



Canal Transfer Effort Update

July 26, 2016

Privileged & Confidential

Canal Transfer

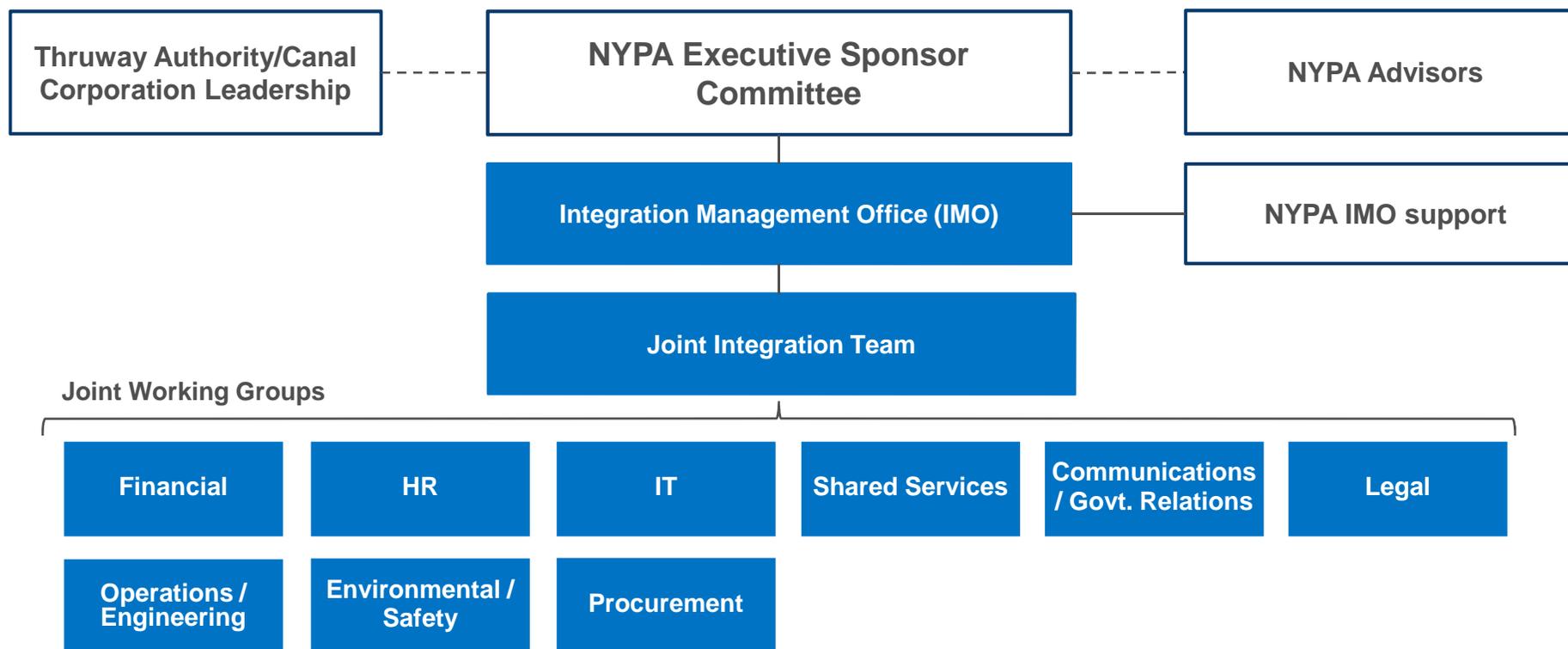
Key accomplishments to date and next steps

- Since the state budget was passed, a transfer program has been mobilized that comprises of representatives from NYPA, the Thruway Authority and Canal Corporation. Good progress has been made to date.
- The program's initial objective is to ensure statutory, contractual and other critical requirements have been met by January 1st 2017 (Day 1), allowing the canal system to successfully function under NYPA's control.
- The following activities are now complete:
 - The Funding Agreement has been executed (effective April 1st 2016).
 - Areas of entanglement (e.g. processes, systems, people, contracts) between the Thruway Authority and Canal Corporation have been identified.
 - Specific plans to transition the Canal Corporation on Day 1, along with contingency plans for certain areas (e.g. payroll, vendor payments, requisition of critical components for facilities), have been created.
 - Execution has commenced.
- The key next step is to continue executing against the abovementioned plans, preparing for operational transfer.

Privileged & Confidential

Canal Transfer

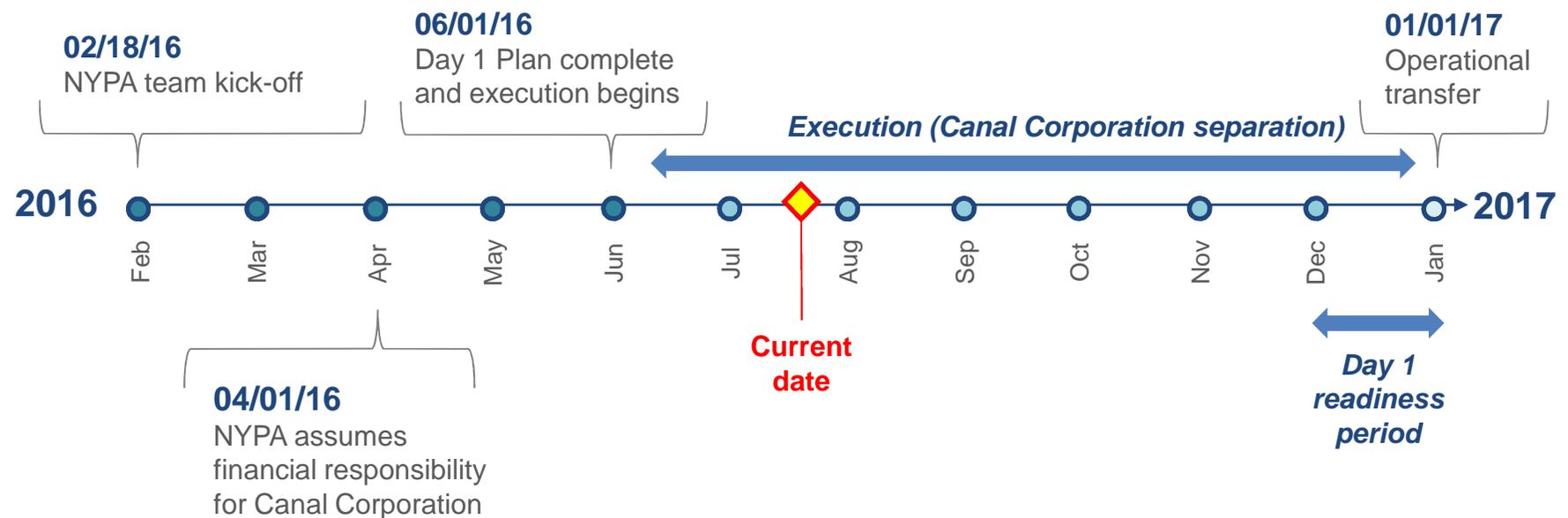
Program governance structure



Privileged & Confidential

Canal Transfer

Timeline



- Phase 1 – Planning
- Phase 2 - Execution
- NYPA assumes control of Canal

Privileged & Confidential