



NEW YORK STATE SENATOR

Andrew J. Lanza

## GOVERNOR CUOMO SIGNS SENATOR LANZA'S & ASSEMBLYMAN CUSICK'S PORT AUTHORITY REFORM BILL TO IMPOSE TRANSPARENCY AND ACCOUNTABILITY STANDARDS AT PORT AUTHORITY OF NY & NJ

ANDREW J. LANZA January 10, 2016

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



Senator Andrew Lanza and Assemblyman Michael Cusick today announced the long-awaited Port Authority of New York and New Jersey Transparency and Accountability Act has been signed into law by Governor Cuomo. This legislation will modernize and overhaul the laws governing the operations of the bi-state agency to create greater transparency and

accountability.

Chapter 559 of the Laws of 2015 is a comprehensive package of reforms designed to ensure the proper functioning of the massive interstate authority which includes the Port of New York and New Jersey, the leading marine cargo port on the east coast of North America; Newark, LaGuardia, and Kennedy airports; the PATH mass transit system; the World Trade Center; and numerous bridges and tunnels, including the George Washington Bridge and the Lincoln and Holland tunnels.

The new law combines the best parts from the original Port Authority reform bill, which was passed unanimously by the Legislature in 2014 and then vetoed by the Governor, along with the recommendations developed by the Special Panel on the future of the Port Authority.

Senator Andrew Lanza said, “This law is a major step towards achieving transformative and long lasting reform at the Port Authority. This bill represents a victory for residents of New York and New Jersey who depend on the Port Authority everyday as they travel to work and visit their families. It combines the best parts from our original reform bill with the recommendations developed by the Special Panel on the future of the Port Authority to help the agency operate and invest in an accountable and transparent manner. I thank Assemblyman Cusick, Assemblyman Brennan and Governor Cuomo for their efforts.”

Assemblyman Mike Cusick said, “The Port Authority is a vital agency for Staten Islanders and yet, we have seen a lack of return for the disproportionately high contribution we put into the Port Authority’s coffers. With the ongoing construction on the Bayonne Bridge and the replacement of the Goethals Bridge, it is critical now more than ever that the Port Authority functions responsibly. This legislation mandates meetings and hearings be open to the public, forms a rotating panel of commissioners to fight against corruption, and prohibits any conflicts of interest that may arise during a Port Authority project. I

applaud Senator Lanza, Assemblyman Brennan, and Governor Cuomo for recognizing that these positive changes needed to be made, ensuring the Port Authority acts solely in the interests of the people of New York and New Jersey.”

Specific measures of the law include creating a single Chief Executive Officer to replace the separate management that was provided by the Executive Director and Deputy Executive Director, establishing a two year rotation of the Chair position between the states and creating a Chief Ethics and Compliance Officer to ensure that Commissioners act only in the best interest of the Port Authority. Furthermore, the law establishes the Port Authority’s mission as supporting critical transportation infrastructure and promoting economic development. The bill also includes significant reforms of the Public Authorities Accountability Act of 2005 and Public Authority Reform Act 2009 and applies them to the Port Authority for the first time.

Furthermore, Commissioners of the Port Authority would be required to apply independent judgment so they act in the best interest of the Port Authority, sign a fiduciary duty oath to the authority, and disclose any conflicts of interest and recuse themselves from matters that present conflicts. They would also be required to file annual financial disclosure statements, establish real property acquisition and disposition policies and vote on any property disposition.

In terms of tolls and fares, this law establishes new protections that require future increases to be done in an open and transparent manner. The Port Authority would be required to hire an independent consultant to perform an efficiency study every 3 years to identify potential waste and abuse, perform a needs assessment prior to increasing any fees, tolls, charges or fares, and hold a public hearing on any toll or fare increase at least 90 days before any vote. All future meetings would be open meetings to the public and media and accessible to people with disabilities.

The original law creating the Port Authority was enacted in 1921 and there has been little change since then. Laws governing the bi-state agency do not take effect until New Jersey and New York have enacted substantively identical legislation. The New Jersey Legislature is on track to pass identical legislation. In the 94 year history of the Port Authority, this bill is the most significant legislative reform of the Port Authority ever supported by the Governors of each state.

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