



NEW YORK STATE SENATOR

Andrew J. Lanza

NY & NJ LAWMAKERS CALL FOR IMMEDIATE ROLL BACK OF PORT AUTHORITY TOLL HIKES - Staten Island Albany Delegation Calls on Port Authority Board to Roll Back Toll Hikes & Push Governors to Support Reform Legislation

ANDREW J LANZA February 8, 2012

| ISSUE: **PANYNJ (PORT AUTHORITY OF NEW YORK AND NEW JERSEY)**



Following yesterday's Interim Consultant's Report on the Port Authority of New York and New Jersey, New York State Senator Andrew Lanza (R-Staten Island), New York Assemblyman Michael Cusick (D-Staten Island), New Jersey Assemblywoman Valerie Vainieri Huttle (D-NJ 37th), and the Staten Island Albany Delegation today called for a roll back of the Port Authority's most recent round of toll hikes and asked Governors Cuomo and Christie to support their Port Authority Reform Legislation.

"Yesterday's report on the Port Authority of New York and New Jersey is nothing short of an indictment of Port Authority operations," Senator Andrew Lanza said.

“In light of the scathing preliminary report issued by the Port Authority’s own consulting firm, which found that the Port Authority is a ‘challenged and dysfunctional organization suffering from poorly coordinated capital planning, insufficient cost controls, and a lack of transparent and effective oversight,’ the most recent Port Authority toll hikes should be immediately rolled back,” said Senator Lanza. “Perhaps the most damning finding in the report is that the Port Authority was found to have insufficient cost controls which is analogous to a bank leaving its vault doors open.”

Lanza noted that similar conditions have led to financial scandals like those at Enron. “Clearly the Port Authority management lacks the competency and moral authority to make these decisions which cost our residents,” said Lanza. “I think it is safe to say that the Port Authority Board made its decision to increase tolls based upon information from an unreliable source. It sounds like the Port Authority Board and Governors Cuomo and Christie were sold a bill of goods just like the people of Staten Island. The decision to raise tolls based upon the information provided by the Port Authority cannot be trusted and must not stand,” Lanza said.

The lawmakers are asking Governors Cuomo and Christie to reconvene the Port Authority’s board and recall the vote which raised tolls and fares in September. They want to see tolls rolled back to prior levels until the board is presented with the proper information concerning the true financial situation of the Authority. Lanza, Cusick and Huttie are also asking the Governors to enact their “Port Authority of New York and New Jersey Transparency and Accountability Act” (New York Senate bill S.5878) which will completely restructure the way the Port Authority does business.

"This independent audit calls for the exact type of overhaul laid out in our bipartisan legislation - more public transparency, regular audits, and greater financial accountability," said Assemblywoman Valerie Vainieri Huttie (D-Bergen). “This is a measure that should, and must, be embraced by both Governors in order to rein in the waste and abuse that have gone unchecked for far too long. Given the deficiencies detailed in the audit, it calls into question the need for the exorbitant toll hikes heaped on commuters last fall. Toll payers shouldn't be forced to suffer for the Port Authority's lack of oversight, insufficient cost controls and poor capital planning. Our governors and the Port Authority leadership should revisit this issue at once to determine if these hikes are in fact necessary," added Vainieri Huttie.

“The consulting firm determined that the Port Authority is in need of a complete top to bottom organizational redesign which is precisely what the legislation that myself and Assemblyman Cusick, together with our New Jersey counterparts, have put forth in our respective Legislatures. I call on both Governors Cuomo and Christie to support our legislation which is consistent with the goals they expressed in their joint statement last evening,” said Lanza.

Assemblyman Michael Cusick said, “It is clear that the Port Authority's spending has become a reckless burden on the tax payers of Staten Island. We will continue to push mandated control through legislation to ensure a much higher level of accountability.

“This shocking report shows that not only were the people of New York and New Jersey misled, but Governors Cuomo and Christie were as well,” said Senator Diane Savino. “As a result of bad information, bad decisions were made and now Governors Cuomo and Christie can correct these decisions and roll back the tolls. “We call upon them to pass our legislation creating a new organizational structure for the Port Authority.”

"This report confirms what we have long been saying about the Port Authority's mismanagement, failure to control costs, and unnecessary expenses, and Staten Island should not be forced to underwrite their incompetence," said Assemblyman Mathew Titone.

“This report is an indictment of Port Authority and its gross mismanagement, something Staten Island commuters

have known for years,” said Assemblyman Lou Tobacco (R,I,C-Staten Island). “I have led the fight for a full forensic audit of the Port Authority since first being elected to office, and now that this report and the court have confirmed our suspicions, it is imperative that we roll back the toll increases until the checks and balances recommended in the report are fully implemented.”

Assemblywoman Nicole Malliotakis stated, "This audit provides a goldmine of ammunition for the Port Authority's new leadership to make the necessary changes to restore fiscal soundness. This audit is clear evidence of financial abuse and mismanagement at the agency, which makes the toll increases unjust and unreasonable. The tolls should be immediately rolled back until a complete overhaul is made to ensure Staten Islanders aren't subsidizing the Port Authority's mistakes."

The lawmakers have called for increased transparency and oversight at the Port Authority for some time, however, in light of yesterday’s report of mismanagement and abuse, they believe New Jersey and New York must hold the Port Authority accountable and make reform an urgent priority. Because laws governing the bi-state agency do not take effect until New Jersey and New York have enacted substantively identical legislation, Assemblywoman Huttie, Senator Lanza and Assemblyman Cusick have each sponsored the measure in their respective legislatures. The bill passed the New Jersey Assembly Transportation Committee last week and Lanza said the legislation is on track for passage in the Senate.

Senator Lanza has introduced multiple pieces of legislation designed to ensure the proper functioning of the Port Authority including:

- ü S.5878 – *The Port Authority of New York and New Jersey Oversight Act* with New Jersey Assemblywoman Vainieri Huttie and

- Assemblyman Michael Cusick —groundbreaking bi-partisan, bi-state package of legislation designed to bring transparency

- and accountability to the Authority, crackdown on abuses and increase public access and participation

- ü S.6031 – Requires the tolls for bridges of the Port Authority to only cover the expenses of operating and financing such bridges

- (prevents the Authority from subsidizing real estate and other capital projects with toll money)

- ü S.6034 – Requires an independent need assessment for any proposed increase in fees, tolls, or fares

- ü S.5873 - Requires every voting member of the Port Authority Board to attend at least 2 public hearings in each county affected by any proposed toll or fare increases

- ü S.5875 - Requires an annual independent audit of the Port Authority to be published on their website

- ü S.6140 –Grants a personal income tax credit for 20% of the tolls paid to the Port Authority

ü S.6358 - Requires the Port Authority of New York and New Jersey to adhere to accountability and transparency standards that were imposed on New York authorities in 2005 and 2009.

Last year alone, the Port Authority raked in \$260 million in revenues from Staten Island's three bridges and spent \$1 billion in total interstate transportation expenditures, yet it reinvested only \$20 million in Staten Island's transportation infrastructure.

Lanza concluded, "We will continue to work with Executive Director Pat Foye to roll back these tolls, who in fairness has only recently joined the Port Authority."

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