ENGINEER'S REPORT – The New NY Bridge Project."

Ratings

Moody's Investors Service, Inc. ("Moody's") and S&P Global Ratings ("S&P") have rated the Series P Bonds "A1" with a positive outlook and "A+" with a stable outlook, respectively. See "RATINGS" herein.

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OFFICIAL STATEMENT

$1,030,080,000*
New York State Thruway Authority
General Revenue Bonds
Series P

Albany, New York
January __, 2024

INTRODUCTION

The purpose of this Official Statement, including the cover and inside cover pages, the summary statement and appendices, is to set forth information with respect to the General Revenue Bonds, Series P (the "Series P Bonds"), of the New York State Thruway Authority (the "Authority"). The Series P Bonds are authorized by the New York State Thruway Authority Act, as amended, Title 9 of Article 2 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York (the "Act"). The Series P Bonds are authorized to be issued under and pursuant to the Authority's General Revenue Bond Resolution, adopted on August 3, 1992, as amended on January 5, 2007, as supplemented (such General Revenue Bond Resolution as from time to time amended or supplemented being herein called the "Bond Resolution"), including as supplemented by the Twenty-First Supplemental Revenue Bond Resolution Authorizing General Revenue Bonds, Series P (the "Twenty-First Supplemental Resolution"), adopted by the Authority on September 18, 2023.

THE AUTHORITY

The Authority, a body corporate and politic constituting a public corporation, created in 1950 by the Act, is empowered to finance, construct, operate and maintain as a toll facility, and to improve and reconstruct, the Governor Thomas E. Dewey Thruway (the "Thruway System"). In addition, pursuant to Chapter 766 of the Laws of New York of 1992 and other authorizations, the Authority, among other things, (i) will finance and undertake specified economic development transportation projects in New York State (the "State") and (ii) may undertake certain financings on behalf of the State for transportation purposes.

History

In 1942, the State's leaders recognized that the State's highway system would not be adequate for post-war needs and ordered the planning of a superhighway system through the major travel corridors of the State. In 1944, the State Legislature authorized the State Bureau of Public Works (the predecessor of the New York State Department of Transportation) to proceed with construction of the Thruway System. Governor Thomas E. Dewey broke ground for the Thruway System in 1946. In May 1948, the first section, four miles between Canandaigua and Victor near Rochester, was opened. By 1950, approximately $25 million of State funds had been spent on the Thruway System. A special committee of State officials from whom Governor Dewey sought advice urged that it become a toll highway operated by an independent public authority.

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* Preliminary, subject to change.

In 1950, the State Legislature created the Authority to build, operate and maintain the highway. It was financed primarily through the issuance of $500,000,000 of State Guaranteed Bonds and $472,000,000 of Prior General Revenue Bonds, all of which have been paid in full and are no longer outstanding. The revenue to retire these bonds was generated primarily from tolls. In June 1954, the first toll section, a 115-mile stretch from Lowell (west of Utica) to Rochester, was opened. The 426-mile mainline was completed in 1956 and in 1964 it was given Governor Dewey's name in recognition of his role in its development.

Powers

The Authority is authorized under the Act to establish and collect such tolls and charges as may be convenient or necessary to produce at all times sufficient revenues to meet its expenses of maintenance and operation, to pay, as the same shall become due, the principal of and interest on the Bonds and Junior Indebtedness Obligations and to fulfill the terms of any agreement made with the holders of Bonds and Junior Indebtedness Obligations until such Bonds and Junior Indebtedness Obligations and the interest thereon are fully met and discharged. Under the Bond Resolution and the Junior Indebtedness Resolution, tolls shall remain in effect until all of the Bonds and Junior Indebtedness Obligations, as applicable, have been retired.

Under the Act, the powers of the Authority include, among others, the power to maintain, reconstruct and operate the Thruway System so long as its corporate existence shall continue; and, in addition, to construct and maintain facilities for the public not inconsistent with the appropriate use of the Thruway System, to contract for such construction, and to lease the right to construct and use such facilities on such terms and for such considerations as it determines.

Title to the real property utilized by the Authority is vested in the State, but the Authority has the right, so long as its corporate existence shall continue, to possess, use and dispose of all real property and rights therein. The Authority has the power to acquire, hold and dispose of personal property for its corporate purposes. The Authority has no taxing power.

Outstanding Indebtedness

General Revenue Bonds

The Authority has been authorized under the Act to issue its bonds and notes to fund a portion of the capital needs of the Authority. As of January 10, 2024, the Authority had outstanding under the Bond Resolution $3,312,560,000 aggregate principal amount of Bonds. On the date of delivery of the Series P Bonds, the Authority will have outstanding $_____________ aggregate principal amount of Bonds.

Junior Indebtedness

On November 7, 2013, the Authority established a subordinate credit structure with the adoption of the "Resolution Authorizing General Revenue Junior Indebtedness Obligations" (the "Junior Indebtedness Resolution"). The Authority began issuing Junior Indebtedness Obligations in December 2013 to finance the costs of construction of a new twin-span New NY Bridge Project (now named The Governor Mario M. Cuomo Bridge) to replace the Tappan Zee Bridge. As of January 10, 2024, the Authority had outstanding under the Junior Indebtedness Resolution $2,538,235,000 of Junior Indebtedness Obligations.

Members and Officers

The Act provides that the Authority consists of a Board of seven members appointed by the Governor of the State, with the advice and consent of the State Senate. Board members serve for terms of nine years each. Vacancies in the Authority occurring other than by expiration of term are filled for the remainder of the unexpired term in the manner previously stated. Pursuant to the New York State Public Officers Law, members of the Authority whose terms have expired continue to serve until a successor is appointed and qualified. The members of the Authority receive no salary but are reimbursed for their necessary expenses incurred in connection with their duties. The Chair serves in that capacity for the full term of his/her appointment as a member of the Authority. The members of the Authority may appoint other officers. The present members of the Board and the expiration dates of their terms of office are as follows:

Name	**Expiration of Term**
Joanne M. Mahoney	January 1, 2020*
José Holguín-Veras	December 12, 2018*
Robert L. Megna.	January 1, 2017*
Norman Jones	June 10, 2032
Heather C. Briccetti Mulligan	September 14, 2026
Vacant	________________
Vacant	________________

* Holding over.

The present officers of the Authority are as follows:

Name	**Office**
Joanne M. Mahoney	Chair
Robert L. Megna	Vice Chair
Frank G. Hoare	Acting Executive Director
David Malone	Treasurer
Keith Fragomeni	Assistant Treasurer
Juliane Greco*	Secretary
Christiano DeSorrento	Assistant Secretary
Jerry B. Yomoah	Assistant Secretary

* Expected to be approved at the Authority's January 2024 Board meeting.

David Malone serves as Chief Financial Officer of the Authority and Sandra Rivera serves as Acting General Counsel of the Authority. See "AUTHORITY GOVERNANCE, FACILITIES AND OPERATIONS" for additional detail on the Board membership and senior staff at the Authority.

PLAN OF FINANCE, REFUNDING AND TENDER FOR PURCHASE

The Series P Bonds are being issued to (i) fund a portion of the Authority's multi-year Capital Program, (ii) make a deposit to the Senior Debt Service Reserve Fund, (iii) fund capitalized interest on the Series P Bonds, (iv) refund certain outstanding General Revenue Bonds, (v) purchase, through a voluntary tender process, certain outstanding General Revenue Bonds, Series M Bonds, and (vi) pay the Costs of Issuance of the Series P Bonds. See the table below under "SOURCES AND USES OF FUNDS".

The Refunded Bonds. A portion of the net proceeds of the Series P Bonds are expected to be used to defease and refund certain of the Authority's outstanding General Revenue Bonds, expected to consist primarily of the General Revenue Bonds Series J (collectively, the "Refunded Bonds") issued under the Bond Resolution and identified in Appendix G – "THE REFUNDED BONDS AND THE PURCHASED TARGET BONDS – The Refunded Bonds". The Refunded Bonds are expected to be redeemed on the date and at the Redemption Price indicated in Appendix G. Such proceeds of the Series P Bonds will be deposited into an escrow established pursuant to an escrow agreement between the Authority and The Bank of New York Mellon, as Escrow Agent and as the Trustee under the Bond Resolution (the "Escrow Deposit Agreement"), and used to acquire Government Obligations (as defined in the Bond Resolution), the principal of and interest on which, when due, will provide, together with any moneys or other investments which may be deposited by the Authority with the Escrow Agent, moneys sufficient to pay the redemption price of the Refunded Bonds and the interest accrued thereon to their redemption date. See "VERIFICATION OF MATHEMATICAL COMPUTATIONS" herein. Upon making such deposit with the Trustee and the issuance of certain irrevocable instructions to the Escrow Agent pursuant to the Escrow Deposit Agreement, the Refunded Bonds will, under the terms of the Bond Resolution, be deemed to have been paid and will no longer be Outstanding and will cease to be entitled to any lien, benefit or security under the Bond Resolution.

Tender of Target Bonds for Purchase. The Authority has retained J.P. Morgan Securities LLC to act as Dealer Manager (the "Dealer Manager") in connection with an offer to tender certain of the Authority's outstanding General Revenue Bonds, Series M (Federally Taxable) (the "Target Bonds") that were issued on October 30, 2019. On January 10, 2024, the Authority released an "Invitation to Offer Bonds for Purchase" (the "Invitation") inviting owners of the Target Bonds to tender all or a portion of such Bonds for cash purchase by the Authority (the "Tender Offer") on the terms and conditions described in the Invitation. The Invitation is being made by the Authority, with the assistance of the Dealer Manager. The purpose of the Tender Offer is to provide the Authority the opportunity to retire the Target Bonds with proceeds of the Series P Bonds on the date of delivery of the Series P Bonds (the "Settlement Date").

The Dealer Manager will be paid a fee and will be reimbursed for any expenses it incurs as the Dealer Manager of the Tender Offer. The Dealer Manager is also the Senior Managing Underwriter of the Series P Bonds. See "UNDERWRITING" herein.

The Authority expects to purchase all or a portion of the Target Bonds tendered for purchase by the owners thereof at the purchase prices set forth in the Invitation. The purchase price of Target Bonds tendered for purchase and accepted by the Authority, if any, and the costs of the Tender Offer, including the Dealer Manager's fee, will be paid from a portion of the proceeds of the Series P Bonds. Any Target Bonds purchased pursuant to the Tender Offer will be cancelled by the Trustee on the Settlement Date.

The Target Bonds subject to tender for purchase in the manner as described in the Invitation, are listed in **Appendix G** hereto under the caption "THE REFUNDED BONDS AND THE PURCHASED TARGET BONDS – The Target Bonds Candidates".

The description above is not intended to summarize the terms of the Invitation, or to solicit offers to tender the Target Bonds, and reference is made to the Invitation for a discussion of the terms of the Invitation and the conditions for settlement of the Target Bonds validly tendered and accepted for purchase. Owners of the Target Bonds must review the Invitation (including the appendices thereto) for further information regarding the Tender Offer. The Invitation provides that all tenders for purchase must be made on or before 5:00 p.m. on January 26, 2024 (the "Expiration Date"). Immediately following the Expiration Date, the Authority will determine whether to accept all, a portion or none of the Target Bonds tendered for purchase. The Authority will file the Invitation, and subsequent notices, with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system.

The Authority may, at any time prior to the Settlement Date, cancel the Invitation for any reason in the Authority's sole discretion, in which case the Authority shall have no obligation to purchase Target Bonds.

SOURCES AND USES OF FUNDS

The proceeds received from the sale of the Series P Bonds, together with other available moneys, are expected to be applied in the following approximate amounts:

Sources of Funds

Principal Amount of Series P Bonds	$
Original Issue Premium/(Discount)	
Other Available Moneys	
Total Sources of Funds	$

Uses of Funds

Deposit to Construction Fund	$
Deposit to Senior Debt Service Reserve Fund	
Capitalized Interest	
Deposit to Escrow Fund for Refunded Bonds	
Purchase of Accepted Target Bonds	
Costs of Issuance*	
Underwriters' Discount	
Total Uses of Funds	$

* Includes Dealer Manager fee and expenses and rounding amount.

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AGGREGATE ANNUAL
DEBT SERVICE REQUIREMENTS

The following schedule sets forth, for each 12-month period of the years shown, the amounts required to be paid by the Authority for the Debt Service for the Outstanding General Revenue Bonds, the Outstanding Junior Indebtedness Obligations and the aggregate debt service on General Revenue Bonds and Junior Indebtedness Obligations after issuance of the Series P Bonds.

		Series P Bonds					
Calendar Year(1)	**Outstanding General Revenue Bond Debt Service(2) (3)**	**Principal**	**Interest**	**Total**	**Total General Revenue Bond Debt Service**	**Outstanding Junior Indebtedness Obligations Debt Service**	**Aggregate Gen. Rev. Bond and Junior Indebtedness Obligations Debt Service(2)(3)**
2024	$261,635,124	$	$	$	$	$110,463,850	$372,098,974
2025	283,567,240					112,365,850	395,933,090
2026	284,321,445					114,164,600	398,486,045
2027	285,924,695					115,865,100	401,789,795
2028	252,179,745					152,697,100	404,876,845
2029	252,188,858					155,198,850	407,387,708
2030	296,604,058					116,703,600	413,307,658
2031	298,734,939					120,474,100	419,209,039
2032	244,102,426					120,901,850	365,004,276
2033	246,065,921					120,792,600	366,858,521
2034	248,764,396					118,814,600	367,578,996
2035	200,040,531					173,333,850	373,374,381
2036	200,066,531					175,342,600	375,409,131
2037	163,851,556					177,025,400	340,876,956
2038	163,867,481					177,737,600	341,605,081
2039	163,872,781					177,437,150	341,309,931
2040	163,888,881					177,389,800	341,278,681
2041	163,890,331					178,675,600	342,565,931
2042	91,281,244					178,632,550	269,913,794
2043	91,281,694					178,668,000	269,949,694
2044	68,206,850					178,675,500	246,882,350
2045	68,213,650					178,548,350	246,762,000
2046	68,208,450					178,653,200	246,861,650
2047	68,213,250					178,356,050	246,569,300
2048	68,205,400					178,995,700	247,201,100
2049	68,212,750					178,841,100	247,053,850
2050	33,099,050					175,361,100	208,460,150
2051	-					175,149,300	175,149,300
2052	-					175,324,725	175,324,725
2053	-					62,210,263	62,210,263
2054	-					62,213,425	62,213,425
2055	-					62,210,613	62,210,613
Total	$4,798,489,277	$	$	$	$	$4,737,223,975	$9,535,713,252

(1) Includes principal and interest due January 1 of the following calendar year.
(2) Includes debt service on General Revenue Bonds expected to be refinanced by the Series P Bonds.
(3) Net of capitalized interest.

Note: Totals may not add due to rounding.

DESCRIPTION OF THE SERIES P BONDS

General

The Series P Bonds will be dated their date of delivery, will bear interest at the rates per annum and will mature, subject to optional and mandatory redemption as described below, on the dates and in the principal amounts set forth on the inside cover page of this Official Statement. Interest on the Series P Bonds will be payable semiannually on January 1 and July 1 of each year, commencing on July 1, 2024.

Book-Entry Only System

The Series P Bonds will be issued as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). The Series P Bonds will be held in book-entry only form. Principal of and premium, if any, and interest on the Series P Bonds will be payable through The Bank of New York Mellon, as paying agent (the "Paying Agent"). The Bank of New York Mellon is also serving as trustee (the "Trustee") under the Bond Resolution. Purchases from DTC of beneficial interests in the Series P Bonds will be made in book-entry only form (without certificates) in the principal amount of $5,000 or any integral multiple of $5,000 in excess thereof. For so long as Cede & Co., as nominee of DTC, is the registered owner of the Series P Bonds, payments of the principal of, premium, if any, and interest on the Series P Bonds will be made directly to DTC. Disbursement of such payment to the DTC Participants is the responsibility of DTC and disbursements of such payments to the Beneficial Owners is the responsibility of the DTC Participants and the Indirect Participants, each such term as hereinafter defined. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES P BONDS, AS NOMINEE FOR DTC, REFERENCES HEREIN TO BONDHOLDERS OR OWNERS OF THE SERIES P BONDS (OTHER THAN UNDER THE CAPTION "TAX MATTERS" HEREIN) SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES P BONDS.

See **Appendix D —** "Book-Entry Only System".

Redemption Provisions

The Series P Bonds are subject to optional redemption as described below. In addition, the State may, upon furnishing sufficient funds therefor, require the Authority to redeem the Bonds as provided in the Act. See **Appendix C —** "Summary of Certain Provisions of the Bond Resolution — Redemption of Bonds".

Optional Redemption. The Series P Bonds are subject to redemption prior to maturity at any time on or after January 1, 20__, at the option of the Authority, as a whole or in part in the principal amounts and from the maturities selected by the Authority, at a Redemption Price of par, plus accrued interest to the redemption date.

Mandatory Redemption. The Series P Bonds maturing on January 1,20__ (the "20__ Term Bond") and on January 1, 20__ (the "20__ Term Bond"), are also subject to redemption, in part, on January 1 of the years and in the respective principal amounts set forth below, at 100% of the principal amount thereof, plus accrued interest to the date of redemption, from mandatory Sinking Fund Installments which are required to be paid in amounts sufficient to redeem on January 1 of the following years the principal amount of Series P Bonds specified for each of the years shown below:

20__ Term Bonds		20__ Term Bonds	
Year	Sinking Fund Installments	Year	Sinking Fund Installments
	$		$
	†		†

† Final maturity.

In satisfaction, in whole or in part, of any Sinking Fund Installment, the Authority may deliver to the Trustee at least 45 days prior to the date of such Sinking Fund Installment, for cancellation, Bonds acquired by purchase or redemption, except Bonds acquired by purchase or redemption pursuant to certain provisions of the Bond Resolution, of the same series, maturity and interest rate entitled to such Sinking Fund Installment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Bonds. There shall be credited toward each such Sinking Fund Installment thereafter to become due (other than that next due), unless otherwise directed by the Authority, an amount bearing the same ratio to such Sinking Fund Installment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all remaining Sinking Fund Installments for the Series P Bonds of the same maturity.

Selection of Bonds to be Redeemed. In the case of redemption of less than all of the Series P Bonds, the Authority will select the maturities of the Series P Bonds to be redeemed. If less than all of the Series P Bonds of a maturity are to be redeemed, the Trustee shall select the Outstanding Bonds of such maturity to be redeemed, using such method of selection as it shall consider proper in its discretion.

Notice of Redemption. The Trustee is to give notice of the redemption of the Series P Bonds in the name of the Authority. Such notice shall be given by first-class mail, postage prepaid, not less than thirty (30) days nor more than forty-five (45) days prior to the redemption date to the registered owners of any Series P Bonds which are to be redeemed, at their last known addresses appearing on the registration books of the Authority. The failure of any owner of a Series P Bond to be redeemed to receive notice of redemption thereof will not affect the validity of the proceedings for the redemption of such Series P Bonds.

In accordance with provisions of the Bond Resolution and the Twenty-First Supplemental Resolution, any notice of optional redemption may state that it is conditioned upon (i) receipt by the Trustee on or prior to the Redemption Date selected by the Authority for the redemption of Series P Bonds of money sufficient to pay the Redemption Price thereof and accrued interest thereon to such Redemption Date, or (ii) the satisfaction of any other specified condition or the occurrence or non-occurrence of any other specified event (the condition or event described in clause (i) or (ii) being referred to herein as a "Redemption Condition or Event"). Any conditional notice so given may be rescinded by the Trustee at the direction of the Authority at any time before payment of the Redemption Price of and accrued interest on the Series P Bonds if the Redemption Condition or Event is not satisfied or occurs or does not occur, as the case may be.

If on the redemption date moneys for the redemption of the Series P Bonds to be redeemed, together with interest thereon to the redemption date, are held by the Trustee so as to be available for payment of the Redemption Price, and if notice of redemption shall have been given, then interest on the Series P Bonds to be redeemed will cease to accrue from and after the Redemption Date and such Series P Bonds will no longer be considered to be Outstanding under the Bond Resolution.

SOURCES OF PAYMENT AND SECURITY FOR THE BONDS

Authorized Projects

In order to finance the projects included within the Authority's responsibilities as broadened by 1992 legislation, the Authority adopted the Bond Resolution which established two project categories: "Facilities" and "Other Authority Projects," as defined below. Only projects which qualify in one of those two categories may be funded from proceeds of Bonds. Any Authority project may be funded from surplus Revenues released from time to time from the General Reserve Fund.

The Bond Resolution uses the two categories to determine which revenues are pledged to the Bonds, the priority of application of Revenues, and the amount of Additional Bonds that may be issued, all as discussed below.

The first category, "Facilities," includes all of the Thruway System as it existed in 1992 when the Bond Resolution was adopted (the "Original Project"), together with "Additional Projects" acquired or constructed thereafter, such as additional interchanges, extensions, toll roads, tunnels or bridges and other transportation or transportation-related projects. To qualify as an "Additional Project," a project must meet certain financial requirements and be under the Authority's jurisdiction, and the Authority must have the exclusive power to set tolls, rates, fees and charges on it. The issuance of Bonds for Facilities is limited by the Additional Bonds test. See "— Additional Bonds, Refunding Bonds and Other Indebtedness — *Additional Bonds for Facilities*".

The second category, "Other Authority Projects," includes six specifically designated projects: the Inner Harbor project and the Intermodal Transportation Center in Syracuse, the Horizons Waterfront project in Buffalo, the Thruway Exit 26 Bridge, Tappan Zee Ferry Service and Stewart International Airport Access projects. Pursuant to a Supplemental Resolution, the Authority may designate a transportation or transportation-related facility or property as an Other Authority Project, if it is within the jurisdiction and control of the Authority. The issuance of Bonds for Other Authority Projects is limited by the Additional Bonds test, and a provision which restricts total debt service in any year on all debt issued for Other Authority Projects to a level equal to no more than 20% of certain historical Net Revenues. See "— Facilities" and "— Additional Bonds, Refunding Bonds and Other Indebtedness — *Additional Bonds for Other Authority Projects*".

Revenues

Under the Bond Resolution, the Authority has pledged "Revenues" to the payment of Bonds, including the Series P Bonds. "Revenues" mean (i) all tolls, revenues, fees, charges, rent and other income and receipts derived from the operation, jurisdiction and control of the Facilities (*i.e.*, the Original Project and Additional Projects), (ii) the proceeds of any use and occupancy insurance relating to the Facilities and of any other insurance which insures against loss of Revenues and (iii) investment income received on any moneys or securities held under the Bond Resolution other than investment income on amounts held in the Rebate Fund or Junior Indebtedness Fund and certain other investment income which is not transferred to the Revenue Fund pursuant to the Bond Resolution. Revenues do not include the (i) proceeds of any gifts, grants or other income to the Authority from the government of the United States or the State, any public instrumentality of the State or any other individual or entity to the extent the Authority is precluded by law, the grant or other operative contract or instrument from applying such amounts to Operating Expenses and Debt Service, or (ii) revenues of Other Authority Projects. Provision for operating expenses or capital needs associated with Other Authority Projects or activities to be financed from amounts released from time to time from the General Reserve Fund may not be made under the Bond Resolution unless provision has first been made for, among other things, Operating Expenses of Facilities, accrual of debt service on the Bonds (including the Series P Bonds), and required Reserve Maintenance Fund deposits for Facilities. See "— General Revenue Bond Resolution Flow of Funds".

Pledge under the Bond Resolution

The Bonds are direct and general obligations of the Authority. Under the Bond Resolution, the payment of principal and redemption price of, interest on, and Sinking Fund Installments for the Bonds is secured by a pledge of the following: (i) the Revenues, (ii) the proceeds of the sale of the Bonds, and (iii) all Funds and accounts established under the Bond Resolution referred to below under "General Revenue Bond Resolution Flow of Funds" and in **Appendix C** — "Summary of Certain Provisions of the Bond Resolution — Funds and Revenues", including the investments thereof, except for the Rebate Fund and the Junior Indebtedness Fund and, with respect to certain series of Additional Bonds and Refunding Bonds, the Senior Debt Service Reserve Fund. See "Senior Debt Service Reserve Fund" below. The pledge created by the Bond Resolution is subject to the provisions of the Bond Resolution permitting the application of the Revenues, the proceeds of the sale of the Bonds and the funds and accounts established under the Bond Resolution for the purposes and upon the terms and conditions set forth in the Bond Resolution. The Bond Resolution also provides that monthly Operating Expenses of Facilities will be funded from Revenues prior to the provision for accrued Debt Service on Bonds. The Bond Resolution also provides that the pledge and lien created by the Bond Resolution shall be superior in all respects to any pledge or lien now or hereafter created for Junior Indebtedness or Subordinated Indebtedness.

The Act provides that notes and bonds of the Authority shall not be a debt of the State nor shall the State be liable thereon, nor shall such notes or bonds be payable out of any funds other than those of the Authority. The Bond Resolution specifically provides that the Bonds shall not be a debt of the State nor shall the State be liable thereon.

General Revenue Bond Resolution Flow of Funds

Pursuant to the Bond Resolution, the Authority is required to pay into the Revenue Fund all Revenues as received. On or before the last Business Day of each month, the Authority is required to pay into the Operating Fund, out of the moneys in the Revenue Fund, all amounts required for reasonable and necessary Operating Expenses and reserves for Operating Expenses and working capital with respect to Facilities. Operating Expenses for Other Authority Projects are not payable out of the Operating Fund but may be paid out of the Other Authority Projects Operating Fund. On or before the last Business Day of each month, the Authority is required to deposit amounts remaining in the Revenue Fund after such deposits to the Operating Fund as of the last day of the preceding month as follows:

(1) To the Trustee for deposit in the Senior Debt Service Fund, the amount required so that the balance in the Senior Debt Service Fund shall be at least equal to the Accrued Debt Service for all Bonds Outstanding as of the last day of the then current calendar month, after taking into account any other amounts available for payment of Debt Service, including any amounts representing investment earnings retained in the Senior Debt Service Fund or transferred from the Senior Debt Service Reserve Fund;

(2) To the Trustee for deposit in the Senior Debt Service Reserve Fund, if and to the extent required so that the balance in said Fund shall equal the Senior Debt Service Reserve Requirement for all Bonds secured by such Fund and Outstanding on said date;

(3) To the Reserve Maintenance Fund, an amount such that (a) on or before the first day of the seventh month of the Authority's fiscal year there shall have been deposited an amount equal to or greater than one-half of the amount, and (b) on or before the last day of the Authority's fiscal year there shall have been deposited an amount equal to or greater than the full amount, provided in the Authority Budget for the applicable fiscal year for Reserve Maintenance Payments, plus accrued deficits, if any, with respect to the prior required allocations to such Fund;

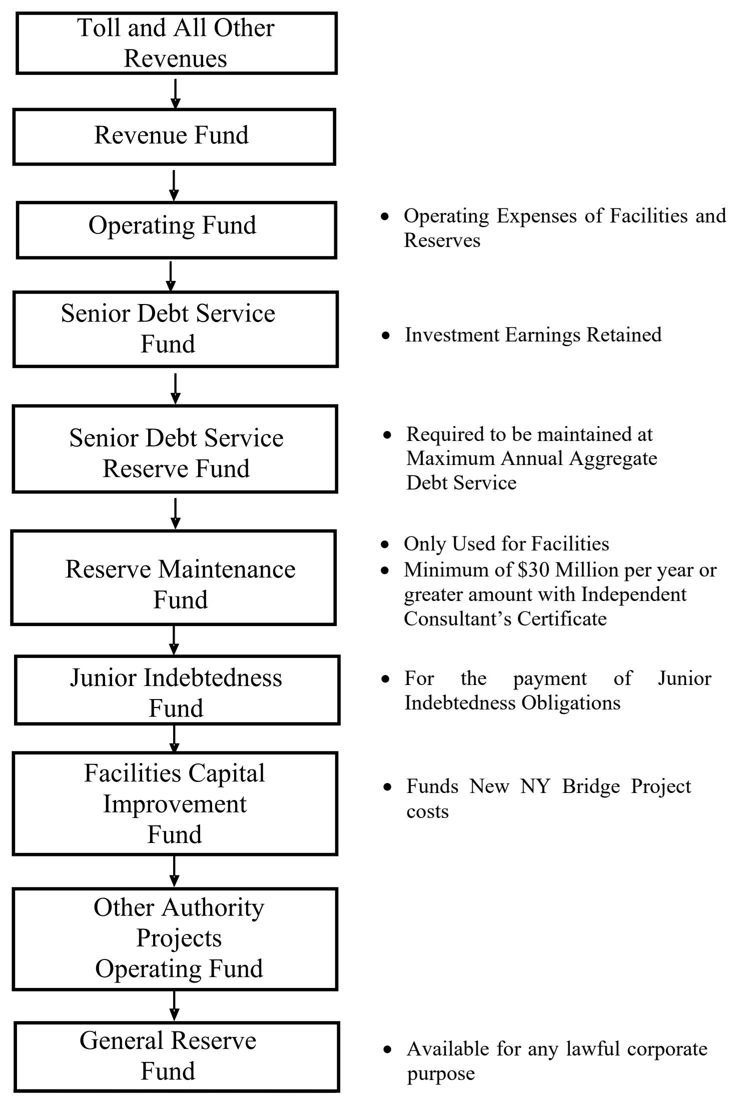
(4) To the Junior Indebtedness Fund, the amount required so that the balance in said Fund shall equal the amounts required to be deposited therein by any instrument authorizing the issuance of Junior Indebtedness outstanding on said date;

(5) To the Facilities Capital Improvement Fund, the amount determined to be necessary or appropriate by the Authority Board to fund Project Costs of Facilities or to set up reserves to fund such costs;

(6) To the Other Authority Projects Operating Fund, the amount determined to be necessary or appropriate by the Authority Board to fund operating expenses relating to Other Authority Projects or to set up reserves to fund such expenses; and

(7) To the General Reserve Fund, any remaining balance of such moneys.

General Revenue Bond Resolution Flow of Funds



Senior Debt Service Reserve Fund

The Senior Debt Service Reserve Fund Requirement is equal to the maximum amount of Aggregate Debt Service for any 12-month period on all Outstanding Bonds secured by the Senior Debt Service Reserve Fund (calculated with respect to Variable Interest Rate Bonds at the Estimated Average Interest Rate until conversion to a fixed rate of interest and subject to certain limitations). On the date of issuance of the Series P Bonds, the amount in the Senior Debt Service Reserve Fund shall be equal to the Senior Debt Service Reserve Fund Requirement. To the extent that amounts in the Senior Debt Service Fund and unencumbered moneys in the General Reserve Fund, the Other Authority Projects Operating Fund, the Facilities Capital Improvement Fund and the Reserve Maintenance Fund are insufficient to pay debt service, when due, on the Bonds, deficiencies will be made up from amounts in the Senior Debt Service Reserve Fund; provided that no payments will be made from moneys in the Senior Debt Service Reserve Fund with respect to Bonds not secured by the Senior Debt Service Reserve Fund. The Bond Resolution provides that the Authority may determine pursuant to any Supplemental Resolution authorizing a series of Bonds that such series of Bonds will not be secured by the Senior Debt Service Reserve Fund. The Series P Bonds are secured by the Senior Debt Service Reserve Fund. The Bond Resolution also provides that a Reserve Credit Facility may be deposited or substituted for deposit in the Senior Debt Service Reserve Fund to satisfy all or any portion of the Senior Debt Service Reserve Fund Requirement. See **Appendix C** — "Summary of Certain Provisions of the Bond Resolution — Senior Debt Service Reserve Fund".

As permitted by the Bond Resolution, the Authority currently has on deposit in the Senior Debt Service Reserve Fund, together with cash and investments to meet the Senior Debt Service Reserve Fund Requirement, a Reserve Credit Facility in the form of a Debt Service Reserve Surety Bond originally issued by MBIA Insurance Corporation ("MBIA") in the maximum amount of $69,895,025 (the "MBIA Reserve Fund Surety")*. The MBIA Reserve Fund Surety expires on January 1, 2027, subject to early termination. The MBIA Reserve Fund Surety permits the Trustee, in the event that scheduled debt service is due on Bonds, including the Series P Bonds, and moneys to the credit of the Senior Debt Service Fund are insufficient, to draw pro rata amounts up to the maximum amounts of the MBIA Reserve Fund Surety after all the cash (such as will be deposited in connection with the issuance of the Series P Bonds) and investments of that cash to the credit of the Senior Debt Service Reserve Fund have first been withdrawn. The Bond Resolution and the MBIA Reserve Fund Surety permit the substitution at any time and from time to time of other Reserve Credit Facilities meeting certain requirements for cash to the credit of the Senior Debt Service Reserve Fund. The Authority understands that MBIA ceded the MBIA Reserve Fund Surety to its subsidiary, MBIA Insurance Corp. of Illinois ("MBIA Illinois"), and that MBIA Illinois has been renamed National Public Finance Guarantee Corporation ("National"). As of the date hereof, National is rated "Baa2" by Moody's Investors Service. S&P Global Ratings has withdrawn its rating of National. See "SOURCES AND USES OF FUNDS" and **Appendix C** – "Summary of Certain Provisions of the Bond Resolution – Senior Debt Service Reserve Fund".

Additional Bonds, Refunding Bonds and Other Indebtedness

The Bond Resolution permits the issuance of Bonds, Junior Indebtedness and Subordinated Indebtedness. The Bond Resolution defines the "Bonds" to be bonds or other indebtedness of the Authority payable from amounts in the Senior Debt Service Fund, including but not limited to, any Parity Reimbursement Obligation or a capital lease undertaken in connection with the issuance of certificates of participation. "Junior Indebtedness" is any evidence of indebtedness of the Authority payable out of the Junior Indebtedness Fund. "Subordinated Indebtedness" is any evidence of

* Until it expired on January 1, 2024, the Authority also benefitted from a Municipal Bond Debt Service Reserve Fund Policy originally issued by Financial Guaranty Insurance Company ("FGIC") in the maximum amount of $13,118,281. The Authority replaced the expiring FGIC Municipal Bond Debt Service Reserve Fund Policy by depositing $13,118,281 into the Senior Debt Service Reserve Fund from available moneys.

indebtedness of the Authority payable out of amounts available in the General Reserve Fund. The Authority has issued Junior Indebtedness Obligations under the Junior Indebtedness Resolution. See "*– Junior Indebtedness Obligations*". See "THE AUTHORITY – Outstanding Indebtedness" above. In addition, the Authority has not and has no current plans to enter into any payment obligations in connection with a Qualified Swap, a Qualified Reverse Swap, a Parity Reimbursement Obligation or a capital lease undertaken in connection with the issuance of certificates of participation under the Bond Resolution.

Bonds consist of the currently Outstanding Bonds and any Additional Bonds and Refunding Bonds that may be issued hereafter. Subject to the limitations described below (i) Additional Bonds may be issued to pay for Project Costs of the Original Project, any Additional Projects and any Other Authority Projects and (ii) Refunding Bonds may be issued to refund any Outstanding Bonds, any Junior Indebtedness or any Subordinated Indebtedness. For a more complete description of the provisions of the Bond Resolution governing the issuance of Additional Bonds and Refunding Bonds than the discussion that follows, see **Appendix C** — "Summary of Certain Provisions of the Bond Resolution — Additional Bonds" and "— Refunding Bonds".

Additional Bonds for Facilities. In the case of Additional Bonds issued to provide for the Project Cost of one or more Facilities, other than as described under "Additional Bonds to Prevent a Loss of Revenues from Facilities" below, the following requirements, among others, must be met:

(1) The Net Revenues (subject to certain adjustments including toll increases, as provided by the Bond Resolution) for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the date of issuance of the proposed Additional Bonds are at least equal to the Net Revenue Requirement. "Net Revenue Requirement" means, with respect to any period of time, an amount equal to the greater of (i) the sum of the amounts required to make payments with respect to Aggregate Debt Service, deposits to the Senior Debt Service Reserve Fund, Reserve Maintenance Payments, and the amounts required to be deposited in the Junior Indebtedness Fund pursuant to the instrument authorizing the issuance of such Junior Indebtedness and (ii) 1.2 times the sum of the Aggregate Debt Service (which under certain circumstances may be reduced by an amount equal to anticipated investment income on the Senior Debt Service Fund and on the Senior Debt Service Reserve Fund) for such period;

(2) For the then current fiscal year and each fiscal year in the Test Period (being the next five Authority fiscal years or the period extending from the next Authority fiscal year through the second Authority fiscal year following the estimated date of completion of any Facility not then completed, whichever period is greater), the Net Revenues (subject to certain adjustments including toll increases, as provided by the Bond Resolution) must, based on estimates by an Independent Consultant, be at least equal to the estimated Net Revenue Requirement (assuming the Maximum Interest Rate on any Variable Interest Rate Bonds); and

(3) The Net Revenues in the last fiscal year of the Test Period must be estimated by an Independent Consultant to be at least equal to Maximum Annual Debt Service on all Bonds Outstanding immediately after the issuance of the proposed Additional Bonds.

Additional Bonds to Prevent a Loss of Revenues from Facilities. The Authority may issue Additional Bonds without satisfying any earnings or coverage test for the purpose of providing for Project Costs of improvement, reconstruction or rehabilitation of one or more Facilities for the purpose of preventing a loss of Net Revenues derived from such Facilities where such loss would otherwise result from an emergency or some unusual or extraordinary occurrence.

Additional Bonds for Other Authority Projects. Additional Bonds may be issued to finance Other Authority Project Costs only if, in addition to satisfying the conditions described under the subheading "Additional Bonds for Facilities" above, the Maximum Annual Debt Service on all

Outstanding Bonds (including the proposed Additional Bonds) the proceeds of which are used to finance or refinance Project Costs for Other Authority Projects (excluding Other Authority Projects that have since been designated as Additional Projects in accordance with the Bond Resolution) is less than 20% of the amount of Net Revenues for 12 consecutive months out of the most recent 18 months. Following the transfer of the State Canal System to the Power Authority on January 1, 2017, the Authority was no longer authorized to incur debt for costs related to the State Canal System.

Refunding Bonds to Refund Bonds. Bonds may be issued for the purpose of refunding Bonds if, in addition to meeting certain other requirements, (i) Aggregate Debt Service (assuming with respect to any Variable Interest Rate Bonds a Maximum Interest Rate), including the Refunding Bonds then proposed to be issued but not including the Bonds to be refunded, for the then current and any future fiscal year is no greater than the Aggregate Debt Service on the Bonds as calculated immediately prior to the refunding (including the refunded Bonds but not including the Refunding Bonds) or (ii) the requirements set forth above under the subheading "Additional Bonds for Facilities" are met.

Refunding Bonds to Refund Junior Indebtedness or Subordinated Indebtedness. Refunding Bonds may be issued for the purpose of refunding Junior Indebtedness or Subordinated Indebtedness that was issued to finance or refinance Project Costs of Facilities or Other Authority Projects if the requirements set forth above under the subheading "Additional Bonds for Facilities" are met and, in addition, if the Junior Indebtedness or Subordinated Indebtedness to be refunded was issued to finance Project Costs for any Other Authority Project that has not been designated as an Additional Project, Refunding Bonds may be issued only if the requirements set forth under the subheading "Additional Bonds for Other Authority Projects" above are met.

Junior Indebtedness Obligations. Under the Junior Indebtedness Resolution, the Authority may issue Additional Junior Indebtedness Obligations and Junior Indebtedness Refunding Obligations payable from Revenues. Subject to the limitations set forth in the Junior Indebtedness Resolution, Additional Junior Indebtedness Obligations may be issued to (i) pay for Project Costs of the Original Project, any Additional Projects (including Additional Junior Indebtedness Projects) and any Other Authority Projects, (ii) refund or refinance any General Revenue Bonds (including any bond anticipation notes related thereto), Junior Indebtedness Obligations or Subordinated Indebtedness of the Authority, (iii) make a deposit to a subaccount of the Junior Indebtedness Debt Service Reserve Account, if required, (iv) pay Costs of Issuance relating to the issuance or incurrence of Junior Indebtedness Obligations and (v) pay or provide for the payment of Project Costs of improvement, reconstruction or rehabilitation of the New NY Bridge Project for the purpose of preventing a loss of Net Revenues derived from the New NY Bridge Project, provided that such loss of Net Revenues would be the result of an emergency declared by the State, the federal government or a federal authority or agency and that proceeds of Additional Junior Indebtedness Obligations would not be used for such purpose to the extent that insurance proceeds relating to such occurrence were then available.

Other Indebtedness. The Bond Resolution permits the issuance of Junior Indebtedness and Subordinated Indebtedness under another resolution. **See Appendix C** – "Summary of Certain Provisions of the Bond Resolution – Junior Indebtedness Fund" and "– General Reserve Fund". The Authority may covenant with the holders of Junior Indebtedness Obligations or Subordinated Indebtedness to add to the conditions and restrictions under which Additional Bonds may be issued. *The holders of Junior Indebtedness Obligations or Subordinated Indebtedness may not accelerate the principal owed upon a default unless all Outstanding Bonds shall have been declared immediately due and payable in accordance with the Bond Resolution*. The proceeds of Junior Indebtedness Obligations may be used to provide for Facilities or Other Authority Projects.

Subordinated Indebtedness may be used to finance any lawful corporate purpose of the Authority.

Facilities

The Facilities consist of the Original Project and any Additional Projects. Additional Projects consist of New Interchanges, New Extensions and Other Authority Projects that have been designated as Additional Projects by the Authority in accordance with the requirements set forth in the Bond Resolution.

Original Project. The Original Project consists of all Thruway sections and connections constituting roads or bridges, authorized by the Act as in effect on, and open to traffic on, the date of adoption of the Bond Resolution on August 3, 1992, together with any Facility Capital Improvements related thereto which include other related structures and facilities.

Additional Projects. Any project may become an Additional Project if so designated by the Authority and if (i) such project has been operated (whether or not by the Authority) so as to produce revenues in excess of operating expenses for a twelve-month period prior to the date such project is designated as an Additional Project by the Authority, (ii) the Authority certifies that the Net Revenues (including the revenues and operating expenses of the proposed Additional Project) at least equaled the Net Revenue Requirement for such twelve-month period, (iii) an Independent Consultant estimates that Net Revenues for all Facilities (including the proposed Additional Project) less the estimated Reserve Maintenance Payments for each of the fiscal years in the Test Period equal or exceed the estimated Net Revenues for all Facilities (excluding the proposed Additional Project) less the estimated Reserve Maintenance Payments for each of the fiscal years in the Test Period, and (iv) counsel opines that the Authority has the legal right and authority to undertake such project and to establish charges in connection therewith which do not require certain additional governmental approvals. See **Appendix C** – "Summary of Certain Provisions of the Bond Resolution – Additional Projects". Operating Expenses with respect to Facilities, including Additional Projects, are payable from the Operating Fund prior to Debt Service on the Bonds, including the Series P Bonds. The Authority has not designated any project as an Additional Project under the Bond Resolution.

Other Authority Projects. Other Authority Projects include facilities and other property which the Authority is now or hereafter authorized to acquire, construct, maintain, operate, finance, improve, reconstruct, rehabilitate or otherwise undertake for transportation or transportation-related purposes. In order for a facility or any other property to qualify as an Other Authority Project, it must be within the jurisdiction and control of the Authority and be designated as an Other Authority Project by the Authority. Other than projects for which the Authority has already reached its maximum funding obligation, the Authority has not designated any other project as an Other Authority Project under the Bond Resolution.

Reserve Maintenance Fund

Pursuant to the Bond Resolution, the Authority is required to deposit in each fiscal year into the Reserve Maintenance Fund an amount which shall be no less than the greater of $30,000,000 or the amount specified in an Independent Consultant's Certificate for such fiscal year (the "Minimum Amount"). The amount deposited into the Reserve Maintenance Fund may not exceed any amount from time to time established by the Authority pursuant to a Supplemental Resolution (the "Maximum Amount") provided that the Maximum Amount may not be less than the Minimum Amount.

Subject to the provisions of the Bond Resolution, money held in the Reserve Maintenance Fund can be disbursed for the purpose of paying (i) costs relating to the Facilities of (a) maintenance or repairs not recurring annually, and renewals and replacements; (b) repairs or replacements resulting from an emergency or caused by some unusual or extraordinary occurrence, to the extent that the moneys in other available Funds, together with insurance proceeds, if any, available therefor are insufficient to meet such emergency; (c) items of equipment; and (d) engineering expenses incurred in connection with the above permitted uses; and (ii) similar costs relating to certain highway and railroad grade crossings. The Authority may from time to time transfer any money from the Reserve Maintenance Fund to the Revenue Fund when such amount is no longer needed for the purposes of the Reserve Maintenance Fund. In addition, to the extent that amounts in the Senior Debt Service Fund and unencumbered moneys in the General Reserve Fund, the Other Authority Projects Operating Fund and the Facilities Capital Improvement Fund are insufficient to pay debt service, when due, on the Bonds, deficiencies will be made up from amounts in the Reserve Maintenance Fund.

Tolls, Fees and Charges

Toll Covenant. Pursuant to the Bond Resolution, the Authority has covenanted at all times to fix, charge and collect such tolls, fees and charges for the use of the Facilities as are required in order that, in each fiscal year, Net Revenues shall at least equal the Net Revenue Requirement for such year. "Net Revenue Requirement" means, with respect to any period of time, an amount equal to the greater of (i) the sum of amounts required to make payments with respect to Aggregate Debt Service, deposits to the Senior Debt Service Reserve Fund, Reserve Maintenance Fund Payments (minimum, $30 million a year), and the amounts required to be deposited in the Junior Indebtedness Fund pursuant to the Supplemental Resolution or other resolution or agreement authorizing outstanding Junior Indebtedness or (ii) 1.20 times the sum of the Aggregate Debt Service for such period.*

If the Authority determines that Net Revenues may be inadequate, it is required to cause a study to be made by an Independent Consultant that will recommend a schedule of tolls, fees and charges which will provide sufficient Net Revenues in the following year to comply with the revenue covenant described above and which will provide additional Net Revenues to eliminate any deficiency in funds and accounts held under the Bond Resolution at the earliest practicable time, and the Authority will place in effect as soon as practicable either (i) the recommended schedule of tolls, fees and charges, or (ii) a different schedule of tolls, fees and charges developed by the Authority which will provide sufficient Net Revenues in the following fiscal year to comply with the revenue covenant described above and which will provide additional Net Revenues in such following fiscal year to eliminate any deficiency at the earliest practicable time, which conclusion is concurred in by an Independent Consultant. See **Appendix C** – "Summary of Certain Provisions of the Bond Resolution – Tolls, Fees and Charges".

Ability To Set Tolls. The Authority's power under the Act to fix, collect and alter toll rates is not subject to the approval of any governmental entity. Tolls on The Governor Mario M. Cuomo Bridge and the Grand Island Bridges, each constructed pursuant to the General Bridge Act of 1946, as amended, may be subject to the standard imposed by Section 135 of the Surface Transportation and Uniform Relocation Assistance Act of 1987, Pub. L. 100-17 to the effect that such tolls be "just and reasonable". The Authority believes that the tolls on all of its vehicular toll facilities are just and reasonable.

Agreement of the State

Under the Act, the State has agreed with the holders of the bonds and notes of the Authority, including the Bonds, that it will not limit or alter the rights vested by the Act in the Authority to establish and collect such fees, rentals and charges as may be convenient or necessary to produce sufficient revenue to meet the expense of maintenance and operation and to fulfill the terms of any agreements made with such holders of bonds, or in any way impair the rights and remedies of such bondholders and noteholders. In addition, the State has agreed with the holders of bonds and notes of the Authority secured by a pledge of tolls from any bridge constructed by the Authority across the Hudson River south of Bear Mountain bridge or from any part of the Original Project which includes

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* During any period during which the Junior Indebtedness Obligations are outstanding, the Authority has covenanted pursuant to the Junior Indebtedness Resolution, to maintain tolls in such amounts in order that Net Revenues will at least equal both the Net Revenue Requirement under the Bond Resolution and the Junior Indebtedness Net Revenue Requirement under the Junior Indebtedness Resolution, namely that Net Revenues at any time required shall equal or exceed 1.20x the sum of Aggregate Debt Service and the amount required to be deposited in the Junior Indebtedness Debt Service Payment Account.

such bridge, that no bridge or tunnel constituting a connection for vehicular traffic over, under or across the Hudson River between the present location of the Bear Mountain bridge and the boundary line between New York and New Jersey at the west side of the Hudson River will be constructed or maintained so long as the obligations of such bonds and notes for principal and interest shall not have been paid or otherwise discharged.

AUTHORITY GOVERNANCE, FACILITIES AND OPERATIONS

Thruway Facilities and Operations

The Thruway System is one of the largest tolled highway systems in the United States and is a critical component in the national interstate network. The original Thruway roadway system was constructed between 1949 and 1960 and is one of the oldest components of the national Interstate Highway System. In 1991, State legislation made the Authority additionally responsible for the operation and maintenance of 11 miles of I-287 Cross-Westchester Expressway while the New York State Department of Transportation ("NYSDOT") remains responsible for capital improvements to this roadway. The Thruway System is now over 570 miles in total length and includes 134 interchanges.

The Thruway System serves travelers with a variety of needs and purposes, including commuters, business travelers, recreational travelers, and commercial vehicle traffic and provides the major route of access for visitors to the State's tourist destinations including Niagara Falls, the Finger Lakes, the Adirondacks, the Catskills and New York City. The Thruway System 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. Underscoring its importance to the State, region and nation, in 2022 Thruway customers traveled approximately 7.7 billion vehicle-miles on the highway, averaging over 21.2 million vehicle-miles per day. Due to the extent of its maintenance activities, good infrastructure conditions and the dedication of a specialized troop of the New York State Police to patrol the Thruway System, it has remained one of the safest roadway networks in the nation.

The Thruway System is comprised of 2,840 lane miles of roadway. In addition, the Authority has maintenance responsibility for 817 bridges and also owns 27 travel plazas located at intervals along the Thruway System, as well as three welcome centers. The travel plazas, operated through concessionaire agreements, provide food, fuel, and other amenities to Thruway customers.

In July 2021, the Thruway commenced a $450 million service area project under a private investment plan by Empire State Thruway Partners to redevelop the 27 service areas. The service areas were originally built in the 1950s, with the last significant redevelopment taking place in the 1990s. As of October 2023, eleven of the service areas had been modernized and reopened, and thirteen were closed for construction.

Routine maintenance activities are performed by Authority staff from 21 maintenance locations grouped into four divisions. Also, the Authority's tolling system is extensive, and it manages sophisticated incident response, ITS and traveler information systems to enhance mobility, safety and service.

The Thruway System connects the principal cities of the State from New York City to Albany, and on to Utica, Syracuse and Rochester through to Buffalo and the Pennsylvania State Line. Because the Thruway System corridor serves 37 of the State's 62 counties and the majority of the State's population, it is the principal artery of travel and commerce within the State. It also is an important interstate connector, joining with the Massachusetts Turnpike (I-90), Connecticut Turnpike (I-95), New Jersey's Garden State Parkway, as well as several other Interstate routes such as I-287 from New Jersey; I-90 in Pennsylvania; I-290 around the north side of Buffalo; I-390 and I-490 serving Rochester; I-81, I-481 and I-690 at Syracuse; I-790 in Utica; I-87 (the Northway), I-88, I-90, I-787, and I-890 at Albany; and I-84 at Newburgh. As a result, the Thruway System is a vital link to long distance interstate travel and a high proportion of its patrons are from out-of-state.

The Thruway System is comprised of two types of toll systems – a controlled system and a barrier system. The controlled system (approximately 481 miles) makes up the largest portion of the Thruway System, running from Woodbury (in the southeast corner of the State) north along I-87 to Albany, then west on I-90 to Buffalo and south of Lake Erie to the Pennsylvania border. In addition to this main stretch of the controlled system, there is a small tolled branch south and east of Albany, known as the Berkshire Spur. On the controlled system, tolls are charged based on the distance traveled by the customer and vary by payment type (in-State E-ZPass, out-of-State E-ZPass, and Tolls by Mail).

Meanwhile, barrier toll plazas have a fixed toll rate for each vehicle class and payment type (e.g., Tolls by Mail, E-ZPass, as well as Commuter and other E-ZPass Discounts). The barrier system is comprised of The Governor Mario M. Cuomo Bridge (formerly Tappan Zee Bridge Barrier), Yonkers Barrier, New Rochelle Barrier, Spring Valley Barrier, Harriman Barrier and the Grand Island Bridges.

Under the existing policy, toll rates across the system are based on vehicle classifications, related to the number of axles per vehicle and the height of the vehicle over the first two axles. Approximately 382 million toll transactions occurred on the Thruway System in 2022, generating over $820 million in toll revenues.

For a further description of the Thruway System's facilities, traffic patterns on the Thruway System, and an analysis of the Thruway System's financial history and projections for the future, see **Appendix A —** "2023 Traffic Engineer's Report".

Board Members

The Act grants to the Authority Board the broad powers of the Authority, as summarized herein under the caption "THE AUTHORITY". The Authority Board continues in existence so long as the Authority has any indebtedness or other obligations outstanding. Pursuant to the New York State Public Officers Law, members of the Authority whose terms have expired continue to serve until a successor is appointed and qualified.

Joanne M. (Joanie) Mahoney was confirmed as a member of the Authority Board on March 30, 2015. Ms. Mahoney serves a term that expired on January 1, 2020. Ms. Mahoney was named as President of SUNY College of Environmental Science and Forestry on November 4, 2020 after previously serving as its Chief Operating Officer. Previously, Ms. Mahoney served as the Onondaga County Executive, a position to which she was elected in November 2007, and is the first woman to serve in that role. She was re-elected in November, 2011. In 2010, then Governor-elect Andrew Cuomo asked Ms. Mahoney to serve as co-chair of his transition team and in 2012, he appointed Ms. Mahoney to serve as a trustee for the New York Power Authority. A Syracuse native, Ms. Mahoney graduated from Corcoran High School, and then from Syracuse University's School of Management and Syracuse University's College of Law. After spending time in private practice, Ms. Mahoney worked for five years as a criminal prosecutor in the District Attorney's office before being elected Councilor-at-Large in the City of Syracuse, where she served a four year term.

José Holguín-Veras, Ph.D., P.E., was confirmed as a member of the Authority Board in May 2010. Mr. Holguín-Veras serves in a term that expired on December 12, 2018. Dr. Holguín-Veras is a Professor and Director of the Center for Infrastructure, Transportation, and the Environment at the Rensselaer Polytechnic Institute. Dr. Holguín-Veras received a Bachelor of Science degree in Civil Engineering from Universidad Autónoma de Santo Domingo; Master of Science degree in Transportation from Universidad Central de Venezuela; and a doctoral degree in transportation from the University of Texas at Austin.

Robert L. Megna was confirmed as a member of the Authority Board in June 2016. Mr. Megna serves in a term that expired on January 1, 2017. Mr. Megna currently serves as the President of the Rockefeller Institute of Government and Senior Advisor to the Chancellor of the State University of New York (SUNY). Previously, he served as Senior Vice Chancellor and Chief Operating Officer for the State University of New York (SUNY) System Administration and as Senior Vice President for Finance and Administration at Stony Brook University. Prior to his time with SUNY, Mr. Megna served as Executive Director of the Authority from 2015 to 2016. Prior to joining the Authority, Mr. Megna served for six years as director at the New York State Division of the Budget and previously served as commissioner of the New York State Department of Taxation and Finance. Mr. Megna holds master's degrees in public policy from Fordham University and economics from the London School of Economics.

Norman H. Jones, Sr. was nominated by the Governor and confirmed by the New York State Senate as a member of the Thruway Authority Board in June 2023. Mr. Jones, Sr. retired in 2021 after more than three decades of distinguished service with the City of Rochester. During his career in public service, he served as the Commissioner of the Department of Environmental Services (2014 to 2021), Director of Operations (2012 – 2014), Manager of Building Services (1995 – 2012) and Recycling Coordinator (1988 – 1995). In his most recent position as Commissioner of the Department of Environmental Service, Mr. Jones completed or initiated some of Rochester's most transformative physical changes, including nearly $50 million in improvements to the Inner Loop East and the Port of Rochester Marina. He is also credited with assisting with the design and implementation of the City of Rochester community recycling program. Mr. Jones currently serves on the Board of Directors of the County of Monroe Industrial Development Agency and continues to be active within his community serving on various volunteer boards including most recently as the Chair of the Rochester Schools Modernization Program which just completed the $460 million phase for the Rochester City School District and exceeded all of the program's goals. Mr. Jones attended the University at Buffalo.

Heather C. Briccetti Mulligan was nominated by the Governor and confirmed by the New York State Senate as a member of the Thruway Authority Board in June 2019. Ms. Mulligan is the President and Chief Executive Officer of The Business Council of New York State, Inc. Ms. Mulligan joined The Business Council in 2007 and has also served as Vice President of Government Affairs. Ms. Mulligan's career spans decades in the public and private sectors. Prior to The Business Council, Ms. Mulligan was a consultant and lobbyist for Powers and Company. She has also served as assistant counsel to the New York State Senate majority, as a legislative aide and counsel to the New York State Assembly majority committee on Racing and Wagering, and special counsel in the New York State Attorney General's office. She also founded a private law practice, Sweeney & Wollowitz, and served as the chief public defender for Rensselaer County earlier in her career. In addition to serving on the Thruway Authority Board of Directors, Ms. Mulligan has also served on numerous boards and committees including the New York State Council for Women and Girls; Berkeley College Board of Trustees; Council of State Chambers (COSC) Board of Directors; New York State Wage Board; American Chamber of Commerce Executives (ACCE), among others. Ms. Mulligan received a bachelor's degree in political science from the State University of New York at Binghamton and graduated from Albany Law School.

Senior Staff

The day-to-day management of the Authority is primarily the responsibility of the following senior staff members:

Acting Executive Director. Frank G. Hoare is the Acting Executive Director of the Authority. Mr. Hoare was recommended by the Governor to serve as Acting Executive Director of the New York State Thruway Authority and approved as Acting Executive Director by the Thruway Board of Directors in September 2023. Upon Mr. Hoare's confirmation by the State Senate, he would become Executive Director of the Authority. Mr. Hoare served as Interim Executive Director from December 2022 through September 2023 and as General Counsel of Authority since December 2020. Mr.

Hoare's legal career has included both state government service and private practice. Previous assignments include Associate Counsel at the N.Y.S. Division of Military & Naval Affairs, Deputy Secretary to the Governor for Legislative Affairs, General Counsel at the N.Y.S. Division of Homeland Security & Emergency Services, Deputy Attorney General for Regional Affairs and Deputy Counsel to the Attorney General, and Counsel to Assemblyman Herman D. Farrell, Jr., Chair of the Assembly Ways & Means Committee. Mr. Hoare was a partner at a litigation/lobbying firm for six years and early in his career was an Associate at several firms engaged in civil litigation in Federal and State Courts. Mr. Hoare served as a Judge Advocate in the U.S. Army Reserve for 28 years. Mr. Hoare earned a Bachelor of Arts from the University at Albany and his Juris Doctor from Albany Law School.

Chief of Staff. Matthew Trapasso was appointed to serve as Chief of Staff of the Authority on April 4, 2019. Mr. Trapasso previously served as Senior Policy Advisor for Transportation for Governor Andrew M. Cuomo. Mr. Trapasso has also held positions within the State at the New York State Department of Taxation and Finance and New York State Senate. He has a Bachelor's Degree from Siena College and a Master's Degree from New England College.

Chief Financial Officer and Treasurer. David Malone was appointed as Chief Financial Officer for the New York State Thruway Authority in September 2023. Mr. Malone oversees the Department of Finance and Accounts with responsibility for the Authority's budget and long-range financial plan, financial administration, debt management and investments. Mr. Malone has been with the Authority since 1993 and served as the Director of Accounting and Disbursements prior to his appointment to the Chief Financial Officer position. Mr. Malone earned an undergraduate degree from Siena College and a Master of Business Administration degree from Rensselaer Polytechnic Institute.

Chief Engineer. Brent Howard, P.E. serves as the Acting Chief Engineer of the Authority. Mr. Brent has worked at the Authority since 2006 beginning in Highway Design and advancing his career in Traffic Systems and then progressively as Assistant Division Director, Division Maintenance Engineer, Director of Construction Management (Canal Corporation) and most recently as the New York Division Director since August 2020.

New NY Bridge Project Director. Jamey Barbas, P.E. was appointed to serve as New NY Bridge Project Director in November, 2015. Prior to assuming such role for the Authority, Ms. Barbas served as Senior Vice President and Global Practice Leader for Major Structures at Louis Berger. Prior to joining Louis Berger, she held leadership positions in several international consulting firms. Ms. Barbas has extensive management and design experience including several award winning, domestic and international projects. A registered professional engineer in the State of New York, Ms. Barbas has over 30 years of experience in bridge management, design, construction, and inspection, with a special emphasis on complex and long span bridges. She led the inspection, design and construction support services for the reconstruction of the Williamsburg Bridge in New York City – one of the largest bridge reconstruction projects ever undertaken in the United States, and was the Bridge Design Manager for the major bridges of the AutoRoute 30 project in Montreal, Canada. Ms. Barbas was Principal, Design Manager, and/or Lead Technical Advisor on various mega Design-Build, Construction Manager/General Contract and P3 projects worldwide, including the Indiana Toll Road ($3.8 billion), Pocahontas Parkway ($350M), AutoRoute A25 Cable-stayed bridge ($450 million), AutoRoute 30 ($1.7 billion), Port Mann cable-stayed bridge ($2 billion), PR5/PR22 toll road ($1.1billion), Forth Road Bridge in Scotland ($800 million), Sarah Mildred Long Bridge ($180 million) and the I-77 North Carolina ($700 million). Ms. Barbas was also a peer advisor to the State of New York and the Authority and a member of the Review Team which assisted in the evaluation of the proposals for the New NY Bridge Project.

General Counsel. Sandra Rivera serves as Acting General Counsel of the Authority. Ms. Rivera has over 25 years of experience working with New York State Government on client legal issues and policy initiatives. She has spent the last two years serving in various roles in the Executive

Chamber including as a Senior Advisor for Legislative Affairs, and most recently as Senior Counsel in the Office of Counsel to the Governor. As Senior Counsel, Sandra reviewed Gubernatorial Judicial appointments and focused on Judiciary legislation. She also handled the Transportation and Infrastructure portfolio for a time while in this role. Prior to joining the Executive Chamber, Sandra was in private practice advising clients on a variety of matters relating to technology and economic development, health and human services, and criminal and social justice. Sandra also was Principal of her own firm, Rivera Law, PLLC. Additionally, she was appointed as a Commissioner of the Office of Court Administration's Franklin H. Williams Judicial Commission. She has also served in a variety of leadership roles at the New York State Bar Association and was Chair of the Board of Family Planning Advocates of New York State. Before attending law school, Ms. Rivera began her career as a legislative associate in the New York State Assembly Majority Leader's Office. Ms. Rivera is a graduate of the University at Albany, where she received a B.A. in Anthropology and MA in Political Communication. She received a J.D. from Albany Law School and is admitted to practice in New York

Director of Administrative Services. Selica Y. Grant, Esq., CDE was appointed as the New York State Thruway Authority's Acting Director of Administrative Services in April 2023. Prior to joining the Thruway Authority, Mrs. Grant served in a variety of positions at the New York State Department of Labor (DOL), most recently as the Chief Diversity Officer and the New York State Workforce Innovation Opportunities Act (WIOA) Equal Opportunity Officer. Her previous roles at the DOL include the Agency's Chief Risk Officer and Special Counsel, the Director for the Division of Equal Opportunity Development, and the American with Disabilities Act Coordinator. Prior to her tenure at the DOL, she held various roles at New York State Homes and Community Renewal including, Counsel of the Fair and Equitable Housing office, Deputy Director and Counsel for the Office of Fair Housing and Equal Opportunity and a Senior Attorney. Additionally, Mrs. Grant is an adjunct faculty member at The Sage Colleges and the State University at Albany where she teaches classes on racial justice, diversity and equity in the law, women and the law, and administrative leadership. Mrs. Grant is admitted to practice law in New York State and is a Certified Diversity Executive. She earned her Juris Doctorate from Albany Law School with a concentration in Intellectual Property and a Bachelor of Arts degree from the State University at Albany.

Director of Maintenance and Operations. James K. Konstalid has served as the New York State Thruway Authority's Acting Director of Maintenance and Operations since June of 2020. He oversees all aspects of the Authority's Highway (including snow and ice operations), Bridge, Facility, Equipment and Intelligent Transportation Systems program areas. Mr. Konstalid directly oversees Toll collection, Traffic safety/operations, Emergency Management and concessions at the Authority's 27 service areas. Mr. Konstalid has been with the Thruway Authority for more than 34 years, previously serving as the Thruway's New York Division Director, with oversight of all programs and operations inside the Thruway's busiest section of highway including the New England Thruway (I-95) and the Cross-Westchester Expressway (I-287) and the newly constructed Gov. Mario M. Cuomo Bridge. Earlier in his career, Mr. Konstalid worked through several trades positions and moved into supervisory roles for the Thruway's fleet management program. He holds many certificates in management processes as well as an Empire LEAN Belt.

Director of Audit and Management Services. Mary Boehm was appointed Director for the Department of Audit and Management Services in September 2022. Ms. Boehm is responsible for overseeing internal audits, reviews, confidential investigations, serving as a liaison with law enforcement, investigatory and prosecutorial agencies, and other requested management services. Previously Ms. Boehm served in various positions at the Thruway including her most recent position Deputy Director of Audit and Management Services. During her tenure at the Authority, Ms. Boehm was part of the team that developed and established the Thruway Operations Center (TOC)/Security Unit for the Gov. Mario M. Cuomo Bridge. Prior to joining the Thruway in 2006, Ms. Boehm was the Deputy Chief of Investigations for the Office of the State Inspector General. Ms. Boehm earned a Bachelor of Arts from the University at Albany.

Director of Information Technology. Josh Klemm was appointed as the Chief Information Officer of the New York State Thruway Authority in October 2021. Prior to joining the Authority, Mr. Klemm served in a variety of positions in his nearly 20 year Information Technology career, including 12 years of service in the State of New York. While with the State of New York, Mr. Klemm served as Chief Information Security Officer and Director of the Bureau of Systems and Informatics at the New York State Department of Health, where his team played a critical role in developing the systems and reports for the State's COVID-19 response, and ran the State's All Payer Database, Statewide Planning and Research Cooperative System (SPARCS), Provider Directory, and Master Data Management systems. Mr. Klemm has also held positions with the AIDS Institute and Department of Labor. Mr. Klemm received his Bachelor of Arts and his Masters of Science from the University at Albany, where he serves as an Adjunct Lecturer in Informatics with the College of Emergency Preparedness, Homeland Security, and Cybersecurity.

Director of Revenue Management. Diana Nebiolo was appointed Acting Director of Revenue Management in September 2022. Ms. Nebiolo is responsible for overseeing tolling and non-tolling revenue operations, electronic tolling customer service, toll systems quality assurance and exploring new revenue opportunities for the Authority. Prior to joining the Authority, Ms. Nebiolo served as the Deputy Commissioner of Administration and Finance at the New York State Homes and Community Renewal (HCR), where she worked for nearly seven years. While at HCR, Ms. Nebiolo also served as Senior Vice President for the Office of Professional Services. Prior to her time at HCR, Diana held several key positions in the New York Division of the Budget during her 16 year tenure, where her most recent role was the Principal Budget Examiner of the Public Protection Unit. Ms. Nebiolo graduated from Siena College with a Bachelor of Arts.

Director of the Office of Procurement Services. Andrew Trombley was appointed Acting Director of the Office of Procurement Services in March 2020, overseeing the Capital Program and Contracts Management; Purchasing; and Contract Compliance Units at the Authority. Mr. Trombley manages the centralized purchasing system for the Authority that ensures integrity and fairness, with the responsibility for oversight of solicitation, vendor selection, negotiation, award, contract administration, reporting and disposal of surplus property. He assists with the development and management of the Authority's multi-year Capital Program, the annual update to the Capital Program, and other long range plans to address the capital need of the Authority's infrastructure. The Office also works to maximize opportunities for the participation of New York State business enterprise, including MWBE/SDVOBs and prime and sub-contractors and suppliers on all Authority contracts. Prior to joining the Thruway Authority in 2019, Mr. Trombley served in a variety of leadership roles in public service over his 17- year state and federal government career, most recently as the Director of the Onondaga County Division of Purchase. Mr. Trombley received his Bachelor of Arts degree in Government from St. Lawrence University.

Director of the Center of Excellence. Erika Beardsley was appointed Acting Director of the Center of Excellence for the New York State Thruway Authority in October 2022. Prior to joining the Thruway Authority, Ms. Beardsley served in several management positions for eight years including: Deputy Director of the Business Services Center at the Office of General Services (OGS), Acting Executive Deputy Chief Information Officer (CIO) for the Office of Information Technology Services, Deployment Manager within OGS Finance and Accountability and as an Analyst with the Business Services Center at OGS. Prior to these positions, Ms. Beardsley served nearly 15 years working in multiple capacities in financial positions in state service. With her leadership and role at the Thruway Authority, Ms. Beardsley's team is responsible for strategic planning, program management and continuous improvement. Ms. Beardsley graduated from Siena College with a Bachelor of Business Administration and Accounting.

Organization

To administer its responsibilities for the Thruway System and Other Authority Projects, the Authority is organized into ten operating departments and employs approximately 1,952 permanent employees.

The departments include: Engineering, Maintenance and Operations, Administrative Services, Finance and Accounts, Legal, Strategic Center of Excellence, Procurement Services, Revenue Management, Audit and Management Services, and Information Technology.

The Department of Engineering includes Asset and Innovation Management, Capital Program and Contracts Management, Program Delivery, and Transportation Planning and Environmental Services. The Department oversees the development and implementation of the Authority's and Corporation's long range capital programs. It has the professional capacity to design and inspect some capital projects in-house and accordingly does not have to rely solely on outside consultants.

The Department of Maintenance and Operations manages and maintains the highway, bridge and facilities infrastructure and equipment in a cost-effective manner in order to offer Thruway users high levels of safety and service. It is responsible for all toll collection activities, traffic management and travelers' services including concessions. The Department helps develop the multi-year Capital Program designed to preserve the condition, serviceability and safety of the roadway, bridges and facilities. The Department also continues to explore and implement innovative designs and technologies to enhance the safety and efficiency of the Thruway System. Direct field management of the maintenance and operations functions is handled through the four division offices (New York, Albany, Syracuse and Buffalo) under the auspices of the four Division Directors who report to the Director of Maintenance and Operations.

The Department of Maintenance and Operations also acts as liaison with New York State Police Troop T, whose 320 members patrol the Thruway System. Beginning in 2016, the Authority has reimbursed the State for payment of State Police Troop T enforcement on the Thruway System, but reimbursement of such costs to the State are not payable as Operating Expenses and are payable only from the General Reserve Fund.

RESULTS OF OPERATIONS

2018- 2022 Financial Results of Operations

Set forth below are certain revenue and expense items and certain other financial information derived from the Authority's audited financial statements for each of the Authority's fiscal years 2018 through 2022. The revenues and operating expenses below are presented in accordance with the Bond Resolution and the Junior Indebtedness Resolution and were derived by adjusting information contained in the Authority's audited financial statements, which are prepared in conformity with generally accepted accounting principles. This information is qualified by, and should be read in conjunction with, the audited financial statements for the Authority's fiscal year ended December 31, 2022 included in **Appendix B** to this Official Statement. See also "MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS" below.

RESULTS OF OPERATIONS
FOR THE CALENDAR YEARS 2018-2022
($ in millions)

	2018	2019	2020	2021	2022
Toll Revenue[1]	$736.5	$739.9	$615.3	$760.3	$820.4
Concession Revenue	14.9	14.8	6.8	5.7	6.8
Other Revenues	47.4	57.4	46.4	60.5	88.9
Total Revenues	798.8	812.1	668.5	826.5	916.1
Thruway Operating Expenses[2]	339.9	350.9	316.6	339.8	361.8
Reserve for Claims and Indemnities and Environmental Remediation[3]	5.0	6.0	2.0	6.5	16.0
Net Revenue (A)	453.8	455.2	349.9	480.2	538.3
General Revenue Bond Debt Service	225.0	232.9	167.8	241.5	250.0
Less Interest Earnings on Gen. Rev. Bond Debt Service Reserve Funds	(4.7)	(6.1)	(1.0)	(0.2)	(9.1)
Net General Revenue Bond Debt Service (B)	220.3	226.8	166.8	241.3	240.9
Net Revenue after Gen. Rev. Bond Debt Service	233.5	228.4	183.1	238.9	297.4
Reserve Maintenance Deposit[4]	74.1	131.4	97.3	100.3	177.7
Net Junior Indebtedness Debt Service (C)	79.2	47.4	23.1	46.7	67.6
(+/-) Retain for Operations/Adjustment for Cash Basis[5]	(24.6)	15.4	3.3	50.0	25.0
Facilities Capital Improvement Deposit[6]	12.0	8.0	0.0	0.0	7.5
General Reserve Fund Provision - State Police[7]	43.6	55.2	59.1	64.6	66.9
General Reserve Fund - Subordinate Debt[7]	0.0	0.0	1.1	51.5	0.0
Remaining Balance	0.0	1.8	5.8	25.8	2.7
Adjustment to Cash Basis[8]	0.0	(1.8)	(5.8)	(25.8)	(2.7)
Balance After Cash Adjustment	0.0	0.0	0.0	0.0	0.0
General Revenue Bond Debt Service Coverage Ratio (A/B)	2.06x	2.01x	2.10x	1.99x	2.23x
Junior Indebtedness Debt Service Coverage Ratio (A/(B + C))	1.52x	1.66x	1.84x	1.67x	1.75x

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(1) Based on the Authority's audited financial statements for the years 2018, 2019, 2020, 2021 and 2022.

(2) Operating expenses do not include the unfunded costs of $52.7 million in 2018, $31.4 million in 2019, $57.9 million in 2020, $110.4 million in 2021 and $119.8 million in 2022 related to complying with GASB 75 (other post-employment benefit obligations). In 2015, the Authority adopted GASB Statement No. 68 Accounting and Financial Reporting for Pensions and GASB Statement No. 71 Pension Transition for Contributions Made Subsequent to the Measurement Date. The adjustment to comply with GASB 68 and GASB 71 was ($2.6) million in 2018, $4.1 million in 2019, $25.0 million in 2020, ($10.5) million in 2021 and ($14.1) million in 2022.

(3) Includes $0.7 million for Environmental Remediation Reserve in 2018, $0.8 million in 2019, $2.0 million in 2020, $6.5 million in 2021 and $13.5 million in 2022. In addition, $2.5 million was provided as an AET transition reserve in 2018 and 4.1 million in 2019.

(4) Reflects the minimum required deposit to the Reserve Maintenance Fund ($30.0 million) as well excess revenue used for pay-as-you-go capital projects (see "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Reserve Maintenance Fund").

(5) In 2018, $29.4 million was retained for 2019, in 2019, $9.0 million was retained for 2020, in 2020, $80.0 million was retained for 2021, in 2021, $30.0 million was retained for 2022, and in 2022, $5.0 was retained for 2023. In 2018, 15.0 million was retained for working capital, and in 2019, $5.0 was retained for working capital.

(6) The Facilities Capital Improvement Fund has been designated for capturing project costs relating to the New NY Bridge Project.

(7) Beginning in April 2016, the State Police costs were reimbursed for Troop T.

(8) Reflects differences in cash and accrual basis and timing differences relating to permit sales, investments and Debt Service.

Note: Totals may not add due to rounding.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS

Discussion of Results of Operations: 2018 through 2022

A number of significant factors have impacted the Authority's operating results during the years 2018-2022.

2018. Total revenue was $798.8 million, an increase of $6.7 million, or 0.8% compared to 2017. Toll revenue for the year was $736.5 million, an increase of $5.0 million, or 0.7% compared to 2017.

Total operating expenses were $344.9 million, an increase of $12.5 million, or 3.8% compared to 2017. Salary costs increased $5.2 million, or 3.7% compared to 2017. This increase is primarily due to incentives aimed at retaining toll collection employees during the Authority's transition to all electronic tolling. Professional and other services increased $5.6 million, or 12.3% compared to 2017. This increase is primarily due to the Authority's ongoing shift from cash-based toll collection to all electronic tolling.

2019. Total revenue was $812.1 million, an increase of $13.3 million, or 1.7% compared to 2018. Toll revenue for the year was $739.9 million, an increase of $3.4 million, or 0.4% compared to 2018. Other revenue for the year was $57.4 million, an increase of $10.0 million, or 21.1% compared to 2018. This increase is primarily due to an increase in E-ZPass and Tolls by Mail fees resulting from cashless tolling being in place for a full year at the North and South Grand Island Bridges, and at tolling stations in Harriman, Yonkers, New Rochelle and Spring Valley.

Total operating expenses were $356.9 million, an increase of $12.0 million, or 3.5% compared to 2018. Professional and other services increased $10.7 million, or 20.9% compared to 2018. This increase is primarily due to the Authority's ongoing shift from cash-based toll collection to cashless tolling. The Authority's cashless tolling programs, E-ZPass and Tolls by Mail, are administered by a third-party service provider.

2020. Total revenue was $668.5 million, a decrease of $143.6 million, or 17.7% compared to 2019. Toll revenue for the year was $615.3 million, a decrease of $124.6 million, or 16.8% compared to 2019. Concession revenue for the year was $6.8 million, a decrease of $8.0 million, or 54.1% compared to 2019. These decreases were primarily due to reduced traffic resulting from the COVID-19 pandemic. Other revenue for the year was $46.4 million, a decrease of $11.0 million, or 19.2% compared to 2019. This decrease is primarily due to lower interest rates in 2020, as well as interest earned in 2019 on $1.6 billion of Transportation Infrastructure Finance and Innovation Act (TIFIA) Loan proceeds. Days cash on hand for 2020 was maintained at 428 days.

Traffic and toll revenue declines were most severe during the height of the COVID-19 outbreak in March of 2020. In April 2020, total traffic declined by roughly 58% below 2019 levels. This reduction was comprised of a 63% decline in passenger car traffic and 23% decline in commercial traffic. Following this, passenger and commercial traffic has consistently and significantly improved.

Total operating expenses were $318.6 million, a decrease of $38.3 million, or 10.7% compared to 2019. Salary costs decreased $6.6 million, or 4.6% compared to 2019. This decrease is primarily due to the elimination of toll collection staff in conjunction with the implementation of cashless tolling in November 2020. Professional and other services decreased $14.7 million, or 23.8% compared to 2019. This decrease is primarily due to timing of credit card fee reimbursements from toll roads that have E-ZPass reciprocity agreements with the Authority. In addition, reduced traffic levels due to COVID-19 resulted in reduced costs to administer the Authority's Tolls by Mail Program. Supplies, materials and rentals decreased $10.9 million, or 39.1% compared to 2019. This decrease is primarily due to a milder winter in 2020 that resulted in less salt and fuel usage. Lower fuel prices also contributed to this decrease. Maintenance and repairs decreased $7.1 million, or 35.0% compared to 2019. This decrease is primarily due to a settlement with ExxonMobil in which ExxonMobil agreed to reimburse the Authority $7.5 million for soil remediation costs at fueling stations they previously operated at Authority owned service areas.

In response to the reductions in traffic and toll revenues that resulted from COVID-19, the Authority adjusted its multi-year Capital Program to reduce System-wide capital spending by $118.5 million over the 2020-2024 period. In addition, the Authority secured a $125 million JP Morgan Chase Line of Credit ("Line of Credit") and a $100 million RBC Direct Note Purchase Agreement ("Note Purchase Agreement"). Pursuant to these agreements, the Authority drew down $50 million on the Line of Credit in June of 2020. This amount was paid in full on August 11, 2021, and the Line of Credit was terminated. No money was drawn under the Note Purchase Agreement and it was terminated in 2022.

The Line of Credit draw was used, along with $40 million of prior year fund balances, to defease interest due on the Bonds on July 1, 2020, thereby reducing the level of debt service expenses relating to the Bonds that were required to be supported by current year revenues in 2020.

2021: Total revenue was $826.5 million, an increase of $158.0 million, or 23.6% compared to 2020. Toll revenue for the year was $760.3 million, an increase of $145.0 million, or 23.6% compared to 2020. These increases are primarily due to higher traffic related to COVID-19 travel restrictions being rescinded in 2021. Toll adjustments implemented in January 2021 for commercial traffic using the Governor Mario M. Cuomo Bridge and system-wide for out of state E-ZPass customers and Tolls by Mail customers also contributed to the increase in toll revenues. Concession revenue for the year was $5.7 million, a decrease of $1.1 million, or 16.2% compared to 2020. Other revenue for the year was $60.5 million, an increase of $14.1 million, or 30.3% compared to 2020. This increase is primarily due to the increase in Tolls by Mail fees as a result of the conversion to the system wide conversion to cashless tolling in November 2020. Days cash on hand for 2021 was maintained at 411 days.

Total operating expenses were $346.3 million, an increase of $27.7 million, or 8.7% compared to 2020. This increase is primarily due to increased cashless tolling administrative costs associated with the system-wide conversion to cashless tolling in November 2020.

2022: Total revenue was $916.1 million, an increase of $89.5 million, or 10.8% compared to 2021. Toll revenue for the year was $820.4 million, an increase of $60.1 million, or 7.9% compared to 2021. These increases are primarily due to higher traffic related to COVID-19 recovery. Toll adjustments implemented in January 2022 for passenger traffic using the Governor Mario M. Cuomo also contributed to the increase in toll revenues. Concession revenue for the year was $6.8 million, an increase of $1.1 million, or 19.3% compared to 2021. Other revenue for the year was $88.9 million, an increase of $28.4 million, or 46.9% compared to 2021. This increase is primarily due to the increase in Tolls by Mail late fees and violations collected after one full year with system-wide cashless tolling. Days cash on hand for 2022 was maintained at 403 days.

Total operating expenses were $377.8 million, an increase of $31.6 million, or 9.1% compared to 2021. This increase is a result of an increase in snow and ice costs due to the December 2022 Buffalo storms, increased fiber optic marketing fees and an increase in the provision for environmental remediation.

Unaudited Financial Results for the 10-Months Ended October 31, 2023

Through October 31, 2023, the Authority has reported revenues of $791.3 million. This reflects an increase of $35.3 million or 4.5% above revenues for the same time period in 2022. These unaudited actual results are $24.4 million or 3.2% above the level for the revised 2023 Budget that was approved by the Authority Board on November 14, 2023.

Through October 31, 2023, the Authority operating expenses and provisions totaled $303.9 million, which reflects an increase of $6.1 million or 2.0% above adjusted 2022 levels. These unaudited actual results are $28.6 million or 8.6% below the level contained in the revised 2023 Budget.

The Authority currently anticipates that the audit for FY 2023 audit will be presented to the Board for acceptance at the Board meeting scheduled for March 2024.

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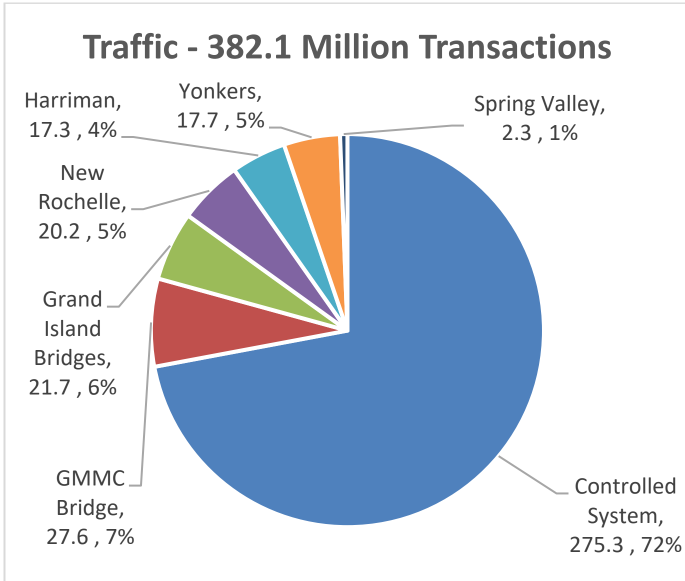
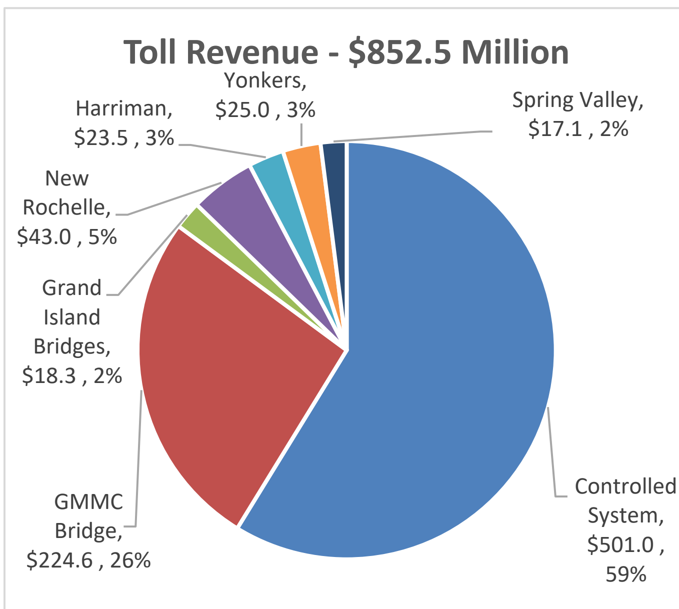
Traffic and Revenue

The following charts show traffic and toll revenues at the various pay points and total revenues for 2022[1]:





See **Appendix A — "2023 Traffic Engineer's Report"** for a more detailed discussion of historical traffic, revenue and expenses for the years 2013 through 2022 and forecasted data for the years 2023 through 2028.

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(1) Based on the Authority's 2022 audited financial statements and reflects actual results of traffic operations at 2022 year-end. "Traffic" refers to number of all toll transactions at all locations where tolls are charged. Total toll revenue shown does not consider volume discounts totaling $32.1 million taken under the Authority's commercial charge account program.

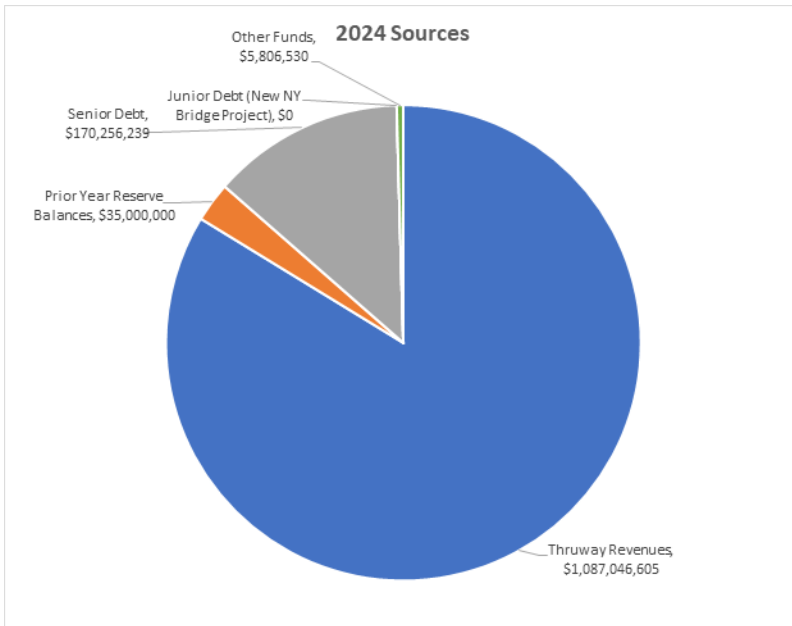
Note: Totals may not add due to rounding.

2024 Budget

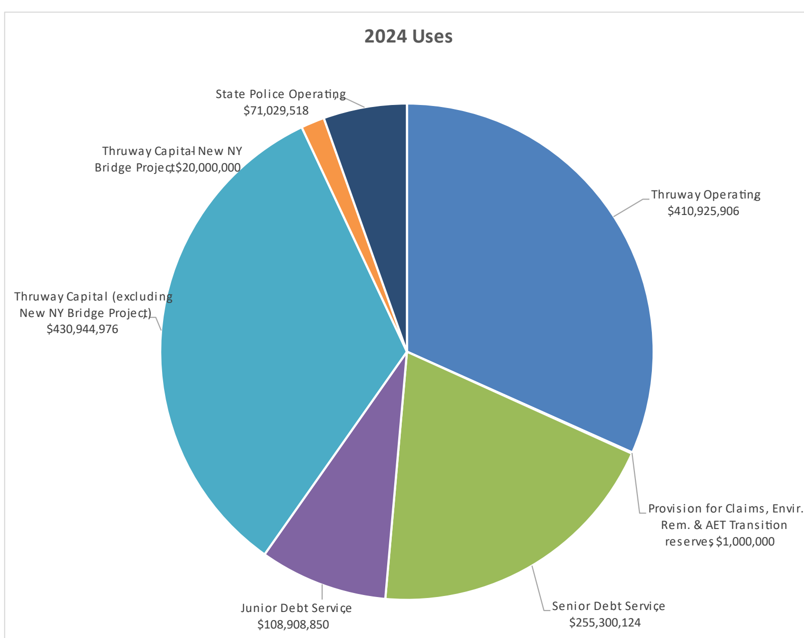
The Board of the Authority adopted a 2024 Budget (the "2024 Budget") at its November 14th, 2023 meeting. The following charts and discussion present the 2024 Budget and shows the difference in sources and uses of funds between the 2023 Revised Budget and the 2024 Budget.

Sources and uses of the 2024 Budget are highlighted in the following charts.

2024 Budget Sources of Funds - $1.30 Billion



2024 Budget Uses of Funds - $1.30 Billion



2023 Revised Budget vs. 2024 Budget

	Revised Budget 2023	Budget 2024	Change
SOURCES:			
Thruway Revenues	$ 919,751,000	$1,087,046,605	$167,295,605
Prior Year Reserve Balances(Use/(retain))	6,000,000	35,000,000	29,000,000
Senior Debt	254,540,796	170,256,239	(84,284,557)
Junior Debt	0	0	0
Federal Funds	0	0	0
Other Funds	3,516,782	5,806,530	2,289,748
Total Sources	**$1,183,808,578**	**$1,298,109,374**	**$114,300,796**
USES:			
Operating Expenses:			
Thruway Operating	$401,285,961	$410,925,906	$ 9,639,945
State Police Operating	68,606,291	71,029,518	2,423,227
Sub Total	$469,892,252	$481,955,424	$12,063,172
Provisions for Claims & Env. Remediation	(685,000)	1,000,000	1,685,000
Total	$469,207,252	$482,955,424	$13,748,172
Retained for Working Capital	0	0	0
Debt Service:			
Senior Debt	$247,471,523	$255,300,124	$7,828,601
Junior Debt	107,168,850	108,908,850	1,740,000
Total	$354,640,373	$364,208,974	$9,568,601
Capital Program:			
Thruway Capital - Highways and Bridges	$293,170,115	$369,571,212	$76,401,097
Thruway Capital - New NY Bridge	6,000,000	20,000,000	14,000,000
Thruway Capital - Architectural & Facilities	9,896,807	13,186,652	3,289,845
Thruway Capital - Equipment & Systems/ITS	50,704,993	48,042,112	(2,662,881)
Thruway Capital - SP Equipment /Facilities	189,038	145,000	(44,038)
Total	359,960,953	450,944,976	90,984,023
Total Uses	**$1,183,808,578**	**$1,298,109,374**	**$114,300,796**

2024 Budget Forecast Compared to 2023 Revised Budget

- The 2024 Budget provides for an overall budget of $1.298 billion, representing a $114 million increase or 9.7 percent increase from revised 2023 levels.

- The 2024 Budget forecasts total traffic of 382.6 million vehicles, reflecting a decrease of 7.94 million vehicles or 2.0 percent below 2023. 2024 Toll revenue is forecasted at $986.0 million, reflecting an increase of $168.3 million or 20.6 percent above revised 2023 levels as a result of a toll adjustment that went into effect on January 1, 2024.

- The 2024 Budget provides a total of $411.9 million for operating expenses of the Authority (including provisions). This represents an increase of $11.3 million or 2.8 percent above revised 2023 levels. The 2024 Budget also provides $71.0 million for reimbursement to the State Police for the cost of the Troop T patrolling of the Thruway System.

- The 2024 Budget provides a total of $450.9 million to support the capital program of the Authority. This represents an increase of $90.9 million or 25.3 percent above revised 2023 levels.

- The 2024 Budget provides a 2024-2028 Capital Program that would provide $2.4 billion for Authority capital projects. This includes $237.8 million for the New NY Bridge Project that will result in the completion of The Governor Mario M. Cuomo Bridge, and $2.2 billion for system-wide projects on the Thruway System.

2024-2028 Capital Program

Annually, the Authority adopts a one-year contracts program based on the prioritization of projects scheduled in its Capital Program. This annual contracts program is approved by the Board and represents the Authority's official capital construction program for the year. Project selection considers the following priority factors: safety, bridge and highway condition rating, capacity needs, and facility needs.

As the Thruway System is at the end of its sixth decade of operation, the necessity for reconstruction and rehabilitation of the aging Thruway infrastructure requires an increasing level of investment. At the same time, travelers on the roadway during peak travel periods are experiencing delays resulting from increasing traffic volumes. Authority staff, utilizing enhanced and modernized asset management systems, historical records of past remedial work, and their knowledge of the current condition of facilities, developed the multi-year Capital Program.

The multi-year Capital Program is designed to address several key objectives that are critical to Thruway customers and is intended to maximize the benefit to the Thruway System. These objectives are system reliability, increased customer service, improved safety and mobility and environmental stewardship. The multi-year Capital Program also will take advantage of technology improvements and innovations in the field of transportation management. As evidenced through the plan, the Authority is committed to providing customers with the mobility and service they expect, and to preserving the main transportation artery that supports New York State's economy.

The 2024-2028 Capital Program totals $2.4 billion in investments for capital projects and equipment, including a total of $237.8 million for the New NY Bridge Project. See "—Funding of the 2024-2028 Capital Program – The New NY Bridge Project" for a more detailed description of the New NY Bridge Project.

The 2024-2028 Capital Program will complete major, job-sustaining reconstruction projects that were let during the previous multi-year Capital Program and includes reconstruction and rehabilitation of roadway, bridges, facilities, equipment and support systems of the Thruway System. The 2024-2028 Capital Program will lead to work on approximately half of the Thruway's more than 2,800 lane miles as well as projects on approximately 90 of the Thruway's 817 bridges. From 2024 through 2028, the Authority estimates that the investments made in this program will preserve overall highway and bridge conditions in the "good" category, allowing for the continued reliability of the Thruway System.

Total Capital Program Expenditures. The following table presents the year-by-year actual cash expenditure for the period from 2013-2022, estimated expenditure for 2023, based on the 2023 Revised Budget Forecast and projections for the 2024-2028 Capital Program. The table also includes the Authority's projections for capital expenditures on the New NY Bridge Project, which began in 2013. With this level of capital expenses, the Authority can continue to provide good service to patrons, meet the growing demands of increased use with up-to-date technology and other necessary improvements, and assure that the system is not adversely affected by deteriorating bridge and pavement conditions.

ACTUAL AND PROJECTED CAPITAL PROGRAM EXPENDITURES[1]
2013-2028
(in millions)

		Thruway Highway & Bridge Capital Expenditures	Equipment Replacement & Other Facility Capital Needs[2]	Canal Capital Program , & Other Authority Projects[3]	Subtotal Capital Program Expenditures	New NY Bridge	Total Capital Program Expenditures
2013	Actual	$ 183.7[4]	$ 30.7	$ 37.5	$ 251.9	$613.4	$ 865.3
2014	Actual	170.7	33.7	76.7	281.1	594.2	875.3
2015	Actual	251.3	35.2	48.8	335.3	702.0	1,037.3
2016	Actual	200.1	36.5	30.3	266.9	790.7	1,057.6
2017	Actual	184.7	44.8	-	229.5	479.1	708.6
2018	Actual	222.9	104.7	-	327.7	264.1	591.8
2019	Actual	222.1	170.7	-	392.8	171.6	564.5
2020	Actual	166.2	282.9	-	449.2	88.9	538.0
2021	Actual	120.6	162.4	0.1	283.1	20.8	303.9
2022	Actual	239.1	32.3	-	271.5	10.3	281.8
2023	Estimated	293.2	60.5	0.2	353.9	6.0	359.9
2024	Projected	369.6	61.2	0.1	430.9	20.0	450.9
2025	Projected	403.1	65.5	-	468.6	217.8	686.4
2026	Projected	383.1	69.5	-	452.6	-	452.6
2027	Projected	339.5	76.7	-	416.2	-	416.2
2028	Projected	348.3	71.0	-	419.3	-	419.3
Total[1]		$4,098.2	$1,338.4	$193.8	$5,630.2	$3,979.0[5]	$9,609.4

(1) Totals may not add due to rounding.
(2) Includes capital costs for system-wide AET conversion.
(3) As noted above Canal system costs for the years 2017 and thereafter will be no longer be Authority costs. The portion of the total cost shown in 2016 incurred after March 31, 2016 was reimbursed by the New York Power Authority.
(4) Includes $8.3 million of Pre-Design Environmental costs.
(5) Does not include prior years' expenses that had been paid from the Construction Fund that are included in the column titled "Thruway Highway and Bridge Capital Expenditures,

Funding of the 2024-2028 Capital Program

The 2024-2028 Capital Program totals $2.4 billion including the New NY Bridge Project. The 2024-2028 Capital Program is funded with a combination of Net Revenues, General Revenue Bond proceeds, Junior Indebtedness Obligation proceeds (for the New NY Bridge Project only) and federal, State and other funds.

The Authority's Capital Program Management Group (the Authority's Chief Engineer, Chief Financial Officer and Director of Maintenance and Operations) and the Authority Board continually monitor projected system needs and balance them with available resources. The Authority is also enhancing and modernizing its asset management system to ensure the efficient and effective delivery of the 2024-2028 Capital Program, resulting in smart project selections and enhancing its ability to respond to price variability and other changes that would impact funding, project cost and delivery. It is important to note that the Authority's Board has the independent power, without approval by the Legislature, Governor or other official or entity, to increase toll rates to maintain a high level of operating safety and services on the Thruway System, to maintain and rehabilitate the Thruway System, to pay debt service, to meet toll covenants and to maintain the balance of revenues and expenses.

Funding sources projected to be applied to complete the 2024-2028 Capital Program are set forth in the following chart.

	2024 – 2028 Capital Program					
	2024	2025	2026	2027	2028	2024-28 Total
Thruway System:						
General Revenue Bond Proceeds	$170.2	$239.1	$255.0	$197.9	$194.7	$1,056.9
Reserve Maintenance Fund	254.7	217.4	187.8	217.8	223.1	1,100.8
Federal, State and Other Funds	6.0	12.1	9.8	0.5	1.5	29.9
Sub-Total	$430.9	$468.6	$452.6	$416.2	$419.3	$2,187.6
New NY Bridge Project:						
Junior Indebtedness Obligations	$ 0.0	$217.8	$ 0.0	$ 0.0	$ 0.0	$ 217.8
Facilities Capital Improvement Fund	20.0	0.0	0.0	0.0	0.0	20.0
Sub Total – New Bridge Program	$ 20.0	$217.8	$ 0.0	$ 0.0	$ 0.0	$ 237.8
Grand Total	**$450.9**	**$686.4**	**$452.6**	**$416.2**	**$419.3**	**$2,425.4**

Note: Totals may not add due to rounding

The New NY Bridge Project

The Tappan Zee Bridge was a major state and regional crossing of the Hudson River in the dense core of the Northeast with no nearby alternative crossings and a significant source of toll revenues for the Thruway System. Opened to traffic in 1955, it was built with a projected useful life of 50 years and serviced traffic that was 40% more than it was designed to handle. Due to growing congestion, the aging of its structural components, and the fact that it had no shoulders for emergency services or disabled vehicles, no mass transit capability and suffered from seismic and other structural deficiencies, the Tappan Zee Bridge was the subject of numerous replacement studies. In 2011, the New NY Bridge Project was advanced to replace the Tappan Zee Bridge.

Formal design and construction of the New NY Bridge Project (now known as "The Governor Mario M. Cuomo Bridge") began in early 2013 and both spans of the bridge are substantially completed and opened for vehicular traffic. The north span opened on August 25, 2017 and the south span opened on September 12, 2018. The Governor Mario M. Cuomo Bridge was constructed under a fixed-price, date-certain, Design-Build Contract with TZC (the "Design-Build Contract"). TZC is a special purpose joint venture of Fluor Enterprises, Inc., American Bridge Company, Granite Construction Northeast, Inc. and Traylor Brothers Inc.

The original budget established at the commencement of the New NY Bridge Project was $3.981 billion and has not changed. As of October 2023, $3.743 billion in total has been spent on the project, leaving an unspent budget balance of approximately $238 million. This unspent budget balance is included in the Authority's 2024 Budget and is available to fund remaining costs necessary to complete the project.

TZC has submitted a dispute to the Authority alleging that it is owed approximately $1.28 billion, including interest, in excess of the approved contract value and anticipated contract change orders (the "Dispute"). The Dispute asserts that TZC is owed additional amounts due to purported issues relating to time and extra work. The Authority disputes such assertion.

Pursuant to the Design-Build Contract, TZC's Dispute is subject to a non-binding contractual dispute resolution procedure consisting of a four-tiered administrative review process. At the conclusion of the administrative review process, TZC may be entitled to pursue litigation in the New York State Court of Claims. While the Authority cannot presently predict the outcome of the Dispute, the Authority believes it has meritorious defenses and positions with respect thereto. However, an adverse decision could significantly affect the Authority's financial position. On July 7, 2021, the first level of the administrative review process was completed when the Project Director for the New NY Bridge Project issued a determination rejecting the Dispute with the exception of granting limited time extensions. TZC appealed this determination to the next tier of administrative review and it was upheld. Following such denials, TZC submitted the Dispute to the Authority's Executive Director for review and determination. Pursuant to the contract with TZC, in making a determination, the Executive Director shall seek the advice of an advisory committee that is chosen not later than 90 days following the Executive Director's receipt of an unresolved dispute. The advisory committee thereafter has 30 days to convene and 90 days after dispute proceedings (including an oral hearing) to provide a written non-binding recommendation to the Executive Director. Within 30 days of receiving such recommendation, the Executive Director shall provide a written determination regarding the dispute.

On December 8, 2023, the advisory committee, which is independent and partially comprised of members chosen by both TZC and the Authority, recommended that the Authority pay TZC $101.5 million, exclusive of interest, for the claims in the Dispute.

The Acting Executive Director is reviewing the recommendation and is required to provide a written determination of the Dispute by February 29, 2024. Any determination made by the Acting Executive Director in favor of the Authority is subject to reconsideration and shall not be considered the Authority's final and binding decision. If the Acting Executive Director makes a determination in favor of TZC, the decision will be considered binding as to entitlement, but his determination regarding the amount authorized will be considered non-binding and subject to the Authority's final determination. If, as of the date of Final Acceptance of the project, the Dispute remains unresolved, the Authority's Chief Engineer and General Counsel may reach a final and binding decision as part of an administrative settlement process. TZC may pursue litigation if it has complied with the contractual resolution process.

The following photographs show the substantially completed Governor Mario M. Cuomo Bridge:

(Views of the Hudson River looking west toward Rockland County)

AETC Implementation

The Authority commenced conversion to all-electronic tolling ("AETC" or "Cashless Tolling") on its system, beginning with the Tappan Zee Bridge in April 2016. The Governor Mario M. Cuomo Bridge opened with AETC in August 2017. The Authority's conversion to AETC of its remaining barriers (Grand Island Bridges, and the Harriman New Rochelle, Yonkers and Spring Valley Barriers) occurred during 2018. The Authority completed system wide AETC with conversion of the entire controlled system to AETC in November 2020.

Implementing AETC offered the Authority's patrons advantages including reduced travel times, enhanced safety and improved traffic flow, and provides environmental benefits by limiting idling and reducing delays, as vehicles no longer have to stop at a toll plaza; instead, overhead gantries detect E-ZPass or use cameras to read license plates of non-E-ZPass customers who are later billed by mail. In the opinion of the Authority's Traffic Engineers, AETC has resulted in (i) small traffic changes and payment type shifts, and (ii) some uncollectable revenues associated with video tolling. This is in addition to the lag in time to allow for video toll revenues collection. Video toll enforcement has been enhanced by a 2016 regulation authorizing the Department of Motor Vehicles to suspend the registrations of New York State drivers with five or more toll violations in 18 months. In 2017, this threshold was changed to three violations over a five-year period. See **Appendix A -** "2023 Traffic Engineer's Report".

The majority of customers that receive a toll bill pay their toll. Late fees and fines are assessed on the second and third bills, respectively, in order to motivate Tolls By Mail customers to pay on time. Even with these measures, some toll revenue remains uncollected and is likely to remain uncollected in the future.

Bridge Inspection Program and Condition Ratings

There are 876 bridges on the Thruway System, excluding bridges on the Cross-Westchester Expressway for which the Authority has not assumed any inspection responsibility. The Authority currently has inspection responsibility for 817 of these bridges, including 392 mainline bridges and 425 overhead and ramp bridges carrying interchange traffic as well those carrying State and local roads, pedestrian or railroad traffic. The New York State Department of Transportation ("NYSDOT") is responsible for inspecting the remaining bridges.

The Authority's inspection program exceeds current federal and State standards. The inspection process strives for strict adherence to both the qualification and training of inspectors, and inspection methodologies as prescribed by NYSDOT. All bridges are inspected biennially as required by the State's Uniform Code of Bridge Inspection (the "Bridge Code"). The Authority contracts with outside consultants to conduct this inspection for most of its bridges. In addition to the Bridge Code requirement, the Authority performs an annual inspection of suspension components of pin and hanger assemblies of bridges, inspection of bridges over waterways after major flooding events, and inspection of bridges after significant seismic activity in the area. During each general biennial or interim inspection, certain superstructure elements which could cause the failure of a bridge receive particularly close inspection. Bridges over waterways which are identified for underwater diving inspection are also inspected regularly at a frequency recommended in the last diving inspection report as per guidelines issued by NYSDOT.

The Authority currently has maintenance responsibility for 817 bridges, while NYSDOT and other entities have maintenance responsibility for the remaining bridges. The Authority's bridge maintenance engineers review each bridge inspection report to determine maintenance and rehabilitation needs. A maintenance and rehabilitation program is implemented through in-house crews or through a contracts program depending upon the extent of work required to be performed at any bridge.

A comparison of the Authority's Bridge Ratings for January 2021 and January 2023 are shown as follows.

BRIDGE RATINGS		
CONDITION	**NO. OF BRIDGES**	
	Jan. 2021	Jan. 2023
GENERAL RECOMMENDATION 5-7 Bridges in generally good condition with only minor to moderate repairs required.	698	710
GENERAL RECOMMENDATION 4 Bridges in good to fair condition requiring reconditioning of some structural elements.	108	97
GENERAL RECOMMENDATION 2-3 Bridges in poor condition requiring major repairs or replacement.	10	10

The change in the Authority's bridge ratings between January 2021 and January 2023 is primarily due in combination to aging of structures and the replacement of two bridges. As of January 2023, there were nine bridges with a general recommendation of 3 and one bridge with a general recommendation of 2. The bridge with a general recommendation of 2 is currently closed to all traffic. Of the ten bridges with a general recommendation of 2-3, seven will be replaced in the 2024-2028 Capital Program.

Federal Funding

Pursuant to the provisions of an agreement dated July 19, 1982, entered into among the Authority, the United States Department of Transportation and the State and in accordance with the provisions of Title 23, United States Code, as amended ("Title 23"), the Authority historically has received federal funds in connection with the funding of various resurfacing, restoration and rehabilitation projects on certain designated interstate portions of the Thruway System. In recent years the amount of federal aid received by the Authority has been *de minimis*. The Authority routinely applies for direct federal grants and has been approved for three in the past year that will result in federal funds being received. Most notable is a $21 million federal grant that will be used to partially fund the rehabilitation of the Castleton-on-Hudson Bridge.

Report of Independent Traffic Engineer

The Authority retained Stantec Consulting Services, Inc., as Traffic Engineer ("Stantec"), to prepare a study (the "2023 Traffic Engineer's Report") that reviewed the operations and physical condition of the Thruway System. The study further projects the financial results of the Authority's operations in the years 2024-2028. The forecast of traffic and revenues detailed in this section of the Official Statement are based on the toll rate schedules approved by the Authority Board of Directors on September 18, 2023 and implemented beginning January 1, 2024. The 2023 Traffic Engineer's Report projects that the Authority will generate sufficient revenues needed to fulfill its system-wide operating, debt service, and capital needs, management's financial policies with respect to debt service coverage (1.55x General Revenue Bonds and 1.35x General Revenue Bonds and Junior Indebtedness Obligations combined) as well as the contractual financial covenants contained in its Bond Resolution and Junior Indebtedness Resolution through the forecast period. Future funding needs through 2028 were established by the Authority at amounts necessary to maintain levels of safety and service, good infrastructure conditions, support Thruway operations, and maintain the Authority established debt service coverage policy targets.

The Authority has the ability to counter any Net Revenue shortfalls through periodic toll adjustments. In the Traffic Engineer's opinion, any toll rate adjustments to fill identified revenue shortfalls, inadequate debt service coverage ratios and low pay-as-you-go financing can be implemented on the Thruway System and will result in only small changes to traffic patterns. In addition, the 2023 Traffic Engineer's Report concludes that it will be able to:

- Fully fund necessary operations, maintenance and capital expenses;

- Meet the covenants of the Bond Resolution and the Junior Indebtedness Resolution;
- Preserve good overall infrastructure conditions of the Thruway System;
- Comply with the requirements of the Authority's Fiscal Management Guidelines; and
- Maintain targeted levels of debt service coverage.

In the Traffic Engineer's opinion, with the programmed toll adjustments, the Authority will continue to be able to provide good service to its customers and will continue to fulfill its critical role in supporting the State's economy through the forecast period. Finally, the Traffic Engineer found that the modifications to toll rates that are necessary to achieve these goals are attainable and will not result in significant traffic losses or diversions as a result of those increases.

The 2023 Traffic Engineer's Report contains the following additional conclusions:

- The Authority has the independent, statutory ability to adjust its toll rates and provide significant amounts of additional revenue;
- The Authority's toll rates are relatively low and compare well to other toll systems, allowing for future rate setting flexibility with minimal long-term traffic diversion impact;
- The Authority's on-going operational streamlining efforts have limited growth in operational expenses and can be anticipated to provide recurring, long-term savings;
- Infrastructure conditions and the capacity of the Thruway System have been considered in the forecasts, and should not adversely affect the projected growth of traffic and toll revenues throughout the forecast period;
- The Authority's facilities have been maintained at high standards over the years, resulting in good overall infrastructure conditions throughout the Thruway System;
- The Authority's planned extensive and regular maintenance programs, asset management systems and long-term capital planning process provide confidence that overall operational and structural integrity of its facilities will be maintained; and
- Target levels of future maintenance and capital expenditures beyond the current 2024-2028 Capital Program will support the integrity and reliability of the Thruway System.

The conclusions presented above are subject to the limitations and assumptions detailed in the 2023 Traffic Engineer's Report. The 2023 Traffic Engineer's Report is contained in **Appendix A** hereto, which should each be read in its entirety. The 2023 Traffic Engineer's Report is also available for review on the Authority's website.

The Authority's traffic engineer, with assistance from Popli Design Group, performed a "drive-through" physical inspection of the entire Thruway system during the period of November 1, 2022 through December 9, 2022. While an inspection of this type is not intended to identify specific localized problems, it does provide an overview of the Thruway's physical condition, and is required once every three years in compliance with Section 619 of the General Revenue Bond Resolution.

Projected Results

The Traffic Engineer has analyzed the Authority's current operations, and projects financial results of the Authority's operations for the years 2024-2028. The forecast of traffic and revenues detailed in the 2023 Traffic Engineer's Report are based on the toll schedule with programmed 2024 through 2027 adjustments in effect beginning January 1, 2024 and indicated that projected revenues will enable the Authority to maintain levels of safety and service, good infrastructure conditions, meet its system-wide operating, debt service, and capital needs, as well as maintain the Authority's contractual debt service coverage covenants contained in its Bond Resolution and Junior Indebtedness Resolution and the Board's established debt service coverage policy targets.

The projections summarized in the following table, entitled "Projected Results" show the Traffic Engineer's findings for the years 2024 through 2027. See **Appendix A** – "2023 Traffic Engineer's Report".

Projected Results
(in millions)

	Actual 2022	Estimated 2023	Projected 2024	Projected 2025	Projected 2026	Projected 2027
Toll Revenue	$820.4	$817.8	$986.0	$1,020.2	$1,051.0	$1,110.3
Other Revenues	95.7	102.0	101.0	83.2	82.9	81.2
Total Revenues	$916.1	$919.8	$1,087.0	$1,103.4	$1,133.9	$1,191.5
Thruway Operating Expenses	361.8	401.3	410.9	419.1	427.5	436.1
Reserve for Claims and Indemnities and Environmental Remediation	16.0	(0.7)	1.0	1.0	1.0	1.0
Net Revenue (A)	538.2	519.2	675.1	683.3	705.3	754.4
Gen. Rev. Bond Debt Service	244.4	252.9	261.6	289.4	324.7	338.4
Less Interest Earnings on Gen. Rev. Bond Debt Service Reserve Funds	(3.5)	(5.4)	(6.3)	(6.3)	(6.5)	(8.6)
Net Gen. Rev. Bond Debt Service (B)[1]	240.9	247.5	255.3	283.1	318.2	329.8
Net Revenue after Gen. Rev. Bond Debt Service	297.3	271.7	419.8	400.2	387.1	424.6
Reserve Maintenance Deposit[2]	177.6	95.7	239.7	217.4	187.8	217.8
Total Junior Indebt. Debt Service	68.7	108.7	110.5	112.4	127.4	133.5
Less Interest Earnings on Junior. Indebt. Debt Service Reserve Acct.	(1.1)	(1.6)	(1.6)	(2.2)	(2.2)	(2.2)
Net Junior Indebt. Debt Service (C)	67.6	107.2	108.9	110.2	125.2	131.3
(+/-) Retain for Operations/Adjustment for Cash Basis	22.3	0.0	0.0	0.0	0.0	0.0
General Reserve Fund Provisions – State Police[3] and Subordinated Debt Balance	66.9	68.8	71.2	72.6	74.0	75.5
Debt Service Coverage Ratio on Gen. Rev. Bonds (A/B)[1]	2.23	2.10	2.64	2.41	2.22	2.29
Gen. Rev. Bonds & Junior Indebt. Debt Service Coverage Ratio (A/(B+C))[1]	1.74x	1.46x	1.85x	1.74x	1.59x	1.64x
Proposed New Money Debt Issuances						
Gen. Rev. Bonds	0.0	0.0	359.8	107.1	243.0	211.8
Junior Indebt.	0.0	0.0	307.5	0.0	0.0	0.0

Source: Stantec Consulting Services, Inc., 2023 Traffic Engineer's Report, dated November 30, 2023.

(1) Does not reflect anticipated General Revenue Bonds Series P refunding debt service savings.

(2) Reflects the minimum required deposit to the Reserve Maintenance Fund ($30,000,000) as well as excess revenue intended for pay-as-you-go capital projects (see "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS – Reserve Maintenance Fund").

(3) The General Reserve Fund figures reflect Thruway revenues required to reimburse the State of New York for costs associated with the New York State Police Troop T patrolling of the Thruway System.

Note: Totals may not add due to rounding.

Future availability of Net Revenues will affect the level of debt service coverage and the amount of debt issued under both the Bond Resolution and the Junior Indebtedness Resolution to fund Authority capital expenditures. The Authority has covenanted to maintain tolls in order that Net Revenues will at least equal both the Net Revenue Requirement under the Bond Resolution and the Junior Indebtedness Net Revenue Requirement under the Junior Indebtedness Resolution for each year. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Tolls, Fees and Charges".

In addition, the Authority continually monitors its projected needs and financial plan. It also continually reviews projections of revenues and expenses and has the independent power, without approval by the Legislature, the Governor or other person or entity, to increase toll rates to maintain a high level of operating safety and services on the Thruway System, to maintain and rehabilitate the Thruway System, to pay debt service, to meet toll covenants and to maintain the balance of revenues and expenses.

ADDITIONAL AUTHORITY INFORMATION

Employee Relations

Authority employees are represented pursuant to New York State's Public Employees' Fair Employment Act (Taylor Law) by two unions, International Brotherhood of Teamsters (the "Teamsters") and Civil Service Employees Association ("CSEA"). The Teamsters represent the Authority's maintenance and clerical employees while the CSEA represents Authority professional, supervisory and technical employees. At its November 14, 2023 Authority Board meeting, the Authority approved the terms of a collective bargaining agreement with CSEA effective through June 30, 2026. At its March 27, 2023, Authority Board meeting, the Authority approved the terms of a collective bargaining agreement with the Teamsters, effective through June 30, 2026.

Retirement Plans and Other Post-Employment Benefits

The Authority is a participating employer in the New York State and Local Employees' Retirement System ("ERS"). ERS is a cost-sharing multiple-employer retirement system that provides retirement benefits as well as death and disability benefits. Plan benefits are provided under the provisions of the New York State Retirement and Social Security Law and are guaranteed under the State Constitution. The Authority's election to participate in the State plans is irrevocable. Employees in permanent positions are required to enroll in ERS, and employees in part-time or seasonal positions have the option of enrolling in ERS. ERS Tiers I through IV are noncontributory except for employees with less than 10 years of service who contribute 3% of their salary. All Tier V employees contribute 3% of their salary. All Tier VI employees contribute between 3% and 6% of their salary, based upon the amount of their annual salary. Under State law, the Comptroller certifies annually the rates, expressed as proportions of payroll of members, which are used in computing the contributions required to be made by employers. The rates billed by the Comptroller for ERS during the year ended December 31, 2022, ranged from 8.2% to 17.5% and during the year ended December 31, 2021, ranged from 10.7% to 25.2.

The approximate required Authority contributions for each of the years were as follows (in thousands):

Year	ERS
2022	$14,915
2021	22,855
2020	21,249
2019	21,547
2018	22,454

The Authority's contributions in each of the foregoing years were equal to 100% of the contributions required for the period.

Other Post-Employment Benefits

The Authority provides other postemployment benefits, principally employer funded health care. With the exception of part-time toll collectors, substantially all Authority employees may become eligible for these benefits if they reach normal retirement age while working for the Authority. The Authority participates in the New York State Health Insurance Program ("NYSHIP"), an Agent Multiple-Employer Plan. The Authority contributes to the plan to satisfy obligations on a pay-as-you-go basis. For the years ended December 31, 2022, and 2021, the Authority paid $36.3 million and $33.7 million, respectively, on behalf of retirees.

The following table summarizes the Authority's OPEB liability at December 31, 2022 and 2021 (in thousands):

	2022	2021
OPEB Liability	$1,497,951	$1,418,144
OPEB Covered Payroll	127,500	128,800
OPEB Liability as a percentage of Covered Payroll	1,175%	1,101%

Investments

The Bond Resolution enumerates various investments for Authority funds as authorized by law. See **Appendix C** — "Summary of Certain Provisions of the Bond Resolution — Definitions — Investment Obligations" and "Investments of Funds". The Act limits investments to those obligations in which the Comptroller of the State may invest public funds pursuant to Section 98-a of the State Finance Law, as amended from time to time. Title 7, Section 2925 of the Public Authorities Law requires that the Authority Board annually review and approve its investment policies and practices and provides for an annual independent audit of all investments. **Appendix B** includes a copy of the Authority's financial statements and a list of its investments as of December 31, 2022 and 2021. The Authority's investment policies emphasize preservation of principal and the Authority believes its practices are fiscally responsible.

Insurance

Pursuant to the Bond Resolution, the Authority purchases various insurance policies to provide against loss of or damage to the Facilities and loss of revenue, to the extent necessary and reasonably obtainable, to protect the interests of the Authority and the Bondholders. The insurance program is comprised of a combination of policies from major insurance companies, self-insurance and contractual transfer of liability, including naming the Authority as an additional insured and indemnification.

Property damage to bridges is insured through two policies with major insurance companies equal to the maximum probable loss from a single occurrence. The Thruway System's largest bridge, The Governor Mario M. Cuomo Bridge, is separately covered by a commercial insurance policy providing loss of revenue and damage coverage in the amount of $1.207 billion in total for the two spans. A second policy provides terrorism coverage for both spans in the amount of $500 million per occurrence. All of the other Authority's bridges are covered separately, whereby loss of revenues is insured through a use and occupancy policy that covers any interruption in excess of thirty days with a maximum recovery period of 30 months.

The Authority purchases insurance for workers' compensation benefits and various liability exposures. In addition, the Authority is self-insured for property damage to its division headquarters buildings and maintenance facilities, and third-party liability, including automobile liability. There are two funded reserves for these exposures, a $2.5 million insurance fund and a reserve for public liability claims which, as of October 31, 2023, totaled $14.2 million.

Insurance for the Authority's service area facilities is provided by the concessionaires. Also, the liability related to construction projects, tandem trailer operations, authorized garage operations and similar type risks is transferred through contractual indemnification and compliance with Authority insurance requirements.

Other Bond Programs

Pursuant to its statutory mandate, the Authority has from time to time issued bonds to provide funds to finance primarily non-Authority transportation projects in the State. Those bonds and the programs discussed below have no lien on the Revenues, assets or properties of the Authority which secure the Bonds and the Junior Indebtedness Obligations. Those bond programs include the General Highway and Bridge Trust Fund Bonds, State Personal Income Tax Revenue Bonds, and State Sales Tax Revenue Bonds, all issued or expected to be issued in multiple series. These bond programs require varying debt service payments which are payable solely from payments received by the Authority under contractual agreements with the State. In each of these bond programs, the obligation of the State to make such payments is subject to, and dependent upon, annual State legislative appropriations. The State may from time to time authorize the Authority by statute to undertake additional financing activities.

INVESTMENT CONSIDERATIONS

The Series P Bonds are special obligations of the Authority which are secured and payable solely from the Net Revenues available therefor under the Bond Resolution. The following is a discussion of certain investment considerations that should be considered in evaluating an investment in the Series P Bonds. This discussion does not purport to be either comprehensive or definitive. The order in which such considerations and risks are presented is not intended to reflect either the likelihood that a particular event will occur or the relative significance of such an event. Moreover, there may well be other considerations and risks associated with an investment in the Series P Bonds in addition to those set forth herein. Investors are advised to read the entire Official Statement, including the appendices hereto, to obtain information essential to the making of an informed investment decision.

Traffic Engineer's Report

As the Traffic Engineer for the Authority, Stantec was requested by the Authority to prepare the 2023 Traffic Engineer's Report presenting its analyses and findings relative to recent trends in traffic and revenue on the Thruway System. See "**Appendix A** – 2023 Traffic Engineer's Report" attached to this Official Statement. *The revenue forecasts contained in the 2023 Traffic Engineer's Report are based upon certain assumptions and limits set forth or incorporated therein which should be reviewed by potential investors to assure an understanding of some of the risks inherent in such estimates and projections. The 2023 Traffic Engineer's Report projects the Authority's programmatic needs for the period through 2028 and concludes that with the implemented toll adjustments, the Authority will generate sufficient revenues needed for the Authority to fulfill its system-wide operating, debt service, and capital needs through the upcoming forecast period.* The 2023 Traffic Engineer's Report is not a guarantee of any future events or trends and the forecasts therein are subject to future economic and social conditions and demographic developments that cannot be predicted with certainty. Further, the estimates, projections and assumptions in the 2023 Traffic Engineer's Report are inherently subject to significant economic and competitive uncertainties and contingencies, many of which are beyond the control of the Authority. Failure to achieve or realize any of the assumptions listed in the 2023 Traffic Engineer's Report may have a materially adverse effect upon the Net Revenues actually realized by the Authority.

The information provided with respect to toll revenues collected by the Authority is based on historical data. The amount of future toll revenues to be collected by the Authority depends upon a number of factors, some of which are not in the control of the Authority. Some of these factors include a decline in traffic on the Thruway System due to general economic conditions, diversion of traffic to alternative non-toll routes, increased fuel costs, limited supply of fuel, availability of alternate forms of travel and shipping, and government regulations, such as Clean Air Act requirements, increased mileage standards or higher fuel taxes, which could significantly restrict motor vehicle use, as well as international events affecting fuel supply and costs.

Due to the need for additional revenues to fulfill system-wide operating, debt service, and capital needs through 2028, on September 18, 2023 the Authority Board of Directors approved a set of future toll modifications on the Governor Mario M. Cuomo Bridge and systemwide. A detailed narrative of these 2024 through 2027 toll increases can be found in Table 17 of **Appendix A —** "2023 Traffic Engineer's Report" hereto.

As shown in the 2023 Traffic Engineer's Report and the Authority's financial plan, the approved toll schedule will, on January 1, 2024 and January 1, 2027, increase the base NY E-ZPass rates by 5% from their prior levels. Out-of-state E-ZPass and Tolls by Mail tolls will be increased from their current 15% and 30% differentials above the NY E-ZPass rate, respectively, to 75% above the NY E-ZPass rate. In addition, at the Governor Mario M. Cuomo Bridge, the base NY E-ZPass passenger car toll will be increased by 50 cents a year from January 2024 through January 2027. Passenger cars on the Westchester/Rockland Resident Plan will see their discount change from the current 17% to 20%, and the 40% commuter discount program will be maintained. Commercial rates will be increased proportionately to the car rates.

The forecasts in this study assume no toll increases or adjustments to fees beyond the programmed 2024 through 2027 toll modifications. In the unlikely event of a shortfall, the Authority has the power, without approval by the Legislature or the Governor, to increase toll rates to maintain its high level of operating safety and services on the Thruway System, to maintain and rehabilitate the Thruway System, to pay debt service, to meet toll covenants and to maintain the balance of revenues and expenses. It is the opinion of the Traffic Engineer that given the essentiality of the Thruway System and its currently low relative toll rates (compared to other toll roads nationally), the Authority has the ability to generate additional revenues if required.

Toll-Backed Components of the 2024-2028 Capital Program

The planned and ongoing capital improvements to the Thruway System to sustain a state of good repair are primarily dependent upon additional debt and pay-as-you-go funding. Revenue actions which the Authority determines to be necessary to fund such capital program obligations are contingent on future Board action, environmental reviews and traffic demand. The Authority has consistently fulfilled its responsibilities to maintain a state of good repair and its safety record exceeds the norms of the national interstate highway system. The Authority expects to maintain access to the capital markets to finance its capital costs and other system-wide capital needs through adherence to Board-adopted fiscal policies that assure continuation of the Authority's stable credit ratings, as well as strict controls over future operating costs and a disciplined approach to capital project selection.

Risks Relating to Natural and Catastrophic Events

It is possible that a natural disaster (earthquake, landslide), severe weather (tornados, floods, hurricanes, extreme wind and storm), or any other event (terrorism, explosion, ship strike) that damages the Thruway System, including The Governor Mario M. Cuomo Bridge, could reduce toll revenues projected to be generated by the Thruway System or significantly increase the expense of maintaining or restoring elements of the Thruway System. These risks are generally covered by Authority insurance policies for property damage and business interruption, and, in the extreme, assistance from FEMA. If any of the foregoing events occur, to the extent not fully covered by insurance or federal disaster assistance, the Authority's ability to meet its financial obligations, including the payment of debt service could be adversely affected.

Risks Relating to the Impact of Public Health Events on Revenues

The COVID-19 coronavirus global pandemic that was declared by the World Health Organization in March 2020, had a measurable adverse impact on Thruway revenues in 2020 and 2021 before recovering in 2022. Any future outbreak of a disease or similar public health threat could similarly affect travel demand or travel behavior, or result in travel restrictions, which in turn, could have a material adverse impact on Thruway System revenues.

Risks Relating to Delays and Cost Increases

In connection with the Projects included in the 2024-2028 Capital Program, there is a possibility of time delays and cost increases resulting from (i) design and construction problems and resulting change orders, (ii) environmental matters, (iii) the unavailability or cost of acquiring rights-of-way, (iv) historic and unidentified subsurface conditions, (v) utility relocation problems, (vi) hazardous materials, (vii) force majeure events, (viii) litigation, or (ix) inflation in the costs of materials and labor. As a result, there can be no assurance that the costs of completion for various capital projects will not exceed current estimates, or that the completion of such Projects will not be delayed beyond the scheduled completion date. Variations in cost estimates and delays in construction could be material.

Risks Relating to All Electronic Toll Collection

The Authority converted the entire Thruway System to AETC in November 2020. While there are many benefits to AETC, the Thruway System-wide conversion to AETC presents revenue risk that must be considered. Electronic toll collection records patron trips through the use of overhead gantries at AETC locations equipped with readers to detect E-ZPass transponders, and cameras to photograph license plates of non-E-ZPass customers. Trips charged to patrons using E-ZPass transponders are recorded and paid to the Authority electronically through their related pre-paid E-ZPass accounts; non-E-ZPass customers are billed by mail. AETC for both E-ZPass customers and non-E-ZPass customers is dependent upon uninterrupted gantry operation, including physical and technological components. The Authority mitigates the technology and recording risk by careful design of each AETC location and physically protecting its AETC equipment, hardware and software, providing for appropriate backup equipment and periodic testing. Additionally, the Authority has secured an insurance policy for The Governor Mario M. Cuomo Bridge that incorporates coverage of its AETC equipment (including coverage for certain lost toll revenues), although the future availability of such coverage at a reasonable price cannot be assured. Collection for non-E-ZPass customer trips recorded via AETC can be affected by the inability to invoice due to poor license plate photos. The timely collection of tolls can also be affected by delays in invoicing patrons, delays in payment, or non-payment. The Authority mitigates collection risk through marketing of E-ZPass to patrons, the use of late fees as part of the invoicing process, imposing additional violation fees for non-payors, utilization of a contracted collection agency for delinquent accounts, enforcement of the New York State motor vehicle regulation mandating suspension of vehicle registration for repeat violators, entering into reciprocity agreements with other states for toll enforcement, and improving and updating technology where possible.

See **Appendix A —** "2023 Traffic Engineer's Report" for a discussion of additional considerations relating to the Authority's implementation of AETC on the Thruway System.

Cybersecurity

The Authority recognizes the necessity for strong cybersecurity surrounding electronic data information, and the protection of that data as it is captured, moved, processed, and stored. In the ordinary course of business, the Authority collects, processes, and stores sensitive data, including toll trip data, financial information, and other operational information, some of which may include personally identifiable information of customers and employees.

The confidentiality, integrity and availability of electronic information can be critical to certain Authority operations. The Authority, through its Department of Information Technology, has developed the necessary procedures, implemented necessary security programs, and developed and performed testing of those procedures and programs to help ensure the security of Authority data and data processing, as well as compliance with any applicable security standards. Despite these security measures currently in place, and any future security measures added, the Authority's cyber infrastructure may be vulnerable to outside attempts to disrupt or disable internal systems or software, or to steal, ransom or delete electronic data. Additionally, while cybersecurity and operational safeguards are periodically tested, no assurances can be given by the Authority that such measures will protect the Authority against outside attempts to access internal systems, or electronic data, or prevent the risk of the Authority's operations or finances from being significantly impacted as a result of unauthorized access.

The Authority continues to devote significant resources to develop and procure, maintain, and upgrade security hardware and software, improve monitoring and alert systems, and training in an effort to maintain and improve electronic information security. The Authority also continues to securely store backup of its most important data to ensure continuity of operations.

Ratings of the Bonds Could be Lowered or Withdrawn

Two credit rating agencies have assigned credit ratings to the Bonds, including the Series P Bonds. The ratings of the Bonds are not a recommendation to purchase, hold or sell the Bonds, and the ratings do not comment on the market price or suitability of the Bonds for a particular investor. The ratings of the Bonds may not remain for any given period of time and may be lowered or withdrawn.

Certain Matters Relating to Enforceability of Obligations

The remedies available to the owners of the Series P Bonds upon the occurrence of an Event of Default under the Bond Resolution are, in many respects, dependent upon regulatory and judicial actions that are often subject to discretion or delay. Under existing law and judicial decisions, including specifically the United States Bankruptcy Code, the remedies specified in the Bond Resolution may not be readily available or may be limited. However, the Authority is not authorized under existing State law to file for bankruptcy under the United State Bankruptcy Code. Enforcement of such remedies (i) may be subject to general principles of equity which may permit the exercise of judicial discretion, (ii) are subject to the exercise in the future by the State and its agencies and political subdivisions of the police power inherent in the sovereignty of the State, (iii) may be subject, in part, to the provisions of the United States Bankruptcy Act and other applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect, and (iv) are subject to the exercise by the United States of the powers delegated to it by the Constitution of the United States of America. The various legal opinions to be delivered concurrently with the delivery of the Series P Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Series P Bonds is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Legislative Action

Legislation is introduced from time to time in the State Legislature which, if adopted, may affect the Authority and/or the Thruway System. The Authority cannot predict whether or not these bills will be enacted into law or how such legislation may affect the Authority and its ability to pay debt service on the Series P Bonds. Under the Act, the State has agreed with the holders of the bonds and notes of the Authority, including the Bonds, that it will not limit or alter the rights vested by the Act in the Authority to establish and collect such fees, rentals and charges as may be convenient or necessary to produce sufficient revenue to meet the expense of maintenance and operation and to fulfill the terms of any agreements made with such holders of bonds, or in any way impair the rights and remedies of such bondholders and noteholders.

LITIGATION

There is no litigation pending or, to the knowledge of the Authority, threatened in any court, questioning the creation, organization or existence of the Authority, the title to office of the members or officers of the Authority, the validity of any provision of the Series P Bonds or the Bond Resolution, or any proceedings of the Authority taken with respect to the issuance or sale thereof, or seeking to restrain or enjoin the issuance, sale, execution or delivery of the Series P Bonds.

The Seneca Nation of Indians filed an action on April 11, 2018, in United States District Court for the Western District of New York, alleging that the October 5, 1954 permanent easement for a portion of Thruway going through the Seneca Nation's Cattaraugus Reservation was never legally valid or effective because the easement did not comply with federal law requiring approval of the Secretary of the Interior. *Seneca Nation v. Andrew Cuomo, Eric T. Schneiderman, Paul A. Karas, Thomas P. DiNapoli, The New York State Thruway Authority*. The Seneca Nation is seeking an injunction requiring a valid easement, an injunction requiring that the Comptroller of the State of New York segregate and hold in escrow all future toll moneys collected on the Thruway System that are fairly attributable to the portion of the easement, and compensation pro rata for future use of its land or to prohibit the collection of tolls on the portion of land through the territory without a valid easement. A motion to dismiss the lawsuit was filed on June 5, 2018. On September 3, 2020, the US District Court for Western District of New York denied the Authority/State motion to dismiss on September 3, 2020. On January 26, 2023, the Second Circuit affirmed the District Court's denial of the Authority/State motion to dismiss and remanded the case to the US District Court for Western District of New York. An answer has been filed and discovery is underway. In 2004, the Second Circuit for the United States Court of Appeals upheld the dismissal of a similar lawsuit brought by the Seneca Nation.

The Cayuga Nation of Indians filed an action on December 11, 2023 in United States District Court for the Western District of New York alleging that continued operation of the Thruway through the Cayuga Nation's Reservation without a valid right-of-way approved by federal officials violates the Cayuga Nation's sovereign right to its reservation, as established by the Treaty of Canandaigua in 1794. The Cayuga Nation is seeking an injunction requiring a valid right-of-way, an injunction requiring that the Comptroller of the State of New York segregate and hold in escrow all future toll moneys collected on the Thruway System that are fairly attributable to the portion of the easement, and compensation pro rata for future use of its land or to prohibit the collection of tolls on the portion of land through the territory without a valid right-of-way. The Authority has not yet filed a response to the complaint, and it is impossible to predict the outcome of such litigation or the impact of an unfavorable decision on the Authority at this time. In 2005, the Second Circuit for the United States Court of Appeals dismissed a similar lawsuit brought by the Cayuga Nation against the State of New York.

The Authority is a party to various legal proceedings including negligence suits, many of which arise in the normal course of the Authority's operations, a majority of which will, in the opinion of the Authority, be disposed of within the amounts which the Authority has reserved or has available therefor, or, as applicable, within the amounts of insurance coverage provided therefor and without any material adverse effect on the financial position of the Authority. The Authority maintains a claims reserve sufficient to cover anticipated liability and it is periodically replenished.

TAX MATTERS

Opinion of Bond Counsel. In the opinion of Hawkins Delafield & Wood LLP, Bond Counsel, under existing statutes and court decisions and assuming continuing compliance with certain tax covenants described herein, (i) interest on the Series P Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and (ii) interest on the Series P Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Bonds is included in the "adjusted financial statement income" of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code. In rendering its opinion, Bond Counsel has relied on certain representations, certifications of fact, and statements of reasonable expectations made by the Authority and others in connection with the Series P Bonds, and Bond Counsel has assumed compliance by the Authority with certain ongoing covenants to comply with applicable requirements of the Code to assure the exclusion of interest on the Series P Bonds from gross income under Section 103 of the Code.

In addition, in the opinion of Hawkins Delafield & Wood LLP, Bond Counsel, under the State Thruway Act, the Series P Bonds, their transfer and the income therefrom (including any profit made from the sale thereof) are, at all times, free from taxation within the State of New York.

Bond Counsel expresses no opinion regarding any other federal, state or local tax consequences arising with respect to the Series P Bonds or the ownership or disposition thereof, except as stated above. Bond Counsel renders its opinion under existing statutes and court decisions as of the issue date, and assumes no obligation to update, revise or supplement its opinion to reflect any action hereafter taken or not taken, any facts or circumstances that may hereafter come to its attention, any change in law or in interpretation thereof that may hereafter occur, or for any other reason. Bond Counsel expresses no opinion as to the consequence of any of the events described in the preceding sentence or the likelihood of their occurrence. In addition, Bond Counsel expresses no opinion on the effect of any action taken or not taken in reliance upon an opinion of other counsel regarding federal, state or local tax matters, including, without limitation, exclusion from gross income for federal income tax purposes of interest on the Series P Bonds.

The opinion to be rendered by Bond Counsel on the date of delivery of the Series P Bonds is expected to be in substantially the form contained in Appendix F hereto.

Certain Ongoing Federal Tax Requirements and Covenants. The Code establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series P Bonds in order that interest on the Series P Bonds be and remain excluded from gross income under Section 103 of the Code. These requirements include, but are not limited to, requirements relating to use and expenditure of gross proceeds of the Series P Bonds, yield and other restrictions on investments of gross proceeds, and the arbitrage rebate requirement that certain excess earnings on gross proceeds be rebated to the federal government. Noncompliance with such requirements may cause interest on the Series P Bonds to become included in gross income for federal income tax purposes retroactive to their issue date, irrespective of the date on which such noncompliance occurs or is discovered. The Authority has covenanted to comply with certain applicable requirements of the Code to assure the exclusion of interest on the Series P Bonds from gross income under Section 103 of the Code.

Certain Collateral Federal Tax Consequences. The following is a brief discussion of certain collateral federal income tax matters with respect to the Series P Bonds. It does not purport to address all aspects of federal taxation that may be relevant to a particular owner of a Series P Bond. Prospective investors, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Series P Bonds.

Prospective owners of the Series P Bonds should be aware that the ownership of such obligations may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, individuals otherwise eligible for the earned income tax credit, and taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is excluded from gross income for federal income tax purposes. Interest on the Series P Bonds may be taken into account in determining the tax liability of foreign corporations subject to the branch profits tax imposed by Section 884 of the Code.

Original Issue Discount. "Original issue discount" ("OID") is the excess of the sum of all amounts payable at the stated maturity of a bond (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates) over the issue price of that maturity. In general, the "issue price" of a maturity (a bond with the same maturity date, interest rate, and credit terms) means the first price at which at least 10% of such maturity was sold to the public, i.e., a purchaser who is not, directly or indirectly, a signatory to a written contract to participate in the initial sale of the Series P Bonds. In general, the issue price for each maturity of bonds is expected to be the initial offering price set forth on the cover page of the Official Statement. Bond Counsel further is of the opinion that, for any Series P Bonds having OID (a "Discount Bond"), OID that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code, is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series P Bonds.

In general, under Section 1288 of the Code, OID on a Discount Bond accrues under a constant yield method, based on periodic compounding of interest over prescribed accrual periods using a compounding rate determined by reference to the yield on that Discount Bond. An owner's adjusted basis in a Discount Bond is increased by accrued OID for purposes of determining gain or loss on sale, exchange, or other disposition of such Series P Bond. Accrued OID may be taken into account as an increase in the amount of tax-exempt income received or deemed to have been received for purposes of determining various other tax consequences of owning a Discount Bond even though there will not be a corresponding cash payment.

Owners of Discount Bonds should consult their tax advisors with respect to the treatment of original issue discount for federal income tax purposes, including various special rules relating thereto, and the state and local consequences of acquiring, holding and disposing of Discount Bonds.

Bond Premium. In general, if an owner acquires a Series P Bond for a purchase price or otherwise at a tax basis that reflects a premium over the sum of all amounts payable on the Series P Bond after the acquisition date (excluding certain "qualified stated interest" that is unconditionally payable at least annually at prescribed rates), that premium constitutes "bond premium" on that Series P Bond (a "Premium Bond"). In general, under Section 171 of the Code, an owner of a Premium Bond must amortize the bond premium over the remaining term of the Premium Bond, based on the owner's yield over the remaining term of the Premium Bond determined based on constant yield principles (in certain cases involving a Premium Bond callable prior to its stated maturity date, the amortization period and yield may be required to be determined on the basis of an earlier call date that results in the lowest yield on such bond). An owner of a Premium Bond must amortize the bond premium by offsetting the qualified stated interest allocable to each interest accrual period under the owner's regular method of accounting against the bond premium allocable to that period. In the case of a tax-exempt Premium Bond, if the bond premium allocable to an accrual period exceeds the qualified stated interest allocable to that accrual period, the excess is a nondeductible loss. Under certain circumstances, the owner of a Premium Bond may realize a taxable gain upon disposition of the Premium Bond even though it is sold or redeemed for an amount less than or equal to the owner's original acquisition cost. Owners of any Premium Bonds should consult their own tax advisors regarding the treatment of bond premium for federal income tax purposes, including various special rules relating thereto, and state and local tax consequences, in connection with the acquisition, ownership, amortization of bond premium on, sale, exchange, or other disposition of Premium Bonds.

Information Reporting and Backup Withholding. Information reporting requirements apply to interest paid on tax-exempt obligations, including the Series P Bonds. In general, such requirements are satisfied if the interest recipient completes, and provides the payor with, a Form W-9, "Request for Taxpayer Identification Number and Certification," or if the recipient is one of a limited class of exempt recipients. A recipient not otherwise exempt from information reporting who fails to satisfy the information reporting requirements will be subject to "backup withholding," which means that the payor is required to deduct and withhold a tax from the interest payment, calculated in the manner set forth in the Code. For the foregoing purpose, a "payor" generally refers to the person or entity from whom a recipient receives its payments of interest or who collects such payments on behalf of the recipient.

If an owner purchasing a Series P Bond through a brokerage account has executed a Form W-9 in connection with the establishment of such account, as generally can be expected, no backup withholding should occur. In any event, backup withholding does not affect the excludability of the interest on the Series P Bonds from gross income for federal income tax purposes. Any amounts withheld pursuant to backup withholding would be allowed as a refund or a credit against the owner's federal income tax once the required information is furnished to the Internal Revenue Service.

Miscellaneous. Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series P Bonds under federal or state law or otherwise prevent beneficial owners of the Series P Bonds from realizing the full current benefit of the tax status of such interest. In addition, such legislation or actions (whether currently proposed, proposed in the future, or enacted) and such decisions could affect the market price or marketability of the Series P Bonds.

Prospective purchasers of the Series P Bonds should consult their own tax advisors regarding the foregoing matters.

See **Appendix F** for the proposed form of opinion of Bond Counsel.

RATINGS

Moody's Investors Service, Inc. ("Moody's") has rated the Series P Bonds "A1" with a positive outlook. S&P Global Ratings ("S&P") has rated the Series P Bonds "A+" with a stable outlook.

Ratings reflect only the respective views of such organizations, and any desired explanation of the significance of such ratings should be obtained from the rating agencies furnishing the same. The Authority furnished to such rating agencies certain materials and information in addition to that provided here. There is no assurance that such ratings will prevail for any given period of time or that they will not be revised downward or withdrawn entirely by any or all of such rating agencies if, in the judgment of any or all of them, circumstances so warrant. Any such downward revision or withdrawal of such rating or ratings may have an adverse effect on the market price of the Series P Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

UNDERWRITING

The Underwriters have jointly and severally agreed, subject to certain conditions, to purchase from the Authority the Series P Bonds at an aggregate purchase price of $______________, reflecting an Underwriters' discount of $____________ and to reoffer such Series P Bonds at the public offering prices or yields set forth on the inside cover page hereof. Such Series P Bonds may be offered and sold to certain dealers (including dealers depositing such Series P Bonds into investment trusts) at prices lower and yields higher than such public offering prices and yields and prices and yields may be changed, from time to time, by the Underwriters. The Underwriters' obligations are subject to certain conditions precedent, and they will be obligated to purchase all such Series P Bonds if any Series P Bonds are purchased. The Underwriters have designated J.P. Morgan Securities LLC, as Representative of the Underwriters of the Series P Bonds.

J.P. Morgan Securities LLC is also acting as the Dealer Manager in connection with the Tender Offer described under the caption "PLAN OF FINANCE, REFUNDING AND TENDER FOR PURCHASE". Any tendered Target Bonds that are accepted for purchase by the Authority will be tendered to the Authority under the terms of the Invitation with the assistance of the Dealer Manager, in its capacity as Dealer Manager for the Tender Offer, and not as an Underwriter of the Bonds.

The following paragraphs have been provided by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Authority for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. The Underwriters and their respective affiliates also may communicate independent investment recommendations, market advice, or trading ideas and/or publish or express independent research views in respect of such assets, securities or other financial instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and other financial instruments. Such investment and securities activities may involve securities and instruments of the Authority.

In addition, certain of the Underwriters may have entered into retail distribution agreements with their respective affiliates and/or other broker-dealers (that have not been designated by the Authority as Underwriters) for the retail distribution of the Series P Bonds at the original issue prices. Such agreements generally provide that the relevant Underwriter will share a portion of its underwriting compensation or selling concession with such broker-dealers.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

American Municipal Tax-Exempt Compliance Corporation ("AMTEC") will deliver to the Authority on or before the settlement date of the Series P Bonds, its report indicating that it has verified the mathematical accuracy of schedules provided by the Authority and its representatives. Included in the scope of its engagement will be a verification of the mathematical accuracy of the mathematical computations of the adequacy of the maturing principal of and interest on the Government Obligations, to pay, when due, the maturing principal of, interest on and call premium requirements of the Refunded Bonds.

The verification performed by AMTEC will be solely based upon data, information and documents provided to AMTEC by the Authority and its representatives. The AMTEC verification report will state that AMTEC has no obligation to update the report because of events occurring, or data or information coming to their attention, subsequent to the date of the report.

LEGALITY OF INVESTMENT

Pursuant to the Act, the Series P Bonds are made securities in which all public officers and bodies of the State and all municipalities and municipal subdivisions, all insurance companies and associations and other persons carrying on an insurance business, all banks, bankers, trust companies, savings banks and saving associations, including savings and loan associations, building and loan associations, investment companies and other persons carrying on a banking business, all administrators, guardians, executors, trustees and other fiduciaries and all other persons whatsoever who are now or may hereafter be authorized to invest in bonds or other obligations of the State, may properly and legally invest funds including capital in their control or belonging to them. The Series P Bonds are also made securities which may be deposited with and may be received by all public officers and bodies of the State and all municipalities and municipal subdivisions for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized.

LEGAL MATTERS

All legal matters incident to the authorization and issuance of the Series P Bonds are subject to the approval of Hawkins Delafield & Wood LLP, New York, New York, Bond Counsel to the Authority. Certain legal matters will be passed on for the Underwriters by Harris Beach PLLC, Counsel to the

Underwriters. Certain legal matters are subject to the approval of Joseph P. Igoe, Esq., First Deputy General Counsel of the Authority.

CONSULTANT'S AND ACCOUNTANT'S REPORTS

The 2023 Traffic Engineer's Report is contained in **Appendix A** of this Official Statement in reliance upon the authority of Stantec as experts. The Traffic Engineer has advised the Authority that it has reviewed the summaries contained in this Official Statement of the information, estimates and projections contained in the 2023 Traffic Engineer's Report and that, in its opinion, the statements made herein are correct and fairly present in summary form the information contained in such reports, and that all material assumptions or qualifications with respect to such statements are reflected therein. The 2023 Traffic Engineer's Report is also available for review on the Authority's website.

The financial statements of the Authority as of December 31, 2022, and 2021, and for the years then ended, included in **Appendix B** of this Official Statement have been audited by BST & Co. CPAs, LLP, independent auditors, as stated in their report appearing in herein. The Authority has engaged BST & Co. CPAs, LLP to audit the Authority's financial statements for the fiscal year ended December 31, 2023 and expects to receive the audited financial statements and the report of BST & Co. CPAs, LLP thereon in late March 2024.

CO-FINANCIAL ADVISORS

The Authority has retained Public Resources Advisory Group and Acacia Financial Group, Inc. to serve as Co-Financial Advisors (the "Co-Financial Advisors") in connection with the issuance of the Series P Bonds. Although the Co-Financial Advisors have reviewed the Official Statement, the Co-Financial Advisors have not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of information in the Official Statement. Public Resources Advisory Group and Acacia Financial Group, Inc. are independent financial advisory firms not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12

In order to assist the Underwriters of the Series P Bonds in complying with Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"), the Authority and the Trustee will enter into a written agreement (the "Continuing Disclosure Agreement") for the benefit of the holders of the Series P Bonds to provide continuing disclosure on an annual basis on or before 120 days after the end of each fiscal year, commencing with the fiscal year ending December 31, 2024. Pursuant to the Continuing Disclosure Agreement, the Authority will also undertake to provide no later than 120 days after the end of each of its fiscal years, commencing with the fiscal year ending December 31, 2024, the Authority's annual financial statements for such year, prepared in accordance with GAAP and audited by an independent firm of certified public accountants in accordance with generally accepted auditing standards, to the MSRB; provided, however, that if audited financial statements are not then available, unaudited financial statements shall be so provided and such audited financial statements shall be provided to the MSRB if and when available. The form of the Continuing Disclosure Agreement is attached hereto as "APPENDIX E - Form of Continuing Disclosure Agreement".

The Authority has not in the previous five years failed to comply, in all material respects, with any previous undertakings pursuant to Rule 15c2-12.

MISCELLANEOUS

The references herein to the Act and the Bond Resolution are brief outlines of certain provisions thereof. Such outlines do not purport to be complete and reference is made to the Act and the Bond Resolution for full and complete statements of such provisions. Copies of the Act and the Bond Resolution are on file at the offices of the Authority and the Trustee.

The agreements of the Authority with the holders of the Series P Bonds are fully set forth in the Bond Resolution. Neither any advertisement of the Series P Bonds nor this Official Statement is to be construed as a contract with the holders of the Series P Bonds.

Any statements in this Official Statement involving matters of opinion, forecasts or estimates, whether or not expressly stated, are intended merely as expressions of opinion, forecasts or estimates and not as representations of fact.

The execution and delivery of this Official Statement by its Chief Financial Officer and Treasurer has been duly authorized by the Authority.

NEW YORK STATE THRUWAY AUTHORITY

By: ____
Chief Financial Officer and Treasurer

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APPENDIX A

2023 TRAFFIC ENGINEER'S REPORT

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New York State Thruway
Traffic and Revenue Report
Including a Review of the
Physical Condition of the Thruway System

November 30, 2023

Prepared for:

New York State Thruway Authority

Prepared by:

Stantec Consulting Services, Inc.

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1.0 INTRODUCTION AND EXECUTIVE SUMMARY

The New York State Thruway Authority ("Authority" or "Thruway Authority") has requested that Stantec Consulting Services Inc. ("Stantec") provide an investment grade traffic and revenue study for its General Revenue Obligation Bonds, Series P (the "Series P Bonds").

The forecasts of traffic and revenues set forth herein are based on the Authority's Board-approved 2024 through 2027 toll modifications, as summarized in Table 1.

Table 1: 2024 - 2027 Approved Future Toll Modifications

Toll Modification Element	Description
GOVERNOR MARIO M. CUOMO BRIDGE TOLL RATE ADJUSTMENTS	
Gov. Mario M. Cuomo Bridge: Increase Base NY *E-ZPass* to a rate of $7.75 by 2027	Beginning on January 1, 2024, provide 50-cent annual increases to the base NY *E-ZPass* passenger toll rates on the Gov. Mario M. Cuomo Bridge during the period 2024-2027. This would result in a base NY *E-ZPass* rate for passenger vehicles increasing to $7.75 by 2027 (current rate is $5.75). Commercial rate increases would be proportionate to the passenger rate increases. (Note that Systemwide adjustments to Non-NY *E-ZPass* and Tolls by Mail will be applied on top of these base increases.)
40% Commuter Discount Program	Maintain the commuter discounted rate of 40 percent off the NY *E-ZPass* rate for passenger vehicles that opt into the program. Consistent with the policy prior to the toll adjustment, the rates assume that a minimum of 20 trips are made in that month; if fewer than 20 trips are taken per month, customers are charged for each trip not taken. This program is offered to class 2L vehicles only, with a New York *E-ZPass*.
Resident Discount Program	Increase the resident discount *E-ZPass* Plan for qualified Westchester and Rockland residents from its current 17 percent discount to a 20 percent discount off the NY *E-ZPass* rate. This program is only offered to class 2L passenger vehicles with a NY *E-ZPass* who opt into the plan and provide proof of residency.
SYSTEMWIDE TOLL RATE ADJUSTMENTS	
NY *E-ZPass* Rates	On January 1, 2024 and January 1, 2027 increase the base NY *E-ZPass* rates by 5 percent from their prior levels.
Incentivize NY *E-ZPass* Usage	Beginning on January 1, 2024, increase the current 30 percent Tolls by Mail ("TBM") rate differential (a toll rate 30 percent above the NY *E-ZPass* rate) to a 75 percent differential above the NY *E-ZPass* rate.
Non-NY *E-ZPass* Rates	Beginning on January 1, 2024, increase the current Non-NY *E-ZPass* toll rate differential from a 15 percent rate differential (a toll rate 15 percent above the NY *E-ZPass* rate for Non-NY *E-ZPass* tolls) to a 75 percent differential above the NY E-ZPass rate.

This follows other events and changes to the system in recent years which included the following:

- Toll increases were last implemented at the Gov. Mario M. Cuomo Bridge in January 2021 and January 2022. The base passenger car *E-ZPass* toll was increased $0.50 each year with greater increases for large trucks. Qualifying passenger cars avoided toll increases by participating in a new Resident Plan.

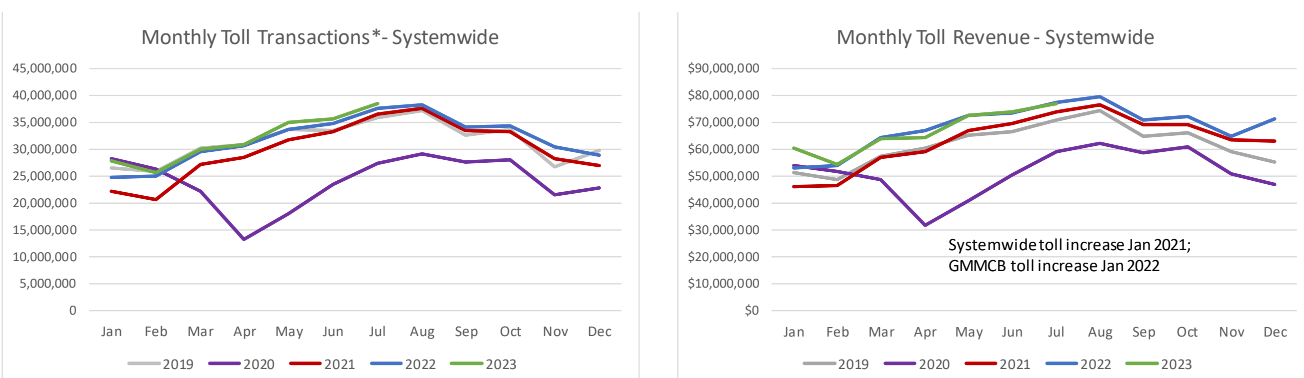
- Systemwide, starting in January 2021, Tolls by Mail rates were increased to 30 percent above the NY *E-ZPass* toll rate, in addition to the assessment of a $2 administrative surcharge per billing statement. The non-NY *E-ZPass* toll rate was increased to 15 percent above the NY *E-ZPass* rate. With the exception of the Gov. Mario M. Cuomo

Bridge, tolls for NY *E-ZPass* customers systemwide were not increased in 2021 or 2022; they remained at 2010 rates.

- Conversion of the controlled system to all-electronic toll collection (“AETC”), also known as all-electronic tolling (“AET”) or cashless tolling, was completed on November 14, 2020. The Gov. Mario M. Cuomo Bridge (formerly Tappan Zee Bridge) had previously been converted in 2016 and the other barriers had been converted in 2018.

- The COVID-19 pandemic (“COVID-19” or “COVID”) that began in March 2020 resulted in significant impacts to the Authority’s financial condition, with substantial declines in Thruway traffic and toll revenues. Figure 1 compares monthly trips and revenue over the period from 2019 through July 2023. While these declines were most severe during the height of the outbreak in the spring of 2020, significant improvement was seen over the summer and fall of 2021 where transactions often exceeded 2019 levels. In December of 2021 and January of 2022, with the spread of the Omicron variant, traffic experienced a notable decline below 2019 levels, followed by recovery through the spring of 2022. In May through December 2022, traffic grew over 2021 levels. In early 2023 traffic was only slightly above 2022, representing a typical year-over-year growth rate, and suggesting that there is no further growth anticipated as a result of COVID recovery. Toll revenues have exceeded pre-COVID levels since mid-2021 due primarily to the 2021 and 2022 toll increases. As shown below, total 2023 toll transactions and revenues through July were 3 percent and 11 percent above 2019 levels, respectively.

Figure 1: Monthly Toll Transactions and Revenue Showing COVID-19 Impacts, 2019-2023



2023 compared to 2019	Jan	Feb	Mar	Apr	May	Jun	Jul	**Total YTD**
Monthly Toll Transactions*	5%	-1%	0%	1%	4%	7%	7%	**3%**
Monthly Toll Revenue	18%	11%	11%	7%	11%	11%	9%	**11%**

** With the new AETC system, there may now be multiple toll transactions per trip on the Woodbury-Williamsville section, while there was previously only one transaction per trip. From January 2019 through November 2020 these trips were converted to “new system transactions” for graphing purposes to provide a better comparison to pre-AETC conditions.*

Future funding needs for 2024 through 2028 were established by the Authority at amounts necessary to maintain current levels of safety and service and good infrastructure conditions, support Thruway operations, and maintain established debt service coverage policy targets appropriate for high level investment-grade credit ratings. The Authority and its independent financial advisors have determined that the forecasted revenues with the programmed 2024 through 2027 toll modifications are sufficient to meet these funding needs throughout the forecast period. In the unlikely event of a shortfall, the Authority’s Board has the independent statutory authority to set toll rates and has the obligation to adjust rates (as set forth in both the General Revenue Bond Resolution and the Junior Indebtedness Resolution) to the levels required to satisfy covenants pledged to its debt holders. In our opinion, the Thruway Authority has the capacity to generate additional revenues through periodic toll adjustments, and, if implemented, these adjustments would result in only small changes to traffic patterns. We believe, for the period through the final maturity of the Series P Bonds, that the Authority will be able to:

- Fund necessary operations, maintenance and capital expenses;
- Meet the covenants of the General Revenue Bond Resolution and the Junior Indebtedness Resolution;
- Preserve good overall infrastructure conditions of the Thruway System and complete its current 5-Year Capital Program;
- Comply with the Authority's Fiscal Management Guidelines by maintaining targeted levels of debt service coverage.

On the basis of our studies and analyses, we are providing the following additional conclusions:

- The Authority has the independent, statutory ability to adjust its toll rates and provide significant amounts of additional revenue;
- The Authority's toll rates are relatively low and compare well to other toll systems, allowing for future rate setting flexibility with minimal long-term traffic diversion impact;
- The Authority's ongoing operational streamlining efforts have limited the rates of growth in operational expenses and can be anticipated to provide recurring, long-term savings;
- Infrastructure conditions and the capacity of the Thruway System have been considered in the forecasts, and should not adversely affect the projected growth of traffic and the accompanying growth of toll revenues throughout the forecast period;
- The Authority's facilities have been maintained at high standards over prior years, resulting in good overall infrastructure conditions throughout the Thruway System;
- The Authority's planned extensive and regular maintenance programs, asset management systems and long-term capital planning process provide confidence that overall operational and structural integrity of its facilities will be maintained; and
- Target levels of future maintenance and capital expenditures beyond the current Capital Program will support the integrity and reliability of the Thruway System.

2.0 THE NEW YORK STATE THRUWAY SYSTEM

2.1 BACKGROUND

Since its opening in 1954, the Thruway has served as an essential and central artery of New York State's (the "State") transportation system, providing a vital link between its major cities from the Atlantic Ocean to Canada and the Great Lakes. Over the years, the Authority has taken actions that have allowed for safe and efficient travel for millions of passenger cars and commercial customers.

The Thruway serves travelers with a variety of essential needs and purposes, including commuters, business travelers, recreational travelers, and commercial vehicle traffic that transports goods and services throughout the State. The Thruway has provided a dependable roadway system for these travelers, sustaining and encouraging economic growth, fostering job creation and generating tax revenues for the State and its local governments. Illustrating its importance to the State, region and nation, Thruway customers traveled approximately 7.7 billion vehicle-miles on the highway in 2022, averaging more than 21.2 million vehicle-miles per day.

At 570 miles in length, the New York State Thruway is one of the largest tolled highway systems in the United States and is a critical component of the national interstate network. There are few alternatives to the Thruway as it connects the principal cities of the State from New York City to Albany, and on to Utica, Syracuse and Rochester through to Buffalo and the Pennsylvania state line. The Thruway corridor serves 37 of the State's 62 counties and the majority of the State's population. Approximately 375.7 million toll transactions occurred on the Thruway in 2022, generating about $820.4 million in toll revenues[1].

The Thruway is an important interstate connector, joining with the Massachusetts Turnpike (I-90), Connecticut Turnpike (I-95), New Jersey's Garden State Parkway, as well as several other Interstate routes such as I-287 from New Jersey; I-90 in Pennsylvania; I-290 around the north side of Buffalo; I-390 and I-490 serving Rochester; I-81, I-481 and I-690 at Syracuse; I-790 in Utica; I-87 (the Northway), I-88, I-90, I-787, and I-890 at Albany; and I-84 at Newburgh. It also makes direct connections with numerous major State highways.

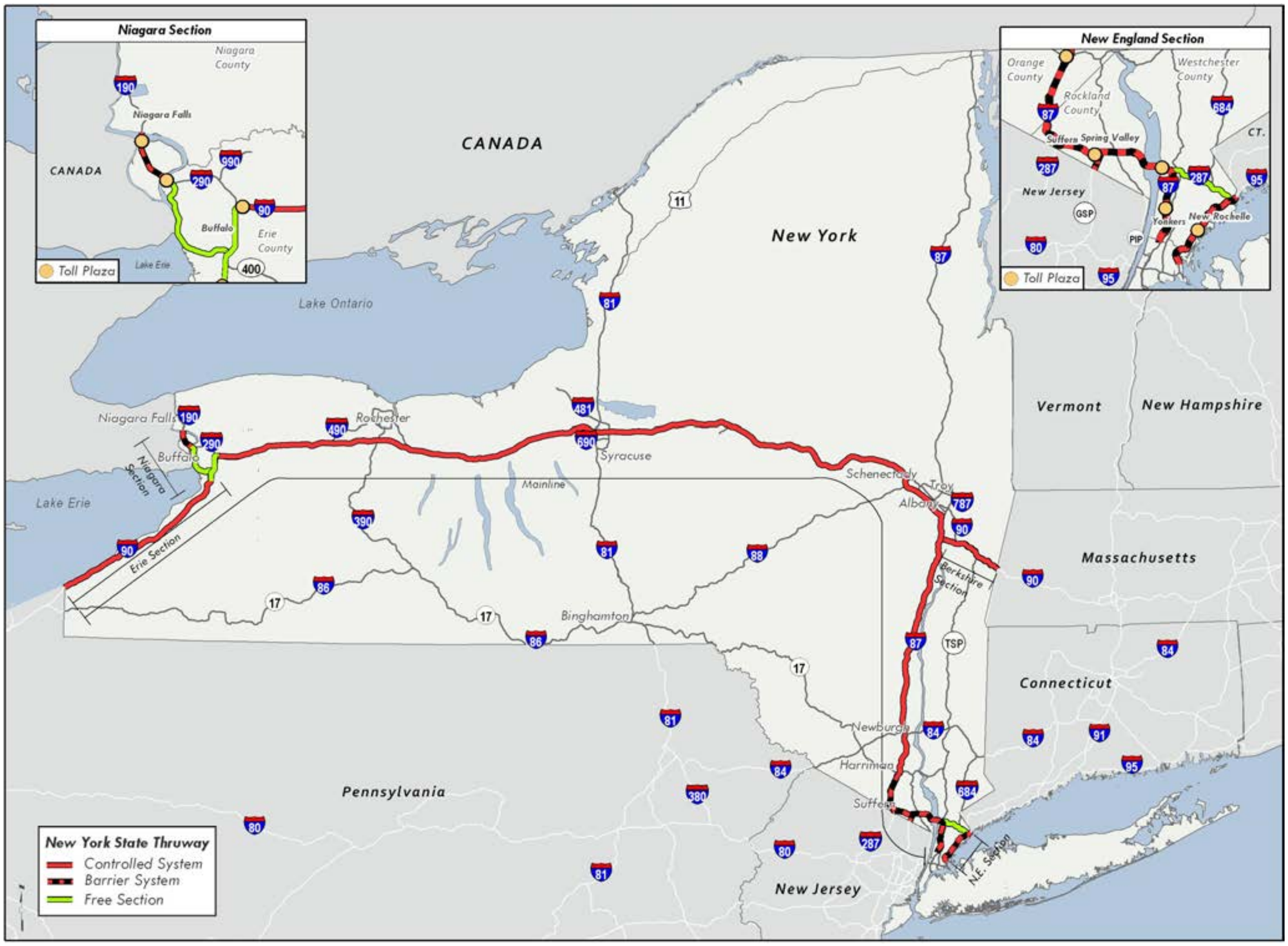
The Thruway is comprised of two types of toll systems – a controlled system and a barrier system, as shown in Figure 2**.** The controlled system (approximately 481 miles) makes up the largest portion of the Thruway, running from Woodbury (in the southeast corner of the State) north along I-87 to Albany, then west on I-90 to Buffalo and south of Lake Erie to the Pennsylvania border. In addition to this main stretch of the controlled system, there is a small branch south and east of Albany providing a connection to the Massachusetts border and the I-90 Massachusetts Turnpike. The barrier systems - located in the southeast corner of the State and the northwest corner of the State - are comprised of the Governor Mario M. Cuomo Bridge (formerly Tappan Zee Bridge barrier), Yonkers Barrier, New Rochelle Barrier, Spring Valley Barrier (where passenger cars only are toll-free), Harriman Barrier, and the Grand Island Bridges. The entire Thruway system operates with AETC.

Under the existing policy, toll rates across the Thruway System are based on vehicle classification, related to the number of axles per vehicle and the height of the vehicle over the first two axles. On the controlled system, tolls are charged based on the actual distance traveled by the customer. Meanwhile, barrier toll plazas have a fixed toll rate for each vehicle class and payment type (e.g., Tolls by Mail, out-of-state *E-ZPass,* New York *E-ZPass*, as well as Commuter, Resident and other *E-ZPass* Discounts).

Portions of the roadways under the Thruway jurisdiction are currently toll-free. These include a nine-mile section in the Buffalo area between the controlled sections; I-190 between Buffalo and Grand Island; I-90 between Albany (Interchange 24) and I-88 (Interchange 25A); and the Cross Westchester Expressway (I-287). In addition, there are stretches of roadway on the sections with fixed-toll barriers where short trips can be made without passing through a toll barrier.

[1] $852.5 million in gross toll revenues minus $32.1 million in commercial volume discounts

Figure 2: New York State Thruway Toll Systems



In recent years, the Authority completed conversion of its entire system to AETC. The Governor Mario M. Cuomo Bridge (formerly Tappan Zee Bridge barrier) was the first to launch AETC on April 23, 2016. AETC began at both of the Grand Island Bridges on March 30, 2018, at the Harriman Barrier on September 28, 2018, and at the Yonkers Barrier on November 19, 2018. The Spring Valley Barrier and New Rochelle Barrier were converted to AETC on December 20, 2018. The controlled system was converted to AETC on November 14, 2020.

2.2 ROADWAYS

The 2,800 lane-mile Thruway roadway system was constructed between 1949 and 1960 and is one of the oldest components of the national Interstate Highway System. In addition to the Authority's mandate to operate and maintain the original components of the Thruway, in 1991, the Cross-Westchester Expressway (I-287), which starts at I-87 near Tarrytown and travels east for 11 miles to the Thruway's New England Section (I-95) in Rye became the Authority's responsibility for maintenance and operational expenditures only. Capital improvements remain the responsibility of the New York State Department of Transportation ("NYSDOT"). It should also be noted that the Authority had also been responsible for the operation and maintenance for the New York State Canal System in the past, however, in 2017 the Authority was relieved of all responsibilities related to the Canal System.

The Thruway System is currently about 570 total miles in length and has 134 interchanges. The various sections of the roadway currently maintained by the Authority are listed in Table 2.

Table 2: The Thruway System

Section	Controlled Section	Barrier Section	Length (miles)
The Mainline (New York City – Buffalo)	X	X	426
Erie Section (Buffalo – Pennsylvania Line)	X		70
Niagara Section I-90 (Buffalo – Niagara Falls)		X	21
Berkshire Section (Selkirk – Massachusetts Line)	X		24
New England Section (I-95) (Bronx – Connecticut Line)		X	15
Garden State Parkway Connection (Spring Valley – New Jersey)			3
Cross-Westchester Expressway (I-287) (Mainline I-87 in Tarrytown – I-95 in Rye)			11
Total			**570**

X= tolled section of the Thruway

Thruway pavements are typically nine inches of reinforced Portland cement concrete placed on 12 inches of granular sub-base. Shoulders are made up of treated granular material with asphaltic wearing surface. A large portion of the roadway's base dates back to its original construction, precipitating the need for heavy maintenance, reconstruction and rehabilitation activities to retain the riding surface in a state of good repair.

The Authority has an established process under which it selects highway projects for its capital program, which relies strongly on information and analytical tools contained within the Authority's Asset Management Systems, and coordination with the Department of Maintenance and the Authority's four geographic divisions. Projects are prioritized based on safety, riding surface condition, and the impact on asset useful life and capacity. This process has historically allowed the Authority to maintain good overall surface and riding conditions of its highway pavement.

2.3 BRIDGES

The Authority has maintenance and inspection responsibility for 817 bridges that carry Thruway traffic as well as local roads and State highways over the Thruway System. The structural characteristics of these bridges vary. About 15 percent are concrete structures, either pre-stressed girder, arch, rigid frame or box culverts; the remaining 85 percent of the bridges are steel structures with asphalt overlaid, reinforced concrete decks. As with the roadway, an overwhelming majority of the structures date back to the original opening of the Thruway System in the 1950s and require continual and significant repair, rehabilitation and reconstruction investments to prevent deteriorating conditions.

The largest bridge on the Thruway System is the twin-span Governor Mario M. Cuomo Bridge over the Hudson River, which is located approximately 20 miles north of New York City and replaced the 61-year old Tappan Zee Bridge. The new bridge consists of multi steel girder/composite deck approach spans at each end with cable-stayed spans over the main Hudson River shipping channels. Each of the twin bridge spans is approximately three miles in total length, with chamfered towers supporting the cables. Construction on the bridge project began in 2013. The north span of the Governor Mario M. Cuomo Bridge was opened to northbound (westbound) traffic on August 26, 2017 and to southbound (eastbound) traffic on October 6, 2017. Southbound traffic was shifted to the south span when it was opened to traffic in September 2018. Each span operates with four lanes of vehicle traffic per direction, with AETC continuing to collect tolls from southbound traffic only. The north span's shared-use bike and pedestrian path was completed in June 2020.

In addition to the Governor Mario M. Cuomo Bridge, the Thruway System includes other large and unique bridge structures: the Castleton-on-Hudson Bridge across the Hudson River on the Berkshire Section; the four Grand Island Bridges spanning branches of the Niagara River north of Buffalo; and the three bridges crossing the Catskill, Kaaterskill, and Normanskill Creeks in the Catskill Region.

As with its highways, the Authority pursues a similar established process under which it selects bridge projects for rehabilitation or replacement. Potential bridge capital projects are identified by Authority field engineering staff and are vetted through the Authority's Asset Management Systems. This process has allowed the Authority to target bridge projects towards those that are critical to maintain safety and good structural conditions.

2.4 FIBER OPTIC SYSTEM

The Authority owns a fiber optic system consisting of 550 miles of duct and fiber optic cable located primarily within the right-of-way of the Thruway System. The Authority has entered into twelve agreements with various parties for the irrevocable right to use the system for terms ranging from 3 to 23 years. These agreements generally require users to make a one-time lump sum payment upon execution followed by annual recurring payments that escalate based on the lesser of the year over year change in the consumer price index or 3 percent. Total income over the life of the agreements is estimated to be $161.3 million. In 2022 the Authority recognized total revenue of $10.3 million from users of the fiber optic system.

2.5 SERVICE AREAS AND BUILDINGS

The Authority currently owns 666 buildings of various types. These include large maintenance and administrative facilities as well as storage sheds, utility buildings, and other minor facilities. The buildings include:

- 272 section maintenance and storage buildings
- 55 salt sheds
- 80 AET buildings
- 194 service area buildings
- 6 buildings at the three New York State Welcome Centers
- 1 Port Byron Old Erie Canal Heritage Park Visitors Center
- 23 State Police barracks and storage buildings
- 35 radio shelter buildings

The Authority's Administrative Headquarters is located just off Interchange 23 at 200 Southern Boulevard in Albany, overlooking the Thruway mainline and the Albany Division maintenance complex. This building has been the Authority's Headquarters since it was constructed in 1972.

The Thruway's maintenance responsibility is divided into four divisions, with each division having its own headquarters facility. These Division headquarters are located in Suffern, Albany, Syracuse, and Buffalo. The Division headquarters serve several functions that include housing the administrative staff for the maintenance program, as well as providing offices for State police and toll collection, traffic and customer service personnel.

Twenty-seven service areas, owned by the Authority and operated through concessionaire agreements, provide fuel, food and other amenities to Thruway customers. Thruway staff maintains the service area fuel station buildings and wastewater treatment plants and conducts winter maintenance of the parking areas. The service areas were originally built in the 1950s, with the last significant redevelopment (prior to the current redevelopment) taking place in the 1990s.

In 2021, the Authority entered into a 33-year agreement with Empire State Thruway Partners, LLC (“Empire”) for the design, construction, finance, operation, and maintenance of the Authority's 27 Service Areas. Empire assumed control of 16 of the service areas in July 2021 and the remaining 11 service areas in January 2023. Empire will rebuild 23 of the 27 service area restaurant buildings and perform significant renovations to the remaining four. Empire's initial investment to rebuild and renovate the service areas is estimated to be $300 million. With the exception of the Thruway being financially responsible for remediation costs associated with pre-existing regulated site conditions, no toll or tax dollars are being used for construction.

Most buildings at the new service areas are being configured to provide entrances from both the parking lot and fuel station facilities. New amenities and services at select service areas include exterior seating, picnic areas, play areas, pet walking areas with comfort stations, EV charging stations, and commercial driver services including increased truck parking, showers, laundry facilities and fitness centers. New food concepts are available to customers as part of the redevelopment project, with diverse food options at all 27 service areas, offering a range of healthy products and meals from nationally recognized restaurants.

Commencing with the reopening of each new restaurant building, the agreement requires Empire to pay rent calculated as a percentage of gross sales, subject to a guaranteed annual minimum per location. In addition, the agreement has ancillary rent provisions tied to the operation of commercial vehicle fueling stations at five of the service areas and advertising opportunities at all service areas. Sales generated by Empire during the operation of a restaurant prior to reconstruction (interim operations) are not subject to rent provisions. Over the life of the agreement, base rent calculated as a percentage of sales is forecasted to be $85 million, of which $51 million is guaranteed. By the end of December 2022, three of the newly constructed service area buildings had reopened while 13 were closed for construction. In 2022, the Authority recognized total rental income from the service area restaurants of $4.4 million, consisting of $1.8 million from Empire and $2.6 million from an agreement with McDonald’s Corporation that expired on December 31, 2022.

In addition, there are two leases for the operation of the fueling stations located at the service areas, Dunne Manning (12 facilities) and Sunoco, Inc. (R&M) (15 facilities). The Authority recognized $3.4 million in revenue from the fuel leases in 2022.

Apart from closures for scheduled remodeling and modernization, all food and fuel centers are open 24 hours daily, seven days a week and offer parking, fuel, public restrooms (including family assist restrooms equipped for persons with disabilities), ATMs, and free wireless internet service. Applegreen C-Stores offer an assortment of hot food items as well as grab-and-go sandwiches and wraps, salads, coffee, snacks, drinks and more, and also feature Taste NY products and merchandise. There is also a brand name food vendor at each service area open to the public 24 hours a day, seven days a week. Furthermore, many service areas have seasonal farm markets, gift shops, sell *E-ZPass* On-the-Go (retail *E-ZPass* transponders) and staff a number of Tourist Information Centers.

As of October 2023, eleven of the service areas have been modernized and reopened. Construction is currently underway at thirteen service areas. Fuel services remain available at all locations during construction, and signage alerts motorists of the construction at the service areas and the location of the next open service area on the Thruway.

2.6 SAFETY, INCIDENT RESPONSE AND TRAVELER INFORMATION SYSTEMS

The Thruway Statewide Operations Center ("TSOC"), housed at the Authority's Administrative Headquarters in Albany, is the central location for the coordination of all traffic incident response, emergency management, and dissemination of traveler information along the entire Thruway. The TSOC operates 24 hours a day, seven days a week, 365 days a year. The Authority exchanges traffic and Intelligent Transportation Systems ("ITS") data with NYSDOT through the Regional Traffic Operation Centers and uses the traveler's resource website 511ny.org to provide drivers with a view of traffic operations across the State so they may make more informed travel choices.

The TSOC controls an Advanced Traffic Management System that integrates and controls all current and future ITS devices and systems including: 117 Permanent Variable Message Signs, 286 Closed Circuit Television cameras, 130 Portable Variable Message Signs, 47 Weather Stations, 5 Weigh-in-Motion Sensors, 97 Lane Control Signs, 3 Variable Speed Limit Signs, and 27 Radar Speed Signs.

The Authority also offers an email alert service ("TRANSalert") to its customers to inform them of major unscheduled incidents that may affect their travel plans and the Thruway website (www.thruway.ny.gov) offers a centralized location to access a multitude of traveler information. In addition, an iPhone and Android app was released in November 2017 with live traveler information, interactive feedback and a Thruway travel planner.

Finally, a troop of New York State Police ("Troop T") is entirely dedicated to policing on the Thruway System. The principal mission for Troop T is to increase safety on the roadway and reduce fatal and personal injury auto accidents. They achieve this through enforcement and education. Through the years, Troop T has participated in traffic enforcement initiatives directed at drivers who engage in behavior known to cause fatalities or exacerbate the fatality rate, such as speeding, failure to use seatbelts and drunk and/or drugged driving. Since 2016, Troop T has participated in an annual campaign to raise awareness of New York's Move Over Law, which requires motorists to drive with care, slow down, and safely move over when approaching emergency vehicles, tow trucks, construction and maintenance vehicles that are stopped along the side of the road. Additionally, in April 2019, Troop T boosted patrols along the Thruway during 'Operation Work Brake'; this campaign cracked down on speeding motorists and aggressive driving before, in, and around construction zones. In recent years Troop T has also participated in 'Operation Hardhat'; this statewide traffic enforcement initiative focuses on enforcing reduced speed limits, use of seatbelts, and distracted driving in the work zones. The greatest proven method, however, to reduce fatalities is the day-to-day visible enforcement of traffic laws by the patrol troopers on the Thruway.

Good overall highway conditions, traveler access to online and radio information services, good incident and weather response and the efforts of Troop T have contributed to a very low accident fatality rate. The 2022 fatality rate on the Thruway of 0.16 fatalities per 100 million miles traveled was among the lowest in the nation. This compares to an index of 1.35 nationwide in 2022 (preliminary estimate)[2] and 1.08 for all of New York State[3] in 2021.

2.7 ANNUAL ROUTINE MAINTENANCE ACTIVITIES

Over the years, the Authority has developed comprehensive plans for the maintenance of its facilities. Formal pavement and bridge management systems have been developed to address maintenance issues and provide input into the development of long-term infrastructure management programs. Routine maintenance activities are performed by Authority staff from 21

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[2] "NHTSA Estimates for 2022 Show Roadway Fatalities Remain Flat After Two Years of Dramatic Increases", National Highway Traffic Safety Administration, April 10, 2023, https://www.nhtsa.gov/press-releases/traffic-crash-death-estimates-2022

[3] "Fatality Facts 2021 State by State." Insurance Institute for Highway Safety Highway Loss Data Institute, May 2023, https://www.iihs.org/topics/fatality-statistics/detail/state-by-state

maintenance locations grouped into four divisions. Additional oversight of maintenance activities is provided by the four division highway and bridge maintenance headquarters and by the Governor Mario M. Cuomo Bridge maintenance team. Responsibilities include snow and ice removal, pavement and bridge repair and maintenance, guiderail and safety work, responding to incidents and accident damage, and right-of-way maintenance. Maintenance activities also include innovative preventative maintenance operations to preserve the highway system and minimize added capital improvement costs.

Environmental stewardship has become an important factor in ongoing maintenance decisions. In addition to the conversion to cashless tolling, which reduces pollution, other examples of environmental enhancements by the Authority include the use of solar-powered ITS elements, the planting of living snow fencing, the use of beet juice as an additive to road salt to promote adhesion and snow melting, and the purchase of flex fuel and electric vehicles and expansion of charging stations.

In addition to the original mandate of the Authority to operate and maintain the controlled and barrier systems along the Thruway, the Authority was given responsibility over the Cross-Westchester Expressway (I-287) in 1991. This highway starts at I-87 near Tarrytown and travels east for 11 miles to the Thruway's New England Section (I-95) in Rye. Capital improvements have remained the responsibility of NYSDOT.

2.8 PHYSICAL CONDITION OF THE THRUWAY'S INFRASTRUCTURE

This section summarizes the physical inspection of the Thruway facilities in compliance with Section 619 of the General Revenue Bond Resolution, which requires a physical inspection by the Traffic Engineer once every three years. Stantec, with assistance from Popli Design Group, performed a “drive-through” physical inspection of the entire Thruway system during the period of November 1, 2022 through December 9, 2022. While an inspection of this type is not intended to identify specific localized problems, it does provide an overview of the Thruway’s physical condition.

The effectiveness of the Thruway’s maintenance and capital programs was evident during this inspection. With some exceptions, the condition of the pavement and bridges was observed to be satisfactory or better. In locations where infrastructure was less than satisfactory, construction or repair efforts were either underway or scheduled for the near term.

The Authority has developed a comprehensive asset management program to strategically operate, maintain, and upgrade the bridge and highway network through its life cycle. Using analytical techniques and mathematical models that take into account current conditions, traffic volumes, maintenance history, and location, the Authority, along with input from each Division, determines how best to manage and maintain its assets in a state of good repair.

As a follow-up to the 2022 review, Stantec conducted interviews in October 2023 with the leadership of each of the Thruway’s four Divisions: New York Division, Albany Division, Syracuse Division, and Buffalo Division. Each of the Division’s leadership reinforced their commitment to the New York State Thruway’s goal of providing a safe, sustainable, reliable, and resilient facility. Each interview explored the following topics:

- Current geographical limits of the Division;
- For major facilities, condition and issues concerning pavement, bridges, facilities and service areas, and other assets;
- Maintenance issues, practices, resources, and potential needs;
- Capital Improvements, including status of existing projects, planned or potential new projects, quality of support from the consultant community, and potential needs;

- Organization / Asset Management, including any potential risks to the Division, any suggested changes or improvements in organization, and any other topics that the Division Engineers believe should be addressed.

The following sections contain the results of the late 2022 drive-through inspection and October 2023 interviews with each Division.

2.8.1 New York Division

The New York Division includes I-87 from the New York City line to New Paltz, from milepost (MP) 0 to MP 76.5. It also includes I-95 from the Bruckner Expressway to the Connecticut state line (the New England Section), I-287 which is also known as the Cross-Westchester Expressway (for which the Authority is responsible only for maintenance), and the 2.4-mile Garden State Parkway connector from I-87 to the New Jersey state line. The New York Division is responsible for 578 mainline lane-miles and 101 Interchange lane-miles. Major bridges in the New York Division include the Gov. Mario M. Cuomo Bridge (formerly Tappan Zee) and the Byram River Bridge along the New England Section. New York Division bridges include 185 in total, not including the Cross-Westchester Expressway, with approximately 63 flagged, including 20 Red & 10 Safety.

All toll facilities have been upgraded to AET. There are no longer physical tollbooths along any section of highway – they were demolished and replaced with overhead toll gantries by 2020. The toll canopy structure at the Newburgh interchange (Exit 17), however, was retained and redeveloped for AET. New gantries -which have been in place at all key locations for about three years - obtain the vehicle travel data necessary to assess tolls. The bridges, pavement, and gantries in this Division were generally observed to be in satisfactory condition or better.

At the time of the interview, two (2) of the travel plazas had been replaced and reopened, two (2) were under construction scheduled to be completed in the spring of 2024 with work on the one (1) remaining plaza to start in 2024 and be completed by 2025. There were otherwise no noted construction projects underway in this Division at the time of the drive-through inspection or interview.

Maintenance. The New York Division has more than 230 maintenance personnel for its roadway, bridges, and facilities, plus the Tarrytown Operations unit dedicated to Gov. Mario M. Cuomo Bridge security. The Division's maintenance program is ongoing, and it follows guidelines and directives from the Authority's headquarters in Albany. The Division's maintenance fleet varies widely in age and undergoes a regular program of repair and replacement, operating most equipment until its useful end of life. The Division thereby undergoes a purchase program every few years to enhance its maintenance operations on an as-needed basis and as finance allows. Ongoing preventive maintenance activity continues to include mowing, repairing/sealing pavement, repair of guiderail and safety elements, maintenance of bridge bearings, and snow removal during the winter months (which uses a large majority of the staff). Maintenance is also responsible for safety upgrades, bridge washings, flag repairs, structural repairs, Thruway Utility Building / AET buildings, radio towers, and travel plazas' on-site wastewater treatment facilities. Division leadership noted that there is now the additional task of maintaining the AET infrastructure (cameras, treadles, etc.) at the numerous gantries, which has put added responsibilities on their workforce.

Capital Program. The Capital Program for the New York Division includes current on-going projects, along with various planned future construction projects. For the 2024 season, the most notable planned project is the pavement resurfacing from Harriman to Newburgh, Exit 17 ($28 million) and the I-95 New England Thruway highway rehabilitation from MP 604.0 to MP 608.8 ($45 million). Other upcoming notable projects in the 2024 to 2028 Capital Program include I-95 New England Thruway pavement resurfacing from MP 608.8 to 613.0 ($40 million, 2025), pavement resurfacing from the Major Deegan Expressway/MP 0.0 to Exit 8/Cross Westchester Expressway ($37 million, 2026), and a pavement reconstruction project from MP 72.5 to MP 76.5 ($56 million, 2026). Other future programmed projects include bridge maintenance cleaning, bridge preservation, bridge rehabilitation, bridge joint replacements and bridge replacements, pavement resurfacing, and building additions / renovations.

The New York Division programmed capital Improvements for 2024 to 2028 total $382.9M.

2.8.2 Albany Division

The Albany Division is responsible for 616.5 mainline lane-miles and 63.5 Interchange lane-miles. The Division runs from MP 76 in New Paltz to MP 197.9 in Canajoharie, and also includes the 24.3-mile Berkshire Section (I-90), which connects the Thruway mainline to the Massachusetts Turnpike through rugged terrain, including several steep rock cuts. The Berkshire Section includes the largest bridge in the Albany Division: the Castleton-on-Hudson Bridge, a 1500-ft cantilever truss bridge spanning the Hudson River. During the late 2022 drive-through inspection, significant construction activities were observed on the bridge. As in the New York Division, all toll plazas have been removed and new gantries put in place with the 2020 conversion to AETC. The pavement and bridges in the Albany Division were generally observed to be in satisfactory or better condition.

Maintenance. The Albany Division has more than 250 personnel devoted to maintenance who plan and prioritize preventive maintenance activities such as a rotating five-year bridge maintenance program, sealing bridge decks, repairing bridge bearings and substructures, repairing and sealing pavement, maintaining guiderail / safety elements, pothole repairs and mowing. In addition, they provide ITS maintenance, lane closures, and three (3) plowing shifts (24/7), as needed. Ongoing maintenance activity also includes safety upgrades, rock removal, and maintenance of salt sheds and service areas. Albany Division leadership would like to see an expanded future capital program to complete more projects rather that continuing to do limited-term repair work by maintenance department staff.

The Division's maintenance fleet varies widely in age and undergoes a regular program of repair and maintenance since equipment usage is typically through end of life. The Albany Division owns 51 large plow trucks, one Gradall, nineteen (19) loaders, one paver, one ten-ton roller and other miscellaneous equipment. As in most Divisions Albany's major investment in equipment is plow trucks with the goal to maintain the trucks between eight and twelve years with ten years being typical; part of this is driven by the cost of plow trucks, which has risen from $200K to $300K in recent years.

Capital Program. The Capital Program in the Albany Division includes current on-going projects, along with various planned future projects. The various upcoming construction projects throughout the Division include bridge replacement and rehabilitation, pavement resurfacing, deck replacements, wastewater treatment plant replacement and various culvert rehabilitation/replacements. In the 2024 to 2028 program, the most notable projects include the bridge over Wallkill River rehabilitation ($23 million, 2024); pavement resurfacing from MP 154.30 to MP 161.30 ($21 million, 2024); the Castleton Bridge rehabilitation, MP 801.08 ($35 million, 2024); pavement resurfacing from MP 76.5 to MP 86.8 ($19 million, 2025) and pavement restoration from Exit 24 to Exit 25 ($20 million, 2026).

The Albany Division programmed capital improvements for 2024 to 2028 total $256.7M.

2.8.3 Syracuse Division

The Syracuse Division extends from MP 197.9 in Canajoharie to MP 350.6 (Rochester – Victor – I-490). As this section of the Thruway runs primarily through rural areas, the Syracuse Division includes eleven travel plazas that are strategically located every 30 to 40 miles along the Thruway. At the time of the drive-through inspection in late 2022, the pavement and bridges in the Syracuse Division were generally observed to be in satisfactory condition or better. The only significant capital construction in this division continues to be the bridge replacement and pavement reconstruction project between Exit 37 and Exit 39. The eastbound structures were under construction. To facilitate this work, a crossover was installed, and all traffic was carried on the westbound side. Two lanes of traffic were being maintained in both directions. It was planned that the westbound structures be reconstructed in the spring of 2023, requiring a temporary crossover to the eastbound lanes. It was noted there was also a significant profile change in addition to the full-depth pavement reconstruction between the bridges.

At the time of the interview in October 2023, five (5) service areas were completed and five (5) were under construction with the remaining service area scheduled to be completed in fall 2024. It was noted during the interview that there are currently seven (7) bridge replacements taking place, with a pressing need for further bridge work over the next ten to fifteen years, as there are a number of original bridges in this division that are 70-plus years old.

Maintenance. The Syracuse Division has approximately 200 personnel devoted to maintenance who are engaged in maintaining the roadways, 17 interchanges or exits, 189 bridges, 1,833 culverts, 11 travel plazas, and eight wastewater treatment plants. Inventories are kept for facility maintenance and repair and for the Division's many bridges and culverts, all of which require regular maintenance. Preventive maintenance activities conducted by Division forces include mowing, repairing and sealing pavement, maintaining guiderails and safety elements, repairing bridge bearings, and snow removal. The Syracuse Division is still considering decommissioning structures that are underutilized. By decommissioning them, the Authority could reallocate its maintenance resources to accomplish other tasks.

The on-site wastewater treatment plants are maintained and serviced by the Service Area Maintenance group via trained certified personnel, who must maintain their certification.

Capital Program. The Capital Program for the 2024-2025 construction season highlights pavement rehabilitation from Rochester (Exit 45) to Canandaigua (Exit 44, $45 million, 2024) and concrete pavement restoration from MP 289.3 (Exit 39) to MP 304.5 (Exit 40, $60 million, 2025). Other notable funded projects in the 2024-2028 Capital Program are the bridge replacement over Mohawk St., MP 219.21 ($16.2 million, 2024); pavement resurfacing from MP 197.9 to MP 210.3 ($17 million, 2024); the bridge replacement over Canandaigua Outlet, MP 327.54 ($15 million, 2026); pavement resurfacing from MP 253.0 to MP 262.0 ($18 million, 2026); and pavement resurfacing from MP 220.0 to MP 233.5 ($17 million, 2028). The program also includes renovations to section maintenance buildings, pavement repairs, safety upgrades, waterline replacement, municipal sewer and water connections, and replacement of wastewater treatment plants at Chittenango, Indian Castle, and Port Byron Service Areas.

The Syracuse Division's programmed capital improvements for 2024 to 2028 total $374.0M.

2.8.4 Buffalo Division

The Buffalo Division is made up of several sections. The eastern part, which is considered part of the Thruway Mainline, extends from MP 350 (Rochester – Victor – I-490) to MP 426.17 (Exit 53, I-190); the Erie Section extends from MP 426.17 to MP 496.5 at the Pennsylvania State Line; and the Niagara Section extends from MP 426.17 to Niagara Falls. The Erie Section is rural, flat, adjacent to Lake Erie and therefore susceptible to lake effect snowstorms, and it is known for its many vineyards. This section also runs through land belonging to the Seneca Nation. The Niagara Section includes a mile-long viaduct (the viaduct deck was replaced in the mid-1990s) through the City of Buffalo and four major bridges to Grand Island (two bridges northbound and two southbound). The Buffalo Division is responsible for 806 mainline lane-miles and 274 interchange lane miles and includes more bridges than any other section of the Thruway. As along the other sections of the Thruway, toll plazas have been removed and replaced with AETC gantries. Toll plazas removed include the Williamsville Barrier, Lackawanna Barrier, Ripley Barrier, Tonawanda Barrier, and Niagara Barrier. The Lackawanna segment is one of the busiest toll zones on the Thruway. The Tonawanda and Niagara Barriers, which toll the South and North Grand Island Bridges, respectively, were the first locations in the Division to be converted to AET back in 2018.

At the time of the interview, two (2) service areas were completed, two (2) were under construction with the remaining two (2) remaining open and scheduled to be completed in 2024 to 2025. There were otherwise no noted construction projects underway in this Division.

The pavement and bridges in the Buffalo Division were generally observed to be in satisfactory condition or better. It was noted that the approximately three-mile section crossing the Seneca Nation was recently reconstructed and is performing very well - a noticeable improvement from the previous drive-through inspection in 2019.

Maintenance. The Buffalo Division has approximately 320 personnel dedicated to maintenance for bridges and highway, facilities, and for ITS and other assets. The maintenance personnel are also responsible for safety upgrades. The Division's maintenance fleet includes 170 to 180 plow trucks, a paving machine, milling machine and an under-bridge inspection unit among other vehicles. A new Gradall excavator was recently added to the fleet. It was noted during the interview that the Authority has a seasonal preventative maintenance program which prescribes preventative maintenance and annual maintenance plans; however, the Buffalo Division has started to perform bridge substructure repairs during the winter.

Capital Program. The Capital Program for the upcoming construction season includes I-190 pavement rehabilitation (MP 900.7 – MP 904.2) at the south end of the viaduct ($45 million, 2024), and pavement rehabilitation from MP 467.0 to MP 483.0 ($40 million, 2024). Other major funded projects in the 2024 - 2028 program include pavement resurfacing from east of the Williamsville Toll Barrier/MP 419.4 to west of Buffalo-Williams Street/Exit 52A/MP 425.9 ($30 million, 2026), pavement resurfacing from East of Silver Creek (MP 455.2) to Dunkirk/Exit 59/MP 467.0 ($26.5 million, 2027), steel repairs and seismic upgrades of the South Grand Island Bridges ($30 million, 2027), pavement resurfacing from I-390/Exit 46/MP 362.5 to LeRoy/Exit 47/MP 378.2 ($27.5 million, 2028), and pavement resurfacing from Exit 59/MP 467.0 to Exit 60/MP 483.0 ($23.5 million, 2028), which may be moved into 2024. Other notable projects in the program include a number of bridge rehabilitation and replacement projects, ITS equipment replacement, pavement resurfacing, and steel repairs. Finally, other projects include bridge steel preservation, pavement repairs and resurfacing, and a pumphouse upgrade on the Niagara Section.

The Buffalo Division noted the work on the Grand Island Bridges, which are inspected bi-annually, represents the most critical and essential projects in the Division. Bridge painting is absent from the program as the South bridges were last painted in 2005 and the North bridges in 2000. At that time numerous areas were found that required repair. Project B871.1 Steel Repairs and Seismic upgrades of South Grand Island Bridges has a letting year of 2027, but Division leadership noted it may be beneficial if let earlier.

The Buffalo Division's programmed capital improvements for 2024 to 2028 total $426.7M.

2.8.5 Statewide

All toll facilities on the system have been upgraded to AETC. There are no longer conventional toll plazas along the mainline or ramps, including the terminus locations at Woodbury, Canaan, Williamsville, Lackawanna, and Ripley. Systemwide AETC went live November 2020, which has reduced congestion, delay, and air pollution while improving safety. Since this upgrade, all Divisions have reported an increase in work for system maintenance and repair either by cleaning or replacing cameras and lasers, and replacing or installing treadles (shoulders). Often this requires lane closures to perform the work, which entails more time and workforce. In addition, a common occurrence across the state is an increase in bridge strikes, which can be attributed to the removal of the overheight bars which had been in place as part of the old tolling structure, and also because there are no longer toll collectors at interchanges or exits to radio in an overheight vehicle to pull it over before a strike happens.

The overall opinion by Division leadership regarding the AETC system is that it was an excellent way to mitigate delay, congestion and improve safety. The original concerns that additional maintenance would be required, and that there would be losses when it came to interchange maneuverability for maintenance, weather monitoring, and monitoring of oversize loads, has come true as noted above. A noted benefit from the AETC system was with regards to snow removal and the ease of plowing the exits and interchanges after removal of the old tolling structures.

There is an ongoing initiative to replace and upgrade all the service areas which was confirmed to be well underway during the interviews. Several service areas were recently replaced and opened, some are still under construction with limited services (gas only), with only a few pending upgrades. It was noted that at the new service areas the bathrooms appear to be small and that there is a lack of storage for both food services and on-site material and equipment.

There was an identified need by Division leadership to upgrade the Thruway Authority's maintenance and building facilities in the future. For example, snowplow trucks are increasing in size, and it is difficult for mechanics to work on them in the existing garages.   Another issue reported by the Divisions was the difficulty in filling vacant staff positions.

Statewide programmed capital improvements for 2024 to 2028 total $1.51B.

2.8.6 Opinion

This review of the Authority's maintenance and capital activities indicates a comprehensive program based on detailed inspections, evaluations, asset management, and a structured priority setting. The facilities have been maintained to high standards over the years with the result that the condition is generally good. In our opinion, the development and implementation of the Authority's 2024-2028 Capital Program, together with the ongoing heavy and regular maintenance programs should assure that the operational and structural integrity of these facilities will be maintained during the term of the Series P Bonds. We are also of the opinion that sufficient toll revenues can be generated to fund these programs with the recent approval of the 2024 through 2027 toll adjustments. Some of the longer-term needs identified by the Division directors should be addressed in the next Capital Program. If needed, the Thruway has the ability to generate more revenues beyond the 2024-2027 toll adjustments.

3.0 ECONOMIC BACKDROP AND OUTLOOK FOR THE FUTURE

Historically, Thruway traffic trends have been influenced by socio-economic conditions and correlations have been found between passenger car growth and Gross Domestic Product ("GDP") growth, and between commercial vehicle growth and Industrial Production Index ("IPI") growth. Stantec typically uses the consensus forecast from a group of financial institutions and economic forecasting firms as an input into its traffic growth forecasts for revenue estimation purposes. The most recent consensus forecast, derived from projections from more than 50 financial institutions and professional forecasting firms, is that real GDP will increase by 2.1 percent in 2023 and by 1.0 percent in 2024.[4]

Any forecast of toll traffic and revenues will, of necessity, recognize the significant variations that can and do occur in the national, regional and local economies within the Thruway corridors. Considering this, Stantec performed a detailed analysis of the historical economic trends seen over the last few decades, particularly as they relate to the economic influences that occurred and how traffic on the Authority's facilities reacted to those trends.

In addition, Stantec has been monitoring the effects of the COVID-19 pandemic which had major impacts to traffic in 2020, followed by two years of recovery. The pandemic has resulted in some long-term behavioral changes, such as the shift to working from home and increased e-commerce, which have reduced car travel but increased truck travel. Judging by recent monthly trends, we believe that traffic has now essentially reached a "new normal" where little to no further shift is anticipated in terms of COVID-19 recovery.

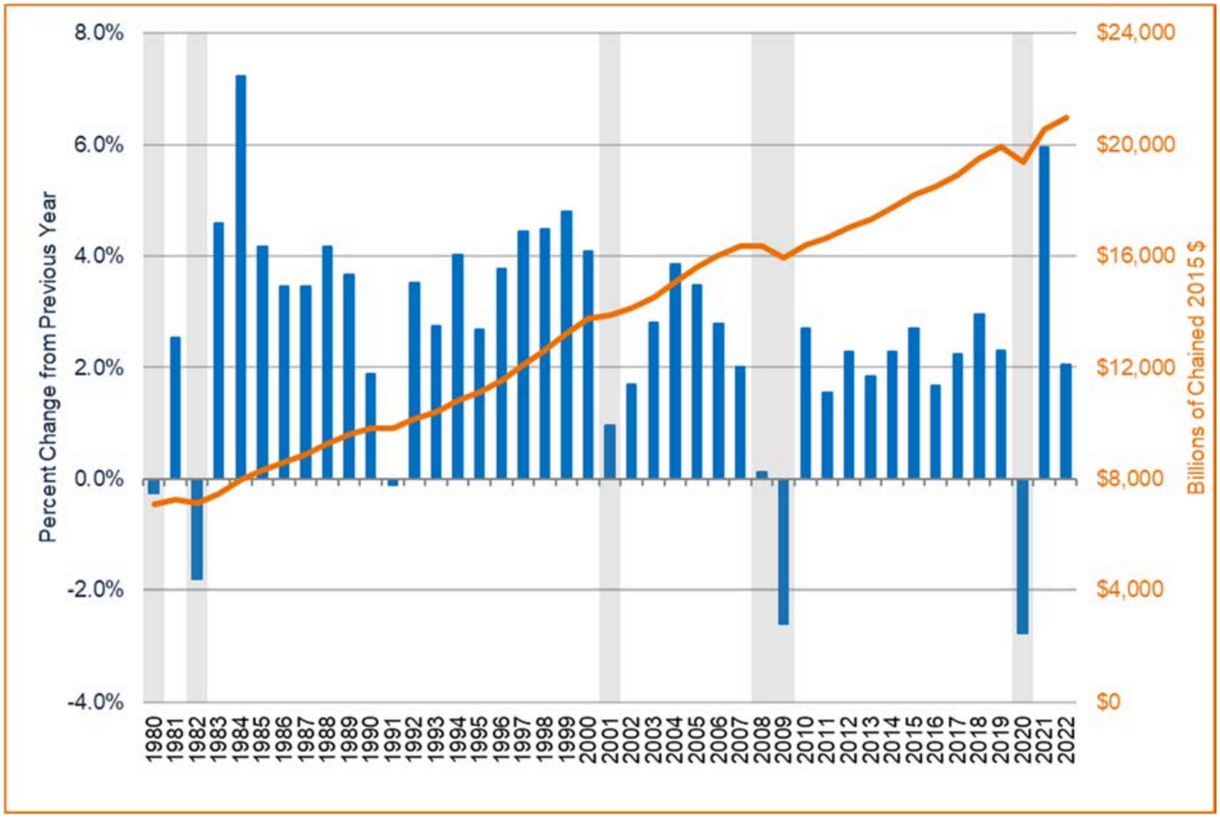
3.1 RECENT MACROECONOMIC TRENDS

3.1.1 Gross Domestic Product

As noted previously, Thruway passenger car traffic growth trends have been influenced by socio-economic conditions, and correlations have generally been found between car traffic growth and GDP growth. Figure 3 shows the real annual GDP from 1980 through the end of 2022. From 2000 through 2019, the year before the COVID-19 pandemic struck, real GDP in the United States increased at an average annual rate of 2.0 percent. This period included the 2001 recession and the recession that began in late 2007 and ended in June 2009 – the "Great Recession" – which was far more severe than originally predicted and significantly deeper and longer than previous recessions. In 2008, real GDP increased by only 0.1 percent, and in 2009 the recession reached its lowest point, with real GDP decreasing by 2.6 percent. From 2009 until 2019 the U.S. economy had recovered and shown consistent growth. Real GDP increased on an annual basis by between 1.5 and 2.7 percent in the years 2010 to 2017, then increased at annual rates of 2.9 percent in 2018 and 2.3 percent in 2019. The economic downturn that occurred in the first half of 2020 as a result of COVID-19 reduced annual GDP by 2.8 percent from 2019. GDP rebounded in 2021, growing by nearly six percent over 2020. Growth continued in 2022 with a 2.1 percent GDP increase over the previous year – a rate similar to the growth pre-COVID. Note that gray shaded areas on the figures in this section represent U.S. recessions according to the Federal Reserve Bank of St Louis.

[4] Blue Chip Economic Indicators: "Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business, September 11, 2023.

Figure 3: Real Gross Domestic Product (GDP), Historical Annual, 1980 –2022



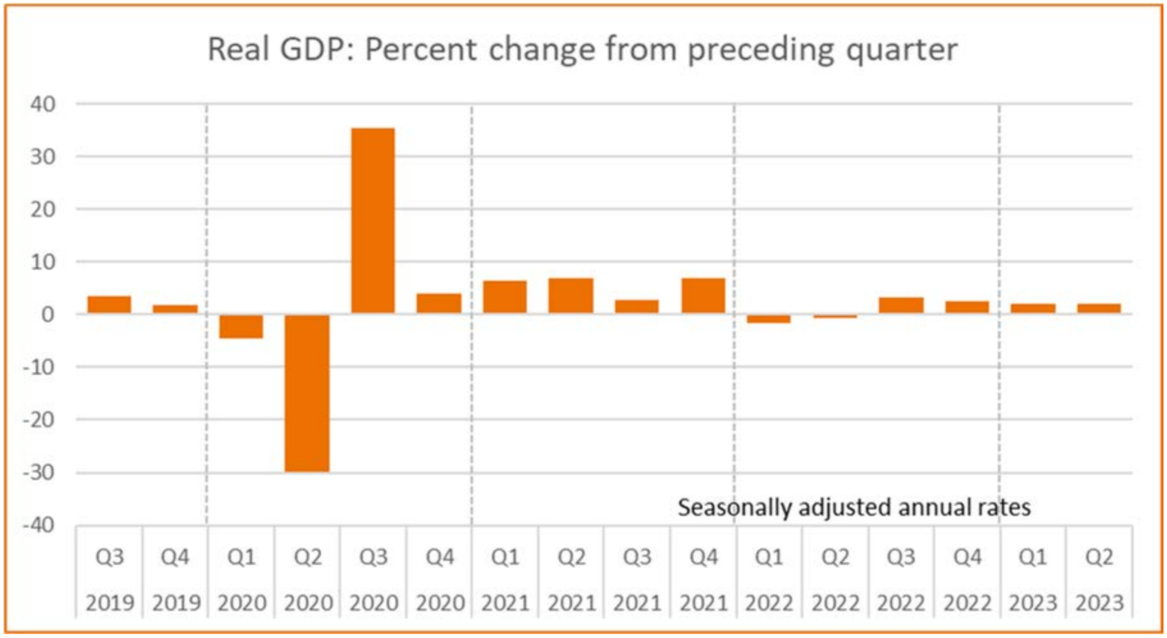
Source: https://data.worldbank.org/indicator/NY.GDP.MKTP.KD?locations=US
Note: Gray shaded areas of the graphic represent U.S. recessions according to the Federal Reserve Bank of St Louis.

As shown Figure 4, real GDP decreased for two consecutive quarters in the first half of 2020 but recovered thereafter with strong positive growth rates for six consecutive quarters through the end of 2021. Real GDP again decreased slightly during the first two quarters of 2022. Though two consecutive quarters of negative growth is often indicative of a recession, signals of economic strength during those two quarters such as historically low unemployment and increases in consumer and business spending made it such that the National Bureau of Economic Research ("NBER") - an independent committee of academic economists and the official arbiters of recession - did not declare it a recession. Real GDP increased in the second half of 2022 and continued to increase by 2.0 percent in the first quarter of 2023 and 2.1 percent in the second quarter.[5] According to the Bureau of Economic Analysis, "the increase in real GDP…reflected increases in consumer spending, exports, state and local government spending, federal government spending, and nonresidential fixed investment that were partly offset by decreases in private inventory investment and residential fixed investment."[6]

[5] Second estimate, as published in the U.S. Bureau of Economic Analysis New Release, August 30, 2023.

[6] U.S. Bureau of Economic Analysis New Release, June 29, 2023, as accessed 7-18-2023 at https://www.bea.gov/news/2023/gross-domestic-product-third-estimate-corporate-profits-revised-estimate-and-gdp-industry

Figure 4: Quarterly Changes in Real Gross Domestic Product (GDP)- 2019 – 2nd Quarter 2023



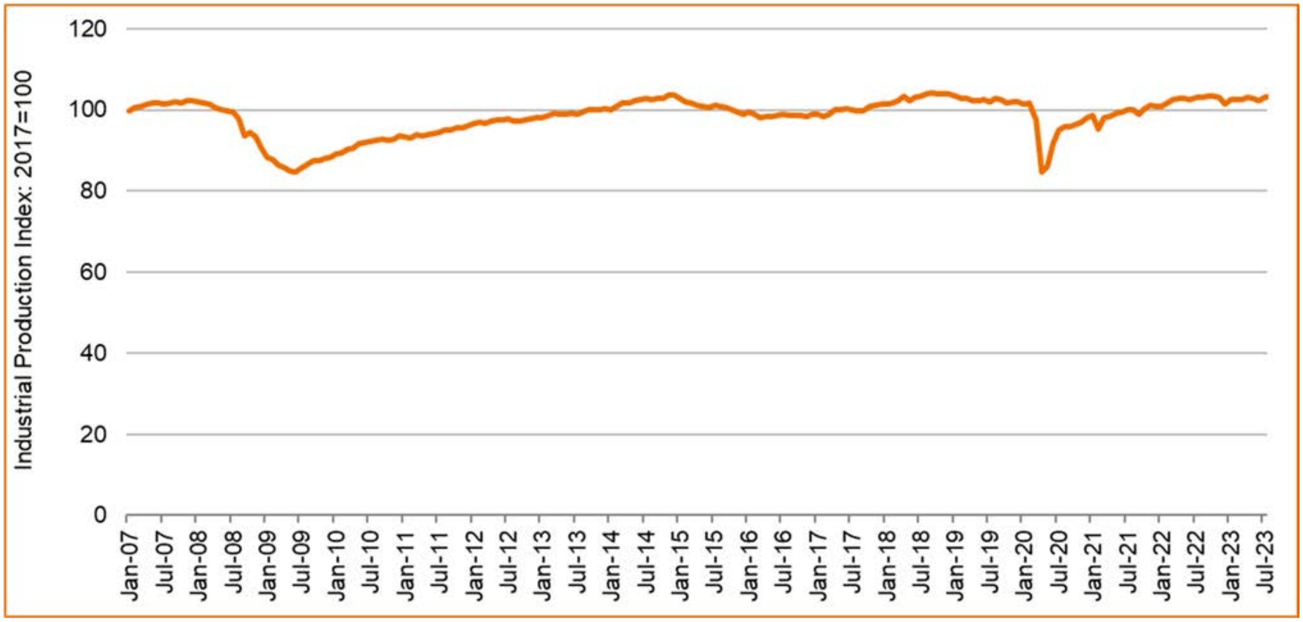
Source: https://www.bea.gov/sites/default/files/2023-08/gdp2q23_2nd.pdf

3.1.2 Industrial Production Index

Stantec has tracked traffic volumes on the Thruway and other toll facilities throughout the Northeastern U.S. for over a decade and has found that growth in commercial vehicle traffic generally correlates to growth in the IPI. The IPI is a measure of real output in the manufacturing, mining, electric and gas industries published by the Board of Governors of the Federal Reserve System. The Index is measured as a percentage of real output based off of a given base year, in this case 2017.

As shown in Figure 5, the IPI hit a trough in June 2009, the last month of the Great Recession (2007 to 2009). Since that time, with the exception of a slow but small decline throughout 2015 and 2016, it had generally been on an upward trajectory, increasing by almost 20 percent from June 2009 through the end of 2019. The IPI then fell by almost the same magnitude in the first five months of 2020, with the index falling below the June 2009 trough as a result of the COVID-19 pandemic. From the summer of 2020 through the summer of 2022, the IPI recovered gradually. By the second half of 2022 IPI was close to reaching its pre-COVID high seen in the fall of 2018. The IPI in 2023 has remained similar to 2022.

Figure 5: Industrial Production Index (IPI), Historical Monthly, January 2007 – August 2023



Source: Board of Governors of the Federal Reserve System (U.S.), Industrial Production: Total Index [INDPRO], retrieved from FRED, Federal Reserve Bank of St. Louis; https://fred.stlouisfed.org/series/INDPRO September 15, 2023.

3.1.3 Trends in Vehicle Miles Traveled (VMT)

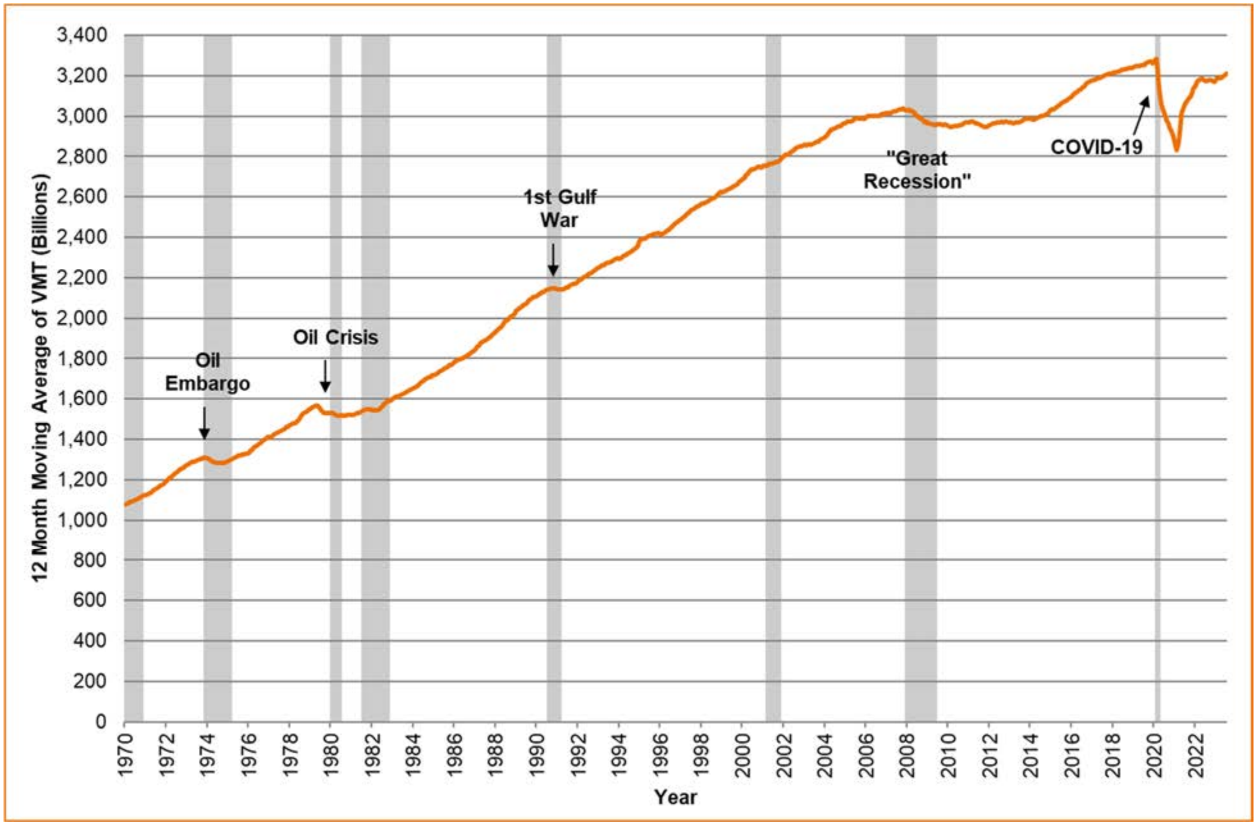
After many years of steady growth, the United States experienced an historic dip and in vehicle-miles traveled ("VMT") on its highways, starting in 2008 and lasting until approximately 2014. A reduction in VMT means less revenue – in the form of gasoline taxes or tolls - for funding transportation operation, maintenance, and capital expenses. However, beginning in mid-2014, national VMT experienced a sharp growth trend, increasing at an even more rapid rate than in the 1990s, followed by a period of moderate growth in 2017 through early 2020 - a pattern disrupted by COVID-19.

Figure 6 depicts the 12-month moving total of national VMT on all U.S. highways, from 1970 through July 2023. Even before COVID-19, a number of demographic factors were cited as having a downward influence on VMT, including baby boomers retiring and driving less, the ability of many employees to work remotely in the internet era, and communication technologies that can substitute for in-person interaction,[7] and a rising preference for compact, mixed-use neighborhoods which reduce the need for driving.[8] By 2022, nationwide VMT began a new trendline, defining a "new normal" where it continues to remain lower than it was prior to the pandemic. A significant factor is the long-term or permanent shift to more working from home.

[7] Jill Mislinski, "Vehicle Miles Traveled: Another Look at Our Evolving Behavior", *Talkmarkets*, November 1, 2017, https://talkmarkets.com/content/us-markets/vehicle-miles-traveled-another-look-at-our-evolving-behavior-wednesday-nov-1?post=154786

[8] Chris Cahill, "Per capita VMT drops for ninth straight year; DOTs taking notice", *State Smart Transportation Initiative*, February 24, 2014, https://ssti.us/2014/02/24/vmt-drops-ninth-year-dots-taking-notice/

Figure 6: Vehicle Miles Traveled (VMT) – National, Historical 12-month Moving Average, 1970 – July 2023

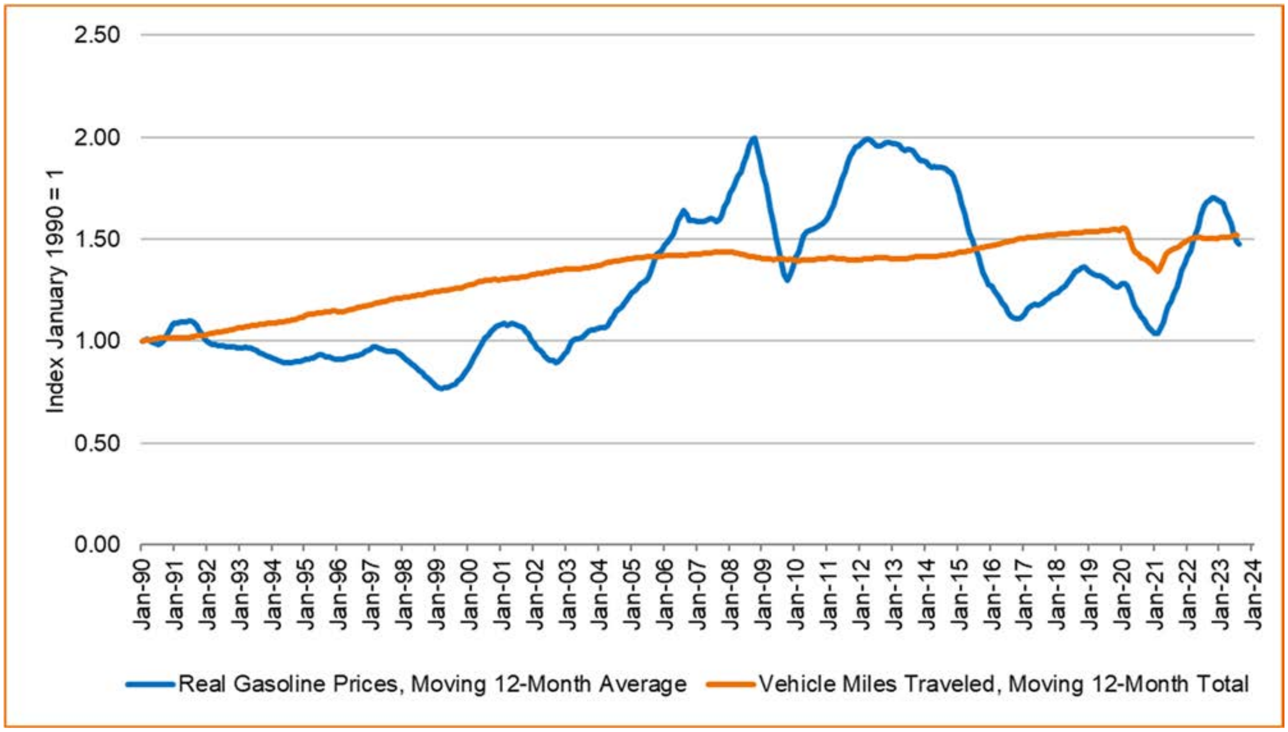


Source: U.S. Department of Transportation, Federal Highway Administration, National Bureau of Economic Research

3.1.4 National Vehicle Miles Traveled (VMT) vs. Gas Prices (Fuel Costs)

Fuel costs (gas prices) are often cited as one of the primary factors that can have a significant impact on travel trends. Figure 7 shows the historical correlation between VMT and gas prices, presenting VMT across the United States (national) as compared to real retail gasoline prices, from 1990 through the summer of 2023. The VMT and real gas prices represent a 12-month moving average to remove any seasonality; all data are indexed to the 12 months ending January 1990. The decline in VMT seen after the fall of 2008 is likely more attributable to the economic meltdown as opposed to gas price changes, as prices dropped significantly by early 2009. Throughout the rest of 2009 and through the spring of 2011 gas prices increased with no noticeable change to VMT. However, between 2014 and 2016 there was a precipitous drop in gas prices which coincided with a steep increase in VMT at the national level. Between late 2016 and early 2020, VMT grew at a slow and steady rate and did not appear to be affected by fluctuations in real gas prices. The 2020-2021 sharp decline followed by increases in both VMT and real gas prices, however, were both related to COVID-19 and its associated changes in economic activity. The Russian invasion of Ukraine in early 2022 caused oil and gas prices to soar, peaking in June 2022; this was followed by a steep drop into the fall and winter of 2023. Recent data shows that gas prices have been relatively stable this year, and are similar in real dollars to what they were in the summer of 2018. These data show that it is difficult to pinpoint the elasticity of travel as it relates to gas prices, yet very large gas price changes do generally result in a change in driving behavior.

Figure 7: National Vehicle Miles Traveled (VMT) vs. Real Gas Prices, Historical 12-month Moving Average, Indexed to January 1990, 1990 – August 2023



Source: U.S. Department of Energy, Energy Information Administration's Short Term Energy Outlook (September 2023) and U.S. Department of Transportation, Federal Highway Administration

3.1.5 Unemployment Rate

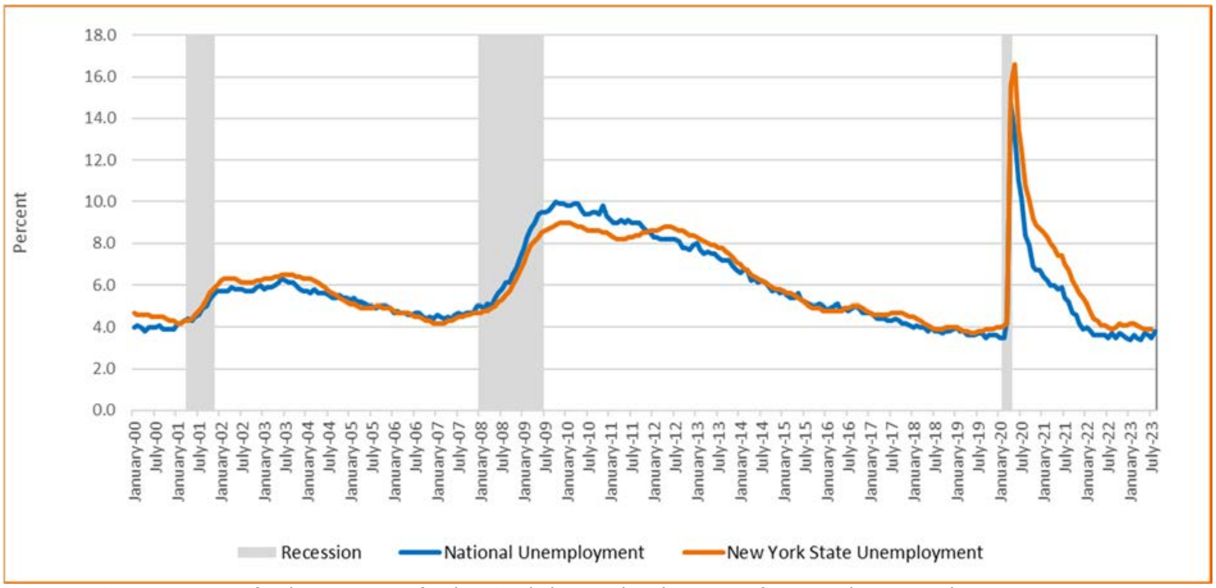
At the beginning of 2008, the national unemployment rate was 5.0 percent, as it had been similarly for years. By October 2009 during the depth of the Great Recession, unemployment peaked at approximately 10.0 percent. While there was also a notable reduction in VMT during this recession, there otherwise was no distinct correlation between VMT and unemployment. For example, VMT was nearly flat for about four years after the Great Recession, while unemployment dropped by around 40 percent, and unemployment continued to decline in 2018 and 2019 while VMT saw almost no growth. Over the decade that followed the Great Recession, total employment slowly recovered and eclipsed its pre-recession peak, reaching 156.9 million persons in February 2019.[9] The national unemployment rate had stayed at or below 4 percent from March 2018 through March 2020. In the early months of the COVID-19 pandemic, unemployment peaked at 14.7 percent nationally and 16.5 percent in New York State. As shown in Figure 8, the New York State unemployment rate has closely tracked national trends, except for immediately after the 2007-2009 recession when the state recovered more quickly than the U.S., and during the COVID-19 pandemic from mid-2020 through early 2022.

Since the early months of the COVID-19 pandemic, state unemployment was notably higher than the national rate. Both fell sharply in the later months of 2020 through 2021, with statewide recovery lagging behind national. By late 2021, national unemployment dipped below 4.0 percent, while it took until May 2022 for state unemployment to reach 4.1 percent. The

[9] Bureau of Labor Statistics, "The Employment Situation- February 2019," as accessed on March 14, 2019, at https://www.bls.gov/news.release/pdf/empsit.pdf. Employment figure is based on Household Data Summary Table A.

national unemployment rate since March 2022 has stabilized at 3.4 to 3.7 percent, while the state unemployment rate has remained between 3.9 and 4.2 percent since May 2022. In July 2023, the national unemployment rate was 3.5 percent with New York State at 3.9 percent. In August 2023, the national unemployment rate was 3.8 percent.

Figure 8: Civilian Unemployment Rate, National vs. New York State, Historical Monthly, Seasonally Adjusted, January 2000 – August 2023



Source: U.S. Department of Labor, Bureau of Labor Statistics, National Bureau of Economic Research

3.2 SHORT-TERM ECONOMIC FORECASTS

Following the sharp contraction in early 2020 due to the COVID-19 pandemic and subsequent recovery, financial and economic analysts had generally expected, in the near future, for the U.S. economy to continue growing but at a much slower rate. Though the economy has proven to be more resilient than expected, there is still the possibility that a recession may be developing. As a point of information, the NBER defines a recession as “a significant decline in economic activity that is spread across the economy and lasts more than a few months.” The Federal Reserve is intentionally slowing economic activity by raising interest rates as a means of reducing inflation. However, this requires a delicate balance, since slowing the economy too much could cause a dip into a recession. Still others point out that if there is a recession, it will be different from previous ones in that news of high-profile company layoffs and regional bank failures are contrasted by a low unemployment rate and robust consumer spending. It should be noted that even with the recent high inflation, domestic leisure travel exhibited strong growth (6.2 percent in 2022) but is expected to see more normalized rates of growth (around 2 percent) in 2023 and 2024[10].

The latest *Blue Chip Economic Indicators* (September 2023) report on projections from more than 50 financial institutions and professional forecasting firms puts the probability of a recession in the next 12 months at 48 percent. It should be noted,

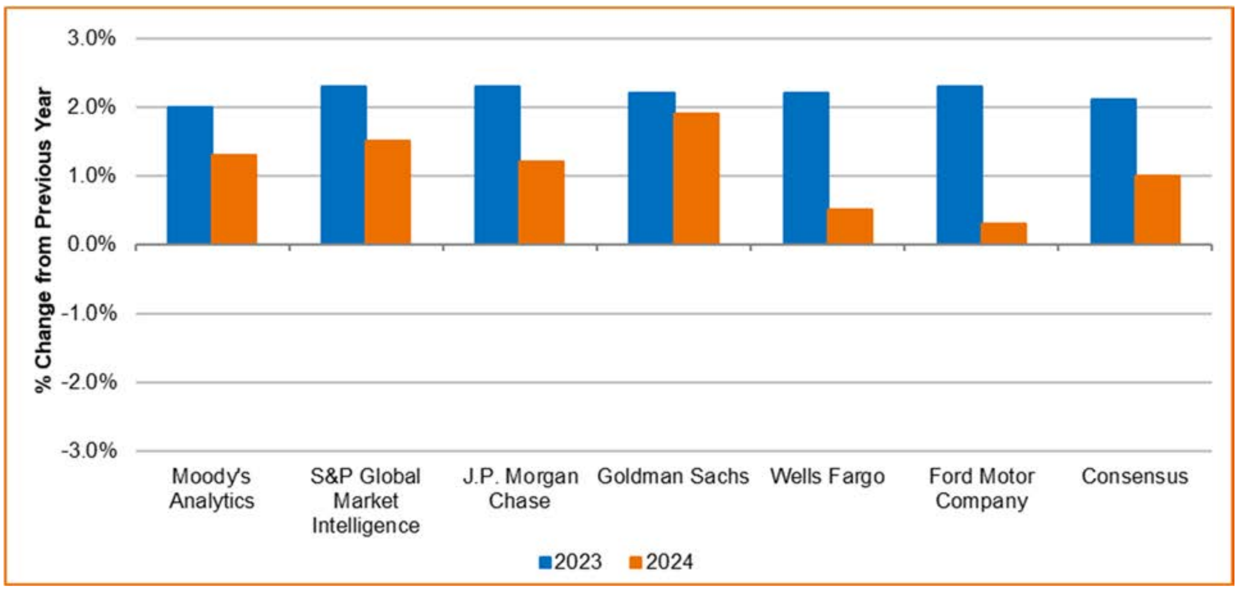
[10] “New Travel Forecast Shows Normalizing of Leisure Travel Demand from Post-Pandemic Surge”, U.S. Travel Association, June 14, 2023, https://www.ustravel.org/press/new-travel-forecast-shows-normalizing-leisure-travel-demand-post-pandemic-surge

however, that this is down from 56 percent in the July 2023 report and 50 percent in the August 2023 report.[11] In the most recent Conference Board report, 84 percent of CEO's report that they are preparing for a recession in the next 12 to 18 months with the vast majority expecting it to be short and shallow. This is down from 93 percent in the second quarter of 2023[12]

3.2.1 Gross Domestic Product

The most recent (September 2023) consensus forecast, derived from projections from more than 50 financial institutions and professional forecasting firms, is that real GDP will increase by 2.1 percent in 2023 and by 1.0 percent in 2024.[13] Figure 9 presents real GDP Forecasts by six representative forecasting groups for the short-term timeframe through 2024. In the 2025 through 2029 timeframe, the consensus forecast is for real GDP to continue to grow by an average of 1.9 percent annually.[14]

Figure 9: Real GDP, Short-term Forecasts for 2023 and 2024



Source: Blue Chip Economic Indicators: "Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business, September 11, 2023.

Other forecasts indicate faster or slower growth. The Congressional Budget Office ("CBO") in their June 2023 *Long-Term Budget Outlook* projected a 0.3 percent rate of growth in real GDP in 2023. The CBO also projects an average annual real GDP growth rate of 1.8 percent in 2024, and an annual average of 2.5 percent from 2024 through 2027.[15] The Federal Reserve Bank, in their June 2023 *Summary of Economic Projections*, projects 1.0 percent growth in real GDP in 2023 and 1.1

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[11] Blue Chip Economic Indicators: "Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business, September 11, 2023.

[12] "US CEO Confidence", The Conference Board, August 3, 2023, https://www.conference-board.org/topics/CEO-Confidence

[13] Blue Chip Economic Indicators: "Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business, September 11, 2023.

[14] Blue Chip Economic Indicators: "Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business, March 10, 2023.

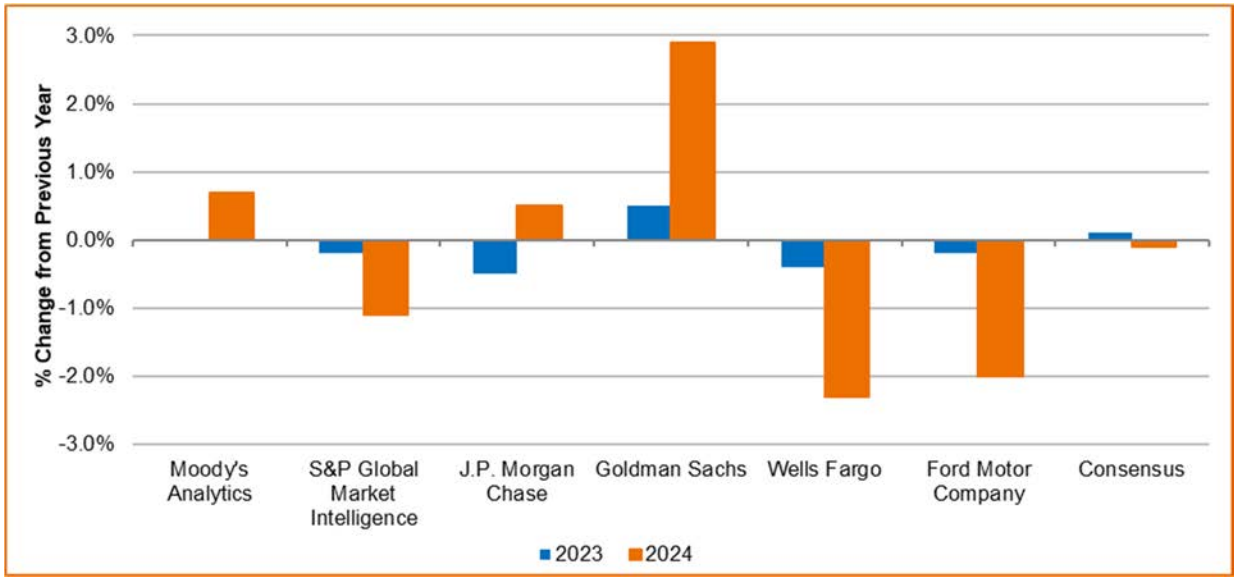
[15] "The 2023 Long-Term Budget Outlook", Congressional Budget Office, June 2023, https://www.cbo.gov/system/files/2023-06/59014-LTBO.pdf, page 38

percent growth in 2024, increasing to 1.8 percent growth in 2025. For the longer term beyond 2025, the median real GDP annual growth rate forecast across Federal Reserve Bank Board members and presidents is 1.8 percent.[16]

3.2.2 Industrial Production Index

Based on *Blue Chip Economic Indicators* consensus forecasts developed by financial institutions and industry analysts, the IPI is forecasted to increase at 0.1 percent growth in 2023 and decrease by 0.1 percent in 2024.[17] Figure 10 presents a sampling of IPI forecasts by six different forecasting groups for this year and next. Though the full-year 2023 forecast ranges from a slight positive to slight negative growth, there is a very wide variation in the 2024 IPI forecasts. Consensus forecasts for the 2025 to 2029 timeframe, published in March 2023, project the IPI to grow by 2.0 percent annually.[18]

Figure 10: IPI, Short-term Forecasts for 2023 and 2024



Source: Blue Chip Economic Indicators: "Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business September 11, 2023.

3.2.3 Fuel Cost Trends

Figure 11 presents historical and projected gasoline and crude prices from the U.S. Energy Information Administration ("EIA"). In 2019, prices had averaged $2.60 per gallon, before plunging to under $2.00 a gallon with the advent of COVID-19. U.S. regular gasoline retail prices remained low, averaging $2.20 a gallon in the second half of 2020 but increased to $2.76 a gallon over the first half of 2021. Energy experts attributed those increased prices largely to OPEC cuts in oil production as global energy demand decreased during the pandemic. There was also a jump in prices in the southern U.S. as a result of the Colonial Pipeline shutdown in May 2021 and impacts from Hurricane Ida on several U.S. Gulf Coast refineries. In the summer of 2022, retail gas prices escalated sharply to almost $5 a gallon due, in part, to Russia's war on Ukraine. Retail gas prices dropped sharply after the summer of 2022 peak and continued to decline until the end of the year, followed by gradual growth

[16] "Summary of Economic Projections", Federal Reserve Bank Open Market Committee, June 14, 2023, https://www.federalreserve.gov/monetarypolicy/files/fomcprojtabl20230614.pdf

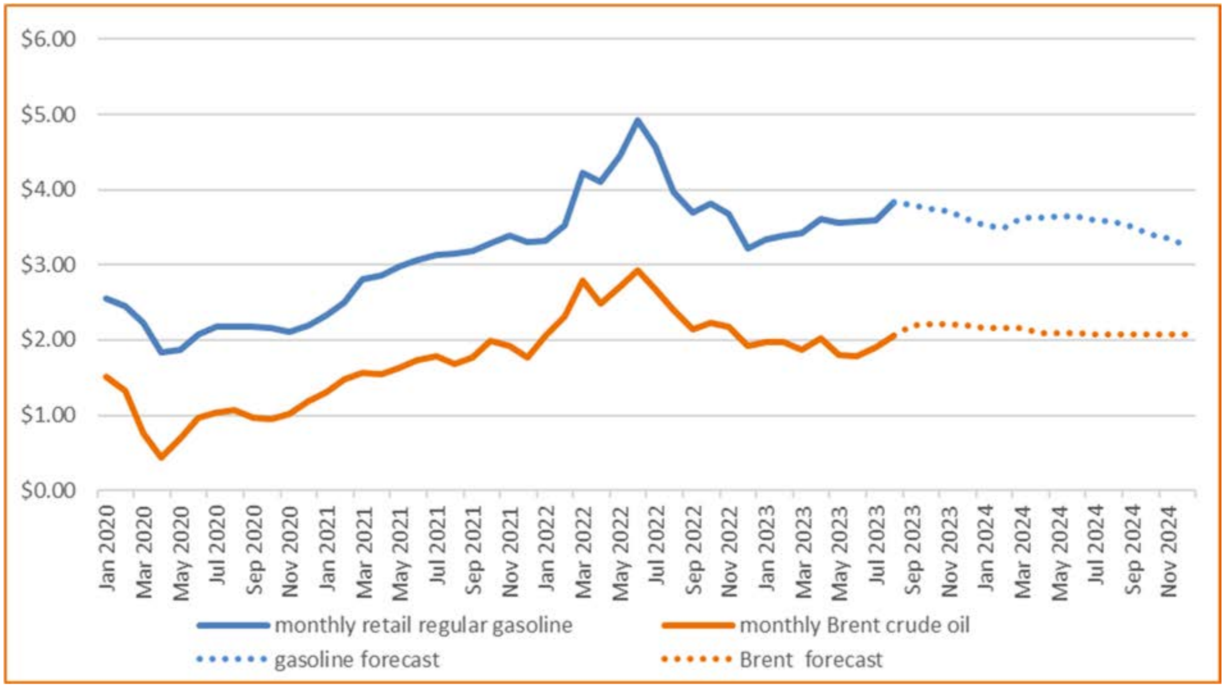
[17] Blue Chip Economic Indicators: "Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business, September 11, 2023.

[18] Blue Chip Economic Indicators: "Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business, March 10, 2023.

through the first half of 2023. The outlook is for retail gas prices to continue to increase slightly in the late summer then fall slightly into the winter, averaging $3.71 per gallon for the rest of the year. Retail gas prices are forecasted to drop slightly in 2024, averaging $3.52 per gallon.

It is important to note that average fuel economy for vehicles has increased by 32 percent between 2004 and 2021.[19]

Figure 11: Nominal U.S. Gasoline and Brent Crude Oil Prices, Historical and Short-term Forecasts, 2019 – 2024



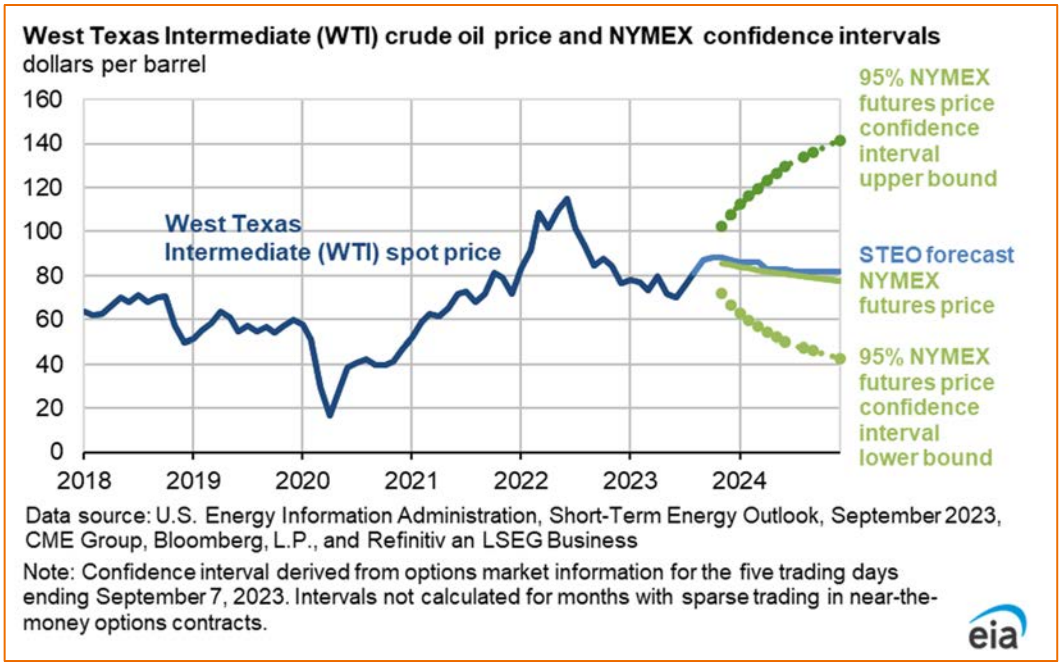
Source: U.S. Department of Energy, U.S. Energy Information Administration, Short-Term Energy Outlook, September 2023

This forecast for steady future oil and gas prices may be reassuring; however, this figure does not show the level of uncertainty in these projections. Figure 12 presents the EIA's projections for West Texas Intermediate ("WTI") Crude Oil Price. The base projection is similar to that illustrated in Figure 11, but it is the possible range of this price that represents a downside risk to the U.S. economy and VMT. Based on options markets, the 95 percent confidence interval for WTI is between 72 percent more to 48 percent less than current forecasts for December 2024.[20] The wide range of likely future prices of oil and gasoline, knowing their impact on motorist behavior, presents one of the challenges in accurately projecting future traffic volumes.

[19] "The 2022 EPA Automotive Trends Report: Greenhouse Gas Emissions, Fuel Economy, and Technology since 1975 Executive Summary", U.S. Environmental Protection Agency, December 2022, page ES-2 as accessed on July 20, 2023 at https://www.epa.gov/system/files/documents/2022-12/420s22001.pdf

[20] "Short-Term Energy Outlook", U.S. Energy Information Administration, September 13, 2023, https://www.eia.gov/outlooks/steo/

Figure 12: Crude Oil Prices, Historical and Short-term Forecasts, with Confidence Intervals, 2017 – 2024



Although fuel costs will remain a significant factor to monitor, it should be noted that the electric vehicle share of the U.S. fleet is continuing to grow. The most recent EPA report indicated that electric vehicles, plug-in hybrid vehicles ("PHEVs"), and fuel cell vehicles were projected to make up eight percent of all new vehicles in the 2022 model year. Hybrids (not including PHEVs) were also projected to grow significantly in model year 2022, to ten percent of all vehicles produced.[21] Given that modern cars last a period of sixteen years on average, it will take some time for electric vehicles to become a significant share of the automotive fleet. Reuters notes that less than one percent of the 250 million cars, SUVs, and light-duty trucks currently on the road in the United States are electric. However, depending on local adoption rates, purchase prices, and incentives, some automotive analysts project that electric vehicles could increase to 45 percent of new car sales by 2035 which means that about half the cars on the road could be electric by 2050.[22]

Recently, the share of electric vehicles in the U.S. auto market passed 5 percent. As of March 2023, there were about 158,000 electric vehicles on the road in the New York region. By 2030, analysts predict this number will grow tenfold.[23] As a result, it is expected that a declining share of the nation's and state's automotive fleets will be affected by changes in fuel costs in the future.

3.2.4 Inflation

While inflation in the cost of fuel has an obvious potential effect on traffic levels, inflation in other goods and services is also important to consider in terms of potential short-term impacts in discouraging travel. The change in the Consumer Price Index

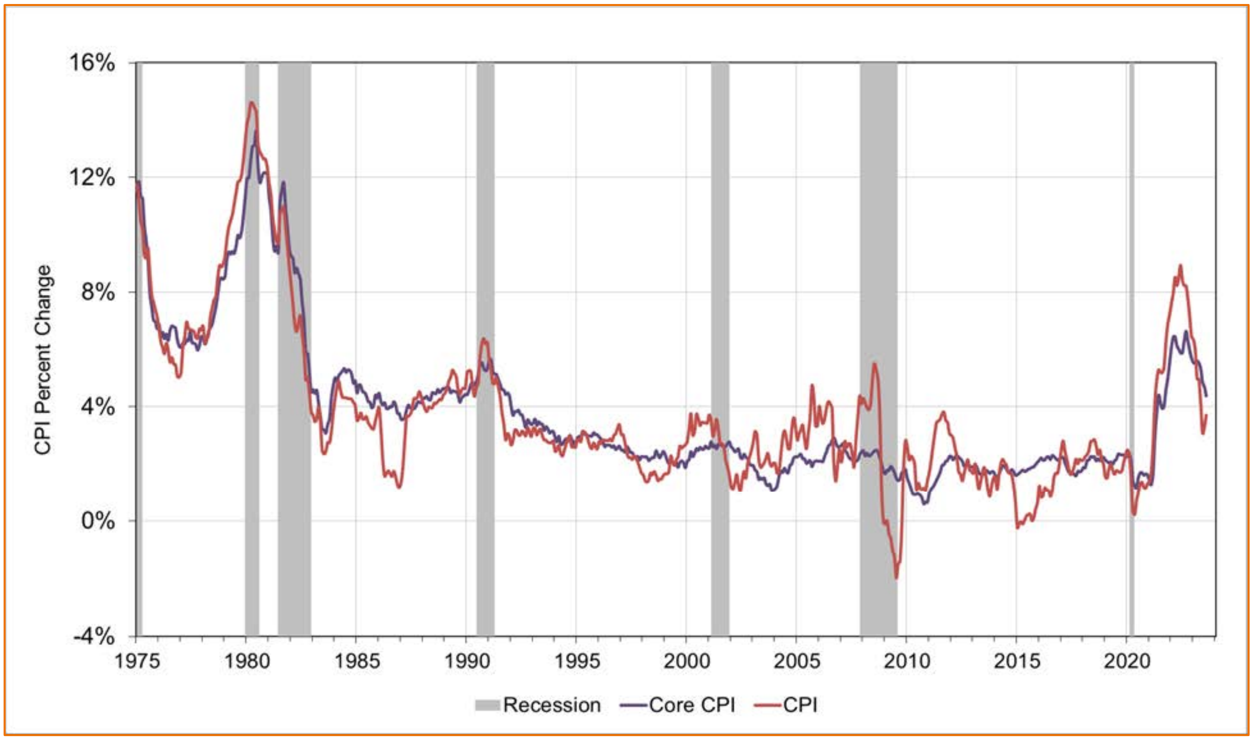
[21] "The 2022 EPA Automotive Trends Report: Greenhouse Gas Emissions, Fuel Economy, and Technology since 1975 Executive Summary", U.S. Environmental Protection Agency, December 2022, page ES-2 as accessed on July 20, 2023 at https://www.epa.gov/system/files/documents/2022-12/420s22001.pdf

[22] IHS Markit, as cited in "The long road to electric cars," Reuters, February 7, 2022.

[23] Robin Shulman Agüeros,"Why the New York Area Is Seeing an Explosive Growth in Electric Cars". *New York Times,* March 7, 2023.

for All Urban Consumers ("CPI-U") is shown in Figure 13 for the period of 1975 through August 2023. Between June 2021 and February 2023, inflation exceeded 5 percent every month - the last time inflation was this high was during the period from 1979 through the early 1980s. The CPI-U has been below 4 percent since June 2023. In August 2023, the CPI-U was 306.3, a 3.7 percent increase over the year prior. This recent period has had the lowest inflation rates since March 2021, driven by a drop in energy prices.[24] It is expected that the inflation rate will continue to decline with Blue Chip Economic Indicators predicting a December over December growth of 3.5 percent in 2023 and 2.6 percent in 2024.[25]

Figure 13: Consumer Price Index for All Urban Consumers Annual Change (1975 - 2023)



Source: U.S. Bureau of Labor Statistics

3.2.5 Unemployment Rate

Based on consensus forecasts developed by financial institutions and industry analysts, the national unemployment rate, which was 3.8 percent in August 2023, is projected to rise to an average of 4.3 percent in 2024[26], then decrease to an average of 4.1 percent over the 2025 through 2029 timeframe.[27] In the shorter term, the Organization for Economic Co-operation and Development ("OECD") forecasts that U.S. unemployment will average 3.7 percent in 2023 and 4.4 percent in 2024[28]. The

[24] "United States Inflation Rate", Trading Economics, as accessed on July 10, 2023, at https://tradingeconomics.com/united-states/inflation-cpi

[25] Blue Chip Economic Indicators, "Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business, September 11, 2023.

[26] Ibid.

[27] Blue Chip Economic Indicators, "Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business, March 10, 2023.

[28] OECD (2023), Unemployment rate forecast (indicator). doi: 10.1787/b487f2cf-en (Accessed on 29 August 2023)

CBO projects that unemployment will increase to 4.1 percent by the end of 2023 and to 4.7 percent by the end of 2024, reflecting slow economic growth, before falling slightly to 4.5 percent at the end of 2025.[29]

3.3 LONG-TERM ECONOMIC FORECASTS

3.3.1 Gross Domestic Product and Industrial Production Index

In the longer-term, 2030 to 2034 timeframe, the latest consensus forecast developed by financial institutions and industry analysts on March 10, 2023 projects that real GDP will grow by 1.8 percent annually. In that same timeframe, the consensus forecast for the Industrial Production Index is that it will grow by 1.8 percent annually.[30]

3.3.2 Vehicle Miles Traveled

The Federal Highway Administration prepares long term (20- and 30-year) forecasts of VMT each year and projects VMT growth under three different economic outlooks- baseline, low economic growth, and high economic growth, with the most recent forecasts shown in Table 3.[31] Interestingly, growth in vehicle mileage for single unit and combination trucks is forecast to be at a higher rate than for light duty vehicles.

Table 3: FHWA Long-Term Growth Forecasts of National VMT

	Compound Annual Growth Rates					
	Pessimistic Economic Growth Outlook		Baseline Economic Growth Outlook		Optimistic Economic Growth Outlook	
Vehicle Class	2019-2039 (20-Year)	2019-2049 (30-Year)	2019-2039 (20-Year)	2019-2049 (30-Year)	2019-2039 (20-Year)	2019-2049 (30-Year)
Light-Duty Vehicles	0.4%	0.3%	0.6%	0.5%	0.8%	0.8%
Single-Unit Trucks	1.1%	1.2%	1.8%	1.8%	2.5%	2.5%
Combination Trucks	1.1%	1.1%	1.4%	1.2%	1.7%	1.6%
TOTAL	0.5%	0.4%	0.7%	0.6%	0.9%	0.9%

Source: Office of Highway Policy Information U.S. DOT, Federal Highway Administration, May 2023.

The 2023 forecast from the EIA also projects a differential between light duty vehicles and trucks for the 2022-2050 timeframe. The EIA projected growth rates fall within the same limits as the Federal Highway Administration ("FHWA") projections shown above for each of the three vehicle categories:[32]

- 0.7 percent annually for light duty vehicles less than 8,501 pounds
- 1.1 percent annually for light duty trucks (commercial trucks 8,501 to 10,000 pounds gross vehicle weight rating)
- 0.9 percent annually for freight trucks greater than 10,000 pounds

[29] Congressional Budget Office, "An Update to the Economic Outlook: 2023 to 2025", https://www.cbo.gov/system/files/2023-07/59258-econ-outlook.pdf, July 2023.

[30] Blue Chip Economic Indicators: Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business, March 10, 2023.

[31] "FHWA Forecasts of Vehicle Miles Traveled (VMT): Spring 2023," Office of Highway Policy Information, May 2023, as accessed on September 5, 2023 at https://www.fhwa.dot.gov/policyinformation/tables/vmt/2023_vmt_forecast_sum.pdf

[32] Annual Energy Outlook, 2023, Transportation Sector Key Indicators accessed on September 5, 2023 at https://www.eia.gov/outlooks/aeo/data/browser/#/?id=7-AEO2023&sourcekey=0

3.3.3 Unemployment Rate

Long-term forecasts of the unemployment rate tend to differ, depending on varying assumptions of the impact of long-term structural trends such as advances in information technology, outsourcing, and an aging population. In its latest 10-year economic projections, the CBO has forecasted that the unemployment rate will average 4.6 percent in the 2023-2033 time period.[33]

Based on consensus forecasts developed by financial institutions and industry analysts, the unemployment rate is projected to average 4.1 percent over both the 2025 through 2029 and 2030 through 2034 timeframes[34], slightly lower than the rate forecasted by the CBO.

3.4 TRAVEL RECOVERY FROM COVID-19

The COVID-19 pandemic had an unprecedented effect on traffic throughout the nation, especially in the Northeastern U.S. Its effects were seen as threefold: government-mandated closures, restrictions, and suggested behaviors meant to reduce the spread and severity of the disease; economic repercussions; and long-term behavioral changes that have occurred as a large share of the population shifted to working from home, with many continuing to work from home more often than before the pandemic. This section highlights the impacts of the COVID-19 pandemic, and examines the recovery in vehicle traffic between 2020 and 2023. This was used as background information for developing the Thruway traffic and revenue forecasts.

3.4.1 Timeline of Impacts

After an initial two months of closures and restrictions in March and April 2020, there were several waves of infection over the following two years, with the highest number of cases in the winter of 2022 caused by the Omicron variant. Traffic throughout the northeast was heavily impacted by the December 2021/January 2022 spike in infections with this variant due to the sheer number of people calling out sick because they were infected with or exposed to COVID-19, plus fears of exposure and winter weather which led people who had returned to the office to temporarily switch back to remote work. By the beginning of February 2022, the number of cases plummeted, and in the months that followed, proof of vaccination and mask restrictions were lifted for almost all indoor settings, and testing requirements for passengers on incoming international flights ended. The number of COVID-19 cases has since remained relatively low and the federal public health emergency declaration ended on May 11, 2023.

3.4.2 Remote and Hybrid Working

During the early days of the COVID-19 pandemic, a large share of the population shifted to working from home. As the severity of the disease declined and restrictions were lifted, more and more of these employees returned to the office. However, many companies continued - and still continue - to allow remote or hybrid working (i.e., some days working from home and some days in the office).

Remote and hybrid work impacted travel differently throughout the state of New York. People with longer, more difficult, or costly commutes to an office were more likely to stay home if given the choice – this had a significant impact on transit ridership especially in New York City, but a lesser impact on car traffic as the pandemic continued into its second year. Many offices in urban areas with expensive rental space decided to reduce office space to cut costs, and allowed employees to

[33] The 2023 Long-Term Budget Outlook, June 2023, as accessed September 18, 2023 at https://www.cbo.gov/system/files/2023-06/59014-LTBO.pdf

[34] Blue Chip Economic Indicators: Top Analysts' Forecasts of the U.S. Economic Outlook for the Year Ahead", Wolters and Kluwer Law & Business, March 10, 2023

continue working from home. New York City had the most restrictive policy in the state in terms of allowed occupancy, vaccination and mask requirements, etc., which kept people away from the office for a longer period of time than the rest of the state. In upstate vacation areas such as the Hudson Valley or Finger Lakes, people could work from their vacation homes all week or all summer, which increased car trips in many of these areas.

This practice of allowing remote and hybrid working has evolved to long-term behavioral changes, and appears to have reached the "new normal"; passenger car traffic is not projected to see additional shifts or growth due to COVID-19 recovery as it has over the past several years. While Figure 19 (page 36) shows that traffic numbers on the Thruway have stabilized, as 2023 monthly traffic is only slightly higher than 2022, New York City office attendance trends provide further confirmation that future behavior is unlikely to shift.

Though much of the Thruway System does not serve New York City directly, the city's experience may offer additional indication that we are at or close to a "new normal" in terms of the return to work. Partnership for New York City has released several reports over the past few years that include New York City employer survey results to understand return-to-office statistics and evolving hybrid office trends. Table 4 includes the results of surveys between 2021 and 2023. Average weekday office attendance has almost doubled from October 2021 through January 2023, increasing from 28 percent to 52 percent, with more than half of employees (59 percent) spending at least 3 days per week in the office in early 2023. The January 2023 survey shows that average weekday office attendance rose only three percentage points from the previous survey conducted in August/September 2022. Employers taking part in the January 2023 survey expected the eventual average weekday attendance to settle at 56 percent, only four percent higher than the level seen in January 2023. These results suggest that, at the time of this writing, some nine months after the last survey was conducted, we have reached the point where little to no further shift in the average number of days worked in the office is expected. Because New York City has lagged behind the rest of the state in terms of COVID recovery and returning to the office, and office attendance has nearly stabilized there, it can be concluded that on a statewide basis that passenger car traffic will see little or no additional growth or shifts due to COVID-19 recovery as it has over the past several years.

Table 4: New York City In-Office Attendance Rates 2021-2023

Survey Date	Oct 2021	Apr/May 2022	Aug/Sep 2022	Jan 2023
Average Weekday Office Attendance	28%	38%	49%	52%
5 days In Office	8%	8%	9%	9%
3 days In Office	12%	17%	55%	59%
Fully Remote	54%	28%	16%	10%

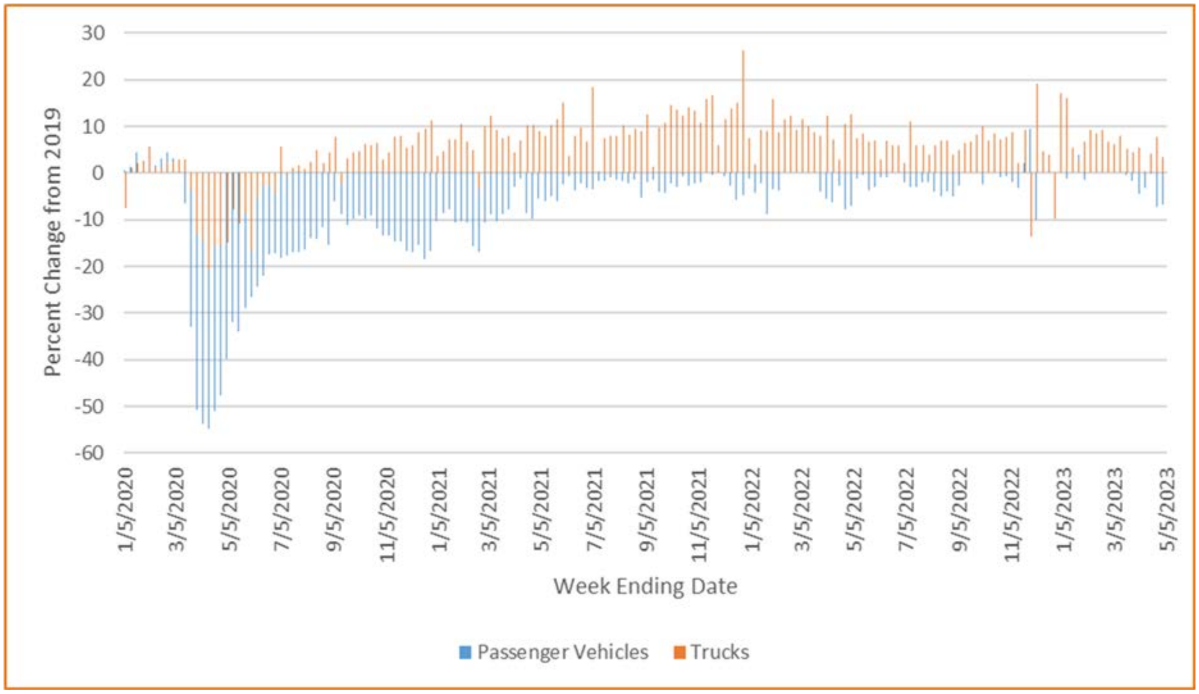
Source: Return to Office Survey Results, Partnership for New York City, https://pfnyc.org/research/return-to-office-survey-results-february-2023/

3.4.3 COVID-19 Impact on Truck Traffic

Truck traffic rebounded from COVID-19 more robustly than passenger car traffic. At the national level, Figure 14 shows that in the recovery period between early July 2020 and the end of April 2023, there were only five weeks that truck traffic was equal to or just under the same week in 2019; 142 weeks were *above* the same week in 2019. This is in stark contrast to 119 weeks of passenger vehicle VMT being equal to or below the same week in 2019 (with only 28 weeks above 2019 levels).[35] Note that FHWA started publishing its Weekly Traffic Volume Report – on which this data is based – in the early days of the COVID-19 pandemic, and discontinued these reports after April 2023.

Some of the higher truck traffic growth reflects the increase in e-commerce, a trend which accelerated during the pandemic with COVID-19 closures, leading to more goods being purchased online instead of in brick-and-mortar stores. More recently, the share of retail sales represented by e-commerce has fallen from its pandemic peak, and has remained relatively stable at around 14.5 or 15.0 percent. Figure 15 illustrates these developments.

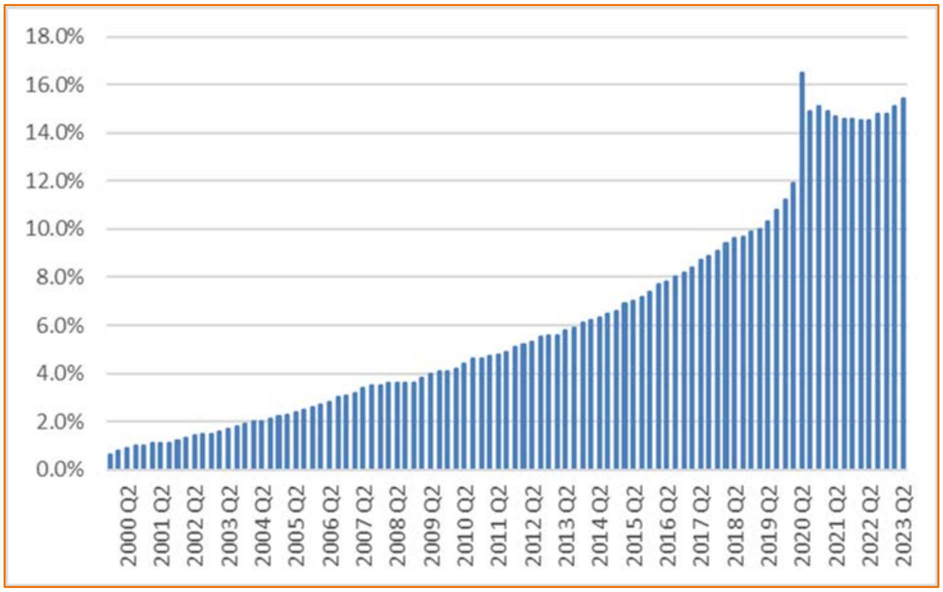
Figure 14: Interstate VMT Changes from Same Week of 2019 by Vehicle Type



Source: U.S. DOT, Office of Highway Policy Information, Special Monthly Reporting, Weekly Traffic Volume Data, Interstate Travel for Weeks 13, 14, 15, 16, and 17, https://www.fhwa.dot.gov/policyinformation/weeklyreports/

[35] "Special Monthly Reporting, Weekly Traffic Volume Data Interstate Travel for Weeks 13, 14, 15, 16, and 17, 3/27/2023-4/30/2023", U.S. Department of Transportation Office of Highway Policy Information, as accessed July 20, 2023 at https://www.fhwa.dot.gov/policyinformation/weeklyreports/

Figure 15: E-Commerce as a Percentage of Retail Sales Excluding Food Service Q4'99 – Q2'23



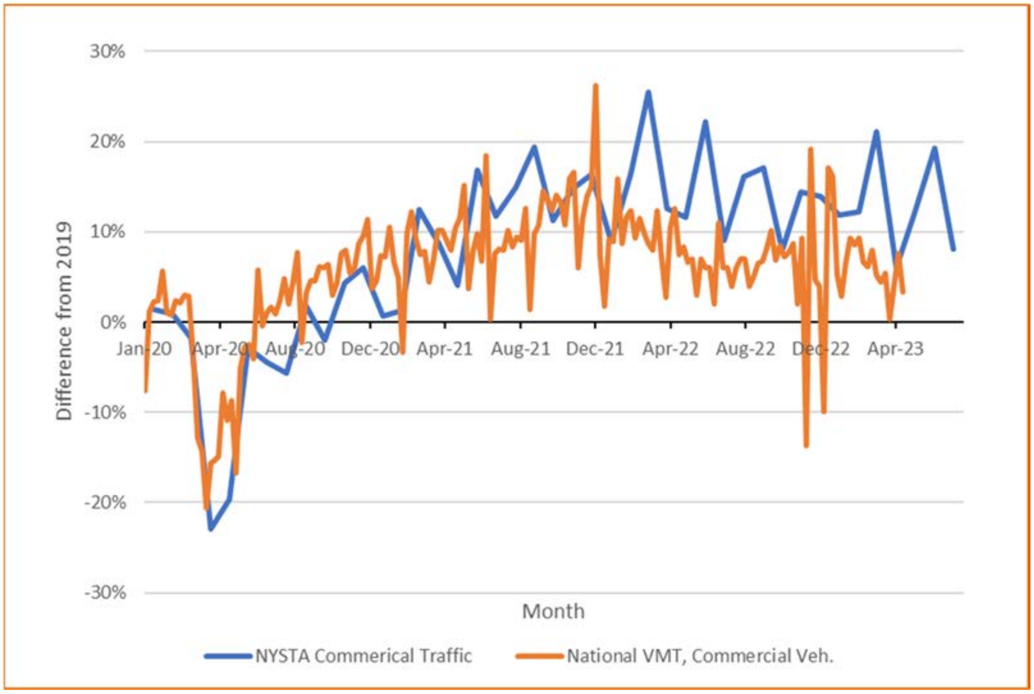
Source: U.S. Census Bureau, https://www.census.gov/retail/ecommerce.html

Figure 16 depicts changes in truck traffic over the same month in 2019 both nationally and on Thruway facilities, showing that Thruway truck traffic has generally remained higher than national truck traffic (relative to pre-COVID) since mid-2021. A possible reason for this is that New York (downstate at least) is more heavily dependent on trucks. In Appendix H to the most recent *New York Metropolitan Transportation Council's Regional Transportation Plan* adopted on September 9, 2021, it notes that trucks are responsible for moving more than 92 percent of domestic tonnage in its planning area.[36] The American Trucking Association's ("ATA") August 2023 report indicates trucking represents 72.6 percent of tonnage carried by all modes of domestic freight transportation.[37] Thus, it is logical that increased shipments would drive relatively greater truck traffic growth in New York as compared to other regions for multiple reasons (including strong consumer demand, substitution of goods for services, and inventory rebuilding).

[36] "Moving Forward", New York Metropolitan Transportation Council Regional Transportation Plan Adopted on September 9, 2021, https://www.nymtc.org/movingforward/pdfs/app_h.pdf

[37] "ATA Truck Tonnage Index Decreased 0.8% in July," American Trucking Associations, Aug. 22, 2023, https://www.trucking.org/news-insights/ata-truck-tonnage-index-decreased-08-july

Figure 16: Commercial Vehicle Volume Difference from 2019



Sources: U.S. DOT, Office of Highway Policy Information, Special Monthly Reporting, Weekly Traffic Volume Data, Interstate Travel for Weeks 13, 14, 15, 16, and 17, https://www.fhwa.dot.gov/policyinformation/weeklyreports/; New York State Thruway Authority

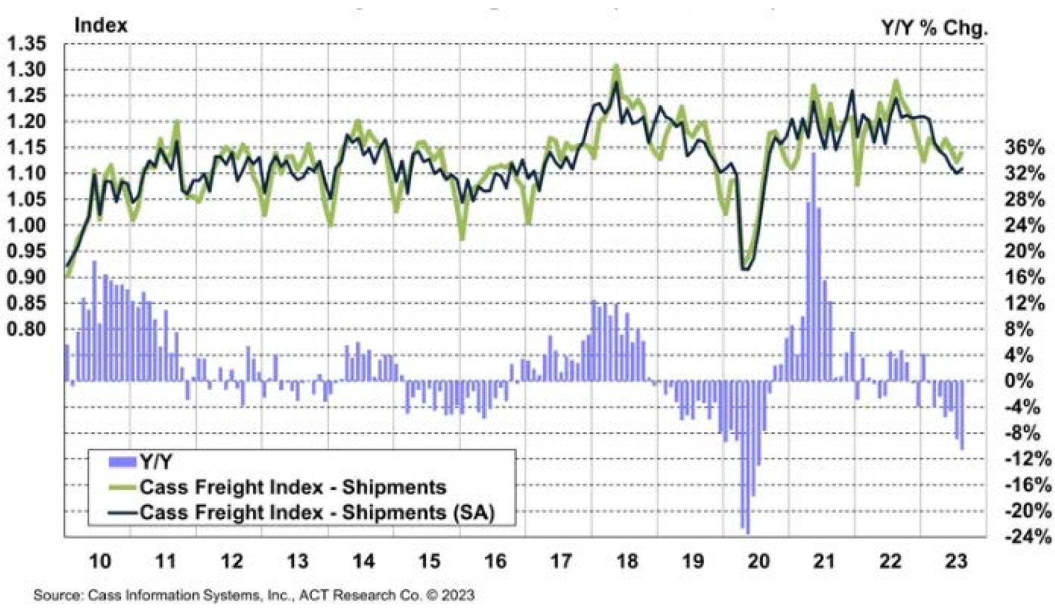
Both Thruway System and national truck travel has been declining, however, since the peak in late 2021/early 2022. ATA Chief Economist Bob Costello notes, "as has been the case for several months, a multitude of factors have caused a recession in freight, including sluggish spending on goods by households as consumers traveled more and went to concerts this summer. Less home construction, falling factory output and shippers consolidating freight into fewer shipments compared with the frenzy during the goods buying spree at the height of the pandemic are also significant drags on tonnage."[38]

Cass Transportation is one index that tracks shipment volumes. Cass represents the largest U.S. payer of freight bills and covers a broad range of industries and all transport modes. Their most recent available report, covering shipments from January 2010 through August 2023, is included in Figure 17, and clearly shows the quick recovery from the pandemic dip in shipments in 2020. However, Cass predicts that the dynamics are shifting as there is improvement in real incomes and the worst of the destock is now over.[39]

[38] Ibid.

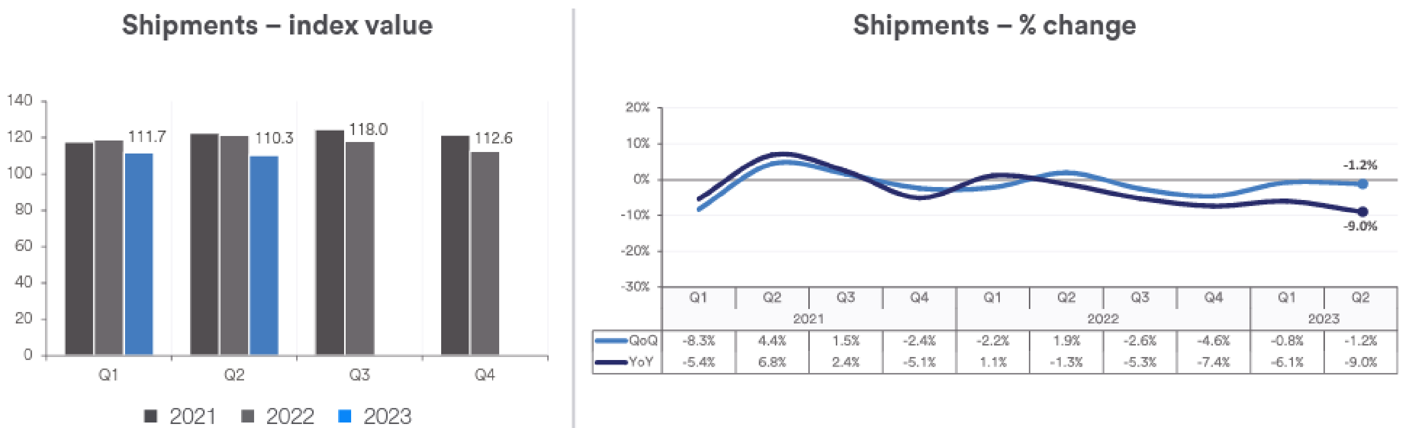
[39] "Cass Transportation Index Report, July 2023", Cass Information Systems, Inc., as accessed August 30, 2023 at https://www.cassinfo.com/freight-audit-payment/cass-transportation-indexes/july-2023

Figure 17: Cass Freight Index® - Shipments
January 2010 – August 2023 (January 1990=1.00)



U.S. Bank publishes a quarterly freight index representing truckload and less-than-truckload shipments. Figure 18 shows this shipments index from 2021 through the second quarter of 2023, with the most recent quarter showing a 1.2 percent decline in shipments over the first quarter and a 9.0 percent decline compared to a year earlier.

Figure 18: Q2 2023 National Freight Market Overview: Shipments



Source: U.S. Bank Freight Payment Index, Q2 2023, as accessed August 30, 2023 at https://www.usbank.com/dam/documents/pdf/corporate-and-commercial-banking/industry-expertise/transportation/freight-payment-index/04-0170-08_Freight-Index-2023-Q2.pdf

U.S. Bank's second quarter 2023 report noted that there were a vast range of differences in year-over-year shipment changes when considered regionally. While there was a significant gain in shipments in the Southwest (14.8 percent) this was due to increased cross-border commercial traffic with Mexico. All other regions saw declines in truck shipments, ranging from -9.0 percent in the Midwest to -27.1 percent in the Northeast.[40]

Freight growth forecasts are generally negative for the next twelve months, but there is cautious optimism as recent trends are indicating gradual recovery, with demand growth potentially returning in 2024 if not sooner.[41] As discussed in a recent S&P Journal of Commerce article on U.S. Freight, "…the freight downturn that began in the fall of 2022 will likely last through the end of the year, and for the US trucking sector, it could stretch into the second quarter of 2024, speakers said during a *Journal of Commerce* webcast…even when demand rebounds, they expect modest growth, absent any unanticipated disruptions."[42]

Stantec has considered this research on truck travel in our projections of future commercial traffic on the Thruway System.

3.4.4 COVID-19 Impact on Thruway System Monthly Traffic and Revenue

Stantec has been monitoring monthly traffic and revenue data from the Authority. Figure 19 compares total monthly toll transactions and revenue over the 2019 through July 2023 period. Traffic reductions due to the COVID-19 pandemic were most severe during the height of the outbreak in 2020, however, significant improvement was seen over the summer and fall of 2021 where transactions often exceeded 2019 levels. In December of 2021 and January of 2022, with the spread of the Omicron variant, traffic experienced a notable decline below 2019 levels, followed by recovery through the spring of 2022. In May through December 2022, traffic grew over 2021 levels. In 2023 through the month of July, traffic was only slightly above 2022, representing a typical year-over-year growth rate, and suggesting that there is no further growth anticipated as a result of COVID recovery.

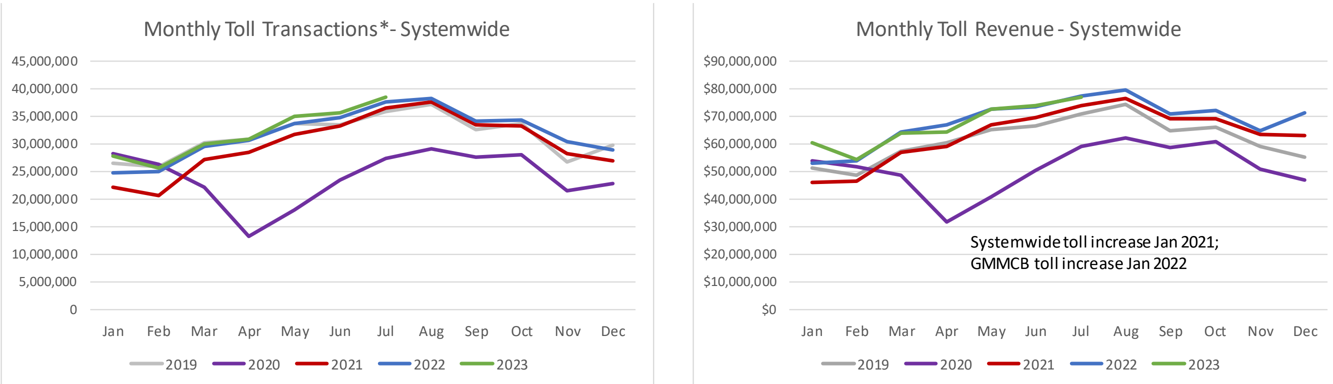
Toll revenue began to exceed 2019 levels starting around May 2021; however, higher revenues were already anticipated due to the January 1, 2021 systemwide and January 1, 2022 Governor Mario M. Cuomo Bridge toll increases. Though January 2023 revenue was significantly higher than January 2022, January 2022 had been significantly impacted by the Omicron variant of COVID-19, when there was a considerable, though temporary, surge in people calling out sick from work, working from home, or staying home to avoid potential infection. In February through May 2023, toll revenue was similar to or slightly less than the same months of 2022. Though overall traffic had grown slightly in 2023, there was a slight decline in truck volumes which led to a reduction in revenue for some months when compared to 2022. As shown below, total 2023 toll transactions and revenues through July were 3 percent and 11 percent above 2019 levels, respectively.

[40] U.S. Bank Freight Payment Index, as accessed August 30, 2023 at https://www.usbank.com/dam/documents/pdf/corporate-and-commercial-banking/industry-expertise/transportation/freight-payment-index/04-0170-08_Freight-Index-2023-Q2.pdf

[41] ACT Research August 2023 For-Hire Trucking Index, as accessed August 31, 2023 at https://pages.actresearch.net/for-hire-trucking-index?utm_campaign=Freight%20Forecast&utm_medium=email&_hsmi=272387245&utm_content=272386857&%20utm_source=hs_email

[42] William B. Cassidy, "No US Freight Rebound Until 2024: Analysts," *Journal of Commerce*, S&P Global, August 11, 2023, https://www.joc.com/article/no-us-freight-rebound-until-2024-analysts_20230811.html

Figure 19: Monthly Toll Transactions and Revenue, 2019 through July 2023



2023 compared to 2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Total YTD
Monthly Toll Transactions*	5%	-1%	0%	1%	4%	7%	7%	**3%**
Monthly Toll Revenue	18%	11%	11%	7%	11%	11%	9%	**11%**

** With the new AETC system, there may now be multiple toll transactions per trip on the Woodbury-Williamsville section, while there was previously only one transaction per trip. From January 2019 through November 2020 these trips were converted to "new system transactions" for graphing purposes to provide a better comparison to pre-AETC conditions.*

4.0 CAPITAL PROGRAM

In order to better understand the Authority's current and future financial condition, consideration must be given to the size, complexity and capital needs of its highway and bridge infrastructure. The Authority's Thruway System is extensive and aging and requires considerable investments to remain reliable. This section summarizes the Authority's 2024-2028 Capital Program, the infrastructure investments and program changes that are to be made therein, and the impact that these investments will likely have on facility condition ratings. Table 5 and Table 6 on page 38 summarize the actual annual capital expenditures from 2012 through 2022, and planned expenditures through 2028. These are followed by Table 7 and Table 8 starting on page 39 which provide detail on the funding sources for the recent capital program and projections for future capital programs.

4.1 2024-2028 CAPITAL PROGRAM DETAILS

The Authority's 2024-2028 Capital Program will provide about $2.4 billion for Authority capital projects. The Capital Program includes reconstruction and rehabilitation of roadway, bridges, facilities, equipment and support systems. From 2023 through 2028, the Authority believes that the planned investments made in this program will preserve overall highway and bridge conditions in the "good" category, allowing for the continued reliability of the Thruway System.

Major Thruway projects in the 2024-2028 program include:

- East of Fulton (Exit 39) to west of Weedsport (Exit 40): Concrete Pavement Restoration (2025 letting)
- Pavement Reconstruction around Exit 18 (MP 72.5 to MP 76.5) (2026 letting)
- I-95 New England Thruway (MP 604.0 to MP 608.8) Highway Rehabilitation (2024 letting)

- Canandaigua (Exit 44) to Rochester (Exit 45) Pavement Rehabilitation (2024 letting)
- I-190 South end of Viaduct (MP 900.7 to MP 904.2) Pavement Rehabilitation (2024 letting)
- Thruway-Wide Radio System Upgrade Project – Engineering Analysis and Link Upgrade (2024 letting)
- Pavement Rehabilitation between Exits 59 and 60 (MP 467.0 to MP 483.0) (2024 letting)
- I-95 New England Thruway MP 608.8 to MP 610.8 (SB) 2" Mill and Inlay and MP 610.8 to MP 613.0 Pavement Resurfacing (2025 letting)
- Major Deegan Expressway (MP 0.00) to Cross Westchester Expressway (Exit 8) Pavement Resurfacing (2026 letting)
- Castleton Bridge (MP 801.8) Rehabilitation (2024 letting)
- East of Williamsville Toll Barrier (MP 419.4) to west of Buffalo-Williams Street (Exit 52A, MP 425.9): Pavement Resurfacing (2026 letting)
- Steel Repairs and Seismic Upgrades of the South Grand Island Bridges (2027 letting)
- North of Harriman Toll Barrier (MP 46.0) to Newburgh (MP 60.1) Pavement Resurfacing (2024 letting)
- I-390 (Exit 46) to LeRoy (Exit 47) Pavement Resurfacing (2028 letting)
- East of Silver Creek to Dunkirk (Exit 59) Pavement Resurfacing (MP 455.2 to MP 46.0) (2027 letting)

The Authority adopts its Capital Program on a rolling 5-year basis, amending it each year to include the next year. As the Authority progresses through the current Capital Program, it will continue to modernize and enhance its asset management and capital program management systems to ensure that changes to the program maintain the proper project mix, maximize investment value, and maintain good condition ratings as the economy and pricing environments change.

4.2 HISTORICAL AND PLANNED CAPITAL EXPENDITURES

Given the age of the Thruway System and the high percentage of its infrastructure that dates back to original construction, significant capital investments have been necessary to complement maintenance activities for the system to remain reliable and in a state of good repair. Actual capital expenditures for 2012 through 2022 are shown in Table 5. Table 6 presents the 2023-2028 planned expenditures. With these planned capital expenditures, the Authority can continue to provide good service to its customers, meet the demands of future traffic growth, and ensure that the system is not adversely affected by deteriorating bridge and pavement conditions.

Table 5: Actual Capital Expenditures, 2012-2022 (millions)

Year	Thruway Highway and Bridges Capital Expenditures	Equipment Replacement and Other Facility Capital Needs[1]	Canal System and Other Authority Projects[2]	Subotal Capital Program Expenditures	New NY Bridge Project Capital Costs	Total Capital Program Expenditures
2012	$322.4	$22.9	$45.7	$390.9	$0.0	$390.9
2013	183.7	30.7	37.5	251.9	613.4	865.3
2014	170.7	33.7	76.7	281.0	594.2	875.3
2015	251.3	35.2	48.8	335.3	702.0	1,037.3
2016	200.1	36.5	30.3	266.9	790.7	1,057.7
2017	184.7	44.8	0.0	229.5	479.1	708.6
2018	222.9	104.7	0.0	327.7	264.1	591.8
2019	222.1	170.7	0.0	392.9	171.6	564.5
2020	166.2	282.9	0.0	449.2	88.9	538.0
2021	120.7	162.4	0.0	283.1	20.8	303.9
2022	237.9	33.6	0.0	271.5	10.3	281.8
Total 2012-2022	**$2,282.7**	**$958.1**	**$239.0**	**$3,479.8**	**$3,735.2**	**$7,215.1**

Note: Numbers may not add due to rounding.

[1] Includes capital costs for system-wide AET conversion

[2] These costs were payable only after Thruway operating and maintenance and debt service costs, and, as noted herein, jurisdiction for the Canal System was transferred to the NYPA effective January 2017.

Table 6: Projected 2023-2028 Total Capital Expenditures (millions)

Year	Thruway Highway and Bridges Capital Expenditures	Equipment Replacement and Other Facility Capital Needs	Other Authority Projects	Subtotal Capital Program Expenditures	New NY Bridge Project Capital Costs	Total Capital Program Expenditures
2023	$293.3	$ 60.6	$0.0	$ 353.9	$6.0	$ 359.9
2024	369.7	61.2	0.0	430.9	20.0	450.9
2025	403.1	65.4	0.0	468.5	217.9	686.4
2026	383.0	69.6	0.0	452.6	0.0	452.6
2027	339.4	76.7	0.0	416.1	0.0	416.1
2028	348.2	71.0	0.0	419.2	0.0	419.2
Total 2023-2028	**$2,136.7**	**$404.5**	**$0.0**	**$2,541.2**	**$243.9**	**$2,785.1**

Note: Numbers may not add due to rounding.

Table 7 and Table 8 summarize actual funding sources for the previous Capital Programs and planned funding sources for the 2024-2028 Capital Program. Some $100 million of federal aid was allocated to the Authority's Capital Program in 2012-2016. In 2012, there was an increase of other funding sources for the Capital Program, including some Canal storm-related repairs reimbursed by FEMA and to account for NYSDOT and MTA shares of the pre-design/environmental costs of the New NY Bridge Project – replacement of the Tappan Zee Bridge with the new Governor Mario M. Cuomo Bridge. At this time no additional federal authorizations are assumed for the 2024-2028 Capital Program.

The Authority issued its Series 2013A Junior Indebtedness Obligations ("JIOs") on December 18, 2013 in the principal amount of $1.6 billion to finance a portion of the New NY Bridge Project capital costs. The Authority entered into a TIFIA Loan Agreement on December 19, 2013 with the United States Department of Transportation authorizing a loan for an amount up to

$1.6 billion which was secured by the Authority's issuance of the Series 2013B Junior Indebtedness Obligations. In May 2016, the Authority issued an additional series of Junior Indebtedness Obligations ("Series 2016A") in the amount of $850 million to finance a portion of costs of the New NY Bridge Project. The Authority paid the Series 2013A Junior Indebtedness Obligations with the proceeds of the Series 2019A JIO Notes and available cash resources of the Authority. Subsequently the Authority paid the principal of the Series 2019A JIO Notes from a draw of the full $1.6 billion amount under the TIFIA Loan (redeemed by 2019). In 2019 the Authority issued Series 2019 B JIOs to redeem the 2019A JIO Notes and to refund the TIFIA Loan. The Series 2019B JIOs also funded $75 million of new money proceeds to fund completion costs for the New NY Bridge Project.

Additionally, in 2015 New York State had appropriated grant money in the amount of $1.285 billion to fund Thruway capital projects, including $750 million for the New NY Bridge Project and $535 million for Thruway System-wide projects. The State's 2016-2017 Enacted Budget included an additional appropriation of $700 million for capital assistance to the Authority. The State gave a total of $1.2 billion in grants to the Authority for the New NY Bridge Project.

Table 7: 2012-2022 Actual Funding Sources, Thruway Authority (millions)

Year	Funding Sources					
	Federal Aid (A)	Other [1] (B)	Bond / Note Proceeds (C)	Subtotal Exclusive of Thruway Revenues on Pay-As-You-Go Basis (A+B+C)	Revenues Required from Tolls, etc. (D)	Pay-As-You-Go % (A+B+D)/(A+B+C+D)
2012	$11.2	$54.2	$268.7	$334.1	$56.8	31.3%
2013	22.8	24.1	725.4	772.2	93.1	16.2%
2014	51.3	9.9	721.6	782.8	92.7	17.6%
2015	51.2	396.6	491.8	939.5	97.7	52.6%
2016	5.8	536.9	415.9	958.6	99.0	60.7%
2017	0.1	181.6	464.2	645.9	62.8	34.5%
2018	0.0	504.1	3.0	507.0	84.8	99.5%
2019	0.0	367.8	0.0	367.8	196.7	100.0%
2020	0.0	61.1	473.2	534.3	3.7	12.0%
2021	0.1	1.9	196.8	198.8	105.1	35.3%
2022	0.0	1.0	231.8	232.8	49.0	17.8%
Total 2012-2022	**$142.5**	**$2,139.2**	**$3,992.1**	**$6,273.8**	**$941.4**	**44.7%**

Note: Numbers may not add due to rounding.

[1] Incorporates portions of State grant assistance of $1.285 billion from the 2015-2016 State Budget and $700 million from the 2016-2017 State Budget. The remaining State grant funds were drawn down in 2019.

Table 8: Projected 2023-2028 Funding Sources, Thruway Authority (millions)

Year	Funding Sources					
	Federal Aid (A)	Other [1] (B)	Bond / Note Proceeds (C)	Subtotal Exclusive of Thruway Revenues on Pay-As-You-Go Basis (A+B+C)	Revenues Required from Tolls, etc. (D)	Pay-As-You-Go % (A+B+D)/(A+B+C+D)
2023	$-	$3.5	$254.5	$258.1	$101.9	29.3%
2024	-	5.8	170.3	176.1	274.9	62.2%
2025	-	12.1	456.9	469.0	217.4	33.4%
2026	-	9.8	254.9	264.7	187.9	43.7%
2027	-	0.5	197.8	198.3	217.8	52.5%
2028	-	1.5	194.6	196.1	223.1	53.6%
Total 2023-2028	**$0.0**	**$33.2**	**$1,529.0**	**$1,562.2**	**$1,223.0**	**45.1%**

Note: Numbers may not add due to rounding.

4.3 THE IMPACT OF THE CAPITAL PROGRAM ON CONDITIONS

As previously noted, the main goals of the Authority's capital and maintenance program are to preserve a high level of patron safety and service, maintain facilities in a state of good repair and ensure the overall reliability of the highway system. One measure of the effectiveness of these maintenance and capital programs is the condition ratings of highway and bridge facilities.

Figure 20 displays the historic average rating of Thruway pavement surface conditions since 2014 and the projected ratings as a result of the current capital program. During the life of the current capital program, it is projected that the pavement ratings for the Thruway facilities will deteriorate slightly but stay in the "fair" category.

Similarly, the Authority maintains ratings for the 817 bridge structures for which it has maintenance responsibility. The Authority strictly complies with all State and federal bridge inspection requirements and the assessments in this report reflect the outcomes of such inspections. Figure 21 shows actual and projected bridge condition ratings from and include a change in the bridge inspection methodology in 2016, which was mandated by the FHWA. As noted, the current capital program will maintain the average rating of all bridges in the "good" category.

Figure 20: Historical and Projected Thruway System Pavement Conditions

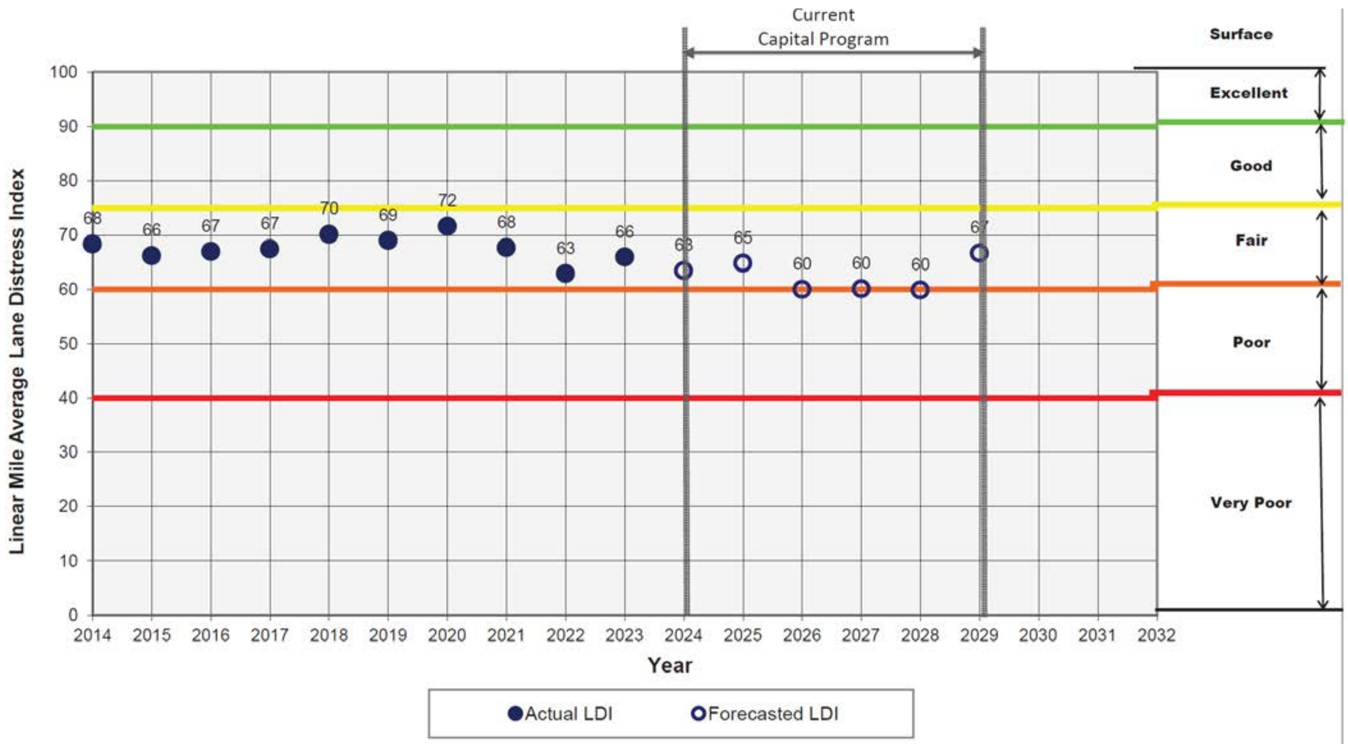
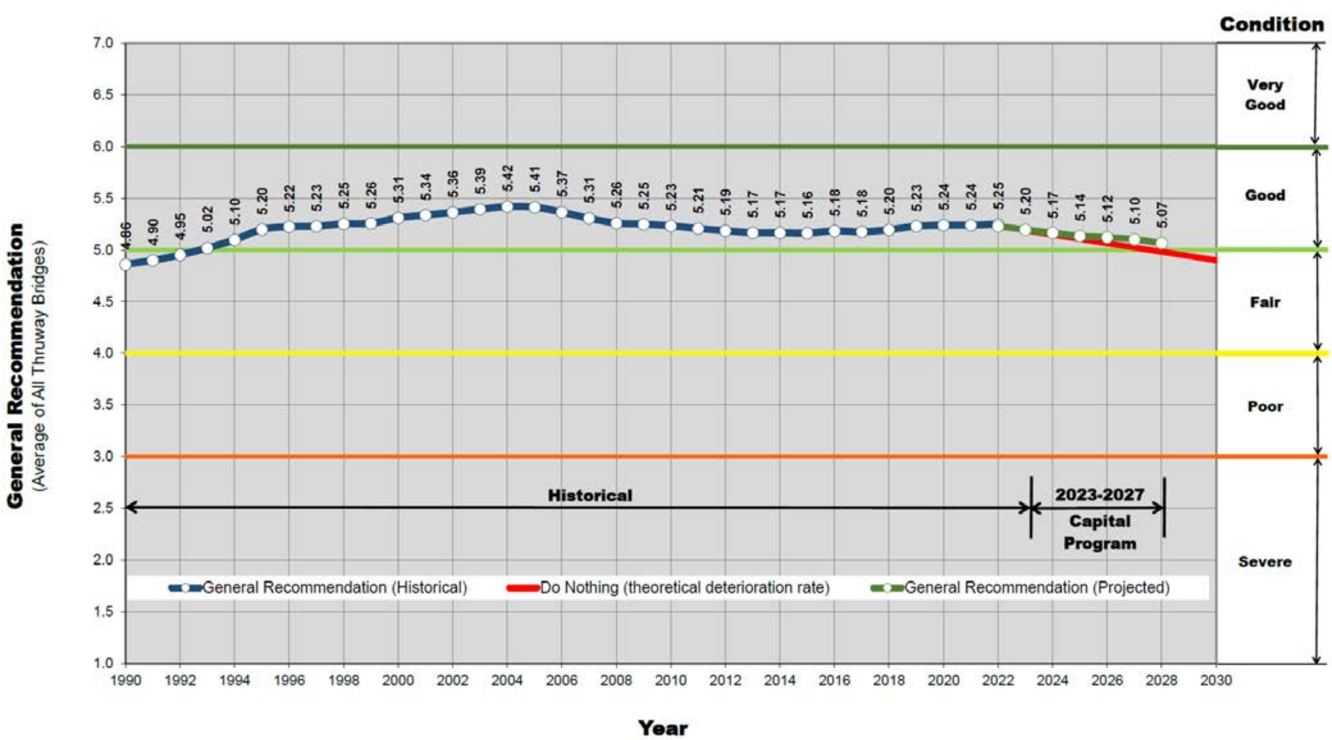


Figure 21: Historical and Projected Thruway System Bridge Condition Ratings



Prior to 2016, the bridge condition rating was calculated by a specific formula containing separate components for each of the bridge elements. The current inspection methodology (since 2016) represents the condition of each element in terms of how much of the element is in a specific condition, called “condition state.”

Table 9 presents a summary of the general recommendation ratings for bridges on the Thruway based on bridge inspections through the beginning of 2023. The general recommendation is the inspector’s assessment of the overall bridge condition. The general recommendation ranges from 7 (bridge is in new condition) to 1 (bridge deterioration is so extensive that partial or total collapse is imminent). The lowest general recommendation for a Thruway bridge is 3 (considerable deterioration of some or all bridge components). Compared to the previous conditions recorded in January 2021, a number of bridges have been improved.

Table 9: Bridge Conditions, January 2021 and January 2023

BRIDGE RATINGS		
CONDITION	NO. OF BRIDGES	
	January 2021	January 2023
GENERAL RECOMMENDATION 5-7 Bridges in generally good condition with only minor to moderate repairs required.	698	710
GENERAL RECOMMENDATION 4 Bridges in good to fair condition requiring reconditioning of some structural elements.	108	97
GENERAL RECOMMENDATION 2-3 Bridges in poor condition requiring major repairs or replacement.	10	10

5.0 OPERATING AND MAINTENANCE EXPENSES

The Authority's operating and maintenance ("O&M") expenses include non-capitalized costs for the maintenance of highway and building facilities; equipment purchases; snow and ice removal; Thruway toll collection; administrative costs and fringe benefits; Thruway traffic operations; and provisions for funding environmental and other liability reserves. In the past, the Authority was also responsible for the O&M for the New York State Canal System, however, effective January 1, 2017, the New York State Canal Corporation ("NYSCC") became a subsidiary of the New York Power Authority, and the Authority was relieved of all responsibilities related to the Canal System.

In recent years the Authority was able to limit the level of growth in O&M costs primarily through staffing reductions and a stronger workforce management program. During this period, the Authority reduced its workforce by approximately 10 percent. In addition, the Authority reduced or eliminated expenditures for equipment and projects, cancelled or deferred scheduled salary increases and other employee benefits, relied more heavily upon part-time and seasonal workforces, reduced toll lane staffing hours, enhanced energy efficiency measures, reduced overtime and discretionary expenses, and a number of other actions. Combined with recent actions planned to further modernize the management and streamline operations, these ongoing initiatives will generate recurring savings and aid the Authority in maintaining fiscal balance in the future.

Table 10 summarizes the Authority's actual 2012-2022 operating and maintenance expenses. A significant reduction in O&M costs is shown beginning in 2013, where as part of a State-supported initiative to reduce the Authority's Operating Expenses, New York State relieved the Authority of $85 million for certain fiscal responsibilities, including about $56 million to fund the operations Troop T whose 320 members patrol the Thruway System.

At the Governor's initiative, the State's 2016-2017 Enacted Budget included the transfer of the NYSCC to the NYPA. This transfer of the NYSCC, and its related expenses and revenues, is offset by Thruway Authority reimbursement to the State for the State Police costs associated with Troop T expenses of the State. As noted previously, Troop T provides State Police patrol on the Thruway. This reimbursement is provided for from the General Reserve Fund (after supporting operating and debt service costs) and is not included under operations and maintenance related expenses of the Authority.

In April 2016, AETC was implemented at the Governor Mario M. Cuomo Bridge (formerly Tappan Zee Bridge). AETC began on Grand Island Bridges in March 2018, at the Harriman Barrier in September 2018, Yonkers Barrier in November 2018, Spring Valley and New Rochelle Barriers in December 2018, and the remainder of the Thruway System in November 2020. Costs for account management of the Tolls by Mail program were included in the O&M costs for 2016 through 2022.

Table 10: The Thruway System's Actual Operating and Maintenance Expenses, 2012 – 2022 (millions)

Year	Thruway Operations	Reserves[1]	Total Operating Expenses[2]
2012	$357.0	$2.0	$359.0
2013	279.6	3.5	283.1
2014	286.1	5.9	292.0
2015	287.4	1.8	289.1
2016 [3]	311.6	1.8	313.3
2017	329.7	2.7	332.4
2018 [4]	339.9	5.0	345.0
2019	350.9	6.0	356.8
2020 [5 6]	316.6	2.0	318.6
2021	339.8	6.5	346.3
2022	361.8	16.0	377.8

[1] Includes provisions for legal claims and indemnities and reserves for environmental remediation.
[2] Prior to 2017, the Authority was also responsible for the O&M for the New York State Canal System, however, effective January 1, 2017, the NYSCC became a subsidiary of the New York Power Authority, and the Authority was relieved of all responsibilities related to the Canal System. Canal O&M expenses are not included in this table.
[3] AETC began at the Governor Mario M. Cuomo Bridge formerly Tappan Zee Bridge Barrier on April 23, 2016.
[4] AETC began on Grand Island Bridges in March 2018, at the Harriman Barrier in September 2018, Yonkers Barrier in November 2018, and Spring Valley and New Rochelle Barriers in December 2018.
[5] AETC began at all controlled system toll locations on November 14, 2020
[6] COVID-19 impacts began in March 2020

Table 11 shows the 2023 through 2028 projected O&M costs. The cost impacts (new costs related to the Tolls by Mail program, plus reductions in toll plaza staffing and plaza maintenance costs) have been included as all facilities are now operating with AETC.

Table 11: The Thruway System's Projected 2023-2028 Operating and Maintenance Expenses (millions)

Year	Thruway Operations	Reserves[1]	Total Operating Expenses
2023	$401.3	$(0.7)	$400.6
2024	410.9	1.0	411.9
2025	419.1	1.0	420.1
2026	427.5	1.0	428.5
2027	436.1	1.0	437.1
2028	444.8	1.0	445.8
Total 2023-2028	**$2,539.8**	**$4.3**	**$2,544.1**

[1] Includes provisions for legal claims and indemnities and reserves for environmental remediation.

6.0 DEBT SERVICE EXPENSES

As a result of a higher level of capital investment and the reduced pay-as-you-go financing in recent years, the Authority utilized additional bond/note proceeds to finance commitments made in the multi-year Capital Programs. As summarized in Table 12 and Table 13, the greater reliance on bonds and the issuance of short-term notes to finance programmed capital improvements resulted in annual debt service payments increasing from $200.5 million in 2012 to $339.6 million in 2021. As the $51.5 million in line of credit costs in 2021 were paid in full, total debt service decreased to $309.1 million in 2022. Total debt service is projected to increase from $354.6 million in 2023 to $475.3 million in 2028.

Table 12: Actual Debt Service, Thruway System, 2012-2022 (millions)

Year	Senior Debt Service	Bond Anticipation Note (BAN) or Line of Credit Interest	Junior Debt Service	Total Debt Service
2012	$198.5	$2.0	-	$200.5
2013	239.8	0.3	-	240.1
2014	250.9	0.4	-	251.3
2015	235.4	0.4	-	235.7
2016	227.3	0.4	$29.2	256.9
2017	234.6	0.0	43.7	278.2
2018	220.3	0.0	79.2	299.5
2019	226.8	27.0	47.4	301.2
2020	166.8 [1]	1.1	23.1 [1]	191.0
2021	241.3	51.5	46.7	339.6
2022	240.9	0.6	67.6	309.1

Note: Numbers may not add due to rounding.
[1] *Net of defeasance*

Table 13: Projected 2023-2028 Debt Service, Thruway System (millions)

Year	Senior Debt Service	Bond Anticipation Note (BAN) or Line of Credit Interest	Junior Debt Service	Total Debt Service
2023	$247.5	$0.0	$107.2	$354.6
2024	255.3	0.0	108.9	364.2
2025	283.1	0.0	110.2	393.3
2026	318.2	0.0	125.2	443.4
2027	329.8	0.0	131.3	461.1
2028	307.2	0.0	168.1	475.3
Total 2023-2028	**$1,741.1**	**$0.0**	**$750.9**	**$2,492.0**

Note: Numbers may not add due to rounding. Projected debt service numbers are net of Debt Service Reserve Fund interest.

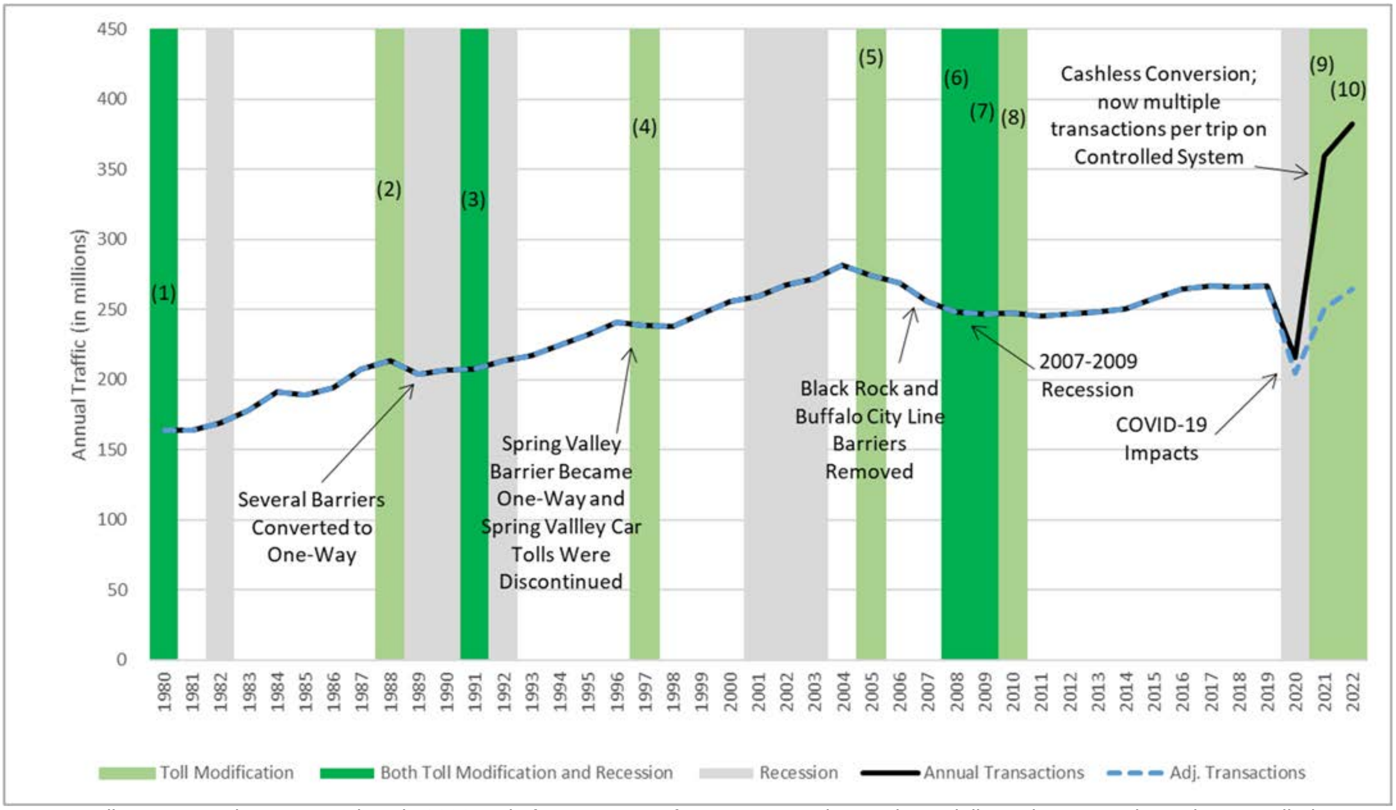
7.0 TRAFFIC AND REVENUES

7.1 HISTORICAL TOTAL THRUWAY TRAFFIC

Figure 22 presents historical total traffic on the Thruway since 1980. It is important to note that the volumes shown have not been adjusted for the various toll collection changes that occurred on the Thruway. For example, the 2005 toll modification resulted in the elimination of several commercial vehicle classes that were based on a single vehicle receiving two toll tickets/transactions, resulting in an apparent decrease in commercial traffic counts. This was a one-time occurrence that did not represent a decrease in the actual number of vehicle trips made on the Thruway. Similarly, in October 2006, tolls were removed from the Buffalo City Line and Black Rock toll Barriers which reduced total toll transactions on the Thruway by approximately 17 million annually. With the controlled system's conversion to AETC in mid-November 2020, the toll locations on the system were reconfigured and there may now be multiple transactions per trip. The figure, therefore, also shows an adjusted transaction number (dashed blue line) that removes this AETC impact, essentially converting controlled system transactions to trips. The adjustment shows that the amount of traffic in 2022 is similar to those levels exhibited pre-COVID.

Historically, slow traffic growth and traffic losses have been associated with economic downturns, toll increases, high fuel costs, harsh weather conditions and/or traffic shifts due to construction. After the end of the 2008-2009 recession, the national economy improved, and gas prices generally dropped. Additionally, at the George Washington Bridge – the biggest competitor to the Governor Mario M. Cuomo Bridge – tolls increased four times between December 2012 and December 2015, and construction closures occurred. The combination of these factors led to moderate growth rates between 2011 and 2018. Traffic growth in 2018 and 2019 was flat, following the nationwide trend in vehicle miles traveled. Large traffic losses occurred in 2020 due to COVID-19, with total annual traffic dropping to 23 percent below 2019 levels. 2021 continued to be impacted by COVID-19, though significant improvement occurred; traffic increased to 6 percent below 2019 levels. Substantial recovery occurred in 2022 with traffic reaching just one percent below the levels seen in 2019. More detail on the Thruway's historical traffic volumes can be found in Table 22 on page 65 and in the Appendix, which presents historical traffic and revenue by facility.

Figure 22: Historical Thruway Toll Transactions

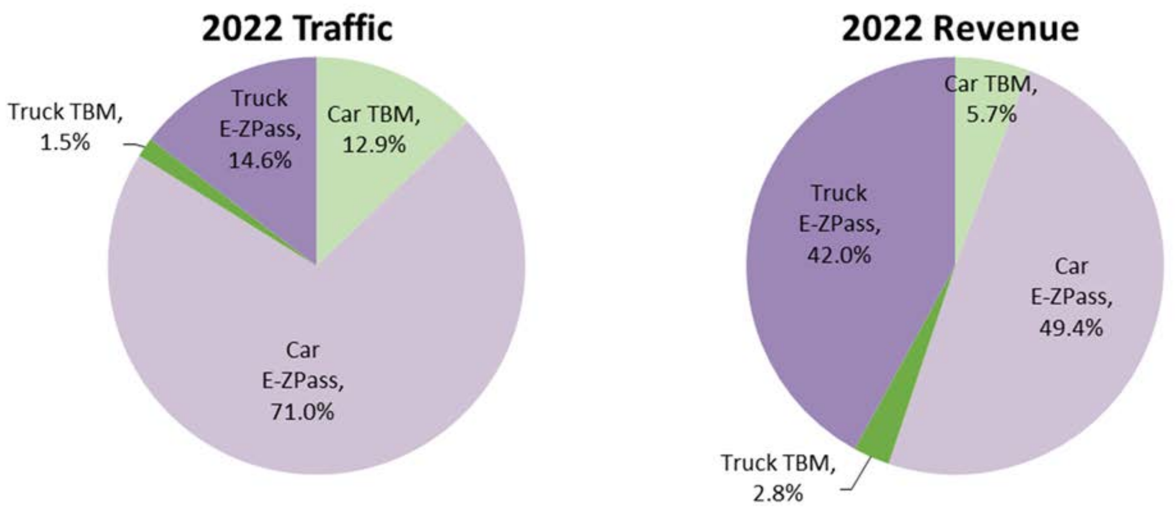


Note: Adjustment made to transactions in 2020 and after to account for AET conversion on the mainline, where one trip on the controlled system (mainline) was previously one transaction, and may now be composed of one to twelve transactions depending on the number of tolling segments traveled.
(1) 1980 – Average Toll Increase of 25% Passenger Cars, 30% Commercial
(2) 1988 – Average Toll Increase of 32% Passenger Cars, 38% Commercial
(3) 1991 – Spring Valley Toll Adjustment, Passenger Cars Only
(4) 1997 – Tappan Zee Corridor Relief (Congestion Pricing)
(5) 2005 – System Reclassification, Average Toll Increase of 25% Passenger Cars, 35% Commercial
(6) 2008 – Average Toll Increase of 10% for All Vehicles, Plus Reduction of E-ZPass Discount in July
(7) 2009 – Average Toll Increase of 5% for All Vehicles
(8) 2010 – Average Toll Increase of 5% for All Vehicles (not apparent in all toll schedules, due to rounding)
(9) 2021 – Toll Increases of 9% and 24% for non-NY E-ZPass and Tolls by Mail vehicles, respectively, on all facilities other than the Governor Mario M. Cuomo Bridge. The Governor Mario M. Cuomo Bridge had toll increases of 5% for commuters, 11% for non-Resident Plan E-ZPass cars and trucks up to class 4H, 21% for non-NY E-ZPass cars and trucks up to 4H and 37% for Tolls by Mail cars and trucks up to 4H. Class 5H and larger trucks on the Governor Mario M. Cuomo Bridge had toll increases of 31% for NY E-ZPass, 51% for Non-NY E-ZPass and 70% for Tolls by Mail.
(10) 2022 – The Governor Mario M. Cuomo Bridge had toll increases of 10% for all cars and trucks up to class 4H, with the exception of Resident Plan cars which did not see a toll increase. 5H and larger trucks on the Bridge had a 30% toll increase.

7.2 DEMOGRAPHICS OF TOLL PAYING PATRONS

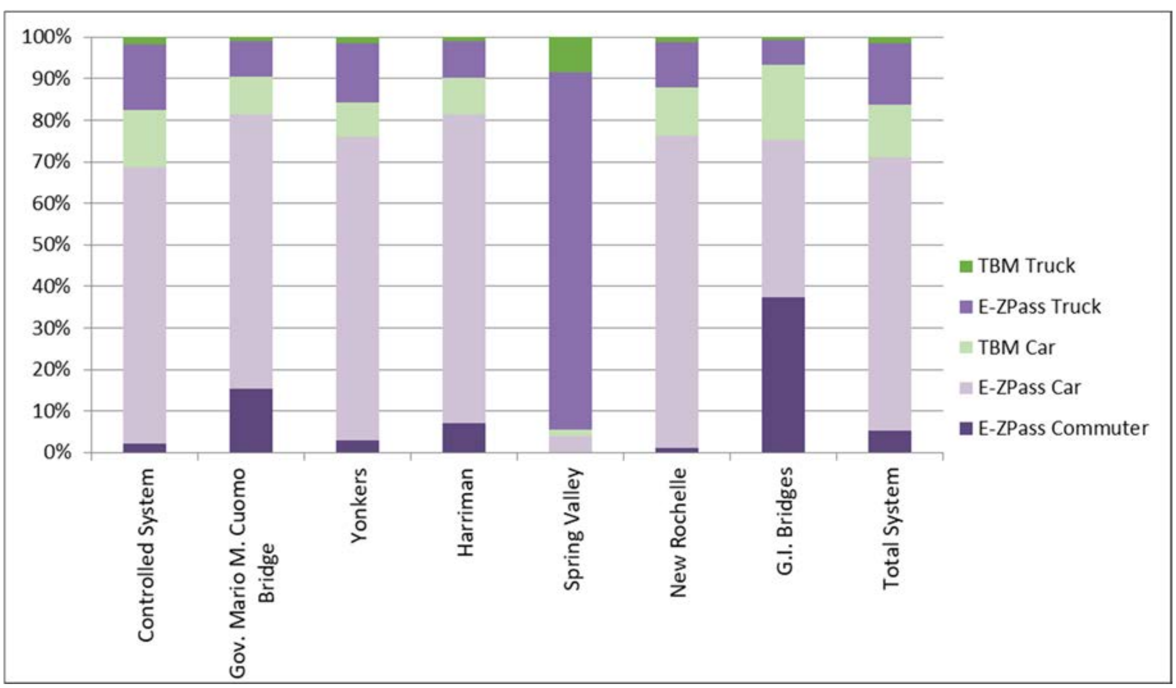
To better understand Thruway revenue trends and the impact toll policy may have on its patrons, it is important to appreciate the traffic make-up on the Thruway System and its customer base. As shown in Figure 23, in 2022 roughly 84 percent of traffic on the Thruway System was composed of passenger cars, with the remaining 16 percent of traffic coming from a variety of commercial vehicle types. Nearly 86 percent of total vehicles toll transactions were paid with an *E-ZPass* transponder (approximately 85 percent of passenger vehicles and 91 percent of commercial vehicles). It should be noted that while commercial vehicle traffic made up only 16 percent of systemwide toll transactions, it accounted for almost 45 percent of all Thruway toll revenues.

Figure 23: 2022 Systemwide Traffic and Revenue Distribution



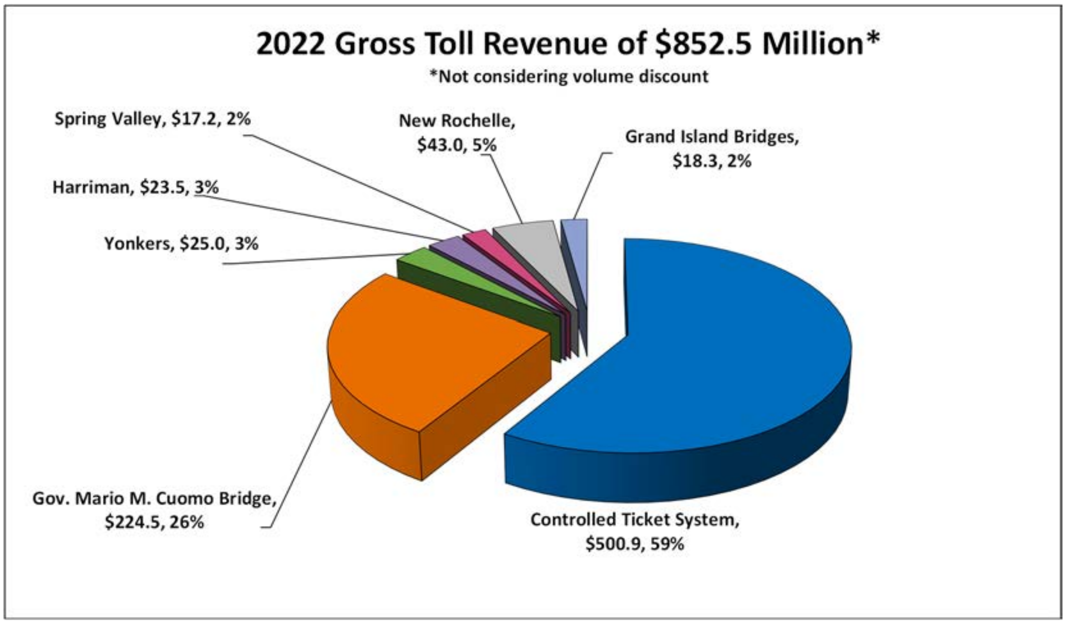
The distributions of vehicle class and payment types vary by facility, as shown in Figure 24. The highest passenger car participation in *E-ZPass* is seen at the Yonkers and Harriman Barriers and Governor Mario M. Cuomo Bridge, while the truck participation rate in *E-ZPass* was consistently very high (89 to 91 percent) at all facilities. Overall, *E-ZPass* transactions accounted for nearly 86 percent of annual transactions on the Thruway in 2022. It should be noted that because the most frequent customers tend to have *E-ZPass* while very infrequent customers generally do not, the majority of *individual customers* using the Thruway over the course of a year do not have an *E-ZPass* account.

Figure 24: 2022 Passenger Car and Commercial Vehicle Traffic Distribution by Facility



2022 total toll revenues were $852.5 million collected from toll transactions minus $32.1 million in commercial vehicle volume discounts (discussed on page 53), for a net amount of $820.4 million. As noted in Figure 25, the controlled system and the Governor Mario M. Cuomo Bridge generate the most significant portions of the Thruway's toll revenue. The controlled system generated a total of $500.9 million in 2022, or about 59 percent of total Thruway toll revenue. The Governor Mario M. Cuomo Bridge generated $224.5 million, 26 percent of total toll revenue. The New York City metropolitan area barrier tolls generated a combined 13 percent of total toll revenue, or about $108.7 million. The Grand Island Bridges generated about $18.3 million, or some 2 percent of toll revenue.

Figure 25: Distribution of 2022 Toll Revenues by Thruway Facility



Specific regions within the controlled system that see the most traffic volume include the Albany area, the Rochester area, the southern terminus of the Woodbury section, and the western part of the Woodbury section approaching Buffalo and Niagara Falls. The five sections of the controlled system mainline with the highest volumes in 2022 are shown in Table 14.

Table 14: Controlled System Mainline Sections with Highest Volumes, 2022

Section of Mainline	Millions of Annual Vehicles
Between Int. 24 & 25, between Albany and Schenectady	28.4
Between Int. 44 & 45, Rochester/Victor/Canandaigua area	21.2
Between Int. 15/16 & 17, Woodbury/Harriman/Newburgh area	19.3
Between Int. 49 & 50, Depew/Lockport/Niagara Falls area	19.3
Between Int. 23 & 24, Albany	18.5

Customers that had a transponder issued by a New York State toll agency (the Thruway Authority, Port Authority of NY & NJ or the Metropolitan Transportation Authority) accounted for about 72 percent of total *E-ZPass* toll revenues in 2022. As a result, 28 percent of *E-ZPass* toll revenues in 2022 were collected from customers that had a non-New York issued transponder, underscoring the importance of the Thruway System in the regional and national economy.

7.3 TOLL RATES

With the exception of a small amount of federal aid and other funds, tolls collected on the controlled system and through toll barriers support an overwhelming majority of the Authority's budget. The following provides a brief history of toll adjustments on the Thruway System, details the approved 2024 through 2027 toll increases, and compares Thruway toll rates to those on other facilities in the northeast.

7.3.1 Recent History of Toll Adjustments on the Thruway System

In 2005, a two-stage toll adjustment was implemented by the Authority that generally increased toll rates by 25 percent for all passenger vehicles and 35 percent for all commercial vehicles, and increased cash tolls in 2008 for both passenger and commercial vehicles by 10 percent. In 2005, the Authority also implemented a new vehicle classification system (reducing the number of classifications from 43 to 9), created a new *E-ZPass* discount program, continued a graduated volume discount program for commercial customers and expanded the availability of commuter plans to bridges and barriers on the Thruway System.

In response to the financial pressures brought on by high and volatile fuel prices and the state of the national economy, the Authority implemented another series of staged, smaller adjustments to toll rates in 2008. These adjustments were designed to provide additional funding to assist the Authority in financing operational, maintenance and capital commitments made in the 2005-2011 Capital Program period. The 2008 toll adjustments maintained a 5 percent *E-ZPass* discount for all patrons, but added two five-percent across-the-board increases, which took effect in 2009 and 2010. After 2010, there were no changes to toll rates on the Thruway System for more than ten years, with the exception of the discontinuation of discounts for vehicles with an out-of-state *E-ZPass*: both the 5 percent system-wide discount and the discounts for non-peak commercial vehicles (of up to 50 percent) at the Spring Valley Barrier and the Governor Mario M. Cuomo Bridge ceased as of January 1, 2017.

With revenue needs projected to be above those generated by the 2010 toll schedule, in 2019 the Authority proposed toll modifications for 2021-2022 to generate the additional revenues needed to successfully meet its future growing capital needs, fund outstanding debt and provide reliable service to its patrons. Note that this toll modification had been based on late 2019 projections of revenue needs, prior to the COVID-19 pandemic which caused a significant initial decline in travel. The modification increased all out-of-state *E-ZPass* tolls to 15 percent above the NY *E-ZPass* rate and increased all Tolls by Mail tolls to 30 percent over the NY *E-ZPass* rate on January 1, 2021. In addition, the base NY *E-ZPass* toll at the Governor Mario M. Cuomo Bridge ("GMMCB") was increased by 50 cents per year over two years (in January 2021 and January 2022) with a 40 percent commuter discount program, and commercial rates increased proportionately to car rates with an additional 20 percent increase for trucks with five of more axles. Residents of Westchester and Rockland Counties with proof of residency and NY *E-ZPass* could sign up for a new Resident Plan, avoiding a car toll increase on the GMMCB in 2021 or 2022. At all locations other than the GMMCB, any vehicle with NY *E-ZPass* (the vast majority of vehicles on the system) also did not see a toll increase in 2021 or 2022. These recent toll increases which occurred on January 1, 2021 (systemwide) and January 1, 2022 (GMMCB only), are summarized in Table 15.

In addition to these toll increases, the Authority made several changes to help cover the additional processing costs associated with AET beginning in 2021. The Authority began to charge the Tolls by Mail rate to *E-ZPass* customers without a properly mounted, readable transponder who are processed through a license plate image review. This charge offsets additional costs related to image review and is also meant to incentivize proper placement of *E-ZPass* transponders, which facilitates toll processing. The Authority also began to assess a $2 per-bill administrative surcharge for Tolls by Mail trips to offset printing and mailing costs.

Table 15: 2021 and 2022 Toll Modifications

Year	Location and Payment Type	Increases	
		Cars and Trucks up to 4 Axles	Trucks, 5+ Axles
2021	**Governor Mario M. Cuomo Bridge**		
	Car Resident *E-ZPass*	no increase	-
	Car Commuter *E-ZPass*	5%	-
	Standard NY *E-ZPass*	11%	31%
	Non-NY *E-ZPass*	21%	51%
	Tolls by Mail	37%	70%
	Remainder of Thruway System		
	NY *E-ZPass*	no increase	no increase
	Non-NY *E-ZPass*	9%	9%
	Tolls by Mail	24%	24%
2022	**Governor Mario M. Cuomo Bridge**		
	Car Resident *E-ZPass*	no increase	-
	Car Commuter *E-ZPass*	10%	-
	Standard NY *E-ZPass*	10%	30%
	Non-NY *E-ZPass*	10%	30%
	Tolls by Mail	10%	30%

The Authority's current toll rate structure is presented in Table 16.

Table 16: Current Toll Structure (2022) [1]

New York E-ZPass

Vehicle Class [2]	MAINLINE (PER MILE)	Castleton Bridge Surcharge	GRAND ISLAND BRIDGES	HARRIMAN	YONKERS	NEW ROCHELLE	SPRING VALLEY		GOV MARIO M. CUOMO BR. (GMMCB)	
							PEAK	OFF PEAK	PEAK	OFF PEAK
2L Commuter [3]	[4]		$0.28	$0.55	$0.55	$1.10			$3.45	$3.45
2L Resident			$0.09						$4.75	$4.75
2L Standard	$0.0447	$0.62	$0.95	$1.19	$1.19	$1.66	$0.00	$0.00	$5.75	$5.75
3L	$0.0692	$0.86	$1.43	$1.43	$1.43	$2.38	$3.00	$1.50	$13.92	$6.96
4L	$0.0821	$1.00	$1.66	$1.66	$1.66	$2.85	$4.50	$2.25	$16.64	$8.32
2H	$0.0886	$1.05	$1.90	$1.90	$1.90	$3.33	$5.25	$2.63	$17.86	$8.93
3H	$0.1524	$1.47	$2.14	$2.61	$2.14	$4.04	$8.25	$4.13	$25.12	$12.56
4H	$0.1680	$1.90	$2.61	$2.85	$2.61	$4.75	$8.25	$4.13	$29.96	$14.98
5H	$0.2271	$2.57	$4.04	$4.04	$4.04	$7.60	$13.50	$6.75	$55.77	$27.89
6H	$0.2815	$3.09	$4.28	$4.75	$4.28	$8.31	$14.75	$7.38	$69.82	$34.91
7H	$0.3359	$3.66	$4.75	$5.46	$4.75	$9.26	$16.50	$8.25	$83.87	$41.94

Non-New York E-ZPass

Vehicle Class [2]	MAINLINE (PER MILE)	Castleton Bridge Surcharge	GRAND ISLAND BRIDGES	HARRIMAN	YONKERS	NEW ROCHELLE	SPRING VALLEY	GMMCB
2L	$0.0514	$0.71	$1.09	$1.37	$1.37	$1.91	$0.00	$6.61
3L	$0.0796	$0.99	$1.64	$1.64	$1.64	$2.73	$3.45	$16.01
4L	$0.0944	$1.15	$1.91	$1.91	$1.91	$3.28	$5.18	$19.14
2H	$0.1019	$1.21	$2.19	$2.19	$2.19	$3.82	$6.04	$20.53
3H	$0.1753	$1.69	$2.46	$3.00	$2.46	$4.64	$9.49	$28.89
4H	$0.1932	$2.19	$3.00	$3.28	$3.00	$5.46	$9.49	$34.45
5H	$0.2612	$2.96	$4.64	$4.64	$4.64	$8.74	$15.53	$64.14
6H	$0.3237	$3.55	$4.92	$5.46	$4.92	$9.56	$16.96	$80.30
7H	$0.3863	$4.21	$5.46	$6.28	$5.46	$10.65	$18.98	$96.45

Tolls by Mail

Vehicle Class [2]	MAINLINE (PER MILE)	Castleton Bridge Surcharge	GRAND ISLAND BRIDGES	HARRIMAN	YONKERS	NEW ROCHELLE	SPRING VALLEY	GMMCB
2L	$0.0581	$0.81	$1.24	$1.54	$1.54	$2.16	$0.00	$7.48
3L	$0.0900	$1.12	$1.85	$1.85	$1.85	$3.09	$3.90	$18.10
4L	$0.1067	$1.30	$2.16	$2.16	$2.16	$3.71	$5.85	$21.64
2H	$0.1152	$1.37	$2.47	$2.47	$2.47	$4.32	$6.83	$23.21
3H	$0.1981	$1.91	$2.78	$3.40	$2.78	$5.25	$10.73	$32.65
4H	$0.2184	$2.47	$3.40	$3.71	$3.40	$6.18	$10.73	$38.95
5H	$0.2952	$3.34	$5.25	$5.25	$5.25	$9.88	$17.55	$72.51
6H	$0.3660	$4.02	$5.56	$6.18	$5.56	$10.81	$19.18	$90.77
7H	$0.4367	$4.76	$6.18	$7.10	$6.18	$12.04	$21.45	$109.03

[1] *Toll structure will change on January 1, 2024*

[2] *Classes are generally denoted by the number of axles (2 through 7) and the vehicle height. "L" represents vehicles under 7.5' and "H" represents vehicles over 7.5' in height.*

[3] *Customers in the commuter program pay a monthly amount and must meet a monthly minimum number of trips (20 at one-way toll facilities and 35 at two-way toll facilities) to receive the fully discounted prices shown per trip. Once the monthly minimum number of trips is met, the customer is charged the fully discounted price per additional trip.*

[4] *Controlled system permit plan customers pay $88/year which covers the toll for the first 30 miles or less of a passenger car trip.*

In order to receive *E-ZPass* discounts, a driver must have a transponder issued by a New York State toll agency (the Thruway Authority, Port Authority of NY & NJ or the Metropolitan Transportation Authority). In addition to having lower base rates for vehicles with a NY-issued *E-ZPass*, the Authority offers several specialized *E-ZPass* discount programs. Among these are a series of commuter plans designed specifically for frequent users of the Thruway that use one or more of the barrier toll stations. *E-ZPass* customers can pre-pay a monthly minimum for each facility that they choose and then receive discounted travel for each trip taken in excess of the minimum charge. In addition to the barrier commuter discounts, the controlled system offers an annual permit that when purchased allows for the first 30 miles of each trip to be free of tolls.

Other specialized passenger car plans include a resident discount available to residents of Grand Island when crossing through either of the Grand Island toll barriers, a newly-instituted (as of 2021) resident plan available to Rockland and Westchester County residents crossing the Governor Mario M. Cuomo Bridge, and a system-wide green discount that is available to certain high mileage vehicles that both achieve MPG ratings greater than 45 MPG and meet certain emission standards. Motorcycles, motor homes and "5th wheel" or "gooseneck" vehicles or vehicle combinations are also eligible for discounts. These discounts are administered through the *E-ZPass* program and proof of residency or registration for the various plans and vehicle combinations must also be provided.

For commercial vehicles, there are currently two types of discount programs offered. The S-Discount is for non-tandem commercial vehicles less than or equal to 48 feet in length and requires a Thruway-issued *E-ZPass* transponder. The second discount program is a commercial volume discount for Thruway Authority Commercial Charge Account customers that offers progressively higher discounts based on the monthly toll charges on an account basis:

- $1,001 to $2,000 – 10 percent discount
- $2,001 to $3,000 – 15 percent discount
- Over $3,000 – 20 percent discount

7.3.2 2024 Through 2027 Toll Modifications

Due to the need for additional revenues to fulfill system-wide operating, debt service, and capital needs through 2028, on September 18, 2023 the Authority Board of Directors approved a set of future toll modifications on the Governor Mario M. Cuomo Bridge and systemwide. A detailed narrative of these 2024 through 2027 toll increases can be found in Table 17.

As shown in the table, the approved toll schedule will, on January 1, 2024 and January 1, 2027, increase the base NY *E-ZPass* rates by 5 percent from their prior levels. Out-of-state *E-ZPass* and Tolls by Mail tolls will be increased from their current 15 percent and 30 percent differentials above the NY *E-ZPass* rate, respectively, to 75 percent above the NY *E-ZPass* rate. In addition, at the GMMCB, the base NY *E-ZPass* passenger car toll will be increased by 50 cents a year in each year from January 2024 through January 2027. Passenger cars on the Westchester/Rockland Resident Plan will see their discount change from the current 17 percent to 20 percent, and the 40 percent commuter discount program will be maintained. Commercial rates will be increased proportionately to the car rates. By modifying rates in this way, the Authority intends to have less of an impact on frequent and/or local drivers, promote *E-ZPass* usage, and provide a higher level of revenue for the GMMCB that is commensurate with the capital costs incurred for the recent, massive replacement project.

Table 17: Adopted 2024 through 2027 Toll Modifications

Toll Modification Element	Description
GOVERNOR MARIO M. CUOMO BRIDGE TOLL RATE ADJUSTMENTS	
Gov. Mario M. Cuomo Bridge: Increase Base NY *E-ZPass* to a rate of $7.75 by 2027	Beginning on January 1, 2024, provide 50-cent annual increases to the base NY *E-ZPass* passenger toll rates on the Gov. Mario M. Cuomo Bridge during the period 2024-2027. This would result in a base NY *E-ZPass* rate for passenger vehicles increasing to $7.75 by 2027 (current rate is $5.75). Commercial rate increases would be proportionate to the passenger rate increases. (Note that Systemwide adjustments to Non-NY *E-ZPass* and Tolls by Mail will be applied on top of these base increases.)
40% Commuter Discount Program	Maintain the commuter discounted rate of 40 percent off the NY *E-ZPass* rate for passenger vehicles that opt into the program. Consistent with the policy prior to the toll adjustment, the rates assume that a minimum of 20 trips are made in that month; if fewer than 20 trips are taken per month, customers are charged for each trip not taken. This program is offered to class 2L vehicles only, with a New York *E-ZPass*.
Resident Discount Program	Increase the resident discount *E-ZPass* Plan for qualified Westchester and Rockland residents from its current 17 percent discount to a 20 percent discount off the NY *E-ZPass* rate. This program is only offered to class 2L passenger vehicles with a NY *E-ZPass* who opt into the plan and provide proof of residency.
SYSTEMWIDE TOLL RATE ADJUSTMENTS	
NY *E-ZPass* Rates	On January 1, 2024 and January 1, 2027 increase the base NY *E-ZPass* rates by 5 percent from their prior levels.
Incentivize NY *E-ZPass* Usage	Beginning on January 1, 2024, increase the current 30 percent TBM rate differential (a toll rate 30 percent above the NY *E-ZPass* rate) to a 75 percent differential above the NY *E-ZPass* rate.
Non-NY *E-ZPass* Rates	Beginning on January 1, 2024, increase the current Non-NY *E-ZPass* toll rate differential from a 15 percent rate differential (a toll rate 15 percent above the NY *E-ZPass* rate for Non-NY *E-ZPass* tolls) to a 75 percent differential above the NY *E-ZPass* rate.

Table 18 provides details of the adopted 2024 through 2027 toll rate schedules on the Governor Mario M. Cuomo Bridge. Table 19 and Table 20 provide detail of the adopted toll rates for the remainder of the Thruway System in 2024 and 2027, respectively. Note that all the NY *E-ZPass* discounts currently in place will remain – commuter, permit, and resident plan; motorcycles and 5th wheel/gooseneck vehicles; and the commercial S Class. Customers with these plans will see toll increases similar to the base NY *E-ZPass* rates. In addition, the commercial volume discount for Thruway Charge Account customers will remain as is through 2027.

Table 18: 2024-2027 Adopted Toll Rate Schedules, Gov. Mario M. Cuomo Bridge

January 1, 2024 Adopted Toll Rates, Gov. Mario M Cuomo Bridge

Vehicle Class	NY E-ZPass Peak	NY E-ZPass Off Peak	Non-NY E-ZPass	Toll By Mail
Commuter	$3.75	$3.75		
Resident	$5.00	$5.00		
2L	$6.25	$6.25	$10.94	$10.94
3L	$15.13	$7.57	$26.48	$26.48
4L	$18.09	$9.05	$31.66	$31.66
2H	$19.41	$9.71	$33.97	$33.97
3H	$27.30	$13.65	$47.78	$47.78
4H	$32.57	$16.29	$57.00	$57.00
5H	$60.62	$30.31	$106.09	$106.09
6H	$75.89	$37.95	$132.81	$132.81
7H	$91.16	$45.58	$159.53	$159.53

January 1, 2025 Adopted Toll Rates, Gov. Mario M Cuomo Bridge

Vehicle Class	NY E-ZPass Peak	NY E-ZPass Off Peak	Non-NY E-ZPass	Toll By Mail
Commuter	$4.05	$4.05		
Resident	$5.40	$5.40		
2L	$6.75	$6.75	$11.81	$11.81
3L	$16.34	$8.17	$28.60	$28.60
4L	$19.54	$9.77	$34.20	$34.20
2H	$20.96	$10.48	$36.68	$36.68
3H	$29.48	$14.74	$51.59	$51.59
4H	$35.18	$17.59	$61.57	$61.57
5H	$65.47	$32.74	$114.57	$114.57
6H	$81.96	$40.98	$143.43	$143.43
7H	$98.45	$49.23	$172.29	$172.29

January 1, 2026 Adopted Toll Rates, Gov. Mario M Cuomo Bridge

Vehicle Class	NY E-ZPass Peak	NY E-ZPass Off Peak	Non-NY E-ZPass	Toll By Mail
Commuter	$4.35	$4.35		
Resident	$5.80	$5.80		
2L	$7.25	$7.25	$12.69	$12.69
3L	$17.55	$8.78	$30.71	$30.71
4L	$20.99	$10.50	$36.73	$36.73
2H	$22.51	$11.26	$39.39	$39.39
3H	$31.66	$15.83	$55.41	$55.41
4H	$37.79	$18.90	$66.13	$66.13
5H	$70.32	$35.16	$123.06	$123.06
6H	$88.03	$44.02	$154.05	$154.05
7H	$105.74	$52.87	$185.05	$185.05

January 1, 2027 Adopted Toll Rates, Gov. Mario M Cuomo Bridge

Vehicle Class	NY E-ZPass Peak	NY E-ZPass Off Peak	Non-NY E-ZPass	Toll By Mail
Commuter	$4.65	$4.65		
Resident	$6.20	$6.20		
2L	$7.75	$7.75	$13.56	$13.56
3L	$18.76	$9.38	$32.83	$32.83
4L	$22.44	$11.22	$39.27	$39.27
2H	$24.06	$12.03	$42.11	$42.11
3H	$33.84	$16.92	$59.22	$59.22
4H	$40.40	$20.20	$70.70	$70.70
5H	$75.17	$37.59	$131.55	$131.55
6H	$94.10	$47.05	$164.68	$164.68
7H	$113.03	$56.52	$197.80	$197.80

Table 19: 2024 Adopted Toll Rate Schedule, Remainder of Thruway System

January 1, 2024 Adopted Toll Rates, New York E-ZPass customers

Vehicle Class	MAINLINE (PER MILE)	Castleton Bridge Surcharge	GRAND ISLAND BRIDGES	HARRIMAN	YONKERS	NEW ROCHELLE	SPRING VALLEY	
							PEAK	OFF PEAK
2L	$0.0469	$0.65	$1.00	$1.25	$1.25	$1.74	$0.00	$0.00
3L	$0.0727	$0.90	$1.50	$1.50	$1.50	$2.50	$3.15	$1.58
4L	$0.0862	$1.05	$1.74	$1.74	$1.74	$2.99	$4.73	$2.37
2H	$0.0930	$1.10	$2.00	$2.00	$2.00	$3.50	$5.51	$2.76
3H	$0.1600	$1.54	$2.25	$2.74	$2.25	$4.24	$8.66	$4.33
4H	$0.1764	$2.00	$2.74	$2.99	$2.74	$4.99	$8.66	$4.33
5H	$0.2385	$2.70	$4.24	$4.24	$4.24	$7.98	$14.18	$7.09
6H	$0.2956	$3.24	$4.49	$4.99	$4.49	$8.73	$15.49	$7.75
7H	$0.3527	$3.84	$4.99	$5.73	$4.99	$9.72	$17.33	$8.67

January 1, 2024 Adopted Toll Rates, Non-New York E-ZPass customers

Vehicle Class	MAINLINE (PER MILE)	Castleton Bridge Surcharge	GRAND ISLAND BRIDGES	HARRIMAN	YONKERS	NEW ROCHELLE	SPRING VALLEY
2L	$0.0821	$1.14	$1.75	$2.19	$2.19	$3.05	$0.00
3L	$0.1272	$1.58	$2.63	$2.63	$2.63	$4.38	$5.51
4L	$0.1509	$1.84	$3.05	$3.05	$3.05	$5.23	$8.28
2H	$0.1628	$1.93	$3.50	$3.50	$3.50	$6.13	$9.64
3H	$0.2800	$2.70	$3.94	$4.80	$3.94	$7.42	$15.16
4H	$0.3087	$3.50	$4.80	$5.23	$4.80	$8.73	$15.16
5H	$0.4174	$4.73	$7.42	$7.42	$7.42	$13.97	$24.82
6H	$0.5173	$5.67	$7.86	$8.73	$7.86	$15.28	$27.11
7H	$0.6172	$6.72	$8.73	$10.03	$8.73	$17.01	$30.33

January 1, 2024 Adopted Toll Rates, Tolls by Mail customers

Vehicle Class	MAINLINE (PER MILE)	Castleton Bridge Surcharge	GRAND ISLAND BRIDGES	HARRIMAN	YONKERS	NEW ROCHELLE	SPRING VALLEY
2L	$0.0821	$1.14	$1.75	$2.19	$2.19	$3.05	$0.00
3L	$0.1272	$1.58	$2.63	$2.63	$2.63	$4.38	$5.51
4L	$0.1509	$1.84	$3.05	$3.05	$3.05	$5.23	$8.28
2H	$0.1628	$1.93	$3.50	$3.50	$3.50	$6.13	$9.64
3H	$0.2800	$2.70	$3.94	$4.80	$3.94	$7.42	$15.16
4H	$0.3087	$3.50	$4.80	$5.23	$4.80	$8.73	$15.16
5H	$0.4174	$4.73	$7.42	$7.42	$7.42	$13.97	$24.82
6H	$0.5173	$5.67	$7.86	$8.73	$7.86	$15.28	$27.11
7H	$0.6172	$6.72	$8.73	$10.03	$8.73	$17.01	$30.33

Table 20: 2027 Adopted Toll Rate Schedule, Remainder of Thruway System

January 1, 2027 Adopted Toll Rates, New York E-ZPass customers

Vehicle Class	MAINLINE (PER MILE)	Castleton Bridge Surcharge	GRAND ISLAND BRIDGES	HARRIMAN	YONKERS	NEW ROCHELLE	SPRING VALLEY	
							PEAK	OFF PEAK
2L	$0.0492	$0.68	$1.05	$1.31	$1.31	$1.83	$0.00	$0.00
3L	$0.0763	$0.95	$1.58	$1.58	$1.58	$2.63	$3.31	$1.66
4L	$0.0905	$1.10	$1.83	$1.83	$1.83	$3.14	$4.97	$2.49
2H	$0.0977	$1.16	$2.10	$2.10	$2.10	$3.68	$5.79	$2.90
3H	$0.1680	$1.62	$2.36	$2.88	$2.36	$4.45	$9.09	$4.55
4H	$0.1852	$2.10	$2.88	$3.14	$2.88	$5.24	$9.09	$4.55
5H	$0.2504	$2.84	$4.45	$4.45	$4.45	$8.38	$14.89	$7.45
6H	$0.3104	$3.40	$4.71	$5.24	$4.71	$9.17	$16.26	$8.13
7H	$0.3703	$4.03	$5.24	$6.02	$5.24	$10.21	$18.20	$9.10

January 1, 2027 Adopted Toll Rates, Non-New York E-ZPass customers

Vehicle Class	MAINLINE (PER MILE)	Castleton Bridge Surcharge	GRAND ISLAND BRIDGES	HARRIMAN	YONKERS	NEW ROCHELLE	SPRING VALLEY
2L	$0.0861	$1.19	$1.84	$2.29	$2.29	$3.20	$0.00
3L	$0.1335	$1.66	$2.77	$2.77	$2.77	$4.60	$5.79
4L	$0.1584	$1.93	$3.20	$3.20	$3.20	$5.50	$8.70
2H	$0.1710	$2.03	$3.68	$3.68	$3.68	$6.44	$10.13
3H	$0.2940	$2.84	$4.13	$5.04	$4.13	$7.79	$15.91
4H	$0.3241	$3.68	$5.04	$5.50	$5.04	$9.17	$15.91
5H	$0.4382	$4.97	$7.79	$7.79	$7.79	$14.67	$26.06
6H	$0.5432	$5.95	$8.24	$9.17	$8.24	$16.05	$28.46
7H	$0.6480	$7.05	$9.17	$10.54	$9.17	$17.87	$31.85

January 1, 2027 Adopted Toll Rates, Tolls by Mail customers

Vehicle Class	MAINLINE (PER MILE)	Castleton Bridge Surcharge	GRAND ISLAND BRIDGES	HARRIMAN	YONKERS	NEW ROCHELLE	SPRING VALLEY
2L	$0.0861	$1.19	$1.84	$2.29	$2.29	$3.20	$0.00
3L	$0.1335	$1.66	$2.77	$2.77	$2.77	$4.60	$5.79
4L	$0.1584	$1.93	$3.20	$3.20	$3.20	$5.50	$8.70
2H	$0.1710	$2.03	$3.68	$3.68	$3.68	$6.44	$10.13
3H	$0.2940	$2.84	$4.13	$5.04	$4.13	$7.79	$15.91
4H	$0.3241	$3.68	$5.04	$5.50	$5.04	$9.17	$15.91
5H	$0.4382	$4.97	$7.79	$7.79	$7.79	$14.67	$26.06
6H	$0.5432	$5.95	$8.24	$9.17	$8.24	$16.05	$28.46
7H	$0.6480	$7.05	$9.17	$10.54	$9.17	$17.87	$31.85

7.3.3 Comparison of Thruway Toll Rates to Other Regional Toll Facilities

Figure 26 and Figure 27 compare toll rates on a number of major toll crossings in the northeast. Both current and approved 2024 rates are shown for the GMMCB. Of note is that current and 2024 car tolls on the GMMCB are below current rates on other metro New York crossings and are reasonable when compared to other major crossings on the interstate highway system. The current and 2024 peak rates for 5-axle trucks are also comparable to that of other regional facilities. Nearly 90 percent of the GMMCB commercial vehicles with a NY *E-ZPass* travel during off-peak periods, paying a reduced rate as low as half of the standard peak rate. In addition to the lower off-peak rates, many vehicles further reduce the average toll rate paid through participation in the commercial volume discount program. These reductions in the effective rate make the current and 2024 GMMCB commercial toll rates considerably lower than those on other metro New York tolled crossings. It is also important to note that it is highly likely that most of the locations shown will also see toll increases over the next several years. For example, MTA Bridges and Tunnels, which operates the Verrazano-Narrows, RFK, Whitestone, and Throgs Neck Bridges has had five toll increases - a toll increase every two years - since 2013, and has proposed another increase in 2025. The Port Authority which operates all the crossings between NY and NJ has mandated inflation-based toll increases, and the Delaware River Joint Toll Bridge Commission is also planning a toll increase for 2024.

Figure 26: Round Trip Toll Rates on Major Toll Crossings in the Northeast, Passenger Cars

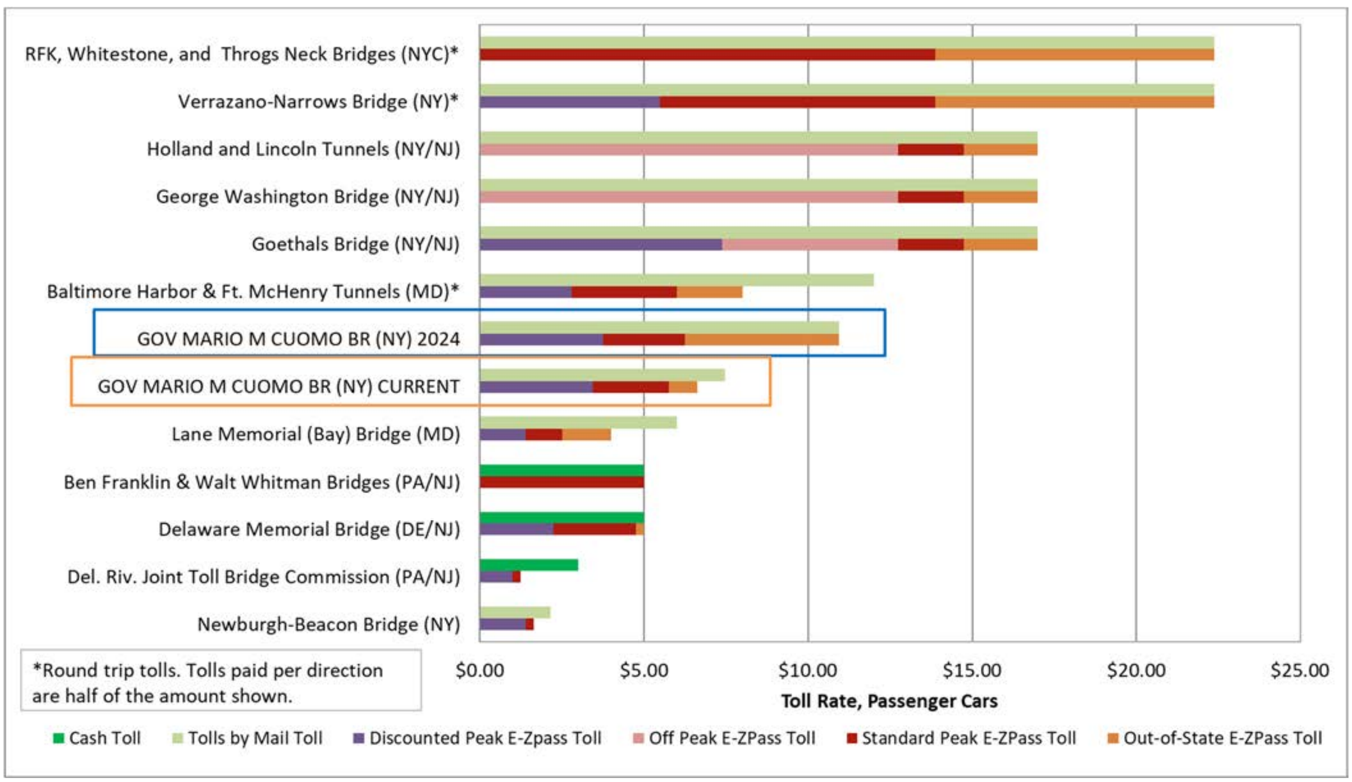


Figure 27: Round Trip Toll Rates on Major Toll Crossings in the Northeast, 5-Axle Trucks

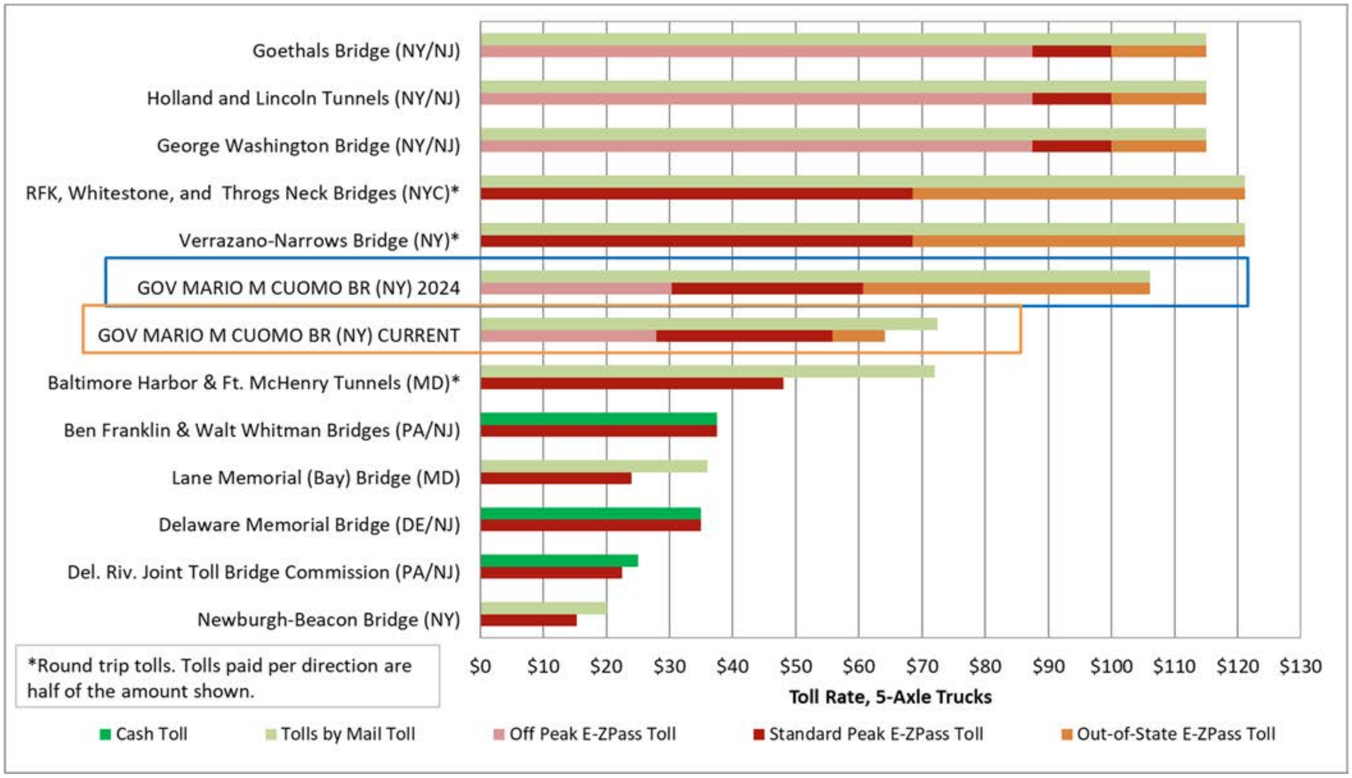
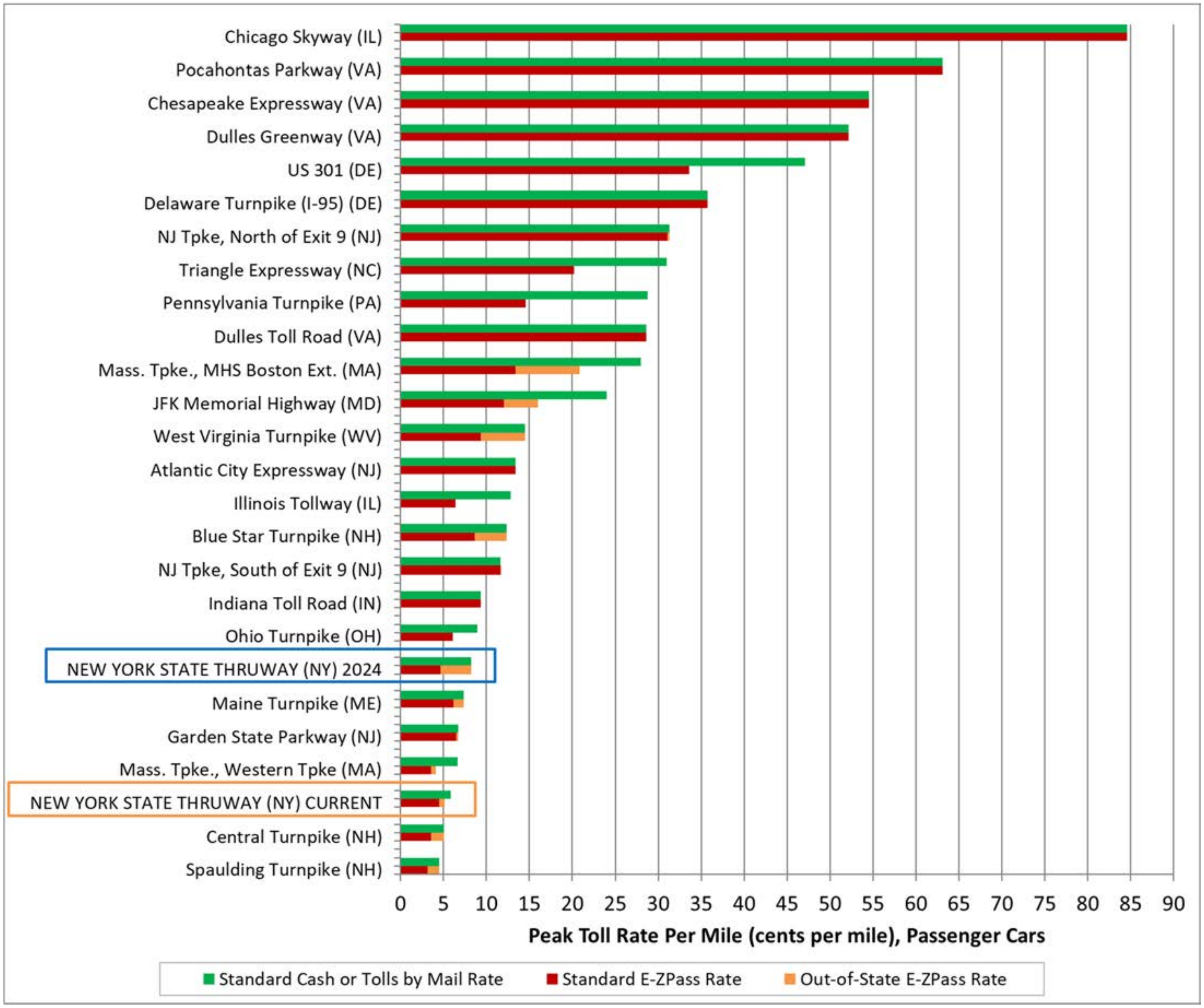


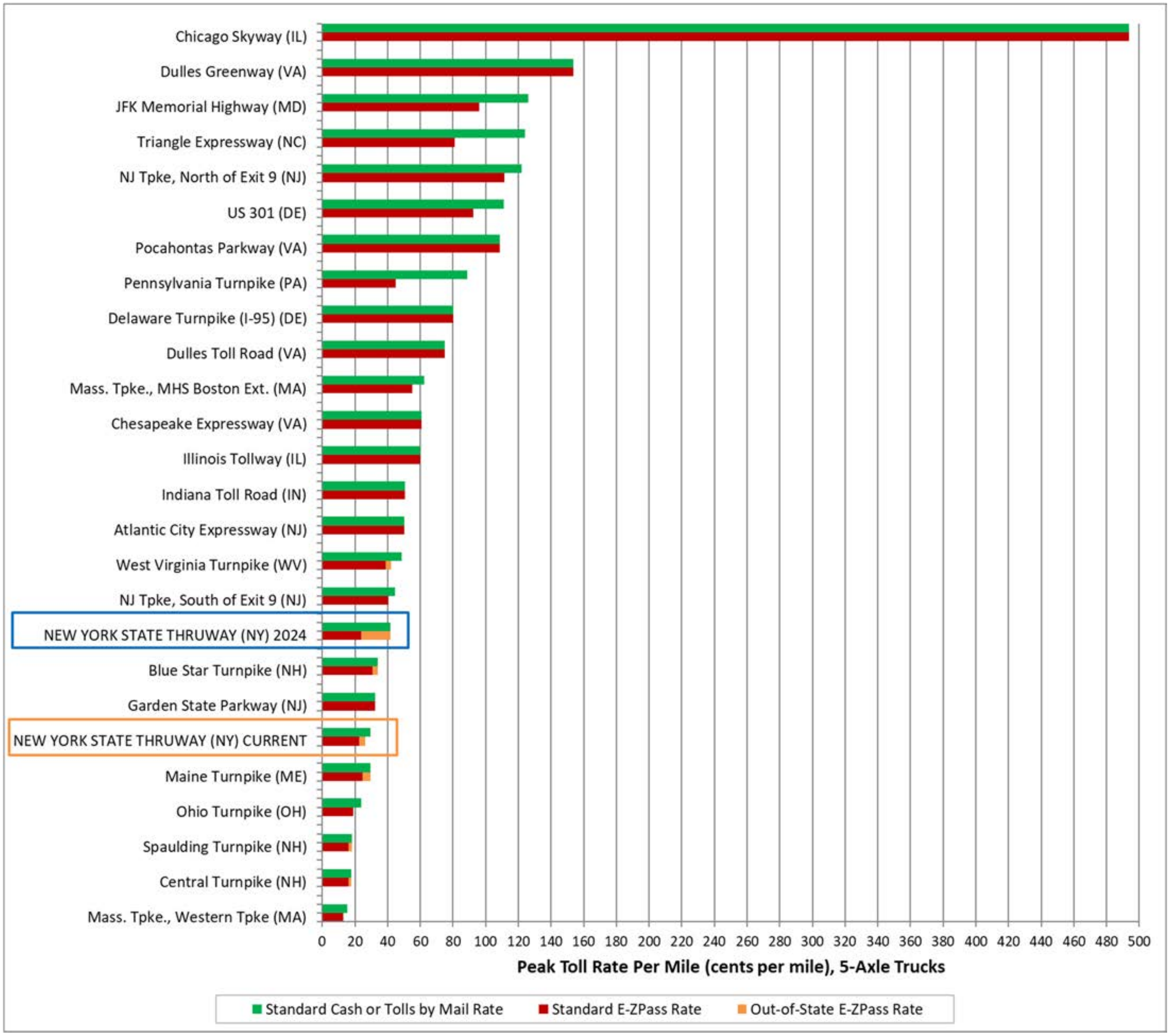
Figure 28 and Figure 29 compare the current and approved 2024 Thruway controlled system toll rates per mile to current rates on a number of major toll roads in the northeastern quadrant of the United States. Rates for Tolls by Mail, in-state standard *E-ZPass*, and out-of-state *E-ZPass* are shown. Note the comparatively low per-mile passenger car toll rates on the Thruway's controlled system when compared to other toll facilities, as shown in Figure 28.

Figure 28: Peak Toll Rates Per-Mile on Toll Roads in the Northeastern Quadrant of U.S., Passenger Cars



The current and approved 2024 5-axle truck rates, as seen in Figure 29, are also comparatively low on the Thruway relative to current rates on other regional facilities and will be effectively lower than the rate shown due to the commercial volume discount program.

Figure 29: Peak Toll Rates Per-Mile on Toll Roads in the Northeastern Quadrant of U.S, 5-Axle Trucks



7.4 FORECAST METHODOLOGY

Stantec's forecasting methodology is built upon methodologies for previous forecasts. The following sections provide an overview of the on the process involved in developing the traffic and toll revenue forecasts for the Thruway which are presented in Section 7.5.

We developed toll traffic and revenue forecasts with the aid of a computerized modeling platform created specifically for the Thruway System. The basic function of this model is to take current traffic volumes by general payment class (passenger cars and trucks; Tolls by Mail, *E-ZPass*, and commuter) for each Thruway facility (see the Appendix to this report) and adjust them for various factors such as underlying socio-economic/demographic growth in the project corridors. Traffic losses due to toll increases are applied based on estimated toll elasticity. Toll revenues are then calculated based on these traffic volumes by applying average toll rates to each payment class volume.

7.4.1 Base Forecasting Methodology

To develop base toll traffic projections for the Thruway for the period 2023-2028, historical traffic information through mid-2023 was analyzed and trends in growth were considered for different toll payment classes on the different geographic regions of the Thruway System. Relevant socio-economic data were collected as discussed in Chapter 3.0, including economic consensus forecasts and trends, and used as an aid in our assessment of future Thruway traffic trends. We estimated separate traffic growth rates for cars and trucks on each facility, as historical trends have pointed to correlations with different economic factors between the two: passenger car growth has been shown on many facilities to correlate reasonably well with GDP growth, whereas trucks have been shown to correlate reasonably well with the corresponding growth in the IPI.

7.4.2 Forecasting Methodology for 2024 through 2027 Toll Modifications

Traffic diversion due to the 2024 through 2027 toll modifications was considered in the forecasts. Traffic data from previous toll increases indicates that Thruway traffic is relatively insensitive to increases in the toll rates. This is due in part to the fact that there are few effective competitive routes, and that the physical condition of the Thruway is generally better than that of alternative routes. The safety and security related services, such as snow plowing and police patrols, are better on the Thruway than on alternative routes. Additionally, travel plazas along the length of the Thruway provide 24-hour fuel, rest stop, and food services without the need to exit the system. As a result of any toll increase, slight declines in traffic volumes are expected. The decline in volumes includes drivers that choose an alternative route, combine trips or choose not to travel at all.

Toll diversion estimates have been developed for each Thruway barrier facility and segments of the controlled system and conclude that diversion off the Thruway in response to the programmed toll modifications will be minor, at approximately 3.2 percent of total traffic. The diversion percentages and estimated toll elasticities, by toll location, are summarized in Table 21. Note that estimated diversions on the Thruway mainline vary by segment due to variation in *E-ZPass* market share.

Table 21: Estimated Toll Diversion and Elasticity

Toll Location	Diversion Percentage for All Vehicles	Toll Elasticity [3]
Mainline, Woodbury Section	3.3% [1]	-0.13
Mainline, Erie Section	3.7% [2]	-0.12
Gov. Mario M. Cuomo Bridge	2.0%	-0.04
Spring Valley	2.9%	-0.08
New Rochelle	3.8%	-0.17
Yonkers	3.0%	-0.17
Harriman	3.6%	-0.16
Grand Island Bridges	3.4%	-0.16
Thruway Average	3.2%	-0.09

[1] Overall trips on this section. Diversion varies by segment from 2.8% - 3.5%
[2] Overall trips on this section. Diversion varies by segment from 3.5% - 3.9%
[3] Toll elasticity is the percent change in volume divided by the percent change in average toll rate. For example, an elasticity of -0.13 means that with a 100 percent toll increase, 13 percent of the vehicles would no longer use the toll facility (or, with a 10 percent toll increase, 1.3 percent of vehicles would no longer use the facility).

7.4.3 Other Forecast Considerations and Assumptions

Stantec's forecast of traffic and revenue for 2023 through 2028 considered additional factors and assumptions as discussed below.

Uncollectable Tolls by Mail Revenue

There are some uncollectable toll revenues associated with Tolls by Mail due to a number of independent variables which include:

- Non-Usable Video Images: Not all license plates are readable due to various reasons such as weather or obstructions, or the plate may be a temporary one in the window of the vehicle, or it may be missing. In addition, there could be technical issues with the camera (image is too bright, dark, or blurry) or the plate may be out of view of the camera.

- Invalid DMV record: A number of license plates do not match to valid DMV records, and therefore an invoice cannot be sent to these drivers.

- Invalid Addresses: Many people who move do not change their address attached to their DMV vehicle registration and do not have mail forwarded; therefore, they would not be able to receive a video toll invoice. When the first invoice is returned to the Authority because of a bad address, another invoice is not sent.

- Nonpayment of Toll Bills / Violators: The majority of customers that receive a toll bill pay their toll. Late fees and fines (see section 7.6) are assessed on the second and third bills, respectively, in order to motivate Tolls By Mail customers to pay on time. In addition, drivers of New York State registered vehicles with three toll violations over a five-month period will have their registration suspended. Even with these measures, some toll revenue remains uncollected.

- Dismissals/Forgiveness: The Thruway as well as other toll agencies with AETC typically offer forgiveness of late fees or violations and dismissal of tolls for a very small share of customers. Reasons include incorrect identification of license plates, transponders mistakenly charged more than once for a trip, and other such errors or disputes.

AETC has now been on the full Thruway System for nearly three years (and on most of the barrier system for five years), therefore it is assumed that the collectability of the Tolls by Mail revenue has stabilized; 2022 Tolls by Mail car and truck revenues were divided by traffic at each location to estimate the average Tolls by Mail toll collected per transaction by location and vehicle type, and similar collectability was applied to future forecast years.

In addition, there is a lag when the Tolls by Mail revenues are collected; it can take several months after a trip is made to invoice and collect tolls from these customers. Toll revenue is forecasted on a cash basis; therefore, in the year 2024 (for example) we have assumed three months of Tolls by Mail revenue would be collected at the previous (2023) toll rate and nine months collected at the new, higher, January 2024 toll rate.

COVID-19 Recovery

Based on monthly trends over the past several years, including 2023 data through July (see Section 3.4.4, page 35), we believe that the post-COVID "new normal" for passenger cars has essentially been reached. We have assumed that there will be little to no future additional COVID recovery in terms of increasing return-to-office behavior.

Truck traffic, however, has decreased in the first half of 2023 when compared to the same months of 2022; much of this is due to the lingering impacts of COVID-19. Freight forecasters are predicting further losses in 2023 into part of 2024, but are cautiously optimistic that there could be small positive growth in the later part of 2024 (see Section 3.4.3). There are also indications that e-commerce has declined from its early COVID highs and is now at a steady plateau of about 15 percent of retail sales, but remains significantly higher than before the pandemic. Based on this information and recent monthly trends, we expect commercial vehicle traffic to decline systemwide for the full year of 2023, with some further losses in 2024.

The NYC Congestion Pricing Plan

The New York City Central Business District Tolling Program, otherwise known as "CBD Tolling" or "The NYC Congestion Pricing Plan," which will charge a toll to vehicles that enter local Manhattan streets south of 60th Street, has been considered in the forecasts. This plan passed several hurdles in recent years, receiving final federal approval in June 2023; however, rates charged, discounts, and exemptions are still being discussed. We have assumed the "Base Case" scenario for tolling as presented in the April 2023 *Central Business District (CBD) Tolling Program Environmental Assessment,* which has estimated a 15 percent reduction in trips into the CBD. In late June 2023, Governor Hochul announced that CBD toll collection could begin as early as May 2024; we have assumed that it would begin halfway through 2024. It is expected to have a de minimis impact on Thruway System revenues.

7.5 HISTORICAL AND FORECASTED TRAFFIC AND TOLL REVENUE

Table 22 presents a recent history of tolled traffic on the various elements of the Thruway System. "Other Barriers" includes the barrier toll locations in Yonkers, New Rochelle, Spring Valley (trucks only), Harriman, and the Grand Island Bridges.

The system experienced low traffic growth in 2013 and 2014, followed by moderate growth in 2015 and 2016, with toll transactions exceeding the pre-2007 recession volumes. In 2017 through 2019, overall transactions had remained relatively flat, following the nationwide trend in vehicle miles traveled as shown previously in Figure 6 (page 20). COVID-19 impacts on traffic began in March 2020, leading to a significant decline in toll transactions that year. Note that commercial traffic was impacted much less than passenger car traffic. In 2021, there was a systemwide toll increase and passenger car traffic continued its recovery from COVID impacts, reaching closer to pre-COVID levels, while commercial traffic exceeded pre-COVID levels. This truck traffic growth was mainly due to the sharp increase in e-commerce and disruptions to supply chains that resulted from the pandemic. It is important to note that due to the November 2020 AETC conversion, traffic appears to have more than doubled on the controlled system in 2021; in reality, this is not the case. With the AETC conversion, the controlled system now records trips by segment (one segment-trip is one toll transaction), and there are a total of thirteen tolling segments. Previously, one trip was recorded as one toll transaction, and with AETC there may now be multiple toll transactions per controlled system trip.

In 2022 traffic continued its recovery with a 6.4 percent increase in overall toll transactions over 2021. The Governor Mario M. Cuomo Bridge had another toll increase in 2022, and though there was a small loss in commercial vehicle trips, passenger car trips increased.

Table 22: The Thruway System's Actual 2012-2022 Tolled Traffic (millions)

Year	Passenger Cars			Commercial Vehicles			Total	Growth
	Controlled System	Gov. Mario M. Cuomo Br.	Other Barriers	Controlled System	Gov. Mario M. Cuomo Br.	Other Barriers		
2012	127.3	22.9	71.1	15.9	1.5	7.9	246.5	0.5%
2013	128.2	23.3	71.1	16.0	1.7	8.1	248.4	0.7%
2014	129.5	23.4	71.4	16.5	1.9	8.3	250.8	1.0%
2015	134.2	23.6	72.7	17.0	2.0	8.8	258.2	3.0%
2016 [1]	137.8	24.4	73.5	17.4	2.2	9.0	264.2	2.3%
2017	139.6	24.6	73.3	17.6	2.4	9.1	266.6	0.9%
2018 [2]	139.5	24.8	72.5	18.0	2.4	9.3	266.4	-0.1%
2019	139.6	25.5	72.1	18.0	2.5	9.3	267.0	0.2%
2020 [3]	108.7 [4]	19.2	56.0	20.5 [4]	2.4	8.6	215.5 [4]	N/A[4]
2021 [5]	208.2 [4]	24.0	67.3	47.1 [4]	2.7	9.9	359.2 [4]	N/A[4]
2022 [6]	226.7	25.0	68.8	48.6	2.6	10.5	382.1	6.4%

Notes: Totals may not add due to rounding. Traffic classified as non-revenue is not included.
[1] AETC began at the Governor Mario M. Cuomo Bridge formerly Tappan Zee Bridge Barrier April 23, 2016.
[2] AETC began on Grand Island Bridges in March 2018, at the Harriman Barrier in September 2018, Yonkers Barrier in November 2018, and Spring Valley and New Rochelle Barriers in December 2018.
[3] COVID-19 impacts began in March 2020
[4] AETC began at all Controlled System toll locations on November 14, 2020; with the new configuration a vehicle can have multiple transactions per trip. The toll transactions in 2020 and 2021 are therefore not indicative of traffic growth.
[5] Systemwide toll increase; first full year of systemwide AETC
[6] Toll increase at Governor Mario M. Cuomo Bridge only

Table 23 shows Stantec's forecast of traffic through 2027 considering the economic information, future approved toll modifications, and other assumptions and considerations as discussed within this study. Data from the first half of 2023 indicates that passenger car traffic will grow this year over 2022. Based on recent monthly trends (see Figure 19 on page 36), we believe that the post-COVID "new normal" has essentially been reached, and that there will be little to no future additional car traffic recovery in terms of increasing return-to-office behavior. Truck traffic, however, has seen some loss in the first part of 2023 and is expected to decline further in 2024. Based on economic forecasts and Thruway System growth trends, we are projecting low-to-moderate background growth in passenger car and commercial vehicle traffic between 2024 and 2027, however, this growth will be tempered (with a loss projected in 2024) by some traffic diversion due to the toll increases.

Table 23: The Thruway System's Forecasted 2023-2027 Tolled Traffic (millions)

Year	Passenger Cars			Commercial Vehicles			Total	Growth
	Controlled System	Gov. Mario M. Cuomo Br.	Other Barriers	Controlled System	Gov. Mario M. Cuomo Br.	Other Barriers		
2023	233.4	25.7	71.1	47.5	2.5	10.4	390.5	2.2%
2024 [1]	229.7	25.5	69.9	45.2	2.4	9.9	382.6	-2.0%
2025 [2]	231.4	25.5	70.2	45.5	2.5	9.9	384.9	0.6%
2026 [2]	233.5	25.7	70.5	45.7	2.5	9.9	387.9	0.8%
2027 [1]	233.5	25.9	70.3	45.6	2.5	9.9	387.8	0.0%

Notes: Totals may not add due to rounding. Traffic classified as non-revenue is not included.
[1] Future systemwide toll modifications
[2] Future toll modifications on Gov. Mario M. Cuomo Bridge only

Table 24 includes a recent history of toll revenue on the Thruway System. Revenue from cars and trucks are shown separately for the controlled system, the Governor Mario M. Cuomo Bridge, and the remaining toll barriers. Adjustments for commercial vehicle volume discounts are also included. There was a slight reduction in revenue at the Governor Mario M. Cuomo Bridge in 2016; this is due to its conversion to AETC. With AETC there is the inability to bill or collect revenue from some Tolls by Mail customers due to factors such as bad license plate images, inability to find customer mailing addresses through their state's department of motor vehicles, or customers not paying the invoice. All of the remaining toll barriers were converted to AETC throughout 2018, which, due to some uncollectable Tolls by Mail revenue, led to a small reduction in revenue at these locations in 2018 and 2019. Even with the conversion, there was still a small amount of total systemwide toll revenue growth in those two years. In 2020, toll revenues dropped by 16.8 percent primarily due to COVID-19. With the conversion of the controlled system to AETC in mid-November 2020, there were additional losses due to some uncollectable Tolls by Mail revenue along with the lag between the time a Tolls by Mail trip is made and the toll is collected. These impacts continued into 2021, the first full year of AETC on the controlled system. With the January 2021 systemwide toll increase, plus traffic growth related to COVID recovery, the 2021 forecasted toll revenue reached $760.3 million - more than $20 million higher than the 2019 pre-COVID annual toll revenue. In 2022, with the Governor Mario M. Cuomo Bridge toll increase and further recovery from COVID, toll revenue grew 7.9 percent to $820.4 million.

Table 24: The Thruway System's Actual 2012-2022 Toll Revenues (millions)

	Passenger Cars			Commercial Vehicles					
Year	Controlled System	Gov. Mario M. Cuomo Br.	Other Barriers	Controlled System	Gov. Mario M. Cuomo Br.	Other Barriers	CV Disc	Total	Growth
2012	$220.7	$103.4	$81.2	$196.9	$26.2	$32.1	$(22.8)	$637.7	0.6%
2013	225.6	105.1	81.3	199.1	28.8	32.8	(23.8)	648.9	1.8%
2014	226.5	105.1	81.6	209.6	32.2	33.6	(24.6)	664.1	2.3%
2015	237.8	106.5	83.5	219.3	34.4	35.6	(25.5)	691.7	4.2%
2016 [1]	245.2	103.4	84.0	227.6	38.2	36.4	(26.6)	708.3	2.4%
2017 [2]	251.6	103.4	84.1	233.3	47.8	38.7	(27.4)	731.5	3.3%
2018 [3]	250.3	104.2	81.3	242.0	47.8	39.1	(28.0)	736.5	0.7%
2019	253.0	105.1	77.7	243.1	50.2	38.8	(28.0)	739.9	0.5%
2020 [4,5]	177.2	80.6	59.9	240.8	48.2	37.7	(29.0)	615.3	-16.8%
2021 [6]	215.7	112.8	76.0	261.9	77.2	46.5	(29.9)	760.3[7]	23.6%
2022 [8]	233.5	128.1	78.4	267.5	96.5	48.6	(32.1)	820.4[7]	7.9%

Notes: Totals may not add due to rounding.
[1] AETC began at the Governor Mario M. Cuomo Bridge (formerly Tappan Zee Bridge Barrier).
[2] Removal of discounts for vehicles with out-of-state E-ZPass
[3] AETC began at the remaining toll barriers
[4] AETC began at all controlled system toll locations on November 14, 2020
[5] COVID-19 impacts began in March 2020
[6] Toll modification on January 1, 2021 systemwide; first full year of systemwide AETC
[7] The Authority later made adjustments to these published revenue numbers; 2022 toll revenues had included some $6.5 million from 2021. When accounting adjustments were made, the 2021 revenue was adjusted up to $766.8 million and the 2022 revenue was adjusted down to $813.9 million.
[8] Toll modification on January 1, 2022 Gov. Mario M. Cuomo Bridge only

Table 25 presents Stantec's gross toll revenue forecasts for the Thruway System from 2023 through 2027. Toll revenue of $817.7 million is forecasted for 2023 based on nearly half a year of actual data. This is slightly less than the annual amount recorded for 2022; however, the Authority later made an accounting adjustment, shifting some $6.5 million in 2022 revenue to 2021 (see footnote under table) resulting in an adjusted 2022 total toll revenue amount of $813.9 million. 2023 projected revenue growth is 0.5 percent above the adjusted 2022 amount. With the systemwide 2024 toll increase, we are projecting toll revenue growth of 20.6 percent that year to $986.0 million. Annual 2025 and 2026 revenues, which include toll increases at the Governor Mario M. Cuomo Bridge only, are anticipated to increase year-over-year total revenues by 3.5 and 3.0 percent, to $1.02 and $1.05 billion, respectively. With another systemwide toll increase in 2027, revenue of $1.11 billion is projected that year, a 5.6 percent increase over 2026.

Table 25: The Thruway System's Forecasted 2023-2027 Toll Revenues (millions)

	Passenger Cars			Commercial Vehicles					Growth
Year	**Controlled System**	**Gov. Mario M. Cuomo Br.**	**Other Barriers**	**Controlled System**	**Gov. Mario M. Cuomo Br.**	**Other Barriers**	**CV Disc**	**Total**	
2023	$238.1	$143.8	$81.0	$257.6	$80.6	$47.8	$(31.2)	$817.7	-0.3% [1]
2024 [2]	281.4	176.7	92.1	304.9	108.0	56.4	(33.4)	986.0	20.6%
2025 [3]	286.3	192.1	92.9	308.6	117.8	56.7	(34.1)	1,020.2	3.5%
2026 [3]	289.0	207.6	93.5	311.6	127.2	57.1	(34.9)	1,051.0	3.0%
2027 [2]	302.5	223.4	97.6	327.1	136.8	59.8	(36.8)	1,110.3	5.6%

Notes: Totals may not add due to rounding.
[1] *Based on unadjusted 2022 revenue. 2023 projected revenue growth is 0.5 percent above the adjusted 2022 amount (see footnote 7 of Table 24)*
[2] *Future systemwide toll modifications*
[3] *Future toll modifications on Gov. Mario M. Cuomo Bridge only*

Table 26 compares the year-over-year growth in toll revenue to the growth in toll traffic. Toll revenue growth differs from traffic growth mainly due to toll increases and a change in the vehicle mix (truck versus car share). In 2017, the *E-ZPass* discount for customers with non-NY *E-ZPass* was discontinued leading to toll revenue growth (3.3 percent) that was noticeably higher than the traffic growth (0.9 percent). Because truck traffic has not been as affected by the pandemic as car traffic, and trucks pay higher tolls, the revenue loss (-16.8 percent) was not as deep as the traffic loss (-23.3 percent) in 2020. In 2023, while car traffic increased, truck traffic decreased, leading to a projected overall growth in traffic but a slight revenue loss. Traffic diversion during toll increase years is expected to lead to low traffic growth or losses, but increases in toll revenue.

Table 26: Toll Revenue Growth versus Toll Traffic Growth, Actual 2013-2022 and Projected 2023-2027

	Year over Year Growth	
Year	**Toll Traffic**	**Toll Revenue**
2013	0.7%	1.8%
2014	1.0%	2.3%
2015	3.0%	4.2%
2016	2.3%	2.4%
2017 [1]	0.9%	3.3%
2018	-0.1%	0.7%
2019	0.2%	0.5%
2020 [2 3]	-23.3%	-16.8%
2021 [3 4]	24.6%	23.6%
2022 [5]	6.4%	7.9%
2023	2.2%	-0.3%
2024 [4]	-2.0%	20.6%
2025 [5]	0.6%	3.5%
2026 [5]	0.8%	3.0%
2027 [4]	0.0%	5.6%

[1] *E-ZPass discount for customers with non-NY E-ZPass was discontinued*
[2] *COVID-19 impacts began in March 2020*
[3] *AETC began at all Controlled System toll locations on November 14, 2020; with the new configuration a vehicle can have multiple transactions per trip. The toll traffic growth has been adjusted to account for this change.*
[4] *Systemwide toll modifications*
[5] *Toll modifications on Gov. Mario M. Cuomo Bridge only*

7.6 OTHER REVENUES/TOTAL REVENUES

In addition to toll revenues, the Authority collects a variety of non-toll revenues derived from payments received from concessionaires at the Thruway service areas' restaurant and gasoline stations, sales of surplus property, revenues from special hauling permits, *E-ZPass* violations and other *E-ZPass* fees, fiber optic agreements, interest on various invested funds, and other miscellaneous sources. In addition, since the start of AETC at the Governor Mario M. Cuomo Bridge in April 2016, "other revenues" have also included fines and fees collected from Tolls by Mail customers. One of these fees is a $5 per bill late fee which is charged on the second bill sent to Tolls by Mail customers if payment has not been received for the first toll bill. This fee is split among all the New York *E-ZPass* agencies whose transactions appear on a single late toll bill. If a second bill is not paid, on the third bill sent to Tolls by Mail Customers – a violation notice – a violation fee of $50 is charged. Violations also continue to be charged to *E-ZPass* customers who travel through a toll location without sufficient funds in their accounts, and, up until November 14, 2020, cash customers who evaded the toll. Some changes were made in recent years to fines and fees charged on the Thruway System:

- On January 20, 2016, an enforcement measure was enacted whereby drivers of New York-state registered vehicles with toll violations on five days over an 18-month period would have their registration suspended. In 2017, this was changed to three violations over a five-year period. This enforcement measure was applied to all past unpaid tolls and violations from prior years.

- Starting January 1, 2017, violations for system-wide *E-ZPass* vehicles and Governor Mario M. Cuomo Bridge Tolls by Mail customers that did not pay their toll bills increased from $25 to $50.

- On January 17, 2017, this Tolls by Mail violation fee increased again to $100 at the Governor Mario M. Cuomo Bridge.
- On January 9, 2018, the Authority announced a short-term amnesty program that allowed Tolls by Mail customers with open toll violations to pay their outstanding tolls and have all violations and late fees waved. This program ran from January 22, 2018 through February 26, 2018 and resulted in $1.1 million in additional toll revenue for the Governor Mario M. Cuomo Bridge.
- On May 15, 2018, the Tolls by Mail violation fee was reduced to $50 per transaction at the Gov. Mario M. Cuomo Bridge. This Tolls by Mail $50 violation fee was applied to all the other toll locations as they were converted to AETC.
- During the period of transitioning to a new collection agent in the fall of 2020 the Authority temporarily suspended sending violations to collections; this resumed later in 2021, to include violations incurred in 2021.
- As part of the conversion to systemwide cashless tolling, beginning February 2021, the Authority temporarily suspended mailing of violation notices which resumed in the summer of 2021.
- Starting in 2021, a $2 billing fee was added to Tolls by Mail invoices, and the Tolls by Mail violation fee, previously $50 per transaction, was changed to $50 *per violation notice* for all Thruway toll locations.

In 2016, the first year with cashless tolling on the Governor Mario M. Cuomo Bridge, $5.3 million was collected in *E-ZPass* violation fees. This grew to $7.7 million in 2017 and $10.6 million in 2018. The increases can be attributed to enforcement measures and included a significant amount of delayed violation payments (violations from trips made in prior years). In addition, all *E-ZPass* violation trips made in 2017 and after were charged the increased *E-ZPass* violation fee of $50. In 2019 and 2020, collected *E-ZPass* violation fees dropped to $9.6 million and $8.3 million, respectively. This decline was expected because *E-ZPass* violation fees also included non-*E-ZPass* customers at facilities where cash was collected, and by the end of 2018 all barriers had been converted to cashless toll collection.

Also in 2016, $0.3 million was collected in $5 per bill late fee charges which appear on the second bill sent to Tolls by Mail customers, and $2.2 million was collected in Tolls by Mail violation fees which were charged per transaction on the third bill sent to Tolls by Mail customers. These collected revenues grew significantly to $1.0 million and $14.6 million in Tolls by Mail late fees and violations, respectively, in 2017. This growth occurred because 2017 was the first full year with Tolls by Mail at the Governor Mario M. Cuomo Bridge, and because the Tolls by Mail violation fee increased from $25 to $50 and then to $100. In 2018, the amnesty program and the reduction in Tolls by Mail violation fees to $50 at the Bridge resulted in a reduction of late fee revenue from Tolls by Mail customers; the Authority collected $0.9 million in second bill late fees plus $10.6 million in Tolls by Mail violations during this year. These revenues grew to $1.4 million in late fees plus $14.2 million in Tolls by Mail violations in 2019, the first full year with cashless tolling at all barriers.

COVID-19 impacts on traffic slightly reduced the total fee and violation revenue in 2020, with $1.1 million collected in late fees plus $14.3 million collected in Tolls by Mail violations. The Authority also began charging the $2 Tolls by Mail billing fee in April 2021 after the entire system was converted to cashless and collected $6.2 million in billing fees that year; this increased to $10.0 million in 2022. Tolls by Mail late fees and violations increased to $2.6 million and $23.3 million, respectively, in 2021, and to $3.6 million and $33.8 million, respectively, in 2022. Much of this growth is attributable to COVID recovery. There were declines in systemwide *E-ZPass* violation revenue (to $1.9 million in 2021 and to $0.5 million in 2022) after the completion of systemwide cashless tolling. These losses occurred because *E-ZPass* violation revenues include both *E-ZPass* and cash customer violations, and by 2021 there were no longer any cash customers on the system; most of this 2021 *E-ZPass* violation revenue collected was from cash customers traveling on the system in 2020, before the AETC conversion.

Table 27 provides actual amounts collected in billing fee, late fee, and violation fee revenues, and future forecasts of these revenues. The current Tolls by Mail billing fee of $2 per bill, late fee of $5 per bill, and violation fee of $50 per violation notice has been assumed at all facilities going forward. Based on five months of fee collection data this year, a total of $43.1 million in annual violation and fee revenues is projected for 2023. As it has now been more than two full years since the systemwide AETC conversion, further changes in fee or violation charges are not anticipated, and future growth in Tolls by Mail traffic is expected to be small, we project that total fee and violation revenue will remain close to $40 million per year over the 2024-2027 forecast period.

Table 27: Historical and Forecasted Violation, Late Fee, and Billing Fee Revenue (in millions)

Year	*E-ZPass* Violations[1]	Tolls by Mail Violations[2]	Tolls by Mail Late Fees	Tolls by Mail Billing Fees	TOTAL
2016 [3]	$5.3	$2.2	$0.3		$7.8
2017 [3]	7.7	14.6	1.0		23.3
2018 [3 4]	10.6	10.6	0.9		22.1
2019 [3]	9.6	14.2	1.4		25.2
2020 [3 5]	8.3	14.3	1.1		23.7
2021 [3 6]	1.9	23.3	2.6	$6.2	34.0
2022 [3 7]	0.5	33.8	3.7	10.0	48.0
2023	0.4	31.6	2.3	8.8	43.1
2024 [8]	0.4	30.1	2.1	8.0	40.6
2025 [9]	0.4	29.9	2.0	8.0	40.3
2026 [9]	0.4	29.8	2.0	7.9	40.2
2027 [8]	0.4	29.3	2.0	7.8	39.6

[1] Includes both E-ZPass and cash customer violations; since the completion of the controlled system conversion to AETC in late 2020, there have been no cash customers. The E-ZPass violation fee increased from $25 in 2016 to $50 in 2017.
[2] AETC violation fee increased from $25 in 2016 to $50 on January 1, 2017 and to $100 on January 17, 2017 at the Gov. Mario M. Cuomo Bridge. This was reduced back to $50 on May 15, 2018. In 2021, after the controlled system was converted to AETC, the $50 violation changed from per transaction to per bill.
[3] Actual amounts collected
[4] An amnesty program ran for five weeks, waiving violation fees for customers who paid outstanding tolls. The remaining toll barriers were converted to AETC.
[5] COVID-19 impacts began in March 2020. The controlled system began operating with AETC in mid-November 2020
[6] Toll modification on January 1, 2021 systemwide; first full year of systemwide AETC
[7] Toll modification on January 1, 2022 Gov. Mario M. Cuomo Bridge only
[8] Future systemwide toll modifications
[9] Future toll modifications on Gov. Mario M. Cuomo Bridge only

Historical gross total revenues, including both toll revenues and other revenues between 2012 and 2022, are summarized in Table 28. "Other revenues" in the table include the fee and violation revenues from Table 27 and a variety of the non-toll revenues derived from payments received from concessionaires at the Thruway service areas' restaurant and gasoline stations, sales of surplus property, revenues from special hauling permits, fiber optic agreements, interest on various invested funds, and other miscellaneous sources.

Table 28: Summary of 2012 – 2022 Actual Thruway System Gross Total Revenues (millions)

Year	Toll Revenues	Other Revenues[1]	Total Revenues
2012	$637.7	$31.5	$669.2
2013	648.9	31.8	680.7
2014	664.1	32.4	696.4
2015	691.7	34.6	726.3
2016 [2]	708.3	41.0	749.4
2017 [3]	731.5	60.6	792.1
2018 [4]	736.5	62.3	798.8
2019	739.9	72.2	812.1
2020 [5]	615.3	53.2	668.5
2021 [6]	760.3 [7]	66.2	826.5
2022 [8]	820.4 [7]	95.6	916.0

Note: Totals may not add due to rounding
[1] Includes actual fines and fees collected from Tolls by Mail customers beginning in 2016, presented in Table 27.
[2] AETC began at the Governor Mario M. Cuomo Bridge (formerly Tappan Zee Bridge Barrier).
[3] Removal of discounts for vehicles with out-of-state E-ZPass
[4] AETC began at the remaining toll barriers
[5] COVID-19 impacts began in March 2020. AETC began at all controlled system toll locations on November 14, 2020.
[6] Toll modification on January 1, 2021 systemwide; first full year of systemwide AETC
[7] The Authority later made adjustments to these published revenue numbers; 2022 toll revenues had included some $6.5 million from 2021. When accounting adjustments were made, the 2021 revenue was adjusted up to $766.8 million and the 2022 revenue was adjusted down to $813.9 million.
[8] Toll modification on January 1, 2022 Gov. Mario M. Cuomo Bridge only

Table 29 presents the forecasts of 2023-2028 total gross revenues. The current Tolls by Mail billing fee of $2 per bill, late fee of $5 per bill, and violation fee of $50 per bill have been assumed at all facilities throughout the forecast period. If these schedules of fees and penalties or enforcement capabilities were to change, it could have an impact on the currently projected levels of "other revenues". The decrease from 2024 to 2025 represents a combination of a more conservative forecast for interest earnings in the outer years and higher real property sales expected in 2024 that are not in 2025 or beyond.

Table 29: Forecasted 2023-2028 Thruway System Total Gross Revenues (millions)

Year	Toll Revenues	Other Revenues [1]	Total Revenues
2023	$817.7	$102.0	$919.7
2024 [2]	986.0	101.0	1,087.0
2025 [3]	1,020.2	83.2	1,103.4
2026 [3]	1,051.0	82.8	1,133.8
2027 [2]	1,110.3	81.2	1,191.5
2028	1,145.4	75.9	1,221.3

Note: Totals may not add due to rounding.
[1] Includes fines and fees collected from Tolls by Mail customers as presented in Table 27.
[2] Future systemwide toll modifications
[3] Future toll modifications on Gov. Mario M. Cuomo Bridge only

8.0 FLOW OF FUNDS

Table 30 includes both historical and projected total revenue and expenses in a format that is consistent with the flow of funds required by the Authority's General Revenue Bond Resolution. In recent years, the Authority was able to maintain fiscal stability and a debt service coverage ratio that warranted its current favorable investment grade credit rating. This was accomplished primarily by the aforementioned operational cost containment efforts, capital program modifications, and implemented toll rate adjustments.

The Authority and its independent financial advisors have determined that the forecasted revenues are sufficient for the Authority to fulfill its system-wide operating, debt service, and capital needs through the forecast period. Future funding needs through 2028 were established by the Authority at amounts necessary to continue its high levels of safety and service, maintain good infrastructure conditions, support Thruway operations, and maintain debt service coverage levels appropriate for its current high credit ratings.

The projected flow of funds included in Table 30 shows the future net revenues and debt service coverage ratios through 2028. The funding for the Capital Program is also displayed in the table, but not the expected savings from the refunding. In determining future funding needs, it is important to note that the Authority has a management commitment to a future minimum debt service coverage ratio of 1.55x for the Senior Lien, above the Board-adopted guideline of 1.50x. Additionally, the Authority has a management commitment to a minimum debt service coverage ratio for combined Senior Bonds and Junior Indebtedness Obligations of 1.35x, higher than the Junior Indebtedness Resolution requirement of 1.2x coverage for the combined annual Senior Bond debt service and annual Junior Indebtedness Obligation debt service. These Board-adopted minimum coverage ratio guidelines are exceeded every year of the forecast through 2028. The Authority has independent authority to adjust toll rates to meet this fiscal management guideline.

The forecasts in this study assume no toll increases or adjustments to fees beyond the programmed 2024 through 2027 toll modifications. In the unlikely event of a shortfall, the Authority has the power, without approval by the Legislature or the Governor, to increase toll rates to maintain its high level of operating safety and services on the Thruway System, to maintain and rehabilitate the Thruway System, to pay debt service, to meet toll covenants and to maintain the balance of revenues and expenses. It is our opinion that with the essentiality of the Thruway System and its currently low relative toll rates (compared to other toll roads nationally), the Authority has the ability to generate additional revenues if required.

Table 30: Historical and Projected Thruway Flow of Funds and Debt Service Coverage (millions)

	ACTUAL			FORECAST						2023-2028
	2020	2021	2022	2023	2024	2025	2026	2027	2028	Total
Total Revenues	$ 668.5	$ 826.5	$ 916.1	$ 919.7	$ 1,087.0	$ 1,103.4	$ 1,133.8	$ 1,191.5	$ 1,221.3	$ 6,656.7
Less:										
Operating Expenses	(316.6)	(339.8)	(361.8)	(401.3)	(410.9)	(419.1)	(427.5)	(436.1)	(444.8)	$ (2,539.7)
Operating Reserves	(2.0)	(6.5)	(16.0)	0.7	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(4.3)
Total Operating Costs	(318.6)	(346.3)	(377.8)	(400.6)	(411.9)	(420.1)	(428.5)	(437.1)	(445.8)	(2,544.0)
Net Revenues	349.9	480.2	538.2	519.1	675.1	683.3	705.3	754.4	775.5	4,112.7
Less: Gen. Rev. Bonds Debt Service [1]	(166.8)	(241.3)	(240.9)	(247.4)	(255.3)	(283.1)	(318.2)	(329.8)	(307.2)	(1,741.0)
Net Revenues After Gen. Rev. Debt Service	183.1	238.9	297.3	271.7	419.8	400.2	387.1	424.6	468.3	2,371.7
Less Reserve Maintenance Provisions [2]	(97.3)	(100.3)	(177.7)	(95.7)	(239.7)	(217.4)	(187.8)	(217.8)	(223.1)	(1,181.6)
Less Junior Indebtedness Debt Service	(23.1)	(46.7)	(67.6)	(107.2)	(108.9)	(110.2)	(125.2)	(131.3)	(168.1)	(750.9)
Net Revenues After Jun. Ind. Debt Service	62.6	91.9	52.1	68.8	71.2	72.6	74.1	75.5	77.1	439.2
+/- Operating Reserves Adjustment/AETC Lag/Working Capital Provision	(2.5)	24.2	22.3	-	-	-	-	-	-	-
Less: Facil Cap Imp Fund	-	-	(7.5)	-	-	-	-	-	-	-
Less: General Reserve Fund [3]	(59.1)	(64.6)	(66.3)	(68.8)	(71.2)	(72.6)	(74.0)	(75.5)	(77.0)	(439.2)
Less: Gen Res Fund - Subordinate Debt	(1.1)	(51.5)	(0.6)	-	-	-				-
Balance After Reserve Maintenance Provisions, Other Authority Projects	-	-	-	-	-	-	-	-	-	-
Senior Debt Service Coverage [4]	2.10	1.99	2.23	2.10	2.64	2.41	2.22	2.29	2.52	
Junior & Senior Coverage [4]	1.84	1.67	1.74	1.46	1.85	1.74	1.59	1.64	1.63	
Pay go % ROS Capital	12.0%	35.3%	17.8%	29.3%	62.2%	33.4%	43.7%	52.5%	53.6%	

Notes: Totals may not add due to rounding.
[1] Does not reflect anticipated General Revenue Bonds Series P refunding debt service savings.
[2] Reflects the minimum required deposit to the Reserve Maintenance Fund ($30,000,000) as well as excess revenue intended for pay-as-you-go capital projects.
[3] The General Reserve Fund figures reflect Thruway revenues required to reimburse the State of New York for costs associated with the New York State Police Troop T patrolling of the Thruway system.
[4] The Authority has a management commitment to a future minimum debt service coverage ratio of 1.55x for the General Revenue Bonds, above the Board-adopted guideline of 1.50x. The Authority has a management commitment to a minimum debt service coverage ratio for General Revenue Bonds and Junior Indebtedness Obligations of 1.35x, higher than the Junior Indebtedness Resolution requirement of 1.2x coverage for the combined annual General Revenue Bond debt service and annual Junior Indebtedness Obligation debt service.

9.0 CONCLUSION

The Authority and its independent financial advisors have determined that the forecasted revenues are sufficient to meet the Authority's needs throughout the forecast period. The Authority's Board has the independent statutory authority to set toll rates and has the obligation to adjust rates (as set forth in both the General Revenue Bond Resolution and the Junior Indebtedness Resolution) to the levels required to satisfy covenants pledged to its debt holders. In our opinion, the Thruway Authority has the capacity to generate additional revenues through periodic toll adjustments, and, if needed, these adjustments will result in only small changes to traffic patterns. We believe through the final maturity of the Series P Bonds that the Authority will be able to:

- Fund necessary operations, maintenance and capital expenses;
- Meet the covenants of the General Revenue Bond Resolution and the Junior Indebtedness Resolution;
- Preserve good overall infrastructure conditions of the Thruway System and complete its current 5-Year Capital Program; and
- Comply with the Authority's Fiscal Management Guidelines by maintaining targeted levels of debt service coverage.

We believe the Authority will continue to be able to provide good service to its customers and will continue to fulfill its critical role in supporting the State's economy through the forecast period.

10.0 LIMITS AND DISCLAIMERS

It is Stantec's opinion that the traffic and toll revenue estimates provided herein represent reasonable and achievable levels of traffic and toll revenues that can be expected to accrue at the Authority's toll facilities over the forecast period and that they have been prepared in accordance with accepted industry-wide practice. However, as should be expected with any forecast, and given the uncertainties within the current economic climate, it is important to note the following assumptions which, in our opinion, are reasonable:

- This limited synopsis presents the highlighted results of Stantec's consideration of the information available as of the date hereof and the application of our experience and professional judgment to that information. It is not a guarantee of any future events or trends.
- The traffic and toll revenue estimates will be subject to future economic and social conditions, demographic developments and regional transportation construction activities that cannot be predicted with certainty.
- The estimates contained in this document, while presented with numeric specificity, are based on a number of estimates and assumptions which, though considered reasonable to us, are inherently subject to economic and competitive uncertainties and contingencies, most of which are beyond the control of the Authority and cannot be predicted with certainty. In many instances, a broad range of alternative assumptions could be considered reasonable with the availability of alternative toll schedules, and any changes in the assumptions used could result in material differences in estimated outcomes.
- The standards of operation and maintenance on all of the Thruway System will be maintained as planned within the business rules and practices.
- The general configuration and location of the Thruway System and its interchanges will remain as discussed in the report.
- Access to and from the Thruway System will remain as discussed in the report.
- No other new competing highway projects are assumed to be constructed or significantly improved in the project corridor during the project period, except those identified within the report.
- Major highway improvements that are currently underway or fully funded will be completed as planned.
- The Thruway System will be well maintained, efficiently operated, and effectively signed to encourage usage.
- No reduced growth initiatives or related controls that would significantly inhibit normal development patterns will be introduced during the forecast period.
- There will be no future serious protracted recession during the forecast period.
- There will be no protracted fuel shortage during the forecast period.
- No future local, regional, or national emergency will arise that will abnormally restrict the use of motor vehicles.

In Stantec's opinion, the assumptions underlying the study provide a reasonable basis for the analysis. However, any financial projection is subject to uncertainties. Inevitably, some assumptions used to develop the projections will not be realized, and unanticipated events and circumstances may occur. There are likely to be differences between the projections and actual results, and those differences may be material. Because of these uncertainties, Stantec makes no guaranty or warranty with respect to the projections in this study.

This document, and the opinions, analysis, evaluations, or recommendations contained herein are for the sole use and benefit of the contracting parties. There are no intended third-party beneficiaries, and Stantec Consulting Services Inc. (and its affiliates) shall have no liability whatsoever to any third parties for any defect, deficiency, error, omission in any statement contained in or in any way related to this document or the services provided.

Stantec is not, and has not been, a municipal advisor as defined in Federal law (the Dodd Frank Bill) to the Authority and does not owe a fiduciary duty pursuant to Section 15B of the Exchange Act to the Authority with respect to the information and material contained in this document. Stantec is not recommending and has not recommended any action to the Authority. The Authority should discuss the information and material contained in this document with any and all internal and external advisors that it deems appropriate before acting on this information.

Neither this document nor any information contained therein or otherwise supplied by Stantec Consulting Services Inc. in connection with the study and the services provided to our client shall be used in connection with any financing solicitation, proxy, and proxy statement, proxy soliciting materials, prospectus, Securities Registration Statement or similar document without the express written consent of Stantec Consulting Services Inc.

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We would like to thank the Authority staff for their assistance in the preparation of this report.

Sincerely,

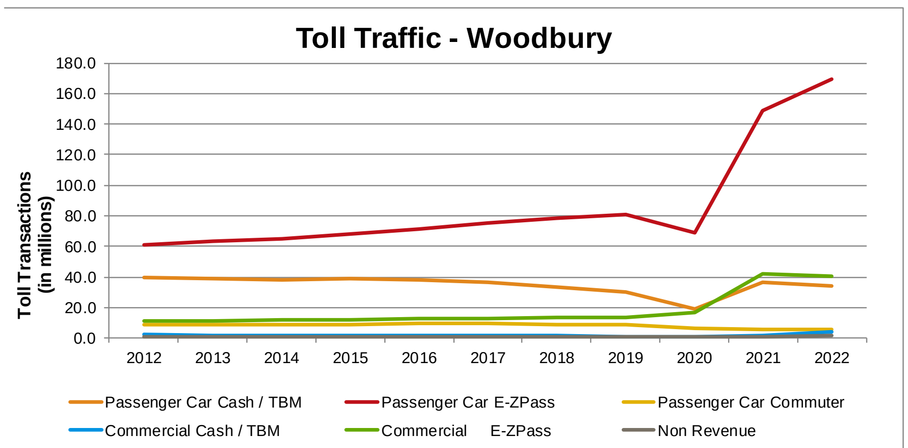
Richard J. Gobeille, P.E.
Senior Principal
Stantec Consulting, Inc.

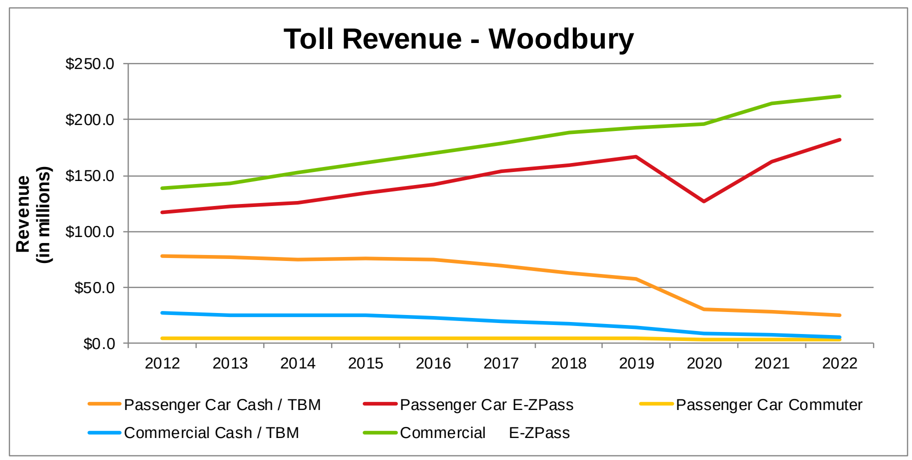
APPENDIX: HISTORICAL TRAFFIC AND REVENUE BY FACILITY

Traffic and Revenue - Woodbury Section

Toll Traffic - Woodbury							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	40.1	61.4	8.6	2.2	10.9	1.0	124.2
2013	38.9	63.4	8.7	2.0	11.2	0.9	125.1
2014	38.1	65.2	8.8	2.0	11.6	1.0	126.7
2015	38.7	68.4	9.1	1.9	12.2	1.0	131.2
2016	38.5	71.5	9.4	1.8	12.6	1.0	134.8
2017	36.3	75.3	9.4	1.6	13.0	1.0	136.5
2018	33.3	78.4	9.1	1.4	13.4	1.0	136.6
2019	30.4	81.1	8.9	1.2	13.6	0.9	136.1
2020	19.4	69.1	6.3	0.9	16.5	0.9	113.1
2021	36.4	148.5	5.9	1.5	41.8	1.3	235.5
2022	33.8	169.6	5.5	4.1	40.8	1.4	255.1

Toll Revenue - Woodbury							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	$78.4	$116.8	$4.2	$27.0	$139.2	$0.0	$365.7
2013	$77.1	$122.8	$4.3	$25.2	$143.1	$0.0	$372.6
2014	$74.8	$125.8	$4.5	$25.0	$152.5	$0.0	$382.7
2015	$76.5	$134.1	$4.6	$24.8	$161.5	$0.0	$401.5
2016	$75.1	$141.9	$4.9	$23.6	$170.3	$0.0	$415.8
2017	$69.2	$153.6	$4.8	$20.0	$178.5	$0.0	$426.1
2018	$62.6	$159.0	$4.7	$17.6	$188.1	$0.0	$432.0
2019	$57.3	$166.9	$4.6	$14.0	$193.0	$0.0	$435.9
2020	$30.2	$127.1	$4.0	$9.3	$196.3	$0.0	$366.9
2021	$28.1	$162.7	$3.4	$8.1	$214.8	$0.0	$417.0
2022	$25.3	$181.8	$3.5	$5.7	$220.7	$0.0	$437.1



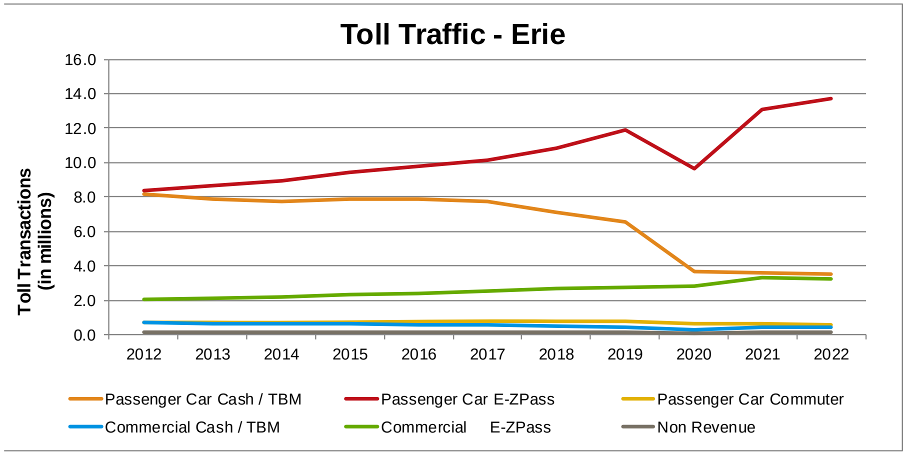


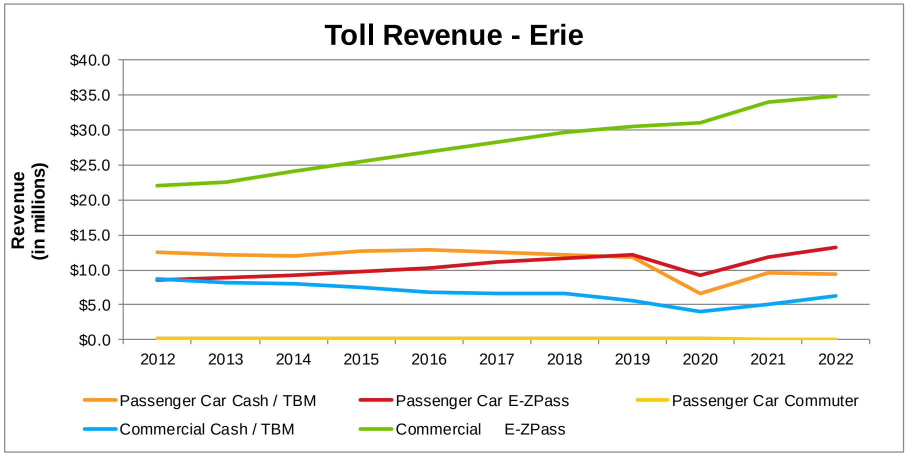
Note: AETC (cashless tolling) began on the Controlled System on November 14, 2020 with a new tolling configuration, whereby a vehicle may now have multiple transactions per trip on the Woodbury Section. Before AETC there was only one transaction per trip.

Traffic and Revenue - Erie Section

Toll Traffic - Erie							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	8.1	8.4	0.7	0.7	2.1	0.1	20.1
2013	7.9	8.6	0.7	0.7	2.1	0.1	20.1
2014	7.7	8.9	0.7	0.6	2.2	0.1	20.3
2015	7.9	9.4	0.7	0.6	2.3	0.1	21.1
2016	7.9	9.8	0.8	0.6	2.4	0.1	21.6
2017	7.7	10.1	0.8	0.5	2.5	0.1	21.8
2018	7.1	10.8	0.8	0.5	2.7	0.1	22.0
2019	6.5	11.9	0.8	0.4	2.8	0.1	22.5
2020	3.7	9.7	0.6	0.3	2.8	0.1	17.2
2021	3.6	13.1	0.6	0.5	3.3	0.1	21.2
2022	3.5	13.7	0.6	0.4	3.3	0.1	21.7

Toll Revenue - Erie							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	$12.5	$8.5	$0.2	$8.8	$22.0	$0.0	$51.9
2013	$12.2	$8.9	$0.2	$8.2	$22.6	$0.0	$52.2
2014	$12.1	$9.2	$0.2	$8.0	$24.1	$0.0	$53.5
2015	$12.7	$9.8	$0.2	$7.5	$25.5	$0.0	$55.6
2016	$12.8	$10.3	$0.2	$6.8	$26.9	$0.0	$57.0
2017	$12.5	$11.2	$0.2	$6.7	$28.2	$0.0	$58.7
2018	$12.2	$11.6	$0.2	$6.6	$29.7	$0.0	$60.2
2019	$11.8	$12.1	$0.2	$5.6	$30.5	$0.0	$60.2
2020	$6.6	$9.2	$0.2	$4.1	$31.0	$0.0	$51.1
2021	$9.6	$11.8	$0.1	$5.1	$33.9	$0.0	$60.6
2022	$9.4	$13.2	$0.1	$6.3	$34.8	$0.0	$63.9

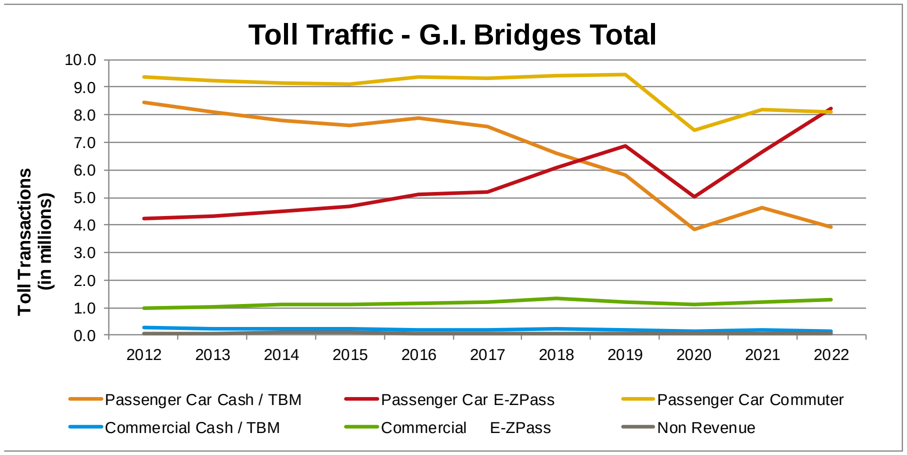


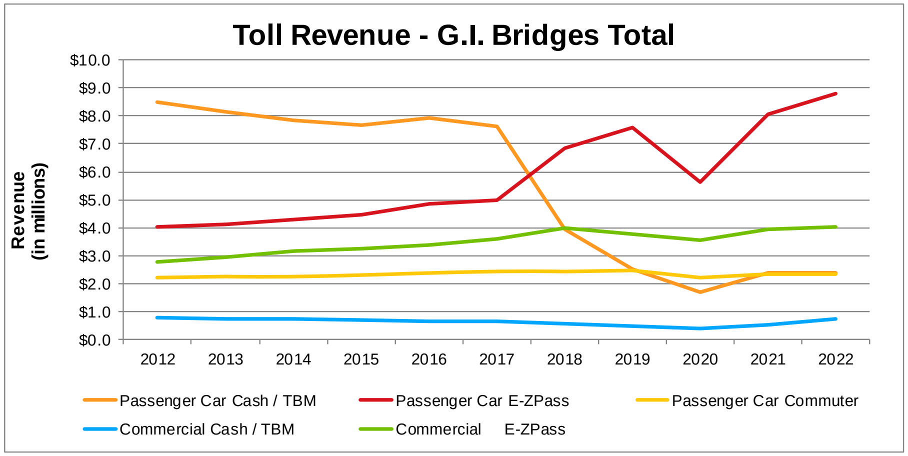


Traffic and Revenue - Grand Island Bridges

Toll Traffic - G.I. Bridges Total							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	8.5	4.2	9.4	0.3	1.0	0.1	23.4
2013	8.1	4.3	9.2	0.2	1.0	0.1	23.0
2014	7.8	4.5	9.2	0.2	1.1	0.1	22.9
2015	7.6	4.7	9.1	0.2	1.1	0.1	22.9
2016	7.9	5.1	9.4	0.2	1.1	0.1	23.8
2017	7.6	5.2	9.3	0.2	1.2	0.1	23.6
2018	6.6	6.1	9.4	0.2	1.4	0.1	23.8
2019	5.8	6.9	9.5	0.2	1.2	0.1	23.6
2020	3.8	5.0	7.4	0.2	1.1	0.1	17.6
2021	4.6	6.6	8.2	0.2	1.2	0.1	20.9
2022	3.9	8.2	8.1	0.2	1.3	0.1	21.8

Toll Revenue - G.I. Bridges Total							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	$8.5	$4.0	$2.2	$0.8	$2.8	$0.0	$18.3
2013	$8.1	$4.1	$2.3	$0.8	$2.9	$0.0	$18.2
2014	$7.8	$4.3	$2.3	$0.8	$3.2	$0.0	$18.3
2015	$7.7	$4.5	$2.3	$0.7	$3.3	$0.0	$18.4
2016	$7.9	$4.9	$2.4	$0.7	$3.4	$0.0	$19.2
2017	$7.6	$5.0	$2.4	$0.7	$3.6	$0.0	$19.3
2018	$3.9	$6.8	$2.4	$0.6	$4.0	$0.0	$17.8
2019	$2.5	$7.6	$2.5	$0.5	$3.8	$0.0	$16.9
2020	$1.7	$5.6	$2.2	$0.4	$3.6	$0.0	$13.5
2021	$2.4	$8.0	$2.3	$0.5	$4.0	$0.0	$17.2
2022	$2.4	$8.8	$2.3	$0.7	$4.1	$0.0	$18.3

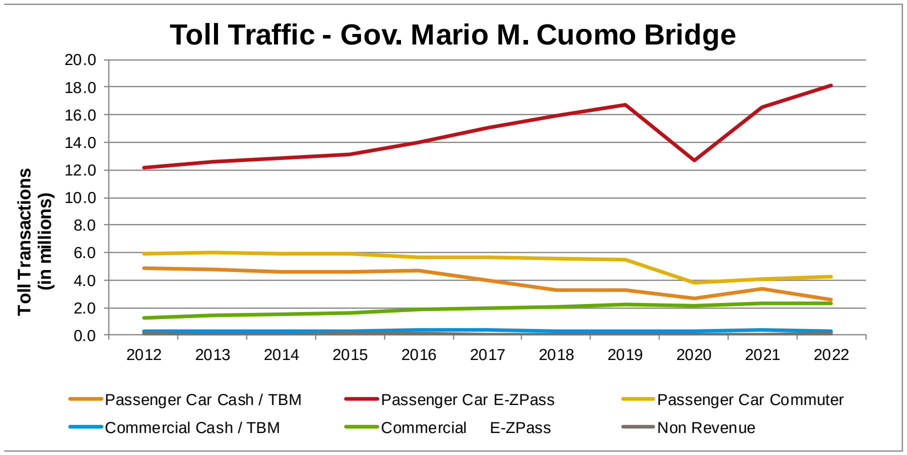


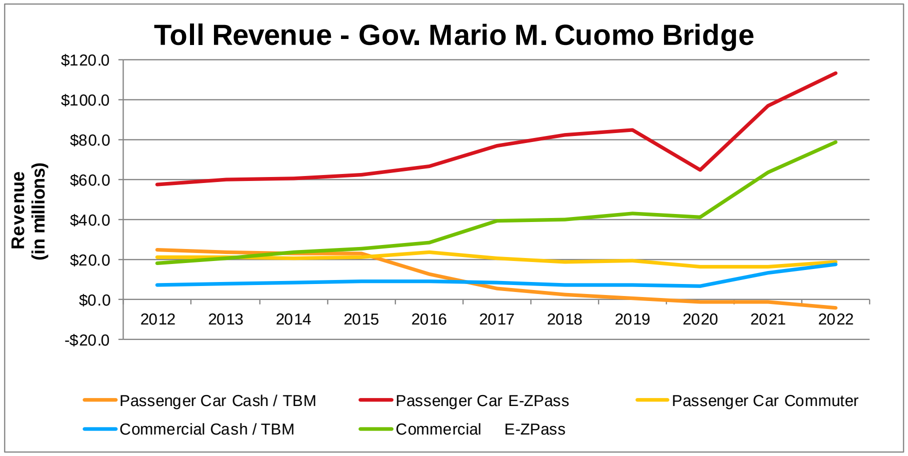


Traffic and Revenue - Governor Mario M. Cuomo Bridge

Toll Traffic - Gov. Mario M. Cuomo Bridge							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	4.9	12.1	5.9	0.3	1.3	0.1	24.5
2013	4.7	12.6	6.0	0.3	1.4	0.1	25.1
2014	4.6	12.8	5.9	0.3	1.6	0.1	25.3
2015	4.6	13.1	5.9	0.3	1.7	0.1	25.6
2016	4.7	14.0	5.7	0.4	1.9	0.1	26.7
2017	4.0	15.0	5.6	0.3	2.0	0.1	27.1
2018	3.3	16.0	5.6	0.3	2.1	0.1	27.2
2019	3.3	16.7	5.5	0.3	2.2	0.1	28.1
2020	2.7	12.7	3.8	0.3	2.1	0.1	21.7
2021	3.4	16.6	4.1	0.4	2.3	0.1	26.8
2022	2.6	18.2	4.2	0.3	2.3	0.1	27.7

Toll Revenue - Gov. Mario M. Cuomo Bridge							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	$24.7	$57.6	$21.1	$7.6	$18.5	$0.0	$129.6
2013	$23.9	$59.9	$21.3	$8.0	$20.8	$0.0	$133.9
2014	$23.2	$60.9	$20.9	$8.4	$23.8	$0.0	$137.3
2015	$23.0	$62.2	$21.3	$9.0	$25.4	$0.0	$140.9
2016	$13.0	$66.7	$23.8	$9.5	$28.7	$0.0	$141.6
2017	$5.5	$77.2	$20.7	$8.6	$39.2	$0.0	$151.3
2018	$2.5	$82.8	$18.9	$7.5	$40.3	$0.0	$151.9
2019	$0.7	$85.1	$19.3	$7.3	$42.9	$0.0	$155.3
2020	-$0.9	$65.1	$16.3	$6.8	$41.4	$0.0	$128.8
2021	-$0.8	$97.3	$16.3	$13.3	$63.9	$0.0	$190.0
2022	-$4.1	$113.0	$19.2	$17.7	$78.7	$0.0	$224.5

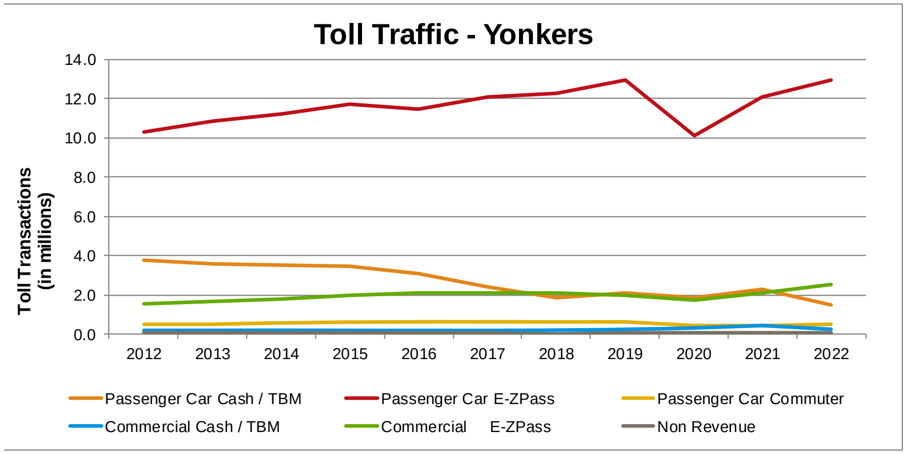


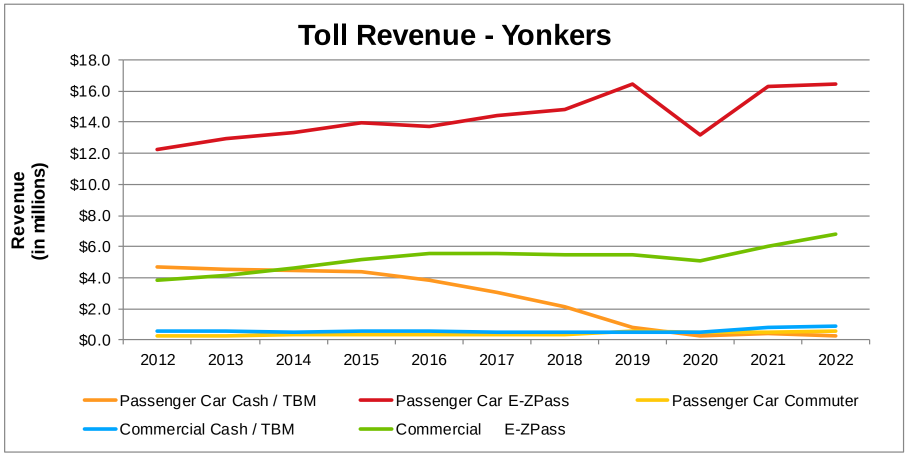


Traffic and Revenue - Yonkers Barrier

Toll Traffic - Yonkers							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	3.7	10.3	0.5	0.2	1.5	0.1	16.3
2013	3.6	10.9	0.5	0.2	1.7	0.1	16.9
2014	3.5	11.2	0.6	0.2	1.8	0.1	17.4
2015	3.5	11.7	0.6	0.2	2.0	0.1	18.1
2016	3.1	11.5	0.6	0.2	2.1	0.1	17.6
2017	2.4	12.1	0.6	0.2	2.1	0.1	17.5
2018	1.9	12.3	0.6	0.2	2.1	0.1	17.1
2019	2.1	12.9	0.6	0.3	2.0	0.1	18.0
2020	1.9	10.1	0.4	0.3	1.8	0.1	14.6
2021	2.3	12.1	0.5	0.4	2.1	0.1	17.4
2022	1.5	12.9	0.5	0.3	2.5	0.1	17.8

Toll Revenue - Yonkers							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	$4.7	$12.2	$0.3	$0.5	$3.8	$0.0	$21.6
2013	$4.5	$12.9	$0.3	$0.5	$4.2	$0.0	$22.4
2014	$4.4	$13.3	$0.3	$0.5	$4.6	$0.0	$23.2
2015	$4.4	$13.9	$0.3	$0.6	$5.2	$0.0	$24.4
2016	$3.9	$13.7	$0.4	$0.6	$5.6	$0.0	$24.1
2017	$3.1	$14.5	$0.4	$0.5	$5.6	$0.0	$24.0
2018	$2.1	$14.8	$0.4	$0.5	$5.5	$0.0	$23.3
2019	$0.8	$16.5	$0.5	$0.5	$5.5	$0.0	$23.8
2020	$0.3	$13.2	$0.5	$0.5	$5.1	$0.0	$19.4
2021	$0.4	$16.3	$0.5	$0.8	$6.1	$0.0	$24.1
2022	$0.3	$16.5	$0.6	$0.9	$6.8	$0.0	$25.0





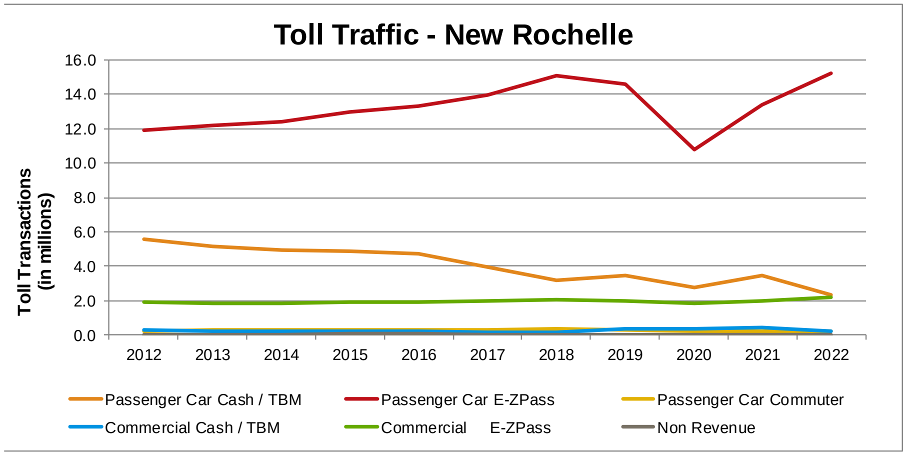
Traffic and Revenue - New Rochelle Barrier

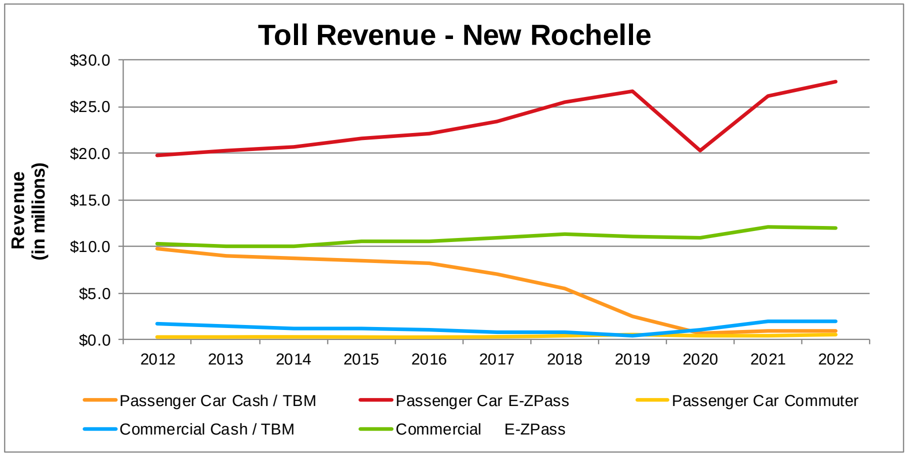
Toll Traffic - New Rochelle

Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	5.6	11.9	0.3	0.3	1.9	0.0	20.0
2013	5.1	12.2	0.3	0.3	1.9	0.0	19.8
2014	5.0	12.4	0.3	0.2	1.8	0.0	19.8
2015	4.9	12.9	0.3	0.2	1.9	0.1	20.4
2016	4.7	13.3	0.3	0.2	1.9	0.1	20.6
2017	4.0	14.0	0.3	0.2	2.0	0.0	20.5
2018	3.2	15.1	0.3	0.2	2.0	0.0	20.9
2019	3.4	14.6	0.3	0.3	2.0	0.0	20.7
2020	2.8	10.8	0.2	0.4	1.8	0.0	16.0
2021	3.5	13.4	0.2	0.4	2.0	0.0	19.6
2022	2.4	15.2	0.2	0.3	2.2	0.0	20.3

Toll Revenue - New Rochelle

Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	$9.8	$19.7	$0.3	$1.7	$10.3	$0.0	$41.7
2013	$9.0	$20.3	$0.3	$1.4	$10.1	$0.0	$41.1
2014	$8.7	$20.6	$0.3	$1.2	$10.0	$0.0	$40.9
2015	$8.5	$21.5	$0.4	$1.2	$10.5	$0.0	$42.1
2016	$8.3	$22.2	$0.4	$1.1	$10.5	$0.0	$42.4
2017	$7.0	$23.4	$0.4	$0.9	$10.9	$0.0	$42.6
2018	$5.5	$25.4	$0.4	$0.8	$11.3	$0.0	$43.4
2019	$2.5	$26.7	$0.5	$0.5	$11.0	$0.0	$41.2
2020	$0.7	$20.2	$0.5	$1.1	$11.0	$0.0	$33.4
2021	$1.0	$26.1	$0.5	$1.9	$12.1	$0.0	$41.5
2022	$0.9	$27.7	$0.5	$1.9	$12.0	$0.0	$43.0

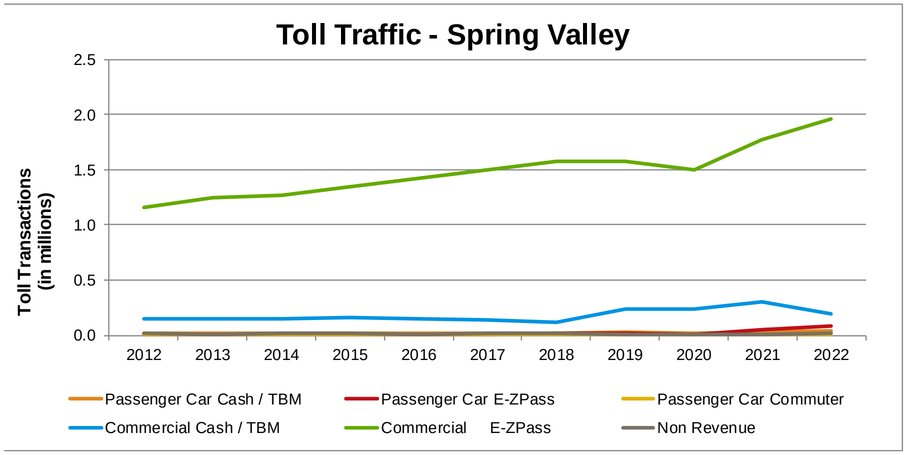


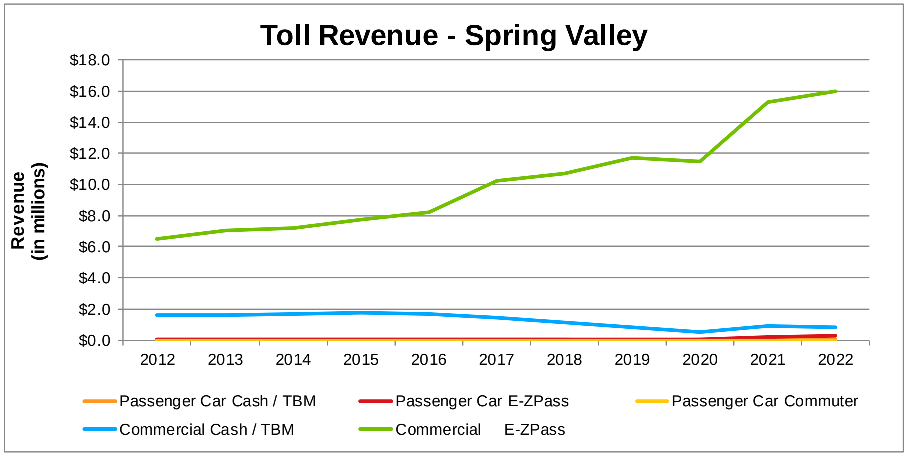


Traffic and Revenue - Spring Valley Barrier

Toll Traffic - Spring Valley							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	0.0	0.0	0.0	0.1	1.2	0.0	1.3
2013	0.0	0.0	0.0	0.1	1.2	0.0	1.4
2014	0.0	0.0	0.0	0.1	1.3	0.0	1.5
2015	0.0	0.0	0.0	0.2	1.3	0.0	1.5
2016	0.0	0.0	0.0	0.2	1.4	0.0	1.6
2017	0.0	0.0	0.0	0.1	1.5	0.0	1.7
2018	0.0	0.0	0.0	0.1	1.6	0.0	1.7
2019	0.0	0.0	0.0	0.2	1.6	0.0	1.9
2020	0.0	0.0	0.0	0.2	1.5	0.0	1.8
2021	0.0	0.0	0.0	0.3	1.8	0.0	2.2
2022	0.0	0.1	0.0	0.2	2.0	0.0	2.3

Toll Revenue - Spring Valley							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	$0.1	$0.0	$0.0	$1.6	$6.5	$0.0	$8.2
2013	$0.1	$0.0	$0.0	$1.6	$7.1	$0.0	$8.8
2014	$0.1	$0.0	$0.0	$1.6	$7.2	$0.0	$8.9
2015	$0.1	$0.0	$0.0	$1.8	$7.7	$0.0	$9.6
2016	$0.1	$0.0	$0.0	$1.7	$8.2	$0.0	$9.9
2017	$0.1	$0.0	$0.0	$1.5	$10.2	$0.0	$11.8
2018	$0.0	$0.0	$0.0	$1.1	$10.7	$0.0	$12.0
2019	$0.0	$0.0	$0.0	$0.8	$11.7	$0.0	$12.6
2020	$0.0	$0.0	$0.0	$0.5	$11.5	$0.0	$12.0
2021	$0.0	$0.2	$0.0	$0.9	$15.3	$0.0	$16.4
2022	$0.0	$0.3	$0.0	$0.9	$16.0	$0.0	$17.2

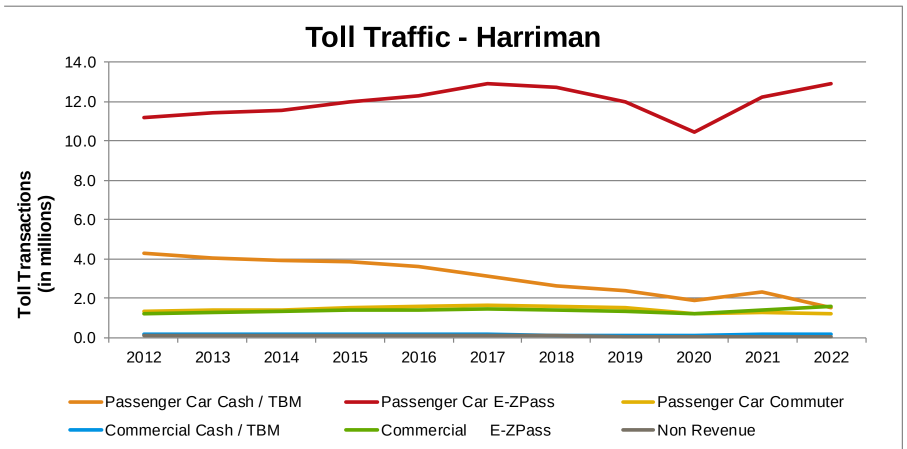


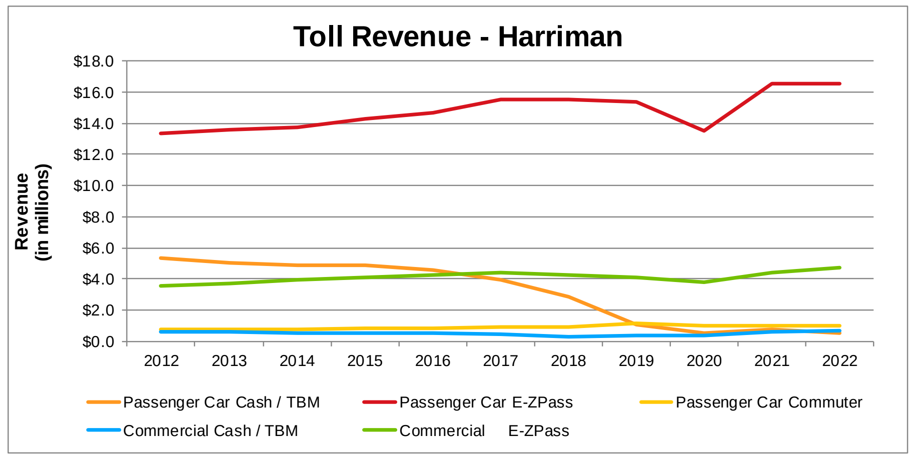


Traffic and Revenue - Harriman Barrier

Toll Traffic - Harriman							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	4.3	11.2	1.3	0.2	1.2	0.1	18.2
2013	4.0	11.4	1.4	0.2	1.2	0.1	18.3
2014	3.9	11.5	1.4	0.2	1.3	0.1	18.4
2015	3.9	12.0	1.5	0.2	1.4	0.1	19.0
2016	3.6	12.3	1.6	0.2	1.4	0.1	19.2
2017	3.1	12.9	1.6	0.1	1.5	0.1	19.3
2018	2.7	12.7	1.6	0.1	1.4	0.1	18.5
2019	2.4	12.0	1.5	0.1	1.4	0.1	17.4
2020	1.9	10.4	1.2	0.1	1.2	0.1	14.9
2021	2.3	12.2	1.3	0.2	1.4	0.1	17.4
2022	1.5	12.9	1.2	0.1	1.6	0.1	17.4

Toll Revenue - Harriman							
Year	Passenger Car Cash / TBM	Passenger Car E-ZPass	Passenger Car Commuter	Commercial Cash / TBM	Commercial E-ZPass	Non Revenue	Total
2012	$5.3	$13.3	$0.7	$0.6	$3.5	$0.0	$23.5
2013	$5.0	$13.6	$0.8	$0.6	$3.7	$0.0	$23.7
2014	$4.9	$13.7	$0.8	$0.6	$3.9	$0.0	$23.9
2015	$4.9	$14.3	$0.8	$0.5	$4.1	$0.0	$24.6
2016	$4.6	$14.7	$0.9	$0.5	$4.3	$0.0	$24.9
2017	$3.9	$15.5	$0.9	$0.4	$4.4	$0.0	$25.2
2018	$2.8	$15.5	$0.9	$0.3	$4.3	$0.0	$23.9
2019	$1.0	$15.4	$1.1	$0.3	$4.1	$0.0	$22.0
2020	$0.6	$13.5	$1.0	$0.3	$3.8	$0.0	$19.2
2021	$0.8	$16.6	$1.0	$0.6	$4.4	$0.0	$23.3
2022	$0.6	$16.5	$1.0	$0.7	$4.7	$0.0	$23.5

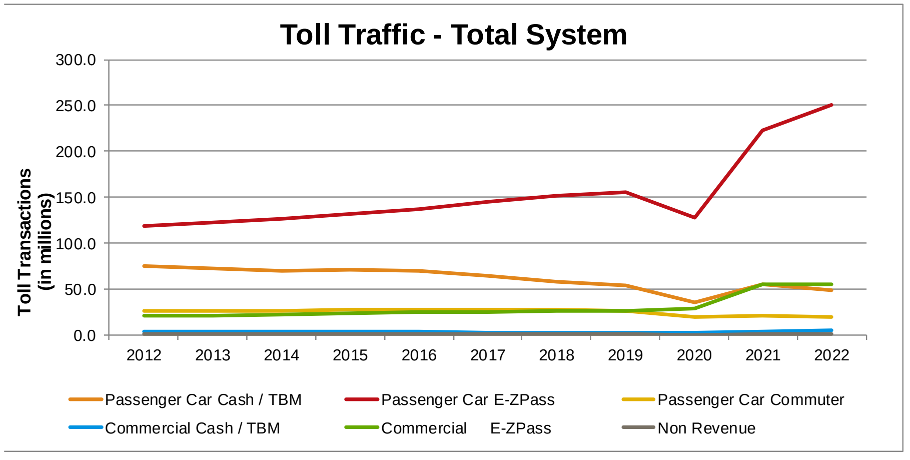


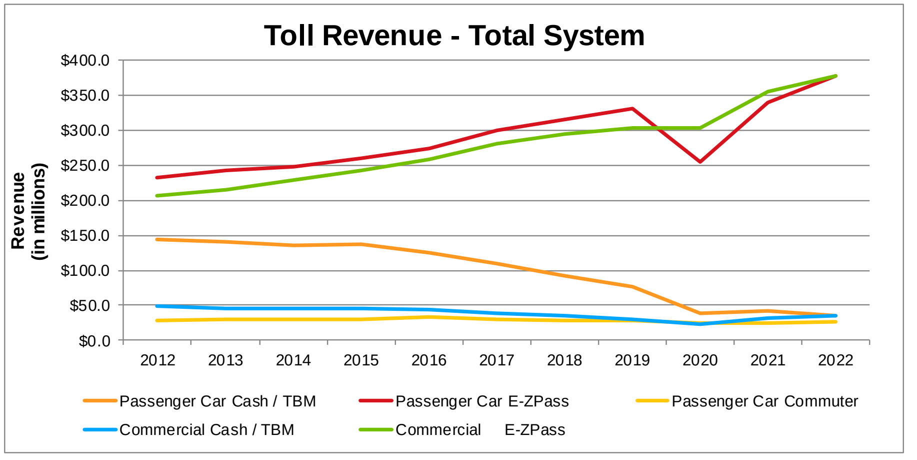


Traffic and Revenue - Total System

Toll Traffic - Total System							
Year	**Passenger Car Cash / TBM**	**Passenger Car E-ZPass**	**Passenger Car Commuter**	**Commercial Cash / TBM**	**Commercial E-ZPass**	**Non Revenue**	**Total**
2012	75.1	119.5	26.7	4.3	21.0	1.5	248.1
2013	72.4	123.4	26.8	4.0	21.7	1.4	249.8
2014	70.7	126.5	27.0	3.9	22.7	1.5	252.3
2015	71.0	132.2	27.3	3.9	23.9	1.5	259.7
2016	70.4	137.5	27.8	3.7	24.8	1.5	265.7
2017	65.1	144.7	27.7	3.4	25.7	1.5	268.0
2018	58.0	151.3	27.5	3.0	26.6	1.5	267.9
2019	54.0	156.1	27.2	3.1	26.6	1.4	268.4
2020	36.1	127.8	20.0	2.7	28.8	1.3	216.7
2021	56.1	222.6	20.8	3.9	55.9	1.7	361.0
2022	49.2	250.9	20.4	5.8	55.9	1.9	384.0

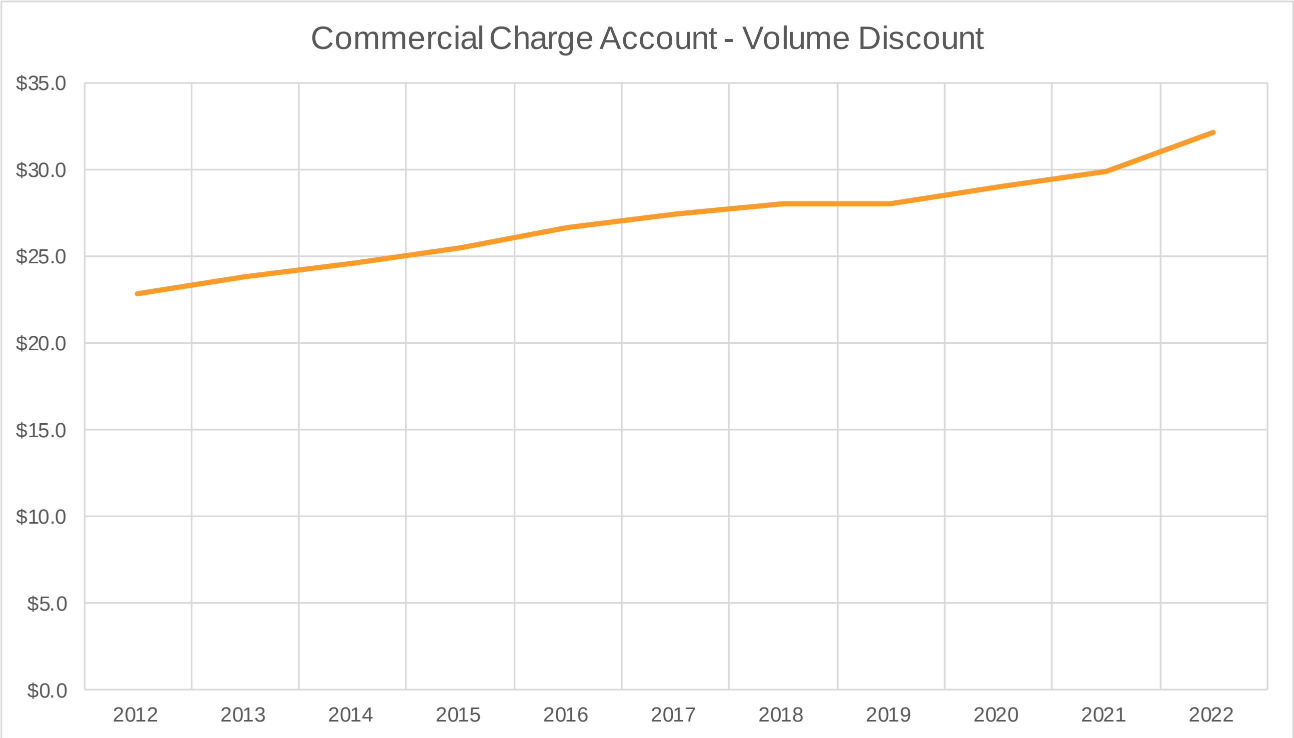
Toll Revenue - Total System							
Year	**Passenger Car Cash / TBM**	**Passenger Car E-ZPass**	**Passenger Car Commuter**	**Commercial Cash / TBM**	**Commercial E-ZPass**	**Non Revenue**	**Total**
2012	$144.0	$232.3	$29.0	$48.6	$206.6	$0.0	$660.5
2013	$140.0	$242.6	$29.4	$46.3	$214.5	$0.0	$672.8
2014	$136.0	$247.9	$29.3	$46.2	$229.3	$0.0	$688.7
2015	$137.6	$260.3	$29.9	$46.2	$243.2	$0.0	$717.2
2016	$125.5	$274.3	$32.9	$44.5	$257.8	$0.0	$734.9
2017	$108.9	$300.4	$29.8	$39.2	$280.6	$0.0	$758.9
2018	$91.7	$316.0	$28.0	$34.9	$293.9	$0.0	$764.5
2019	$76.7	$330.3	$28.8	$29.6	$302.5	$0.0	$767.9
2020	$39.1	$254.0	$24.6	$23.1	$303.6	$0.0	$644.3
2021	$41.5	$338.8	$24.1	$31.3	$354.4	$0.0	$790.1
2022	$34.8	$377.8	$27.3	$34.8	$377.8	$0.0	$852.5





Note: AETC (cashless tolling) began on the Controlled System on November 14, 2020 with a new tolling configuration, whereby a vehicle may now have multiple transactions per trip on the Woodbury Section. Before AETC there was only one transaction per trip.

Year	Vol. Discount
2012	$22.8
2013	$23.8
2014	$24.6
2015	$25.5
2016	$26.6
2017	$27.4
2018	$28.0
2019	$28.0
2020	$29.0
2021	$29.9
2022	$32.1



Note: Discounts available to Thruway Authority Commercial Charge Account customers based on monthly toll spending by account as follows:

- *$1,001 to $2,000 - 10% discount*
- *$2,001 to $3,000 - 15% discount*
- *Over $3,000 - 20% discount*

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE AUTHORITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

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(A Component Unit of the State of New York)

Financial Statements

December 31, 2022 and 2021

New York State Thruway Authority

(A Component Unit of the State of New York)

Financial Statements
December 31, 2022 and 2021

C O N T E N T S

Independent Auditor's Report

Members of the Board
New York State Thruway Authority
Albany, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the New York State Thruway Authority (the Authority), a component unit of the State of New York, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2022 and 2021, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As disclosed in Note 1t, in 2022, the Authority adopted Governmental Accounting Standards Board (GASB) Statements No. 87, *Leases* and No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* Our opinion is not modified with respect to these matters.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, the schedule of other postemployment benefits liability, the schedule of proportionate share of the net pension liability/asset and the schedule of pension contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated March 27, 2023, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

BST & Co. CPAs, LLP

Latham, New York
March 27, 2023

The following discussion and analysis of the New York State Thruway Authority's (Authority) financial performance provides an overview of the Authority's activities for the years ended December 31, 2022 and 2021. Please read it in conjunction with the Authority's financial statements that follow this section. This discussion and analysis is intended to serve as an introduction to the Authority's financial statements which are comprised of the basic financial statements and the notes to the financial statements.

2022 Financial Highlights

- Total operating revenue was $899.9 million, an increase of $72.7 million, or 8.8% compared to 2021. Tolls and related revenues for the year was $880.7 million, an increase of $76.3 million, or 9.5% compared to 2021.
- Total operating expenses, excluding depreciation and amortization, were $548.5 million, an increase of $38.1 million, or 7.5% compared to 2021.
- Net position as of December 31, 2022 was $455.7 million, a decrease of $188.1 million, or 29.2% compared to December 31, 2021.
- Total capital assets (net of depreciation) as of December 31, 2022 were $7.50 billion, a decrease of $38.5 million, or 0.5% compared to December 31, 2021.
- During the year ended December 31, 2022, the Authority implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases* (GASB 87) and GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements* (GASB 94). The Authority is required to restate its net position balance to the earliest year of implementation. Accordingly, the Authority restated January 1, 2021 net position to comply with the new standards. Additional information is presented in Notes 1t and 11.

2021 Financial Highlights

- Total operating revenue was $827.2 million, an increase of $160.2 million, or 24.0% compared to 2020. Tolls and related revenues for the year was $804.4 million, an increase of $155.7 million, or 24.0% compared to 2020.
- Total operating expenses, excluding depreciation and amortization, were $510.4 million, an increase of $48 million, or 10.4% compared to 2020.
- Net position as of December 31, 2021 was $643.8 million, a decrease of $295.1 million, or 31.4% compared to December 31, 2020.
- Total capital assets (net of depreciation) as of December 31, 2021 were $7.53 billion, a decrease of $107.1 million, or 1.4% compared to December 31, 2020.
- In 2021, the Authority completed the removal of toll booths and reconfiguration of interchanges to allow highway speed cashless tolling system wide. A total of $553.6 million has been invested in cashless tolling projects through December 31, 2022, of which $0.8 million and $136.4 million were invested during 2022 and 2021, respectively. Additional information regarding cashless tolling is presented in the Other Significant Matters section of the Management's Discussion and Analysis.

Overview of the Financial Statements

This report consists of three parts: management's discussion and analysis, the basic financial statements, and the notes to the financial statements.

The financial statements provide summary information about the Authority's overall financial condition, including the Authority's net position and related changes. The notes provide explanation and additional disclosures about the financial statements.

Overview of the Financial Statements - Continued

The Authority is considered a special-purpose government engaged in business-type activities and follows financial reporting for enterprise funds. The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). Revenues are recognized in the period in which they are earned, and expenses are recognized in the period in which they are incurred.

Financial Analysis of the Authority

Net Position

The Authority's net position at December 31, 2022 was approximately $455.7 million, a 29.2% decrease compared to December 31, 2021 (see Table A-1). In 2022, total assets decreased 0.8% to $9.21 billion, and total liabilities decreased 1.0% to $8.67 billion. The Authority's net position at December 31, 2021 was approximately $643.8 million, a 31.4% decrease compared to December 31, 2020. In 2021, total assets increased 2.6% to $9.28 billion and total liabilities increased 5.8% to $8.75 billion.

Table A-1
Net Position
December 31, 2022, 2021, and 2020
(In millions of dollars)

	2022	2021 (Restated)	2020	Percentage Change 2022-2021
Unrestricted current assets	$ 632.8	$ 608.7	$ 545.6	4.0
Unrestricted non-current assets	155.5	48.1	-	223.3
Restricted assets	922.7	1,087.0	853.7	(15.1)
Capital assets	7,496.3	7,534.9	7,642.0	(0.5)
Total assets	9,207.3	9,278.7	9,041.3	(0.8)
Deferred outflows of resources	287.8	393.8	282.9	(26.9)
Current liabilities	663.0	675.6	665.0	(1.9)
Noncurrent liabilities	8,007.5	8,079.1	7,606.8	(0.9)
Total liabilities	8,670.5	8,754.7	8,271.8	(1.0)
Deferred inflows of resources	368.9	274.0	112.3	34.6
Total net position	$ 455.7	$ 643.8	$ 940.1	(29.2)

Unrestricted non-current assets increased $107.4 million, or 223.3% compared to 2021. This increase is primarily due to the Authority entering into eleven long-term agreements for the use of its fiber optic system which require users to make annual payments over remaining terms of three to twenty-three years. Additional information regarding the Authority's fiber optic system is presented in the Other Significant Matters section of the Management's Discussion and Analysis and in Note 11.

Financial Analysis of the Authority - Continued

Net Position - Continued

Restricted assets decreased $164.3 million, or 15.1% compared to 2021. This decrease is primarily due to the use of General Revenue Bonds, Series O proceeds to fund capital project costs and certain debt service payments, as well as the use of Junior Indebtedness Obligations, Series 2019B proceeds to fund certain debt service payments. Additional information regarding restricted assets, General Revenue Bonds, Series O and Junior Indebtedness Obligations, Series 2019B is presented in Notes 4 and 5, respectively.

Noncurrent liabilities decreased $71.6 million, or 0.9% compared to 2021. This decrease is primarily due to the Authority reducing its overall long-term debt obligations in 2022. Additional information regarding long-term debt and other postemployment benefit obligations is presented in Notes 5 and 10, respectively.

Changes in Net Position

Net position decreased by $188.1 million in 2022 (see Table A-2). The Authority's total operating revenues for 2022 were $899.9 million, an increase of $72.7 million, or 8.8% compared to 2021. Total operating expenses for 2022 were $890.5 million, a decrease of $31.3 million, or 3.4% compared to 2021. Net position decreased by $295.1 million in 2021. The Authority's total operating revenues for 2021 were $827.2 million, an increase of $160.2 million, or 24.0% compared to 2020. Total operating expenses for 2021 were $921.8 million, an increase of $103.6 million, or 12.7% compared to 2020.

Table A-2
Changes in Net Position
Years ended December 31, 2022, 2021, and 2020
(In millions of dollars)

	2022	2021 (Restated)	2020	Percentage Change 2022-2021
OPERATING REVENUE				
Tolls and related revenues	$ 880.7	$ 804.4	$ 648.7	$ 9.5
Lease revenues	11.7	6.6	6.8	77.3
Other	7.5	16.2	11.5	(53.7)
Total operating revenue	899.9	827.2	667.0	8.8
OPERATING EXPENSES				
Salaries	117.5	116.7	137.0	0.7
Postemployment obligations	156.1	144.1	88.4	8.3
Employee benefits	41.3	48.2	93.0	(14.3)
State Police - Troop T services	62.4	61.2	56.4	2.0
Professional and other services	93.1	80.8	47.1	15.2
Supplies, materials and rentals	26.9	21.1	17.0	27.5
Maintenance and repairs	39.8	26.9	13.2	48.0
Utilities	7.0	5.9	6.0	18.6
Insurance and claims	5.1	4.1	3.2	24.4
Equipment	(0.8)	1.4	1.1	(157.1)
Depreciation and amortization	342.1	411.4	355.8	(16.8)
Total operating expenses	890.5	921.8	818.2	(3.4)
Operating income (loss)	9.4	(94.6)	(151.2)	(109.9)

Financial Analysis of the Authority - Continued

Changes in Net Position - Continued

Table A-2

Changes in Net Position
Years ended December 31, 2022, 2021, and 2020
(In millions of dollars) – Continued

	2022	2021 (Restated)	2020	Percentage Change 2022-2021
NON-OPERATING REVENUES AND EXPENSES				
Investment income	$ 20.5	$ 2.4	$ 7.6	754.2
Interest expense	(210.7)	(204.9)	(206.5)	2.8
Debt issuance expense	-	(2.3)	(0.8)	(100.0)
Federal, state and other aid	0.4	3.5	0.6	(88.6)
Loss on disposal of assets	(8.0)	(0.3)	(0.1)	2566.7
Net non-operating items	(197.8)	(201.6)	(199.1)	(1.9)
Loss before capital contributions	(188.4)	(296.2)	(350.3)	(36.4)
Capital contributions	0.3	1.1	67.8	(72.7)
CHANGE IN NET POSITION	**(188.1)**	**(295.1)**	**(282.5)**	**(36.3)**
NET POSITION, *beginning of year*	643.8	940.1	1,222.6	(31.5)
Restatement of Net position, GASB 87 and 94		(1.2)		
NET POSITION, *beginning of year*, restated		938.9		
NET POSITION, *end of year*	**$ 455.7**	**$ 643.8**	**$ 940.1**	**$ (29.2)**

Tolls and related revenues increased $76.3 million, or 9.5% compared to 2021. This increase is primarily due to higher traffic levels in 2022 compared to 2021 and a toll adjustment implemented in January 2022 for traffic using the Governor Mario M. Cuomo Bridge.

Lease revenues increased $5.1 million, or 77.3%, and other revenues decreased by $8.7 million, or 53.7% compared to 2021. In 2021 the Authority permitted the use of its fiber optic system via short-term permits that are not considered leases and therefore categorized as an Other revenue. The shift in revenues between these two categories is primarily due to the execution of long-term agreements in 2022 with users of the Authority's fiber optic system. The establishment of a receivable for doubtful accounts also contributed to the decrease in other revenues.

Postemployment benefit obligations expenses increased $12.0 million, or 8.3% compared to 2021. Postemployment benefit obligations consist primarily of health insurance benefits provided to retirees. Additional information regarding postemployment benefits other than pensions is presented in Note 10.

Employee benefit costs decreased $6.9 million, or 14.3% compared to 2021. This decrease is primarily due to lower costs related to the Authority's participation in the New York State and Local Employees' Retirement System (ERS). Additional information regarding the Authority's participation in ERS is presented in Note 8. Higher costs for unemployment insurance partially offset the decrease.

Financial Analysis of the Authority - Continued

Changes in Net Position - Continued

Professional and other services increased $12.3 million, or 15.2% compared to 2021. This increase is primarily due to marketing fees associated with the leasing of our fiber optic system and professional services retained for business consulting and implementation services.

Supplies, materials, and rental costs increased $5.8 million, or 27.5% compared to 2021. This increase is primarily due to higher usage of salt and fuel, as well as higher fuel prices.

Maintenance and repair costs increased $12.9 million, or 48.0% compared to 2021. This increase is primarily due to soil and asbestos remediation costs associated with the ongoing reconstruction of service areas restaurants.

Depreciation and amortization decreased $69.3 million, or 16.8% compared to 2021. This decrease is primarily due to the acceleration of depreciation in 2021 for service area restaurant buildings scheduled to be reconstructed and a 2022 adjustment that assigned longer useful lives to cashless tolling assets.

Investment income increased $18.1 million, or 754.2% compared to 2021. This increase is primarily due to a combination of higher interest rates and more cash invested in 2022 compared to 2021.

Interest expense increased $5.8 million, or 2.8% compared to 2021. General Revenue Bonds, Series O (Series O) were issued in October 2021. This increase is primarily due to a full year of interest on the Series O bonds in 2022 compared to three months in 2021. Additional information regarding the Series O bonds is presented in Note 5.

Debt issuance costs decreased $2.3 million, or 100% compared to 2021. The Authority issued the previously discussed Series O bonds in October 2021. The Authority did not issue debt in 2022.

Federal, state, and other aid decreased $3.1 million, or 88.6% compared to 2021. The decrease is primarily due to federal funding received in 2021 for highway maintenance work and reimbursement of costs associated with storm responses.

Capital Assets and Debt Administration

Capital Assets

As of December 31, 2022, the Authority had invested approximately $13.64 billion in capital assets, including roads, bridges, buildings, land, and equipment. Net of accumulated depreciation, the Authority's capital assets totaled approximately $7.50 billion (see Table A-3) representing a net decrease (including additions, disposals and depreciation) of approximately $38.5 million or 0.5% compared to December 31, 2021.

As of December 31, 2021, the Authority had invested approximately $13.35 billion in capital assets, including roads, bridges, buildings, land and equipment. Net of accumulated depreciation, the Authority's capital assets totaled approximately $7.53 billion (see Table A-3) representing a net decrease (including additions, disposals and depreciation) of approximately $107.1 million or 1.4% compared to December 31, 2020.

Capital Assets and Debt Administration - Continued

Capital Assets - Continued

Table A-3

Capital Assets
December 31, 2022, 2021, and 2020
(In millions of dollars)

	2022	2021 (Restated)	2020	Percentage Change 2022-2021
Land and land improvements	$ 819.3	$ 819.1	$ 816.6	0.0
Construction in progress	265.5	187.9	190.5	41.3
Thruway System	12,265.5	12,062.2	11,872.8	1.7
Leased Assets	6.3	6.8	-	(7.4)
Equipment	282.7	269.2	268.3	5.0
Less accumulated depreciation	(6,143.0)	(5,810.3)	(5,506.2)	5.7
Total net capital assets	$ 7,496.3	$ 7,534.9	$ 7,642.0	(0.5)

In 2022, construction work in progress increased $77.6 million, or 41.3%. This increase is primarily due to an ongoing project to rehabilitate the Castleton on the Hudson Bridge, as well as numerous active projects system wide to replace or resurface sections of the highway.

Net additions to the Thruway System during 2022 were $203.3 million, or 1.7%. This increase was primarily due to the completion of work to rehabilitate and resurface portions of Interstate 95 from New York City to the Connecticut state line, and from Westfield to the Pennsylvania state line. Numerous other highway resurfacing projects were also completed. In addition, three newly reconstructed service area restaurant buildings were re-opened in 2022.

In 2021, construction work in progress decreased $2.6 million, or 1.4%. This decrease is primarily due to the completion of projects that replaced four bridges, as well as a safety upgrade project near Amsterdam. Significant projects in progress as of December 31, 2022 include projects to rehabilitate portions of Interstate 95 from New York City to the Connecticut state line and a project to rehabilitate the Castleton on the Hudson Bridge.

Net additions to the Thruway System during 2021 were $189.4 million, or 1.6%. This increase was primarily due to investments made in 2022 to remove toll booths and reconfigure interchanges following the conversion to Cashless Tolling. In addition, the completion of projects that replaced four bridges, as well as a project that improved safety near Amsterdam also contributed to the increase. These increases were partially offset by the retirement of service area buildings demolished in 2021 as part of a multi-year project to replace the Authority's service areas. Additional information regarding the Cashless Tolling and Service Area Projects can be found in the Other Significant Matters section of the Management Discussion and Analysis.

Capital Assets and Debt Administration - Continued

Debt Administration

Bond and note sales must be approved by the Authority's Board, members of which are appointed by the Governor with the advice and consent of the New York State Senate. These sales must comply with rules and regulations of the United States Treasury Department and the United States Securities and Exchange Commission. Authority bond and note sales may be negotiated or sold competitively. The terms and conditions of Authority negotiated bond and note sales must also be approved by the New York State Office of the State Comptroller.

General revenue bonds are issued pursuant to the Authority's General Revenue Bond Resolution, adopted August 3, 1992, as amended on January 5, 2007. General revenue bonds may be issued for the purposes described in the General Revenue Bond Resolution, as amended, including funding the Authority's Multi-Year Capital Plan. Junior indebtedness obligations are issued pursuant to the Authority's Resolution Authorizing General Revenue Junior Indebtedness Obligations, adopted November 7, 2013, as amended August 6, 2014. Junior indebtedness obligations are subordinate to the senior general revenue bonds and are special obligations of the Authority secured by a pledge of certain funds and accounts established in the Junior Indebtedness Fund. Proceeds from junior indebtedness obligations issued were used solely to fund New NY Bridge project costs incurred through project completion.

Long-term debt includes general revenue bonds and junior indebtedness obligations of varying rates and maturities issued primarily to fund a portion of the Authority's Multi-Year Capital Plan and New NY Bridge Project costs for construction of the Governor Mario M. Cuomo Bridge. At December 31, 2022, the Authority had approximately $6.64 billion in general revenue bonds and junior indebtedness obligations outstanding, a decrease of $147.7 million or approximately 2.2% compared to the amount of general revenue bonds and junior indebtedness obligations outstanding as of December 31, 2021 (see Table A-4).

Short-term debt includes subordinated indebtedness of varying rates and maturities up to two years from the date of agreement and were entered into to provide liquidity to the Authority during the COVID-19 pandemic. At December 31, 2022, the Authority had no outstanding short-term debt obligations or unused commitments (see Table A-4).

In October 2021, the Authority issued General Revenue Bonds, Series O which generated proceeds of $648.5 million. The proceeds were used to fund a portion of the Multi-Year Capital Plan, fund capitalized interest, provide for a required deposit to the Senior Debt Service Reserve Fund, and refund certain outstanding General Revenue Bonds, Series I. The Series O bonds mature in various amounts through January 1, 2051.

In June 2020, the Authority executed a Revolving Credit Agreement (the "RCA") providing a line of credit with an available commitment not to exceed $125 million dollars. A draw of this line in the amount of $50 million was made in June 2020 and was used to partially defease debt service due in July 2020. The Authority amended the RCA in June 2021 to extend the agreement for 120 additional days, and subsequently paid the outstanding balance and effectively terminated the RCA in August 2021.

In October 2020, the Authority executed a Noteholder's Agreement providing liquidity funding through a drawdown process to issue and sell short-term notes up to a total combined commitment not to exceed $100 million. No notes were sold, and the agreement was terminated in October 2022.

Capital Assets and Debt Administration - Continued

Debt Administration - Continued

Of the $3.84 billion in general revenue bonds outstanding, approximately $25.1 million are insured by Assured Guaranty Municipal (formerly Financial Security Assurance Inc.) and are rated A1 by Moody's and AA by Standard and Poor's (S&P). The Authority's remaining general revenue bonds are rated A1 by Moody's and A by S&P. Of the $2.80 billion in junior indebtedness obligations outstanding, approximately $362.2 million are insured by Assured Guaranty Municipal Corp and are rated A2 by Moody's and AA by S&P. The remaining junior indebtedness obligations are rated A2 by Moody's and A- by S&P.

At December 31, 2021, the Authority had approximately $6.79 billion in general revenue bonds and junior indebtedness obligations outstanding, an increase of $364.1 million, or 5.7% from December 31, 2020. The Authority had no short-term debt outstanding as of December 31, 2021.

Table A-4

Outstanding Debt
Years ended December 31, 2022 and 2021
(In millions of dollars)

	Year Ended December 31, 2022			
	Beginning Balance	Additions	Reductions	Ending Balance
General revenue bonds	$ 3,978.2	$ -	$ (133.7)	$ 3,844.5
Junior indebtedness obligations and notes	2,811.3	-	(14.0)	2,797.3
Total bonds and notes	6,789.5	-	(147.7)	6,641.8
Revolving credit agreement	-	-	-	-
Total bonds, notes and other debt	$ 6,789.5	$ -	$ (147.7)	$ 6,641.8

	Year Ended December 31, 2021			
	Beginning Balance	Additions	Reductions	Ending Balance
General revenue bonds	$ 3,600.7	$ 648.4	$ (270.9)	$ 3,978.2
Junior indebtedness obligations and notes	2,824.7	-	(13.4)	2,811.3
Total bonds and notes	6,425.4	648.4	(284.3)	6,789.5
Revolving credit agreement	50.0	-	(50.0)	-
Total bonds, notes and other debt	$ 6,475.4	$ 648.4	$ (334.3)	$ 6,789.5

More detailed information regarding the Authority's debt is presented in Notes 5 and 6.

Other Significant Matters

Service Area Project

In 2021, the Authority entered into a 33-year agreement with Empire State Thruway Partners, LLC (Empire) for the design, construction, finance, operation, and maintenance of the Authority's 27 Service Areas. Empire will rebuild 23 of the 27 service area restaurant buildings and perform significant renovations to the remaining four. Empire's initial investment to rebuild and renovate the service areas is estimated to be $300 million. Additionally, over the life of the agreement Empire will invest another $99 million into future renovations and improvements.

The construction work is occurring in two phases. Phase 1 began in July 2021 when Empire assumed control of 16 service areas previously operated by HMSHost Corporation and Delaware North Corporation. Phase 2 began in January 2023 when Empire assumed control of the remaining 11 service areas that were operated by McDonald's Corporation through December 2022. As of December 31, 2022, the Authority has opened three of the newly reconstructed service area restaurant buildings.

Under the terms of the agreement the Authority is financially responsible for Regulated Site Condition costs. These costs primarily consist of soil remediation and asbestos mitigation associated with the demolition of the existing service area restaurants. Additional information regarding environmental remediation liabilities is presented in Note 12e.

Commencing with the reopening of each new restaurant building, the agreement requires Empire to pay rent calculated as a percentage of gross sales, subject to a guaranteed annual minimum per location. In addition, the agreement has ancillary rent provisions tied to the operation of commercial vehicle fueling stations at five of the service areas and advertising opportunities at all service areas. Sales generated by Empire during the operation of a restaurant prior to reconstruction (interim operations) are not subject to rent provisions. Over the life of the agreement, base rent calculated as a percentage of sales is forecasted to be $85 million, of which $51 million is guaranteed.

During the year ended December 31, 2022, the Authority implemented GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The Authority's agreement with Empire is subject to the provisions of GASB 94. Additional information regarding GASB 94 and the agreement with Empire is presented in Notes 1t and 11.

Fiber Optic System

The Authority owns a fiber optic system consisting of 550 miles of duct and fiber optic cable located primarily within the right-of-way of the Thruway System. During 2021 and 2022, the Authority entered into twelve agreements with various parties for the irrevocable right to use the system for terms ranging from 3 to 23 years. These agreements generally require users to make a one-time lump sum payment upon execution followed by annual recurring payments that escalate based on the lesser of the year over year change in the consumer price index or 3%. Total income over the life of the agreements is estimated to be $161.3 million. For the year ended December 31, 2022 the Authority recognized total revenue from these agreements of $6.4 million, consisting of $4.9 million of lease revenue and $1.5 million of interest income. Revenue from these agreements for the year ended December 31, 2021 was immaterial. Additional information regarding the Authority's leasing activity is presented in Notes 1t and 11.

Prior to executing long-term use agreements, the Authority allowed use of its fiber optic system through the issuance of short-term use permits cancellable by either party with thirty days' notice. For the years ending December 31, 2022 and 2021, short-term permits for the use of the fiber optic system generated revenues of $3.9 million and $7.9 million, respectively. Short-term permit revenues are included in Other revenues on the Statement of Revenues, Expenses and Changes in Net Position.

Other Significant Matters - Continued

Governor Mario M. Cuomo Bridge and Tappan Zee Constructors, LLC

In 2013, the Authority entered into a design-build agreement with Tappan Zee Constructors, LLC to construct the Governor Mario M. Cuomo Bridge (then known as the New NY Bridge) to replace the existing Tappan Zee Bridge. The Governor Mario M. Cuomo Bridge, a twin-span structure crossing the Hudson River between Rockland and Westchester Counties was fully in service as of 2018. As part of the project a shared use path on the bridge and new maintenance and state police buildings adjacent the bridge were completed in 2020. Since 2013, the Authority has invested $3.74 billion in the project. Additional investments in the project include capitalized interest costs of $168.4 million, as well as planning costs of $152.8 million incurred prior to 2013.

Tappan Zee Constructors, LLC has submitted requests for payment to the Authority claiming they are owed, as of December 31, 2022, $944.5 million, plus interest, in excess of their approved contract value and anticipated change orders. Their claims relate to issues of time, extra work, and oversight of the project. The Authority disputes these claims.

Additional information regarding Tappan Zee Constructors, LLC's claims is presented in Note 12a.

Additional information regarding the Governor Mario M. Cuomo Bridge is available at www.newnybridge.com.

Cashless Tolling

In November 2020, the Authority implemented cashless tolling on the interchange (ticketed) portion of the Thruway system and with it completed a system-wide conversion to cashless tolling. Tolling at the Governor Mario M. Cuomo and Grand Island Bridges, as well as Harriman, Yonkers, New Rochelle, and Spring Valley locations were converted to cashless tolling prior to 2020. Cashless tolling allows customers to pay their tolls at highway speed without stopping at a toll booth. Customers with an E-ZPass account have their toll information collected via an E-ZPass tag installed in their vehicles. Customers without E-ZPass have an image of their license plate captured and the registered owner of the vehicle is sent an invoice for their tolls (Tolls by Mail). Work to remove toll booths and reconfigure interchanges on what was formerly the ticketed portion of the Thruway system was completed in 2021. A total of $553.6 million has been invested in cashless tolling infrastructure improvements and equipment through December 31, 2022, of which $0.8 million and $136.4 million were invested during 2022 and 2021, respectively.

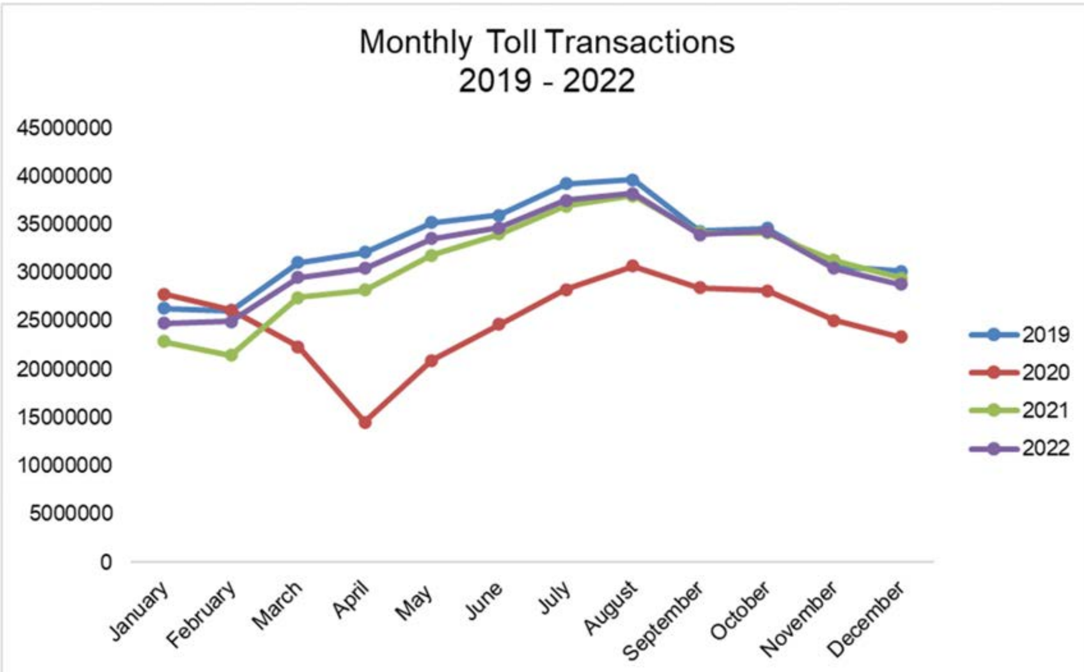
COVID-19

The COVID-19 pandemic that began affecting the United States in March 2020 had an adverse and material impact on the financial condition and operating results of the Authority. Operating revenues in 2020 were $667.0 million, a decrease of $147.2 million, or 18.1% compared to 2019. This decrease was primarily due to a reduction in passenger traffic caused by stay-at-home orders and travel restrictions implemented to control the spread of the virus. Toll revenue in 2020 generated by passenger traffic was $317.7 million, a decrease of $118.1 million, or 27.1% compared to 2019. Commercial traffic levels in 2020 remained relatively stable compared to 2019. Toll revenue generated by commercial traffic in 2020 was $297.6 million, a decrease of $6.5 million, or 2.1% compared to 2019. Over the course of 2021 the negative impact COVID-19 had on passenger traffic diminished and by the end of 2021 passenger traffic was only slightly less than 2019 levels for comparable periods. The recovery in passenger traffic continued into 2022 with levels again being only slightly less than that of 2019 levels for comparable periods.

Other Significant Matters - Continued

COVID-19 - Continued

A comparison of total monthly toll transactions for the years 2019 through 2022 is shown below.



Contacting the New York State Thruway Authority's Financial Management

This financial report is designed to provide our bondholders, customers, and other interested parties with a general overview of the Authority's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional information, please contact:

New York State Thruway Authority
Department of Finance and Accounts
P.O. Box 189, Albany
New York 12201-0189
www.thruway.ny.gov

New York State Thruway Authority

(A Component Unit of the State of New York)

Statements of Net Position
(in thousands of dollars)

	December 31, 2022	December 31, 2021 (Restated)
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
CURRENT ASSETS		
Cash and cash equivalents	$ 464,693	$ 461,314
Investments	29,024	901
Receivables, net	109,462	119,888
Material and other supplies	25,346	22,400
Prepaid items	4,209	4,240
Restricted assets	286,615	313,069
Total current assets	919,349	921,812
NON-CURRENT ASSETS		
Unrestricted assets	155,533	48,117
Restricted assets	636,061	773,914
Capital assets, not being depreciated	1,084,868	1,006,985
Capital assets, net of accumulated depreciation	6,411,470	6,527,874
Total non-current assets	8,287,932	8,356,890
Total assets	9,207,281	9,278,702
DEFERRED OUTFLOWS OF RESOURCES	287,786	393,825
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	242,922	269,405
Unearned revenue	133,100	133,623
Accrued interest payable	128,155	124,882
Bonds payable, due within one year	158,812	147,705
Total current liabilities	662,989	675,615
NON-CURRENT LIABILITIES		
Bonds payable	6,483,008	6,641,820
Other long-term liabilities	1,524,441	1,437,321
Total non-current liabilities	8,007,449	8,079,141
Total liabilities	8,670,438	8,754,756
DEFERRED INFLOWS OF RESOURCES	368,899	274,023
NET POSITION		
Net investment in capital assets	1,235,738	1,444,153
Restricted for		
Debt service	105,212	101,426
Capital	230,466	93,473
Unrestricted (deficit)	(1,115,686)	(995,304)
Total net position	**$ 455,730**	**$ 643,748**

See Accompanying Notes to Financial Statements

New York State Thruway Authority
(A Component Unit of the State of New York)

Statements of Revenues, Expenses, and Changes in Net Position
(in thousands of dollars)

	Years Ended December 31,	
	2022	**2021**
		(Restated)
OPERATING REVENUES		
Tolls and related revenues	$ 880,717	$ 804,434
Lease revenues	11,670	6,574
Other	7,552	16,210
Total operating revenues	899,939	827,218
OPERATING EXPENSES		
Salaries	117,504	116,673
Postemployment obligations	156,103	144,104
Employee benefits	41,268	48,221
State Police - Troop T services	62,414	61,200
Professional and other services	93,128	80,818
Supplies, materials and rentals	26,881	21,104
Maintenance and repairs	39,794	26,921
Utilities	6,965	5,866
Insurance and claims	5,178	4,120
Equipment and Other	(772)	1,402
Depreciation and amortization	342,079	411,356
Total operating expenses	890,542	921,785
Operating income (loss)	**9,397**	**(94,567)**
NON-OPERATING REVENUES AND EXPENSES		
Investment income	20,535	2,439
Interest expense	(210,700)	(204,953)
Debt issuance cost	(2)	(2,396)
Federal, state and other aid	430	3,534
Other	(8,060)	(328)
Net non-operating items	(197,797)	(201,704)
Loss before capital contributions	**(188,400)**	**(296,271)**
CAPITAL CONTRIBUTIONS	382	1,132
CHANGE IN NET POSITION	**(188,018)**	**(295,139)**
NET POSITION, ***beginning of year***	643,748	938,887
NET POSITION, ***end of year***	**$ 455,730**	**$ 643,748**

See Accompanying Notes to Financial Statements

New York State Thruway Authority

(A Component Unit of the State of New York)

Statements of Cash Flows
(in thousands of dollars)

	Years Ended December 31, 2022	2021 (Restated)
CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Cash received from collection of tolls and related revenues	$ 878,629	$ 826,590
Cash received from leasing activities	53,837	6,158
Other operating cash receipts	5,157	9,625
Personal service payments	(116,098)	(117,826)
Employee benefits payments	(91,747)	(94,963)
E-ZPass and Tolls by Mail account management payments	(86,002)	(60,255)
Payments to New York State for Troop T services	(63,799)	(54,400)
Cash payments to vendors and contractors	(84,938)	(60,883)
	495,039	**454,046**
CASH FLOWS PROVIDED (USED) BY NON-CAPITAL FINANCING ACTIVITIES		
Federal, state and other aid	7,529	5,405
Payments on revolving credit agreement	-	(50,000)
	7,529	**(44,595)**
CASH FLOWS PROVIDED (USED) FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from issuance of debt	-	648,446
Federal, state and other capital contributions	565	204
Acquisition/construction of capital assets	(300,038)	(321,727)
Principal paid on debt	(105,345)	(232,125)
Interest and issuance costs paid on debt	(253,997)	(254,140)
Proceeds from sale of capital assets	6,699	944
	(652,116)	**(158,398)**
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES		
Purchase of investments	(1,456,978)	(965,362)
Proceeds from sales and maturities of investments	1,558,285	846,290
Interest and dividends on investments	21,327	3,342
	122,634	**(115,730)**
Net increase (decrease) in cash and cash equivalents	**(26,914)**	**135,323**
CASH AND CASH EQUIVALENTS, ***beginning of year***	1,087,478	952,155
CASH AND CASH EQUIVALENTS, ***end of year***	**$ 1,060,564**	**$ 1,087,478**

See Accompanying Notes to Financial Statements

New York State Thruway Authority

(A Component Unit of the State of New York)

Statements of Cash Flows - Continued
(in thousands of dollars)

	Years Ended December 31, 2022	2021 (Restated)
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating income (loss)	$ 9,397	$ (94,567)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation and amortization	342,079	411,356
Net changes in assets, liabilities, deferred outflows and deferred inflows		
Receivables	(67,129)	(70,211)
Material and other supplies	(2,945)	(2,798)
Other assets	(37,124)	202
Accounts payables and accrued expenses	69,110	173,317
Deferred outflows	104,806	(112,138)
Deferred inflows	77,368	134,368
Unearned revenue	(523)	14,517
	$ 495,039	**$ 454,046**
RECONCILIATION TO STATEMENTS OF NET POSITION		
Cash and cash equivalents	$ 464,693	$ 461,314
Restricted cash and cash equivalents	595,871	626,164
	$ 1,060,564	**$ 1,087,478**

See Accompanying Notes to Financial Statements

Note 1 - Organization and Summary of Significant Accounting Policies

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. An overview of the more significant accounting policies is described below:

a. Financial Reporting Entity

The New York State Thruway Authority (Authority) is a Public Benefit Corporation created by the New York State Legislature in 1950 to build, operate, and maintain the Thruway System. The Board of the Authority consists of seven members, appointed by the Governor, with the consent of the New York State Senate.

The Authority is responsible for a 570-mile system of highways crossing New York State, the longest toll highway system in the United States. The Authority's 426-mile Thruway mainline connects New York City and Buffalo, the State's two largest cities. Other Thruway sections provide for connections with Connecticut, Massachusetts, Pennsylvania, New Jersey, and to highways that lead to the Midwest and Canada. In accordance with legislation passed by the State Legislature, the Cross-Westchester Expressway (CWE) was added to the Thruway in 1991, and the Authority is prohibited from imposing any tolls or other charges for the use of the CWE. The Authority also owns a fiber optic network that resides within and/or on the Authority's right-of-way.

The Authority is a legally and fiscally separate and distinct organization solely responsible for its finances, and the credit of the State of New York is not pledged to the operation of the Authority. The Authority is empowered to issue revenue bonds backed solely from Authority revenues.

The State may, from time to time, also authorize the Authority by statute to undertake additional financing activities to finance primarily non-Authority transportation projects in the State. The Authority is responsible for administering these special bond programs as discussed in Note 7.

b. Basis of Accounting

The Authority's activities are accounted for similar to those often found in the private sector using the flow of economic resources measurement focus and the accrual basis of accounting. All assets, liabilities, deferred outflows of resources, deferred inflows of resources, net position, revenues, and expenses are accounted for through a single enterprise fund with revenue recorded when earned and expenses recorded at the time liabilities are incurred.

The principal revenue of the Authority is toll revenue received from customers. The Authority also recognizes as operating revenue toll related fees, special hauling fees charged to overweight or oversize vehicles, and certain revenue collected from the lease of property. Operating expenses include all costs required to operate, maintain, and administer the Thruway. All revenue and expenses not meeting this definition are reported as non-operating items.

The Authority's bond resolution requires that certain funds and accounts be established and maintained. The Authority consolidates these funds and accounts for the purpose of providing its basic financial statements in accordance with U.S. GAAP.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

c. Cash, Cash Equivalents, and Investments

Cash includes amounts in demand deposits. Cash equivalents include all highly liquid investments with original maturities of three months or less when purchased. All cash deposits and repurchase agreements are fully collateralized or covered by federal deposit insurance.

Investments include financial instruments with original maturities of more than three months and are recorded at amortized cost, which approximates fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Investments with original maturities of more than three months are not included in cash and cash equivalents in the statements of cash flows.

d. Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows, deferred inflows, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

e. Receivables

Receivables consist primarily of amounts attributable to leases, cashless tolling, and Federal and State governments under various grant programs. Receivables attributable to commercial transportation companies with post-paid accounts are guaranteed by surety bonds and/or cash deposits. Receivables are reported net of an allowance for uncollectible amounts. The allowance for doubtful receivables amounted to $48,883,000 and $26,703,000 at December 31, 2022 and 2021, respectively.

f. Materials and Other Supplies

Materials and other supplies are principally valued at weighted average cost. The cost of such items is recognized as an expense when used.

g. Unearned Revenue

Unearned revenue consists of prepaid deposits made by private and commercial customers into E-ZPass accounts held by the Authority, annual permit revenues collected in advance and amounts collected from users of the Authority’s fiber optic system that apply to future periods. E-ZPass customer accounts with negative balances (amounts due to the Authority) are reported as an offset to unearned revenue. At December 31, 2022 and 2021, E-ZPass accounts with negative balances, net of allowances for doubtful accounts, amount to $1,414,000 and $1,756,000, respectively.

h. Restricted Assets

Certain proceeds of Thruway revenue bonds and notes, as well as certain Thruway revenues, are restricted by applicable bond covenants for construction or set aside as reserves to ensure repayment of the Authority’s bonds. Certain other assets are accumulated and restricted in accordance with the bond resolutions for the purpose of paying interest and principal that are due on a semi-annual and annual basis, respectively, and for the purpose of maintaining reserve funds at required levels.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

i. Toll Revenues

Toll revenues are stated net of volume and other discounts of $32,127,000 and $29,855,000 for the years ended December 31, 2022 and 2021, respectively.

j. Pensions

The Authority is a participating employer in the New York State and Local Retirement System (ERS). Employees in permanent positions are required to enroll in ERS, and employees in part-time or seasonal positions have the option of enrolling in ERS. ERS is a cost sharing, multiple-employer, public employee defined benefit retirement system. The impact on the Authority's financial position and results of operations due to its participation in ERS is more fully disclosed in Note 8.

k. Other Postemployment Benefits

The Authority recognizes in its financial statements the financial impact of other postemployment benefits, principally employer funded retiree health care costs. The impact on the Authority's financial position and results of operations is more fully disclosed in Note 10.

l. Compensated Absences

Permanent employees of the Authority accrue vacation leave as part of their benefit package. Unused vacation days up to a maximum of 30 days are considered vested and paid upon retirement or termination. The liability for vested vacation leave approximates $9,084,000 and $9,662,000 at December 31, 2022 and 2021, respectively, and is recorded as a long-term liability.

Permanent employees of the Authority also accrue sick leave as part of their benefit package. Upon retirement, unused sick days up to a maximum of 200 days are converted to a monthly credit that is used to offset the employee's share of postemployment benefit costs. The Authority's liability for postemployment benefits is discussed further in Note 10.

m. Bond and Note Premiums

Bond and note premiums are presented as components of bonds payable. The premiums are amortized over the life of the bonds and notes on a basis that approximates the effective interest method. Net amortization related to bond and note premiums were approximately $42,360,000 and $41,779,000 for 2022 and 2021, respectively, and are included as an offset to interest expense.

n. Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense/expenditure) until that time. Deferred outflows include amounts related to pensions (Note 8), other postemployment benefit obligations (Note 10), losses related to bond refunding's (Note 5) and obligations associated with the retirement of certain assets (Note 12f).

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

n. Deferred Outflows and Deferred Inflows of Resources - Continued

The following schedule summarizes the Authority's deferred outflows of resources as of December 31, 2022 and 2021 (in thousands):

	2022	2021
Net pension asset/liability	$ 84,290	$ 119,584
Postemployment benefit obligation	195,263	264,774
Loss on bond refundings	5,833	6,667
Asset retirement obligations	2,400	2,800
Totals	$ 287,786	$ 393,825

Deferred inflows of resources represent an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows include amounts related to pensions (Note 8), other postemployment benefit obligations (Note 10), gains related to bond refunding's (Note 5) and leases (Note 11).

The following schedule summarizes the Authority's deferred inflows of resources as of December 31, 2022 and 2021 (in thousands):

	2022	2021 (Restated)
Net pension asset/liability	$ 129,615	$ 139,563
Postemployment benefit obligation	29,484	58,968
Gain on bond refundings	19,419	24,251
Leases	190,381	51,241
Totals	$ 368,899	$ 274,023

o. Net Position

Net position is classified as follows:

- *Net investment in capital assets* consists of capital assets, net of accumulated depreciation reduced by the net outstanding debt balances attributable to the acquisition of capital assets.
- *Restricted net position* has externally placed constraints on use.
- *Unrestricted net position* consists of assets, liabilities, deferred outflows, and deferred inflowsthat do not meet the definition of "net investment in capital assets" or "restricted net position."

p. Capital Contributions

Capital contributions consist primarily of funds provided by the State of New York.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

q. Arbitrage

The Tax Reform Act of 1986 imposed additional restrictive regulations, reporting requirements, and an arbitrage rebate liability on issuers of tax-exempt debt. This Act requires the remittance to the IRS of 90% of the cumulative relatable arbitrage within 60 days of the end of each five-year reporting period following the issuance of governmental bonds. The Authority's policy is to annually record a liability representing the estimated amount owed. The Authority actively manages its invested bond proceeds to minimize any arbitrage liability. The Authority had no cumulative arbitrage rebate liability for the years ended December 31, 2022 and 2021.

r. Income Taxes

The Authority is a public benefit corporation of the State of New York. As such, income earned in the exercise of its essential government functions is exempt from state and federal income taxes.

s. Non-Exchange Transactions

The Authority's non-exchange transactions include fees charged to customers as violation fees, late fees, and administrative fees. The distinguishing characteristic of these non-exchange fees is they are assessed against customers who have failed to pay their toll and/or follow the terms of their E-ZPass account agreement or regulations governing the Tolls by Mail program. The Authority's policy for recognizing revenue associated with non-exchange fees is to record the revenue at the time the fee is collected.

Tolls and related revenues include fees of $60,319,000 and $44,164,000 for the years ended December 31, 2022 and 2021, respectively.

Other non-exchange transactions of the Authority include federal and state grants.

t. Leases and Public-Private Partnerships

The Authority's financial statement as of and for the years ending December 31, 2022 and 2021 include the adoption of GASB Statement No. 87, *Leases* and GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.*

The primary objective of these statements is to enhance the relevance and consistency of information about governments' leasing activities. The statements establish a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset.

Under GASB 87, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset for obligations that are fixed in nature, and a lessor is required to recognize a lease receivable and a deferred inflow of resources for revenues that are fixed in nature.

Under GASB 94, lessors follow the provisions of GASB 87 for revenues that are fixed in nature. In addition, if a government is a lessor in a public-private partnership that requires the lessee to make a significant capital investment to construct assets on behalf of the government, the government is required to recognize the capital assets at the time they are placed in service with a corresponding deferred inflow equal to the amount invested by a lessee.

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

t. Leases and Public-Private Partnerships - Continued

The adoption of GASB 87 and GASB 94 required the following restatement of the Authority's net position as of January 1, 2021:

Assets	
Lease receivables	$ 20,968
Leased assets, net	847
Total Assets	21,815

Liabilities and Deferred Inflows of Resources	
Lease liabilities	792
Unearned revenue	(482)
Deferred inflows of resources	22,750
Total liabilities and deferred inflows of resources	23,060
Effect on January 1, 2021 net position	$ (1,243)

In addition, certain balances reported as of and for the year ended December 31, 2021 have been restated to conform to the requirements of GASB 87 and GASB 94 as follows:

Statement of Net Position Adjustments	As Previously Reported	As Restated	Adjustment
CURRENT ASSETS			
Receivables, net	$ 117,517	$ 119,888	$ 2,371
Restricted assets	312,025	313,069	1,044
NON-CURRENT ASSETS			
Unrestricted assets	-	48,117	48,117
Restricted assets	774,957	773,914	(1,043)
Capital assets, not being depreciated	1,007,250	1,006,985	(265)
Capital assets, net of accumulated depreciation	6,521,876	6,527,874	5,998
Total Adjustment to Assets and Deferred Outflows of Resources			**56,222**
CURRENT LIABILITIES			
Accounts payable and accrued expenses	268,369	269,405	1,036
Unearned revenue	134,996	133,623	(1,373)
NON-CURRENT LIABILITIES			
Other long-term liabilities	1,432,284	1,437,321	5,037
DEFERRED INFLOWS OF RESOURCES	222,781	274,023	51,242
Total Adjustment to Liabilities and Deferred Inflows of Resources			**55,942**
NET POSITION			
Net investment in capital assets	1,438,420	1,444,153	5,733
Restricted for			
Debt service	101,426	101,426	-
Capital	99,553	93,473	(6,080)
Unrestricted (deficit)	(995,931)	(995,304)	627
Total net position	**$ 643,468**	**$ 643,748**	**$ 280**

Note 1 - Organization and Summary of Significant Accounting Policies - Continued

t. Leases and Public-Private Partnerships - Continued

Statement of Revenues, Expenses, and Changes in Net Position Adjustments	As Previously Reported	As Restated	Adjustment
OPERATING REVENUES			
Concessions	$ 5,737	$ -	$ (5,737)
Lease revenues	-	6,574	6,574
Other	16,242	16,210	(32)
Adjustment to Operating Revenues			805
OPERATING EXPENSES			
Supplies, materials and rentals	21,937	21,104	(833)
Depreciation and amortization	410,235	411,356	1,121
Adjustment to Operating Expenses			288
Adjustment to Operating Loss			517
NON-OPERATING REVENUES AND EXPENSES			
Investment Income	1,325	2,439	1,114
Interest Expense	(204,846)	(204,953)	(107)
Adjustment to Net non-operating items			1,007
CHANGE IN NET POSITION			1,524
NET POSITION, beginning of the year	940,130	938,887	(1,243)
NET POSITION, end of the year	**$ 643,468**	**$ 643,748**	**$ 280**

Additional information regarding leases and public-private partnership is presented in Note 11.

u. Subsequent Events

The Authority has evaluated subsequent events for potential recognition or disclosure through March 27, 2023, the date the financial statements were available to be issued.

Note 2 - Cash and Investments

The Authority's cash and investments as of December 31, 2022 and 2021, were as follows (in thousands):

	Carrying Value	
	2022	2021
Unrestricted		
Cash		
Demand deposits	$ 158,582	$ 411,316
Cash equivalents		
U.S. treasury securities	134,595	-
Commercial paper	171,516	49,998
Total unrestricted cash equivalents	306,111	49,998
Total unrestricted cash and cash equivalents	$ 464,693	$ 461,314

Note 2 - Cash and Investments - Continued

	Carrying Value	
	2022	2021
Restricted		
Cash		
Demand deposits	$ 273,928	$ 389,048
Other deposits	2,003	2,135
Total restricted cash	275,931	391,183
Cash equivalents		
U.S. treasury securities	121,622	94,998
Commercial paper	198,318	139,983
Total restricted cash equivalents	319,939	234,981
Total restricted cash and cash equivalents	$ 595,871	$ 626,164
Investments		
Unrestricted		
Commercial paper	$ 8,515	$ -
U.S. treasury securities	19,939	-
Time deposits	570	901
Total unrestricted investments	$ 29,024	$ 901
Restricted		
Commercial paper	$ 23,136	$ -
U.S. treasury securities	300,159	453,039
Total restricted investments	$ 323,295	$ 453,039

At December 31, 2022 and 2021, the fair value of the Authority's cash and investments approximated the carrying value (amortized cost).

The Authority requires collateral, in the form of federal government obligations or agency instruments guaranteed by the federal government, for all investments in repurchase agreements. The Authority also requires delivery to its trustee/custodian of all securities purchased and collateral for repurchase agreements, regardless of the seller institution. All Authority investment securities are classified as securities acquired by a financial institution for the Authority and held by the Authority's trustee/custodian in the Authority's name. Bank balances, which are comprised of demand and other deposits, are fully insured, or collateralized as of December 31, 2022 and 2021. Amounts are collateralized with securities transferred to and held by the Authority's trustee/custodian in the Authority's name.

The Authority manages its investments pursuant to the respective bond resolutions, Public Authorities Law, and the Authority's Investment Policy approved annually by the Authority's Board. Permitted investments are defined as obligations in which the State Comptroller may invest pursuant to Section 98(a) of the State Finance Law, including obligations of the United States and its Federal agencies, collateralized time deposits, commercial paper, bankers' acceptances, and repurchase agreements.

Note 2 - Cash and Investments - Continued

The Authority's investment policy has established criteria that mitigate certain credit risks and interest rate risks. The policy has established investment concentration limits for each of the Authority's investment portfolios. The policy also requires that deposits and investments be held by a third-party custodian who may not otherwise be counter-party to the transactions, and that securities are held in the name of the Authority.

Custodial credit risk for deposits is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. The Authority's policy to address this risk requires the custodian or depository bank to provide collateral in an amount equal to or greater than the amount on deposit, with a third-party custodian in the Authority's name.

Interest rate risk is also addressed in the Authority's policy which requires the purchase of securities with the intention of holding them to maturity and does not limit the term of any investment. It is the Authority's practice to invest funds to the date of the anticipated need of the funds. The Authority has no investments at December 31, 2022 with a remaining maturity of more than one year.

As of December 31, 2022, the Authority had the following concentrations of cash equivalents and investments:

	Credit Exposure Security	% of Total (Rating)
Certificate of Deposit		0.06%
Commercial Paper		
Toronto Dominion HDG USA, INC	A-1+/P-1/F1+	15.68%
Koch Industries, Inc	A-1+/P-1/na	4.14%
Roche Holdings, Inc	A-1+/P-1/F1+	4.65%
Toyota Motor Credit Corp	A-1+/P-1/F1	17.16%
U.S. Government Securities		
Treasury Bills	A-1+/WR/F1+	58.31%

Note 3 - Capital Assets

The Authority's capital assets principally include the Thruway System, equipment, and leased assets. The Thruway System includes infrastructure assets consisting of bridges, highways, buildings, toll equipment, intelligent transportation systems and a fiber optic system. Equipment includes vehicles, machinery, software systems, and E-ZPass tags. Leased assets consist of office space and communication tower leases.

Note 3 - Capital Assets - Continued

All capital assets are stated at cost. Capital assets are defined as assets with initial, individual costs exceeding capitalization thresholds of $5,000 to $50,000. Depreciation is computed on the straight-line method over the following estimated useful lives:

Category	Useful Life	Capitalization Threshold
Bridges	45-100 years	$ 50,000
Bridge improvements	15 years	50,000
Highways	30 years	50,000
Highway improvements	8-10 years	50,000
Buildings	30 years	50,000
Toll collection system	15-45 years	50,000
Fiber optic system	17 years	50,000
Equipment	2-12 years	5,000 - 50,000
Bridges	45-100 years	50,000

The following schedules summarize the capital assets of the Authority and related changes for the years ended December 31, 2022 and 2021 (in thousands):

	December 31, 2021 (Restated)	Additions	Reductions	December 31, 2022
Capital assets, not being depreciated				
Land and land improvements	$ 819,121	$ 469	$ (233)	$ 819,357
Construction in progress	187,864	303,469	(225,822)	265,511
Total capital assets, not being depreciated	1,006,985	303,938	(226,055)	1,084,868
Capital assets, being depreciated				
Thruway System	12,062,237	212,745	(9,478)	12,265,504
Equipment	269,174	21,328	(7,772)	282,730
Leased assets	6,797	-	(525)	6,272
Total capital assets, being depreciated	12,338,208	234,073	(17,775)	12,554,506
Less accumulated depreciation for				
Thruway System	(5,659,323)	(318,014)	1,194	(5,976,143)
Equipment	(150,211)	(22,119)	6,918	(165,412)
Leased assets	(800)	(1,206)	525	(1,481)
Total accumulated depreciation	(5,810,334)	(341,339)	8,637	(6,143,036)
Net value of capital assets, being depreciated	6,527,874	(107,266)	(9,138)	6,411,470
Capital assets, net	$ 7,534,859	$ 196,672	$ (235,193)	$ 7,496,338

Note 3 - Capital Assets - Continued

	December 31, 2020 (Restated)	Additions (Restated)	Reductions (Restated)	December 31, 2021 (Restated)
Capital assets, not being depreciated				
Land and land improvements	$ 816,597	$ 2,531	$ (7)	$ 819,121
Construction in progress	190,513	283,560	(286,209)	187,864
Total capital assets, not being depreciated	1,007,110	286,091	(286,216)	1,006,985
Capital assets, being depreciated				
Thruway System	11,872,729	272,912	(83,404)	12,062,237
Equipment	268,302	24,697	(23,825)	269,174
Leased assets	847	6,272	(322)	6,797
Total capital assets, being depreciated	12,141,878	303,881	(107,551)	12,338,208
Less accumulated depreciation for				
Thruway System	(5,355,555)	(387,179)	83,411	(5,659,323)
Equipment	(150,615)	(22,321)	22,725	(150,211)
Leased assets	-	(1,122)	322	(800)
Total accumulated depreciation	(5,506,170)	(410,622)	106,458	(5,810,334)
Net value of capital assets, being depreciated	6,635,708	(106,741)	(1,093)	6,527,874
Capital assets, net	$ 7,642,818	$ 179,350	$ (287,309)	$ 7,534,859

Depreciation and amortization expense related to capital assets was $341,339,000 and $410,622,000 for the years ended December 31, 2022 and 2021, respectively. The Authority periodically reviews and, when deemed necessary, adjusts the estimated useful lives of its capital assets.

The Authority monitors events and circumstances that cause significant and unexpected declines to the useful life of capital assets. When required, a loss is recognized to reduce the carrying value of an impaired capital asset. Impairment loss is reflected as a component of depreciation expense.

Note 4 - Restricted Assets

Restricted assets are established pursuant to bond resolutions and other agreements and are classified as current or non-current based upon the underlying restrictions. Restricted assets are comprised of the following as of December 31, 2022 and 2021 (in thousands):

	2022	2021 (Restated)
Restricted current		
Cash and cash equivalents	$ 272,481	$ 248,397
Investments	14,025	61,047
Interest receivable	109	478
Receivables	-	3,147
Total	286,615	313,069

Note 4 - Restricted Assets - Continued

	2022	2021
Restricted non-current		
Cash and cash equivalents	323,390	377,767
Investments	309,270	391,992
Interest receivable	-	109
Receivables	833	1,015
Prepaid items	2,568	3,031
Total	636,061	773,914
Total restricted assets	$ 922,676	$ 1,086,983

Senior Debt Service Fund: Established to receive funds from Authority revenues to make periodic payments of interest and principal. Amounts held in this restricted fund at December 31, 2022 and 2021 were $187,585,000 and $175,313,000, respectively.

Senior Debt Service Reserve Fund: Established to retain funds equal to the maximum amount of aggregate debt service for any twelve-month period on all outstanding General Revenue Bonds secured by the Senior Debt Service Reserve Fund. Amounts held in this restricted fund at December 31, 2022 and 2021 were $216,392,000 and $216,009,000, respectively.

Construction Fund: Established to hold moneys paid into it from the sale of bonds and notes to pay for costs of the “Facilities” and “Other Authority Projects” as defined in the bond resolutions. Amounts remaining upon completion or abandonment of such projects is required to be transferred to other funds in accordance with the terms outlined in the bond resolutions. Amounts held in this restricted fund at December 31, 2022 and 2021 were $159,920,000 and $432,132,000, respectively.

Reserve Maintenance Fund: Established to hold funds required to be deposited each year into the Reserve Maintenance Fund. Funds held in the Reserve Maintenance Fund can be disbursed for specific costs relating to the “Facilities,” as defined in the bond resolution and certain highway and railroad grade crossings. Amounts held in this restricted fund at December 31, 2022 and 2021 were $227,767,000 and $84,648,000, respectively.

Junior Indebtedness Fund: Established to hold moneys received from the sale of Junior Indebtedness Obligations and Authority revenues received for debt service purposes. Amounts in the Junior Indebtedness Fund are used to: 1) fund the Facilities Capital Improvement Fund for a portion of the cost of the Authority’s New NY Bridge Project as defined in the Junior Indebtedness Bond Resolution; 2) fund certain debt service payments on the Series 2016A and Series 2019B Junior Indebtedness Obligations; and 3) satisfy the Junior Indebtedness Debt Service Reserve requirements on the Series 2016A and Series 2019B Junior Indebtedness Obligations. Amounts held in this restricted fund at December 31, 2022 and 2021 were $118,033,000 and $162,711,000, respectively.

Facilities Capital Improvement Fund: Established to hold funds determined to be necessary or appropriate by the Authority Board to fund project costs of facilities or to set up reserves to fund such costs. The Authority has elected to use this fund to hold certain revenues, debt proceeds, and other monies dedicated to the Governor Mario M. Cuomo Bridge. Amounts held in this restricted fund at December 31, 2022 and 2021, were $10,976,000 and $14,036,000, respectively.

Note 4 - Restricted Assets - Continued

Commercial Charge Surety Account: Established to receive cash surety deposits from Commercial Charge Account customers which are to be used only if the customer does not meet their obligations under the Commercial Charge Account Credit Agreement. Amounts held in the account at December 31, 2022 and 2021 were $2,003,000 and $2,133,000, respectively.

Note 5 - Long-Term Liabilities

The Authority's bond indebtedness and other long-term liabilities at December 31, 2022 and 2021, are comprised of the following obligations (in thousands):

	Date of Issuance	December 31, 2021 Balance (Restated)	Additions	Reductions	December 31, 2022 Balance	Due Within One Year
General revenue bonds						
2012 Series I	7/12	$ 26,810	$ -	$ (26,810)	$ -	$ -
2014 Series J	2/14	593,140	-	(16,145)	576,995	16,940
2014 Series K	12/14	686,810	-	(28,040)	658,770	29,395
2018 Series L	3/18	492,215	-	(33,010)	459,205	57,245
2019 Series M	10/19	857,625	-	-	857,625	-
2020 Series N	3/20	450,000	-	-	450,000	-
2021 Series O	10/21	549,480	-	-	549,480	9,390
Unamortized bond premiums		322,183	-	(29,732)	292,451	31,829
General revenue bonds and unamortized premiums		3,978,263	-	(133,737)	3,844,526	144,799
Junior indebtedness obligations and notes						
Series 2016 A	5/16	849,750	-	(250)	849,500	250
Series 2019 B	10/19	1,692,665	-	(1,090)	1,691,575	1,140
Unamortized bond premiums		268,847	-	(12,628)	256,219	12,623
Junior indebtedness obligations and unamortized premiums		2,811,262	-	(13,968)	2,797,294	14,013
Total bonds and unamortized premiums		$ 6,789,525	$ -	$ (147,705)	$ 6,641,820	$ 158,812
Other long-term liabilities						
Postemployment benefit obligation		$ 1,418,155	$ 116,075	$ (36,279)	$ 1,497,951	$ -
Net pension liability		467	-	(467)	-	-
Compensated absences		9,662	-	(578)	9,084	-
Lease liability		6,080	-	(1,037)	5,043	921
Environmental remediation		8,685	12,479	-	21,164	11,880
Asset retirement obligations		4,230	-	-	4,230	230
Total other long-term liabilities		$ 1,447,279	$ 128,554	$ (38,361)	$ 1,537,472	$ 13,031

Note 5 - Long-Term Liabilities - Continued

	Date of Issuance	December 31, 2020 Balance (Restated)	Additions (Restated)	Reductions (Restated)	December 31, 2021 Balance (Restated)	Due Within One Year (Restated)
General revenue bonds						
2012 Series I	7/12	$ 177,940	$ -	$ (151,130)	$ 26,810	$ 26,810
2014 Series J	2/14	608,495	-	(15,355)	593,140	16,145
2014 Series K	12/14	713,570	-	(26,760)	686,810	28,040
2018 Series L	3/18	530,265	-	(38,050)	492,215	33,010
2019 Series M	10/19	857,625	-	-	857,625	-
2020 Series N	3/20	450,000	-	-	450,000	-
2021 Series O	10/21	-	549,480	-	549,480	-
Unamortized bond premiums		262,790	98,966	(39,573)	322,183	29,732
General revenue bonds and unamortized premiums		3,600,685	648,446	(270,868)	3,978,263	133,737
Junior indebtedness obligations and notes						
Series 2016 A	5/16	850,000	-	(250)	849,750	250
Series 2019 B	10/19	1,693,245	-	(580)	1,692,665	1,090
Unamortized bond premiums		281,479	-	(12,632)	268,847	12,628
Junior indebtedness obligations and unamortized premiums		2,824,724	-	(13,462)	2,811,262	13,968
Total bonds and unamortized premiums		$ 6,425,409	$ 648,446	$ (284,330)	$ 6,789,525	$ 147,705
Other long-term liabilities						
Postemployment benefit obligation		$ 1,181,202	$ 270,671	$ (33,718)	$ 1,418,155	$ -
Net pension liability		131,698	-	(131,231)	467	-
Compensated absences		9,597	65	-	9,662	-
Lease liability		792	5,854	(566)	6,080	1,043
Environmental remediation		4,260	4,425	-	8,685	8,685
Asset retirement obligations		4,230	-	-	4,230	230
Total other long-term liabilities		$ 1,331,779	$ 281,015	$ (165,515)	$ 1,447,279	$ 9,958

No other long-term liabilities were due within one year at December 31, 2022.

The debt service requirements for the Authority's senior bonds as of December 31, 2022 are as follows (in thousands):

Due	Principal	Interest	Total
2023	$ 112,970	$ 146,210	$ 259,180
2024	126,545	140,567	267,112
2025	137,085	134,626	271,711
2026	152,000	128,144	280,144
2027	159,600	121,113	280,713
2028-2032	872,115	493,661	1,365,776
2033-2037	815,495	307,607	1,123,102
2038-2042	640,185	166,271	806,456
2043-2047	314,585	66,180	380,765
2048-2051	221,495	12,619	234,114
Unamortized premiums	292,451	-	292,451
	$ 3,844,526	$ 1,716,998	$ 5,561,524

Note 5 - Long-Term Liabilities - Continued

The debt service requirements for the Authority's junior indebtedness obligations as of December 31, 2022 are as follows (in thousands):

Due	Principal	Interest	Total
2023	$ 1,390	$ 107,307	$ 108,697
2024	1,450	107,239	108,689
2025	3,260	107,122	110,382
2026	5,325	106,908	112,233
2027	7,390	106,590	113,980
2028-2032	143,765	513,579	657,344
2033-2037	226,890	477,040	703,930
2038-2042	524,405	393,447	917,852
2043-2047	611,625	277,221	888,846
2048-2052	741,710	140,690	882,400
2053-2056	273,865	22,790	296,655
Unamortized premiums	256,219	-	256,219
	$ 2,797,294	$ 2,359,933	$ 5,157,227

<u>General Revenue Bonds - Series I (Series I Bonds):</u> During July 2012, the Authority issued $1,122,560,000 in Series I Bonds which provided funds to: (1) retire $868,045,000 in General Revenue Bond Anticipation Notes - Series 2011A; (2) fund a portion of the Authority's Multi-Year Capital Plan; (3) make a deposit to the Senior Debt Service Reserve Fund; and (4) pay bond issuance costs.

The Series I Bonds were partially refunded by the General Revenue Bonds Series M in 2019 and Series O in 2021, and the remaining balance was paid off in 2022.

<u>General Revenue Bonds - Series J (Series J Bonds)</u>: During February 2014, the Authority issued $677,460,000 in Series J Bonds which provided funds to: (1) fund a portion of the Authority's Multi-Year Capital Plan; (2) provide funds to refund a portion of the Authority's General Revenue Bonds, Series F and General Revenue Bonds, Series G (for a net present value savings of $19,184,000); (3) make a deposit to the Senior Debt Service Reserve Fund; and (4) pay bond issuance costs.

The Series J Bonds are comprised of both Serial Bonds and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2022, are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2023 - 2036	$ 426,475
Term Bonds	5.00%	2041	87,235
Term Bonds	4.625%	2044	63,285
			$ 576,995

Note 5 - Long-Term Liabilities - Continued

Principal payments under the Series J Serial Bonds began in 2015. The Series J Term Bonds require sinking fund installments in 2037 through 2044, in amounts ranging from $15,790,000 to $22,055,000 annually. The Series J Bonds maturing on or after January 1, 2025, are callable at the option of the Authority, in whole or in part, beginning January 1, 2024, at par plus accrued interest.

General Revenue Bonds - Series K (Series K Bonds): During December 2014, the Authority issued $743,865,000 in Series K Bonds which provided funds to: (1) refund a portion of the Authority's General Revenue Bonds, Series F, Series G and Series I (for a net present value savings of $101,044,000); and (2) pay bond issuance costs.

The Series K Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2022, are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.25% to 5.00%	2023 - 2032	$ 658,770

Principal payments under the Series K Serial Bonds began in 2019. The Series K Bonds maturing on or after January 1, 2026, are callable at the option of the Authority, in whole or in part, beginning January 1, 2025, at par plus accrued interest.

General Revenue Refunding Bonds - Series L (Series L Bonds): During March 2018, the Authority issued $596,220,000 of Series L Bonds to: (1) refund the Authority's outstanding General Revenue Bonds, Series H (for a net present value savings of $83,145,000) and (2) pay bond issuance costs.

The Series L Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2022 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2023 - 2037	$ 459,205

Principal payments under the Series L Bonds began in 2019. Series L Bonds maturing on or after January 1, 2029, are callable at the option of the Authority, in whole or in part, beginning January 1, 2028, at par plus accrued interest.

General Revenue Bonds - Series M – Federally Taxable (Series M Bonds): During October 2019, the Authority issued $857,625,000 of Series M Bonds to: (1) provide funds to refund certain amounts of the Authority's outstanding Series I Bonds (for a net present value savings of $92,477,000); and (2) pay bond issuance costs.

Note 5 - Long-Term Liabilities - Continued

The Series M Bonds are comprised of Serial Bonds and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2022 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	2.12% to 2.55%	2024 - 2028	$ 133,500
Term Bonds	2.90%	2035	380,030
Term Bonds	3.50%	2042	344,095
			$ 857,625

Principal payments under the Series M Bonds begin in 2024. Series M Term Bonds require sinking fund installments in 2031 through 2042, in amounts ranging from $42,800,000 to $102,235,000 annually. Series M Bonds maturing on or prior to January 1, 2035 are callable at the option of the Authority, in whole or in part, subject to make whole redemption provisions. Series M Bonds maturing on January 1, 2042, are: (i) callable at the option of the Authority, in whole or in part, prior to January 1, 2030, subject to make whole redemption provisions; and (ii) callable at the option of the Authority, in whole or in part, on or after January 1, 2030 at par plus accrued interest.

<u>General Revenue Refunding Bonds - Series N (Series N Bonds):</u> During March 2020, the Authority issued $450,000,000 of Series N Bonds to: (1) fund a portion of the Authority's Multi-Year Capital Program; (2) make a deposit to the Senior Debt Service Reserve Fund; (3) fund capitalized interest on the Series N Bonds; and (4) pay bond issuance costs.

The Series N Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2022 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2033 - 2050	$ 450,000

Principal payments under the Series N Bonds begin in 2033. Series N Bonds maturing on or after January 1, 2033, are callable at the option of the Authority, in whole or in part, beginning January 1, 2030, at par plus accrued interest.

<u>General Revenue Refunding Bonds - Series O (Series O Bonds):</u> During October 2021, the Authority issued $549,480,000 of Series O Bonds to: (1) fund a portion of the Authority's Multi-Year Capital Program; (2) make a deposit to the Senior Debt Service Reserve Fund; (3) fund capitalized interest on the Series O Bonds; (4) refund certain amounts of the Authority's outstanding Series I Bonds (for a net present value savings of $20,386,000); and (5) pay bond issuance costs.

Note 5 - Long-Term Liabilities - Continued

The Series O Bonds are comprised of Serial Bonds with varying rates and maturities. The amounts outstanding at December 31, 2022 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2023 - 2051	$ 549,480

Principal payments under the Series O Bonds begin in 2033. Series O Bonds maturing on or after January 1, 2033, are callable at the option of the Authority, in whole or in part, beginning July 1, 2031, at par plus accrued interest.

General Revenue Senior Bonds - Revenue Pledge and Security: The General Revenue Bonds (Series J through O) are all direct obligations of the Authority, secured by a pledge of tolls and other revenue as established under the Bond Resolution. In accordance with the Bond Resolution, a Senior Debt Service Reserve Fund was established to be funded with cash and/or surety in an amount equal to the maximum aggregate debt service for any 12-month period. At both December 31, 2022 and 2021, the Senior Debt Service Reserve Fund, which may be used should amounts in the Senior Debt Service Fund be insufficient to pay debt service payments, was fully funded.

General Revenue Junior Indebtedness Obligations (JIO) - Series 2016A (Series 2016A JIO's): During May 2016, the Authority issued $850,000,000 of Series 2016A Junior Indebtedness Obligations to: (1) fund a portion of the cost of the Authority's New NY Bridge Project; (2) pay capitalized interest on the Series 2016A JIO's; (3) make a deposit to the Series 2016A Subaccount of the Junior Indebtedness Debt Service Reserve Account; and (4) pay the costs of issuance.

The Series 2016A JIO's are comprised of both Serial and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2022 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	4.00% to 5.00%	2023 - 2038	$ 190,165
Term Bonds	5.00%	2041	71,830
Term Bonds	5.00%	2046	145,745
Term Bonds	4.00% to 5.00%	2051	184,960
Term Bonds	4.00% to 5.25%	2056	256,800
			$ 849,500

Series 2016A JIO Term Bonds require sinking fund installments in 2041 through 2056, in amounts ranging from $10,000,000 to $39,345,000 annually. Series 2016A JIO's maturing on or after January 1, 2027, are callable at the option of the Authority, in whole or in part, beginning January 1, 2026, at par plus accrued interest.

Note 5 - Long-Term Liabilities - Continued

General Revenue Junior Indebtedness Obligations (JIO) - Series 2019B: During October 2019, the Authority issued $1,693,245,000 of Series 2019B Junior Indebtedness Obligations to: (1) refund the outstanding General Revenue Junior Indebtedness Obligations, Series 2013B (TIFIA Loan), (2) fund or reimburse approximately $75,000,000 of costs related to the Authority's New NY Bridge Project, (3) fund capitalized interest on the Series 2019B Junior Indebtedness Obligations, (4) purchase a Reserve Credit Facility for the Series 2019B Subaccount of the Junior Indebtedness Debt Service Reserve Account, and (5) pay bond issuance costs incurred in connection with the issuance of the Series 2019B Junior Indebtedness Obligations, including the premium on an insurance policy for certain maturities of the Series 2019B Junior Indebtedness Obligations.

The Series 2019B JIO's are comprised of both Serial and Term Bonds with varying rates and maturities. The amounts outstanding at December 31, 2022 are as follows:

Type	Rates	Maturity	Amount (in thousands)
Serial Bonds	3.00% to 5.00%	2023 - 2046	$ 436,675
Term Bonds	4.00%	2041	75,855
Term Bonds	4.00%	2045	330,685
Term Bonds	3.00%	2046	96,505
Term Bonds	4.00%	2050	410,945
Term Bonds	3.00% to 4.00%	2053	340,910
			$ 1,691,575

Series 2019B JIO's Term Bonds require sinking fund installments in 2040 through 2053, in amounts ranging from $10,000,000 to $109,045,000 annually. Series 2019B JIO's maturing on or after January 1, 2031, are callable at the option of the Authority, in whole or in part, beginning January 1, 2030, at par plus accrued interest.

The Authority's General Revenue Junior Indebtedness Obligations are subordinate to the Authority's General Revenue Bonds.

The Authority has defeased certain obligations under financing arrangements whereby proceeds of new obligations were placed in irrevocable trusts to provide all future debt service payments on the defeased obligations. At December 31, 2022, no such defeased obligations were outstanding. The assets and liabilities related to defeased obligations are not reported in the accompanying financial statements.

Note 6 - Short-Term Debt

The Authority had no short-term debt at December 31, 2022 and 2021.

JP Morgan Chase Revolving Credit Agreement: During June 2020, the Authority entered into a Revolving Credit Agreement with JP Morgan Chase that provided the Authority with a revolving credit line of up to $125 million through June 2021. In 2020, the Authority drew $50 million of tax-exempt proceeds from this line of credit. These proceeds were used to partially fund an escrow to defease a portion of General Revenue Bond interest due on July 1, 2020. During June 2021, the Authority extended the Revolving Credit Agreement for a period of 120 days. During August 2021, the Authority paid the outstanding balance of $50 million and terminated the Revolving Credit Agreement.

Note 6 - Short-Term Debt - Continued

Royal Bank of Canada Noteholder's Agreement: During October 2020, the Authority entered into a Noteholder's Agreement with the Royal Bank of Canada (RBC) that provided the Authority with the ability to sell short term notes to RBC in amounts not to exceed $100 million in combined notes outstanding. No notes were sold, and the agreement was terminated in October 2022.

Note 7 - Special Bond Programs

The Authority's special bond programs, and the related projects and activities, are entirely separate from the Authority's financing, operation, and maintenance of the Thruway System. As such, these special bond programs are not reflected in the accompanying financial statements. The special bond programs require varying debt service payments which are funded under contractual agreements with the State of New York. The obligation of the State to make such payments is subject to, and dependent upon, annual appropriations by the State Legislature. These bond programs, however, result in no cost to the Authority and provide for no lien on Authority revenues or assets. The Authority is an authorized issuer of the following special bond programs: Local Highway and Bridge Service Contract Bonds, Highway and Bridge Trust Fund Bonds, State Personal Income Tax Revenue Bonds and State Sales Tax Revenue Bonds. The Authority has yet to issue State Sales Tax Revenue Bonds.

The following describes the Authority's outstanding debt under the special bond programs:

Highway and Bridge Trust Fund Bond Program - The Legislature of the State of New York empowered the Authority to issue Highway and Bridge Trust Fund Bonds to reimburse the State for expenditures made by the State's Department of Transportation in connection with the State's Multi-Year Highway and Bridge Capital Program. The Authority did not issue Highway and Bridge Trust Fund Bonds in 2022 or 2021. The Authority receives funds from New York State for debt service on these bonds and related administrative costs. Bonds outstanding under this program were $222,830,000 and $587,100,000 at December 31, 2022 and 2021, respectively.

State Personal Income Tax Revenue Bonds - The Legislature of the State of New York empowered the Authority to issue Personal Income Tax (PIT) Revenue Bonds to provide funds to municipalities and other project sponsors throughout the State for qualifying local highway, bridge, and multi-modal capital project expenditures under established State programs. In July 2022, the Authority issued $2,169,905,000 of State Personal Income Tax Revenue Bonds, Series 2022AB. The State Personal Income Tax Revenue Bonds, Series 2022A were issued to: (1) finance, refinance or reimburse all or a portion of the costs of certain programs and projects within the State; (2) refinance certain State-supported debt previously issued by the Authority; (3) repay certain obligations relating to the Power Authority of the State of New York (PASNY) energy efficiency program, and (4) pay certain costs relating to the issuance. The State Personal Income Tax Revenue Bonds, Series 2022B were issued to; (1) repay certain obligations relating to PASNY's energy efficiency program, and (2) pay certain costs related to the issuance. The Series 2022AB issuance included the refunding of $319,510,000 in previously issued Authority bonds for a present value savings of $34,392,000 for the State. The Authority receives funds from New York State for debt service on these bonds and related administrative costs. Additionally, in July 2022, the Authority issued $732,305,000 of State Personal Income Tax Revenue Green Bonds, Series 2022C. The State Personal Income Tax Revenue Green Bonds, Series 2022C were issued to: (1) finance, refinance or reimburse all or a portion of the costs of transportation projects for the MTA, and (2) pay certain costs relating to the issuance of the Series 2022C Bonds. The Authority receives funds from New York State for debt service on these bonds and related administrative costs. Bonds outstanding under this program were $5,013,855,000 and $2,146,600,000 at December 31, 2022 and 2021, respectively.

Note 8 - Retirement Benefits

a. Plan Description and Benefits Provided

The Authority participates in the New York State and Local Employees' Retirement System (ERS), which is a cost-sharing multiple-employer, public employee retirement system. ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from ERS at www.osc.state.ny.us/retire.

ERS provides retirement, disability, and death benefits for eligible members, including an automatic cost of living adjustment. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

b. Contributions

Employees in ERS Tier I through IV are noncontributory except for employees with less than 10 years of service who contribute 3% of their salary, Tier V employees who contribute 3% of their salary, and Tier VI employees who contribute between 3% and 6% of their salary. The Comptroller annually certifies the rates, expressed as proportions of payroll of members, which are used in computing the contributions required to be made by employers. The Authority's contributions for the preceding ten years can be found in the schedule of pension contributions on page 54.

c. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Authority reported liabilities (assets) of $(36,962,000) and $467,000 at December 31, 2022 and 2021, respectively. The net pension liability (asset) was measured as of March 31, 2022 and 2021, respectively, and the total pension liability was determined by actuarial valuations as of April 1, 2021 and 2020, respectively. The proportion of the net pension liability (asset) was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contribution for the fiscal year ended on the measurement dates. The Thruway Authority's proportionate share was 0.45% and 0.47% as of March 31, 2022 and 2021, respectively.

The Authority recognized pension expense of $2,832,000 and $11,930,000 for the years ended December 31, 2022 and 2021, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources for 2022 and 2021 as follows (in thousands):

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 2,799	$ 3,631	$ 5,709	$ -
Changes of assumptions	61,685	1,041	85,949	1,621
Net differences between projected and actual investment earnings on pension plan investments	-	121,035	-	134,279
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,891	3,908	5,071	3,663
Authority contributions subsequent to the measurement date	14,915	-	22,855	-
Totals	$ 84,290	$ 129,615	$ 119,584	$ 139,563

Note 8 - Retirement Benefits - Continued

c. Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – Continued

Authority contributions subsequent to the measurement date are recognized as an adjustment of the net pension liability (asset) in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Year ending December 31,		
2023	$	(8,531)
2024		(13,681)
2025		(31,591)
2026		(6,437)
Total	$	(60,240)

d. Actuarial Assumptions

The pension liabilities at March 31, 2022 and 2021 were determined by using actuarial valuations as of April 1, 2021 and April 1, 2020, respectively, with updated procedures used to roll forward the total pension liability to March 31, 2022 and March 31, 2021. The actuarial valuation used the actuarial experience study for the period April 2015 – March 2020 and the following actuarial assumptions, which were consistent from year to year, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Inflation rate	2.7 percent
Salary scale	4.4 percent, indexed by service (2022) 4.2 percent, indexed by service (2021)
Investment rate of return, including inflation	5.9 percent compounded annually, net of expenses
Cost of living adjustment	1.4 percent
Decrement	Based on FY 2015-2020 experience
Mortality improvement	Society of Actuaries Scale MP-2020

The long-term expected rate of return on ERS's pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 8 - Retirement Benefits - Continued

e. Investment Asset Allocation

Best estimates of arithmetic real rates of return for each major asset class and ERS's target asset allocation as of the applicable valuation dates are summarized as follows:

Asset Type	Target Allocation	Long-Term Expected Real Rate
Domestic equity	32.0%	3.3%
International equity	15.0%	5.9%
Private equity	10.0%	6.5%
Real estate	9.0%	5.0%
Fixed income	23.0%	0.0%
Other	11.0%	(1.0)-5.9%
	100.0%	

f. Discount Rate

The discount rate projection of cash flows assumed that contributions from members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, ERS's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Sensitivity of the Proportionate Share of the Net Pension Liability (Asset) to the Discount Rate Assumption

The following presents the Authority's proportionate share of the net pension liability (asset) calculated using the discount rate of 5.9% and the impact of using a discount rate that is 1% higher or lower than the current rate (in thousands):

	1% Decrease (4.90%)	Current Discount (5.90%)	1% Increase (6.90%)
Authority's proportionate share of the net pension liability (asset)	$ 95,140	$ (36,962)	$ (147,459)

Note 8 - Retirement Benefits - Continued

h. Pension Plan Fiduciary Net Position

The components of the current-year net pension liability (asset) of the New York State and Local Employees' Retirement System as of March 31, 2022 and 2021 respectively, were as follows (amounts in thousands):

	2022	2021
Employers' total pension liability	$ 223,874,888	$ 220,680,157
Plan net position	(232,049,473)	(220,580,583)
Employers' net pension liability (asset)	$ (8,174,585)	$ 99,574
Ratio of plan net position to the employers' total pension liability	103.7%	99.9%

Note 9 - Deferred Compensation Plan

The Authority participates in the New York State Deferred Compensation Plan (Plan). The plan is a 457(b) retirement plan which is administered by New York State. The Authority does not have any authority to amend or abolish the Plan provisions, and the Authority does not make contributions to the Plan.

Note 10 - Other Postemployment Benefits

The Authority reports in its financial statements the financial impact of other postemployment benefits (OPEB), principally employer funded health care and death benefits which the Authority provides for retired employees. Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the Authority.

A summary of participants used to value the Authority's OPEB liability is as follows:

Actives	1,679
Vestees	1
Retirees (includes surviving spouse and disabled)	2,526
Total	4,206

Note 10 - Other Postemployment Benefits - Continued

Plan Description and Benefits Provided

The Authority participates, pursuant to the provisions of Section 163(4) of the New York State Civil Service Law, in the New York State Health Insurance Program (NYSHIP), an Agent Multiple-Employer plan. NYSHIP is administered through the Department of Civil Service, and the Authority pays the cost of administration.

NYSHIP does not issue a standalone financial report since there are no assets legally segregated for the sole purpose of paying benefits under the plan. Certain retiree costs, described below, are first applied against the value of the retiree's existing sick leave bank balance. A plan summary follows:

a. Plan Types

Medical – New York State Health Insurance Program which includes participation in various insurance plans and HMOs, and which also includes drug coverage. Details may be found in the Summary Program Description of the New York State Health Insurance Program Booklet.

Medicare Part B Reimbursement – The Authority reimburses the retiree and his/her Medicare eligible spouse for the Medicare Part B premium.

b. Eligibility

To be eligible, an employee must: (1) retire as a member of the New York State Employees' Retirement System or be at least 55 years old at time of termination; (2) be enrolled in the NYSHIP on date of retirement; and (3) complete at least five years of service for the retiree and dependent to have coverage while the employee is living. Ten years of service are needed for continued dependent coverage upon death of the employee.

c. Benefit/Cost Sharing

The Authority pays 94% (100% for those employees retired prior to April 1, 1991) of the premium for coverage of the retired employee and 75% of the additional premium for the dependent coverage. The premium paid by the Authority is based on the Empire Plan, one of the options available to retirees under the NYSHIP. If a retiree elects for another plan offered under the NYSHIP, the retiree is responsible for costs that exceed the amount of the Empire Plan premium.

d. Survivor Benefit

$3,000 payable to retiree's designated beneficiary.

e. Funding Policy

The Authority contributes to the plan to satisfy obligations on a pay-as-you-go basis. For the years ended December 31, 2022 and 2021, the Authority paid $36,279,000 and $33,718,000 respectively, on behalf of retirees.

Note 10 - Other Postemployment Benefits - Continued

e. Funding Policy - Continued

Net OPEB Liability

The total OPEB liability for the Authority's years ended December 31, 2022 and December 31, 2021 were measured as of December 31, 2021 and December 31, 2020, respectively, using an actuarial valuation date of September 1, 2021 adjusted to the measurement date.

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	
December 31, 2021 measurement date	1.84 percent
December 31, 2020 measurement date	2.00 percent
Annual payroll growth rate	2.20 percent
Healthcare cost trend rates	Society of Actuaries Long Term Medical Trend Model, updated November 2021
Mortality rates	Recommended Actuarial Assumptions for New York State for Other Post-Employment Benefit Plan Actuarial Valuations, updated August 2020

Actuarial valuations involve estimates and assumptions about the probability of events far into the future and are subject to continual revisions as actual results are compared to past expectations and new estimates are made about the future. These calculations are designed to reduce short-term volatility in actuarial accrued liabilities. Projected benefits are based on the types of benefits provided at the time of each valuation and on the cost, sharing provisions then in effect.

Changes in the Net OPEB Liability (in thousands)

	2022	2021
Balance, beginning of year	$ 1,418,155	$ 1,181,202
Changes for the year		
Service cost	46,835	41,110
Interest	28,000	32,037
Benefit payments	(36,279)	(33,718)
Change in assumptions and other inputs	41,240	197,524
Net changes	79,796	236,953
Balance, end of year	$ 1,497,951	$ 1,418,155

Note 10 - Other Postemployment Benefits - Continued

e. Funding Policy - Continued

Changes in the Net OPEB Liability (in thousands) - Continued

Sensitivity of the OPEB liability to changes in the discount rate: The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current discount rate (in thousands):

	1% Decrease (0.84%)	Current Discount (1.84%)	1% Increase (2.84%)
Postemployment benefit obligation	$ 1,796,506	$ 1,497,951	$ 1,264,533

Sensitivity of the OPEB liability to changes in the healthcare cost trend rates: The following presents the net OPEB liability of the Authority, as well as what the Authority's net OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease (2.94%)	Current Medical Trend Rate (3.94%)	1% Increase (4.94%)
Postemployment benefit obligation	$ 1,247,271	$ 1,497,951	$ 1,825,558

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The Authority recognized OPEB expense of $156,103,000 and $144,104,000 for the years ended December 31, 2022 and 2021, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources at December 31, 2022 and 2021 related to OPEB as follows (in thousands):

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 5,046	$ -	$ 8,071	$ -
Changes of assumptions	190,217	29,484	256,703	58,968
Totals	$ 195,263	$ 29,484	$ 264,774	$ 58,968

Amounts reported as deferred outflows of resources and deferred inflows of resources related to the OPEB liability will be recognized as expense as follows (in thousands):

Year ending December 31,	
2023	$ 63,494
2024	91,975
2025	10,310
Total	$ 165,779

Note 11 - Leases

The Authority implemented GASB 87 and GASB 94 for the year beginning January 1, 2021 (Note 1t). Lease receivables and lease liabilities were discounted to the later of the effective date of the lease or January 1, 2021. Leases with an effective date on or before March 31, 2022, were discounted using an interest rate of 2.78% and leases with an effective date after March 31, 2022 were discounted using an interest rate of 4.50%. The rates approximated the Authority's cost of borrowing during the two-year period from January 1, 2021 to December 31, 2022.

Lessor agreements

In 2021, the Authority entered into a 33-year public-private partnership agreement with Empire State Thruway Partners, LLC (Empire) for the design, construction, finance, operation, and maintenance of the Authority's 27 Service Areas. Under the terms of the agreement, Empire will invest approximately $300 million to rebuild 23 of the 27 service area restaurant buildings and perform significant renovations to the remaining four. Additionally, over the life of the agreement Empire will invest another $99 million into future renovations and improvements to the buildings. Commencing with the re-opening of each new restaurant building Empire is required to pay rent calculated as a percentage of gross sales, subject to a guaranteed annual minimum per location. Guaranteed rent over the term of the agreement is approximately $51 million.

This agreement coincided with the Authority concluding leases with McDonalds Corporation (ended December 2022), Delaware North Corporation (ended July 2021) and HMS Host Corporation (ended July 2021) the previous operators of the service area restaurants.

As of December 31, 2022, the Authority has twelve irrevocable agreements for the use of its fiber optic system with remaining terms ranging from three to twenty-three years; and two active leases for the operation of fueling stations with remaining terms of approximately four years.

For the year's ended December 31, 2022 and December 31, 2021, the Authority recognized $11.7 million and $6.6 million, respectively, in lease revenue and $2.8 million and $1.1 million, respectively, in lease interest revenues. For the year's ended December 31, 2022 and December 31, 2021 variable leases revenues of $0.3 million and $0.5 million, respectively, were reported as a component of lease revenue. Future payments due to the Authority are as follows for the years ending December 31st (in thousands):

Years Ending December 31,	Revenue	Interest	Total
2023	$ 11,886	$ 3,844	$ 15,730
2024	11,886	3,684	15,570
2025	11,863	3,498	15,361
2026	11,675	3,298	14,973
2027	8,902	3,089	11,991
2028-2032	39,212	13,167	52,379
2033-2037	33,078	9,309	42,387
2038-2042	28,903	4,671	33,574
2043-2047	4,789	2,330	7,119
2048-2052	4,678	1,227	5,905
2053-2057	1,403	102	1,505
Total	**$ 168,275**	**$ 48,219**	**$ 216,494**

Note 11 - Leases - Continued

Lessee Agreements

The Authority leases office space and space on communication towers for radio equipment. As of December 31, 2022 these leases have remaining terms of one to nine years. As of December 31, 2022 and December 31, 2021 the Authority's lease liability is $5.0 million and $6.1 million, respectively. Future rent obligations of the Authority are as follows for the years ending December 31st (in thousands):

Years Ending December 31,	Principal	Interest	Total
2023	$ 921	$ 128	$ 1,049
2024	778	104	882
2025	562	85	647
2026	452	72	524
2027	489	59	548
2028-2032	1,841	91	1,932
Total	**$ 5,043**	**$ 539**	**$ 5,582**

Note 12 - Contingencies, Commitments and Uncertainties

a. Governor Mario M. Cuomo Bridge Claims

In 2013, the Authority entered a $3.14 billion design-build contract with Tappan Zee Constructors, LLC (TZC) to replace the Tappan Zee Bridge. Both spans of the new Governor Mario M. Cuomo Bridge, the replacement of the Tappan Zee Bridge, are in service. Through December 31, 2022, contract change orders totaling $344.2 million have been approved, increasing the value of TZC's contract to $3.49 billion.

In 2018, TZC began submitting claims to the Authority in excess of their approved contract value and anticipated contract change orders and has supplemented these claims at various times since then. As of December 31, 2022, TZC alleges they are owed approximately $944.5 million, plus interest, in excess of their approved contract value and anticipated change orders. The claims submitted by TZC relate to issues of time and extra work. The Authority disputes these claims ("Dispute"). Pursuant to the design build contract, TZC's claims are subject to a non-binding contractual dispute resolution procedure consisting of a multi-tiered administrative review process which is ongoing. At the conclusion of the administrative review process, TZC may be entitled to pursue litigation in the New York State Court of Claims.

In February 2021, TZC filed a claim against the Authority in the New York State Court of Claims ("Claim") with respect to the Dispute. The Claim alleged that the Authority made multiple breaches of the contract between the parties. The Claim sought a declaration that the Authority breached the contract by its failure to render a determination on the Dispute within a reasonable time, and either: (a) impose a set time frame within which each decision maker set forth in the contract must take action on the Dispute and any other dispute; or (b) find that the Authority abandoned the contract's administrative dispute resolution process and allowing the claims set forth in the Claim to be heard in the Court of Claims. The Claim was voluntarily discontinued without prejudice by TZC in June 2021.

While the Authority cannot presently predict the outcome of this matter, the Authority believes it has meritorious defenses and positions with respect thereto. However, an adverse decision could significantly affect the Authority's financial position.

Note 12 - Contingencies, Commitments and Uncertainties - Continued

b. Other Claims and Litigation

The Authority is a party to various legal proceedings, including negligence suits, some of which involve death or serious injury. Many of these actions arise in the normal course of the Authority's operations. The Authority records accruals for claims liability to the extent that management concludes their occurrence is probable and the related damages are estimable. If the range of the liability is probable and estimable, the Authority accrues the amount most likely to be paid. If no single amount in the estimated range is more likely to be paid, the Authority accrues the lowest amount in the range.

The Authority's claims liability approximates $5.5 million at both December 31, 2022 and 2021.

In addition, there are claims where liability is not probable, but is possible and estimable. The estimated loss on these claims approximates a range of $38 million to $43 million at December 31, 2022, none of which has been accrued.

Certain other claims cannot be estimated as they involve complex issues. Often these issues are subject to substantial uncertainties and, therefore, the probability of loss or an estimation of damages cannot be determined.

c. Insurance

Loss of revenues is insured through a use and occupancy policy that covers any interruption in excess of 15 days. Property damage to bridges is insured through various policies from major insurance companies equal to the maximum probable loss from a single occurrence (with deductibles ranging from $5.0 million to $15.0 million). In addition, the Authority purchases insurance for workers' compensation benefits and various liability exposures.

The Authority is self-insured for property damage to substantially all buildings and vehicles. The Authority is also self-insured for third-party liability, including automobile liability. There are two funded reserves for these exposures, a $2.5 million insurance fund available to fund certain deductibles and a reserve for public liability claims, which currently totals $13.2 million.

Insurance for the Authority's service area facilities is provided by the concessionaires. The liability related to construction projects, tandem trailer operations, authorized garage operations, and similar risk is transferred through contractual indemnification and compliance with Authority insurance requirements.

d. Construction Commitments

At December 31, 2022, the amounts of remaining unexpended commitments for projects undertaken and the detail by type of contract are as follows:

Project	Commitments (in thousands)
Highway, bridge and facility, construction, and design	$ 441,000
Personal service and miscellaneous	583,100
Total	$ 1,024,100

Note 12 - Contingencies, Commitments and Uncertainties - Continued

e. Environmental Remediation

The Authority records in its financial statements a cost estimate for environmental remediation at numerous sites on Thruway Authority property which have been identified by the New York State Department of Environmental Conservation as locations where operational uses have contributed to various forms of environmental pollution. The estimated costs are developed by Authority engineers and remediation contractors based on the nature of remediation needed and review of comparable clean-up costs at similar sites. The estimates are updated annually to reflect payments made and changes to estimated future costs.

Estimating environmental remediation obligations requires that several assumptions be made. Project cost changes due to price fluctuations, changes in technology, changes in potential responsible parties, results of environmental studies, and other factors can result in revisions to these estimates.

In 2021 the Authority entered into a 33-year agreement with Empire State Thruway Partners, LLC (Empire) for the design, construction, finance, operation, and maintenance of the Authority's 27 Service Areas. Over the course of approximately four years beginning in 2021, Empire will rebuild 23 of the 27 service area restaurant buildings and perform significant renovations to the remaining four. Under the terms of the agreement the Authority is financially responsible for Regulated Site Condition costs consisting primarily of asbestos mitigation and soil remediation associated with the demolition of the existing service area restaurants. The estimated cost for these activities are included in the Authority's environmental remediation obligations.

The Authority has estimated its environmental remediation liabilities, net of expected recoveries from other responsible parties, to be $21,164,000 and $8,685,000 as of December 31, 2022 and December 31, 2021, respectively, and are included in accounts payable and accrued expenses within these financial statements.

f. Asset Retirement Obligations

The Authority records in its financial statement legally enforceable liabilities associated with the retirement of tangible capital assets. The Authority currently owns and operates seventeen wastewater treatment facilities. The retirement of these facilities is subject to rules and regulations established by the New York State Department of Environmental Conservation. The Authority has measured the estimated cost to comply with these rules and regulations using historical costs for similar work. The Authority retires wastewater treatment facilities when the opportunity arises to tie into municipal sewer systems. The estimated remaining life of the Authority's wastewater treatment facilities ranges between one to ten years. The Authority's liability for asset retirement obligations approximates $4,230,000 at both December 31, 2022 and 2021.

Note 13 - Accounting Standards Issued But Not Yet Implemented

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement provides guidance on the accounting and financial reporting of subscription-based information technology arrangements (SBITA) including the definition of a SBITA, establishment of a right-to-use subscription asset and related liability, providing capitalization criteria, and requiring note disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2022.

Note 13 - Accounting Standards Issued But Not Yet Implemented - Continued

GASB Statement No. 99, *Omnibus 2022.* This statement addresses a variety of topics. The requirements of this statement related to the extension of the use of LIBOR, accounting for Supplement Nutrition Assistance Program distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of the provisions of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments,* as amended, and terminology updates related to GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position,* were effective upon issuance of the statement in April 2022. The requirements of this statement related to leases, PPPs and SBITAs are effective for reporting periods beginning after June 15, 2022. The requirements of this statement related to financial guarantees and the classification of reporting of derivative instruments within the scope of GASB 53 are effective for reporting periods beginning after June 15, 2023.

GASB Statement No. 100, *Accounting Changes and Error Corrections.* The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and change to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting – understandability, reliability, relevance, timeliness, consistency, and comparability. This statement also addresses corrections of errors in previously issued financial statements. This statement prescribes the accounting and financial reporting for (1) each type of accounting changes and (2) error corrections. This statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements. This statement requires disclosures in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about quantitative effects of beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. Furthermore, this statement addresses how information that is affected by a change in accounting principle or error correction should be presented in required supplementary information and supplementary information. For periods that are earlier than those included in the basic financial statements, information presented as required supplementary information and supplementary information should be restated for error corrections, if practicable, but not for changes in accounting principles. The requirements of this statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Note 13 - Accounting Standards Issued But Not Yet Implemented - Continued

GASB Statement No. 101, *Compensated Absences.* This statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. The requirements of this statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

Management has not estimated the extent of the potential impact, if any, of these statements on the Authority's financial statements.

New York State Thruway Authority

(A Component Unit of the State of New York)

Required Supplementary Information
Schedule of Other Postemployment Benefits Liability
(in thousands of dollars)

	2022	2021	2020	2019	2018
Beginning of the year	$ 1,418,155	$ 1,181,202	$ 983,462	$ 1,083,760	$ 959,969
Changes for the year					
Service cost	46,835	41,110	30,884	35,341	29,485
Interest	28,000	32,037	35,921	35,398	35,993
Changes in assumptions and other inputs	41,240	197,524	161,417	(142,401)	88,866
Benefit payments	(36,279)	(33,718)	(30,482)	(28,636)	(30,553)
Net changes	79,796	236,953	197,740	(100,298)	123,791
End of year	$ 1,497,951	$ 1,418,155	$ 1,181,202	$ 983,462	$ 1,083,760
Covered payroll	127,500	128,800	138,700	140,500	146,100
OPEB liability as a percentage of covered payroll	1175%	1101%	852%	700%	742%

Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

See Independent Auditors Report

New York State Thruway Authority

(A Component Unit of the State of New York)

Required Supplementary Information
Schedule of the Proportionate Share of the Net Pension Liability/Asset
(in thousands of dollars)

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability (asset)	0.452157%	0.469449%	0.497338%	0.525726%	0.483932%	0.492207%	0.617656%	0.633266%
Proportionate share of the net pension liability (asset)	$ (36,962)	$ 467	$ 131,698	$ 37,249	$ 15,619	$ 46,249	$ 99,135	$ 21,393
Covered-employee payroll	128,050	142,482	149,775	155,806	148,206	141,550	164,506	173,658
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	(28.87)%	0.33%	87.93%	23.91%	10.54%	32.67%	60.26%	12.32%
Plan fiduciary net position as a percentage of total pension liability	103.7%	99.9%	86.4%	96.3%	98.2%	94.7%	90.7%	97.9%

The amounts presented for each fiscal year were determined as of March 31. Years prior to 2017 include the New York State Canal Corporation.
Schedule is intended to display ten years of information. Additional years will be displayed as they become available.

See Independent Auditors Report

New York State Thruway Authority
(A Component Unit of the State of New York)

Required Supplementary Information
Schedule of Pension Contributions
Years Ended December 31
(in thousands of dollars)

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	$ 14,915	$ 22,855	$ 21,249	$ 21,547	$ 22,454	$ 21,026	$ 24,795	$ 28,815	$ 30,537	$ 35,800
Contributions in relation to the contractually required contribution	14,915	22,855	21,249	21,547	22,454	21,026	24,795	28,815	30,537	35,800
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Authority's covered-employee payroll	127,094	128,368	147,187	150,638	157,528	145,099	163,041	164,994	176,546	174,784
Contributions as a percentage of covered-employee payroll	11.7%	17.8%	14.4%	14.0%	14.0%	14.0%	15.2%	17.5%	17.3%	20.5%

Years prior to 2017 include the New York State Canal Corporation.

See Independent Auditor's Report

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

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SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The following is a general summary of certain provisions of the Bond Resolution*. This summary is not to be considered a full statement of the terms of the Bond Resolution and, accordingly, is qualified by reference thereto and is subject to the full text thereof. Copies of the Bond Resolution are available at the office of the Authority.

Definitions

The following are definitions in summary form of certain terms contained in the Bond Resolution and used in this Official Statement:

"Accrued Debt Service" means, as of any date of calculation, the amount of Debt Service that has accrued with respect to any Series of Bonds, calculating the Debt Service that has accrued with respect to each Series of Bonds as an amount equal to the sum of (1) the interest on the Bonds of such Series that has accrued and is unpaid and that will have accrued by the end of the then current calendar month, including, to the extent not otherwise provided in a Supplemental Resolution, all net amounts due and payable by the Authority and all net amounts to accrue to the end of the then current calendar month pursuant to a Qualified Swap, Qualified Reverse Swap or Parity Reimbursement Obligation; and (2) that portion of the Principal Installments for such Series next due which would be accrued (if deemed to accrue in the manner set forth in the definition of "Debt Service") to the end of such calendar month; provided that the definition of Accrued Debt Service for any Series of Variable Interest Rate Bonds shall be set forth in the applicable Supplemental Resolution.

"Act" means the New York State Thruway Authority Act, Title 9 of Article 2 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State of New York, as it may be amended from time to time.

"Additional Bonds" means additional Series of Bonds authenticated and delivered on original issuance pursuant to the Bond Resolution.

"Additional Project" shall mean any Other Authority Project designated as an Additional Project by the Authority and in respect of which there has been submitted to the Trustee the documents required by the Bond Resolution and any New Interchange or New Extension; and once designated as an Additional Project, any subsequent Facility Capital Improvements related thereto. See "Additional Projects" hereinafter.

"Additional Project Revenues" means Revenues derived from Additional Projects. "Additional Project Revenues" shall not include the proceeds of any gifts, grants or other income to the Authority from the government of the United States or the State, any public instrumentality of the State or any other individual or entity, to the extent the Authority is precluded by law, the grant or other operative contract or instrument from applying such amounts to the general corporate purposes of the Authority.

"Aggregate Debt Service" means, for any period and as of any date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds then Outstanding.

"Authority Engineer's Certificate" means, in the sole discretion of the Authority, (i) an Independent Consultant's Certificate (delivered by an Independent Consultant that is a licensed

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* Omitted from this summary is mention of most of the provisions of the Bond Resolution respecting the Authority's "Guaranteed Bonds" (the last maturity of which was paid in 1995), "Prior General Revenue Bonds" (the outstanding balance of which was refunded in 1992 by the first issue of Bonds under the Bond Resolution) and the Restaurant Concession Bonds (the final maturity of which was January 1, 2006 and which are no longer Outstanding).

professional engineer) or (ii) a certificate or an opinion signed by a licensed professional engineer employed by the Authority, having knowledge and expertise with respect to the subject matter of such certificate or opinion, and selected by the Authority to deliver such certificate or opinion.

"Authorized Newspaper" means The Bond Buyer or any newspaper customarily published at least once a day for at least five days (other than legal holidays) in each calendar week, printed in the English language and of general circulation in the Borough of Manhattan, City and State of New York, designated by the Authority.

"Authorized Officer" means any member of the Authority Board, its Treasurer, any Assistant Treasurer, its Secretary, any Assistant Secretary, its Executive Director, its Director of Thruway Finance and any other person authorized by a resolution or the by-laws of the Authority to perform the act or execute the document in question.

"Bond" or "Bonds" means any bond or bonds payable from amounts in the Senior Debt Service Fund or, to the extent provided in a Supplemental Resolution, any other indebtedness of the Authority payable from amounts in the Senior Debt Service Fund, which indebtedness may include, but is not limited to, any additional payment obligations in connection with a Qualified Swap, a Qualified Reverse Swap, a Parity Reimbursement Obligation or a capital lease undertaken in connection with the issuance of certificates of participation; provided, however, that such terms shall not include any Bond Anticipation Notes, Junior Indebtedness or Subordinated Indebtedness.

"Bondholder," "Holder" or "Holder of Bonds," or any similar term, means any person who shall be the registered owner of any Outstanding Bond or Bonds.

"Business Day" means a day of the year which is not a Saturday, Sunday or legal holiday in the State and not a day on which the Authority, State offices, the Trustee, Paying Agent or provider of a Credit Facility or Reserve Credit Facility are authorized or obligated to close.

"Certificate of Determination" means a certificate of an Authorized Officer of the Authority fixing terms, conditions and other details of Bonds in accordance with the delegation of power to do so under a Supplemental Resolution.

"Code" means the Internal Revenue Code of 1986, as amended. Each reference to a section of the Code shall be deemed to include the Regulations, including temporary and proposed Regulations, relating to such section which are applicable to the Bond Resolution, including the Bonds or the use of Bond proceeds.

"Cost or Costs of Issuance" means the items of expense incurred in connection with the authorization, sale and issuance of a Series of Bonds or Bond Anticipation Notes, which items of expense may include, but are not limited to, Authority expenses, State bond issuance charges, document printing and reproduction costs, filing and recording fees, costs of credit ratings, initial fees and charges of the Trustee, legal fees and charges, professional consultants' fees, underwriting fees, fees and charges for execution, transportation and safekeeping of Bonds, premiums, fees and charges for Credit Facilities, Reserve Credit Facilities, Qualified Swaps, Qualified Reverse Swaps and other similar financial arrangements, costs and expenses of refunding such Bonds and other costs, charges and fees, including those of the Authority, in connection with the foregoing.

"Counsel's Opinion" means an opinion signed by an attorney or firm of attorneys of nationally recognized standing in the practice of law relating to municipal, state and public agency financing selected by the Authority.

"Credit Facility" means any letter of credit, line of credit, policy of bond insurance, surety bond, guarantee or similar instrument which is issued by a financial, insurance or other institution and which provides security or liquidity in respect of the Bonds of any Series (and with respect to a policy of bond insurance, guarantees the payment of principal of and interest on the Bonds), not including any Reserve Credit Facility.

"Date of Completion" means (i) in the case of the construction of any vehicular bridge or road, the date on which such bridge or road is opened to vehicular traffic (as evidenced by an Authority Engineer's Certificate), and (ii) in any other case, the date on which the acquisition, construction, improvement, reconstruction or rehabilitation of a Facility is completed (as evidenced by an Authority Engineer's Certificate).

"Debt Service" for any period means, as of any date of calculation and with respect to any Series, an amount equal to the sum of (i) interest accruing during such period on the Bonds of such Series, including, to the extent not otherwise provided in a Supplemental Resolution, all net amounts due and payable by the Authority and all net amounts to accrue to the end of such period pursuant to a Qualified Swap, Qualified Reverse Swap or Parity Reimbursement Obligation, and (ii) that portion of each Principal Installment for such Series which would accrue during such period if such Principal Installment were deemed to accrue daily in equal amounts from the next preceding Principal Installment payment date for such Series (or, if there shall be no such preceding Principal Installment payment date, from a date one year prior to the due date of the first Principal Installment of the Bonds of such Series); provided, however, that in calculating Aggregate Debt Service for purposes of the calculation of "Net Revenue Requirement" in connection with the test for the issuance of Additional Bonds and Refunding Bonds, the rate covenant and the test for an Other Authority Project to become an Authority Project, Debt Service on Outstanding Bonds for which the Authority has entered into a Qualified Swap shall be calculated assuming that the interest rate on such Bonds shall equal the stated fixed rate on the Qualified Swap. Such interest and Principal Installments shall be calculated on the assumption that no Bonds of such Series Outstanding at the date of calculation will cease to be Outstanding except by reason of the payment of each Principal Installment on the due date thereof, provided, however, that there shall be excluded from "Debt Service" (1) interest on Bonds to the extent that Escrowed Interest is available to pay such interest, (2) Principal Installments on Bonds to the extent that Escrowed Principal is available to pay such Principal Installments, and (3) interest funded from Bond proceeds to the extent that such amounts are held by the Trustee in the Senior Debt Service Fund for such purpose. See "Additional Bonds", "Tolls, Fees and Charges" and "Additional Projects".

"Defeased Municipal Obligations" means pre-refunded municipal obligations rated "AAA" by S&P and "Aaa" by Moody's and meeting the following requirements:

(a) the municipal obligations are (i) not subject to redemption prior to maturity or (ii) the Authority, the Trustee or the Paying Agent has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions; and

(b) the municipal obligations are fully secured by cash or Government Obligations which may be applied only to payment of the principal of and interest and premium, if any, on such municipal obligations.

"Estimated Aggregate Debt Service" means, for any period and as of any particular date of calculation, the sum of the amounts of Debt Service for such period with respect to all Series of Bonds then Outstanding; provided, however, that in computing such Estimated Aggregate Debt Service, any particular Variable Interest Rate Bonds shall be deemed to bear at all times, to the maturity date thereof, the Estimated Average Interest Rate applicable thereto.

"Estimated Average Interest Rate" means as to any Variable Interest Rate Bonds the interest rate that would have been borne by such Bonds if such Bonds had been sold as fixed interest rate Bonds of the Authority (i) without the benefit of any credit enhancement and (ii) with the same final maturity or maturities (without giving effect to puts or tenders) as the Variable Interest Rate Bonds actually sold, as estimated by the Authority on the date of sale of such Bonds.

"Facilities" means the Original Project and any Additional Project (but not including an Other Authority Project that does not constitute an Additional Project).

"Facility Capital Improvements" means, as applicable to the Original Project or any Additional Project, as may be determined by the Authority Board to be necessary or appropriate, any construction, reconstruction, rehabilitation, widening (including construction of any parallel spans or thoroughfares to any existing Facility bridge or tunnel) or relocation thereof, any extraordinary repairs, modifications or improvements thereto or with respect to any portion thereof, or any incidental expansion thereof or incidental extension thereto, or with respect to any portion thereof, including:

(i) incidental connecting tunnels, bridges, overpasses and underpasses, as well as existing interchanges, new interchanges determined by the Authority Board to be necessary or appropriate for the proper operation of the applicable Facility in order to relieve congestion, to promote the efficient operation thereof, or to enhance the safe operation thereof; and

(ii) administration, storage and other buildings, toll facilities and equipment, entrance plazas, service areas and stations, barriers, machinery, equipment and other facilities relating to the construction, reconstruction, operation or maintenance of any Facility, acquisition of rights-of-way or other interests in real property necessary or appropriate for any of the activities described above in this definition.

"Fund" means any one of the funds created and established pursuant to the Bond Resolution.

"Government Obligations" means (a) direct obligations of, or obligations the principal of and the interest on which are unconditionally guaranteed by, the United States of America and entitled to the full faith and credit thereof; (b) certificates, depositary receipts or other instruments which evidence a direct ownership interest in obligations described in clause (a) above or in any specific interest or principal payments due in respect thereof; provided, however, that the custodian of such obligations or specific interest or principal payments shall be a bank or trust company organized under the laws of the United States of America or of any state or territory thereof or of the District of Columbia, with a combined capital stock, surplus and undivided profits of at least $50,000,000 or the custodian is appointed by or on behalf of the United States of America; and provided, further, that except as may be otherwise required by law, such custodian shall be obligated to pay to the holders of such certificates, depositary receipts or other instruments the full amount received by such custodian in respect of such obligations or specific payments and shall not be permitted to make any deduction therefrom; and (c) Defeased Municipal Obligations.

"Independent Consultant" means an independent licensed professional engineer or firm of independent licensed professional engineers of recognized national standing (who may be an engineer or firm of engineers retained by the Authority for other purposes) selected by the Authority; provided, however, that in connection with an Additional Project, the Authority may, in a Supplemental Resolution, if it determines that the field of engineering is not the most appropriate professional discipline (in terms of knowledge and expertise in connection with such Additional Project) to deliver any Independent Consultant's Certificates required by the terms of the Bond Resolution, select members of another professional discipline, including but not limited to accounting, as appropriate, as an Independent Consultant in connection with such Additional Project; provided further that any members of such discipline thereafter selected by the Authority shall be independent and shall be of recognized national standing in such discipline.

"Independent Consultant's Certificate" means a certificate or an opinion signed and delivered by an Independent Consultant pursuant to the terms of the Bond Resolution.

"Interest Payment Date" means, with respect to a Series of Bonds, each date on which interest, if any, is payable pursuant to the Supplemental Resolution authorizing such Bonds.

"Investment Obligations" means, to the extent the same are at the time legal for investment of funds of the Authority under the Act or under other applicable law:

(a) (i) Government Obligations and (ii) bonds, debentures, notes or other obligations issued or guaranteed by any of the following: Federal National Mortgage Association, the Federal Financing Bank, the Federal Home Loan Mortgage Association, the Federal Housing Administration, the Farmers Home Administration, the Government National Mortgage Association, or any other agency controlled by or supervised by and acting as an instrumentality of the United States government,

(b) certificates of deposit issued by, and time deposits in, and bankers' acceptances of, any bank (including any Paying Agent or Trustee), any branch of any bank, national banking association or federally chartered savings and loan association; provided that, with respect to any of the foregoing institutions, whose long-term unsecured indebtedness is rated less than A by Moody's or S&P, such certificates of deposit or time deposits are (i) insured by the Federal Deposit Insurance Corporation for the full face amount thereof or (ii) to the extent not so insured, collateralized by direct obligations of the United States of America having a market value of not less than the face amount of such certificates and deposits,

(c) evidences of ownership of a proportionate interest in specified direct obligations of the United States of America, which obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian, or when "stripped" by the United States Treasury, then by the custodian designated by the United States Treasury,

(d) obligations of state or local government municipal bond issuers which are rated in one of the two highest Rating Categories by S&P and Moody's,

(e) obligations of state or local government municipal bond issuers, the principal of and interest on which, when due and payable, have been insured by an insurance policy or guaranteed by a letter of credit and which are rated in one of the two highest Rating Categories by S&P and Moody's,

(f) interests in a money market mutual fund registered under the Investment Company Act of 1940, 15 U.S.C. §§ 80-1, et seq., as from time to time amended, the portfolio of which is limited to obligations described in clause (a), (d), or (e) above and repurchase agreements fully collateralized thereby provided that such fund has total assets of at least $100,000,000 and is rated in the highest Rating Category by S&P and Moody's,

(g) evidences of ownership of a proportionate interest in specified Defeased Municipal Obligations which Defeased Municipal Obligations are held by a bank or trust company organized and existing under the laws of the United States of America or any state thereof in the capacity of custodian,

(h) any repurchase agreement for Government Obligations by the Authority or any Trustee that is with a bank, trust company (including any Trustee) or securities dealer which is a member of the Securities Investors Protective Corporation, each of which is a primary reporting dealer in government securities as determined by the Federal Reserve Bank, or if "primary reporting dealers" cease to be determined by the Federal Reserve Bank, such other comparable standard as the Authority shall implement pursuant to a Supplemental Resolution; provided, however, that the Government Obligations must be transferred to the Authority or any Trustee or a third party agent by physical delivery or by an entry made on the records of the issuer or registrar of such obligations, and the collateral security must continually have a market value at least equal to the amount so invested and the collateral must be free of third party claims. Any investment in a repurchase agreement shall be considered to mature on the date the bank, trust company or recognized securities dealer providing the repurchase agreement is obligated to repurchase the Government Obligations,

(i) commercial paper rated in the highest Rating Category by S&P and Moody's, and

(j) any other obligations from time to time permitted pursuant to the Act or other applicable law, provided, however, that if the funds invested in any such obligation are pledged for the payment of Bonds hereunder and the Bonds are then rated by Moody's or S&P, such obligation shall be rated in one of the two highest Rating Categories of each such rating agency or, if such obligation is not then rated by either rating agency, an obligation of comparable credit quality of the same issuer is rated in one of the two highest Rating Categories of such rating agency.

Any investment in obligations described in (a), (c), (d), (e), (f), (g), (h) and (i) above may be made in the form of an entry made on the records of the issuer of the particular obligation.

"Junior Indebtedness" means any evidence of indebtedness of the Authority payable out of the Junior Indebtedness Fund.

"Maximum Annual Debt Service" means, as of any date of calculation, an amount equal to the greatest amount of Aggregate Debt Service for the current or any future 12-month period. For purposes of this definition, interest with respect to any Variable Interest Rate Bonds shall be calculated using the Maximum Interest Rate with respect to such Bonds.

"Maximum Interest Rate" means, with respect to any particular Variable Interest Rate Bonds, a numerical rate of interest, which shall be set forth in the Supplemental Resolution authorizing such Bonds, that shall be the maximum rate of interest such Bonds may at any time bear; provided, however, that (a) should the Authority obtain insurance or other coverage which provides that any increase in the variable interest rate on any Variable Interest Rate Bonds above a threshold rate will be reimbursed or paid by the insurer or provider of such other coverage, such threshold rate will be deemed to be the Maximum Interest Rate and (b) with respect to fixed interest rate Bonds deemed to be Variable Interest Rate Bonds because of a Qualified Reverse Swap entered in connection therewith, the Maximum Interest Rate shall be (i) the fixed interest rate of such Bonds for so long as the aggregate Outstanding principal amount of all such fixed interest rate Bonds deemed to be Variable Interest Rate Bonds is less than or equal to 5% of the aggregate principal amount of all Bonds Outstanding, and (ii) otherwise shall be the maximum interest rate of such Qualified Reverse Swap. With respect to the immediately preceding clause (a), the insurer or provider of such other coverage providing such insurance policy or other coverage shall be an insurer or bank whose insurance policies or other coverage are rated in the highest Rating Category by S&P and Moody's.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, and, if such corporations shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

"Net Revenue Requirement" means, with respect to any period of time, an amount equal to the greater of (i) the sum of (A) Aggregate Debt Service, (B) amounts required to make deposits to the Senior Debt Service Reserve Fund, if any, (C) amounts required to make Reserve Maintenance Payments, and (D) amounts required to be deposited in the Junior Indebtedness Fund pursuant to the Supplemental Resolution or other Bond Resolution or agreement authorizing outstanding Junior Indebtedness or (ii) 1.20 times the sum of the Aggregate Debt Service for such period; provided, however, that "Aggregate Debt Service" for purposes of calculating the Net Revenue Requirement may be reduced by an amount equal to investment income on the Senior Debt Service Fund and on the Senior Debt Service Reserve Fund to the extent such investment income is required to be retained in or transferred to the Senior Debt Service Fund, as appropriate, pursuant to a Supplemental Resolution, such amount to be calculated at the rate per annum equal to the lesser of (A) the then current yield on five year obligations of the United States Treasury and (B) the actual income to be earned as estimated by an Authorized Officer.

"Net Revenues" for any period means the amount of the excess of the Revenues over the Operating Expenses during such period; provided, however, that in calculating such amount there shall be excluded from "Revenues" any amounts that (i) are subject to appropriation by the Congress of the United States, the Legislature of the State or any other legislative body of a governmental entity or (ii) are not reasonably expected by the Authority to recur annually in predictable amounts until the scheduled retirement at maturity or pursuant to Sinking Fund Installments of all Bonds Outstanding or then proposed to be Outstanding.

"New Extension" means an additional tolled roadway or an extension to or expansion of any Facility constituting a tolled roadway (including in either case tunnels and bridges), in each case which fully satisfies the requirements of the Bond Resolution and upon such satisfaction is designated by the Authority as an Additional Project; provided that such Additional Project shall be (i) within the jurisdiction and control of the Authority and (ii) undertaken for transportation or transportation-related purposes (including related necessary or appropriate economic development activities). See "Proposed New Interchanges and New Extensions".

"New Interchange" means an interchange on any Facility constituting a tolled roadway which fully satisfies the requirements of the Bond Resolution and upon such satisfaction is designated by the Authority as an Additional Project; provided that such Additional Project shall be (i) within the jurisdiction and control of the Authority and (ii) undertaken for transportation or transportation-related purposes (including related necessary or appropriate economic development activities). See "Proposed New Interchanges and New Extensions".

"Operating Expenses" means the expenses incurred for operation, maintenance and repair, ordinary replacement and ordinary reconstruction of any Facility or any part thereof and shall include, without limiting the generality of the foregoing, administrative expenses, premiums and reserves for insurance and self-insurance, fees or premiums for a Credit Facility, Reserve Credit Facility, Qualified Swap or Qualified Reverse Swap, legal and engineering expenses, payments into pension, retirement, health and hospitalization funds, and any other expenses associated with the rehabilitation and reconstruction of a municipal highway, under which passes any portion of the Original Project, and required to be paid by the Authority by Subdivision 4 of Section 359 of the Act, as in effect on August 25, 1992, all to the extent properly and directly attributable to the operation of the Original Project, and rental payments in connection with operating leases entered in the ordinary course of business, all to the extent properly and directly attributable to any Facility, and the expenses and compensation of the Fiduciaries required to be paid under the Bond Resolution; but does not include (i) any costs or expenses for new construction or for major reconstruction or (ii) any provision for interest, depreciation, amortization or similar charges.

"Original Project" means all New York State Thruway sections and connections constituting roads or bridges, authorized by the Act as in effect on, and open to traffic on the original date of adoption of the Bond Resolution, except the portion of I-84 in the State, together with any Facility Capital Improvements related thereto.

"Other Authority Project" means one or more facilities and other real and personal property, or any interest therein, which the Authority may now or hereafter be authorized to acquire, design, construct, maintain, operate, finance, improve, reconstruct, rehabilitate or otherwise undertake for transportation or transportation-related purposes (including related necessary or appropriate economic development activities). Each Other Authority Project shall be within the jurisdiction and control of the Authority and shall be designated as an Other Authority Project by a Supplemental Resolution adopted pursuant to the Bond Resolution, and if not so designated shall not become an Other Authority Project. Notwithstanding the foregoing, the following projects, to the extent authorized by law, shall in any event be deemed Other Authority Projects regardless of whether the Authority has jurisdiction and control of such projects and whether designated by a Supplemental Resolution: (1) the Inner Harbor project and the Intermodal Transportation Center in Syracuse; (2) the Horizons Waterfront project in Buffalo; (3) the Stewart International Airport Access project in Orange County and intended to provide direct access to Stewart International Airport from Interstate Route 84 in the vicinity of the airport; (4) the New York State Canal system; (5) the Thruway Exit 26 project in Schenectady County; and (6) the Tappan Zee Bridge Ferry Service project between Rockland County and Manhattan.

"Other Authority Project Cost" shall have the meaning set forth for such term in the definition of "Project Cost".

"Outstanding," when used with reference to Bonds, means, as of any date, all Bonds theretofore or thereupon being authenticated and delivered under the Bond Resolution except:

(i) Any Bond cancelled or delivered for cancellation at or prior to such date;

(ii) Any Bond (or portion of a Bond) deemed to have been paid in accordance with the Bond Resolution; or

(iii) Any Bond in lieu of or in substitution for which other Bonds shall have been authenticated and delivered pursuant to the Bond Resolution.

provided, however, that, unless required pursuant to a Supplemental Resolution, a Qualified Swap, Qualified Reverse Swap or Parity Reimbursement Obligation shall not, by itself, increase the Outstanding principal amount of Bonds.

"Principal" or "principal" means (1) with respect to any capital appreciation bond, the accreted amount thereof (the difference between the stated amount to be paid at maturity and the accreted amount being deemed unearned interest), provided, however, when used in connection with (a) the authorization and issuance of Bonds and (b) the order of priority of payments of Bonds after an Event of Default, "Principal" or "principal" means the original principal amount of a capital appreciation bond (the difference between the accreted amount and the original principal amount being deemed interest), and provided further, however, that when used in connection with determining whether the Bondholders of the requisite principal amount of Outstanding Bonds have given any required consent, notice, waiver, request, demand, authorization, direction or notice, "Principal" or "principal" means the accreted amount, (2) with respect to any capital appreciation and current interest bond, the appreciated value thereof, and (3) with respect to any current interest bond, the principal amount of such bond payable at maturity.

"Principal Installment" means, as of any date of calculation and with respect to any Series, (a) the Principal amount of Outstanding Bonds of such Series, due on the dates and in the amounts, in each case as specified in the Supplemental Resolution authorizing such Series, reduced by the Principal amount of such Bonds which would be retired by reason of the payment when due and application in accordance with the Bond Resolution of Sinking Fund Installments payable before such future date, plus the unsatisfied balance of any Sinking Fund Installment due on such certain future date, together with the aggregate amount of the premiums, if any, applicable on such future date upon the redemption of such Bonds by application of such Sinking Fund Installments in a principal amount equal to such unsatisfied balance, and (b) with respect to any amounts due under any Parity Reimbursement Obligation, the Principal amount of such amounts due under any Parity Reimbursement Obligation.

"Project Cost" with respect to any Facility, shall mean (i) the costs incurred or to be incurred by the Authority in connection with or incidental to the acquisition, design, construction, improvement, reconstruction or rehabilitation of such Facility, including legal, administrative, engineering, planning, design, studies, insurance costs and financing costs of such Facility (except to the extent such costs are funded from the proceeds of any indebtedness of the Authority, the payment of which is included as a Project Cost under clause (iii) below), (ii) amounts, if any, required by the Bond Resolution to be paid into any Fund or account upon the issuance of any Series, (iii) payments when due (whether at the maturity of principal or the due date of interest or upon redemption) on Bond Anticipation Notes, (iv) costs of equipment and supplies and initial working capital and reserves required by the Authority for the commencement of operation of such Facility, (v) costs of acquisition by the Authority of real or personal property or any interest therein, including land required for relocation and relocation costs and land required for environmental mitigation, (vi) any other costs properly attributable to the acquisition, design, construction, improvement, reconstruction or rehabilitation of such Facility, including costs of any Facility Capital Improvements, and (vii) interest on Bonds during the estimated period of construction and for a reasonable period thereafter. As distinguished from Project Costs, any such costs incurred in connection with an Other Authority Project that has not been designated an Additional Project are referred to as "Other Authority Project Costs".

"Qualified Reverse Swap" means, to the extent from time to time permitted by law, with respect to Bonds, any financial arrangement (i) that is entered into by the Authority in connection with Bonds bearing interest at a fixed rate of interest in the expectation of lowering the Authority's costs of incurring such indebtedness, (ii) that is entered into by the Authority for a term of more than five years, (iii) the net effect of which, together with the interest rate borne by such Bonds, is a variable rate of interest to the Authority during the term of such arrangement, and (iv) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Reverse Swap with respect to such Bonds.

"Qualified Swap" means, to the extent from time to time permitted pursuant to law, with respect to Bonds, any financial arrangement (i) that is entered into by the Authority with an entity that is a Qualified Swap Provider at the time the arrangement is entered into; (ii) which provides that the Authority shall pay to such entity an amount based on the interest accruing at a fixed rate on an amount equal either to the principal amount of such Bonds of such Series or a notional principal amount relating to such Series, and that such entity shall pay to the Authority an amount based on the interest accruing on such actual or notional principal amount at a variable rate of interest computed according to a formula set forth in such arrangement (which need not be the same as the actual rate of interest borne by such Bonds) or that one shall pay to the other any net amount due under such arrangement or such other similar arrangement, the net effect of such arrangement and the interest rate borne by such Bonds is at all times a fixed interest rate to the Authority; (iii) which provides for a commencement date and a termination date identical to the term or remaining term of such Bonds, taking into account any conversion of Bonds from a variable interest rate to a fixed interest rate as a termination date; and (iv) which has been designated in writing to the Trustee by an Authorized Officer as a Qualified Swap with respect to such Bonds.

"Qualified Swap Provider" means, with respect to a Series of Bonds, an entity whose senior long term obligations, other senior long term obligations or claims paying ability or whose payment obligations under a Qualified Swap are guaranteed by an entity whose senior long term debt obligations, other senior unsecured long term obligations or claims paying ability are rated either (i) at least as high as A3 by Moody's, and A- by S&P, or the equivalent thereof by any successor thereto for so long as such rating agency is then maintaining a rating on the Bonds Outstanding, but in no event lower than any Rating Category designated by each such rating agency for the Bonds Outstanding subject to such Qualified Swap, or (ii) any such lower Rating Categories which each such rating agency then maintaining a rating on the Bonds Outstanding indicates in writing to the Authority and the Trustee will not, by itself, result in a reduction or withdrawal of its rating on the Bonds Outstanding subject to such Qualified Swap that is in effect prior to entering into such Qualified Swap.

"Rating Categories" means one of the generic rating categories of either Moody's or S&P without regard to any refinement or gradation of such rating by a numerical modifier or otherwise.

"Rebate Amount" means, with respect to each Series of Bonds, the amount equal to the rebatable arbitrage and any income attributable to the rebatable arbitrage as required by the Code.

"Rebate Fund" means the Fund designated as the Rebate Fund established in the Bond Resolution.

"Record Date" means with respect to any Interest Payment Date, unless the applicable Supplemental Resolution authorizing a particular Series of Bonds or a Certificate of Determination relating thereto provides otherwise with respect to Bonds of such Series, the fifteenth (15th) day of the calendar month next preceding such Interest Payment Date.

"Redemption Date" means the date upon which Bonds are to be called for redemption pursuant to the Bond Resolution.

"Redemption Price" means, with respect to any Bonds, the Principal amount thereof plus the applicable premium, if any, payable upon the redemption thereof.

"Refunding Bonds" means all Bonds, whether issued in one or more Series of Bonds, authenticated and delivered pursuant to the Bond Resolution, on original issuance to refund Bonds or Junior Indebtedness or any Subordinated Indebtedness that was issued to finance or refinance Project

Costs or Other Authority Project Costs, and any Bonds thereafter authenticated and delivered in lieu of or in substitution for such Bonds pursuant to the Bond Resolution.

"Regulations" means the Income Tax Regulations promulgated by the Department of the Treasury from time to time.

"Reserve Credit Facility" means (a) any irrevocable, unconditional letter of credit issued by a bank or savings and loan association whose long-term uncollateralized debt obligations are rated in one of the two highest rating categories by each nationally recognized rating agency then rating any Series of Bonds, or if no Series of Bonds is then rated, by any nationally recognized rating agency, and (b) any insurance policy providing substantially equivalent liquidity as an irrevocable, unconditional letter of credit, and which is issued by a municipal bond or other insurance company, obligations insured by which are rated in one of the two highest rating categories by each nationally recognized rating agency then rating any Series of Bonds, or if no Series of Bonds is then rated, by a nationally recognized rating agency, and which is used, to the extent permitted under applicable law, including the Act, to fund all or a portion of the Senior Debt Service Reserve Fund Requirement.

"Reserve Maintenance Payments" means an amount described as such for a particular Authority fiscal year in the Authority Budget, which for each fiscal year of the Authority shall be an amount no less than the greater of (i) $30,000,000 or (ii) the amount specified in an Independent Consultant's Certificate for such Authority fiscal year (the amount so specified in each Authority Budget being the "Minimum Amount"); provided further that Reserve Maintenance Payments may not exceed an amount or amounts from time to time established by the Authority pursuant to a Supplemental Resolution (the "Maximum Amount"); provided further that any such Maximum Amount shall not be less than the Minimum Amount. For purposes of the tests set forth in the Bond Resolution for an Other Authority Project or for a New Interchange or a New Extension to become an Authority Project, for any period beyond the term of an Authority Budget, "Reserve Maintenance Payments" shall be based upon estimates provided in an Independent Consultant's Certificate. See "Additional Projects" and "Proposed New Interchanges and New Extensions".

"Revenues" means (i) all tolls, revenues, fees, charges, rent and other income and receipts derived from the operation, jurisdiction and control of the Facilities, (ii) the proceeds of any use and occupancy insurance relating to the Facilities and of any other insurance which insures against loss of Revenues, and (iii) investment income received on any moneys or securities held under the Bond Resolution other than investment income on amounts held in the Rebate Fund, Junior Indebtedness Fund or any other Fund to the extent the investment income from such Fund or any account thereof is not transferred to the Revenue Fund pursuant to the Bond Resolution. "Revenues" shall not include the proceeds of any gifts, grants or other income to the Authority from the government of the United States or the State, any public instrumentality of the State or any other individual or entity, to the extent the Authority is precluded by law, the grant or other operative contract or instrument from applying such amounts to Operating Expenses and Debt Service.

"S&P" means Standard & Poor's Ratings Services, a corporation organized and existing under the laws of the State of New York, its successors and assigns, and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, "S&P" shall be deemed to refer to any other nationally recognized securities rating agency designated by the Authority.

"Senior Debt Service Reserve Fund Requirement" means, as of any date of calculation, an amount equal to the maximum amount of Aggregate Debt Service for any 12-month period (exclusive of accrued interest, if any) on all Outstanding Bonds secured by the Senior Debt Service Reserve Fund; provided that (i) with respect to Variable Interest Rate Bonds, interest on such Bonds shall be calculated at the Estimated Average Interest Rate until conversion to a fixed rate of interest at which time such requirement shall be recalculated in accordance with actual Debt Service thereafter due and payable for any ensuing 12-month period with respect to such Bonds and (ii) for the purposes of determining the amount required to be on deposit and thereafter maintained in the Senior Debt Service Reserve Fund with respect to any Series of Bonds the interest on which is excludable from gross income for federal income tax purposes, to the extent required to maintain the federal tax status of interest on such Bonds, the Senior Debt Service Reserve Fund Requirement shall at no time exceed the sum of the Senior Debt Service Reserve Fund Requirement immediately prior to the issuance of such Series and an amount equal to ten per centum (10%) of the proceeds (as such term is used in Section 148(d) of the Code) from the sale of such Series.

"Series" means all of the Bonds authenticated and delivered on original issuance and denominated as part of the same series, and thereafter delivered in lieu of or in substitution of such Bonds upon transfer of registration or exchange, partial redemption and amendment of the Bond Resolution regardless of variations in maturity, interest rate, Sinking Fund Installments or other provisions.

"Sinking Fund Installment" means, with respect to any Series of Bonds, as of any date of calculation and with respect to any Bonds of such Series, the amount of money required by the applicable Supplemental Resolution pursuant to which such Bonds were issued, to be paid in all events by the Authority on a single future date for the retirement of any Outstanding Bonds of said Series which mature after said future date, but does not include any amount payable by the Authority by reason only of the maturity of such Bond.

"State" means the State of New York.

"Subordinated Indebtedness" means any evidence of indebtedness of the Authority payable out of amounts available in the General Reserve Fund.

"Supplemental Resolution" shall mean any Bond Resolution supplemental to or amendatory of the Bond Resolution, adopted by the Authority and becoming effective in accordance with the Bond Resolution.

"Term Bonds" means with respect to Bonds of a Series, the Bonds so designated in an applicable Supplemental Resolution or the applicable Certificate of Determination and payable from Sinking Fund Installments.

"Test Period" means a period of time consisting of the greater of (i) the next succeeding five Authority fiscal years and (ii) the period extending from the next succeeding Authority fiscal year through the second Authority fiscal year following the estimated Date of Completion of any Facility not then completed.

"Trustee" means a trustee appointed by the Authority pursuant to the Bond Resolution, its successor and assigns, and any other corporation or association which may at any time be substituted in its place as provided in the Bond Resolution.

"Variable Interest Rate Bonds" means Bonds which bear a variable interest rate but does not include any Bond which, during the remainder of the term thereof to maturity, bears interest at a fixed rate; provided, however, that Bonds bearing a variable rate of interest shall not be deemed Variable Interest Rate Bonds if (a) the Authority has entered into a Qualified Swap with respect to such Bonds (but only for so long as such Qualified Swap meets all requirements of a "Qualified Swap") or (b) each of the following conditions is met: (i) such Bonds are issued concurrently in equal principal amounts with other Bonds bearing a variable rate of interest, (ii) such Bonds and such other Bonds are required to remain Outstanding in equal principal amounts at all times, and (iii) the net effect of such equal principal amounts and variable interest rates is at all times a fixed interest rate to the Authority; provided further that, except for purposes of establishing the amount of the Senior Debt Service Reserve Fund Requirement, (1) Bonds bearing a fixed rate of interest shall be deemed Variable Interest Rate Bonds to the extent that the Authority has entered into a Qualified Reverse Swap and (2) the derivative rate of such arrangement shall be deemed to be the variable interest rate of such Bonds.

Bond Resolution to Constitute Contract

In consideration of the purchase and acceptance of any and all of the Bonds authorized to be issued under the Bond Resolution by those who shall hold the same from time to time, the Bond Resolution shall be deemed to be and shall constitute a contract between the Authority and the Holders from time to time of the Bonds; and the pledge made in the Bond Resolution and the covenants and agreements therein set forth to be performed on behalf of the Authority shall be for the equal benefit, protection and security of the Holders of any and all of the Bonds, all of which, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof except as expressly provided in or permitted by the Bond Resolution.

The Pledge Effected by the Bond Resolution

The Bonds shall be direct and general obligations of the Authority, and the full faith and credit of the Authority are pledged for the payment of such principal, Redemption Price, interest, and Sinking Fund Installments.

There are pledged for the payment of the principal and Redemption Price of, interest on, and Sinking Fund Installments for, the Bonds, in accordance with their terms and the provisions of the Bond Resolution, subject only to the provisions of the Bond Resolution permitting the application thereof (and to the subordination provisions set forth in the Bond Resolution) for the purposes and on the terms and conditions set forth in the Bond Resolution, (i) the proceeds of the sale of the Bonds, (ii) the Revenues and (iii) all Funds and accounts established by the Bond Resolution (except the Rebate Fund, the Junior Indebtedness Fund and, with respect to any Series of Bonds not secured by the Senior Debt Service Reserve Fund, the Senior Debt Service Reserve Fund), including the investments, if any, thereof. The pledge and lien created by the Bond Resolution for the Bonds is superior in all respects to any pledge or lien created for Junior Indebtedness or Subordinated Indebtedness.

General Provisions for Issuance of Bonds

The Bonds of each Series shall be executed by the Authority, authenticated by the Trustee and delivered to or upon the order of the Authority upon receipt by the Trustee, among other things, of a Counsel's Opinion to the effect that (i) the Authority has the right and power under the Act to adopt the Bond Resolution, and the Bond Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Bond Resolution is required, (ii) the Bond Resolution creates the valid pledge to the payment of the Bonds of the proceeds of sale of Bonds, the Revenues, the Funds and accounts established by the Bond Resolution (other than the Rebate Fund, the Junior Indebtedness Fund and, to the extent any Series of Bonds is not secured by the Senior Debt Service Reserve Fund, the Senior Debt Service Reserve Fund), and investment income on pledged Funds and accounts, subject to the provisions of the Bond Resolution permitting the withdrawal, payment, setting apart or appropriation thereof for the purposes and on the terms and conditions set forth in the Bond Resolution, and (iii) upon the execution and delivery thereof and upon authentication by the Trustee, the Bonds of such Series will be valid, binding, direct and general obligations of the Authority payable as provided in, and enforceable in accordance with their terms and the terms of, the Bond Resolution and entitled to the benefits of the Act and the Bond Resolution, and such Bonds have been duly and validly authorized and issued in accordance with law, including the Act, as amended to the date of such Counsel's Opinion, and in accordance with the Bond Resolution; provided, however, that such Counsel's Opinion may be qualified to the extent that the enforceability thereof may be limited by bankruptcy, insolvency and similar laws affecting rights and remedies of creditors.

Additional Bonds

One or more Series of Additional Bonds may be authorized and delivered upon original issuance for the purpose of (i) paying the Project Costs (other than Project Costs provided for in clause (iii)), (ii) paying Other Authority Project Costs, to the extent permitted by subparagraph (B) below, and

(iii) paying or providing for the payment of Project Costs of improvement, reconstruction or rehabilitation of one or more Facilities for the purpose of preventing a loss of Net Revenues derived from such Facilities, provided that such loss of Net Revenues would be the result of an emergency or some unusual or extraordinary occurrence and that proceeds of Additional Bonds would not be used for such purpose to the extent that insurance proceeds relating to such occurrence were then available.

(A) The Bonds of any such Series issued for purposes specified in the foregoing clauses (i) and (ii) above shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the other documents and moneys required by the Bond Resolution) of:

1. A certificate of an Authorized Officer setting forth (i) the Net Revenues for any period of 12 consecutive calendar months out of the 18 calendar months next preceding the authentication and delivery of the Bonds of such Series, provided that if any adjustment of rates shall have been placed in effect during such 12-month period, such Net Revenues shall reflect the Revenues which an Independent Consultant's Certificate estimates in the certificate delivered pursuant to paragraph 3 below would have resulted had such rate adjustment been in effect for the entire 12-month period, and (ii) the Net Revenue Requirement for such 12 calendar months, which certificate shall demonstrate that such Net Revenues equal or exceed such Net Revenue Requirement;

2. A certificate of an Authorized Officer familiar with such matters and an Independent Consultant's Certificate, in each case stating whether, to the best of such party's knowledge, any federal, State or other agency is then projecting or planning the construction, improvement or acquisition of any highway or other facility which, in the opinion of such person or firm, may be materially competitive with any part of the Facilities, and the estimated date of completion of such highway or other facility;

3. An Independent Consultant's Certificate setting forth, for the then current Authority fiscal year and each of the Authority fiscal years in the Test Period, estimates of Revenues giving effect to (i) the placing in service of any Facility not yet placed in service and on the assumption that any competitive highway or other facility referred to in its certificate delivered pursuant to paragraph 2 above will be completed on the date therein estimated and will thereafter be in operation during the period covered by such estimates, (ii) any adjustment of rates which shall have been placed in effect subsequent to the beginning of the current Authority fiscal year, as if such toll, fee or charge adjustment had been in effect from the beginning of such Authority fiscal year until the effective date of any subsequent adjustment presumed necessary, and (iii) any adjustment of rates which, in the opinion of the Independent Consultant, would be practicable and necessary to comply with the provisions of the toll, fee and charge covenant in the Bond Resolution, as if such adjustment were to be in effect from its effective date to the effective date of any other such adjustment;

4. An Independent Consultant's Certificate setting forth (i) for the years and taking into account the assumptions specified for the Independent Consultant's Certificate pursuant to paragraph 3 above, estimates of the Operating Expenses giving effect to the placing in service of any Facility taken into account in paragraph 3 above, (ii) the estimated total Project Cost, and (iii) the estimated date of placing in service of any Facility taken into account in such paragraph 3; and

5. A certificate of an Authorized Officer setting forth (i) the estimated Net Revenues (based on the certificates delivered pursuant to paragraphs 3 and 4 above) for the current Authority fiscal year and each of the years in the Test Period giving effect to the placing in service of any Facility not yet placed in service and (ii) the opinion that such estimated Net Revenues for the current Authority fiscal year and each of the Authority fiscal years in the Test Period equal or exceed the estimated Net Revenue Requirement (based on the certificate delivered pursuant to paragraph 1 above and assuming the Maximum Interest Rate on any Variable Interest Rate Bonds) for each such year and that estimated Net Revenues in the last full Authority fiscal year of the Test Period equal or exceed Maximum Annual Debt Service on all Bonds Outstanding immediately after the authentication and delivery of the Bonds being issued.

(B) Any Series of Additional Bonds to be issued for the purpose of financing or refinancing Other Authority Project Costs shall be issued only if, in addition to satisfying the conditions of subparagraph (A) above, the Maximum Annual Debt Service on all Outstanding Bonds issued for the purpose of financing or refinancing Other Authority Project Costs (after the issuance of such Series of Additional Bonds) shall be less than 20% of the amount of Net Revenues calculated pursuant to clause (A)(1)(i) above; provided that there shall not be counted in the calculation of such Maximum Annual Debt Service any Bonds initially issued to finance or refinance an Other Authority Project (1) if such Bonds are no longer Outstanding, (2) if such Other Authority Project has since been designated an "Additional Project" in accordance with provisions of the Bond Resolution, or (3) to the extent that the proceeds of such Bonds were used to finance Project Costs rather than Other Authority Project Costs, in accordance with the terms of the Bond Resolution.

(C) Any Series of Additional Bonds to be issued for the purpose described in clause (iii) of the first paragraph under this heading, shall be authenticated and delivered by the Trustee only upon receipt by it (in addition to the other documents and moneys required by the Bond Resolution) of an Independent Consultant's Certificate setting forth (i) in reasonable detail the improvement, reconstruction or rehabilitation for which such payment is to be made, (ii) the estimated Project Cost of such improvement, reconstruction or rehabilitation, (iii) the amounts reasonably expected to be available therefor from insurance proceeds, and (iv) that such improvement, reconstruction or rehabilitation is necessary to prevent a loss of Net Revenues derived therefrom, that such loss would result from an emergency or some unusual or extraordinary occurrence that has occurred and that insurance proceeds relating to such occurrence are not then available in amounts sufficient to improve, reconstruct or rehabilitate such Facility or Facilities to prevent such loss of Net Revenues.

Refunding Bonds

One or more Series of Refunding Bonds may be authenticated and delivered to refund all Outstanding Bonds of one or more Series of Bonds, a portion of a Series of Outstanding Bonds, a portion of a maturity of a Series of Outstanding Bonds or any Junior Indebtedness or Subordinated Indebtedness that was issued to finance or refinance Project Costs or Other Authority Project Costs. The Authority Board by resolution of its members may issue Refunding Bonds of a Series in an aggregate principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the Bond Resolution and of the Supplemental Resolution authorizing such Series of Refunding Bonds. Refunding Bonds of any Series issued to refund Outstanding Bonds shall be authenticated by the Trustee only upon satisfaction of the requirements of subparagraph (A) set forth under the heading "Additional Bonds" above or upon the receipt by the Trustee of, among other items, a certificate of an Authorized Officer (a) setting forth the Aggregate Debt Service (assuming with respect to any Variable Interest Rate Bonds a Maximum Interest Rate) for the then current and each future Authority fiscal year to and including the Authority fiscal year in which the latest maturity of any Bonds of any Series then Outstanding matures (i) with respect to the Bonds of all Series Outstanding immediately prior to the date of authentication and delivery of such Refunding Bonds, and (ii) with respect to the Bonds of all Series to be Outstanding immediately thereafter, and (b) demonstrating that the Aggregate Debt Service (assuming with respect to any Variable Interest Rate Bonds a Maximum Interest Rate) set forth for each Authority fiscal year pursuant to (ii) above is no greater than that set forth for such Authority fiscal year pursuant to (i) above.

Provisions Regarding Bonds Secured by a Credit Facility

The Authority may include such provisions in a Supplemental Resolution or related Certificate of Determination authorizing the issuance of a Series of Bonds secured by a Credit Facility as the Authority deems appropriate.

In addition, such Supplemental Resolution or applicable Certificate of Determination may establish such provisions as are necessary (i) to comply with the provisions of each such Credit Facility, (ii) to provide relevant information to the issuer of the Credit Facility, (iii) to provide a mechanism for paying Principal Installments and interest on such Series of Bonds under the Credit Facility, and (iv) to make provision for any events of default or for additional or improved security required by the issuer of a Credit Facility.

In connection therewith the Authority may enter into such agreements with the issuer of such Credit Facility providing for, inter alia: (i) the payment of fees and expenses to such issuer for the issuance of such Credit Facility; (ii) the terms and conditions of such Credit Facility and the Series of Bonds affected thereby; and (iii) the security, if any, to be provided for the issuance of such Credit Facility.

The Authority may secure such Credit Facility by an agreement providing for the purchase of the Series of Bonds secured thereby with such adjustments to the rate of interest, method of determining interest, maturity, or redemption provisions as specified by the Authority in the applicable Supplemental Resolution. The Authority may also in an agreement with the issuer of such Credit Facility agree to directly reimburse such issuer for amounts paid under the terms of such Credit Facility, together with interest thereon (the "Reimbursement Obligation"); provided, however, that no Reimbursement Obligation shall be created, for purposes of the Bond Resolution, until amounts are paid under such Credit Facility. Any such Reimbursement Obligation (a "Parity Reimbursement Obligation") may be secured by a pledge of, and a lien on, Revenues on a parity with the lien created by the Bond Resolution. Any such Parity Reimbursement Obligation shall be deemed to be a part of the Series of Bonds to which the Credit Facility which gave rise to such Parity Reimbursement Obligation relates.

Bond Anticipation Notes

Whenever the Authority shall have, by Supplemental Resolution, authorized the issuance of a Series of Bonds, the Authority Board may by resolution authorize the issuance of Bond Anticipation Notes in anticipation of the issuance of such authorized Series of Bonds, in a principal amount not exceeding the principal amount of the Bonds of such Series so authorized. The principal of and premium, if any, and interest on such Bond Anticipation Notes and any renewals of such Bond Anticipation Notes shall be payable only (i) from the proceeds of any renewals of such Bond Anticipation Notes issued to repay such Bond Anticipation Notes, (ii) from the proceeds of the sale of the Series of Bonds in anticipation of which such Bond Anticipation Notes are issued, (iii) from any amounts provided by the State and/or the federal government expressly for payment of such Bond Anticipation Notes, or (iv) from the proceeds of such Bond Anticipation Notes deposited in any Fund or account under the Bond Resolution. Such proceeds and other amounts set forth in clauses (i), (ii), (iii) and (iv) may be pledged for the payment of the principal of and premium, if any, and interest on such Bond Anticipation Notes and any such pledge shall have priority over any other pledge created by the Bond Resolution. In any case, such Bond Anticipation Notes shall be retired or provision shall be made for their retirement not later than the date of authentication and delivery of the Series of Bonds in anticipation of which they are issued.

Redemption of Bonds

In the case of any redemption of Bonds of a Series at the election of the Authority, or on a mandatory basis, such Bonds may be redeemed at the option of the Authority, or on a mandatory basis, as provided in the Supplemental Resolution authorizing such Bonds or the Certificate of Determination. In addition, pursuant to the Act, the State may, upon furnishing sufficient funds therefor, require the Authority to redeem, prior to maturity, as a whole, any Series of Bonds on any interest payment date not less than fifteen years after the date of issuance of such Bonds at one hundred four per centum of their face value and accrued interest or at such lower redemption price as may be provided in the Bonds in case of the redemption thereof as a whole on the redemption date.

Funds and Revenues

The Bond Resolution establishes the following Funds, to be held as set forth below:

1. Revenue Fund, to be held by the Authority;

2. Operating Fund, to be held by the Authority;

3. Senior Debt Service Fund, to be held by the Trustee;

4. Senior Debt Service Reserve Fund, to be held by the Trustee;

5. Reserve Maintenance Fund, to be held by the Authority;

6. Junior Indebtedness Fund, to be held as determined in the applicable Supplemental Resolution, indenture or other agreement;

7. Facilities Capital Improvement Fund, to be held by the Authority;

8. Other Authority Projects Operating Fund, to be held by the Authority;

9. General Reserve Fund, to be held by the Authority;

10. Rebate Fund, to be held by the Authority; and

11. Construction Fund, to be held by the Authority.

Revenue Fund

The Authority shall pay into the Revenue Fund all Revenues as received, and on or before the last Business Day of each month, the Authority shall, out of the moneys in the Revenue Fund, pay into the Operating Fund all amounts required for reasonable and necessary Operating Expenses and reserves for Operating Expenses and working capital. The Authority shall, out of the moneys remaining in the Revenue Fund after the deposit to the Operating Fund on or before the last Business Day of each month allocate, transfer and apply the balance in the Revenue Fund as of the last day of the preceding month, to the extent sufficient therefor, as follows, but as to each transfer mentioned, only within the limitation indicated below and only after maximum payment within such limitation to the purposes and into the Funds in the following tabulation:

1. To the Trustee for deposit in the Senior Debt Service Fund, if and to the extent required so that the balance in the Senior Debt Service Fund shall be at least equal to Accrued Debt Service for all Bonds Outstanding as of the last day of such month, after taking into account any other amounts available for payment of Debt Service, including any amounts representing investment earnings retained in the Senior Debt Service Fund or transferred from the Senior Debt Service Reserve Fund;

2. To the Trustee for deposit in the Senior Debt Service Reserve Fund, if and to the extent required so that the balance in said Fund shall equal the Senior Debt Service Reserve Requirement for all Bonds secured by such Fund and Outstanding on said date;

3. To the Reserve Maintenance Fund, amounts such that (a) on or before the first day of the seventh month of the Authority's fiscal year there shall have been deposited an amount equal to or greater than one-half of the amount, and (b) on or before the last day of the Authority's fiscal year there shall have been deposited an amount equal to or greater than the full amount, in each case provided in the Authority Budget for the applicable fiscal year for Reserve Maintenance Payments, plus accrued deficits, if any, with respect to prior required allocations to such Fund;

4. To the Junior Indebtedness Fund, if and to the extent required so that the balance in said Fund shall equal the amounts required to be deposited therein by the Supplemental Resolution or other indenture or agreement authorizing the issuance of Junior Indebtedness outstanding on said date;

5. To the Facilities Capital Improvement Fund, in the amounts and at the times determined to be necessary or appropriate by the Authority Board, to fund Project Costs or to set up reserves to fund such costs;

6. To the Other Authority Projects Operating Fund, in the amounts and at the times determined to be necessary or appropriate by the Authority Board, to fund operating expenses relating to Other Authority Projects or to set up reserves to fund such expenses; and

7. To the General Reserve Fund, to the extent of any remaining balance of such moneys withdrawn from the Revenue Fund.

Operating Fund

Amounts in the Operating Fund shall be paid out from time to time by the Authority for reasonable and necessary Operating Expenses, free and clear of the lien and pledge created by the Bond Resolution.

The Authority shall at all times retain in the Operating Fund reasonable and necessary amounts for working capital and reserves for Operating Expenses including expenses which do not recur annually; provided that the total amount of such working capital and reserves set aside during any year shall not exceed 25% of the amount shown for Operating Expenses for such year in the applicable Authority Budget.

Whenever the Operating Fund exceeds the amount reasonable and necessary for Operating Expenses including reserves and working capital, the Authority shall apply the excess to the purposes and in the Funds established under the Bond Resolution in the same manner as payments from the Revenue Fund.

Investment income on amounts in the Operating Fund shall be deposited into the Revenue Fund.

Senior Debt Service Fund

The Trustee shall on or before each Interest Payment Date or Redemption Date, as the case may be, withdraw from the Senior Debt Service Fund and pay:

(A) The interest due on all Outstanding Bonds on such Interest Payment Date;

(B) The Principal Installments due on all Outstanding Bonds on such Interest Payment Date;

(C) The Sinking Fund Installments, if any, due on all Outstanding Bonds on such Interest Payment Date; and

(D) The Redemption Price due on all Outstanding Bonds on any Redemption Date in accordance with the Bond Resolution.

The amounts paid out shall be irrevocably pledged to and applied to such payments.

In the event that on any Interest Payment Date, the amount in the Senior Debt Service Fund shall be less than the amounts, respectively, required for payment of interest on the Outstanding Bonds, for the payment of the principal of Outstanding Bonds or for the payment of Sinking Fund Installments of the Outstanding Bonds of any Series due and payable on such Interest Payment Date, the Authority, in the following order of priority, shall withdraw from the unencumbered moneys in the General Reserve Fund, the unencumbered moneys in the Other Authority Projects Operating Fund, the unencumbered moneys in the Facilities Capital Improvement Fund, the unencumbered moneys in the Reserve Maintenance Fund, and, solely to the extent necessary to make any payments with respect to Bonds secured by the Senior Debt Service Reserve Fund, amounts in the Senior Debt Service Reserve Fund, and deposit to the Senior

Debt Service Fund such amounts as will increase the amount in the Senior Debt Service Fund to an amount sufficient to make payment of interest on, and principal and Sinking Fund Installments of the Outstanding Bonds of such Series; provided, however, that with respect to any Series of Bonds not secured by amounts in the Senior Debt Service Reserve Fund pursuant to the related Supplemental Resolution, payments relating to any such Bonds shall be made pro rata with all other Bonds from amounts available from unencumbered moneys in the General Reserve Fund, the Other Authority Projects Operating Fund, the Facilities Capital Improvement Fund and the Reserve Maintenance Fund, but shall not be funded from any amounts in the Senior Debt Service Reserve Fund.

Investment income on amounts in the Senior Debt Service Fund, to the extent permitted in a Supplemental Resolution, shall be retained in such Fund or, upon the direction of an Authorized Officer, shall be transferred to the Rebate Fund, the Construction Fund or the Revenue Fund.

Senior Debt Service Reserve Fund

In addition to the moneys allocated from the Revenue Fund, the Trustee shall deposit into the Senior Debt Service Reserve Fund such portion of the proceeds of the sale of Bonds of any Series, if any, as shall be prescribed in the Supplemental Resolution or the Certificate of Determination for such Series, and any other moneys and investments which may be made available to the Trustee for the purposes of the Senior Debt Service Reserve Fund from any other source or sources in order to increase the amounts on deposit in the Senior Debt Service Reserve Fund to the Senior Debt Service Reserve Fund Requirement.

If necessary, moneys and Investment Obligations held for the credit of the Senior Debt Service Reserve Fund shall be withdrawn by the Trustee, deposited to the credit of the Senior Debt Service Fund and applied to the payment of interest, Principal Installments and Sinking Fund Installments of Bonds secured by the Senior Debt Service Reserve Fund at the times and in the amounts required to permit the Trustee to make timely payment of debt service due and payable on the Bonds.

Except as otherwise provided under this heading, investment income on amounts in the Senior Debt Service Reserve Fund shall be retained therein. If at any time moneys and Investment Obligations on deposit to the credit of the Senior Debt Service Reserve Fund exceed the Senior Debt Service Reserve Fund Requirement, the Trustee shall, to the extent permitted in a Supplemental Resolution, upon the direction of an Authorized Officer, withdraw therefrom and deposit such excess amount into the Senior Debt Service Fund, the Revenue Fund, the Rebate Fund or the Construction Fund.

In lieu of moneys or Investment Obligations, the Authority may, to the extent permitted by law, deposit or cause to be deposited to or substituted for deposit to the Senior Debt Service Reserve Fund a Reserve Credit Facility for the benefit of the Holders of the Bonds secured by the Senior Debt Service Reserve Fund for all or any part of the Senior Debt Service Reserve Fund Requirement. Each Reserve Credit Facility deposited to the Senior Debt Service Reserve Fund shall be payable (upon the giving of such notice as may be required thereby) on any date on which moneys are required to be withdrawn from the Senior Debt Service Reserve Fund and such withdrawal cannot be made without drawing upon such Reserve Credit Facility. In computing the amount on deposit in the Senior Debt Service Reserve Fund, a Reserve Credit Facility shall be valued at the amount available to be drawn or payable thereunder on the date of computation.

In the event of the refunding of any Bonds, the Authority may withdraw from the Senior Debt Service Reserve Fund all or any portion of the amounts accumulated therein with respect to the Bonds being refunded and deposit such amounts with the Trustee to be held for the payment of the principal or Redemption Price, if applicable, and interest on the Bonds being refunded; provided that such withdrawal shall not be made unless (i) upon such refunding, the Bonds being refunded shall be deemed to have been paid within the meaning and with the effect provided in the Bond Resolution, and (ii) the amount remaining in the Senior Debt Service Reserve Fund, after giving effect to any Reserve Credit Facility deposited in such Fund pursuant to the Bond Resolution, shall not be less than the Senior Debt Service

Reserve Fund Requirement, and provided, further, that, at the time of such withdrawal, there shall exist no deficiency in the Senior Debt Service Fund.

The Authority may determine by Supplemental Resolution that a Series of Bonds shall not be secured by the Senior Debt Service Reserve Fund, in which case no amounts shall be required from the proceeds of such Series of Bonds for deposit in the Senior Debt Service Reserve Fund and no amounts shall be payable from the Senior Debt Service Reserve Fund to pay amounts due or payable with respect to such Bonds.

Reserve Maintenance Fund

Moneys held for the credit of the Reserve Maintenance Fund shall be disbursed only for the purpose of paying a cost relating to a Facility of:

(a) maintenance or repairs not recurring annually, and renewals and replacements,

(b) repairs or replacements resulting from an emergency or caused by some unusual or extraordinary occurrence, to the extent that the moneys in other available Funds, together with insurance proceeds, if any, available therefor are insufficient to meet such emergency,

(c) items of equipment, and

(d) engineering expenses incurred under the provisions of the Bond Resolution.

The Authority shall from time to time transfer any moneys from the Reserve Maintenance Fund to the credit of the Revenue Fund upon the receipt of a certificate of an Authorized Officer directing such transfer and certifying that the amount so to be transferred is no longer required for the purposes of the Reserve Maintenance Fund.

Investment income on amounts in the Reserve Maintenance Fund shall be deposited into the Revenue Fund.

In connection with the establishment of Authority Budgets for each fiscal year of the Authority, the Authority shall cause the Independent Consultant, at least once every three Authority fiscal years, to make an estimate or to evaluate the Authority's estimate of Reserve Maintenance Payments and to deliver a certificate or certificates setting forth the amount or amounts it has approved as an estimate of Reserve Maintenance Payments for each fiscal year of the Authority covered by such certificate. Any Independent Consultant's Certificate delivered in connection with the establishment of Reserve Maintenance Payments shall take into account any other moneys available for such purposes in determining the amount of such Reserve Maintenance Payments.

Junior Indebtedness Fund

The Authority may, at any time or from time to time, issue evidences of indebtedness payable out of, and which may be secured by a pledge of, such amounts in the Junior Indebtedness Fund as may from time to time be available for the purpose of payment thereof and of Revenues; provided, however, that any pledge of Revenues shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Bond Resolution with respect to the Bonds.

Subject to the terms of any pledge securing Junior Indebtedness, amounts in the Junior Indebtedness Fund may be applied to payment of the principal or redemption price of and interest on any Junior Indebtedness. Junior Indebtedness may be issued by the Authority to provide for any Facilities or Other Authority Projects constituting a lawful transportation or transportation-related (including related necessary or appropriate economic development activities) corporate purpose of the Authority.

The Authority shall have the right to covenant with the holders from time to time of Junior Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds may be issued; provided, however, that the Supplemental Resolution or indenture or other agreement providing for the issuance of such Junior Indebtedness shall not permit the holders of such obligations to declare the same or instruct such holders' trustee to declare the same to be immediately due and payable notwithstanding the occurrence of an event that would give rise to such a declaration unless all Outstanding Bonds shall have been declared immediately due and payable in accordance with the Bond Resolution.

Facilities Capital Improvement Fund

The Authority may, from time to time, disburse or transfer amounts in the Facilities Capital Improvement Fund for the purposes of providing for transfers to the Construction Fund, for Project Costs or, upon the determination of the Authority Board and after satisfying any deficiencies in the Senior Debt Service Fund, the Senior Debt Service Reserve Fund, the Reserve Maintenance Fund or the Junior Indebtedness Fund, transfer such amounts to any other Fund or account held under the Bond Resolution.

Other Authority Projects Operating Fund

The Authority may, from time to time, disburse or transfer amounts in the Other Authority Projects Operating Fund, free and clear of the lien and pledge created by the Bond Resolution, for the purpose of providing for operating costs of Other Authority Projects, or, upon the determination of the Authority Board, transfer such amounts to the General Reserve Fund.

General Reserve Fund

Amounts in the General Reserve Fund are to be transferred, in the following order, to the Senior Debt Service Fund, the Senior Debt Service Reserve Fund, the Reserve Maintenance Fund, the Junior Indebtedness Fund, the Facilities Capital Improvement Fund and the Other Authority Projects Operating Fund to make up deficiencies in or to set aside reserves for such Funds.

Subject to any lien or pledge securing Subordinated Indebtedness that has been determined by the Authority Board to be superior to such purposes, amounts in the General Reserve Fund not immediately required for the purposes specified in the preceding paragraph shall, pursuant to resolution of the Authority Board, be applied in the following order: (i) to the purchase, redemption or payment at maturity of Bonds or Junior Indebtedness, (ii) to pay the capital costs of Other Authority Projects or (iii) paid to the Authority, free and clear of the lien and pledge created by the Bond Resolution, for any lawful corporate purpose of the Authority, including but not limited to payment of amounts due with respect to Subordinated Indebtedness.

Upon any purchase or redemption, with moneys in the General Reserve Fund, of Bonds of any Series and maturity for which Sinking Fund Installments have been established, there shall be credited toward each such Sinking Fund Installment thereafter to become due (other than that next due), unless otherwise directed by the Authority, an amount bearing the same ratio to such Sinking Fund Installment as the total principal amount of such Bonds so purchased or redeemed bears to the total amount of all remaining Sinking Fund Installments for the Bonds of the same Series and maturity to be credited.

Subordinated Indebtedness

Subordinated Indebtedness may be issued to finance any lawful corporate purpose of the Authority. Subordinated Indebtedness may be secured by a pledge of such amounts in the Subordinated Indebtedness Fund as may from time to time be available for the payment thereof and of Revenues; provided, however, that any pledge of Revenues shall be, and shall be expressed to be, subordinate in all respects to the pledge created by the Bond Resolution with respect to the Bonds and any pledge of Revenues with respect to Junior Indebtedness.

The Authority shall have the right to covenant with the holders from time to time of Subordinated Indebtedness to add to the conditions, limitations and restrictions under which any Additional Bonds or Junior Indebtedness may be issued; provided, however, that the Supplemental Resolution or indenture or other agreement providing for the issuance of such Subordinated Indebtedness shall not permit the holders of such obligations to declare the same or instruct such holders' trustee to declare the same to be immediately due and give rise to such a declaration unless all Outstanding Bonds and Junior Indebtedness shall have been declared immediately due and payable in accordance with the Bond Resolution.

Rebate Fund

Moneys on deposit in the Rebate Fund shall be applied by the Authority to make payments to the Department of the Treasury of the United States of America at such times and in such amounts as the Authority shall determine to be required by the Code to be rebated to the Department of the Treasury of the United States of America in accordance with the provisions of the Arbitrage and Use of Proceeds Certificate, if any, delivered in connection with each Series of Bonds. Moneys which the Authority determines to be in excess of the amount required to be so rebated shall be deposited to the Revenue Fund.

Construction Fund

There shall be paid into the Construction Fund the amounts (if any) required to be so paid by the provisions of the Bond Resolution, and there may be paid into the Construction Fund, at the option of the Authority, any moneys received by the Authority for or in connection with any Facility or Other Authority Project, as appropriate, from any other source, unless required to be otherwise applied as provided by the Bond Resolution.

Amounts deposited in the Construction Fund (i) from proceeds of Bonds shall be applied by the Authority to Project Costs or Costs of Issuance, as appropriate; provided, however, that proceeds from Bonds issued to finance Other Authority Project Costs shall be applied by the Authority to finance such Other Authority Project Costs or, to the extent permitted by a Supplemental Resolution, Project Costs, and (ii) other amounts deposited in the Construction Fund shall be applied to the purpose or purposes specified in the Supplemental Resolutions authorizing Bonds to finance a Facility, or if no Bonds are so issued, to the purpose or purposes specified in a resolution of the Authority, a copy of which, certified by an Authorized Officer, shall be filed with the Trustee. Notwithstanding the foregoing, amounts in the Construction Fund may be applied to the payment of Principal Installments and interest on the applicable Series of Bonds when due (including payments when due under a Qualified Swap or Qualified Reverse Swap), and to the extent that other moneys are not available therefor, amounts in the Construction Fund shall be applied to the payment of Principal Installments and interest on the Bonds when due (including payments when due under a Qualified Swap or Qualified Reverse Swap).

Investment income on amounts in the Construction Fund from proceeds of a Series of Bonds, to the extent permitted in a Supplemental Resolution, may be retained by the Authority in such Fund or transferred to the Revenue Fund, the Senior Debt Service Fund or the Rebate Fund.

Application of Moneys in the Senior Debt Service Fund For Redemption of Bonds and Satisfaction of Sinking Fund Installments

Moneys in the Senior Debt Service Fund to be used for redemption of Bonds of a Series shall be applied by the Authority to the purchase of Outstanding Bonds of such Series at purchase prices not exceeding the Redemption Price applicable on the next Interest Payment Date on which such Bonds are redeemable, plus accrued interest to such date, at such times, at such purchase prices and in such manner as the Authority shall direct.

In satisfaction, in whole or in part, of any Sinking Fund Installment, the Authority may deliver to the Trustee at least 45 days prior to the date of such Sinking Fund Installment, for cancellation, Bonds acquired by purchase or redemption (except Bonds acquired by purchase or redemption pursuant to the preceding paragraph), of the maturity and interest rate entitled to such Sinking Fund Installment. All Bonds so delivered to the Trustee in satisfaction of a Sinking Fund Installment shall reduce the amount thereof by the amount of the aggregate principal amount of such Bonds.

Extension of Payment of Bonds

The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase or funding of such Bonds or claims for interest or by any other arrangement and, in case the maturity of any of the Bonds or the time for payment of any claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default under the Bond Resolution to the benefit of the Bond Resolution or to any payment out of any assets of the Authority or the Funds and accounts (except Funds and accounts held in trust for the payment of particular Bonds or claims for interest pursuant to the Bond Resolution) held by the Trustee, except subject to the prior payment of the principal of all Bonds issued and Outstanding the maturity of which has not been extended and of such portion of the accrued interest on the Bonds as shall not be represented by such claims for interest. Nothing in the Bond Resolution shall be deemed to limit the right of the Authority to issue Refunding Bonds as permitted thereby and by the Act and such issuance shall not be deemed to constitute an extension of the maturity of the Bonds refunded.

Particular Covenants of the Authority

The Authority shall duly and punctually pay or cause to be paid the principal, Sinking Fund Installments, if any, Redemption Price of, and interest on every Bond, at the dates and places and in the manner set forth in the Bonds according to the true intent and meaning thereof.

The Authority has and shall have good right and lawful authority to take jurisdiction over, construct, reconstruct, improve, maintain and operate the Original Project and any Additional Project or Other Authority Project and to fix and collect tolls, fees, rentals and other charges, if any, as provided in the Bond Resolution or applicable Supplemental Resolution.

The Authority shall not hereafter issue any bonds or other evidences of indebtedness, other than the Bonds, secured by an equal or prior pledge of all or any part of the Revenues or other moneys, securities or funds held or set aside by the Authority or by the Fiduciaries under the Bond Resolution, and shall not create or cause to be created any equal or prior lien or charge on the Revenues, or such moneys, securities or funds except as provided in the Bond Resolution; provided, however, that nothing contained in the Bond Resolution shall prevent the Authority from issuing (i) evidences of indebtedness payable out of, or secured by a pledge of, Revenues to be derived on and after such date as the pledge of the Revenues provided in the Bond Resolution shall be discharged and satisfied as provided under "Defeasance", or (ii) Junior Indebtedness or Subordinated Indebtedness.

No part of the Facilities shall be sold, mortgaged, leased or otherwise disposed of or encumbered, provided that the Authority (i) may sell or exchange at any time and from time to time any property or facilities constituting part of the Facilities and not useful, in its opinion, in the operation thereof, but any proceeds of any such sale or exchange, not used to replace such property so sold or exchanged, shall, subject to the rights of other parties, including the State, be deposited to the Revenue Fund to be applied in the manner provided in the Bond Resolution or (ii) at any time or from time to time, in any manner deemed appropriate by the Authority Board, may dispose of any portion of the Facilities with respect to which it is forbidden by law to impose tolls or other charges and which, in its opinion, is not useful in the operation of the Facilities, but any proceeds of any such disposition, shall, subject to the rights of other parties, including the State, be deposited to the Revenue Fund to be applied in the manner provided in the Bond Resolution.

Notwithstanding the provisions of the preceding paragraph, the Authority may lease or make contracts or grant licenses for the operation of, or grant easements or other rights with respect to, any part of the Facilities, provided that any such lease, contract, license, easement or right does not, in the opinion of the Authority, impede or restrict the operation or maintenance by the Authority of the Facilities.

Operation and Maintenance of the Facilities

The Authority shall at all times operate or cause to be operated the Facilities properly and in a sound and economical manner and shall maintain, preserve, reconstruct and keep the same or cause the same to be so maintained, preserved, reconstructed and kept, with the appurtenances and every part and parcel thereof, in good repair, working order and condition, and shall from time to time make, or cause to be made, all necessary and proper repairs, replacements and renewals so that at all times the operation of the Facilities may be properly and advantageously conducted.

Tolls, Fees and Charges

The Authority covenants that:

(a) it shall at all times, fix, charge and collect such tolls, fees and charges for the use of the Facilities as are required in order that, in each Authority fiscal year, Net Revenues shall at least equal the Net Revenue Requirement for such year.

(b) On or before the sixtieth day preceding the first day of each Authority fiscal year, the Authority shall review its financial condition in order to estimate and determine whether Net Revenues for such Authority fiscal year and for the following Authority fiscal year will be sufficient to comply with the revenue covenant described above; provided that, for purposes of determining the portion of the Net Revenue Requirement relating to Variable Interest Rate Bonds for any prospective period of time, such amounts shall be calculated for each Series or subseries of Bonds bearing interest at the same rate by multiplying the principal amount of such Variable Interest Rate Bonds to be Outstanding during such prospective period by the product of the average rate of interest borne by such Variable Interest Rate Bonds during the immediately preceding 12-month period by 1.25%; provided further that for any partial year such amounts shall be prorated by multiplying the foregoing product by the actual number of days of interest accrual to be determined, and by dividing that product by 365 or 366 days, as appropriate for the particular year. If the Authority determines that Net Revenues may be inadequate, it shall cause a study to be made by an Independent Consultant that shall recommend a schedule of tolls, fees and charges which will provide sufficient Net Revenues in the following Authority fiscal year to comply with the revenue covenant described above and which will provide additional Net Revenues to eliminate any deficiency in Funds and accounts held under the Bond Resolution at the earliest practicable time, and the Authority will place in effect as soon as practicable either (i) the recommended schedule of tolls, fees and charges, or, (ii) a different schedule of tolls, fees and charges developed by the Authority which will provide sufficient Net Revenues in the following Authority fiscal year to comply with the revenue covenant described above and which will provide additional Net Revenues in such following Authority fiscal year to eliminate any deficiency at the earliest practicable time, which conclusion is concurred in by an Independent Consultant's Certificate delivered to the Authority and the Trustee.

The tolls, fees and charges to be established pursuant to paragraph (a) under this heading on the Original Project or on any Additional Project constituting a tolled road, bridge or tunnel, in the sole discretion of the Authority, shall be based on any reasonable vehicle classification, use or occupancy, and further, may consist either alone or in combination of (i) point-to-point tolls based on mileage rates, (ii) fixed or single-trip tolls or commutation rates for passage through a barrier station or bridge, including each Grand Island Bridge and a bridge for crossing the Hudson River via the Hudson section, (iii) a surcharge for crossing the Hudson River via the Berkshire section or, if determined to be necessary or appropriate by the Authority Board, a surcharge for any other location, (iv) congestion pricing, and (v) an annual, seasonal or periodic fee for a permit for the limited use of or access to all or any part of the Original Project or an Additional Project constituting a tolled road, bridge or tunnel.

The Authority covenants that tolls, fees or charges for the use of a Facility constituting a tolled road or bridge will be classified in a reasonable way to cover all traffic within any class regardless of the status or character of any person, firm or corporation participating in the traffic, and that no reduced rate of toll, fee or charge will be allowed within any such class except that provision may be made for the use of commutation or other tickets or privileges based upon frequency, volume, occupancy, congestion pricing or to facilitate implementation of electronic or other new toll collection technologies, or relating to incentives for use of newly tolled facilities which incentives last no longer than three years from the date of introduction of such incentives. The Authority further covenants that no free vehicular passage will be permitted over any portion of the Original Project that was subject to tolls on August 3, 1992 when the Bond Resolution was adopted or any portion of an Additional Project constituting a tolled road or bridge except, to the extent determined necessary and appropriate from time to time in the sole discretion of the Authority, (i) to members, officers and employees of the Authority and the New York State Police, in each case to the extent assigned to any Facility actually in the performance of their duties or in the course of traveling to or from the place of the performance of such duties or as contractually provided, (ii) by means of passes or otherwise, to such vehicles owned by individuals, corporations or partnerships with which the Authority has entered into leases, concession contracts or service and maintenance contracts, as in its discretion may be deemed necessary for the operation of concessions and facilities upon the Facilities, for the maintenance of such concessions or facilities and for the prompt and economical furnishing of emergency services to patrons of the Facilities or any concession or facility thereof, (iii) in a manner and in amounts such that as a result thereof, based upon projections furnished in a report to the Authority and the Trustee by an Independent Consultant, the Authority projects that there will be no material decrease in Revenues, except to the extent offset by a corresponding decrease in Operating Expenses and/or the operating expenses of any Other Authority Projects; provided that for purposes of its report, the Independent Consultant shall take into account implemented or approved toll adjustments and other contemporaneous or prospective changes in the operations of the Original Project and any portion of any Additional Project constituting a tolled road or bridge that shall have been approved by the Authority or any Other Authority Projects, and (iv) otherwise in de minimis amounts.

Insurance

The Authority covenants that it shall maintain with responsible insurers all insurance required and reasonably obtainable, in the judgment of the Authority, to provide against loss of or damage to the Facilities and loss of revenues, to the extent necessary to protect the interests of the Authority and the Bondholders.

Accounts and Reports

The Authority shall keep or cause to be kept proper books of record and account in which complete and correct entries shall be made of all its transactions relating to all Funds established by the Bond Resolution which shall at all reasonable times be subject to the inspection of the Holders of an aggregate of not less than five per cent (5%) in the principal amount of the Bonds then Outstanding or their representatives duly authorized in writing.

The Authority shall annually, within 120 days after the close of each calendar year, file with the Trustee a copy of an annual report for such year, accompanied by a certificate of an Authorized Officer, including statements in reasonable detail of: financial condition as of the end of such year and income and expenses for such year, all to the extent relating to the Facilities; a statement of all classifications of income for such year; and a summary of statement with respect to each Fund and account established under the Bond Resolution.

Tax Covenants

The Authority shall at all times do and perform all acts and things necessary or desirable in order to assure that interest paid on the Bonds shall be not included in the gross income of the owners thereof for purposes of federal income taxation.

The Authority shall not permit at any time any of the proceeds of the Bonds or any other funds of the Authority to be used directly or indirectly to acquire any investment property, the acquisition of which would cause any Bond to be an "arbitrage bond" as defined in Section 148 of the Code.

The Authority shall not permit at any time any proceeds of any Bonds or any other funds of the Authority to be used, directly or indirectly, in a manner which would result in the classification of any Bond as a "private activity bond" within the meaning of Section 141 of the Code.

Notwithstanding the foregoing, the Authority reserves the right to elect to issue obligations the interest on which is not exempt from federal income taxation, if such election is made prior to the issuance of such obligations, and the covenants contained under this heading shall not apply to such obligations.

Notice as to Event of Default

The Authority shall notify each issuer of a Credit Facility and the Trustee in writing that an "Event of Default" has occurred and is continuing, which notice shall be given within five (5) days after the Authority has obtained actual knowledge thereof; provided, however, that the Authority shall provide the issuer of a Credit Facility with immediate notice of any payment default after the Authority has obtained actual knowledge thereof. See "Events of Default" hereinafter.

Covenants with Credit Facility Providers

The Authority may make such covenants as it may in its sole discretion determine to be appropriate with any provider of a Credit Facility or Reserve Credit Facility that shall agree to provide a Credit Facility or Reserve Credit Facility for Bonds of any one or more Series that shall enhance the security or the value of such Bonds and thereby reduce the principal and interest requirements on such Bonds. Such covenants may be set forth in or provided for by the applicable Supplemental Resolution and shall be binding on the Authority, the Trustee, the Paying Agents, and all the owners of Bonds the same as if such covenants were set forth in full in the Bond Resolution.

Additional Projects

The Authority may designate an Other Authority Project to be an Additional Project if and only if there has been submitted to the Trustee with respect to such Other Authority Project at or prior to the date of such designation:

1. A certificate of an Authorized Officer to the effect that the Other Authority Project has been in operation (whether or not by the Authority) for a period of at least twelve (12) months prior to the date of such designation, and that for the 12-month period ending on the last day of a month no more than 90 days preceding the date of designation as an Additional Project the revenues derived from the operation of such Project exceeded the operating expenses for such Other Authority Project;

2. A Counsel's Opinion to the effect that the Authority has good right and lawful authority to acquire, design, construct, maintain, operate, finance, improve, reconstruct, rehabilitate or otherwise undertake such Other Authority Project and to establish, levy, maintain and collect, during the term of the Bonds, tolls, rentals, rates, fees or other charges in connection therewith, which establishment, levy, maintenance or collection shall not then require or be subject to (a) in the case of any Additional Project constituting a tolled road, bridge or tunnel, any governmental approval not applicable to the Original Project, or (b) in the case of any Additional Project not constituting a tolled road, bridge or tunnel, any direct governmental approval;

3. A Counsel's Opinion stating whether or not the Authority is required by law to have a license, order or other authority from any federal, State or other governmental agency or regulatory body having lawful jurisdiction in connection with such Facility and, if so required, that such license, order or other authority has been obtained;

4. A certificate of an Authorized Officer setting forth (A) the Revenues and Operating Expenses of the Authority for the 12-month period set forth in subparagraph (1) above, including revenues and operating expenses relating to the Other Authority Project being designated an Additional Project; provided that if (a) any previously designated Additional Project had not been an Additional Project for any part of the 12-month period, such Additional Project Revenues and Operating Expenses shall be respectively increased by the revenues and operating expenses of such Additional Project for such 12-month period calculated as if the respective definitions of Additional Project Revenues and Operating Expenses had been applicable thereto for the entire 12-month period, and (b) if on the date of such designation by the Authority the amount of the tolls, fees or charges for any Facility shall be less than it was during any part of the period covered by such certificate, the Revenues for such part of such period shall be decreased as if such tolls, fees or charges had been in effect for all of such period, and (B) that for such 12-month period the Net Revenues as calculated pursuant to clause (A) of this subparagraph (4), are at least equal to the Net Revenue Requirement;

5. An Independent Consultant's Certificate setting forth (A) the estimated Net Revenues for all Facilities, together with estimated Reserve Maintenance Payments, excluding the proposed Additional Project, for each of the Authority fiscal years in the Test Period, and (B) the estimated Net Revenues for all Facilities, together with estimated Reserve Maintenance Payments, including the proposed Additional Project, for each of the Authority fiscal years in the Test Period;

6. A certificate of an Authorized Officer to the effect that the amount of the estimated Net Revenues less Reserve Maintenance Payments determined pursuant to subsection (5)(B) above in each of the Authority fiscal years in the Test Period is not less than 100% of the estimated Net Revenues less estimated Reserve Maintenance Payments for each of the same years in subsection (5)(A) above; and

7. A copy of the Supplemental Resolution designating such Other Authority Project as an Additional Project certified by an Authorized Officer.

Additional Project Revenues

The Authority shall not designate a project as an Additional Project, unless the Authority has jurisdiction and control of such project and the Supplemental Resolution designating the same provides that all tolls, rentals and other charges and other earned income or receipts, if any, derived by the Authority from such Project are and shall be deemed to be Additional Project Revenues.

Authority Budgets

The Authority shall prepare an Authority Budget on an annual basis, or on such other periodic basis as the Authority Board shall determine, but in no event on a less frequent basis than biennially, which shall include amounts for all anticipated Operating Expenses and reserves therefor, Reserve Maintenance Payments and provision for anticipated deposits into each Fund under the Bond Resolution for the period of such budget. Such Authority Budget may set forth such additional material as the Authority may determine. On or before the first day of each fiscal year or for such applicable period for the Authority Budget as aforesaid, the Authority shall finally adopt the Authority Budget for such period and shall mail such Authority Budget to the Trustee. The Authority may at any time adopt an amended Authority Budget for the remainder of the then current fiscal year or other applicable period.

Inspection of Facilities; Duties of Independent Consultants

The Authority shall make, or cause the Independent Consultant to make, an inspection of the Facilities at least once every three Authority fiscal years, and, on or before the first day of the first Authority fiscal year in such period to report as to proper maintenance, repair and operation together with an estimate of the moneys necessary for such purposes during each such Authority fiscal year. In any event, the Authority shall cause an Independent Consultant to deliver an Independent Consultant's Certificate either concurring in and approving or making such determinations, as appropriate.

Proposed New Interchanges and New Extensions

The Authority may construct, acquire or accept any additional tolled roadway or any extension to or expansion of any Facility constituting a tolled roadway or any interchange on any Facility constituting a tolled roadway if and only if there has been submitted to the Trustee with respect to such proposed New Interchange or such proposed New Extension at or prior to the date of undertaking the construction, acquisition or acceptance thereof the following:

1. A Counsel's Opinion stating whether or not the Authority is required by law to have a license, order or other authority from any federal, State or other governmental agency or regulatory body having lawful jurisdiction in connection with such New Interchange or New Extension, as applicable, and, if so required, that such license, order or other authority has been obtained;

2. A Counsel's Opinion to the effect that the Authority has good right and lawful authority to acquire, design, construct, maintain, operate, finance, improve, reconstruct, rehabilitate or otherwise undertake such New Interchange or New Extension, and to establish, levy, maintain, collect and adjust, during the term of the Bonds, tolls, rentals, rates, fees or other charges in connection therewith, which establishment, levy, maintenance, collection or adjustment shall not then require or be subject to any governmental approval not applicable to the Original Project;

3. An Independent Consultant's Certificate setting forth (A) the estimated Net Revenues for all Facilities, together with estimated Reserve Maintenance Payments, excluding the proposed New Interchange or New Extension, for each of the successive five complete Authority fiscal years following the later of (i) two complete Authority fiscal years following its estimated Date of Completion and (ii) the date of its acquisition or acceptance by the Authority, and (B) the estimated Net Revenues for all Facilities, together with estimated Reserve Maintenance Payments, including the proposed New Interchange or New Extension for each of the same five complete Authority fiscal years;

4. A certificate of an Authorized Officer to the effect that the amount of the estimated Net Revenues less estimated Reserve Maintenance Payments determined pursuant to subparagraph 3(B) above in each of the five Authority fiscal years is not less than 100% of the estimated Net Revenues less estimated Reserve Maintenance Payments for each of the same five years determined pursuant to subparagraph 3(A) above;

5. Solely with respect to New Interchanges, the Independent Consultant shall include in its estimate of Net Revenues for each year calculated for purposes of subsection 3(B) above, the amount of any payments to be received in cash upon undertaking such New Interchange together with any payment obligations that have or would have a long-term rating of "A" or better (if so determined by the Authority, such cash payments to be allocated pro rata for each of the years of the test period, whether such payments are in fact applied for capital or operating expenses of such New Interchange); provided, however, that if the Authority Board determines that a period longer than five years will be necessary for the New Interchange to meet the test in paragraph 4 without the benefit of such cash payments or payment obligations, the test period shall be expanded accordingly; provided further that no such cash payments or payment obligations may be included for purposes of Subsection 3(B) above in estimating Net Revenues for a New Extension; and

6. A copy of the Supplemental Resolution designating such project to be an Additional Project certified by an Authorized Officer.

The foregoing requirements do not apply to an interchange or an extension that meets the requirements under the Bond Resolution for a "Facility Capital Improvement" (See the definition hereinabove) or an "Additional Project" (see "Additional Projects" hereinabove).

Limitation on Certain Acquisitions

Except for amounts released from the lien of the Bond Resolution pursuant to the provisions relating to the General Reserve Fund, the Authority covenants that no Revenues, Bond proceeds, or proceeds of Junior Indebtedness shall be applied to the purchase or acquisition of any existing facility not, in the opinion of the Authority Board, necessary for the proper operation of an existing Facility or an existing Other Authority Project, except to the extent necessary to pay, in due course or through refunding, any outstanding bonds, notes or other evidences of indebtedness of a public corporation transferring such facility.

Investment of Funds

Amounts in the Funds and accounts established by the Bond Resolution may be invested only in Investment Obligations. Investment Obligations on deposit in the Funds and accounts held under the Bond Resolution shall have maturity dates, or shall be subject to redemption or tender at the option of the Authority or the Trustee on the respective dates specified by an Authorized Officer, as appropriate, which dates shall be on or prior to the respective dates on which the moneys invested therein are payable for the purposes of such Funds and accounts; provided that in no event shall the remaining term to maturity or redemption upon the demand of the holder thereof of any Investment Obligation credited to the Senior Debt Service Reserve Fund be greater than seven (7) years from the date such Investment Obligation is credited to such Fund. The Authority, or the Trustee, upon the instructions of an Authorized Officer, shall sell any Investment Obligations held in any Fund or account to the extent required for payments from such Fund or account. The proceeds of such sales, and of all payments at maturity or upon redemption of such investments, shall be held in the applicable Fund or account to the extent required to meet the requirements of such Fund or account. Losses, if any, realized on Investment Obligations held in any Fund or account shall be debited to such Fund or account. In computing the amount of such Funds and accounts, investments shall be valued at par, or if purchased at other than par, shall be valued at Amortized Value. Accrued interest received upon the sale of any Investment Obligation to the extent such amount exceeds any accrued interest paid on the purchase of such Investment Obligation shall be treated as interest earned on such Investment Obligation.

Trustee

The Trustee may at any time resign and be discharged of its duties and obligations under the Bond Resolution by giving not less than sixty (60) days' written notice to the Authority, specifying the date when such resignation shall take effect; provided, however, that any resignation or removal of the Trustee shall in no event take effect until a successor shall have been appointed and accepted the duties of Trustee.

The Authority may at any time remove the Trustee initially appointed or any successor thereto by written notice of such removal mailed by first class mail to the Trustee except that the Trustee may not be removed during the pendency of an Event of Default; provided, however, that any resignation or removal of the Trustee shall in no event take effect until a successor shall have been appointed and accepted the duties of Trustee.

Any Trustee appointed in succession to the original Trustee shall be a bank or trust company organized under the laws of the State of New York or a national banking association and having Capital Funds of at least $100,000,000, if there be such a bank or trust company or national banking association willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by the Bond Resolution.

Supplemental Resolutions

The Authority may adopt, for, among other things, any one or more of the following purposes and at any time or from time to time, a Supplemental Resolution which, upon adoption thereof and filing with the Trustee shall be fully effective in accordance with its terms:

1. To modify any of the provisions of the Bond Resolution in any respect whatever, provided that (i) such modification shall be, and be expressed to be, effective only after all Bonds of any Series Outstanding at the date of the adoption of such Supplemental Resolution shall cease to be Outstanding and (ii) such Supplemental Resolution shall be specifically referred to in the text of all Bonds of any Series authenticated and delivered on original issuance after the date of the adoption of such Supplemental Resolution and of Bonds issued in exchange therefor or in place thereof;

2. To insert such provisions clarifying matters or questions arising under the Bond Resolution as are necessary or desirable and are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;

3. To authorize Bonds of a Series;

4. To designate or confirm the designation of any project as an Other Authority Project or to designate an Other Authority Project, New Interchange or New Extension as an Additional Project under the Bond Resolution;

5. To modify, amend, insert or delete such provisions of the Bond Resolution as, in Counsel's Opinion, shall be necessary or desirable to ensure the continued federal tax exemption of the interest on any Series of Bonds Outstanding under the Bond Resolution, so long as the Authority determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

6. To modify, amend or supplement the Bond Resolution in any manner in order to provide for a Credit Facility or a Reserve Credit Facility for any Series of Bonds, under the Bond Resolution, so long as the Authority determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

7. To cure any ambiguity, supply any omission, or cure or correct any defect or inconsistent provision in the Bond Resolution, under the Bond Resolution, so long as the Authority determines that such Supplemental Resolution does not materially adversely affect the right, security and interest of the Holders of Outstanding Bonds;

8. To provide for the application of the proceeds of any sale, exchange, lease or other disposition of any Facility permitted by the Bond Resolution;

9. To provide for additional investments that may be delivered in lieu of Government Obligations in order to cause Bonds of a Series then or thereafter being initially issued and delivered to be deemed paid by the Bond Resolution;

10. To the extent authorized by law and to the extent the Authority shall have received a Counsel's Opinion that it will not adversely affect the exclusion of interest from the income of holders of Bonds for federal income tax purposes for any Bonds issued on a tax-exempt basis, to provide for the delivery of Bonds that are not in registered form;

11. To the extent authorized by law and to the extent that it will not adversely affect the exclusion of interest from the income of holders of Bonds for federal income tax purposes for any Bonds issued on a tax-exempt basis, to provide for the delivery of a Series of Bonds or a portion of a Series of Bonds incorporating detachable call options.

In addition, the Authority may adopt a Supplemental Resolution amending any provision of the Bond Resolution, effective upon filing with the Authority of a written determination of the Trustee and a Counsel's Opinion that such amendment will not materially adversely affect the rights of any Holder of Bonds.

Powers of Amendment

Any modification or amendment of the Bond Resolution and of the rights and obligations of the Authority and of the Holders of the Bonds thereunder, in any particular, may be made by a Supplemental Resolution, with the written consent given, and not revoked, as provided in the Bond Resolution, (a) by the Holders of at least a majority in principal amount of the Bonds Outstanding at the time such consent is given, and (b) in case less than all of the Bonds then Outstanding are affected by the modification or amendment, by the Holders of at least a majority in principal amount of the Bonds so affected and Outstanding at the time such consent is given; provided, however, that if such modification or amendment will, by its terms, not take effect so long as any Bonds of any specified like Series and maturity remain Outstanding, the consent of the Holders of such Bonds shall not be required and such Bonds shall not be deemed to be Outstanding for the purpose of any calculation of Outstanding Bonds under this heading. No such modification or amendment shall permit a change in the terms of redemption or maturity of the principal of any Outstanding Bond or of any installment of interest thereon or a reduction in the principal amount or the Redemption Price thereof or in the rate of interest thereon without the consent of the Holders of such Bonds, or shall reduce the percentages or otherwise affect the classes of Bonds the consent of the Holders of which is required to effect any such modification or amendment, or shall change or modify any of the rights or obligations of the Trustee without its written assent thereto. A Series shall be deemed to be affected by a modification or amendment of the Bond Resolution if the same materially adversely affects or diminishes the right, security and interest of the Holders of Bonds of such Series. The Authority may in its discretion determine whether or not in accordance with the foregoing, Bonds of any particular Series or maturity would be affected by any modification or amendment of the Bond Resolution and any such determination shall be binding and conclusive on all Holders of Bonds. The Authority shall, prior to making any such determination, receive a Counsel's Opinion as conclusive evidence as to whether the Bonds of a Series or maturity would be so affected by any such modification or amendment thereof.

Events of Default

The occurrence of one or more of the following events shall constitute an "Event of Default":

(a) payment of principal, Sinking Fund Installments, interest or premium on any Bond shall not be made when the same shall have become due, whether at maturity or upon call for redemption or otherwise, which default shall continue for a period of five (5) days; or

(b) failure by the Authority to observe any of the covenants, agreements or conditions on its part contained in the Bond Resolution or in the Bonds contained, and failure to remedy the same for a period of thirty (30) days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Authority by the Trustee or to the Authority and the Trustee by the Holders of not less than a majority in aggregate principal amount of Bonds at the time Outstanding; provided that, if such default cannot be corrected within such thirty (30)-day period, it shall not constitute an Event of Default if corrective action is instituted by the Authority within such period and is diligently pursued until the default is corrected; or

(c) if the Authority (i) admits in writing its inability to pay its debts generally as they become due, (ii) commences voluntary proceedings in bankruptcy or seeking a composition of indebtedness, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a receiver of the whole or any substantial part of the Facilities, or (v) consents to the assumption by any court of competent jurisdiction under any law for the relief of debtors of custody or control of the Authority or of the whole or any substantial part of the Facilities.

Remedies

Upon the occurrence and continuance of any Event of Default, the Trustee may, and upon written request of the Holders of not less than a majority in aggregate principal amount of such Bonds then Outstanding, shall:

(a) by mandamus or other suit, action or proceeding at law or in equity enforce all rights of the Holders of Bonds under the Bond Resolution;

(b) bring suit upon such Bonds;

(c) by action or suit in equity, require the Authority to account as if it were the trustee of an express trust for the Holders of such Bonds;

(d) by action or suit in equity, enjoin any acts or things which may be unlawful or in violation of the rights of the Holders of such Bonds;

(e) declare all such Bonds due and payable, and if all defaults shall be made good then with the consent of the Holders of not less than a majority in aggregate principal amount of such Bonds then outstanding, annul such declaration and its consequences.

The Supreme Court of the State shall have jurisdiction of any suit, action or proceeding by the Trustee on behalf of the Holders of Bonds, and venue of any such suit, action or proceeding shall be laid in the County of Albany.

No remedy by the terms of the Bond Resolution conferred upon or reserved to the Trustee or the Holders of the Bonds is intended to be exclusive of any other remedy but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under the Bond Resolution or existing at law or in equity or by statute on or after the date of adoption of the Bond Resolution, except that the Bondholders shall not have the statutory rights afforded by Section 368 of the Act as in effect on August 3, 1992 respecting the appointment of a trustee subsequent to a payment default on the Bonds.

No Holder of any of the Bonds shall have any right to institute any suit, action or proceeding in equity or at law for the enforcement of any trust under the Bond Resolution, or any other remedy thereunder or under the Bonds, unless such Holder previously shall have given to the Trustee written notice of an Event of Default as provided in the Bond Resolution and unless also the Holders of not less than a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request of the Trustee so to do, after the right to exercise such powers or rights of action, as the case may be, shall have accrued, and shall have afforded the Trustee a reasonable opportunity either to proceed to exercise the powers granted under the Bond Resolution, or to institute such action, suit or proceeding in its or their name; nor unless there also shall have been offered to the Trustee security and indemnity satisfactory to it against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall not have complied with such request within a reasonable time; and such notification, request and offer of indemnity are declared in every such case, at the option of the Trustee, to be conditions precedent to the execution of the trusts of the Bond Resolution, or to enforce any right thereunder or under the Bonds, except in the manner therein provided, and that all proceedings at law or in equity shall be instituted, had and maintained in the manner therein provided and for the equal benefit of all Holders of Outstanding Bonds, subject, however, to the provisions of the Bond Resolution regarding the extension of payment for the Bonds. Nothing in the Bond Resolution or in the Bonds contained shall affect or impair the right of action, which is also absolute and unconditional, of any Holder of any Bond to enforce payment of the principal of and premium, if any, and interest on such Bond at the respective dates of maturity of each of the foregoing and at the places therein expressed.

All rights of action under the Bond Resolution or under any of the Bonds which are enforceable by the Trustee may be enforced by it without the possession of any of the Bonds, or the production thereof on the trial or other proceedings relative thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in its name, as trustee, for the equal and ratable benefit of the Holders of the Bonds, subject to the provisions of the Bond Resolution.

No delay or omission of the Trustee or of any Holder of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default, or an acquiescence therein; and every power and remedy given by the Bond Resolution to the Trustee and to the Holders of the Bonds, respectively, may be exercised from time to time as often as may be deemed expedient.

No Cross-Default

Except as provided in the Bond Resolution, a Supplemental Resolution or a Certificate of Determination, no default under the Act or any resolution, agreement, or other instrument shall constitute or give rise to a default under the Bond Resolution.

Priority of Payments After Default

In the event that the funds held by the Authority, the Trustee or by the Paying Agents shall be insufficient for the payment of principal, Sinking Fund Installments, if any, or Redemption Price and interest then due on the Bonds, such funds (other than funds held for the payment of particular Bonds which have theretofore become due at maturity or by call for redemption and funds which at the time of their deposit into any Fund or account under the Bond Resolution have been designated to be applied solely to the payment of the principal of and premium, if any, and interest on any series of Bond Anticipation Notes and subject to the provisions governing the application of any separate account in the Senior Debt Service Reserve Fund for a particular Series of Bonds established in the Supplemental Resolution authorizing such Series of Bonds) and any other moneys received or collected by the Trustee or any Paying Agents, or a trustee appointed pursuant to the terms of the Bond Resolution and in accordance with the Act, after making provision for the payment of any expenses necessary in the opinion of the Authority to preserve the continuity of the Revenues, or otherwise protect the interests of the Holders of the Bonds, and after making provision for the payment of the reasonable charges and expenses and liabilities incurred and advances made by the Trustee or any Paying Agents in the performance of their duties under the Bond Resolution, shall be applied as follows:

FIRST: To the payment to the persons entitled thereto of all installments of interest then due in the order of the maturity of the installments of such interest.

SECOND: To the payment to the persons entitled thereto of the unpaid principal, Sinking Fund Installments or Redemption Price of any Bonds which shall have become due whether at maturity or by call for redemption.

If the principal of all of the Bonds shall have become or have been declared due and payable, all such moneys shall be applied to the payment of the principal and interest then due and unpaid upon the Bonds without preference or priority.

Defeasance

Any Bonds of any Series shall prior to the maturity or Redemption Date thereof be deemed to have been paid within the meaning and with the effect expressed in the Bond Resolution if (a) in case any of said Bonds are to be redeemed on any date prior to their maturity, the Authority shall have published or caused to be published notice of redemption on said date of such Bonds, (b) there shall have been deposited with the Authority either moneys in an amount which shall be sufficient, or Government Obligations or other investments authorized for such purpose ("Other Authorized Investments") the principal of and the interest on which when due will provide moneys which, together with the moneys, if any, deposited with the Authority at the same time, shall be sufficient, to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest due and to become due on said Bonds on and prior to the Redemption Date or maturity date as the case may be, and (c) in the event such Bonds are not by their terms subject to redemption within the next succeeding sixty (60) days, the Authority shall (i) publish, as soon as practicable, at least twice, at an interval of not less than seven (7) days between publications, in an Authorized Newspaper a notice to the Holders of such Bonds, and (ii) mail by registered or certified mail, postage prepaid, a notice to the Holders of such Bonds, in each case that the deposit required by (b) above has been made and that said Bonds are deemed to have been paid in accordance with the Bond Resolution and stating such maturity date or Redemption Date upon which moneys are to be available for the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, on said Bonds. The Authority shall select which Bonds of a Series and which maturity thereof shall be paid in accordance with the Bond Resolution. Neither Government Obligations, Other Authorized Investments or moneys deposited pursuant to this heading nor principal or interest payments on any such Government Obligations shall be withdrawn or used for any purpose other than, and shall be held in trust for, the payment of the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest on said Bonds; provided that any moneys received from such principal or interest payments on such Government Obligations or Other Authorized Investments so deposited, if not then needed for such purpose, shall, to the extent practicable, be reinvested in Government Obligations or Other Authorized Investments maturing at times and in amounts sufficient to pay when due the principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, and interest to become due on said Bonds on and prior to such Redemption Date, payment date or maturity date thereof, as the case may be. Any income or interest earned by, or increment to, the investment of any such moneys so deposited shall, to the extent in excess of the amounts required in the Bond Resolution to pay principal, Sinking Fund Installments, if any, or Redemption Price, if applicable, of and interest on such Bonds, as realized, be applied as follows: first to the Rebate Fund, the amount, if any, required to be deposited therein; and, then the balance thereof to the Authority, and any such moneys so paid shall be released of any trust, pledge, lien, encumbrance or security interest created by the Bond Resolution.

Payments due on Saturdays, Sundays and Holidays

In any case where the date of maturity of interest on or principal of the Bonds or the date fixed for redemption of any Bonds shall be on a day that is not a Business Day, then payment of interest or principal and premium, if any, need not be made on such date but may be made (without additional interest) on the next succeeding Business Day, with the same force and effect as if made on the date of maturity or the date fixed for redemption, as the case may be.

No Additional Restaurant Concession Bonds

The Authority covenants that it shall not further amend or supplement the Restaurant Concession Bonds resolution, or take any other action, to allow the authentication and delivery of additional indebtedness under such resolution

Reserve Credit Facilities in the Senior Debt Service Reserve Fund

Pursuant to Supplemental Resolutions adopted in 1995 and 2004, the Authority Board authorized the deposit or substitution of Reserve Credit Facilities for cash and Investment Obligations that would otherwise have been required to be on deposit to the credit of the Senior Debt Service Reserve Fund. See "SOURCES OF PAYMENT AND SECURITY FOR THE BONDS — Senior Debt Service Reserve Fund" in the forepart of this Official Statement. The Authority has entered into agreements with the municipal bond insurance companies (collectively, the "Providers") providing such Reserve Credit Facilities ("Reserve Fund Policies") that, together with such Supplemental Resolutions (collectively, the "SDSRF Contracts"), provide in effect that in the event that the Trustee shall be required to draw on the Senior Debt Service Reserve Fund to pay principal or interest due and payable on any Bonds, the Trustee shall first exhaust any cash and Investment Obligations to the credit of such Fund and then to the extent necessary and subject to the respective maximum amounts of the Reserve Fund Policies, after giving the required notice, demand payment on such Policies pro rata. The SDSRF Contracts obligate the Authority to reimburse the Providers the amounts of such payments, with interest, within 12 months of such payments. Reimbursement of the Providers in accordance with the SDSRF Contracts will reinstate the amounts that can be drawn on the Reserve Fund Policies. Under the SDSRF Contracts and the Bond Resolution, the obligation of the Authority to reimburse the Providers with interest for any payments on the Reserve Fund Policies ranks on a parity with the Authority's obligation to maintain the Senior Debt Service Reserve Fund at the Senior Debt Service Reserve Fund Requirement.

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APPENDIX D

BOOK-ENTRY ONLY SYSTEM

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Book-Entry Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Series P Bonds. The Series P Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Series P Bond certificate will be issued for each stated maturity of the Series P Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC. SO LONG AS CEDE & CO. IS THE REGISTERED OWNER OF THE SERIES P BONDS, AS PARTNERSHIP NOMINEE FOR DTC, REFERENCES HEREIN TO BONDHOLDERS OR OWNERS OF THE SERIES P BONDS (OTHER THAN UNDER THE CAPTIONS "TAX MATTERS" AND "CONTINUING DISCLOSURE UNDER SEC RULE 15c2-12") SHALL MEAN CEDE & CO. AND SHALL NOT MEAN THE BENEFICIAL OWNERS OF THE SERIES P BONDS.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series P Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series P Bonds on DTC's records. The ownership interest of each actual purchaser of each Series P Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series P Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series P Bonds, except in the event that use of the book-entry system for the Series P Bonds is discontinued.

To facilitate subsequent transfers, all Series P Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series P Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee does not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series P Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series P Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series P Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series P Bonds, such as redemptions, tenders, defaults, and proposed amendments to the security documents. For example, Beneficial Owners of Series P Bonds may wish to ascertain that the nominee holding the Series P Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series P Bonds within a stated maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Series P Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Authority as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Series P Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal of, redemption premium, if any, and interest payments on the Series P Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or Paying Agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC, the Paying Agent or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, redemption premium, if any, and interest to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners shall be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series P Bonds at any time by giving reasonable notice to the Authority or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series P Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event Series P Bond certificates will be printed and delivered to DTC.

NEITHER THE AUTHORITY NOR THE UNDERWRITERS WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO PARTICIPANTS, TO INDIRECT PARTICIPANTS OR TO ANY BENEFICIAL OWNER WITH RESPECT TO (i) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, ANY PARTICIPANT OR INDIRECT PARTICIPANT; (ii) THE PAYMENT BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, OR REDEMPTION PREMIUM, IF ANY, OR INTEREST ON, THE SERIES P BONDS; (iii) ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO SERIES P BONDHOLDERS; (iv) ANY CONSENT GIVEN BY DTC OR OTHER ACTION TAKEN BY DTC AS A SERIES P BONDHOLDER; OR (v) THE SELECTION BY DTC OR ANY PARTICIPANT OR INDIRECT PARTICIPANT OF ANY BENEFICIAL OWNERS TO RECEIVE PAYMENT IN THE EVENT OF ANY PARTIAL REDEMPTION OF THE SERIES P BONDS.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC or other sources that the Authority believes to be reliable, but neither the Authority nor the Underwriters take any responsibility for the accuracy thereof.

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APPENDIX E

FORM OF CONTINUING DISCLOSURE AGREEMENT

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NEW YORK STATE THRUWAY AUTHORITY
GENERAL REVENUE BONDS, SERIES P

CONTINUING DISCLOSURE AGREEMENT

THIS AGREEMENT, dated February 15, 2024 is made by and between the Issuer and the Trustee, each as defined below in Section 1.

In order to permit the Underwriters to comply with the provisions of Rule 15c2-12, as defined below in Section 1, in connection with the public offering of the Bonds, the parties hereto, in consideration of the mutual covenants herein contained and other good and lawful consideration, hereby agree, for the sole and exclusive benefit of the Holders and, for the purposes of Section 5, beneficial owners of Bonds, as follows:

Section 1. Definitions; Rules of Construction. Capitalized terms used but not defined herein shall have the respective meanings ascribed to them in the Authorizing Document.

"*Annual Information*" shall mean the information specified in Section 3.

"*Authorizing Document*" shall mean the Issuer's General Revenue Bond Resolution, as amended and supplemented through the date of this Agreement.

"*Bonds*" shall mean the Issuer's General Revenue Bonds, Series P that from time to time remain outstanding within the meaning of the Authorizing Document.

"*EMMA*" shall mean the Electronic Municipal Market Access system described in Securities Exchange Act Release No. 34-59062 (or any successor electronic information system) and maintained by the MSRB as the sole repository for the central filing of electronic disclosure pursuant to Rule 15c2-12.

"Financial Obligation" means "financial obligation" as such term is defined in Rule 15c2-12.

"*GAAP*" shall mean generally accepted accounting principles as prescribed from time to time for governmental units in the United States by the Governmental Accounting Standards Board.

"*GAAS*" shall mean generally accepted auditing standards as in effect from time to time in the United States.

"*Holder*" or "*Bondholder*" shall mean a registered owner of any Bond or Bonds.

"*Issuer*" shall mean the New York State Thruway Authority, a public benefit corporation of the State of New York and the issuer of the Bonds, and any successor thereto.

"*MSRB*" shall mean the Municipal Securities Rulemaking Board established in accordance with the provisions of Section 15B(b)(1) of the Securities Exchange Act of 1934, or any successor thereto or to the functions of the MSRB contemplated by this Agreement.

"*Official Statement*" shall mean the final official statement of the Authority, dated January __, 2024, relating to the Bonds.

"*Rule 15c2-12*" shall mean Rule 15c2-12 under the Securities Exchange Act of 1934, as amended through the date of this Agreement, including any official interpretations thereof promulgated on or prior to the effective date of this Agreement.

"SEC" means the United States Securities and Exchange Commission.

"*Trustee*" shall mean The Bank of New York Mellon.

"*Underwriters*" shall mean the underwriter or underwriters that have contracted to purchase the Bonds from the Issuer upon initial issuance.

(ii) Unless the context clearly indicates to the contrary, the following rules shall apply to the construction of this Agreement:

(a) Words importing the singular number shall include the plural number and vice versa.

(b) Any reference herein to a particular Section or subsection without further reference to a particular document or provision of law or regulation is a reference to a Section or subsection of this Agreement.

(c) The captions and headings herein are solely for convenience of reference and shall not constitute a part of this Agreement nor shall they affect its meaning, construction or effect.

(d) References to any law or regulation shall be construed as including all statutory and regulatory provisions amending, replacing, supplementing or interpreting such law or regulation, and any corresponding provisions of successor laws or regulations.

(e) "Herein," "hereof", "hereunder" and words of similar effect shall refer to the entirety of this Agreement.

(f) The language of all provisions of this Agreement shall be construed according to its fair meaning and not strictly against any party.

Section 2. Obligations to Provide Continuing Disclosure.

<u>(i)</u> <u>Obligations of the Issuer</u>. The Issuer hereby undertakes, for the benefit of Holders of the Bonds, to provide or cause to be provided the following:

(a) to the MSRB, no later than 120 days after the end of each fiscal year, commencing with the fiscal year ending December 31, 2024, the Issuer Annual Information (as more fully described in Section 3 below), relating to such fiscal year;

(b) if not submitted as part of the Issuer Annual Information, to the MSRB, not later than 120 days after the end of each fiscal year commencing with the fiscal year ending December 31, 2024, audited financial statements of the Issuer for such fiscal year when and if they become available and, if such audited financial statements are not available on the date which is 120 days after the end of a fiscal year, the unaudited financial statements of the Issuer for such fiscal year; and

(c) to the MSRB, in a timely manner, not in excess of ten (10) business days after the occurrence of such event, notice of any of the following sixteen events with respect to the Bonds:

(1) principal and interest payment delinquencies;

(2) non-payment related defaults, if material;

(3) unscheduled draws on debt service reserves reflecting financial difficulties;

(4) unscheduled draws on credit enhancements reflecting financial difficulties;

(5) substitution of credit or liquidity providers, or their failure to perform;

(6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices of determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;

(7) modifications to rights of security holders, if material;

(8) bond calls, if material, and tender offers;

(9) defeasances;

(10) release, substitution, or sale of property securing repayment of the securities, if material;

(11) rating changes;

(12) bankruptcy, insolvency, receivership or similar event of the Issuer;

(13) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(15) incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material; and

(16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

(d) to the MSRB, in a timely manner, notice of a failure to provide any Issuer Annual Information required by Section 2(i)(a) or (b).

(e) The Issuer may from time to time designate an agent to act on its behalf in providing or filing notices, documents and information as required of the Issuer under this Agreement, and revoke or modify any such designation.

(ii) Obligations of the Trustee. The Trustee shall notify the Issuer upon the occurrence of any of the sixteen events listed in Section 2(i)(c) as soon as practicable upon becoming aware of the occurrence of any such event. The Trustee shall not be deemed to have become aware of the occurrence of any such event unless an officer in its corporate trust department has actual knowledge of the occurrence of any such event.

(iii) (a) Other Information. Nothing herein shall be deemed to prevent the Issuer from disseminating any other information in addition to that required hereby in the manner set forth herein or in any other manner. If the Issuer should disseminate any such additional information, the Issuer shall not have any obligation hereunder to update such information or to include it in any future materials disseminated hereunder.

(b) Disclaimer. Each of the Issuer and the Trustee shall be obligated to perform only those duties expressly provided for such entity in this Agreement, and neither of the foregoing shall be under any obligation to the Holders or other parties hereto to perform, or monitor the performance of, any duties of such other parties.

(iv) Additional Disclosure Obligations. The Issuer acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Issuer and that, under some circumstances, compliance with this Agreement without additional disclosures or other action may not fully discharge all duties and obligations of the Issuer under such laws.

Section 3. Annual Information.

(i) Specified Information. The Annual Information shall consist of the following:

(a) financial information and operating data of the type included in the final Official Statement for the Bonds, under the headings "RESULTS OF OPERATIONS – 2018-2022 Financial Results of Operations" (including the table entitled "RESULTS OF OPERATIONS FOR THE CALENDAR YEARS 2018-2022"), "MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS – Traffic and Revenue", and "BUDGET AND CAPITAL PROGRAM; TRAFFIC ENGINEER'S REPORT – 2024 Budget", "—2024-2028 Capital Program", " -Funding of the 2024-2028 Capital Program"; and "-The New NY Bridge Project" which shall include information relating to the following:

(1) current toll rates for all classes of vehicles;

(2) statements of Revenues, Operating Expenses and Net Revenues for the most recent fiscal year;

(3) statements of traffic and operating revenues for the most recent fiscal year;

(4) summary of the most recent inspection of any of the Facilities by the Issuer, its Independent Consultant or other professional engineer or engineers retained for the purpose of such inspection;

(5) status of the Issuer's capital planning process; and

(6) status of the Issuer's debt service coverage for the most recent fiscal year.

(b) such narrative explanation as may be necessary to avoid misunderstanding and to assist the reader in understanding the presentation of financial information and operating data and in judging the financial condition of the Issuer.

(ii) Transmission of Information and Notices.

(a) Unless otherwise required by the MSRB, all notices, documents and information provided to the MSRB shall be provided to the MSRB's EMMA system, the current Internet Web address of which is www.emma.msrb.org.

(b) Unless otherwise required by law, all notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(iii) Cross Reference. All or any portion of the Annual Information may be incorporated in the Annual Information by specific cross reference to any other documents which are (i) available to the public on the MSRB Internet web site, or (ii) filed with the SEC. However, the provisions of this Section 3(iii) shall not apply to notice of the sixteen events listed in Section 2(i)(c).

(iv) Informational Categories. The requirements contained in this Agreement under Section 3(i) are intended to set forth a general description of the type of financial information and operating data to be provided; such descriptions are not intended to state more than general categories of financial information and operating data; and where the provisions of Section 3(i) call for information that no longer can be generated because the operations to which it related have been materially changed or discontinued, a statement to that effect shall be provided.

Section 4. Financial Statements.

The Issuer's annual financial statements for each fiscal year shall be prepared in accordance with GAAP (unless applicable accounting principles are otherwise disclosed) and audited by an independent accounting firm in accordance with GAAS (but only if audited financial statements are otherwise available for such fiscal year).

Section 5. Remedies.

If any party hereto should fail to comply with any provision of this Agreement, then each of the other parties and, as a direct or third-party beneficiary, as the case may be, any Holder of Bonds may enforce, for the equal benefit and protection of all Holders similarly situated, by mandamus or other suit or proceeding at law or in equity, this Agreement against such party and any of its officers, agents and employees, and may compel such party or any such officers, agents or employees to perform and carry out their duties under this Agreement; provided, however, that the sole and exclusive remedy for breach of this Agreement shall be an action to compel specific performance of the obligations of such party hereunder and no person or entity shall be entitled to recover monetary damages hereunder under any circumstances; and provided further, that the rights of any Holder to challenge the adequacy of the information provided in accordance with Section 2 hereunder are conditioned upon the provisions of the Authorizing Document with respect to the enforcement of remedies of Holders upon the occurrence of an Event of Default described in Section 1101(i) of the Authorizing Document as though such provisions applied hereunder. Each of the Issuer and the Trustee reserves the right, but shall not be obligated, to enforce the obligations of the others. Failure by any party to perform its obligations hereunder shall not constitute an Event of Default under the Authorizing Document or any other agreement executed and delivered in connection with the issuance of the

Bonds. In consideration of the third-party beneficiary status of beneficial owners of Bonds pursuant to Section 6, beneficial owners shall be deemed to be Holders of Bonds for purposes of this Section 5.

Section 6. Parties in Interest.

This Agreement is executed and delivered solely for the benefit of the Holders of the Bonds and, for the purposes of Section 5, beneficial owners of Bonds. For the purposes of such Section 5, beneficial owners of Bonds shall be third-party beneficiaries of this Agreement. No person other than those described in Section 5 shall have any right to enforce the provisions hereof or any other rights hereunder.

Section 7. Amendments.

(i) Without the consent of any Holders (except to the extent required under clause (c)(II) of this sentence) or provider of any Credit Facility, the Issuer and the Trustee at any time and from time to time may enter into amendments or changes to this Agreement for any purpose, if (a) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of the Issuer or any type of business or affairs conducted by either; (b) the undertakings set forth herein, as amended, would have complied with the requirements of Rule 15c2-12 at the time of the primary offering of the Bonds, after taking into account any amendments to, or interpretation by the staff of the Securities and Exchange Commission of, Rule 15c2-12, as well as any change in circumstances; and (c) either (I) the amendment does not materially impair the interests of the Holders, as determined either by the Trustee or by nationally recognized bond counsel or (II) the Holders consent to the amendment to this Agreement pursuant to the same procedures as are required for amendments to the Authorizing Document with the consent of Holders pursuant to Section 1002 of the Authorizing Document. In determining whether there is such a material impairment, the Trustee may rely upon an opinion of nationally recognized bond counsel. The interests of Holders shall be deemed not to have been materially impaired by an amendment (1) to add a dissemination agent for the information to be provided hereunder and to make any necessary or desirable provisions with respect thereto, (2) to evidence the succession of another entity to the Issuer or the Trustee and the assumption by any such successor to the obligations of such party hereunder, or (3) to add to the obligations of the Issuer for the benefit of the Holders, or to surrender any right or power herein conferred upon the Issuer; provided, however that amendments of any other nature shall not be automatically deemed a material impairment.

(ii) Annual Information for any fiscal year containing any amended operating data or financial information for such fiscal year shall explain, in narrative form, the reasons for such amendment and the impact of the change on the type of operating data or financial information in the Annual Information being provided for such fiscal year. If a change in accounting principles is included in any such amendment, such Annual Information shall present a comparison between the financial statements or information prepared on the basis of the amended accounting principles and those prepared on the basis of the former accounting principles. Such comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information. To the extent reasonably feasible such comparison shall also be quantitative. A notice of any such change in accounting principles shall be sent to the MSRB.

Section 8. Termination.

This Agreement shall remain in full force and effect until such time as all principal, redemption premiums, if any, and interest on the Bonds (in each case in this paragraph 8, "Bonds" shall refer to each subseries of Bonds, respectively, if any) shall have been paid in full or the Bonds shall have otherwise been paid or defeased in accordance with the Authorizing Document (a "Legal Defeasance"); provided, however, that if Rule 15c2-12 (or any successor provision) shall be amended, modified or changed so that all or any part of the information currently required to be provided thereunder shall no longer be required to be provided thereunder, then such information shall no longer be required to be provided hereunder; and provided further, that if and to the extent Rule 15c2-12 (or successor provision), or any provision thereof, shall be declared by a court of competent and final jurisdiction to be, in whole or in part, invalid, unconstitutional, null and void, or otherwise inapplicable to the Bonds, then the information required to be provided hereunder, insofar as it was required to be provided by a provision of Rule 15c2-12 so declared, shall no longer be required to be provided hereunder. Upon any Legal Defeasance, the Issuer shall provide notice of such defeasance to the MSRB, and such notice shall state whether the Bonds have been defeased to maturity or to redemption and the timing of such maturity or redemption. Upon any other termination pursuant to this Section 8, the Issuer shall provide notice of such termination to the MSRB.

Section 9. The Trustee.

(i) Except as specifically provided herein, this Agreement shall not create any obligation or duty on the part of the Trustee and the Trustee shall not be subject to any liability hereunder for acting or failing to act as the case may be.

(ii) The Trustee shall be indemnified and held harmless in connection with this Agreement, to the same extent provided in the Authorizing Document for matters arising thereunder.

Section 10. Governing Law.

This Agreement shall be governed by the laws of the State of New York determined without regard to principles of conflict of law.

Section 11. Counterparts.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all shall together constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have duly authorized, executed and delivered this Agreement as of the date first above written.

THE BANK OF NEW YORK MELLON,
as Trustee for the benefit of Bondholders

By:________________________________
Authorized Officer

NEW YORK STATE THRUWAY AUTHORITY, Issuer of the Bonds

By:________________________________
Name: David Malone
Title: Chief Financial Officer and Treasurer

APPENDIX F

FORM OF APPROVING OPINION OF BOND COUNSEL

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Upon delivery of the Series P Bonds in definitive form,
Hawkins Delafield & Wood LLP, Bond Counsel to the Authority,
proposes to render its Approving Opinion in substantially the following form:

[Date of Delivery]

New York State Thruway Authority
200 Southern Boulevard
Albany, New York 12209

Ladies and Gentlemen:

As bond counsel to New York State Thruway Authority (herein called the "Authority"), we have examined a record of proceedings relating to the issuance of $_________ aggregate principal amount of General Revenue Refunding Bonds, Series P (herein called the "Series P Bonds"), by the Authority, a body corporate and politic constituting a public corporation of the State of New York (herein sometimes called the "State"). We have also examined such certificates, documents, records and matters of law as we have deemed necessary for the purpose of rendering the opinions set forth below.

Capitalized terms used herein and not otherwise defined have the meanings set forth in the Resolution (hereinafter defined).

The Series P Bonds are to be issued under and pursuant to the New York State Thruway Authority Act, Title 9 of Article 2 of the Public Authorities Law, Chapter 43-A of the Consolidated Laws of the State, as amended (herein called the "Act"), and the General Revenue Bond Resolution of the Authority, adopted by the Authority on August 3, 1992 and amended January 5, 2007 (herein called the "General Resolution"), as supplemented, including as supplemented by the Twenty First Supplemental Revenue Bond Resolution Authorizing General Revenue Refunding Bonds, Series P adopted by the Authority on September 18, 2023 (the "Series P Bond Resolution"; the General Resolution as so supplemented and amended is herein called the "Resolution"). The Series P Bonds are being issued for the purposes set forth in the Series P Bond Resolution.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain ongoing requirements that must be met subsequent to the issuance and delivery of the Series P Bonds in order that interest on the Series P Bonds be and remain excluded from gross income for federal income tax purposes under Section 103 of the Code. We have examined the Arbitrage and Use of Proceeds Certificate of the Authority, dated the date hereof (the "Arbitrage and Use of Proceeds Certificate"), in which the Authority has made representations, statements of intention and reasonable expectation, certifications of fact and covenants relating to the federal tax status of interest on the Series P Bonds, including, but not limited to, certain representations with respect to the use of the proceeds of the Series P Bonds and the investment of certain funds. The Arbitrage and Use of Proceeds Certificate obligates the Authority to take certain actions necessary to cause interest on the Series P Bonds to be excluded from gross income pursuant to Section 103 of the Code. Noncompliance with the requirements of the Code could cause interest on the Series P Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance, irrespective of the date on which such noncompliance occurs or is ascertained. The Authority has covenanted in the Resolution to maintain the exclusion of the interest on the Series P Bonds from gross income for federal income tax purposes pursuant to Section 103(a) of the Code.

In rendering the opinions in paragraphs 5 and 6 hereof, we have relied upon and assumed the material accuracy of the representations, statements of intention and reasonable expectation and certifications of fact contained in the Arbitrage and Use of Proceeds Certificate with respect to matters affecting the exclusion of interest on the Series P Bonds from gross income for federal income tax purposes under Section 103 of the Code and compliance by the Authority with procedures and covenants set forth in the Arbitrage and Use of Proceeds Certificate as to such tax matters.

A portion of the proceeds of the Series P Bonds is being used to refund certain Outstanding Bonds of the Authority issued pursuant to the General Resolution, such Bonds as described in the hereinafter defined Escrow Agreement as being refunded with proceeds of the Series P Bonds (collectively, the "Refunded Bonds"). A portion of the proceeds of the Series P Bonds, together with any other amounts made available by the Authority (the "Defeasance Deposit"), has been used to purchase direct obligations of the United States of America in an aggregate amount sufficient, together with any amounts held uninvested, to pay when due the principal or Redemption Price and interest due and to become due on said Refunded Bonds (the "Defeasance Requirement"). Such Defeasance Deposit is being held in trust under the Series P General Revenue Refunding Bonds Escrow Agreement, dated February ___, 2024, (the "Escrow Agreement"), by and between the Authority and The Bank of New York Mellon, as escrow agent thereunder and as Trustee. The Authority has given the Trustee, in form satisfactory to it, irrevocable instructions to give notice in accordance with the General Resolution of the redemption of the Refunded Bonds and the deposit of the Defeasance Deposit. American Municipal Tax-Exempt Compliance Corporation has prepared a report stating that they have reviewed the accuracy of the mathematical computations of the adequacy of the Defeasance Deposit, as invested, to pay in full the Defeasance Requirement when due. We have undertaken no independent verification of the adequacy of the Defeasance Deposit.

The Authority reserves the right to issue additional Bonds under the General Resolution on the terms and conditions, and for the purposes stated in the General Resolution. Under the General Resolution, all such Bonds will rank equally as to security and payment with the Series P Bonds, except as otherwise provided for a Series of Bonds in a Supplemental Resolution with respect to the Senior Debt Service Reserve Fund.

We are of the opinion that:

1. The Authority is duly created and validly existing under the provisions of the Act.

2. The Authority has the right and power under the Act to adopt the Resolution and issue the Series P Bonds thereunder, and the Resolution has been duly and lawfully adopted by the Authority, is in full force and effect and is valid and binding upon the Authority and enforceable in accordance with its terms, and no other authorization for the Resolution is required.

3. The Resolution creates the valid pledge which it purports to create of the proceeds of sale of the Series P Bonds, the Revenues, and the Funds and accounts established by the General Resolution (other than the Rebate Fund, the Junior Indebtedness Fund and, to the extent any Series of Bonds is not secured by the Senior Debt Service Reserve Fund, the Senior Debt Service Reserve Fund) and certain investment income referred to therein subject to the application thereof to the purposes and on the terms and conditions permitted by the Resolution.

4. The Series P Bonds are valid, binding, direct and general obligations of the Authority payable as provided in the Resolution and the full faith and credit of the Authority are pledged to the payment thereof. The Series P Bonds are enforceable against the Authority in accordance with their terms and the terms of the Resolution and entitled to the benefits of the Act and of the Resolution, and such Series P Bonds have been duly and validly authorized and issued in accordance with the Constitution and statutes of the State, including the Act, and in accordance with the Resolution.

5. Under existing statutes and court decisions (i) interest on the Series P Bonds is excluded from gross income for federal income tax purposes pursuant to Section 103 of the Code, and (ii) interest on the Series P Bonds is not treated as a preference item in calculating the alternative minimum tax under the Code; however, interest on the Series P Bonds is included in the adjusted financial statement income of certain corporations that are subject to the alternative minimum tax under Section 55 of the Code.

6. For any Series P Bond having original issue discount (a "Discount Bond"), original issue discount that has accrued and is properly allocable to the owners of the Discount Bonds under Section 1288 of the Code is excludable from gross income for federal income tax purposes to the same extent as other interest on the Series P Bonds.

7. Under existing statutes, the interest on the Series P Bonds is exempt from personal income taxes imposed by the State or any political subdivision thereof, including The City of New York and the City of Yonkers.

8. The Escrow Agreement has been duly authorized, executed and delivered by the Authority and, assuming the due authorization, execution and delivery by the Trustee, is a valid and binding obligation of the Authority, enforceable in accordance with its terms. The Refunded Bonds have been paid within the meaning and with the effect expressed in the General Resolution, and the covenants, agreements and other obligations of the Authority to the holders of the Refunded Bonds have been discharged and satisfied.

We have examined a fully executed Series P Bond and, in our opinion, the form of said Series P Bond and its execution are regular and proper.

Except as stated in paragraphs 5, 6 and 7 above, we express no opinion as to any federal, state or local tax consequences arising with respect to the Series P Bonds or ownership or disposition thereof. Furthermore, we express no opinion as to the effect of any action taken or not taken in reliance upon an opinion of counsel other than ourselves on the exclusion from gross income for federal income tax purposes of interest on the Series P Bonds, or the exemption from personal income taxes of the interest on the Series P Bonds under state and local tax law.

The foregoing opinions are qualified only to the extent that the enforceability of the Resolution and the Series P Bonds may be limited by bankruptcy, moratorium, insolvency, reorganization or other laws affecting creditors' rights or remedies heretofore or hereafter enacted and is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

We express no opinion as to the accuracy, adequacy or sufficiency of any financial or other information which has been or will be supplied to purchasers of the Series P Bonds. Our services did not include financial or other non-legal advice.

This opinion is rendered solely with regard to the matters expressly opined on above and does not consider or extend to any documents, agreements, representations or other material of any kind not specifically opined on above. No other opinions are intended nor should they be inferred. This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

Very truly yours,

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APPENDIX G

THE REFUNDED BONDS AND THE PURCHASED TARGET BONDS

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APPENDIX G

THE REFUNDED BONDS AND THE PURCHASED TARGET BONDS CANDIDATES

The Refunded Bonds Candidates

The New York State Thruway Authority (the "Authority") is proposing to defease and redeem at the respective optional redemption date, certain Bonds previously issued by it with a portion of the proceeds of the Series P Bonds, together with other available funds, if any. All of the bonds listed below are the Refunded Bonds as described under the caption "PLAN OF FINANCE, REFUNDING AND TENDER FOR PURCHASE".

The following list of Bonds is not final and is subject to change prior to the issuance of the Series P Bonds. The Authority reserves the right to defease and redeem all, none or only a portion of the Bonds listed below and also reserves the right to defease and redeem outstanding Bonds in addition to those listed below. In the event that any of the Bonds and principal amounts listed below are not refunded with proceeds of the Series P Bonds, the Authority reserves the right to issue refunding bonds in the future to refund any of the Bonds listed below or portions thereof.

New York State Thruway Authority General Revenue Bonds, Series J

Maturity Date*	Interest Rate	Principal Amount*	Optional Redemption Date	Redemption Price	CUSIP Number†
01/01/2025	3.250%	$ 5,960,000	May 14, 2024	100%	650009ZT3
01/01/2025	5.000	51,340,000	May 14, 2024	100	650009B44
01/01/2026	5.000	81,900,000	May 14, 2024	100	650009ZU0
01/01/2027	5.000	85,990,000	May 14, 2024	100	650009ZV8
01/01/2028	5.000	19,615,000	May 14, 2024	100	650009ZW6
01/01/2029	4.000	20,625,000	May 14, 2024	100	650009ZX4
01/01/2030	4.000	21,470,000	May 14, 2024	100	650009ZY2
01/01/2031	4.125	11,935,000	May 14, 2024	100	650009ZZ9
01/01/2032	5.000	12,430,000	May 14, 2024	100	650009A29
01/01/2033	5.000	13,050,000	May 14, 2024	100	650009A37
01/01/2034	5.000	13,705,000	May 14, 2024	100	650009A45
01/01/2035	4.500	14,390,000	May 14, 2024	100	650009B51
01/01/2036	5.000	15,035,000	May 14, 2024	100	650009B69
01/01/2041**	5.000	87,235,000	May 14, 2024	100	650009B77
01/01/2044**	4.625	63,285,000	May 14, 2024	100	650009A52
		$517,965,000			

* Preliminary, subject to change.

** Term Bond.

† CUSIP® is a registered trademark of the American Bankers Association ("ABA"). The CUSIP numbers listed above have been assigned by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems, Inc. and are being provided solely for the convenience of the Refunded Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Refunded Bonds or as indicated above. The CUSIP numbers have been and are subject to change after the original issuance of the Refunded Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of one or more maturities of the Refunded Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of one or more maturities of the Refunded Bonds.

The Target Bonds Candidates

The Authority expects to purchase all or a portion of the Target Bonds listed below that are tendered for purchase pursuant to the Tender Offer by applying a portion of the proceeds of the Series P Bonds to pay the purchase price of such tendered Target Bonds on the Settlement Date, as set forth in the

Invitation. This purchase of any Target Bonds is conditioned upon the sale and delivery of the Series P Bonds. All of the bonds listed below are the Target Bonds as described under the caption "PLAN OF FINANCE, REFUNDING AND TENDER FOR PURCHASE".

DESCRIPTION OF TARGET BONDS

New York State Thruway Authority
General Revenue Bonds, Series M (Federally Taxable)‡

Maturity Date*	Principal Amount*	Interest Rate	CUSIP Number†
01/01 2025	$ 23,075,000	2.256%	650009R96
01/01 2026	29,075,000	2.406	650009S20
01/01 2027	30,530,000	2.500	650009S38
01/01 2028	32,900,000	2.550	650009S46
01/01 2035**	380,030,000	2.900	650009S53
01/01 2042**	344,095,000	3.500	650009S61
	$839,705,000		

* Preliminary, subject to change.

** Term Bond.

† CUSIP® is a registered trademark of the American Bankers Association ("ABA"). The CUSIP numbers listed above have been assigned by CUSIP Global Services, which is managed on behalf of the ABA by FactSet Research Systems, Inc. and are being provided solely for the convenience of the holders of the Target Bonds. The Authority is not responsible for the selection or uses of these CUSIP numbers, nor is any representation made as to their correctness on the Target Bonds or as indicated above. The CUSIP numbers are subject to change after the original issuance of the Target Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of one or more maturities of the Target Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of one or more maturities of the Target Bonds.

‡ Although not the present intent of the Authority, subject to the results of the tender offer, market conditions and certain other factors (e.g., IRS tax code restrictions), the Authority may determine it to be necessary or desirable to defease a portion of certain maturities of Target Bonds to their respective maturities. See the caption "PLAN OF FINANCE."

The description above is not intended to summarize the terms of the Invitation, or to solicit offers to tender the Target Bonds, and reference is made to the Invitation for a discussion of the terms of the Invitation and the conditions for settlement of the Target Bonds validly tendered and accepted for purchase. Owners of Target Bonds must review the Invitation (including the appendices thereto) for further information regarding the Tender Offer. The Invitation provides that all tenders for purchase must be made on or before 5:00 p.m. on January 26, 2024 (the "Expiration Date"). Immediately following the Expiration Date, the Authority will determine whether to accept all, a portion or none of the Target Bonds tendered for purchase. The Authority filed the Invitation, and subsequent notices, with the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system.

SERIES P • NEW YORK STATE THRUWAY AUTHORITY • GENERAL REVENUE BONDS • SERIES P

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