



ALLIANCE FOR
TOLL-FREE INTERSTATES

NEW YORK STATE THRUWAY

A January 31, 2012 [audit report](#) of the PANYNJ found “a challenged and dysfunctional organization suffering from a lack of consistent leadership, a siloed underlying bureaucracy, poorly coordinated capital planning processes, insufficient cost controls, and a lack of transparent and effective oversight of the World Trade Center (the “WTC”) program that has obscured full awareness of billions of dollars in exposure to the Port Authority.” The report found that the PANYNJ had accumulated debt of \$19.5 billion by the end of 2011, which is projected to rise to \$20.8 billion by the end of 2012.

In order to fund a 10-year, \$25.1 billion capital plan, in 2011 the PANYNJ announced a massive toll rate increase on the six interstate bridges and tunnels between New York and New Jersey under its jurisdiction. By 2015 the cash toll rate will increase by 88% for cars and a whopping 163% for 5-axle trucks. This is on top of a 75% increase in truck tolls passed just three years earlier. At \$105 per crossing on PANYNJ facilities, the truck toll rate will be nearly three times higher than the rate for any other bridge or tunnel in the country.

Since the PANYNJ has refused to specify how the additional toll revenue will be spent, it is unclear how the money generated by the toll increases will be invested. Public information made available by the Authority lists the projects to be funded, but does not detail the amount to be spent on each. A PANYNJ press release put out prior to final approval of the capital budget suggested that only about \$3 billion of the revenue from toll increases will be used for projects that directly benefit toll payers. The remainder will be used to raise the Bayonne Bridge to accommodate larger ships, improve security at PANYNJ facilities, and fund airport and seaport improvements. However, the most egregious use of toll revenue is the approximately \$11 billion dedicated to the completion of the World Trade Center office buildings. It is apparent from the audit report that these costs are likely to escalate. It is unclear why trucking companies and commuters are being forced to foot the bill for a real estate project. Certainly when Congress granted an interstate compact to the PANYNJ, it did not envision that the Authority’s responsibilities would extend to such activities.

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input. The proposal was announced on August 5, 2011, and only one day of hearings was scheduled, for August 16, 2011. This allowed less than two weeks for the public to analyze the proposal and prepare remarks. The hearings were held at locations that were difficult for the public to reach, and at inconvenient times of the day. Following the hearings, the Port Authority Board met on August 19, 2011 and approved a revised toll increase schedule which was apparently negotiated with both Governor Cuomo (NY) and Governor Christie (NJ). As a

result, the public was not even provided an opportunity to comment on the final proposal. The approved toll increase was set to go into effect on September 18, 2011, providing less than a month for motorists to prepare for the exorbitant increases associated with the first phase of the 5-year planned increases. This is especially problematic for trucking companies, which cannot easily renegotiate contracts with customers or, in many cases, cannot effectuate the rate increases with customers within such a short period.

The hearings associated with the proposed increases were frankly just window dressing. The way in which the whole process was conducted sent a very clear message that the decision to increase tolls had already been made, without regard to public input. The increases were forced on motorists during a slow recovery from one of the worst economic recessions in history, with little to no time for commuters or businesses to determine how they would budget for the increased costs. The process and the outcome points to an Authority with unchecked power that shows little regard for the impacts of its decisions on the community which it purports to serve.

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