



NEW YORK STATE SENATOR

Charles J. Fuschillo Jr.

Senator Fuschillo & Assemblyman Wisniewski to Hold Joint Public Hearing Examining Port Authority's Finances & Lack of Accountability

CHARLES J. FUSCHILLO JR. March 12, 2012

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New York State Senator Charles J. Fuschillo, Jr. (R-Merrick) and New Jersey State Assemblyman John S. Wisniewski (D-Sayreville) today announced plans to hold a joint public hearing on the Port Authority's finances and lack of accountability. The hearing will be held jointly by the New York State Senate's Transportation Committee and the New Jersey General Assembly's Committee on Transportation, Public Works, and Independent Authorities.

The hearing, which will be held on Friday, April 20th at 10:30 am at the Center for the Arts at the College of Staten Island, will examine the Authority's spending practices and financial management, as well as ways to make the Authority more accountable and transparent.

"The Port Authority needs to completely overhaul the way it operates. It's an Authority with a long history of overspending, financial mismanagement, and a total lack of accountability and transparency. Residents can't afford to keep paying for it anymore. This hearing will examine the Port Authority's finances and operations and explore ways to make

it more accountable with our toll dollars," said Senator Fuschillo, Chairman of the New York State Senate's Transportation Committee.

"The Port Authority is well on its way to becoming an out-of-control agency focused more on building a real estate empire rather than its mission of providing affordable and reliable transportation and port facilities," said Deputy New Jersey Assembly Speaker John Wisniewski, Chairman of New Jersey Assembly Transportation, Public Works, and Independent Authorities Committee. "This agency has forgotten that it exists to serve the public. It's hidden information on a toll increase, wasted money on overtime, stacked its payroll with political cronies and failed to respond to open public records and public hearing requests. It's time for New York and New Jersey to work together to bring real reform to this troubled agency."

"The recent toll hikes by the Port Authority were not only unjust and unreasonable but we now know that they were made by an agency which has been found to be dysfunctional, without proper cost controls and without provisions that allow for transparency and accountability. I carry legislation that would bring much needed reform to the Port Authority and would roll back the toll hikes which are targeting and hurting families and businesses on Staten Island. We are so fortunate to have the support of Senator Chuck Fuschillo from Long Island who is the Chairman of the New York Senate Standing Committee on Transportation. I have requested and he has agreed in an unprecedented way to conduct the hearing right here on Staten Island. By conducting the hearing on Staten Island, we are sending a strong message to the Port Authority that they need to answer to the people they have hurt by the arbitrary decisions they have made," said New York State Senator Andrew Lanza.

The hearing follows a preliminary audit released in February which characterized the Port Authority as "a challenged and dysfunctional organization." The audit highlighted serious

issues with the Port Authority's finances, including:

- * A nearly 20 percent increase in gross compensation over the last five years.
- * Excessive overtime spending, including \$85 million in overtime pay in 2010 alone.
- * A \$3.8 billion increase in the overall cost for the World Trade Center project since the 2008 forecast.

The public hearing will also examine ways to make the Port Authority more transparent following the most recent toll increases. The Port Authority announced the initial toll increase proposal only two weeks before the scheduled vote and held just one day of public comment hearings just three days prior to the scheduled vote. Adding insult to injury, media reports stated that not a single Port Authority Commissioner attended any of these public hearings. The final amended proposal was approved less than 24 hours after it was announced, giving the public no time to review it or offer comments.

Additionally, there have been numerous news reports which showed:

- * The Port Authority failed to include approximately \$1 billion in their accounting of World Trade Center costs in its 2008 cost estimate.
- * Dozens of electric meters used to calculate tenant electric usage at Kennedy Airport are faulty, causing the Port Authority to lose nearly \$17 million a year because of under-billing. The Port Authority was alerted to the problem in 2008 but has yet to take corrective action.
- * 95 Port Authority employees have access to Port Authority cars, and that Port Authority policy allows employees to use these cars for personal use.

* The Port Authority told drivers that funds from the toll increase were necessary in part to fund construction at the World Trade Center, then stated in court filings that none of the toll increase revenues will be used for that purpose.

Previous audits issued by New York State Comptroller Tom DiNapoli also revealed millions of dollars in unnecessary overtime expenditures and other examples of how the authority failed to contain costs and manage its finances.

Members of the public are welcome to view the hearing and submit written testimony. Oral testimony is by invitation only.