

THE ASSEMBLY
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Commissions

NICOLE MALLIOTAKIS
Assemblywoman, 60th District

April 5, 2012

Patrick Foye
Executive Director
Port Authority
225 Park Avenue South
New York, NY 10003

Dear Executive Director Foye:

I write to you with regard to our ongoing effort to return the Port Authority of New York & New Jersey to fiscal stability. I appreciate the open, constructive dialogue you and I have had since your appointment last October. Your recent action to address bonuses, vacation policies, and employee contribution toward health coverage, was certainly a welcome development and shows that you are serious about bringing real change to the Port Authority.

As a member of the Assembly committees on transportation and corporations, authorities and commissions, I have found myself thoroughly enveloped in trying to identify measures to address the Port Authority's financial condition. Moreover, my desire for a solution is increasingly fueled by the fact that the residents of my district have disproportionately suffered from the Port Authority's history of mismanagement through recent and continuing toll increases.

Since the day these toll increases were announced, I have been exceptionally concerned with the money lost on the Port Authority's investment in real estate. The Port Authority estimates over \$14.6 million in losses on real estate for 2011, \$3.6 million of which was squandered on the Essex County Resource Recovery Plant, a waste-to-energy facility that is certainly outside the scope of the Port Authority's stated mission to manage and maintain the region's trade and transportation network.

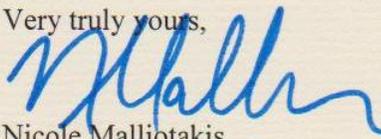
In our recent meeting, you assured me that the divestment of non-essential real estate holdings would be fully investigated. You can imagine my satisfaction in learning that you have, in fact, reached a tentative agreement to rid the Port Authority of financial responsibility for the Essex County Resource Recovery Plant. It has become increasingly evident that you plan to be attentive to the concerns of Staten Island's elected officials and those we represent.

As we continue our efforts to bring about necessary reform at the Port Authority, I strongly urge you to investigate whether similar measures can be taken with regard to The Teleport. This property, situated in the geographic heart of Staten Island, cost the Port Authority an estimated \$1.9 million in 2011 and is projected to lose an additional \$2.6 million in 2012. By leasing this property from the City of New York and subletting it to tenants, the Port Authority is acting as a property manager, which is clearly also outside the scope of its stated mission.

You and I were both brought into our respective government bodies with an objective of restoring soundness through cutting waste, bureaucracy, and profligate spending. I believe that continued divestment of costly real estate holdings is a means of achieving our shared goal of a more focused Port Authority that can efficiently fulfill its fundamental responsibilities.

I hope you will strongly consider renegotiating the Port Authority's lease on The Teleport and remove another burdensome expense. Please let me know if my office can be of any assistance.

Very truly yours,



Nicole Malliotakis