



NEW YORK STATE SENATOR

Dean G. Skelos

Senate Passes Bill to Increase Port Authority Accountability

DEAN G. SKELOS March 15, 2012

Legislation Seeks To Reform Organizational Deficiencies

The New York State Senate today passed legislation to ensure the proper functioning of the Port Authority of New York and New Jersey as an open, transparent and accountable interstate authority. The bill (S.5878) is named the Port Authority of New York and New Jersey Transparency and Accountability Act and is sponsored by Senator Andrew Lanza (R-I, Staten Island). The Act is part of a bipartisan, bi-state effort designed to create a new system of accountability at the Port Authority.

“With passage of this legislation in the New York Senate, we are one step closer to bringing urgently needed reforms to the Port Authority requiring more open, transparent and accountable operations,” said Senator Andrew Lanza.

“The Port Authority is in desperate need of reform so that the New Yorkers who depend on the services it provides can be assured that it is operating in a proper and fiscally responsible

way,” Senate Majority Leader Dean G. Skelos said. “This bill would help reduce unnecessary costs and achieve the transparency and accountability that the Authority obviously needs and that the public rightly deserves.”

A scathing preliminary audit report issued by the Port Authority’s consulting firm last month found the Authority to be a “challenged and dysfunctional organization suffering from poorly coordinated capital planning, insufficient cost controls, and a lack of transparent and effective oversight.” The audit confirmed that the agency is in need of a complete top to bottom organizational redesign, however, laws governing the bi-state agency do not take effect until New Jersey and New York have enacted substantively identical legislation.

The legislation would:

- Require an independent auditing of the Port Authority;
- Lay out specific requirements for open public meetings and publication of minutes of meetings of the Board of Commissioners;
- Establish specific requirements for public hearings to be held in the port district of New York and New Jersey to discuss any proposed
- fee, toll, charge, or fare increase;
- Establish Audit, Finance and Governance Committees;

- Require financial disclosures and training for Commissioners and certification of those disclosures by the Chairman, Vice-Chairman of the Board of Commissioners of the Port Authority and the Executive Director, Deputy Executive Director, and the Chief Financial Officer of the Port Authority; and
- Create a fiduciary responsibility for Commissioners.

“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,” said Lanza. “This measure is necessary in order to rein in the waste and abuse that have gone unchecked for far too long. Toll payers shouldn't be forced to suffer for the Port Authority's lack of oversight, insufficient cost controls and poor capital planning.”

The bill will be sent to the Assembly. It is also expected to pass in the New Jersey Legislature this week.