



Legislation Text

File #: Res 0671-2015, **Version:** *

Res. No. 671

Resolution calling on the Governors and State Legislatures of New York and New Jersey to maintain the Port Authority Trans-Hudson (PATH) rail system's operation as a governmental entity.

By Council Members Miller, Chin, Johnson, Gentile and Mendez

Whereas, On May 6, 2014, the Governors of New York and New Jersey commissioned a panel to review and evaluate reforms of the Port Authority's mission, structure, management, operations and overall governance, known as the Special Panel on the Future of the Port Authority; and

Whereas, On December 6, 2014, this panel issued a report to the Governors of New York and New Jersey, titled Keeping The Region Moving, which included a recommendation to Revitalize Core Transportation Assets, specifically highlighting the Port Authority Trans-Hudson (PATH) rail system as being in need of an improved operating model; and

Whereas, The report recommends allowing a third party operator, either governmental or private, to take over the management of the PATH rail system, noting however, that a new operator may not necessarily be held to the same regulatory standards as PATH presently is required to adhere to; and

Whereas, The report states that in order to incentivize a third party operator to take over the management of the PATH rail system, the Port Authority would likely need to offer a subsidy in the form of monetary payment or a transfer of assets; and

Whereas, According to a 2011 report by the Project on Government Oversight, a federal non-profit organization focused on transparency, in 33 of 35 cases studied, using government employees was less

expensive than privately contracted employees, even while compensation for private employees was lower than governmental employees in each case; and

Whereas, Such a partnership with a government-subsidized private corporation could worsen the bleak financial situation of the PATH rail system and hinder another of the report's recommendations-to promote a culture of transparency and ethical conduct-by turning the PATH rail system over to an operator not accountable to governmental regulations and sunlight policies; and

Whereas, According to a 2009 study by the Economic Policy Institute, privatization of public entities tend to be harmful to workers in the form of lower pay; to government finances through the payment of a subsidy; and to transparency through a lack of comparable oversight; and

Whereas, This study also found that even on the federal level, contracted employees are much less likely to earn wages high enough to allow a single full-time worker to put a family of four over the poverty threshold; and

Whereas, The Port Authority has stated a need to spend taxpayer money prudently, to promote transparency and to support workers' rights to fair compensation; now, therefore, be it

Resolved, That The Council of the City of New York calls upon the Governors and State Legislatures of New York and New Jersey to maintain the Port Authority Trans-Hudson rail system's operation as a governmental entity.

RM
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4/1/15