



NY, NJ Governors Faulted for Dysfunctional Port

By Mark Fahey

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Susan Baer, Stephen Berger and [Carol Kellermann](#) at the Crain's "The Future of New York's Infrastructure" conference.

A panel of experts roundly criticized the Port Authority of New York and New Jersey and called for the bistate agency to return to its original mission of building and maintaining crucial transportation infrastructure.

Political imperatives have increasingly led to a simple division of the Port's projects between the two states in recent years, swamping its original mission of supporting projects that benefit the region as a whole. Speaking at the *Crain's* "The Future of New York's Infrastructure" conference held at the Hilton Hotel on Monday, the panel noted that decisions driven by political appointees have siphoned off funding and manpower that should be going towards improving the region's bridges, roads and airports.



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Stephen Berger, a former executive director of the agency and the chairman of Odyssey Investment Partners, laid the blame for the Port's problems at the feet of the region's two governors, who each control half of the agency, and on their appointees, who have failed to adequately discuss in public the merits of each Port project and to resist a politicization of the process of allocating spending.

"It's not the Port Authority we need to fix, we need to fix the owners," said Mr. Berger. "We would have far less of a problem if the governors appointed as members of the Port Authority commission people who they respected, as opposed to people who are totally dependent upon the governors."

A panel convened in May by Gov. Chris Christie and Gov. Andrew Cuomo to look into the Port's problems and make recommendations delivered its preliminary report earlier this month. The initial report essentially said the agency was flawed.

In recent months, the Port has been scrutinized for its role in the multi-day shutdown of access lanes to the George Washington Bridge in New Jersey, in an apparent act of political revenge against a local mayor. Mr. Christie's use of Port funding in the reconstruction of the Pulaski Skyway has also been criticized. In New York, billions of dollars in Port funds and countless man hours have been diverted for a rebuilding of the World Trade Center site, a decision that Mr. Berger called "a terrible mistake."

"The Port Authority is a transportation agency, and that's what it should be doing," said Mr. Berger. "It not only consumed a vast amount of dollars, it consumed the intellectual capacity and the people capacity of the agency and sucked all the rest of the blood out of those folks."

Even as hundreds of millions of dollars have flowed to non-transportation projects and organizations, critical infrastructure like the runways of the city's three airport's has been neglected, said the panel. If those three facilities are not expanded, air-travel customers will have to be turned away by 2030, predicted Susan Baer, principal at ARUP and former director of aviation at the Port Authority.

"If we don't do this, we're going to stymie the economic health of this region," said Ms. Baer. "If we don't do this, in 2030, they're going to be saying, 'what the hell were they thinking?'"

She noted that the region's airports produce more than \$60 billion in economic impact and support the city's status as a world-class city, but that their needs sometimes get lost in the political shuffle.

"Someone is always running for election, and that is affecting decisions," said Ms. Baer. "The use of funds for projects that really benefit the governor don't necessarily benefit the region."

The Port's financial situation won some plaudits, however, for its relative stability, with about 50% of funds for its capital budget coming out of its own revenues, according to Carol Kellermann, president of the Citizens Budget Commission. The Port was also urged to end the kind of horse-trading between the two owners, which has politicized the agency's projects.

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"Every project should be able to be analyzed to show the benefits and the cost to the entire region, there should not be New York projects and New Jersey projects," said Ms. Kellermann. "This is the sort of thing that commissioners should talk out in public, which would be something new."

Despite its criticisms, the panel was optimistic about the Port Authority Commission's willingness to address the organization's issues and are supportive of plans to take advantage of private-public partnerships that could help the port make important infrastructure investments, like LaGuardia's main terminal. The model has been successful in projects like John F. Kennedy Airport's Terminal 4, which was built in collaboration with a private consortium, which got a share of the facility's revenues in return.

"The fact of the matter is that there's the issue of just getting it done, which at some point is as important as controlling the future revenue stream," said Mr. Berger.