

Statement of the Port Authority of NY & NJ

Subcommittee on Surface Transportation and Merchant Marine Infrastructure,
Safety, and Security

Protecting Commuters: Ensuring Accountability and Oversight in Tolling

April 18, 2012

The Port Authority of New York and New Jersey is a bi-state agency under the leadership of New York Governor Andrew Cuomo and New Jersey Governor Chris Christie. The agency was created in 1921 to build, operate and maintain many of the busiest and most important transportation facilities in the region, including some of the country's largest airports, the East Coast's largest seaport, six major bridges and tunnels and the PATH rapid transit system linking the two states. The agency also owns the 16-acre World Trade Center site.

As an agency that does not receive tax dollars from either state, our primary source of revenue to operate and maintain this interstate transportation network is through the tolls we collect on our bridges and tunnels, which is the subject of today's hearing along with the transparency and accountability issues that come with being a toll-collecting agency.

In September 2011, at the request of both governors, the Port Authority's Board took unprecedented action by forming a Special Committee to conduct a full review of the authority's past and current governance, management and financial practices. This comprehensive review looked at how this 91-year-old agency could do the public's business better, smarter and more cost efficiently. Its overall goal was to identify ways for the agency to continue to carry out the agency's mission of job creation and economic growth and to meet its responsibilities to maintain and operate its critical transportation facilities.

The results of the first phase of this review were made public in February 2012 – during a very open and transparent process – and resulted in significant reforms in how this agency conducts its business.

These reforms, led by our bi-state and bi-partisan Board of Commissioners, have included historic changes in compensation and benefits, which will save the agency and its toll payers \$41 million dollars over the next 18 months; a new Freedom of Information code, which streamlines the process of the public receiving information; the creation of the Port Authority Transparency Project, which has already posted more than 20,000 pages of documents online; a pilot program that waives fees for the public to receive public records, something perhaps no other government or public agency in the nation is doing; a complete review and restructuring of the Port Authority Security structure to ensure our commuters and customers continue to be safe; and the posting of all compensation of employees and retirees.

These and dozens of other reforms are the hallmark of a new Port Authority that values its toll payers' hard earned dollars, while also ensuring we meet our unique and critical role of building the region's infrastructure and providing economic growth and job creation.

The PA is embarking on an extraordinary period of mission critical projects including: a new Goethals Bridge; raising the roadway on the Bayonne Bridge; a rehabilitated Lincoln Tunnel Helix; the replacement of the George Washington Bridge suspender ropes; a new PATH station in Harrison, NJ; a new George Washington Bridge Bus Station in upper Manhattan; hundreds of millions of dollars in road and bridge projects on both sides of the Hudson; and the completion of the World Trade Center.

Our goal is to accomplish these objectives with full transparency to enable our toll payers to measure and judge the progress we are making to create a better travel experience for them. We also will strive to fulfill our mission as an engine for job creation and economic growth, which will benefit the millions of people who live and work in this bi-state region.

This is a new day at the Port Authority, and we will continue our ongoing efforts to keep our customers informed every step of the way as we do the public's business.