NEW YORK STATE SENATE

THE STENOGRAPHIC RECORD

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11:25 a.m.

REGULAR SESSION

SENATOR JOSEPH A. GRIFFO, Acting President

FRANCIS W. PATIENCE, Secretary

P R O C E E D I N G S

ACTING PRESIDENT GRIFFO: The Senate will come to order.

I ask all present to please rise and join with me as we recite the Pledge of Allegiance to our Flag.

(Whereupon, the assemblage recited the Pledge of Allegiance to the Flag.)

ACTING PRESIDENT GRIFFO: In the absence of clergy, I ask all present to please bow our heads in a moment of silent reflection.

(Whereupon, the assemblage respected a moment of silence.)

ACTING PRESIDENT GRIFFO: The reading of the Journal.

THE SECRETARY: In Senate, Wednesday, March 14th, the Senate met pursuant to adjournment. The Journal of Tuesday, March 13th, was read and approved. On motion, Senate adjourned.

ACTING PRESIDENT GRIFFO: Without objection, the Journal stands approved as read.

Presentation of petitions.

Messages from the Assembly.

Messages from the Governor.

Reports of standing committees.

Reports of select committees.

Communications and reports from state officers.

Motions and resolutions.

Senator Libous.

SENATOR LIBOUS: Mr. President, can we now go to the noncontroversial calendar.

ACTING PRESIDENT GRIFFO: The Secretary will read the noncontroversial calendar.

THE SECRETARY: Calendar Number 195, by Senator Lanza, Senate Print 5878C --

SENATOR BRESLIN: Lay it aside.

ACTING PRESIDENT GRIFFO: The bill is laid aside.

SENATOR LIBOUS: Did we complete the noncontroversial calendar?

ACTING PRESIDENT GRIFFO: We have completed the noncontroversial calendar.

SENATOR LIBOUS: Can we now go to the controversial calendar.

ACTING PRESIDENT GRIFFO: The Secretary will ring the bell.

The Secretary will read.

THE SECRETARY: Calendar Number 195, by Senator Lanza, Senate Print 5878C, an act to amend Chapter 154 of the Laws of 1921.

ACTING PRESIDENT GRIFFO: Senator Krueger.

SENATOR KRUEGER: Would the sponsor please yield? Through you, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Lanza, will you yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR KRUEGER: Thank you.

So I understand that this is a bill to require increased transparency and accountability for the Port Authority of New Jersey and New York, which certainly on its face is something I would like to support. But I do have a few questions.

In the bill you discuss that when

a fee or a toll is going to be increased it needs to be discussed at a public meeting and an independent entity must establish a needs assessment. Could you tell me who an independent entity would be? What does that mean exactly?

ACTING PRESIDENT GRIFFO: Senator Lanza.

SENATOR LANZA: Yes, Mr. President, through you. That would be established by regulation.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

ACTING PRESIDENT GRIFFO: Senator Lanza, do you continue to yield?

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: He does.

SENATOR KRUEGER: Thank you.

So since it would be established through regulation, we're suggesting in this bill we would create an independent entity because we'd like more transparency and accountability by the Port Authority. But we would let them define what an independent entity is, how it's

independent and who would be part of this; is that correct?

SENATOR LANZA: Through you, Mr. President. No, of course not, Senator Krueger. This bill goes way beyond that with respect to bringing much-needed reforms to an authority that I think we can all agree in this chamber, both Democrat and Republican, has been far from open, transparent, and accountable.

This legislation does many things that would bring that accountability, that transparency and that openness to this authority.

I think the point that this is needed has been underscored recently by an independent audit that was paid for, actually, by the Port Authority to review their accounting controls and their operations, and their own consulting firm concluded that they are a dysfunctional organization lacking in sufficient cost controls and that they require a complete systemic overhaul.

That's precisely what this legislation does. It does many things. Taken as a whole, transparency, openness and

accountability would be restored if we were to enact this legislation.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR KRUEGER: Thank you.

I don't disagree with the sponsor's explanation for the need for the bill. What I was raising was that this bill apparently leaves them the discretion to write their own regulations of what an independent entity is, to define what the functions of the entity are, and even to pick who it is.

So to be honest, while I still would like to ask some more questions, I might have preferred had this bill not actually given the Port Authority, who we want to have more transparency and accountability, to not leave with them the authority to write the regulations defining how and who they define as independent entities overseeing them. That was my point of

that question.

Through you, if I can continue questioning the sponsor.

ACTING PRESIDENT GRIFFO: The sponsor yields.

SENATOR KRUEGER: Thank you.

As I understand it, this bill could not take effect unless the identical bill passed in the State of New Jersey. Is that a correct reading?

SENATOR LANZA: That is correct, Mr. President.

SENATOR KRUEGER: Through you, Mr. President.

ACTING PRESIDENT GRIFFO: The sponsor continues to yield.

SENATOR KRUEGER: Thank you.

Have there been any discussions with the legislature of New Jersey about moving a parallel bill?

SENATOR LANZA: Mr. President, I'm so glad that Senator Krueger has brought that point up.

We sometimes kick the Port Authority around, for good reason. Some

would suggest that they're not good for much. I would submit to you that it turns out they're good for a lot, and that perhaps only the Port Authority could bring Republicans and Democrats in the Senate and the Assembly -- not only in New York, but in New Jersey -- together.

And there not only have been very productive conversations with our colleagues in New Jersey, it is my understanding that this legislation will actually pass both the Assembly and the Senate in New Jersey today.

SENATOR KRUEGER: Thank you.

Mr. President, if through you the sponsor will continue to yield.

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: The Senator yields.

SENATOR KRUEGER: So I'm delighted every once in a while there can be bipartisan and even bistate agreement.

Do we know where the governor of New York or the governor of New Jersey may be on this proposal?

SENATOR LANZA: Well, that's an

open question.

Both Governors Cuomo and Christie campaigned on reform, on bringing more transparency and accountability to government operations. And I'm hopeful and optimistic that in that spirit, when this legislation comes to their respective desks, that they would embrace this reform.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Lanza yields.

SENATOR KRUEGER: Thank you.

In the detail of the bill it talks about having public hearings to define the need for any kind of increased fares, tolls or other costs. Can the sponsor help me understand what the definition of a justified need would be for purposes of the authority being able to bring such proposals through the public hearing process?

SENATOR LANZA: Through you,

Mr. President. So this would allow for a complete reform whereby the Port Authority would finally be required to actually speak to and answer to the people they serve in our region.

It would require an independent audit of the Port Authority. It would require specific requirements for open public meetings and a publication of those meetings.

It would establish a fiduciary responsibility for the commissioners of the Port Authority, something that inexplicably they don't have today.

It would establish an audit and a finance and government committee. It would require financial disclosures and training for the commissioners it would require certification by the chairman, the vice chairman, the board of commissioners of the Port Authority, and the executive director of these reports.

And it would require a more extensive public hearing process whenever they make those decisions which affect the people we represent.

So taken as a whole, we will get a look before these decisions are thrust upon us at

the information that is being utilized to make those decisions.

SENATOR KRUEGER: Through you, Mr. President, if the sponsor would continue to yield.

SENATOR LANZA: Yes, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Lanza yields.

SENATOR KRUEGER: Thank you.

This requires 10 hearings for any proposal. "Not less than one public hearing required pursuant to paragraph a of the subdivision shall be conducted in each county in New York and New Jersey directly affected by the proposed fee, toll, charge or fare increase as determined by the board in consultation with local and state officials." I am reading from Article XV-D, paragraph 1(b) on page 4.

So who determines which counties are affected? Because if it's an airport fee, people would be coming from many counties. Or would it just be the county the airport was in? If it's a toll for a bridge, the bridge starts and ends in, let's assume, two counties or even

two states, but people drive across it coming and going from many counties.

So I'm confused about the definition of who determines which are the impacted counties.

SENATOR LANZA: Through you, Mr. President.

So clearly with respect to a toll hike on a bridge, which we just had happen to us where tolls on, for instance, the Bayonne Bridge, the Goethals Bridge, the Outerbridge, all on Staten Island, were raised from $8 to $12 -- which really of course is outrageous and I believe immoral and unjustified under the facts -- hearings would need to be in both Richmond County and our sister county across in New Jersey.

With respect to increases in fees or fares, I can't think of any with respect to the airports.

But, Senator Krueger, I'd be open to having hearings in every single county in the region. That is precisely what we need.

I'll tell you where this came from. When the Port Authority purported to

conduct a hearing with respect to toll hikes last summer, they had one of those hearings -- or they called it a hearing -- for the public to come forward to provide testimony. They did that on Staten Island. Not a single commissioner of the Port Authority was actually present.

We believe that's not right, it's unjust and really outrageous. And this legislation would put an end to that.

SENATOR KRUEGER: On the bill, Mr. President.

ACTING PRESIDENT GRIFFO: Senator Krueger on the bill.

SENATOR KRUEGER: I very much appreciate the sponsor's answering of questions.

I really don't disagree with his bill at all. I think we want to do exactly this. My concerns, for the record -- and since this will have to go through two states and four legislative bodies and two governors, I think there might be an opportunity to amend -- I need clarity about the definitions.

It does concern me that the Port Authority would be allowed to define for themselves what an independent entity would be

and who it would be be and how they would operate.

It disturbs me, actually, that the Port Authority would get to establish what the needs assessment is that they need to bring to the community.

I actually think that the sponsor is right, communities aren't being heard. So I think we would want to be in the process earlier rather than allowing the Port Authority to have control over defining what a needs assessment was, defining what an independent entity working with them is.

And I think we need better definitions of the communities being impacted when it comes to the 10-hearings scenario, because I think we could both make a very good case that if you looked at almost any Port Authority facility -- again, if it's a bridge or tunnel, it might have a specific beginning locus and ending locus. But people are driving across those bridges and tunnels from a much wider area than the geography of where the bridge or tunnel starts or ends.

People use the regional airports --

Kennedy, LaGuardia, Newark -- from a much broader region from simply the County of Queens and I believe it's Union County that Newark Airport is in. I'm sorry if I misspoke the New Jersey county.

So I would prefer that this had tighter definitions, because I think it would go even further in doing what Senator Lanza is hoping we accomplish and which I would like us also to accomplish.

So I will vote yes, with urging on the record that some amendments can be added as we move forward to strengthen the bill.

Thank you, Mr. President.

ACTING PRESIDENT GRIFFO: Thank you, Senator Krueger.

Is there any other Senator wishing to be heard?

Seeing none, hearing none, the debate is closed. The Secretary will ring the bell.

Read the last section.

THE SECRETARY: Section 4. This act shall take effect upon the enactment into law by the State of New Jersey.

ACTING PRESIDENT GRIFFO: Call the roll.

(The Secretary called the roll.)

ACTING PRESIDENT GRIFFO: Senator Fuschillo to explain his vote.

SENATOR FUSCHILLO: Just quickly, Mr. President.

Let me just thank my colleague Senator Lanza for this important piece of legislation.

I thought it was an absolute disgrace when the Port Authority had proposed raising the fares and tolls and then held public hearings but the board members never showed up. What an insult to the people of New York and New Jersey.

When they came out and they showed the cost overruns and then they said that tolls were going to cover that, they used the sympathy method there to get everybody to agree to that, and then they backed off on that.

I'm hopeful with Governor Cuomo's new appointee as the executive director, who has the experience hopefully necessary to turn around that Port Authority, we'll see things different.

But what's important about this legislation is the accountability and the transparency.

You know, this conference, with our leader Senator Skelos's bringing New York State back in the right direction, the Port Authority is continually sending New York and New Jersey back in the wrong direction.

So I vote aye, and I want to thank my colleague Andy Lanza for bringing this bill to the floor.

ACTING PRESIDENT GRIFFO: Senator Fuschillo to be recorded in the affirmative.

Announce the results.

THE SECRETARY: In relation to Calendar Number 195, absent from voting are Senators Montgomery, Parker, Peralta, and Smith.

Ayes, 54. Nays, 0.

ACTING PRESIDENT GRIFFO: The bill is passed.

Senator Libous, that completes the controversial calendar.

SENATOR LIBOUS: Thank you, Mr. President.

Is there any further business at

the desk?

ACTING PRESIDENT GRIFFO: There is no further business.

SENATOR LIBOUS: Mr. President, there being no further business, I move that we adjourn until Monday, March 19th, at 3:00 p.m., intervening days being legislative days.

ACTING PRESIDENT GRIFFO: On motion, the Senate stands adjourned until Monday, March 19th, at 3:00 p.m., intervening days being legislative days.

Happy St. Patrick's Day. Senate adjourned.

(Whereupon, at 11:45 a.m., the Senate adjourned.)