

**NEW YORK STATE BRIDGE AUTHORITY  
ANNUAL REPORT PER SECTION 2800 OF PUBLIC AUTHORITIES LAW  
OPERATIONS, ACCOMPLISHMENTS AND PROJECTS UNDERTAKEN  
YEAR ENDED 12/31/13**

The mission of the New York State Bridge Authority is to maintain and operate the vehicle crossings of the Hudson River entrusted to its jurisdiction for the economic and social benefit of the people of the State. The Authority will maintain the vehicular bridges and related infrastructure in good condition for the benefit of the travelling public, provide for long-term financial stability of the Authority, and do so at the lowest cost consistent with long term safety and stability. The Authority will provide for accountability and transparency in its operations.

In 2013, as in previous years, the Authority continued to meet this mission as it operated six superstructures, with a replacement value over \$1.7 billion, together with their ancillary facilities, at one of the lowest tolls anywhere. In fact, since it came into existence 81 years ago, the Authority has raised tolls only three times in its history. In January 2012, the most recent toll schedule revision, the Authority's toll schedule included its basic cash \$1.50 and \$1.25 E-ZPass for round trip tolls that are both still lower than that charged for the first crossing in 1933.

In terms of maintaining the bridge system, which average 73 years of age, there is a need for constant monitoring and care. Given the proper maintenance, these spans have an indefinite lifetime. To that end, the Bridge Authority's capital improvement program is driven by annual bridge inspections conducted by independent engineers. Each year three vehicular bridges receive in-depth detailed biennial inspections that meet or exceed the criteria of both federal and state mandatory bridge inspection programs. The inspectors also do a thorough, but less intensive, inspection of the other three vehicular bridges to review the maintenance work done since the last biennial inspection and to identify changing conditions that may require an immediate response.

In 2013, after a bidding process, the Authority awarded the contract and work commenced on the construction project to re-deck the South Span of the Newburgh-Beacon Bridge. The project, utilizing a previously negotiated project labor agreement, is the largest project of its kind in the history of the Authority. The project supports the Authority's goal of maintaining its vehicular bridges proactively to allow for an indefinite useful life.

The Authority further expanded upon opportunities to generate revenues beyond toll collection to supplement those revenues. The Authority built a fiber optic line across the Mid-Hudson Bridge and has leased additional fibers. Two leases were signed during 2013 adding approximately \$0.1 million each year in revenues. The Authority had already built fiber capacity and covered its cost through leasing in 2012. It is still looking to utilize existing capacity at Mid-Hudson Bridge to lease several more fibers within the existing line and is expecting to utilize fibers for its own usage as well. Additionally, the Authority is evaluating opportunities on its other facilities. While this program is not large enough to avoid increasing tolls, this type of program has helped supplement reductions in revenue associated with economic cycles.

The Authority has sold E-ZPass tags at the headquarters facility directly to patrons since it began offering E-ZPass. In January, the Authority moved all direct sales of E-ZPass to the full service toll lanes at each of the toll plazas. The additional convenience of buying a tag at the booth has been very successful with the Authority selling almost eleven thousand tags. Direct tag sales for 2013 were higher than the previous ten years direct sales from the headquarters building combined. While by itself it is difficult to evaluate the incremental E-ZPass utilization attributable to this initiative, the Authority continues to see increased E-ZPass utilization throughout 2013 with overall utilization of 67.3% for the full year.

Major bridge project expenses in 2013 included, as noted above, \$19.9 million of a \$101.2 million project to re-deck the South Span of the Newburgh-Beacon Bridge and \$8.5 million of a \$21.4 million project to paint a portion of the North Span of the Newburgh-Beacon Bridge.

In addition to our vehicular bridges, on December 21, 2010 the Authority accepted ownership of the WOTH. The WOTH is a 125 year-old railroad bridge converted into a linear state park. This is a pedestrian only structure which produces no toll revenues. The New York State Office of Parks, Recreation, and Historic Preservation (OPRHP) is responsible for Walkway operations and the maintenance of the deck, and the Authority is responsible for the maintenance of the structure.

In 2013, Standard & Poor's affirmed the AA- long term rating on the Authority's outstanding general revenue bonds with a stable outlook. Moody's Investors Service in 2012 assigned an Aa3 rating to the Series 2012 General Revenue Bonds and affirmed the rating for the Aa3 parity bond rating with a stable outlook.