



THE TWIN TOWERS ALLIANCE

October 24, 2014

John J. Degnan, Chairman
The Port Authority of New York and New Jersey
225 Park Avenue South
New York, NY 10003

Dear Chairman Degnan,

I take strong exception to your characterization of my remarks at Wednesday's Port Authority board meeting as "venomous" and "personal". They were neither. When I called for Pat Foye's resignation as executive director I was not dealing in poison but in facts. My attack was not *ad hominem* but against Mr. Foye's performance, which has been incompetent by all but the lowest standards. I have nothing against Mr. Foye personally. I have even referred to him in the past as "amiable". But Mr. Foye's amiability does not excuse his colossal oversight regarding the 42nd Street bus terminal or the stupendous waste of public money at the agency he heads. None of this did you address in your inappropriate and malicious comments after I spoke.

The Port Authority has squandered billions of dollars of the public's money, and continues to squander it, while providing substandard services to millions of travelers. Most of this waste occurred under your predecessors, but you don't seem inclined to change the dysfunctional culture that produced it. Cosmetic changes are nice, but systemic changes demand real leadership, and that means listening to the agency's critics rather than attacking them for telling you the inconvenient truth.

You seem to think you're back at Chubb, chewing out the lackeys who displease you. Well, we don't work for you, Mr. Degnan. You work for us, the public. We do the chewing out, not you. You're spending our money and we have a right to complain when it's being spent stupidly. And that may mean speaking passionately, especially in the face of constant stonewalling by the P.A. But passion should not be confused with poison, Mr. Degnan, unless you find the truth poisonous.

In the transcript of the February board meeting, details of the proposed ten-year capital plan run for eight densely-spaced pages. It was explicitly stated in the presentation that "all of the high priority projects are included in the 10-year program." But there was no plan to improve the wretched conditions you force nearly a quarter million of your customers to endure each day. The bus terminal was mentioned only twice and both times were in passing.

If you think my charges against Pat Foye are unfair, then ask yourself this question. If Pat worked for you at Chubb, would you tolerate his performance? A subordinate presents a ten-year capital improvement plan and doesn't address what many would argue is the most glaring problem the company faces?

You'd fire him on the spot for gross incompetence and you know it. And I doubt if you'd use language that was measured and judicious either. So don't criticize me for saying what you would say in different circumstances. Pat Foye is incompetent and he needs to go.

Furthermore, you find fault with my manner but address none of my points – a classic tactic of someone in power who doesn't want to hear the truth. My criticisms of the colossal waste at the P.A. are spot on, yet you refuse to address them. If the Port Authority were a business, it would be *out* of business. Do you really think an agency is being run right when it spends billions of dollars on projects it never had to spend any money on while shorting its customers in every area of its core mission?

To wit:

- The P.A. has spent billions of dollars on new office buildings at Ground Zero, not one of which it was required to build by the terms of its 2001 lease agreement with Larry Silverstein. Silverstein was required to build them with his own money, not the P.A.'s.
- Though the federal government is contributing billions to the transit hub, the P.A. is on the hook for almost a billion more. Why wasn't the American taxpayers' enormous contribution enough? As I pointed out to you in my remarks, Grand Central Terminal – far larger, handling far more people – cost a billion dollars less *in today's dollars* than the hazard-riddled "Hubasaurus".
- Somehow, the public servants at the P.A. allowed \$1.8 billion to be siphoned off from its budget to pay for repairs on the Pulaski Skyway, which is not a Port Authority responsibility by any stretch. This at a time when other projects that *are* the P.A.'s responsibility were desperate for money. It will come as no surprise if the P.A. is charged under the Martin Act for this one. You keep pledging to be transparent. Well, how about some transparency on that?

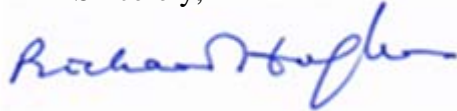
The fact is, until you have addressed these issues, your pledges of transparency are hollow. All right, you're new to the board. But by now you should be getting up to speed. And one way to do that is to pay attention to the speakers who come to the board meetings every month – meetings, by the way, which are nothing but an exercise in self-congratulation on the P.A.'s part. We understand that you can't "allow for a dialogue" because what could you possibly say? But to threaten to silence us for objecting to the P.A.'s failings crosses the line.

We've been at it a lot longer than you have and some of us might know a lot more about the agency's defects than you seem to. We don't do this because we enjoy it. I, for one, hate speaking each month, but I consider it my civic duty to do so. Otherwise, I couldn't sleep at night. Some of us have made real sacrifices in time and money to bring the Port Authority's abuses and mistakes to light, conditions you seem reluctant to confront.

And stop thinking that the public is supposed to play “nice doggie” when we get up to speak, especially when your agency persists in its incompetent and arrogant ways. Your predecessors as chairman put up with some heavy criticism because, whatever their faults, they respected the democratic process.

You, on the other hand, seem to have an unusually thin skin. You’re not operating in the corporate world at these meetings, Mr. Degnan. As I said before, you work for us; we don’t work for you. We’re not here to kowtow to you, but to tell you the truth, even if you don’t want to hear it. And the truth gets a little rough sometimes. If you can’t take it, let somebody else have the job.

Sincerely,

A handwritten signature in blue ink that reads "Richard Hughes". The signature is written in a cursive, flowing style.

Richard Hughes