Committee Meeting

of

NEW JERSEY LEGISLATIVE SELECT COMMITTEE ON INVESTIGATION

“The testimony of William ‘Pat’ Schuber, Esq. concerning the Committee’s investigation into all aspects of the finances, operations, and management of the Port Authority of New York and New Jersey, and any other matter raising concerns about abuse of government power or an attempt to conceal an abuse of government power, including, but not limited to, the reassignment of access lanes in Fort Lee, New Jersey, to the George Washington Bridge”

LOCATION: Committee Room 11
State House Annex
Trenton, New Jersey

DATE: June 3, 2014
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Loretta Weinberg, Co-Chair
Assemblyman John S. Wisniewski, Co-Chair
Senator Nia H. Gill
Senator Kevin J. O'Toole
Assemblywoman Marlene Caride
Assemblyman Paul D. Moriarty
Assemblywoman Valerie Vainieri Huttle
Assemblyman Michael Patrick Carroll
Assemblywoman Amy H. Handlin
Assemblywoman Holly T. Schepisi

ALSO PRESENT:

Charles A. Buono Jr.
Philip M. Mersinger
Michael R. Molimock
Office of Legislative Services
Committee Aides

Francisco Maldonado
Senate Majority
Kate McDonnell
Assembly Majority
Committee Aides

Frank Domínguez
Senate Republican
Keith A. Loughlin
Assembly Republican
Committee Aides

Reid Schar, Esq.
Special Counsel
COMMITTEE NOTICE

TO: MEMBERS OF THE NEW JERSEY LEGISLATIVE SELECT COMMITTEE ON INVESTIGATION

FROM: SENATOR LORETTA WEINBERG, CO-CHAIR AND ASSEMBLYMAN JOHN S. WISNIEWSKI, CO-CHAIR

SUBJECT: COMMITTEE MEETING – JUNE 3, 2014

The public may address comments and questions to Charles A. Buono, Jr., Michael R. Molimock, Committee Aides, or make bill status and scheduling inquiries to Kimberly Johnson, Secretary, at (609) 847-3840, fax (609) 292-0561, or e-mail: OLSAideLSi@njleg.org. Written and electronic comments, questions and testimony submitted to the committee by the public, as well as recordings and transcripts, if any, of oral testimony, are government records and will be available to the public upon request.

The New Jersey Legislative Select Committee on Investigation will meet on Tuesday, June 3, 2014 at 10:00 AM in Committee Room 11, 4th Floor, State House Annex, Trenton, New Jersey.

The committee has subpoenaed William “Pat” Schuber to testify before the committee concerning the committee’s investigation into all aspects of the finances, operations, and management of the Port Authority of New York and New Jersey and any other matter raising concerns about abuse of government power or an attempt to conceal an abuse of government power, including, but not limited to, the reassignment of access lanes in Fort Lee, New Jersey to the George Washington Bridge.

The committee will convene in closed session following Mr. Schuber’s testimony.

Issued 5/29/14

For reasonable accommodation of a disability call the telephone number or fax number above, or TTY for persons with hearing loss 609-777-2744 (toll free in NJ) 800-257-7490. The provision of assistive listening devices requires 24 hours’ notice. Real time reporter or sign language interpretation requires 5 days’ notice.

For changes in schedule due to snow or other emergencies, call 800-792-8630 (toll-free in NJ) or 609-292-4840.
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## APPENDIX:

### Appendix A

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pnf: 1-148
SENATOR LORETTA WEINBERG (Co-Chair): I call the Committee to order.

May I have a roll call, please?

MR. MOLIMOCK (Committee Aide): Assemblywoman Schepisi.

ASSEMBLYWOMAN SCHEPISI: Present.

MR. MOLIMOCK: Senator O'Toole.

SENATOR O'TOOLE: Here.

MR. MOLIMOCK: Assemblywoman Handlin.

ASSEMBLYWOMAN HANDLIN: Here.

MR. MOLIMOCK: Assemblyman Carroll.

ASSEMBLYMAN CARROLL: For better or worse. (laughter)

MR. MOLIMOCK: Assemblywoman Vainieri Huttle.

ASSEMBLYWOMAN VAINIERI HUTTLE: Here.

MR. MOLIMOCK: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Here.

MR. MOLIMOCK: Majority Leader Greenwald. (no response)

Senator Greenstein. (no response)

Senator Gill.

SENATOR WEINBERG: Senator Gill is here.

MR. MOLIMOCK: Assemblywoman Caride.

ASSEMBLYWOMAN CARIDE: Present.

MR. MOLIMOCK: Co-Chair Wisniewski.

ASSEMBLYMAN JOHN S. WISNIEWSKI (Co-Chair): Here.

MR. MOLIMOCK: Co-Chair Weinberg.
SENATOR WEINBERG: Here.
Thank you.
The Committee calls William “Pat” Schuber to come to the
desk, please, with your attorney.

Whichever you choose. (indicating chairs)

WILLIAM “PAT” SCHUBER, ESQ.: This is fine.

SENATOR WEINBERG: The small black microphone is
always on; that is recording for the record. So if you have any discussion
between the two of you, cover that microphone up. And this one
(indicating PA microphone) you can turn off and on, which is the
amplification -- the one with the red button.

MR. SCHUBER: Do I have to press this--
SENATOR WEINBERG: I’m sorry?
MR. SCHUBER: I assume I have to press this, then?
SENATOR WEINBERG: Yes, you press the one with the red
button for the amplification, yes. When your microphone is on, it will be
lit, okay?

MR. SCHUBER: Thank you.
SENATOR WEINBERG: Okay, Mr. Schuber, thank you for
appearing here today. As you probably know, I’m Senator Loretta
Weinberg, and this is my Co-Chair, Senator (sic) John Wisniewski. We’re
Co-Chairs of the Committee.

You’re accompanied by an attorney? And, if so, may I ask the
attorney to introduce himself.

SALVATORE T. ALFANO, ESQ.: Yes, Salvatore Alfano.
SENATOR WEINBERG: And turn your red mike on when you-- Yes.

MR. ALFANO: Salvatore Alfano, 55 Washington Street, Bloomfield, New Jersey.

Senator, Mr. Schuber has a short statement he would like to make before the proceedings begin.

SENATOR WEINBERG: Okay, when we finish all of this I will invite you to read your statement if you wish.

Mr. Schuber, do you understand that if the statements you make today are willfully false; if you fail to answer a pertinent question, or commit perjury you may be subject to penalties under the law?

MR. SCHUBER: I do.

SENATOR WEINBERG: Did you receive a subpoena from this Committee compelling your testimony at this meeting?

MR. SCHUBER: I did.

SENATOR WEINBERG: Do you understand that you have certain rights under the Code of Fair Procedures, including the right to be accompanied by counsel who shall be permitted to confer with you during your questioning, advise you of your rights, and submit proposed questions on your behalf?

MR. SCHUBER: I do.

SENATOR WEINBERG: As you can see, we have a Hearing Reporter here from the Office of Legislative Services. Your testimony is being recorded and it may be transcribed for the Committee and it may be used in other proceedings. Do you understand that?

MR. SCHUBER: I do.
SENATOR WEINBERG: You are entitled to a copy of the transcript of your testimony at your expense when such copy is available. Do you understand that?

MR. SCHUBER: I do.

SENATOR WEINBERG: You have the right to file a brief sworn statement relevant to your testimony, for the record, at the conclusion of this examination. Do you understand that?

MR. SCHUBER: I do.

SENATOR WEINBERG: Please note that all of your responses should be verbal; we obviously can’t record a head shake or a nod. If you don’t understand a question, please ask for clarification. Otherwise I’m going to assume that you do understand the question and that your answers are responsive to that question. Do you understand that?

MR. SCHUBER: I do.

SENATOR WEINBERG: Before I proceed with the oath, do you have any questions?

MR. SCHUBER: No, I do not.

SENATOR WEINBERG: Okay, we’ll do the oath and then you’ll be welcome to read whatever statement you choose.

Please stand, raise your right hand.

(witness stands and raises right hand)

Mr. Schuber, do you swear or affirm that the testimony you are about to give is true, correct, and complete to the best of your information, knowledge, and belief?

MR. SCHUBER: I do.

SENATOR WEINBERG: Thank you very much.
Please be seated and state your name for the record.

MR. SCHUBER: William “Pat” Schuber, S-C-H-U-B-E-R.

SENATOR WEINBERG: Thank you. Now, you may go ahead, if you--

ASSEMBLYWOMAN SCHEPISI: Madam Chair--

SENATOR WEINBERG: --wish to read a statement.

ASSEMBLYWOMAN SCHEPISI: Madam Chair, before the witness starts--

SENATOR WEINBERG: I’m sorry?

ASSEMBLYWOMAN SCHEPISI: I do have one procedural question for our attorney before the witness begins.

Several weeks ago, during a conference call--

SENATOR WEINBERG: Unfortunately I am having a little problem; I have an ear problem this morning. So speak up, please.

ASSEMBLYWOMAN SCHEPISI: Okay. Several weeks ago on a conference call with Mr. Schar, we raised the question that we weren’t sure whether or not it would be pertinent to Schuber coming in. We received, yesterday afternoon, the materials for today’s hearing, which consisted of seven documents which, for the most part, pertain to various communications between the Chair and Mr. Schuber.

The question that we have for counsel is, in light of the fact that it appears this witness has been called in for the main purpose of testifying as to those firsthand communications between the Chair and Mr. Schuber, whether or not it’s appropriate for the Chair to be asking the questions of Mr. Schuber -- in light of the fact that it pertains to just direct communications between the two of you.
SENATOR WEINBERG: That is your question for counsel, Assemblywoman?

ASSEMBLYWOMAN SCHEPISI: Yes.

SENATOR WEINBERG: Mr. Schar, do you--?

ASSEMBLYWOMAN SCHEPISI: We posed this question a couple of weeks ago so nobody would be sandbagged by it. We never had follow-up, and based upon the materials we received last night it appears that that’s the main purpose of this witness today.

MR. SCHAR (Special Counsel): I appreciate the question. Obviously, this is the first I’m being asked of--

ASSEMBLYWOMAN SCHEPISI: Actually, on the conference call we specifically brought this up so that we would not be in a situation like this if it was--

MR. SCHAR: My recollection of that call was not a request of me in any way to provide an informed opinion; certainly not on this morning.

Nonetheless, given I am not intimate with the professional rules of conduct, I don’t see that there is an actual conflict in asking questions. It seems to me that if someone has a motion for recusal, that’s something that can be made at the appropriate time. If there is an appearance of conflict, that, again, from a legal perspective, is not one that would prohibit the questioning, or one the Committee as a whole will have to consider as to their view. And, again, I would assume by any motions that it would deem to be appropriate.

However I will tell you-- Again, I recall the issue was generally raised, but I do not recall any specific request that research be done. So I
am providing you an answer limited by the fact that I have not gone and
done any particular review of the New Jersey Legislative Code in any
particular way.

So I would suspect if you have a motion, I assume it would be
entertained. But I do not see any inherent actual conflict in asking
questions, based on history here.

SENATOR WEINBERG: Does that answer your question,
Assemblywoman?

ASSEMBLYWOMAN SCHEPISI: Um, okay. (laughter)

SENATOR WEINBERG: Your statement, Mr. Schuber.

MR. SCHUBER: Thank you.

Members of the Committee, just a very brief statement, if I
might; and thank you.

I just want to state very emphatically that I have had no
involvement in, nor prior knowledge of the decision which led to the lane
closures at the George Washington Bridge, and I would never condone the
use of governmental powers to exact political retribution. Such actions
cannot be countenanced under any circumstances and to the extent of the --
wrongdoers should be held accountable for their misconduct.

SENATOR WEINBERG: Is that it?

MR. SCHUBER: That’s it.

SENATOR WEINBERG: Okay. Thank you very much.

SENATOR O’TOOLE: Chair, do we have a copy of that? Do we have a copy of his statement? Were we given a copy?

ASSEMBLYMAN WISNIEWSKI: We have not been provided
with a copy of his statement.
MR. SCHUBER: I'm sorry; I brought it in my pocket. I'm sorry.

ASSEMBLYMAN WISNIEWSKI: Would you like to make a request?

SENATOR O'TOOLE: No, no. If he gave a copy, I'd just like to see a copy. But if he didn’t, that’s okay.

SENATOR WEINBERG: You’ll provide copies to the Committee?

MR. SCHUBER: Sure, certainly.

SENATOR WEINBERG: Thank you.

Any other questions before I begin? (no response)

Okay. I actually don’t have a lot of questions for you, Pat. And as you know-- Let me just kind of frame how I look at this, and then ask you some questions.

I’m sure that you recall when you were nominated by the Governor to take a seat as Commissioner on the Port Authority. And you and I had a conversation privately when you made your obligatory, respectful call to me as somebody who gets signoff on you, as well a member of the Judiciary Committee. And then I had a public discussion about the very same thing when you came before the Judiciary Committee. And I recalled that same conversation in a letter I wrote to you back in August of 2011. That letter concerned the toll increases at the Port Authority. And I’m not going to ask you any questions on that because other Committee members are going to.

But I just want to read -- and the Committee has copies of this letter -- the opening sentence of that letter that I wrote to you in August of
2011 so that we can take this out of the realm, if anybody thinks there are any personal issues.

MR. ALFANO: May we have a copy of the letter?

SENATOR WEINBERG: Yes, excuse me.

The first sentence of the letter says, “I know you will recall our conversation when you appeared before the Judiciary Committee for your appointment as one of New Jersey’s Commissioners on the Port Authority. I told you at the time I was delighted to support someone as a Commissioner who is from Bergen County, who would represent our Bergen County voices and interests in the future.

“After your confirmation by the Senate Judiciary Committee and the New Jersey State Senate, I was secure in the knowledge that you would be looking out for Bergen County.”

And then the letter goes on to talk about the toll increases.

And that was the reason that I reached out to you in a letter on September 19 -- after the issues of these lane closures were coming -- were printed in the press, and I was getting calls from constituents. It’s not because of anything personal; you and I have had a -- I’ve always thought -- a rather amicable and respectful relationship over the years. But I reached out to you because you -- I thought -- were the Bergen County voice for our citizens. And I wrote you a letter on September 19, 2013, asking a variety of questions about the lane closures, and I know that letter has been distributed to the Committee and has been commented upon in the press.

As I recall, you called me soon -- within a couple of days after you received that letter. And my recollection of that conversation was that
you said -- and I believed you then, and I believe you now -- that you had no knowledge of what took place in those lane closures, but that you were going to check and get back to me. That was my recollection of that phone conversation.

So I just want to put that in perspective, less anybody on this Committee thinks beyond the fact that I depended upon Pat Schuber -- whom I know, and like, and respect -- to be a voice for Bergen County. That’s why I wrote you the letter on September 19.

And I just have one or two questions, and then I’m going to pass it on to our Co-Chair.

Once you received the letter and you made that phone call to me -- which I appreciated-- And, again, let me reiterate: I believed you then that you certainly had no knowledge that this had not come before the Board of Commissioners, and I believe you now in what you stated in your opening statement. I would like to know what you did, and who you might have run that by, after our phone conversation which was held in mid to late September.

MR. SCHUBER: Well, Senator, my recollection of our discussion is a little bit different, but let me say-- Suffice it to say this -- that you had asked me at that time-- There were a couple of things that came up during that conversation. First of all, I had not received the letter directly, number one; I had received a phone call that the letter had been received by the Governor’s Office.

SENATOR WEINBERG: I’m sorry, the September 19 letter?

MR. SCHUBER: That’s correct, that’s correct.
SENATOR WEINBERG: Well, we sent it to both your private law firm, as well as to the Port Authority, and faxed it to you.

MR. SCHUBER: But it had not gotten me.

SENATOR WEINBERG: Okay.

MR. SCHUBER: Suffice it to say, I did finally receive it.

SENATOR WEINBERG: Right.

MR. SCHUBER: And a couple of things that day -- we talked about the toll increase, I think; we talked, if I recollect, about your late husband; we talked about the fact that I was concerned that Fort Lee had not received any notice with regard to whatever had gone on here; and I asked if you had my cell phone number. And you did not, or you couldn’t find it, and I gave it to you. And I said, “Please call me if there are any future issues with regard to this.” And I asked, “Is there anything I can do here?” And you said, “Would you call the Mayor of Fort Lee for me?” and I did. When I hung the phone up that day, I called the Mayor of Fort Lee, and on the second go-around got him and had a conversation with him, too, at the same time.

My concern at the time was -- and, again, this is, at that time, before I had seen any of the rest of the stuff that came out much, much later -- was that my biggest concern with regard to anything we do is notification to the municipalities or any of the organizations that might be impacted by any of our projects. And that was my major concern; I think that’s what I talked to you about at that particular time.

SENATOR WEINBERG: So it was the Governor’s Office who called you about my letter? They received it, apparently, before you did?
MR. SCHUBER: No, no, no. no. The Governor’s Office didn’t call me.

SENATOR WEINBERG: Oh, I thought you said you had not seen my letter; that--

MR. SCHUBER: I had not seen-- It had not come to me. I had received a letter (sic) that the Governor’s Officer had received the letter before I had.

SENATOR WEINBERG: Okay. And how did you know that the Governor’s Office had received the letter before you did?

MR. SCHUBER: Because I got a call on the-- Whatever -- and I don’t remember whatever the date was, but I got a call from Mr. Wildstein that said the Governor’s Office had spoken to him; that a letter had come in directed to me, with a copy to them and to several other people, I guess, that had dealt with the -- that was directed to me about the lane issues at the George Washington Bridge.

SENATOR WEINBERG: Okay. So your only concern -- or the only concern, in spite of what I said in that letter -- the only concern you gleaned from our conversation was that Fort Lee hadn’t been notified, but there was nothing to be looked at in terms -- but beyond that, in terms of the lane closures.

MR. SCHUBER: Well, two things. One is, the notification to the municipality has always been a sore spot for me -- having been a local official; and I was really annoyed with that. But second of all, I think too was that I really felt -- and this is the way I felt about it -- that the letter was directed to me personally. I’m one of six Commissioners from New Jersey,
and 12 all together. And I kind of took a little bit--Quite frankly, I took that personally; that’s the way I took it at the time.

Senator Weinberg: Well, it was directed to you personally--

Mr. Schuber: No, I understand that. I appreciate that.

Senator Weinberg: --for the very reason I outlined -- like my letter of 2011 was addressed to you personally.

Mr. Schuber: Yes, but I’m also telling you that’s how I felt about it too, with regards to it.

Senator Weinberg: Okay. All right, well I certainly will accept that as your feelings. And I’m sorry that the idea of my voting for you and stating publicly at the Judiciary Committee meeting -- and even telling you, if I remember, in our earlier conversation that I did not have to have a one-on-one interview with you, you didn’t have to come to my office, and none of that ceremonial or political stuff was between us; but that I was really happy to have a Bergen County person, who understood the problems of Bergen County, on the Board of Commissioners. So I will accept how you felt about it, and I’m sorry that for whatever reason, in spite of what I said in both of these letters, that you somehow felt I shouldn’t talk to you personally.

But let me follow up. On October 6--First of all, on October 1 or 2, Pat Foye’s e-mail was in the press. On October 6, I appeared before a subcommittee that you chaired--

Mr. Schuber: Right.

Senator Weinberg: --of Governance and Ethics, I think it was called; something like that. And, again, courtesies were extended to
me; I knew that there was no requirement to hear from the public. But I had come to the Committee meeting and you extended the courtesy to me of appearing before the Committee. And I again talked about, now, what were issues that were raised in the press -- issues that were raised by your Executive Director, Pat Foye, that had been in the press by that stage -- that laws were broken, no processes were followed, etc.

Did you, as a member of the Board of Commissioners, or any other Commissioner, do anything to follow up after that October 6 meeting?

MR. SCHUBER: When the-- The background on that was the meeting was being held in New Jersey for the first time; we were holding Committee meetings in New Jersey in order to start to hold meetings on both sides of the river.

SENATOR WEINBERG: And by the way, as a comment: It was more difficult getting there than it was getting to New York that morning, if you remember.

MR. SCHUBER: There’s no doubt about it. (laughter) There’s no doubt about it, Senator.

And so we were holding two meetings that day -- one was the Committee on Ethics and Governance, and the second one was the Security Committee meeting, which was going to be held right afterwards. I think I had seen someplace -- and I don’t remember where I had seen -- that you wanted to come to that meeting to testify.

SENATOR WEINBERG: Right.

MR. SCHUBER: And the Port has a rule that on Committee hearings, the public doesn’t get a chance to testify. But I, having seen it in
the paper, knew that you were going to come, and I had no problem with you testifying or making a statement there at all with regard to that; I really didn’t. I thought it was only appropriate to be done, as far as that goes.

But I think I was concerned that-- It’s been my concern throughout this -- and I’ve wrestled with this consistently I guess up until the other e-mails came out at the end of December and January -- which was this whole issue had become very, very, I thought, politically charged, quite frankly, or even partisan to a certain degree. And quite frankly, it was not something I wanted to be involved in the middle of, quite frankly, and that’s the way I felt about it. And I wanted to give you the opportunity to testify with regards to that so everybody else could hear about that. But that’s how I felt with regard to it.

SENATOR WEINBERG: Okay. So your feeling as a Commissioner at this stage was because of the, I guess, political charges that your Executive Director made -- that none of your processes were followed, and that laws were broken -- your feeling at that stage was, because it was politically charged, that you just didn’t want to be involved in it. Is that correct?

MR. SCHUBER: No, that’s not correct. I felt that it had nothing to do with Mr. Foye at all, and I’m not even sure I had seen his statement at that point, quite frankly. But the fact of the matter is, I felt that the nature of how this played out at that particular time became very, very, I thought, partisan-charged; it became somewhat political with regard to that. And my position with regard to that -- I just didn’t want to be in the middle of that.
SENATOR WEINBERG: Okay. And when I appeared at the full Board of Commissioners meeting in October, in November, and in December -- and if you remember correctly, I did -- I not only engaged you personally, I engaged every single New Jersey Commissioner.

MR. SCHUBER: Yes.

SENATOR WEINBERG: I named each of you by name, and the towns that you came from, just to accentuate that you were each from New Jersey. So I want to clear that up, too, because not only you from Bergen County did I expect to hear some voice, but I expected to hear some voices from the Commissioners from New Jersey.

So when I appeared in October, November, and December --at one of the meetings accompanied by Assemblyman -- my Co-Chair, Assemblyman Wisniewski, my colleague from District 37, and Assemblyman Johnson -- none of us were there in terms of partisan-- Or is that how it’s looked on -- that we were all there in terms, not to speak up on behalf of the residents we represent, but because we are partisan political people?

MR. SCHUBER: I think that from my-- And I can only speak for myself; I can’t speak for the other Commissioners, quite frankly.

SENATOR WEINBERG: Right. I understand.

MR. SCHUBER: But the way this played out with regard to that, I looked at it in a partisan way with regard to that; I did. And that’s the way I felt about it. And I just didn’t want to be-- I saw this very quickly becoming a political football, and from my perspective I just didn’t want to be involved with that. That’s not the reason I went on there to begin with.
SENATOR WEINBERG: It’s not the reason you went on the Port Authority?

MR. SCHUBER: Correct.

SENATOR WEINBERG: Okay. And I have one more question, and then I’m going to pass it to my Co-Chair.

What about Pat Foye’s e-mail? Was that partisan politics, or was that investigated by any member of the Port Authority?

MR. SCHUBER: Well, at the time that you mentioned it, I’m not sure that I had seen it, to be honest with you.

SENATOR WEINBERG: Well, I just--

MR. SCHUBER: I may have seen it afterwards.

SENATOR WEINBERG: Okay.

MR. SCHUBER: With regard to that, I can’t answer that question because I just don’t know. I did nothing with Mr. Foye’s e-mail with regard to that afterwards.

I think there may have been some tension between some of the New Jersey permanent staffers and the New York staffers, so again that was another issue that played out with regard to that. And I just didn’t want to be a part of that either.

SENATOR WEINBERG: Thank you very much. I will pass this on to my Co-Chair.

ASSEMBLYMAN WISNIEWSKI: Thank you very much, Senator.

Mr. Schuber, thank you for being here this morning.

MR. SCHUBER: You’re welcome.
ASSEMBLYMAN WISNIEWSKI: I wanted to go to perhaps a more fundamental issue of the Port Authority. Would you agree that the perception of the Port Authority at this point in time is not at its highest?

MR. SCHUBER: I suspect that’s an understatement. But having said that-- Although I believe -- by what I know they do beyond this issue -- that it’s a highly professional organization. Is the perception of it different today because of this and several other issues? I would agree with that.

ASSEMBLYMAN WISNIEWSKI: Would you agree that one of the issues that is often talked about with regard to the Port Authority is the issue of transparency?

MR. SCHUBER: Yes, I would agree with that. I think that’s an issue that the Port has wrestled with over the course of time, being a very traditional organization in many ways; quasi -- a bi-state agency on top of that, and used to doing things in certain ways. Yes, I would agree with that.

ASSEMBLYMAN WISNIEWSKI: What do you view your role as a Commissioner at the Port Authority of New York and New Jersey to be?

MR. SCHUBER: Assemblyman Wisniewski, that’s a very good question. If you’ll give me just a minute to kind of respond on this, there are a couple of things I’d like to address with regard to it.

In the traditional sense, I guess, as to the way the compact reads and the things that go with it, the 12 Commissioners -- 6 from New Jersey and 6 from New York who were nominated by the governors -- serve without remuneration; serve as a kind of an oversight body with regard to the Authority itself. I think that from the perspective of Commissioners, we
become Commissioners to represent the entire Port and all of its many facilities over the region that’s considered part of the Port District.

And obviously there are several things that it’s supposed to do. Obviously, it’s supposed to promote economic development, maintain all of the facilities that are part of it. But with regard to that, there’s always been, I think, a dichotomy, too, based on the fact that for New Jersey Commissioners and New York Commissioners there’s always been somewhat of a built-in tension with regard to making sure that each state gets its fair share of the dollars that the Port generates.

And although that’s not written in any of its bylaws or anything along those lines, it’s certainly a factor and it’s something that I’ve always been asked about. You know, “I want to make sure that New Jersey gets its fair share.” And I understand that, and even though we’re supposed to represent the entire Port District. And so that’s always been somewhat of a tug here, trying to represent the entire Port District and do everything that’s possible, but at the same time look out to make sure that the issues for New Jersey are also taken care of.

ASSEMBLYMAN WISNIEWSKI: Well, I guess along those lines, who do you consider yourself responsible to -- the people of the State of New Jersey, the users of the Port facilities, the institution of the Port Authority? To whom is your fiduciary responsibility first addressed?

MR. SCHUBER: I think that the fiduciary responsibility is to, I think, all of the users of the Port facilities, I think; and the citizens of the two states, I think.

ASSEMBLYMAN WISNIEWSKI: And in that--

MR. SCHUBER: And stewards of those facilities.
ASSEMBLYMAN WISNIEWSKI:  Stewards of the facilities. Do you also have a role as a Commissioner in oversight of the process of the Port Authority?

MR. SCHUBER:  By the process, what do you mean?

ASSEMBLYMAN WISNIEWSKI:  Well, things get done at the Port Authority.

MR. SCHUBER:  Right.

ASSEMBLYMAN WISNIEWSKI:  There are inputs and they are outputs -- roadways get improved, bridges get built, buildings get built. So there are things that get done that are implemented by hundreds, if not thousands of employees of the Port Authority.  What is your level of oversight, as a Commissioner, of those things that get done?

MR. SCHUBER:  I think the role there is the approval of the projects -- which is done at the monthly meetings -- that are funded by the toll payers; as well other avenues of revenue for the Authority such as, for example, in New Jersey would be the Bayonne Bridge, or the Goethals Bridge, Terminal B at Newark Airport -- things along those lines.

ASSEMBLYMAN WISNIEWSKI:  Earlier, in answering the question I had asked about what you considered your role as a Commissioner to be, one of the items you mentioned -- if I think I understand it correctly -- was to bring back projects, bring back money to the State of New Jersey.

MR. SCHUBER:  Well, no, I said that that’s one of the--  I’m cognizant of that issue, clearly, as a resident of New Jersey.  Our responsibility is to the whole Port District.  I’m sensitive to the projects that are part of New Jersey as outlined in New Jersey’s public policy.
ASSEMBLYMAN WISNIEWSKI: To what degree do Commissioners provide any level of oversight into the accountability of things the Port Authority does? What type of oversight do you have if the rules and regulations of the Port Authority are being followed?

MR. SCHUBER: Well, as far as-- My understanding with regard to that is that to a great extent that’s handled by the permanent staff, which is the Executive Director.

ASSEMBLYMAN WISNIEWSKI: And how would you know if that permanent staff was adequately performing its function to ensure that the rules and regulations are being properly followed?

MR. SCHUBER: Well, with regard to the fact -- if there was an IG’s report, or anything along those lines, with regard to a violation of that.

ASSEMBLYMAN WISNIEWSKI: I guess what I’m getting to is why we’re here today and how this process started. As a Commissioner with the Port Authority I’m not sure you’re aware of the entire history. This process actually started in the Assembly Transportation Committee. Are you aware of that?

MR. SCHUBER: I believe so, yes.

ASSEMBLYMAN WISNIEWSKI: Okay. And the Assembly Transportation Committee obtained subpoena authority in the last legislative session. Are you aware of that?

MR. SCHUBER: I believe so, yes.

ASSEMBLYMAN WISNIEWSKI: One of the things that you may not be aware of -- and I want to represent this to you -- but I want to ask you about it as well, is the Transportation Committee had done several FOIA requests of the Port Authority. You’re familiar with FOIA requests?
MR. SCHUBER: I am.

ASSEMBLYMAN WISNIEWSKI: And are you aware of the fact that those FOIA requests were just not answered?

MR. SCHUBER: I was not.

ASSEMBLYMAN WISNIEWSKI: And one of the arguments for the Transportation Committee obtaining subpoena power back then was the fact that the FOIA requests had not been answered. Were you aware of that?

MR. SCHUBER: I was not. I don’t recollect that at all.

ASSEMBLYMAN WISNIEWSKI: My question to you, based on that history, is, as a Commissioner, how do you know or what steps are you able to take to make sure that when people are asking for information from your agency that they’re being responded to?

MR. SCHUBER: Assemblyman, I think that from my perspective, quite frankly I have no problem with full transparency of the Authority and the things that it does. I think that’s a very important issue. I think I was-- I heard people complain with regard to the FOIA application process of the Authority itself. We had changed over the course of time to try to streamline it to be able to allow information to be flowed out faster than had been in the past.

But traditionally, those types of things have not come to the Port Commissioners to take a look at, at all, unless someone raises that at a public session.

ASSEMBLYMAN WISNIEWSKI: As a Commissioner, if you had a question about a FOIA request -- had I thought to contact you, for instance -- when the Transportation Committee did not get answers to the
FOIA requests that it had made -- if I had come to you with that, who would you go to, to find out why these FOIA requests were not being answered?

MR. SCHUBER: I think I would have gone to the Port Counsel, Mr. Bookbinder, who I think oversees that process.

ASSEMBLYMAN WISNIEWSKI: Now, do you get-- When I had the privilege of being at a Port Authority meeting with Senator Weinberg, and the assembled staff was sitting in front of the dais of the Commissioners.

MR. SCHUBER: Correct.

ASSEMBLYMAN WISNIEWSKI: When I was there I didn’t hear a lot of reporting from that assembled staff. Is there a point in time -- either at Committee meetings or in other venues -- where people like Mr. Bookbinder or other staff members report to Commissioners such as yourself about what’s going on?

MR. SCHUBER: Well, the answer to that is yes. The Port -- the way the Port is structured is that the Port meets once a month, except for August, so it’s 11 times a year. On that particular day-- Similar to the Legislature -- or the way I remember the Legislature used to be -- there would be Committees in the morning and then there would be an executive session, and then there would be the public session with regard to that. Particularly with finance, we have started to hold some of the Committee meetings on a separate day or more frequently -- so maybe there are two meetings a month with regard to that. At those meetings often the different agency heads -- depending on the project that might be involved -- would be
testifying or giving a report with regard to that. And that’s how we would see the information.

ASSEMBLYMAN WISNIEWSKI: I guess what I’m trying to get to is, as a Legislator, it is likely I could find your phone number or contact you and have a communication with you -- and maybe I should have -- and said, “Pat, I’m not getting answers to these FOIA requests. Can you look into it?” Not everybody who submits a FOIA request to the Port Authority is a legislator.

MR. SCHUBER: True.

ASSEMBLYMAN WISNIEWSKI: What I’m frustrated by -- and would like to have a response from you on -- is if an ordinary citizen sends in a FOIA request and they don’t get an answer, and their follow-up letter is to the same people who didn’t answer them in the first place, what are they to do?

MR. SCHUBER: That’s a very good question, actually, and I think it’s a very apt question. I think it’s one of the frustrating things we saw -- I saw originally when I was there. And I guess that’s the issue with regard to an agency that has a long history in existence.

I think that was one of the reasons we took steps to streamline that process to make it easier for people to make that application and get that information that they request.

The issue I don’t know, and I don’t have that statistic in front of me at all, is how many of those types of requests did they get on a regular basis. I just don’t know the answer to that.

ASSEMBLYMAN WISNIEWSKI: But I guess my question--
MR. SCHUBER: Here’s my point-- My final point on this is simply this: I would prefer -- from my perspective, more information is better than less information, and FOIA requests should be answered.

ASSEMBLYMAN WISNIEWSKI: I appreciate that.

MR. SCHUBER: I’ll give you my cell phone. (laughter)

ASSEMBLYMAN WISNIEWSKI: To the extent-- Obviously, there’s is a whole checklist of things that people look for in terms of making sure they’re not giving out attorney/client privilege and things of that-- But generally speaking, your position is, is that FOIA requests received should be answered, or at least some type of correspondence back saying, “Here’s why we’re not answering them.”

MR. SCHUBER: Correct, I believe that.

ASSEMBLYMAN WISNIEWSKI: Okay. In this particular case, that did not happen, which precipitated the subpoenas.

Some of that preceded your tenure which started, I believe, in 2011.

MR. SCHUBER: July 1.

ASSEMBLYMAN WISNIEWSKI: Some of those FOIA requests were before July 1, 2011, and some were after. But the subpoenas that the Transportation Committee issued came clearly after you were on the Port Authority. As a Commissioner, were you made aware of the receipt of the subpoenas from the Assembly Transportation Committee?

MR. SCHUBER: I believe so, yes. I believe so.

ASSEMBLYMAN WISNIEWSKI: Did you ask any questions as to what the Committee was looking for?

MR. SCHUBER: I did not, no.
ASSEMBLYMAN WISNIEWSKI: Why not?
MR. SCHUBER: To be honest with you, I don’t remember.
ASSEMBLYMAN WISNIEWSKI: Okay.

Material was provided to the Transportation Committee by the firm of Gibson, Dunn, and Crutcher at that time -- but not all of the material that was requested of the Port Authority. Were you aware of that?
MR. SCHUBER: No, I was not.
ASSEMBLYMAN WISNIEWSKI: You had said earlier that you believe transparency is a good policy.
MR. SCHUBER: Yes, I do.

ASSEMBLYMAN WISNIEWSKI: When you were made aware of these subpoenas from the Port Authority, was there any discussion among Commissioners at any Commission meeting or subcommittee meeting about the response to the subpoenas or the deliberation as to what to give and what not to give?

MR. SCHUBER: Any discussion with regard to giving or not giving -- I do not remember any discussion with regard to that. I remember that the -- I think the Chairman had recommended that we obtain counsel with regard to that, but that’s it. That’s all I remember. I really had just come on, and I was not familiar with all the issues that were raised here. So I do not remember any of the other aspects of that, quite frankly.

ASSEMBLYMAN WISNIEWSKI: So as a Commissioner, you were made aware of the subpoenas. I’m trying to find out -- so then who, from an oversight level-- You would agree that Commissioners, at least, have some oversight level of what happens at the Port Authority?
MR. SCHUBER: Yes, I do.
ASSEMBLYMAN WISNIEWSKI: If not you, what Commissioners would have oversight of that process?

MR. SCHUBER: Well, normally, it would normally be the Chair -- the Chair of the Authority, or the Vice Chair of the Authority, in conjunction with the Deputy Executive Director and the Executive Director.

ASSEMBLYMAN WISNIEWSKI: Okay. Because those subpoenas were not fully answered, and that Committee expired at the end of the last legislative session. Were you aware of that?

MR. SCHUBER: I’m familiar with how the procedure works with regard to legislative sessions; but I was not aware of that.

ASSEMBLYMAN WISNIEWSKI: Okay. And that this Committee renewed those subpoenas under the Joint Legislative Investigative Committee?

MR. SCHUBER: I don’t know that.

ASSEMBLYMAN WISNIEWSKI: Okay. Still unanswered today -- and I’d like your position as a Commissioner -- still unanswered today are the unanswered portions of that subpoena that was issued by the Transportation Committee. And, in particular, the subpoena asked about the toll increases.

MR. SCHUBER: Right.

ASSEMBLYMAN WISNIEWSKI: And had asked for communications between the Port Authority and either states governors’ offices. And those have not been provided. Were you aware of that?

MR. SCHUBER: No, I was not.
ASSEMBLYMAN WISNIEWSKI: As a Commissioner, would you be in favor of providing those communications?

MR. SCHUBER: I would like a chance to review the subpoena and talk to our counsel first with regard to that.

I know how I felt about the toll increase; I know it is also a heavily partisan-charged issue. But I would prefer to talk to our counsel before I answer that in any way -- since we have counsel on this.

ASSEMBLYMAN WISNIEWSKI: But as a Commissioner, the question to you is, if there’s a subpoena to the Port Authority for, among other things, documents related to the toll increase, including communications between the Port Authority and the Governor’s Office, what is your position: Should that material be turned over?

(attorney/client confer)

SENATOR WEINBERG: Cover your -- cover the black-- Right.

MR. SCHUBER: Since the Authority has counsel on this, I would prefer to be able to talk to them with regard to that issue before I answer it.

ASSEMBLYMAN WISNIEWSKI: I’m asking you-- You’re appointed as a representative of the State of New Jersey. This Committee has been looking for information, and its predecessor Committee had been looking for information. And on at least one portion of those requests -- going all the way back to the FOIA requests, which were never answered -- we have still not gotten an answer.

Do you believe the Authority should respond to the subpoena?

(attorney/client confer)
MR. SCHUBER: The answer to that question is simply this. Subpoenas should be responded to, but when we have counsel for this particular purpose, I’m not going to make any statement until having had the opportunity to review, with counsel, that issue.

ASSEMBLYMAN WISNIEWSKI: Were you aware that your counsel has represented that this matter has been submitted to the Board for consideration?

MR. SCHUBER: I was not aware of that, no.

ASSEMBLYMAN WISNIEWSKI: Okay. I would suggest you follow up with them, because that’s what we’re being told -- is that it’s in your court.

MR. SCHUBER: Yes, certainly, I will take a look at that.

ASSEMBLYMAN WISNIEWSKI: In answering that question, you stated that you had opinions about the toll increase, but you stated that you didn’t express what your opinion was.

MR. SCHUBER: Certainly, I’d be glad--

ASSEMBLYMAN WISNIEWSKI: What is your opinion about the toll increases?

MR. SCHUBER: I think they were merited.

Let me just start by saying this. I traditionally am a fiscal conservative with regard to dollars and cents. The Authority itself receives its funding primarily from a series of streams of revenue. The tolls are a significant amount of that revenue -- also added to our fees from the airports, parking, and rentals -- which represent primarily the full amount of how the Authority receives its revenue to do its projects.
This year, in 2014, its budget will be -- I think it’s going to be $8.2 billion, which consists of a $2.9 billion operating budget and a $4.4 billion or $4.5 billion economic capital plan.

When I first came on I was appointed -- as you said, Assemblyman, I took office on July 1. And I think the first thing in the door, as I came in to go to the first meeting-- When I--

Let me back up. When I was appointed, the first thing I did over the summer was to tour all of the facilities. I toured all the facilities from one end of the state to the other that were part of the Region.

ASSEMBLYMAN WISNIEWSKI: Who gave you that tour?

MR. SCHUBER: The various people in the various locations -- just to get a feel for the people at all levels, the line, the managers, the agents -- people like that -- as well as the facilities themselves.

But one of the first things I was told at the beginning was that there was a toll increase -- which was not the best news I wanted to hear, coming aboard that particular time. However, I understood the responsibility, and I made an appointment to see the CFO -- Mr. Fabiano at that time -- with regard to the financial picture of the Authority, and he spent a considerable amount of time with me over that issue. And I came away with the understanding that as much as I didn’t like it, that the toll increase was necessary for the Authority to continue to do the things that it does -- which is develop the economic development issues that are important to the Port District, that are important to both New York and New Jersey.

But more important to that, and my concern as I went around from the different facilities, was the state of good repair of facilities --
whether they’d be the issue of the airports themselves, or the tunnels, or the bridges, or the actual Port facilities themselves. Many of them are quite old; they’re decades old and they’re in need of refurbishment. One of the things I think that gets me really angry, I guess, as a Port Authority Commissioner, if I read a column, or somebody says they hate to go through JFK airport because it’s one of the worst airports in the nation or the globe, that bothers me. It shouldn’t be; we should be a showplace with regard to that.

The bottom line on that simply is that the only way those things can be maintained, upgraded, and put in the important -- keep those facilities proper and safe, is for the appropriate amount of money to be raised. That does require, unfortunately, making hard decisions with regard to toll increases. I didn’t take it lightly; I believed in it firmly, with regard to it, and that’s how I felt about it.

ASSEMBLYMAN WISNIEWSKI: Now, you’re aware that the original toll increase -- the proposed toll increase -- called for a 75 percent increase in tolls for EZ Pass customers and, I believe, it was 112 percent increase for cash customers?

MR. SCHUBER: I quite frankly don’t remember what the percentage was, but I’ll take your word for it with regard to that.

ASSEMBLYMAN WISNIEWSKI: Do you agree with eye popping?

MR. SCHUBER: I didn’t hear what you said; I’m sorry.

ASSEMBLYMAN WISNIEWSKI: Would you agree that it was an eye-popping amount?
MR. SCHUBER: Look, any toll increase in this state of the economy, and any tax increase or any type of increase, is eye popping to most everybody.

ASSEMBLYMAN WISNIEWSKI: When you first heard those numbers, was a presentation made to you about where the money was coming from and where it was going to? As a Commissioner, somebody came to you and said, “Commissioner Schuber, we want you to understand the need for X dollars coming in. Here’s where we’re going to get it from, and here’s where it’s going to.”

MR. SCHUBER: Well, the money, I mean, in this case -- because the focus was on the toll increase -- the money was coming from the toll increase.

ASSEMBLYMAN WISNIEWSKI: I understand that. My question is, is did somebody sit down with you and provide you with a presentation or spreadsheet, graphs, charts?

MR. SCHUBER: I believe-- The answer to that is I believe so, yes.

ASSEMBLYMAN WISNIEWSKI: Who would have done that?

MR. SCHUBER: Mr. Fabiano.

ASSEMBLYMAN WISNIEWSKI: Mr. Fabiano.

MR. SCHUBER: Who was the CFO at that time, since retired.

ASSEMBLYMAN WISNIEWSKI: And Mr. Fabiano made a case to you for that initial amount -- the proposed amount of the toll increase?

MR. SCHUBER: Yes, he did.
ASSEMBLYMAN WISNIEWSKI: And did you agree with him that that was necessary?

MR. SCHUBER: Oh, I didn’t-- Not at that time. You know, I wanted to take a look at it. I started to build up sensitivity or a feel for the Authority’s facilities, having eyeballed them myself rather than look at them in pictures. And I could clearly see the need in so many different areas here. And that experience was kind of like the foundation, for me, of how I felt about the increase and the necessity of doing some -- you know, some of the hard decisions that come with regard to that type of an issue. So I felt that, yes, that it was necessary, and that to a great extent a lot of that was going into these types of projects or these facilities which I had seen.

ASSEMBLYMAN WISNIEWSKI: So would you agree that, at some point in time, he convinced you of the necessity for that toll increase?

MR. SCHUBER: Yes, he did.

ASSEMBLYMAN WISNIEWSKI: Okay.

At some subsequent later date, that amount was reduced.

MR. SCHUBER: Yes.

ASSEMBLYMAN WISNIEWSKI: What did he do to convince you to now vote to approve a lesser amount?

MR. SCHUBER: I’m not sure; I don’t quite remember whether he convinced us. I don’t think there was much choice in the matter with regard to it. That was the decision that had been made, and that’s what we had to accept.

ASSEMBLYMAN WISNIEWSKI: As a Commissioner, you were told you had to accept the decision?
MR. SCHUBER: No, no, not so much that; I don’t mean that. Actually, I don’t remember exactly the chronology of what happened. I know how I felt with regard to the increase; and I believe that these were not going to fly, necessarily, with the governors of the two states.

ASSEMBLYMAN WISNIEWSKI: At any particular meeting with the Port Authority, did you express your concern for the users of the Port Authority Trans-Hudson facilities for the toll increase?

MR. SCHUBER: Assemblyman, yes, I am very cognizant of that. You know, although I don’t use the bridge a lot, I have used it, quite frankly, and I would be paying that myself. The fact of the matter is that I had to take into account that, and try to temper that with what I saw were the needs of keeping these facilities as safe as we could keep them, too, so nobody got hurt, injured, or killed.

ASSEMBLYMAN WISNIEWSKI: The facilities you’re talking about -- does that include the World Trade Center?

MR. SCHUBER: Does it include the World Trade Center? The World Trade Center is one of our facilities, clearly, and it’s an issue -- The issue of maintaining that, its security, and providing for it -- to provide the economic give-back to the Authority and to the Region itself -- was important to me too, yes.

ASSEMBLYMAN WISNIEWSKI: At any time when you were being asked to consider this very large toll increase, did you ever say or express a concern about that money being used to build buildings, as opposed to the state of good repair -- which I agree with you on.

MR. SCHUBER: I don’t remember, to be honest with you. I just don’t remember.
ASSEMBLYMAN WISNIEWSKI: Okay. Recently there was a discussion at the Port Authority in a Commissioner’s meeting about granting a $1.25 billion subsidy--

MR. SCHUBER: Right.

ASSEMBLYMAN WISNIEWSKI: --support to build yet another tower -- or to finish yet another tower at the World Trade Center site. Are you familiar with that?

MR. SCHUBER: I am familiar with it.

ASSEMBLYMAN WISNIEWSKI: Were you in favor of that?

MR. SCHUBER: No, I’m not; I’m opposed to it.

ASSEMBLYMAN WISNIEWSKI: Why?

MR. SCHUBER: Because I think we’ve done enough there with regard to whatever the Port can do in the facilities that are there. And the private sector needs to do the rest; and the private investment community needs to do the rest. The Port needs to move back to its core mission with regard to regional development and transportation. That’s how I feel about it.

ASSEMBLYMAN WISNIEWSKI: So you would agree that real estate development is not a business that the Port Authority should be in.

MR. SCHUBER: Well, I’m not going to say that, because I understand that we do have real estate that is part of the Port’s portfolio. So I’m not going to say categorically that we shouldn’t do that at all. What I’m saying is enough is enough for Mr. Silverstein. That’s how I feel about it, and we need to move on to do other things that are important to the Port, like the bus station at 42nd Street -- these are things that I think are
important for us to do -- and the continuation of the bus terminal up at 175th Street are very important; they’re important to New Jersey too. And I think enough is enough.

I am cognizant of the sensitivity that this region and maybe the globe has for that area as Ground Zero. And I’m sensitive to all of the nature of the things that have to be balanced to provide for its redevelopment -- which took a tremendous number of actors to make happen. I’m also cognizant of the fact that we are at the point now where I think we’ve done what we need to do -- and no more. And I think it’s now time for Mr. Silverstein and his private developers and other investors to play the role with regard to that, and the Port does not need to do that.

ASSEMBLYMAN WISNIEWSKI: Is your opinion, with regard to the $1.25 billion subsidy -- your opinion, that you just expressed, with regard to the $1.25 billion subsidy -- is that shared by the other Commissioners from New Jersey?

MR. SCHUBER: Assemblyman, I’m very reluctant to talk about what other Commissioners might feel about this. I would say this: There is a strong feeling among New Jersey Commissioners against it. And you may be familiar with that fact that one of the New York Commissioners, Commissioner Lipper, was a former Deputy Mayor under former-Mayor Koch; he has been very much opposed to it.

This is the point that we’re at with regard to it, but when we left the meeting several weeks ago the Vice Chair had indicated that the private developer -- Mr. Silverstein -- was looking to provide for some new information that might bring the private sector into this deal. I have not
seen anything on this at this point. But as the deal stands now, I can’t support it.

ASSEMBLYMAN WISNIEWSKI: Former Chairman Samson, in his private capacity, had previously represented Mr. Silverstein. Did you ever raise that as a concern to Chairman Samson in any of your deliberations on the Port Authority?

MR. SCHUBER: No, I did not.

ASSEMBLYMAN WISNIEWSKI: Were you aware of that?

MR. SCHUBER: I wasn’t aware of it at first; I think I became aware of it later on, as time moved on, when he recused himself on various matters.

ASSEMBLYMAN WISNIEWSKI: Did you view that as a very awkward circumstance?

MR. SCHUBER: I did not; and I have a great deal of respect for Mr. Samson and Mr. Samson’s leadership, quite frankly. And several of the Commissioners have had different issues for which they need to recuse themselves with over the course of time, and it is a process that we have. We’ve updated it, quite frankly, to make it even stronger, if possible, or more transparent -- if that’s the word. So no, I did not.

ASSEMBLYMAN WISNIEWSKI: You never expressed an opinion to him that he should recuse himself?

MR. SCHUBER: First of all, he did recuse himself, as far as I knew. And I did not express any opinion to it.

ASSEMBLYMAN WISNIEWSKI: Okay.

And I just have a couple of last questions.
When we started your testimony -- at least, the part that I was asking questions of -- I had asked about your role as a Commissioner of the Port Authority. And among many of the things that you talked about, you viewed yourself as a fiduciary, if you will, for the users of the Port Authority -- is that correct?

MR. SCHUBER: Yes.

ASSEMBLYMAN WISNIEWSKI: The toll increase, in order to happen, has to have public hearings. You would agree with that, correct?

MR. SCHUBER: Yes, I do.

ASSEMBLYMAN WISNIEWSKI: And the purpose of those public hearings is so that those affected by the toll increase could have an opportunity to be heard. Would you agree with that?

MR. SCHUBER: Correct. Yes, I do.

ASSEMBLYMAN WISNIEWSKI: There were eight public hearings for the toll increase.

MR. SCHUBER: Right.

ASSEMBLYMAN WISNIEWSKI: You’re familiar with that?

MR. SCHUBER: I am.

ASSEMBLYMAN WISNIEWSKI: They were all held on the same day; are you familiar with that?

MR. SCHUBER: I don’t remember what days they were held on; I just don’t remember.

ASSEMBLYMAN WISNIEWSKI: As a Commissioner of the Port Authority, is the hearing schedule for the public input, for a toll increase that you’re expected to support, brought to you for your consideration?
MR. SCHUBER: I don’t believe we voted on the public hearing schedule; I don’t believe so. I don’t remember that.

ASSEMBLYMAN WISNIEWSKI: Since you were being asked, at least initially, to support a 112 percent cash toll increase, and 75 percent EZ Pass toll increase, did you at any point in time say, “We have to spread these hearing dates out”?

MR. SCHUBER: I did not, no.

ASSEMBLYMAN WISNIEWSKI: Why not?

MR. SCHUBER: Well, first of all, I was new to the Authority; I didn’t know how they operated with regard to this at all, quite frankly; and it happened relatively quickly before I could say anything with regard to it.

I would say this. In retrospect, looking back on that -- and the Authority has changed its policy with regard to this for the future, anyway, if there is a future with regard to these types of things -- I think that the hearings need to be held on a staggered basis, with Commissioners present for those meetings -- whatever the requirement might be with regard to that. And I’m more than happy to sit for those, if that’s the case. I’m hoping we don’t have to do that again.

I was not comfortable with that; no, I was not. I think that the public has a right to be heard on those issues; they do impact their pocketbook. We’ve made some changes with regard to that, going forth. That doesn’t address the issues then. The issue of more public hearings, scattered public hearings, and the Commissioners being present I think is all important with regard to that.
ASSEMBLYMAN WISNIEWSKI: You’re a former County Executive; is that correct?

MR. SCHUBER: Yes.

ASSEMBLYMAN WISNIEWSKI: As an elected official in your past life, you know that public input is important, correct?

MR. SCHUBER: Of course.

ASSEMBLYMAN WISNIEWSKI: And you know that it’s important for those who are responsible for the impacts to be present and to see the public impact, correct?

MR. SCHUBER: Certainly.

ASSEMBLYMAN WISNIEWSKI: So even though you were new to the Authority at the time, why did you not go to any of these public hearings?

MR. SCHUBER: I don’t remember; I just don’t remember. I have no idea.

ASSEMBLYMAN WISNIEWSKI: Really?

MR. SCHUBER: I don’t.

ASSEMBLYMAN WISNIEWSKI: Ultimately, 100 percent increase, and you don’t remember?

MR. SCHUBER: I remember the toll increase, quite frankly. The fact of the matter is, my understanding of the procedure was this is how it was set up--

ASSEMBLYMAN WISNIEWSKI: Okay.

MR. SCHUBER: --and I accepted it.

ASSEMBLYMAN WISNIEWSKI: Fair point, fair point.
MR. SCHUBER: And I just don’t-- But the fair point is this, that I don’t necessarily-- Looking back on it, from the perspective of having been a public official myself, looking back on things -- I guess hindsight is 20/20 -- but looking back on certain things including this issue, as well as the way we conduct our public meetings, clearly calls for changes in the way we do things. And we’ve started to implement those changes over the course of time. And if there is anything that’s come out of this, hopefully that’s one of the things that will stay permanent with regards to it.

ASSEMBLYMAN WISNIEWSKI: But at the point in time this was happening, you didn’t raise your hand at one point in time and say, “Eight hearings in one day? That’s wrong.”

MR. SCHUBER: I did not.

ASSEMBLYMAN WISNIEWSKI: And you didn’t, at any point in time, say, “Hey, Commissioners, are any of us going to these hearings?”

MR. SCHUBER: I did not, no.

ASSEMBLYMAN WISNIEWSKI: Okay. And given all your experience being a public official -- that didn’t strike you as odd?

MR. SCHUBER: I didn’t think of it one way or another, to be honest with you. I just didn’t think anything of it one way or the other.

ASSEMBLYMAN WISNIEWSKI: Madam Chair, I have no further questions at this time.

SENATOR WEINBERG: Thank you.

Assemblywoman Handlin.

ASSEMBLYWOMAN HANDLIN: Thank you very much, Madam Chair.
Mr. Foye (sic), thank you for--

MR. SCHUBER: Mr. Schuber.

ASSEMBLYWOMAN HANDLIN: Mr. Schuber.

MR. SCHUBER: Mr. Schuber.

ASSEMBLYWOMAN HANDLIN: I have two broad areas of inquiry of questions that I -- of questions that I would like to pursue. And please understand that I hope you won’t take any of this personally, but clearly you’re the first representative of the Port Authority before us and we do have matters to explore to help us understand the dysfunctionality of your agency -- might as well call a spade a spade.

I’d like to begin by talking a little bit about the Port Authority’s procurement process. Presumably you have some procedure that is supposed to be followed to ensure that major purchases are free of political and personal influence, and the taxpayers get the most for their money -- if there is such a procedure.

MR. SCHUBER: The answer is yes. I’m sorry, I didn’t know if you were waiting-- Yes, the answer is yes.

ASSEMBLYWOMAN HANDLIN: I just realized I should have asked the question

Okay, since you said that there is, within that context I’d like to know how you explain a $500,000 payment to an architect who was never hired, and whose work you have no need for.

MR. SCHUBER: I’m not familiar with what you’re talking about.

ASSEMBLYWOMAN HANDLIN: Okay. You’re not familiar with what I’m talking about.

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According to news reports in late April of this year, one of your colleagues, Commissioner David Steiner, hand delivered plans for the Goethals Bridge that had been drawn up by a famous architect who was a friend of his. As I understand it, these plans were hand delivered to the Commissioners. So since you were on the Commission at that point you must have seen them. And you-- Again, because you were a Commissioner, and I’m assuming that you’re informed the way all Commissioners are, you knew that the Goethals project had already started, and that, in any case, staffers had already seen this design that had been hand delivered to you by your colleague. But you decide to pay him $500,000 anyway. Why?

MR. SCHUBER: Assemblywoman Handlin, I’d have to tell you, I’m not familiar with this issue. I know Mr. Steiner, obviously; Mr. Steiner is now, I guess, our senior Commissioner on the Authority and has a tremendous amount of background and expertise in real estate, among other things. But I am not familiar with this issue, quite frankly, and I’d rather not answer that -- only because I don’t want to speculate on it. I’m more than happy to look at it, however, and take a look at that for future reference.

ASSEMBLYWOMAN HANDLIN: I don’t understand. Are you telling me, then, that you were not in the room when the decision amongst the Commissioners was made to pay $500,000 for this design?

MR. SCHUBER: Quite frankly, I don’t remember us-- I don’t personally remember voting on that myself. I don’t remember.

ASSEMBLYWOMAN HANDLIN: Well, in fact, according to news reports, there was no public vote. And some people -- some observers have suggested that the reason for choosing the $500,000 figure was
specifically to meet your own requirement to spend no more than $500,000 without a public vote. And, apparently, in some back room somewhere at the Port Authority, someone agreed to pay this bill. And you’re telling me that as a Commissioner you didn’t know the first thing about it, is that correct?

(attorney/client confer)

MR. SCHUBER: I can’t answer your question because I just don’t know the facts with regard to it; I really don’t. I don’t know whether that’s true or not.

ASSEMBLYWOMAN HANDLIN: Okay. Well, let me just go on; and, again, I don’t really understand how that could have happened, but I’ll certainly take your word for it.

Whether you were part of the decision-making process or not, it has been publicly reported, and certainly not refuted, that this $500,000 was paid to this architect whose design was never solicited. And from what I’m hearing, you as a Commissioner knew nothing about it. No one ever said after that information appeared publicly that it was wrong, so I think we can assume that it was right.

Now, if it was right, it suggests to me that the Port Authority routinely ignores its own procurement processes. Do you know of instances where that’s happened?

MR. SCHUBER: No, I do not. And in my experience, the procurement policy of the Authority has been pretty stringent with regard to it. And the reports that are given on the projects that come before our committees, or the body itself -- I have not known that to be the case. And,
again, I don’t want to speculate on this one, because I’m just not familiar with it.

ASSEMBLYWOMAN HANDLIN: Okay. Well, I guess, I have a quote from a letter that was written by your attorney, Mr. Bookbinder, to Mr. Samson. This was before your time; it was in 2011, so I guess you didn’t know about it. But comments were made that the reason for the Port Authority paying the $500,000 was to avoid a lawsuit after this famous architect delivered his design and, I suppose, someone thought perhaps he could sue the Port Authority for not appreciating his artistry; I don’t really know.

So you know nothing about--

MR. SCHUBER: No, I do not. I’m not familiar with this at all.

ASSEMBLYWOMAN HANDLIN: Nothing about the question of whether the Port Authority routinely pays people off outside of its own procurement processes to avoid lawsuits?

MR. SCHUBER: Let me say this. We don’t do that as a matter of course. Do we get sued? Join the list. But the fact of the matter is we do not do that. We don’t do that.

ASSEMBLYWOMAN HANDLIN: Good. I’m glad to hear that vehement denial.

Okay, let me move on to my other broad area of inquiry. I’m sure you’re aware -- I hope you are aware -- that suit has been filed against the Port Authority by Jersey City.

MR. SCHUBER: I am.
ASSEMBLYWOMAN HANDLIN: Okay. Understanding that you can’t talk about the issues in the case, I still would like to bring up some information that was included in one of the exhibits that’s attached to the actual complaint. And I have that exhibit, which we can pass around to all the members of the Committee if you’d like to.

I would expect that as a Commissioner you would be familiar with the information that is in this exhibit, which is very simply a list of properties that the Port Authority owns in Jersey City.

So as a Commissioner, again, I am assuming that you would know the properties that this agency -- that you administer.

Okay, now according to--

MR. SCHUBER: I’m aware that we have property in Jersey City; I don’t think I have encyclopedic knowledge of each address, though.

ASSEMBLYWOMAN HANDLIN: Okay. No, you don’t need to know-- That’s not important here.

I want to point out -- and you may or may not remember this -- that the Port Authority, according to the exhibit that I passed out, owns 40 properties in Jersey City. Dozens of those properties have been held for 30 years and never, ever used for public purposes. Many are vacant; some have been used for private purposes. All of them have been taken off the tax rolls.

Now, as a Commissioner, can you tell us how exactly does this promote economic development for New Jersey?

(attorney/client confer)

MR. SCHUBER: Well, first of all, I haven’t seen the exhibit, number one. And, quite frankly, I haven’t seen the complaint that was filed
other than a notification that a suit had been filed by Jersey City against the Authority. That I’m familiar with; I have not seen the complaint, and I haven’t seen any of the exhibits -- although I gather I’m going to get one right now.

ASSEMBLYWOMAN HANDLIN: Yes, okay. Well I know also that you’re not the only one who hasn’t seen this list of properties, because the list of properties is unavailable to the public. I have to assume that many other property acquisitions are hidden from the public. Why? Wouldn’t you agree that the public should know how its money is being spent on buying land?

(attorney/client confer)

MR. SCHUBER: Since this matter is in litigation I’d rather not comment on it, because it’s a significant amount of money that’s involved in this piece of litigation.

I would say this: That the Authority is looking at its inventory of real estate with regard to seeing what we might want to keep in the future and what we might not want in the future, with regard to the Authority’s financial picture. But whether it relates to any of these I have no idea. And I’d rather not-- I would like to be helpful to you, Assemblywoman Handlin, but I don’t want to comment on something I really haven’t seen.

ASSEMBLYWOMAN HANDLIN: But what exactly is the Port Authority’s policy on land acquisition?

MR. SCHUBER: Well, I mean, it’s like anything. I mean, if the Port Authority-- And I don’t know what any-- Let me back it up. I have no idea when any of these properties were acquired, quite frankly.
And I’m sure they all were acquired before I came aboard. There may have been, given the history of the Port which goes back to 1921, there may have been reasons to hold onto these properties -- I don’t really want to speculate about that -- and maybe those reasons aren’t valid anymore. I don’t know.

But again, without the issue of having seen the complaint or even talking -- we haven’t even had a report from counsel on this, I think this was filed after our last meeting -- I’m really uncomfortable to comment with regard to it.

ASSEMBLYWOMAN HANDLIN: Okay. Well, without being specific with regard to the complaint or the exhibit -- which, again, I would think it contains information that any Commissioner would be familiar with -- but again setting that aside, would you agree that the Port Authority should have a policy stating its reasons for spending millions and millions and millions of dollars on real estate?

MR. SCHUBER: Well, Assemblywoman, I’m not sure if the number is accurate, quite frankly, and again I’m very reluctant to make an across-the-board statement with regard to the Authority’s real estate policy. Suffice it to say that as a result of the review of the Authority over the last couple of years, we have looked at moving forward with trying to sell properties that we don’t need any longer -- I would agree with that -- to provide for extra revenue for the Authority. I have no idea whether any of these are part of that, quite frankly, and I don’t even recognize them.

ASSEMBLYWOMAN HANDLIN: Well, I’m glad to hear that you’re reviewing properties to see whether you need them anymore because, to tell you the truth-- I mean, at this point it appears to the public as though the Port Authority amasses properties like a billionaire collects art:
not because you need them, but just because you can. And in the absence of a formal, written policy along the lines of, for example, indicating that policies are identified because of their need in order to augment the Trans-Hudson transportation facilities -- in other words, properties are chosen because they are relevant to furthering the mission of the Port Authority--In the absence of a policy like that, it is very difficult for me to explain to the citizens of New Jersey -- and I would think for you as well -- whether there are any controls at all on their tax dollars as they flow into the Port Authority, and their revenue dollars as they flow into the Port Authority, or whether these decisions are made at the whim of one or another staffer who is, in turn, acting on the whim of one or another political patron. It’s very disturbing. I’m sure you can appreciate that.

MR. SCHUBER: I can appreciate it, Assemblywoman, and I appreciate your concern with regard to it. It would be a concern of mine too.

I would say this, that we do not acquire property willy-nilly, quite frankly. Any property that the Authority has acquired has, more than likely, been for some form of project that it had in mind with regard to that. Jersey City, of course, is a very vibrant city, and we have a number of facilities there. And of course its dockage, or the area along its docks, has been very important to the Port and its history. So whether these properties were acquired over long-term periods for that purpose -- I just don’t know. I’d like to help you on this, but I can’t because I just don’t know enough about it.

But I would say this, that it is our -- at least it’s my feeling that, obviously, we shouldn’t be acquiring properties just for the purpose of
acquiring them, unless they have a valid public purpose that it’s within the Port’s mission statement of economic development and transportation issues.

ASSEMBLYWOMAN HANDLIN: Then we’re agreed.
MR. SCHUBER: We are.
ASSEMBLYWOMAN HANDLIN: Okay. Thank you for your testimony.
MR. SCHUBER: You’re welcome.
ASSEMBLYWOMAN HANDLIN: Thank you, Madam Chair.
SENATOR WEINBERG: Thank you, Assemblywoman.
Assemblywoman Huttle.
ASSEMBLYWOMAN VAINIERI HUTTLE: Thank you, Madam Co-Chair.

Welcome again, Pat. We certainly appreciate you joining us this morning and discussing the Port Authority with us.

I just want to mention again, you certainly have a long, distinguished career in public service: Mayor, Assemblyman, and, of course, County Executive -- when I served as a Freeholder with you -- and now as Commissioner at the Port Authority.

But I think for the purpose of this meeting it’s important to us that you were the Chair of the Governance and Ethics at the agency, and that you served on a special committee of the Board of Commissioners at the Port Authority that reviewed the agency after the 2011 toll hikes, correct?

MR. SCHUBER: Yes.
ASSEMBLYWOMAN VAINIERI HUTTLE: All right. So through these roles I would hope that you have an in-depth knowledge of the governance structure of the Port Authority and a critical understanding of the problems that plague it.

We know that the Port Authority has been, unfortunately, called -- “waste, abuse, and gross mismanagement has become a hallmark of the Port Authority.” So I’d like to just change the conversation, if I could, and get your opinion on the culture of the Port Authority.

MR. SCHUBER: Sure.

ASSEMBLYWOMAN VAINIERI HUTTLE: On January 31, 2012, as a member of the Special Committee of the Board of Commissioners of the Port Authority, you sent a letter to the governors of New York and New Jersey presenting the first phase of, as we all know, the audit report conducted by Navigant, an independent auditor.

MR. SCHUBER: Right.

ASSEMBLYWOMAN VAINIERI HUTTLE: And I think it’s very well known that the report called the agency “challenged--

MR. SCHUBER: And dysfunctional.

ASSEMBLYWOMAN VAINIERI HUTTLE: --and dysfunctional.” We all know that.

MR. SCHUBER: Yes.

ASSEMBLYWOMAN VAINIERI HUTTLE: I mean, I have a copy of the letter, but I don’t know if it’s necessary. You offered it.

And the report also stated that the Port Authority needs a top-to-bottom overhaul of its management structure. So can we talk about the culture and the structure -- the management structure, how we got to that
culture. You know, I'm also going to say there could be competition, which we heard today -- the rivalry between New York and New Jersey.

So could we start, I guess, if you agree with that assessment, and can you explain and maybe elaborate it for us and clarify it.

MR. SCHUBER: Excuse me for a second.

(attorney/client confer)

Valerie -- I'm sorry, Assemblywoman -- are you talking about the Navigant reports?

ASSEMBLYWOMAN VAINIERI HUTTLE: Phase I, yes.

MR. SCHUBER: And the phase--


MR. SCHUBER: Yes.

ASSEMBLYWOMAN VAINIERI HUTTLE: And they, of course-- We'll get to Phase II to see what recommendations, if they ever took place-- But Phase I originally called the Port Authority “challenged and dysfunctional.”

MR. SCHUBER: Yes. I think that any agency that has been in existence for as long as it has, and is, in this particular case, a bi-state--

ASSEMBLYWOMAN VAINIERI HUTTLE: That’s the letter, I guess.

MR. SCHUBER: I’ve got it; thank you.

--is a bi-state, agency requiring anything to be done with it -- which has always been the conundrum of getting both states to agree -- has always been very difficult. Does it sometimes, as a result of that, get complacent in the things that it does? Probably it does. There is a long
history of decades of service to the Authority by its employees, which is-- I think it is important because it does provide for a continued experience with regard to it. But maybe, as a result of that, we don’t always get relatively new blood in that. And as a result of that it can get complacent in what it does.

And I think that was our concern -- that it was basically complacent in how it operated, that it-- If things-- If we always did things like this, then why change them? You understand that concept? If things are always done this way, then why change them?

My feeling simply was that as I looked at it, and over the course of time having come from other entities and observed I thought there were other ways we could do the things we do -- for example, how we conduct our meetings, for example, which we’ve now changed, and things along those lines -- at least from our perspective in that.

The other thing I think we wanted to do -- particularly with finance -- was to make the finance committee much more robust because of the issues that had been raised by the toll increase and the fiscal issues of the Authority itself. And I think we’ve done that now with regard to its more frequent meetings, taking the temperature of the Authority fiscally, etc., etc., and things along those lines.

ASSEMBLYWOMAN VAINIERI HUTTLE: But you know, it took quite a while to get, I guess, the independent audit -- the Navigant report.

MR. SCHUBER: Right.
ASSEMBLYWOMAN VAINIERI HUTTLE: Did either governor request before that? When was the last independent audit ever done?

MR. SCHUBER: I don’t know the answer to your question. I know that this Navigant report -- a structural review of the Authority -- was ordered to us by the governors of both states.

ASSEMBLYWOMAN VAINIERI HUTTLE: I just want to continue on that, if I may.

It also underscores the objectives of finding ways of lowering operating costs and increasing operational efficiencies. What were the operational inefficiencies that the Committee was targeting, and have you made any progress in reducing those inefficiencies?

MR. SCHUBER: Well, I think that the issues that we were looking at-- First of all, I would say this. The Authority’s budget, as it relates to operations, has pretty well been static, as far as that goes, over the last several years. The employees-- The amount of employees we have has pretty well been static too over the course of the time that I’ve been there. I think the issue for us was what I would call siloing of agencies. In essence, the Authority itself is made up of a series of different entities that are responsible for a particular service. So we have airports, ports, tunnels and bridges, etc., etc., etc. And the question I think that was raised by Navigant too was whether the information from each of those Authority agencies was being shared within the greater Authority. One would think that that would happen, but in agencies as big as that it doesn’t always happen. Communication breaks down, there are inefficiencies along those lines, and we wanted to prevent that from happening.
For example, one example of that was security issues -- which are extremely important to the Authority, which has been attacked twice now. The issue was that security often was-- Each entity was dealing with security in its own way with regard to it, rather than a comprehensive policy. We have changed that; we now have a full -- we have a security officer responsible for all of the security at all of our facilities with regard to those types of things. So those were the types of inefficiencies we were talking about in the report.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes, you mentioned the silo bureaucracy. Those weaknesses were listed as a “lack of consistent leadership, a silo bureaucracy, poorly coordinated capital processes, insufficient cost control, lack of transparent and effective oversight of the World Trade Center.” Any of these-- I mean, you mentioned security, but that wasn’t mentioned as a prime weakness in the report. Were any of these various weaknesses addressed?

MR. SCHUBER: Yes. The overhaul of the finance committee of the Authority, which is meeting now on a, I want to say almost a monthly basis, and a new CFO has helped us to keep a -- get a greater handle on the Authority, its investments, its capital projects, and its fiscal policies; which I think have made a great change in the information that’s available to us with regard to that issue.

So that has been addressed, and we continue to monitor it because it’s extremely important to us too.

ASSEMBLYWOMAN VAINIERI HUTTLE: Another point on that report, it asks its Executive Management Team to look at implementing a merit-driven compensation program. If not merit, what was
it, or how are the employees compensated now? Is it merit? Have there been any changes made to implement this program?

MR. SCHUBER: Well, I mean, I think we’ve been looking at the merit system. We have to a great extent, as you may know, a number of represented employees; in other words, collective bargaining. And some of those contracts are due at the present time. They’re negotiating them now, in fact. I’m not familiar with the fact that -- what the extent of the merit pay issue is with the Authority now.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes. And if I could get to the structure now, because I think this also sort of lends itself to the culture.

There were major changes in the composition of the Board of Commissioners and the senior management of the Port, including the Chair, David Samson; Vice Chair, Scott Rechler; Executive Director, Pat Foye; and Deputy Executive Director, Bill Baroni. All of these appointments, obviously, were political -- appointed by both governors.

After 90 years of the Port Authority, the new leadership dramatically changed its corporate governance and placed the Board of Commissioners -- including yourself -- in many aspects of the Port Authority’s operations. I would say that-- With the political appointments involved in the daily operations of the Port Authority, did that create conflicts with full-time employees holding senior and staff positions who actually are supposed to run, I guess, the operations, right?

MR. SCHUBER: Yes.

ASSEMBLYWOMAN VAINIERI HUTTLE: In the history of the Port, they are supposed to be running the operations.
MR. SCHUBER: Yes.

ASSEMBLYWOMAN VAINIERI HUTTLE: So if the new leadership dramatically changed its governance, and placed the Board of Commissioners -- including yourself -- in many aspects of operations, how did that work? Did that contribute to the culture, or did that-- Elaborate on that, or just kind of clarify that for me.

MR. SCHUBER: Well, I have my own opinion going forth with regard to it, and I may have mentioned it at the meeting that the you attended back a month ago -- or two months ago, I guess, it may have been-

ASSEMBLYWOMAN VAINIERI HUTTLE: Right.

MR. SCHUBER: --when we had the experts come in to review the structure of the Port.

Here’s how I look at it, very simply. And this is the issue with regard to where the input comes in for the policy to be established. It appears to me that if the Commissioners are appointed for that purpose, that should be their role. If that’s their role then--

ASSEMBLYWOMAN VAINIERI HUTTLE: Commissioners are appointed for what purpose?

MR. SCHUBER: For the purpose of oversight of the Authority, okay?

ASSEMBLYWOMAN VAINIERI HUTTLE: Right, okay.

MR. SCHUBER: Then I personally believe that if the governors of both states and the senates or the legislatures have given their approval of those individuals, then they should be given the full authority to do what they need to do with regard to the Authority’s operation. This
may not make me popular in Trenton or Albany, but I do believe that that means the following: I think the Authority should be responsible for vetting and doing a first-class search for the Director; and that the Director should be responsible then for vetting and doing a search -- subject of the approval of the Authority -- for the Deputy Director. I think the Commissioners themselves -- given the need for the balance between the two states -- should develop who the Chairman and the Vice Chairman are. I have no problem with, obviously, clearly, one being from one state and one from the other. And that’s how I feel about it. And I fully support that concept. I’m not sure the Governor does; or the governor might in Albany. But having looked at the things I’d seen, that’s how I feel it should go forth. And I think I said that too on that day.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes, that was one of the recommendations -- the Board choosing the Executive Director in a nationwide search--

MR. SCHUBER: Right.

ASSEMBLYWOMAN VAINIERI HUTTLE: --versus the governors. And certainly your thoughts, I guess, need to be discussed.

The Governor also made a recommendation -- I think it was back in March, since we’re talking about changing some of the structures or the governance -- dismantling the Port Authority, actually, from under one roof to two. What are your thoughts on that?

MR. SCHUBER: Well, having gone through what I’ve been going through over the last several months I actually -- I almost thought it was a good idea. But the point of the matter is, I do not think it’s a good idea. First of all, I’m concerned that New Jersey would be a loser in that,
depending on how it was divided. Are there changes -- significant changes that need to be made? Yes. Does the Authority need to be blown up, so to speak, and removed? I don’t think so; I think that’s draconian. And I think it’s throwing the baby out with the bathwater.

I have to say that my experience at the Authority in the short time that I’ve been there has been that the overwhelming number of its employees at all of its levels are extremely professional, and some of the hardest working people I’ve ever had the pleasure or the privilege of working with on some really, really cutting edge issues. And I don’t think they should be adversely affected accordingly.

However, I do think that, going forth, the Authority needs to be reformed. I think that’s important, but I would not want to see it, so to speak, get terminated. And I think that if I could -- I think there’s a unique opportunity right now because of what’s happened. But also going forth from the fact that -- from what I’ve seen at least, and by the representation that was at the one meeting that yourself and Senator Gordon were at -- there was also representation from the New York Senate and the New York Assembly. Rarely, if ever, have I seen collaboration that way on an issue that deals with the Port. It’s always been one of the conundrums of dealing with the Port.

So I think that to the extent that that could be capitalized on, I think it’s a great opportunity.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes, we were there together; we have been working on reform by state with the assembly members from New York and senators from New York as well.
But it brings back the point of the competition between the representatives of both states. You know, is there a rivalry, are there conflicts, again, between the appointed employees and those hired? This all lends itself again to that culture of abuse and mismanagement, possibly. But, you know, the competition and the rivalry -- what do you feel about that? How do we resolve that?

MR. SCHUBER: I’m not personally familiar with the fact of that being the case. Clearly, in any body --- in any public body in which you have a mixture of permanent employees who are professionals, and then with the change in Albany or Trenton, there being other employees added -- I assume there will be some tension with regard to that.

I don’t necessarily-- I personally haven’t necessarily seen that with regard to the Authority itself. Its Commissioners right now -- other than, maybe, the Silverstein issue -- have been working relatively together in harmony with regard to trying to provide the things that the Port does.

ASSEMBLYWOMAN VAINIERI HUTTLE: And I just want to -- just a couple more questions on this culture and the management.

Since 1997 to present there have been seven different Executive Directors at the Port Authority.

MR. SCHUBER: Right.

ASSEMBLYWOMAN VAINIERI HUTTLE: And you would agree that the Executive Director is somewhat like the CEO in private business, correct?

MR. SCHUBER: I would agree with that; yes, I would agree with that.
ASSEMBLYWOMAN VAINIERI HUTTLE: So we have the Executive Director, the Deputy Director and, of course, the Chair and Vice Chair. That should -- what? What do you believe the Board’s role is? To set the policy-- Who is actually doing the day-to-day operations?

MR. SCHUBER: The Executive Director and the Deputy Executive Director do the day-to-day operations. I mean, it’s like any public body in which you’re appointed to, and you’re a part-time official.

ASSEMBLYWOMAN VAINIERI HUTTLE: Right. Which brings me to the question of, I guess, the e-mails back to the bridge lane closures -- I guess that’s why we’re here, as well.

I think the Chairman received some of the e-mails, but the Executive Director did not, right? I think Director Foye, he as the one who, I guess, found out too late, or didn’t really know or understand what was going on with the day-to-day management of the -- what do we call it, the Bridge realignment here? What do we-- The Bridge closure?

But seriously speaking--

SENATOR WEINBERG: Excuse me, Assemblywoman. We call it what it was: lane closures.

ASSEMBLYWOMAN VAINIERI HUTTLE: Thank you.

SENATOR WEINBERG: Thank you.

ASSEMBLYWOMAN VAINIERI HUTTLE: But seriously speaking, so the Director who you say is in charge of day-to-day operations did not know about it.

MR. SCHUBER: Right.

ASSEMBLYWOMAN VAINIERI HUTTLE: But the Chairman seemed to have some e-mails -- and Deputy, and Wildstein-- So we’re going
back to that whole structure of how the culture has really, I guess, framed the mission of the Port Authority, quite frankly.

MR. SCHUBER: And I think that that’s the reason that I made the strong statement I did on that day at the Committee meeting, and I think I shared the comment with you afterwards -- how I feel about going forward in a reform effort with regard to the structure of the Authority; how I feel about that. Because what happens, I think-- And there’s a balance to be struck here, quite frankly. And this is the issue that I wrestled with. On the one hand the Authority needs to -- it can’t be so independent that it is not subject to public oversight or public accountability, all right? So we can’t go that far over this to insulate it from that. On the other hand, you can’t make it so amenable to the political winds that it changes. Its personnel at the top changes on a regular basis, as you mentioned, with regard to the changes in the Executive Director. I would mention, however, tragically, that one of those losses was because the Executive Director died on 9/11.

Having said that -- and being very cognizant of the fact that employees died that day, and in 1993 -- the fact of the matter is, what the structure does today, in my opinion, is do this: It creates at the top, permanent level -- now, not so much the Commissioners who come in and out on a monthly basis -- but on the top level it creates two lines of authority that go in two different directions -- one goes to Albany, and one goes to Trenton. And I understand the need for the input to come in from the two states to establish the public policy; I do, I do, I do. I understand that very much. But on the other hand it can lead to a dichotomy in what happens on one side of the Authority to the other. And I think that needs
to be taken care of; it needs to be changed. I believe that the reform that is needed to make that happen is what I’ve advocated, even though I’m not sure it’s embraced completely. But I strongly believe that that’s what needs to be done here.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes, I agree. But again, the Port was one of the best-run governmental entities -- and respected as a well-run company, for many years. Certainly, you know, I want to stress the fact again: Do you think there’s any coincidence in the breakdown of the culture of the Port Authority reaching that tipping point at the same time the Board put itself more in charge of daily operations? I think you know, from what I gather -- and you would know firsthand -- if that was the tipping point. And if that needs to be-- And that’s what we’re talking about -- that needs to be reformed.

MR. SCHUBER: I don’t know the answer to that.

ASSEMBLYWOMAN VAINIERI HUTTLE: Well, I mean, it just is very coincidental. And again, as we talk about the operations by the employees every day, and then the Chair and the Board itself becoming more involved with daily operations -- there seems to become more of that culture that has, again, frayed the mission.

And I just want to--

MR. SCHUBER: I understand, okay.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes. I want to conclude on the mission, and you certainly spoke about it with Assemblyman Wisniewski and Assemblywoman Handlin -- about the real estate. But the current mission -- and it’s very simple. What does it say? It
says, “The mission is simple. Keep the region’s commuters, and travelers, and global shippers moving.” That’s certainly a very--

MR. SCHUBER: Right.

ASSEMBLYWOMAN VAINIERI HUTTLE: --succinct mission. I know that Senator Schumer has said recently that the mission is certainly not where it was -- the core mission. We have -- you have moved away from it. It’s become a cookie jar, a rainy day fund, and so when we talk about the core mission-- What is the core mission, still, at the Port Authority? And then we can get to the real estate, and then I’ll just conclude, because I think you’ve repeated it. But I’d like to just know again.

MR. SCHUBER: The core mission of the Authority, as it was founded, is really to promote the economic development within the Port District -- and I would define the Port District as a 25-mile circle around the lower New York Harbor, but I like to say around the Statue of Liberty -- and that includes, in that Port facilities, bridges, tunnels, airport facilities -- which became part of its jurisdiction over the course of the evolution of transportation in the United States.

Some of the things that you’ve mentioned are ancillary to that, or promote portions of it, depending-- We need real estate, for example, to develop certain things with regard to what we do.

ASSEMBLYWOMAN VAINIERI HUTTLE: Right. And I just want to interrupt one second to make that-- Real estate is fine, but we’re talking about billions in costs overruns, and the deals that the Port considers the largest New York City developers. So I just-- Should it be in the business of real estate development? Just a yes or a no. I know--
MR. SCHUBER: Well, I’m not prepared to say it shouldn’t be, because sometimes real estate development can be an important feeder of economic development in an area, provided it comes within our jurisdiction.

What might be more pertinent would be to-- The extent that both states require us to undertake other things that maybe are outside the Port District for other reasons -- that might be an issue. I think that real estate is an essential valuable asset that can accentuate some of the things it does, depending on where it’s located. Over the course of time, have we potentially obtained properties for which we no longer have use? That’s possible, and we are reviewing those for the purpose of selling them. Obviously, we don’t want to keep them if we don’t need them. And that’s an ongoing policy for the Authority itself.

ASSEMBLYWOMAN VAINIERI HUTTLE: And I just want to end--

MR. SCHUBER: And let me go back to one other thing, if I might, and that’s the-- I mean, the big issue here, I think, is probably the World Trade Center. And, look, if I had been here in the 1970s, maybe I would have made a different decision with regard to what should have happened in lower Manhattan at that particular time. But I was not, and the governors of the states were different. And even going forth in the aftermath of the terrible tragedy of 9/11 and what should happen to the site itself, I was not here at that particular time and maybe there are other decisions that may or should have been made with regard to that. But it’s neither here nor there now.
The site itself -- both the One World Trade Center, the Museum, and the memorial grounds -- has a resonance to us emotionally that is very important.

ASSEMBLYWOMAN VAINIERI HUTTLE: And I just want to end, because at the end of the letter I think you stated, “We must now move to a new era for the Port Authority.” I hope that we will move to a new era for the Port Authority. But I think, and the rest of the Board (sic) -- certainly the Committee here is disappointed with the little, I guess, oversight the Board actually has done after the lane closures and its aftermath.

So with that being said, thank you for answering my questions.
Thank you, Madam Co-Chair.
MR. SCHUBER: You’re welcome.
SENATOR WEINBERG: Thank you.
Senator Gill.
SENATOR GILL: Thank you.
I have a couple of questions; and good morning, sir.
ASSEMBLYWOMAN CARIDE: It’s afternoon.
MR. SCHUBER: Good morning, good morning.
SENATOR GILL: Good afternoon.
MR. SCHUBER: Good afternoon.
SENATOR GILL: I’ve been corrected.
MR. SCHUBER: I’m sorry.
SENATOR GILL: No, I’m sorry. (laughter)
Thank you for appearing here.
And my questions really go back to some very basic things, because I know even if you change a structure, but you don’t change the mindset of those people who control the structure, then you have done very little.

And in the history of the Port -- and I think it’s important -- in the history of the Port Authority, it has been a very well run organization; and to the credit of its -- not only Commissioners, but the people who work there. So that in my questions, I think we have to bear in mind not to take such broad strokes with the brush that we diminish the good works of the Port itself and of the people who work there each and every day.

And so in that regard, I think the Port became a culture that we are now faced with when it put the Commissioners in charge in a more substantive way of the operations of the Port. I do not feel -- and we will get to some questions -- that the structure of the Port itself created the culture. But it was the change in the governance of the Port that put Commissioners in charge in a more substantive way of daily operations that created a political culture that we now face.

And so as we go forward here, you were the Chairman of the Ethics Committee for the Port, correct?

MR. SCHUBER: Correct.

SENATOR GILL: And when was your tenure for Chair of the Ethics Committee?

MR. SCHUBER: I think I was-- I might have been appointed some time in 2012. I don’t recollect the exact date.

SENATOR GILL: All right. And as Chair of the Ethics Committee, what was your function?
MR. SCHUBER: Well, we overlooked the issue with regard to the ethics training of our employees; took a look at the best practices in both states; and we looked at the issues with regard to the statutory requirements for disclosures, and things along those lines that each state has; as well as the public posting of those, to the extent that we have possible, with regard to that.

SENATOR GILL: Did your jurisdiction for ethics cover the conduct of the Commissioners themselves?

MR. SCHUBER: The conduct of the Commissioners?

SENATOR GILL: Yes.

MR. SCHUBER: It’s never come up; I really don’t know.

SENATOR GILL: I’m asking you this as Chairman of the Ethics Committee -- did your Committee have jurisdiction over the ethical conduct of the Commissioners?

(attorney/client confer)

MR. SCHUBER: I don’t-- Each state has an Ethics Commission for which, my understanding is, these individuals would be responsible for the issue itself with regard to the Commissioners. I am unaware of that ever having come up. I don’t know the answer to your question.

SENATOR GILL: You don’t know if you have jurisdiction?

MR. SCHUBER: I haven’t had jurisdiction in the past.

SENATOR GILL: Do you know if the jurisdiction of the Committee goes to its Commissioners?
MR. SCHUBER: To this extent: We make sure that all the Commissioners in each state follow the laws of each of their states with regard to disclosure, reporting, ethics training, etc.

SENATOR GILL: Okay.

Now, when did you receive or hear about Pat Foye’s September 19 e-mail, with respect the lane closures?

MR. SCHUBER: I don’t remember the date I saw it. It was days afterwards, I think.

SENATOR GILL: Did you actually read the e-mail, or did you simply hear about the e-mail?

MR. SCHUBER: I think I heard about it.

SENATOR GILL: Did you ever read the e-mail?

MR. SCHUBER: I think I’ve since read it, yes.

SENATOR GILL: And when you heard about the e-mail, did it indicate that it was a possibility that the actions violated State and Federal law?

MR. SCHUBER: I wasn’t able to make a determination with regard to that.

SENATOR GILL: I didn’t ask if you were able to make a determination; I asked you if you were aware that Pat Foye stated in his e-mail that the conduct may have violated State and Federal law.

MR. SCHUBER: I just don’t remember that piece; I just don’t.

SENATOR GILL: You don’t remember reading it, or you don’t remember hearing about it?

MR. SCHUBER: I just don’t remember that part of it; I’m sorry.
SENATOR GILL: You don’t remember that part of it?

MR. SCHUBER: Right.

SENATOR GILL: Now, when you did read the e-mail, did you discuss it with anyone?

MR. SCHUBER: I don’t remember discussing it with anyone.

SENATOR GILL: You had-- And you were part of the Ethics Committee.

MR. SCHUBER: True.

SENATOR GILL: And if you had remembered that someone-- Because we’re talking about this great change in the structure of the Port Authority, going forward. And I’m just asking questions about the practical working -- of hearing that something that happened in the Port may have violated State or Federal law. Now, do you remember when you heard -- when you read Pat Foye’s e-mail-- I’ll withdraw that and rephrase it.

Did you ever read in the newspaper that Pat Foye stated the conduct may have violated State or Federal law -- the conduct of the lane closures?

MR. SCHUBER: I’m sure I read it somewhere in the paper, but I don’t remember where.

SENATOR GILL: Now, you had a series of meetings at the Port Authority on September 13, September 16, September 17, and a full meeting of the Port Authority, I think, was on September 18. And I would refer you to your calendar -- that’s where I got this information from. Some were Ethics Committee meetings, some were the Joint -- what do you call it -- the JWG -- Joint Working--

MR. SCHUBER: Oh, the Joint Insurance Working Group.
SENATOR GILL: Joint Insurance Working Group.
MR. SCHUBER: Right.
SENATOR GILL: Correct?
And then some were for the finance meeting.
MR. SCHUBER: Okay.
SENATOR GILL: At any point did anyone at anytime in any of those meetings, including the Board meeting and the pre-Board meeting, ever bring up Pat Foye’s e-mail?
MR. SCHUBER: I don’t remember it being brought up, no.
SENATOR GILL: Did you, if you remember, ever discuss anything with anyone at those meetings about the e-mail?
MR. SCHUBER: I did not.
SENATOR GILL: Okay.
Now, you received from, I think, Senator Weinberg the letter that has been marked as -- I think it is Tab 1; if we could have that up.
MR. SCHUBER: What date is that?
SENATOR GILL: That would be September 19.
MR. SCHUBER: Yes.
SENATOR GILL: And that’s the letter you discussed with Senator Weinberg.
MR. SCHUBER: It is.
SENATOR GILL: And I’m going to have a few questions from my perspective.
After you received the letter from Senator Weinberg, you communicated-- Did you communicate with anyone else?
MR. SCHUBER: Well, with Senator Weinberg and with Mayor Sokolich in Fort Lee.

SENATOR GILL: Okay. Did you at any time communicate with David Wildstein?

MR. SCHUBER: Wildstein had called me to tell me that the Governor’s Office had called him, that the letter had been there -- that the letter had been received by them. I had not seen it.

SENATOR GILL: Did you ask Mr. Wildstein for the letter?

MR. SCHUBER: I don’t remember if I did or not. I just assumed it was going to be coming to me anyway because it was addressed to me.

SENATOR GILL: What did you say-- What did Mr. Wildstein say about the Governor’s Office receiving the letter?

MR. SCHUBER: That the letter had come in, and I think he gave me the gist of it. I thought -- I don’t remember that, but that was probably it.

SENATOR GILL: Okay. And what did you think of the letter?

MR. SCHUBER: What did I think about the letter? I was somewhat annoyed, and I said that before because I thought it was personal to me. And that’s how I felt with regard to it at that particular time.

SENATOR GILL: What did you think-- Now, we know you have this personal issue, but we also know that-- I would assume just what you expect from the people who work at the Port Authority -- you expect another level of, I think it was called in one of the reports, an *extreme professionalism*, correct?

MR. SCHUBER: I would--
SENATOR GILL: That even though you may have a personal issue with Senator Weinberg, the issues raised were with respect to a public policy issue, correct? Something that involved the public. This was not a personal thing from Senator Weinberg that, “You didn’t call me back.” She’s saying that there is an issue of public safety with respect to this lane closure -- in her letter.

MR. SCHUBER: The letter said a number of different things. I’ve indicated what I believed about the letter in my response to Senator Weinberg with regard to it.

SENATOR GILL: I understand you didn’t like-- You had some personal things going on, or what you thought was personal with respect to Senator Weinberg. I’m asking you as a professional -- because we all, sometimes, receive information from somebody we don’t like, or we may even think that they’re sending it to us because they don’t like us. But you have to make -- but since you are representing the public and you have a fiduciary responsibility with respect to the public, you weigh it.

So I’m talking about the issues -- the issues raised in her letter. Did they give you concern? Not if she was personally involved and trying to make you look bad -- none of that lunchroom stuff. I’m talking about if she raised in the letter that there was a public safety issue with respect to the lane closures, that it has caused significant hardship in the area, it has caused congestion in the area, and there was a safety issue for the public. Did you evaluate those concerns in those issues’ ways?

MR. SCHUBER: I did not, no.

SENATOR GILL: Okay.
Now, when you called David-- When you said that David Wildstein called you, did he raise with you any concerns expressed by the Governor or the Governor’s Office with respect to the issues raised by Senator Weinberg’s letter?

MR. SCHUBER: No.

SENATOR GILL: What did he say to you?

MR. SCHUBER: Just that this letter had arrived, and gave me the gist with regard to it. That was what he said.

SENATOR GILL: And did he give you any of his personal opinions about this situation?

MR. SCHUBER: His personal opinion? No.

SENATOR GILL: Okay.

I’d like to turn to Tab 4.

Now, let’s take a look at the first two e-mails in this chain.

Tab 4 -- I want to make sure you have it.

MR. SCHUBER: I see it.

SENATOR GILL: You see it? Okay.

Now, in this Tab -- this is what? What do you know this to be, this document?

MR. SCHUBER: I don’t know what it is. I mean, I can read it here, I see what it is. But I never received--

SENATOR GILL: Did you ever receive this document?

MR. SCHUBER: No, I did not.

SENATOR GILL: Do you want to take a look again? You provided it to us, so this isn’t a document that--

MR. SCHUBER: No, I didn’t provide this.
UNIDENTIFIED MEMBER OF COMMITTEE: Wildstein provided it.

SENATOR GILL: I'll withdraw that. Mr. Wildstein provided it to us.

Have you ever seen it before?
MR. SCHUBER: You're talking-- Which one are you talking about now? Number 4?

SENATOR GILL: Yes.
MR. SCHUBER: No, I have not.
SENATOR GILL: This is the first time you've ever seen it?
MR. SCHUBER: First time I've seen it.
SENATOR GILL: Okay. And if you will read the top, because I want to make sure that this document-- Where you say, “Hi, David. Hold the letter.”

MR. SCHUBER: Oh, I'm sorry. Now you're talking about number 5?

SENATOR GILL: Number 5.
MR. SCHUBER: Yes.
SENATOR GILL: Okay, I'm sorry.
MR. SCHUBER: I'm sorry.
SENATOR GILL: Where it says, “Hi, David.”
MR. SCHUBER: Yes.
SENATOR GILL: When you say, “Hi, David. Hold the letter until you hear from me,” what letter were you referring to?
MR. SCHUBER: I had asked him, at the time-- the first thing I suggested is, I asked him if he would draft a response for Senator Weinberg. And--

SENATOR GILL: And I’d just like to stop you. Was that the procedure? That David Wildstein would respond to letters of concern sent by State Legislators?

MR. SCHUBER: I have no idea. I had no experience with it before.

SENATOR GILL: So then why did you ask him to write a letter?

MR. SCHUBER: Well, I don’t have a secretary, and I asked him if he could draft a letter for me, as the Commissioner, to Senator Weinberg with regard to -- as it was stated there. That’s how I asked him.

SENATOR GILL: So you didn’t go to Pat Foye or--

MR. SCHUBER: No.

SENATOR GILL: --anyone else to say, “What should the response be to the issues raised in this letter?”

MR. SCHUBER: Well, no I did not.

SENATOR GILL: Okay. So you asked David to do a response. Do you know if the letter, “Dear Senator Weinberg,” in here--

MR. SCHUBER: Right.

SENATOR GILL: “Thank you for the letter,” etc. -- that’s up on the screen. Is that the letter you were referring to that David should “hold”?

MR. SCHUBER: Yes.
SENATOR GILL: Okay. So you read what David developed as a draft, correct?

MR. SCHUBER: Yes.

SENATOR GILL: All right, that’s what we were referring to originally.

MR. SCHUBER: Okay.

SENATOR GILL: Okay, so now I want-- Who is Jared -- I think his name is Pilosio?

MR. SCHUBER: I believe he works in the Press Office at the Authority -- I believe; I’m not sure.

SENATOR GILL: So you don’t even-- You don’t--

MR. SCHUBER: I just don’t remember, quite frankly.

SENATOR GILL: Okay. So you don’t know exactly who was drawing up this response?

MR. SCHUBER: No.

SENATOR GILL: Okay. I think we’ll note that prior to working at the Port Authority -- since you look at things through a filter, a personal filter -- he worked as a Special Assistant to the Chairman of the New Jersey Republican Party, and in the Governor’s Office, and then on Governor Christie’s campaign in 2009.

So when he wrote this, you told David, “Hold off,” correct?

MR. SCHUBER: First of all, I had no idea -- I have no knowledge of what you just said. Having said that, in the meantime I then had called Senator Weinberg with regard to that and I did not see the necessity of sending the letter.

SENATOR GILL: Okay. And then at Tab 6.
MR. SCHUBER: Yes.

SENATOR GILL: You did receive an e-mail at 9:45 a.m. from David Samson. I'll give you an opportunity to--

Let me see what Tab--

MR. SCHUBER: Oh, I'm sorry, I'm looking at-- I'm sorry. I understand-- I was referring to different numbers than you were referring to because I was looking at different areas.

SENATOR GILL: Okay, so we're all on the right Tab now?

MR. SCHUBER: Yes.

SENATOR GILL: Or should I say the right page? (laughter)

MR. SCHUBER: Yes, now I have it.

SENATOR GILL: Okay. If we go to Tab 6--

MR. SCHUBER: Yes.

SENATOR GILL: And Senator Weinberg, in her letter of concern -- because you said it was personal -- but in her letter of concern, in raising what I am saying are serious issues of public safety -- she also CC'd that letter to the Governor and to David Wildstein, correct?

SENATOR WEINBERG: No, David Samson.

MR. SCHUBER: No, no.

SENATOR GILL: David Samson.

MR. SCHUBER: I assume David Samson.

SENATOR GILL: Yes, because I combined them.

MR. SCHUBER: Right.

SENATOR GILL: So I don’t know who’s going to be more insulted.
So she CC’d it to Governor Christie; and she also CC’d it to Mr. Samson, who was the Chair of the Board.

MR. SCHUBER: Yes.

SENATOR GILL: And then he sent you an e-mail.

MR. SCHUBER: Yes, he did.

SENATOR GILL: And why don’t you read the e-mail for me, that is-- Start at the bottom with respect to what Mr. Samson’s e-mail says.

MR. SCHUBER: He sent me an e-mail that said, “Pat, I received a copy of Loretta’s 9/19 letter to you about her being disappointed on a personal level. What a jerk. Do you want me to do anything? Dave.”

SENATOR GILL: And what did you take that to mean -- “Do you want me to do anything?”

MR. SCHUBER: I didn’t take it to mean anything because I had spoken to Senator Weinberg already and I kind of responded that way in my e-mail.

SENATOR GILL: And then what did-- And when you responded about 10 minutes later, can you please read to us your response to Mr. Samson?

MR. SCHUBER: Sure. “Hi, David. That’s kind of you, but no, it’s okay. I decided to surprise her with a direct call and tell her I was disappointed she had made it personal. I don’t think she expected that; I think she has never gotten over our 1998 race. Best wishes, Pat.”

SENATOR GILL: And then Mr. Samson responds to you, as what?
MR. SCHUBER: “Good for you. If anything further ensues on this, or anything else, I hope you know I’m available to contribute whatever you may feel could have value.”

SENATOR GILL: Okay. Now, after hearing you read the e-mails, what really -- and the response, in the responses here, I think in one part of the e-mail David Samson calls the Senator a “jerk.”

MR. SCHUBER: And I apologize for that.

SENATOR GILL: No, I’m not asking you to apologize.

MR. SCHUBER: But I am.

SENATOR GILL: Well, you know, maybe he should apologize, and maybe you should have apologized sooner. But this is what I’m getting to here. When a Senator writes a letter that raises real public policy and public safety issues, and after reading your e-mails, what really comes to mind is the old adage: to attack the messenger in order to avoid dealing with the message. Which, as you know-- And that’s why it’s troubling, because this seems to be apparent throughout this whole process.

We saw it in the Mastro report -- portraying Bridget Kelly as an unstable, hysterical, and even at some point someone said, “as a woman scorned.” Because if the lane closures were done by an unstable woman and David Wildstein, then the public would not need to continue to look for more answers.

But we know that once the interview memos were released and this Committee began to conduct hearings, we learned there was more to the story -- when Michael Drewniak testified before this Committee and he testified that he read Pat Foye’s September 13 e-mail. And even though Pat Foye wrote that Federal and State laws could have been broken, he viewed
the issues raised by Pat Foye through a colored lens because he knew that Pat Foye hated Wildstein.

And we see that Mr. Samson does the same thing. When he learns of Ted Mann’s Wall Street Journal article on September 17 about the lane closures, what does the former Attorney General do? He e-mails the Vice Chair about how he has been told that Foye leaked the story -- which is bad for New York and New Jersey relations -- and that Foye is playing in traffic and making a big mistake.

Never in these exchanges is there a focus on the serious issues raised. And I must say here, you, as a former Bergen County Exec, a former Assemblyman, and a Commissioner at the Port Authority -- you receive a letter from the Majority Leader, who also represents the affected area of the lane closures, and yet it’s dismissed -- the Senator’s legitimate concerns -- and I’m talking as reflected in your e-mail -- the legitimate concerns about the lane closures, because you believe that she’s still upset from an election that took place over 15 years ago.

MR. ALFANO: Is there a question?

SENATOR GILL: The question will be when I pose the question at the end.

MR. ALFANO: Oh, okay.

SENATOR GILL: So you need not-- Yes, it will be a question.

MR. ALFANO: Oh, okay.

SENATOR GILL: And so once you did that, you said in your correspondence to David Samson, a fellow Commissioner and Chairman of the Port Authority, that it’s not that we need to find out what happened. It’s not that we need -- and you as the Ethics Committee -- to see exactly
what the Senator is talking about. It’s this throughout the process -- and you are an example, but there are others, as I have noted -- that the immediate response is to attack the messenger to avoid dealing with the message. And that is a concern of mine that I think has been evidenced throughout the testimony of everyone who has testified -- from the Governor’s Office to you at the Port Authority. So that as we go forward this is-- And I say this having served and worked with the Senate Committee, then in the Assembly, on racial profiling. And we were able -- the Black Legislative Caucus, the Senate Committee, bipartisan -- the attorney was Michael Chertoff, there were Federal and State investigations -- but there was a respect of the issues presented, not a political interpretation and attack on the messenger. So that I have actually participated in Senate, and Assembly, and legislative hearings where, at the end of the day, on something like racial profiling -- that also had constitutional dimensions and that could have, but did not, to the credit of all involved, dissolved into name-calling and personal attack-- And I say that was the height of government at its best, dealing with a public issue of constitutional dimension. Because had we conducted ourselves in the manner that has been exhibited here in terms of attacking people -- not the message, but the messenger -- we would have devolved into an ugly, unforgiveable, unproductive, and shameful display with the racial profiling. And we didn’t.

And we came out with laws recommended by the Senate Committee, the Assembly Caucus -- everyone -- that have been lauded by the nation. And as a State we came out the better for it.
And I’m telling you why -- and I will make this a question without asking for an answer; it is, as we say, rhetorical -- that when this happens, the danger that the people in control of the apparatus cannot separate their personal animus from the public policies in issues raised inures to the detriment of the people of the State of New Jersey.

Thank you.

MR. SCHUBER: Thank you.

SENATOR WEINBERG: Thank you.

Senator O’Toole.

SENATOR O’TOOLE: Through the Chair -- Pat, do you need a break of any sort before we--

MR. SCHUBER: No, I’m okay.

SENATOR O’TOOLE: Chair, is the--

MR. SCHUBER: I’m sorry, unless somebody-- Unless you want one. I’m okay.

SENATOR O’TOOLE: Is the plan to go to 1:00?

SENATOR WEINBERG: If you need a break; otherwise, I would like to keep on going and we can break for lunch at a reasonable hour and, hopefully, go into executive session so that we don’t have to--

SENATOR O’TOOLE: Yes, so the plan is after this, go into executive session, just so we’re all clear.

SENATOR WEINBERG: Yes.

SENATOR O’TOOLE: Okay, great. I’m ready to ask questions, through you, Chair.

MR. ALFANO: Could we have one second?

MR. SCHUBER: One second, please?
SENATOR O’TOOLE: Sure.

(attorney/client confer)

MR. SCHUBER: If I might-- Senator Gill, thank you. I wanted to commend you for your work on the other issue, as you mentioned. But I would have to say to you--

SENATOR WEINBERG: Excuse me, are you answering a question now?

MR. SCHUBER: Well, I thought I was, but--

SENATOR WEINBERG: Is there a question left?

SENATOR GILL: I have no question.

SENATOR WEINBERG: No? Okay.

Well, with all due respect, you can cover anything Senator O’Toole has a question on.

MR. SCHUBER: But I don’t necessarily agree with the characterization, and that was my concern -- that the-- I commend Senator Gill and I well understand her expertise too; and I just don’t agree with the characterization of going after the messenger. I mean, quite frankly, maybe more could be done, but the fact of the matter is, I think I’m the only one who actually reached out to anybody on this issue at all, quite frankly. And I think I’m probably the only Commissioner who has actually come before this group, actually. And anybody who has asked me, I’ve tried to answer all of their questions with regard-- I’ve been very cooperative with everybody.

SENATOR WEINBERG: Mr. Schuber, with all due respect, if you want to correct the record at any point, you will have the ability to do that.
MR. SCHUBER: Okay.

SENATOR WEINBERG: But Senator O’Toole, it’s your turn.

SENATOR O’TOOLE: Thank you.

Through the Chair, good afternoon, Pat.

MR. SCHUBER: Good afternoon, Senator.

SENATOR O’TOOLE: We’ve been here for about two-and-a-half hours; I’ve listened to your testimony. I think the first thing you said, in your handwritten statement, was that you knew nothing about the closures, and I think the Chairwoman -- Co-Chair Weinberg -- accepted that as an opener.

MR. SCHUBER: Right.

SENATOR O’TOOLE: From everything I’ve read and heard, I would share that conclusion that Senator Weinberg talked about two-and-a-half hours ago.

Pat, through the Chair, I have a number of issues I just want to touch on. I’m just a little unclear on some of the points that were made, so I want to clarify some of those points, if you don’t mind. And I recognize, Pat, that we’re going back and trying to slow down the tape to September and you may not recall details, you may not recall conversations, you may not recall e-mails back and forth. And if you don’t, that’s fine; answer as such, and we’ll move along.

And I do want to say, Pat, I’ve known for a long time -- when you were the County Executive, and now you volunteer at the Port, and you were the Mayor -- a lot of us who followed you in the Assembly have thought of you as an excellent public servant. I still hold that opinion today.
And the questions I’m coming to you with are more for points of clarification so I can better understand what you know and, to the larger issue, how do we deal with the Port Authority given the fact that you don’t know anything about the actual closures.

MR. SCHUBER: Right.

SENATOR O’TOOLE: So having said that, and the last caveat, I understand that you’re a Commissioner; I understand, I think, you’re a Professor as well at FDU? Does that still hold true?

MR. SCHUBER: I’m sorry, I didn’t hear you, Kevin.

SENATOR O’TOOLE: Are you a Professor at a local college?

MR. SCHUBER: Yes, I am a full-time member of the faculty, yes.

SENATOR O’TOOLE: And that you are of counsel at the DeCotiis law firm as well? Does that still hold true?

MR. SCHUBER: That’s true, correct.

SENATOR O’TOOLE: Okay. So anything that I ask you, Pat, through the Chair, I don’t want to intrude upon any legal representation that your firm may have, or have had in the past.

MR. SCHUBER: Sure.

SENATOR O’TOOLE: I don’t want to talk about any privileged conversations or attorney/client privilege you have with your firm and any of their clients. I don’t want to talk-- I don’t want you to reveal or encroach upon any work product as a lawyer at DeCotiis. And I don’t want to encroach upon any privileged conversations that you may have had with your counsel or corporate counsel at the Port Authority. So if I’m asking you questions that you think are encroaching upon those privileged
areas, I’m sure your excellent attorney will tell you that, “We can’t go there,” and we can move on.

MR. SCHUBER: Sure.

SENATOR O’TOOLE: Is that fair?

MR. SCHUBER: Sure.

SENATOR O’TOOLE: Okay.

The issue that you’ve talked about, with some reoccurring theme through a couple of questions here, is the core mission that you have, and there seems to be some, maybe, conflict -- you say it’s a dichotomy of -- we have six New York Commissioners and six New Jersey Commissioners.

MR. SCHUBER: Correct.

SENATOR O’TOOLE: Now, Governor Kean, back in the 1980s, talked about what he thought was the County of Essex’s government that was ungodernable. He made that comment many, many years ago.

MR. SCHUBER: Right.

SENATOR O’TOOLE: And I ask you this question in a very open manner, Pat. Is the Port Authority, as it’s currently constructed, governable? Is it, as it is now-- We see the Navigant report, and we talk about how it is “challenged” and how it is “dysfunctional,” and we see examples of that dysfunctionality. So as it’s currently constructed, is the Port Authority -- is it governable?

MR. SCHUBER: Is that the question?

SENATOR O’TOOLE: That’s the question.

MR. SCHUBER: Yes, it is; I believe it is. I mean, I know that the first iteration out of the box has been -- given the nature of what had happened, and other issues involving the Port -- has been to kind of
terminate it and take it off life support. Terminate it and create something new. I think that’s wrong. I think New Jersey would be potentially a loser in that, economically.

And is it governable? Yes, it is. Is it perfect? No it’s not, clearly. And I think we’ve been making-- There are so many different levels now of trying to work out a reform of the Authority’s governance now that I’m hoping in the end that it will provide for even better transparency for us.

I can say this: that some of the things that we’ve done to address some of the issues have been issues of strengthening of our recusal policy so that it’s more transparent; announcing people who have conflicts in advance of that; the meetings themselves have allowed for a lot more give-and-take, which I’m comfortable with than the old way it was done; and we are trying to hold as many of our committee meetings in the public eye, and not doing executive sessions of those committee, as we can, as we move forward. And that’s just some of the issues that we’ve implemented now.

In addition to that, the Authority has created its own oversight committee -- which Assemblywoman Huttle and Senator Gordon had attended a couple of months ago -- where we had a number of experts come in and tell us about what they thought the Port should look like for the future based on what’s happened. And I think all of them, it would be fair to say, think it continues to be an important agency that should remain doing what it does, constituted as it does, but that maybe its governance needs to change.
I've given some of my thoughts -- which I've given a lot of thought to over the course of this last several months -- six months or so, or more -- with regard to how I think the Authority should look in the future; how we can insulate it a little bit more, maybe, from potential political manipulation; and recognizing it’s a public body. And I think if some of those things can be added to it I think it, continues to be a very important agency and one that's still very governable.

SENATOR O’TOOLE: Through the Chair, from what I’ve read in the newspaper accounts, historically speaking, the New York governor selects the Executive Director, the New Jersey Governor selects the Deputy; and the Chair, New Jersey; and the Vice Chair is New York. Has that always been the case?

MR. SCHUBER: It’s not. I gathered-- I thought it was, quite frankly. I had asked for -- originally when I came on, I asked how did these people become who they are, and I was trying to find something in bylaws or something. I could never do it; it’s like a tradition. And I’m not comfortable with those things in a public body, quite frankly. But you’re correct. I understand that this goes back to maybe the 1970s or the 1980s in this format -- that’s what I understand; I may be wrong on that, historically.

But having said that, the way it works is that traditionally the Governor of New Jersey would pick the Deputy Executive Director, but can name the Chair; and the governor of New York gets to name the Executive Director and the Vice Chair. That’s how that goes. It’s more of a, kind of an unwritten tradition. And I don’t like that, by the way.

SENATOR O’TOOLE: You don’t like that.
MR. SCHUBER: No, I do not.

SENATOR O'TOOLE: There were some comments about, again, you thought there was a dichotomy of one avenue going to Albany and one going to Trenton--

MR. SCHUBER: Right.

SENATOR O'TOOLE: --on some issues. Is it just systemically or organizationally-- Is the Port Authority on a perpetual collision course with New York and New Jersey, always at each other’s throats in terms of trying to get more funding for their home-grown projects?

MR. SCHUBER: I think that the-- Let me say this. It’s not always the case. I would say that over the last couple of years, at least -- at least, in the two years, at least -- I think that the New Jersey and the New York Commissioners have worked together very collegially, and I think the two governors have actually worked collegially, considering the personalities of the two individuals. And that’s helped us to at least do our public projects -- to move those forward -- in the things that we’ve been able to do. And I think that cooperation is extremely important. Are there obviously certain things that New York likes and New Jersey likes differently, or they each have their own projects that are more important for them? Yes, there are, and I guess that’s where the balance comes in.

I don’t necessarily-- Senator O’Toole, don’t get me wrong. You know, I’ve had my battles with independent authorities over the years myself. I don’t want to create a super independent authority that’s not answerable to anybody; I don’t want that in any way to come out of this. I do want the reform to go through that makes it more accountable and
prevents issues like we’re talking about happening again to the extent we can.

SENATOR O’TOOLE: Through the Chair, when you-- I think you joked earlier that at one point you might have thought it was a good idea to just deconstruct the Port Authority. You think it’s a bad idea now?

MR. SCHUBER: I do.

SENATOR O’TOOLE: Has the Port, to your knowledge, conducted a study to actually look at untangling and creating two separate authorities? Do you know if they have done that?

MR. SCHUBER: No. It’s a good point, by the way. No, I do not know that they’ve done that; I would tend to think we have not. I tend to think we have not.

SENATOR O’TOOLE: And I just throw it out there to you, Pat, that if it’s possible in some of your future meetings to find out if that has been done, and if everything’s on the table -- you have New York legislators, New Jersey legislators, people are engaged talking about significant reforms at the Port Authority -- maybe before you put it off the table, maybe it should be looked at seriously and find out if there is any merit to it whatsoever.

MR. SCHUBER: I understand what you’re saying, Senator O’Toole. I really don’t like to take any option off the table, to be honest with you, when you’re looking at a top-to-bottom reform. I just felt, and my gut said -- and, in fact, at the presentations that were made that particular day before the oversight committee in April, I guess, I asked that - - I believe I asked that question to those experts about whether we should drop the whole thing and start all over again; and not one of them
supported that. And many of them had a history with the Port of understanding its structure and its operations over many decades.

And I tend-- That’s where I tend to come down on in this too - - that it would not be the right move to make. I mean, again, having said the fact that maybe all options should not be -- that no option should be taken off the table for review and we can go back and look at that, Kevin.

SENATOR O’TOOLE: Someone posed the question today, Pat, through the Chair, that they want to know who is the day-to-day manager of the Port.

MR. SCHUBER: Right.

SENATOR O’TOOLE: I think your response was it’s the Executive Director

MR. SCHUBER: Well, yes, and the Deputy Executive Director. You have to understand--

SENATOR O’TOOLE: Can you explain that to me?

MR. SCHUBER: Yes, that’s the issue. You have an Executive Director and a Deputy Executive Director, appointed by two different states. And so they both have day-to-day management of the operation; in other words, it’s like a dual head.

SENATOR O’TOOLE: In terms of when you go to your monthly meetings: do you work with the Executive Director, do you work with the Deputy Executive Director?

MR. SCHUBER: Both, both.

SENATOR O’TOOLE: And is it the same on the New York side as well?

MR. SCHUBER: Yes.
SENATOR O'TOOLE: Because when-- I think there was testimony about those tensions between New Jersey staffers and New York staffers -- forget the Commissioners. Is that accurate as well? Are there natural tensions--

MR. SCHUBER: I’m not sure that it is now. I know there had been some issues in the past.

SENATOR O'TOOLE: How far in the past, or how recently?

MR. SCHUBER: Maybe the last year or two.

SENATOR O'TOOLE: Senator Gill talked about a September 13 e-mail from Pat Foye--

MR. SCHUBER: Right.

SENATOR O'TOOLE: --that you don’t remember if you read it or not, but you--

MR. SCHUBER: I’ve since--

SENATOR O'TOOLE: --have since read it. In his fourth point, and I’ll quote, “I believe this hastily and ill-advised decision violates Federal law and the laws of both states.” That’s what Mr. Foye wrote on September 13. Were you ever told by Foye or anybody else as to which Federal law and which laws of New York and New Jersey were violated?

(attorney/client confer)

MR. SCHUBER: I don’t recollect.

SENATOR O'TOOLE: You were asked some questions about a September 25 e-mail correspondence between you and Mr. Samson, and you talked about whether you held on to a 15-year grudge or what not. Earlier in your testimony you said back in September -- I think, and I hope to get this right -- that you didn’t pay as much attention because you
thought it was of a partisan nature -- back in September, not May, or not June, we’re looking now -- back in September you stated earlier that you thought some of the issues were of a partisan nature. Can you expand upon that, please?

MR. SCHUBER: Well, I mean, the only-- The way I looked at it, you know, it was a gubernatorial election year; there was a high degree of partisanship going on as a result of that. I felt this fed into that, and I-- You know, quite frankly, I had come to a part of my life where I was kind of withdrawing from all of those things, and I just didn’t feel I wanted to be part of that anymore. I mean, that was one of the reasons-- You know, that was one of the reasons I left County Executive and did nothing else after that publicly, as far as that goes, until I got the call from the Governor to do this. You know, I feel differently about politics today than I might have done in the past; I continue to feel very different about it today than I did with regard to in the past. And that’s how-- I mean, that’s how, personally, I felt about it.

SENATOR O’TOOLE: Was it Democrat versus Republican, or was it New York versus New Jersey?

MR. SCHUBER: No, it wasn’t New York/New Jersey.

SENATOR O’TOOLE: I’m sorry?

MR. SCHUBER: It wasn’t New York and New Jersey.

SENATOR O’TOOLE: You thought--

MR. SCHUBER: No.

SENATOR O’TOOLE: --New Jersey Republicans versus Democrats, back in September?

MR. SCHUBER: No, no, no.
SENATOR O’TOOLE: There are a couple of articles back in 2011 in *Crain’s* and *The New York Times* that have interviews with Pat Foye, in particular. I was hoping to ask Mr. Foye questions today, but he has been put off for the right reasons today. And some of the folks who commented upon Mr. Foye’s past experience either at the Empire State Development Commission or the Metropolitan Commission -- the words they use in both articles, which I found to be shocking, the words they used -- and I’m going to get it right -- in *Crain’s*, October 9, 2011, the title is, “Blame game over Port Authority Executive Director position,” third paragraph said, and I’m going to quote, and I’m going to ask you if you agree or disagree, “Some who worked with him on projects describe Mr. Foye as indecisive and unable to maneuver adeptly between various political stakeholders -- deficiencies, the critics said, that would be even more glaring if he ran the bi-state, multi-billion dollar Port Authority. ‘He can’t advance the ball,’ said one insider. ‘We didn’t know what he was doing.’”

Do you agree with that assessment that was made of Mr. Foye regarding his time when he served in the Empire State Development, when he was appointed by Governor Spitzer?

MR. SCHUBER: I have no idea. I mean, that’s not my--

SENATOR O’TOOLE: I’m sorry--

MR. SCHUBER: Senator, I’ve never read that article.

SENATOR O’TOOLE: Do you hold that characterization of him as the Executive Director at the Port?

MR. SCHUBER: Oh, okay.

SENATOR O’TOOLE: I apologize for the inartful question.
MR. SCHUBER: No, no problem. I’ve never read the article, nor have I heard the quotes before. Look, I have a great deal of respect for Pat Foye as the Executive Director. I’ve worked with him on a number of other issues. I’m not prepared to characterize him that way.

SENATOR O’TOOLE: Okay. And the *New York Times* article says, “Cuomo names Deputy to lead the Port Authority,” that’s October 19, 2011, second page, “His critics, however,” -- this is a quote -- “have said he was indecisive and hesitant during his 15 months leading the Development Corporation.” How would you describe Mr. Foye as the Executive Director during your tenure at the Port? How would you describe him as an Executive Director?

MR. SCHUBER: Well, I don’t have much to measure it against, because when I came aboard the other Executive Director was just getting ready to leave, and Pat Foye is really the only Executive Director I know. While I know that -- you know, there have been some disagreements in the upper staff with each other that might have been personality, more so, which I steered clear of. The fact of the matter is I really have no objection to Mr. Foye’s professionalism as the Executive Director. He runs the operation day-to-day, and I have no complaints with regard to that at all.

SENATOR O’TOOLE: Through the Chair, do you think, going forward, perhaps standards should be put in place when a Deputy Executive Director or an Executive Director is selected -- whether they have infrastructure background, governmental background -- should there be certain standards, as some have said?
MR. SCHUBER: Senator O'Toole, as I said, I have taken a very strong stand on how I think, going forward, we need to be with regard to the choice of the Executive Director and the Deputy Executive Director. And I think those should be subject to nationwide searches with regard to that. I think that, yes, certain standards should be set with regard to what we’re looking for in that area. You just can’t plop a political appointee into these positions. That’s how I feel about it. So I guess to a certain extent I agree with what you’re saying.

SENATOR O’TOOLE: If both states move forward with the current model in place, either by tradition or by bylaw, in terms of the selection of Chair, Vice Chair, Executive Director, and Deputy, should perhaps we think about adopting a procedure where the nominees for both jobs go before the respective Senate, perhaps; or some other process where there’s a crossover approval on both sides of the river?

MR. SCHUBER: I have no problem with that at all, quite frankly. I don’t have any problem with that at all.

SENATOR O’TOOLE: And how about Commissioners, as well? Is that a possibility of perhaps there should be some crossover approval?

MR. SCHUBER: Oh, it was hard enough going through Trenton than to have to go up to Albany. (laughter)

SENATOR O’TOOLE: Well, there’s no courtesy on the other side, I can guarantee you that. (laughter)

MR. SCHUBER: But having said that-- Look, from my perspective, I have no problem with anything that would cement the Authority’s ability to work together. If that would help it, I personally
don’t have a problem with that. I don’t know if it would be too unwieldy. But actually I think there is some benefit; it’s not actually a bad idea. I’m just thinking of it; it’s the first time I heard it. You know, I was talking about siloing of agencies within the agency. There could be siloing of the two sections of Commissioners for New Jersey and New York at the same time -- although that’s not the case at the present time, I have to tell you that. But for the purpose of some form of crossover with regard to the ability of the legislators from the two different states to understand the Commissioners of the other state -- I think it might not be a bad idea. I don’t how it would work; I’d have to think about that for a bit. But it does have some benefit.

SENATOR O’TOOLE: Another question, through the Chair, is there a policy in place at the Port Authority that if a worker at the Port Authority, or maybe even a Commissioner, leaves -- is there a grace period before that individual can take employment with an agency doing business with the Port Authority?

MR. SCHUBER: That’s a good question. I don’t know the answer to your question, off the top of my head. I’m going to say no, but that’s subject for my review of the rules again on that.

SENATOR O’TOOLE: And would you think it’s a -- through the Chair -- a good idea to at least think about individuals who work at the Port--

MR. SCHUBER: Yes.

SENATOR O’TOOLE: --say, in any department, I don’t care what department it is, taking a job with a vendor or an agency with which he has been doing business for the last $X$ amount of years?
MR. SCHUBER: Yes, I would--

SENATOR O'TOOLE: Should there be a cooling off period?

MR. SCHUBER: Yes, I could agree with that completely. I think we do that; I’m not sure if-- I think we do that now for folks working in the casino industry, I thought, here in New Jersey. I thought we still did that, and I thought it was a good rule then and I think it’s a good rule now.

SENATOR O'TOOLE: We have that, as legislators. We have a cooling-off period--

MR. SCHUBER: Right; and I would have no problem with that at all, quite frankly. May I add something else too? The other thing, too, might be to add -- to remove Commissioners from the requirement -- prevent Commissioners from being -- for political donations, too, I think would be important too.

SENATOR O'TOOLE: That’s a terrific idea.

Last question, on the same line of having the cooling-off period; In 2004 the Bergen Record ran a story about a top-level attorney in the Corporation Council -- I’m not going to use a name, because there’s no reason to drag his name out there -- who, at some point, was appointed under Governor McGreevey as the Deputy Counsel. And at some point, according to the Bergen Record article, he pled guilty to harassment of an individual; that he left a series of, I think, obscene phone call messages into a student’s cell phone.

MR. SCHUBER: Okay.

SENATOR O'TOOLE: Whether it was an intern or not. There was an investigation; that Corporation Counsel, according to the article, did not cooperate with the investigation.
MR. SCHUBER: Right.

SENATOR O’TOOLE: Hid the phone, lied about whose phone it was, and all that, according to the articles.

That individual was promoted and got a $70,000 raise throughout the years. In 2014 we have just come to realize that individual, after being promoted again, was-- He pled guilty. He left; I think he took a severance package. He pled guilty to a second-degree charge of forging the signature of a partner in a law firm in New York on a retainer issue and he pled guilty in New York.

My question is, how does the Port allow that type of conduct to occur going back to 2002 (sic), to 2014? And if you don’t know, tell me you don’t know, and we’ll ask Mr. Foye when he gets here.

MR. SCHUBER: I don’t know the answer to your question. It’s troubling, obviously, but I don’t know the answer to your question.

SENATOR O’TOOLE: And since you don’t know that -- I understand you’re a volunteer once a month, or twice a month you go there -- perhaps you should think about putting in protocols that you, as a Commissioner, should be notified when those serious infractions take place. And perhaps there’s a register or there’s some notification so the Commissioners are on board with the -- as you said, the notice issue, that so bothered you on the Fort Lee issue -- the notice issue about offending-- And I’m not talking about low-level or mid-level staffers who just have a parking ticket. We’re talking about individuals who have betrayed the public trust at the Port Authority.

MR. SCHUBER: Understood.
SENATOR O’TOOLE: Perhaps there should be some marker as to when you, as a Commissioner, should be notified.
MR. SCHUBER: I would agree with that.
SENATOR O’TOOLE: You would agree with that?
MR. SCHUBER: I would agree with that.
SENATOR O’TOOLE: That’s all the questions I have right now, Chair.

Thank you.
SENATOR WEINBERG: Thank you, Senator.
Assemblywoman Caride.
ASSEMBLYWOMAN CARIDE: Yes, thank you.
Yes, good afternoon.
MR. SCHUBER: Good afternoon.
ASSEMBLYWOMAN CARIDE: I have a few questions with regards to your Committee and information that you get before--

Well, let me ask you. When a project is presented and large sums of monies are questioned, does the Commission-- Does your Committee get all the information as to the cost, as to an explanation, why it’s necessary to do these projects?

MR. SCHUBER: Well, in-- First of all, the major projects are vetted through the Capital Budget first, at Finance. So we have the 2014 budget out there now. And then those capital projects are then-- If approved, they then move on to their respective inner agencies for development and eventual presentation before the appropriate Port Authority committee for approval.
The costs, with regard to those operations, are then outlined over the course of the life of the construction of that project, whatever it might be, for us -- over the course of time so that we understand that we have the fiscal ability to do what we’re going to do there, yes.

ASSEMBLYWOMAN CARIDE: So then you’re given all that information before you vote in favor or against that project?

MR. SCHUBER: That’s correct.

ASSEMBLYWOMAN CARIDE: So your Committee -- the Commissioners do have a say as to whether or not the project moves forward?

MR. SCHUBER: Yes, that’s correct.

ASSEMBLYWOMAN CARIDE: Okay. Now, with regards to the Pulaski Skyway -- that project -- were you a Commissioner at the time that that project--

MR. SCHUBER: I was not; no, I was not.

ASSEMBLYWOMAN CARIDE: Did you vote on that particular project?

MR. SCHUBER: No, I was not on the Commission when that happened; no, I was not.

ASSEMBLYWOMAN CARIDE: Have you seen the paperwork for the project for the Pulaski Skyway?

MR. SCHUBER: I have not, no.

ASSEMBLYWOMAN CARIDE: Just out of curiosity, what is your understanding to be an access road -- your understanding?

MR. SCHUBER: I’d have to take a look at what our rules require. I’m not-- Off the top of my head, I’m not familiar with that.
ASSEMBLYWOMAN CARIDE: Have you seen the articles concerning the Pulaski Skyway project and the fact that it’s an access road to the Holland (sic) Tunnel -- those articles that have been out lately?

MR. SCHUBER: I’ve seen one article.

ASSEMBLYWOMAN CARIDE: I know that the Port Authority’s justification for the project is that it’s an access road to the Lincoln Tunnel. Are you aware if there was any debate as to how that came about?

MR. SCHUBER: I’m not familiar with any debate on that. I was not present at the time, so I really can’t answer your question.

ASSEMBLYWOMAN CARIDE: Have you taken a position on that project recently since it started?

MR. SCHUBER: No, I have not.

ASSEMBLYWOMAN CARIDE: Do you personally think that the Pulaski Skyway is an access road to the Lincoln Tunnel?

MR. SCHUBER: I honestly have no idea. I don’t know how the Authority judges those things; I’d have to look.

ASSEMBLYWOMAN CARIDE: Are you familiar with the Pulaski Skyway?

MR. SCHUBER: I’m familiar with the Pulaski Skyway, yes.

ASSEMBLYWOMAN CARIDE: And you’re familiar that if you’re on the Pulaski Skyway, you have to get off in Jersey City and go around the Charlotte Circle, take 1 and 9 North?

MR. SCHUBER: I’d like to say that I’m familiar with a lot of New Jersey, but I’m not exactly -- I’m not a regular passenger on the Pulaski Skyway and I just don’t know how it works on one end or another.
ASSEMBLYWOMAN CARIDE: I was just curious, because it’s seven-and-a-half miles to the Lincoln Tunnel from the Pulaski Skyway. So I was wondering how that definition of an access road came about, when you have to travel through Jersey City, into North Bergen, over Union City, and then down into Weehawken. So I was just curious about that.

MR. SCHUBER: I understand.

ASSEMBLYWOMAN CARIDE: You stated that these projects come before you and you get information about the projects before you vote on them, correct?

MR. SCHUBER: We get the financials with regard to them and things along those lines, yes.

ASSEMBLYWOMAN CARIDE: Do you also get the information as to law firms that are representing the clients that are coming before the Port Authority?

MR. SCHUBER: Well, law firms don’t come before the Port Authority.

ASSEMBLYWOMAN CARIDE: Or lobbying companies -- anyone that represents the interests of these projects?

MR. SCHUBER: No.

ASSEMBLYWOMAN CARIDE: The reason I ask is, for example in Hoboken, the Rockefeller Group had a study that was done and paid for by the Port Authority. I was just wondering if your Committee -- the Commissioners knew who represented the Rockefeller Group before they took the vote on it.

MR. SCHUBER: No, I don’t know.
ASSEMBLYWOMAN CARIDE: Would you be surprised if I told you that it was Mr. Samson’s law firm that represented the Rockefeller Group at that time?

MR. SCHUBER: I have no way to judge the answer to that question. I mean, I know that there’s been controversy with regard to it; I’ve seen a couple of articles with regard to it. Wolff and Samson is a very prominent firm.

ASSEMBLYWOMAN CARIDE: Who determines when someone should recuse himself from voting -- the individual or the Commissioners all together?

MR. SCHUBER: That’s a good question. I think the-- If I could outline the policy for you. Is that okay?

ASSEMBLYWOMAN CARIDE: Sure, absolutely.

MR. SCHUBER: When we come on-- This is the way it goes. The potential of a conflict is governed by, obviously, the laws in the respective states, and administratively is monitored by the counsel for the Port Authority -- who, in this case, is Mr. Bookbinder and his staff, okay? Now, when, as you know, New Jersey has financial filing requirements for its officers, and we file that annually and they are posted publicly. And we then give a copy, of that to corporate counsel for his or her records too.

Then we give the corporate counsel -- I’m going to call him corporate counsel -- we’re going to give the corporate counsel a list of any business interests we might have. And as the meetings come up, and the agenda has been set, the corporate counsel sends an e-mail to each Commissioner alerting them to a potential conflict they might have on a particular matter which a recusal would be in order.
ASSEMBLYWOMAN CARIDE: Can I just stop you there?
MR. SCHUBER: Sure.

ASSEMBLYWOMAN CARIDE: That e-mail that is sent by corporate counsel to the Commissioners -- is that a general e-mail to all the Commissioners, or is it private--

MR. SCHUBER: No, it is not. It’s personal to that Commissioner.

ASSEMBLYWOMAN CARIDE: It’s personal -- okay.
MR. SCHUBER: Right.

Then that Commissioner would be recused on that particular matter as it came up, all right? Now, the issue of recusal had come up over the last year particularly. And I did a review of that policy and made some recommendations for some changes on that policy based on my experience in other bodies, as well as my experience in -- particularly in New Jersey. And I felt that the policy needed to be tightened up; there were a number of reasons for this. So as a result of some give-and-take with regard to that, what we were able to do was to even make more available the financial disclosure statements of the two states’ Commissioners. For example, New York’s rules are a little bit different than ours.

ASSEMBLYWOMAN CARIDE: Sure.
MR. SCHUBER: This is not as strong as New Jersey’s, quite frankly, in my opinion.

ASSEMBLYWOMAN CARIDE: Can I stop you there?
When did you make those recommendations?
MR. SCHUBER: Back in, maybe, last September -- August or September.
ASSEMBLYWOMAN CARIDE: Of 2013?

MR. SCHUBER: Right.

And as a result of working that out between the two states -- because this required us to work with both states to approve this -- today what we do beyond that is that at every meeting now, Committee and public, each individual item or project is individually voted upon. And before the vote is taken, the secretary announces in public who is recused, and that’s listed in the public record.

ASSEMBLYWOMAN CARIDE: That’s now, though.

MR. SCHUBER: That’s correct. And as a result of that, that’s-

- And we do that for our committees now too.

While that may seem elementary in a way, it was a paradigm shift for the Authority because we used to vote for all the items -- come together, and the recusal would be listed in the minutes. So it wasn’t-- To me, it was not as public as it should be. I pushed also for the fact of, what we do here in New Jersey, requiring a Commissioner with a potential conflict to step out of the room when that’s discussed. I wasn’t able to get that through; and now it’s really up to that Commissioner, in consultation with counsel, as to what they might want to do with regard to that. In my opinion, and this is what I do if I have -- and I haven’t had too many -- is I prefer to step out.

ASSEMBLYWOMAN CARIDE: So is it your testimony here that corporate counsel is pretty much the guardian of who should recuse themselves or not?

MR. SCHUBER: Yes, yes -- true.

ASSEMBLYWOMAN CARIDE: So when--
MR. SCHUBER: In consultation, obviously. It doesn’t take away the decision that has to be made by the Commissioner himself or herself.

ASSEMBLYWOMAN CARIDE: So based on that protocol, would it be fair to say that your corporate counsel should have or did, maybe, speak with Mr. Samson on the vote for the study that Port Authority paid $75,000 on behalf of the Rockefeller Group?

MR. SCHUBER: I really don’t have any idea; I don’t know what happened there.

ASSEMBLYWOMAN CARIDE: Okay.
Let me ask you about the New Jersey Transit lease.

MR. SCHUBER: Okay.

ASSEMBLYWOMAN CARIDE: Did you vote on that particular item?

MR. SCHUBER: I don’t think I did. I don’t remember; I’d have to go look at the record again. There are so many different measures, I just don’t know.

ASSEMBLYWOMAN CARIDE: Well, I mean, prior to this particular vote, the New Jersey Transit was paying $999,000 to the Port Authority for rent for the North Bergen Park and Ride.

MR. SCHUBER: Right.

ASSEMBLYWOMAN CARIDE: And it got changed to a dollar a year so I would think that that would be something that would kind of stick out in memory.

MR. SCHUBER: I just don’t remember; I’m sorry, I don’t.

ASSEMBLYWOMAN CARIDE: Okay.
And would you happen to recall the vote on the $256 million reconstruction projection of the Harrison PATH back in March of 2006?

Mr. ALFANO: In 2006?

ASSEMBLYWOMAN CARIDE: In 2012 -- I’m sorry; 2012.

MR. SCHUBER: I remember the project; I voted for it. But I don’t remember-- I don’t know what other people may have done.

ASSEMBLYWOMAN CARIDE: Do you recall if there was any discussion of any members -- specifically Mr. Samson -- recusing himself from it?

MR. SCHUBER: I don’t remember.

ASSEMBLYWOMAN CARIDE: Do you recall any discussion about Mr. Samson recusing himself from the $1 a year New Jersey Transit lease?

MR. SCHUBER: I don’t.

ASSEMBLYWOMAN CARIDE: My understanding is that there’s an investigation going on as to the funds being used for the Pulaski Skyway project. Have you received any information with regard to that? Have they contacted you or any other Commissioners concerning the Pulaski Skyway project and the use of Port Authority funds?

MR. SCHUBER: Well, since I wasn’t part of it, I haven’t been and I’m not aware of anybody else, either.

ASSEMBLYWOMAN CARIDE: Well, you weren’t part of the vote at the time, but you’re a part of the Commission now, correct?

MR. SCHUBER: True.

ASSEMBLYWOMAN CARIDE: So that you would be privy to that information.
MR. SCHUBER: And I haven’t been; I haven’t been.
ASSEMBLYWOMAN CARIDE: Okay.
Do you have any position -- personal position or opinion with regards to the Pulaski Skyway project being paid for by the Port Authority?
MR. SCHUBER: I don’t. I don’t. I mean, I happen to like Jersey projects, but I don’t have a personal opinion since I didn’t vote on that.
ASSEMBLYWOMAN CARIDE: You haven’t seen any documentation or anything since?
MR. SCHUBER: I have not.
ASSEMBLYWOMAN CARIDE: Okay.
I have no further questions.
SENATOR WEINBERG: Thank you.
Assemblyman Moriarty, and then Assemblyman Carroll, and then, hopefully, we--
ASSEMBLYWOMAN SCHEPISI: I have questions as well.
SENATOR WEINBERG: Oh, and you have questions too? Okay. I was hoping that we could get this finished and take the lunch break while we have executive session, but--
ASSEMBLYWOMAN SCHEPISI: Well, I think it’s fair to--
SENATOR WEINBERG: I’m not sure that that--
ASSEMBLYWOMAN SCHEPISI: I’ll be a couple of minutes.
SENATOR WEINBERG: Okay.
Assemblyman Moriarty.
ASSEMBLYMAN MORIARTY: Thank you, Madam Chairwoman.
SENATOR WEINBERG: Assemblywoman, will you turn off your mike?

ASSEMBLYWOMAN CARIDE: Oh yes, thank you.

ASSEMBLYMAN MORIARTY: Good afternoon, Mr. Schuber; welcome.

MR. SCHUBER: Good afternoon.

ASSEMBLYMAN MORIARTY: Thank you for appearing.

MR. SCHUBER: You’re welcome.

ASSEMBLYMAN MORIARTY: Can we go back to when you were selected to be on the Port Authority Commission? Who called you?

MR. SCHUBER: Governor Christie.

ASSEMBLYMAN MORIARTY: And what did he say?

MR. SCHUBER: He said, “Pat, would you like to serve the State of New Jersey?” And I was in the middle of a class at the time, and the students were looking at me. And I was a little bit flabbergasted because I didn’t know who was calling me, and I said, “Who’s this?” (laughter)

Having said that, regardless of the fact, I took it very seriously. And he said that he wanted me to serve on the-- He was interested if I would serve on the Authority.

ASSEMBLYMAN MORIARTY: And aren’t you happy that you did? (laughter)

MR. SCHUBER: I wish my cell phone had run out of battery on that day. But having said that--

ASSEMBLYMAN MORIARTY: Did you, after that-- I guess, did you say yes right away?
MR. SCHUBER: Well, the answer is, I got a second call with regard to it, and at that point I said yes.

ASSEMBLYMAN MORIARTY: And did you ever discuss the Governor’s expectations for your service on the Commission?

MR. SCHUBER: No, no, no, I did not.

ASSEMBLYMAN MORIARTY: No one ever gave you any briefing as to how they would expect the New Jersey delegation to proceed?

MR. SCHUBER: No.

ASSEMBLYMAN MORIARTY: Were you told of any impending toll hike?

MR. SCHUBER: No, I was not.

ASSEMBLYMAN MORIARTY: Boy, you were really thrown to the wolves.

MR. SCHUBER: Yes.

ASSEMBLYMAN MORIARTY: So you get to the Commission and you find out there’s a toll hike in the works. You did not know any of this; no one from the Administration briefed you on this?

MR. SCHUBER: No.

ASSEMBLYMAN MORIARTY: Okay.

MR. SCHUBER: The only briefing I had was the structure of the Authority itself.

ASSEMBLYMAN MORIARTY: Okay, so do you recall when you found out a toll hike was imminent?

MR. SCHUBER: The first day I showed up.

ASSEMBLYMAN MORIARTY: Nice. (laughter)

And did you communicate back to the Governor’s Office?
MR. SCHUBER: No, I did not.

ASSEMBLYMAN MORIARTY: Did you have any regular communication with the Governor’s Office as to what you should be doing at the Port Authority?

MR. SCHUBER: I did not, no.

ASSEMBLYMAN MORIARTY: So when this toll hike comes up, your testimony would be that the entire New Jersey delegation does not go back to the Governor and talk to him about it?

MR. SCHUBER: I have no idea what other Commissioners did or did not do; I really don’t know that. Many of them— Obviously, they all had been there well before me. And I can’t answer your question; I just don’t know.

ASSEMBLYMAN MORIARTY: I mean, this was a 75 to 100 percent increase. Do you know of any businesses that could increase their product by 75 to 100 percent and stay in business?

MR. SCHUBER: Well, I knew— As I said before when I testified on this, I took this decision very, very seriously with regard to the fact of -- the facilities that we govern and their upkeep. And the safety of the people who use it is -- from injury caused by a breakdown, or a facility itself from failure to repair it -- is something that haunts me. So I mean, I took it seriously with regard to that and that’s how I viewed the issue itself.

ASSEMBLYMAN MORIARTY: Do you know what the annual revenue of the Port Authority, or the daily revenue is of the Port Authority?

MR. SCHUBER: I have those figures; I don’t have them off the top of my head. I could certainly provide them.
ASSEMBLYMAN MORIARTY: Seems like they must take in a lot of money each day.

MR. SCHUBER: Well, the-- We would hope they do, for the simple reason that the facilities -- the things that we do are very, very important. And as I said, toll revenue is a good portion of our revenue stream beyond airport facilities, parking, rentals, etc. And it’s almost like the tuition of the Authority, to a certain extent.

ASSEMBLYMAN MORIARTY: And yet the debt is now somewhere around $20 billion?

MR. SCHUBER: Approximately, yes -- about $19-something billion, I believe, when I last looked as far as that goes.

Quite frankly, the reason is obviously for capital planning -- and that’s part of the way that’s done -- and the issue with regard to borrowing for the purpose of meeting our capital needs and other things along those lines.

ASSEMBLYMAN MORIARTY: It seems like a lot of debt with all kinds of revenue coming in, as you outline in your letter here. You know, this time it was 2012, it said that the last five years gross compensation of Port Authority employees had grown almost 20 percent, from $629 million to $749 million; and employees’ health benefits had increased 35 percent. So that was back on January 31, 2012. Has that trend turned around since then?

MR. SCHUBER: I’m sorry, could you read that again? I’m sorry; I lost the train on that.

ASSEMBLYMAN MORIARTY: Gross compensation of the Port Authority has grown in the last five years by approximately 19 percent,
from $629 million to $749 million; and during the same timeframe the costs of benefits for employees increased by approximately 35 percent, from $341 million to more than $458 million. This was in the letter that you signed on January 31, 2012, to Governor Christie and Governor Cuomo. Has it changed since then?

MR. SCHUBER: Well, I think I would say this. As I mentioned before, the census with regard to public employees at the Authority has pretty well stayed the same. We’ve added some police officers to try to get at the issue of overtime. And our budget actually, as far as an increase, has really been within 1 to 1.1 percent each year with regard to its increase. So I think from holding the line -- at least on our spending in that way -- I think we’ve done the best-- We’ve done a pretty good job, I think, in trying to maintain the fiscal integrity of the Authority itself.

ASSEMBLYMAN MORIARTY: Would it be your testimony that you’re not sure what the actual numbers are -- whether it’s gone up or down?

MR. SCHUBER: I don’t know the exact numbers as it relates to what you said there, because that letter, I think, is, what? 2012?

ASSEMBLYMAN MORIARTY: Right, I’m saying that since this letter was written, has that trend -- because it went up almost 20 percent -- has it gone down, stayed the same, continued to go up?

MR. SCHUBER: I’d have to look at-- I’d have to go look at those. I’d have to look at those numbers again to get the right ones for you.

ASSEMBLYMAN MORIARTY: Would you provide that information, subsequent to this hearing, for me?
MR. SCHUBER: Yes, I certainly have no problem with that.

ASSEMBLYMAN MORIARTY: One of the things in this letter is that--

MR. SCHUBER: I would ask that if you would direct that to the Authority, though, for that purpose.

ASSEMBLYMAN MORIARTY: Okay.

MR. SCHUBER: And copy me or send it to me.

ASSEMBLYMAN MORIARTY: I’m just asking-- You wrote the letter; it’s your letter with your signature and three other people. So I’m just asking you if you could update those figures for me.

MR. SCHUBER: I certainly will.

ASSEMBLYMAN MORIARTY: Okay. And it also-- There was a recommendation to require contributions to health care for employees that would save $103.8 million over the course of the next four years if you could implement that. Has that happened?

MR. SCHUBER: Yes, it has.

ASSEMBLYMAN MORIARTY: Have you saved that kind of money?

MR. SCHUBER: I’d have to look.

ASSEMBLYMAN MORIARTY: Okay. Could you provide me with that information as well? Thank you so much.

MR. SCHUBER: You’re welcome.

ASSEMBLYMAN MORIARTY: Getting back to the toll hike-- I have an article here that was in the Star-Ledger, by Steve Strunsky, March 2, 2014. The headline is, “Port Authority officials battle over toll hikes was all for show.” Did you read that article?
MR. SCHUBER: I did not, no. I’m sorry.

ASSEMBLYMAN MORIARTY: Okay. Well, it says basically that -- the reporter says that he interviewed six former employees or officials who occupied key posts -- Port Authority posts. I’m quoting from the article. “The former Port Authority official tells the Star-Ledger it was all bull--,” and you can fill in the rest of it. “From the start the fix was in,” said the former official and five others who occupy key Port Authority posts when the toll hike was rolled out and eventually approved. The whole process, the authority official said, was orchestrated from the outset to make the governors look good even as they reached deeper through the long arm of the Authority into the public’s pockets. The former Port Authority officials -- five who are no longer with the agency and one who is still there -- outlined the strategy and execution of the plan in separate interviews with the Star-Ledger; each asked their names not be used because they feared repercussions from speaking out even after they had left the agency.

“The first proposal disclosed to the public, the former official explained, was deliberately inflated. Also planned was Christie’s and Cuomo’s shocked -- shocked -- reaction, and an unusual one-day series of eight public hearings.

“They knew what the toll increases would be,” said one former official. “They set the governors up to look like heroes. It was all a farce.”

Can you react to that?

MR. SCHUBER: I read the article, and I’m not sure who they interviewed. I would say, from my perspective -- and I can’t speak for any of the other Commissioners, and I was coming on at that particular time -- I
had looked at-- I’d been given the review by the CFO at the time; I inspected facilities personally myself; I understood the importance of their upkeep and the development of the projects that were in keeping-- I felt that the toll increase was a hard decision; I don’t think it was an easy decision. I would have liked to have missed the meeting.

ASSEMBLYMAN MORIARTY: Sure, no, I understand.

MR. SCHUBER: But I believe it was the right thing to do and that’s how I personally felt with regard to it. I have no understanding of what is in that article, and I didn’t play a part with that.

ASSEMBLYMAN MORIARTY: You know nothing about any kind of orchestrated toll hike--

MR. SCHUBER: I do not. I know what I felt -- I don’t even know what I felt, and how I reacted to the situation, and what I was going to do.

ASSEMBLYMAN MORIARTY: Were you aware that there was any kind of campaign-style operation put together to announce the toll hikes, to promote the toll hikes, to create a reason for the toll hikes? Do you know of anything like that?

MR. SCHUBER: No, I do not.

ASSEMBLYMAN MORIARTY: March 2, 2014, Bergen Record reported on the toll increases process and, specifically, the “campaign developed to announce the toll hikes and give the governors an opportunity to lower the final toll increases.” According to the press reports, the “campaign-style operation was run out of an office on the 15th floor of Manhattan headquarters.” Were you aware of that campaign?

MR. SCHUBER: No, I was not; I was not.
ASSEMBLYMAN MORIARTY: According to the article, only about 15 people were allowed into the room where the toll increase plan was being developed. Did you ever enter that room, or do you know anything about that so-called room?

MR. SCHUBER: I have not-- I wouldn’t even know where it is; I don’t know. (laughter)

ASSEMBLYMAN MORIARTY: Did you speak to Bill Baroni about the toll increase plan?

MR. SCHUBER: I don’t recollect. I just don’t remember.

ASSEMBLYMAN MORIARTY: Did you speak to David Wildstein about the toll increase plan?

MR. SCHUBER: No, I did not.

ASSEMBLYMAN MORIARTY: And did you speak to anyone at the Governor’s Office about the toll increase plan?

MR. SCHUBER: No, I spoke to no one in the Governor’s Office about it, no.

ASSEMBLYMAN MORIARTY: Did anyone from the Governor’s Office speak to you or through any intermediaries to tell you that it would be a good idea to vote for that?

MR. SCHUBER: No.

ASSEMBLYMAN MORIARTY: And to be-- See, I have a-- I’m a little confused here, because the Governor was shocked; you’re serving at the pleasure of the Governor; you’re a fiscal conservative. Wouldn’t you have reached out to find out, “Well, you know, am I doing the right thing here agreeing that we should go forward?”
MR. SCHUBER: I didn’t talk to anybody with regard to it, and I voted for it. Every time a matter comes up, I’m not going to call the Governor’s Office to find out whether I should vote for it or not.

ASSEMBLYMAN MORIARTY: Well, this isn’t a minor matter. We’re talking about--

MR. SCHUBER: It’s not a minor matter.

ASSEMBLYMAN MORIARTY: --a toll hike of 75 to 100 percent; that was the original one before it came down. I mean, it’s going to affect lots and lots and lots of people. That’s an expensive toll hike. It’s not a small matter; it’s not like you’re calling up to find out whether they should hire a new engineer or something.

MR. SCHUBER: No, I understand that, and I don’t treat it that way, either. Look, as I indicated already, it was a tough decision to make. I believe that I did the right thing, based on the information that I had been given with regard to it. I do recognize this, though -- two things: one, the process in making that happen has changed and been implemented by the Authority for if it’s necessary any time in the future -- and I hope it isn’t; second, I think that there-- I do think this: I think that there is a limit to what you can charge with regard to people in this economy using those types of public facilities. I am cognizant of that. And, you know, particularly as we go forth we need to make sure they keep that in mind.

ASSEMBLYMAN MORIARTY: But your testimony would be that there’s never been any coordination between what you do as a Commissioner and what the Governor’s Office, the Administration would like you to do.

MR. SCHUBER: No, I didn’t say that.
ASSEMBLYMAN MORIARTY: Okay. I think I’ve asked you several times if you ever talked to the Governor’s Office about anything--

MR. SCHUBER: And the answer to your question each time -- and it still is -- is no, I did not.

ASSEMBLYMAN MORIARTY: Okay, so I thought you just changed your--

MR. SCHUBER: No, I did not. You said-- Maybe you should repeat it yourself, but I thought you said in -- ever, does the Governor’s feelings with regard to issues with regard to things -- do you get feedback with regard to it. That’s what you asked.

ASSEMBLYMAN MORIARTY: Okay. And you do, you’re saying.

MR. SCHUBER: Periodically, yes.

ASSEMBLYMAN MORIARTY: Okay.

MR. SCHUBER: You would want to.

ASSEMBLYMAN MORIARTY: That’s why I find it strange that there was no interaction on this toll increase. So on what types of issues have you had interaction or coordinated efforts?

MR. SCHUBER: Usually it’s an issue that impacts a project in the State of New Jersey of major importance -- like the Bayonne Bridge, for example, or the Goethals Bridge.

ASSEMBLYMAN MORIARTY: And would that communication come from the Governor himself? Would he pick up the phone and talk to you?

MR. SCHUBER: No, no it does not.
ASSEMBLYMAN MORIARTY: Who would be the person who would contact you?

MR. SCHUBER: Usually it would come through the Deputy Executive Director.

ASSEMBLYMAN MORIARTY: Of the Port Authority?
MR. SCHUBER: Yes.

ASSEMBLYMAN MORIARTY: So you wouldn’t speak to the Administration in Trenton?

MR. SCHUBER: No.

ASSEMBLYMAN MORIARTY: Okay. You would be informed from the Deputy Executive Director what he had heard through talking directly with the Administration, or you don’t know?

MR. SCHUBER: I don’t know how that works; I really don’t.

ASSEMBLYMAN MORIARTY: Okay.

By the way, do you know what David Wildstein’s job was-- do you know?

MR. SCHUBER: As far as I know, he was the Deputy to Bill Baroni.

ASSEMBLYMAN MORIARTY: Do you know what he did?
MR. SCHUBER: Well, policy issues-- You know, with regard to -- as any of the staffers do, monitoring the committees and things along those lines.

ASSEMBLYMAN MORIARTY: Do you have any staffers?
MR. SCHUBER: No, we don’t.

ASSEMBLYMAN MORIARTY: Okay. Do you have an office?
MR. SCHUBER: No, we don’t.
ASSEMBLYMAN MORIARTY: Okay, you just show up for the meetings?

MR. SCHUBER: Yes, we don’t even have an office in the building, either.

ASSEMBLYMAN MORIARTY: Okay. So they give you a packet of information when a Board meeting is coming up and brief you?

MR. SCHUBER: Yes.

ASSEMBLYMAN MORIARTY: Who briefs you?

MR. SCHUBER: The Deputy Executive Director.

ASSEMBLYMAN MORIARTY: Is that by phone, or do you caucus?

MR. SCHUBER: We caucus periodically; sometimes it’s done by phone, sometimes we caucus.

ASSEMBLYMAN MORIARTY: You know, back when Bill Baroni was saying that this was a traffic study, what did you think of his claim that it was a traffic study?

MR. SCHUBER: Look, I have great respect for Bill Baroni, you know, as far as his work was. I had no reason to question him with regard to that. I mean, he was always a valuable staffer, I thought.

ASSEMBLYMAN MORIARTY: Did you do anything to try and investigate whether the Bridge lane closures was proper?

MR. SCHUBER: No.

ASSEMBLYMAN MORIARTY: Did you ask anyone at the -- since you’re a Commissioner, you’re one of 12 -- did you ask anyone to look into these allegations?
MR. SCHUBER: I did not, and I’ve indicated my reasons for that.

ASSEMBLYMAN MORIARTY: But, I mean, you’re a lawyer, right? I mean, you’re a lawyer -- is that correct?

MR. SCHUBER: Yes.

ASSEMBLYMAN MORIARTY: Okay. Don’t you get a little nervous when people claim that laws might have been broken and you’re one of the Commissioners?

(attorney/client confer)

MR. SCHUBER: I think, quite frankly, as a part-time official, you rely on your staff to do the right thing -- and that’s personally how I felt about it.

ASSEMBLYMAN MORIARTY: I want to switch gears to the Pulaski Skyway again--

MR. SCHUBER: Sure.

ASSEMBLYMAN MORIARTY: --that the Assemblywoman previously talked about.

Are you aware of any investigation or inquiries by any government agency -- SEC, Manhattan DA, anyone -- looking into the propriety of moving the money from the Port Authority to New Jersey to fund the Pulaski Skyway?

Mr. ALFANO: Other than what he might have read in a newspaper?

ASSEMBLYMAN MORIARTY: Yes.

Mr. ALFANO: Okay.
MR. SCHUBER: No. I’m only familiar with what I saw in the paper.

ASSEMBLYMAN MORIARTY: Okay. So what would be the--
As a Commissioner, when are you notified of, let’s say, a lawsuit or any legal inquiries, what would be the normal course of notification?

MR. SCHUBER: Counsel -- normally counsel would send you - - would send out a blast e-mail or a memo to the Commissioners with regard to that.

ASSEMBLYMAN MORIARTY: Is that only when there’s an actual lawsuit filed?

MR. SCHUBER: We-- On lawsuits, we get a periodic update on the lawsuits that have been filed. And every lawsuit that’s filed, quite frankly, we don’t necessarily get individually, but rather in the course of the periodic reports -- unless it was like the one that Assemblywoman Handlin asked me about, which was Jersey City’s, because it was a huge amount. We were notified of that. So no, we haven’t. And I actually-- I mean, I was not familiar with the Pulaski Skyway issue because I wasn’t here at the time, and I-- I mean, the only extent I have any information on it is because I read an article in the newspaper about it.

ASSEMBLYMAN MORIARTY: When you read that article, and it’s about an agency that you are on the Board, did you call anyone to say, “Hey, we got a problem here”?

MR. SCHUBER: No, I did not.

ASSEMBLYMAN MORIARTY: Why?

MR. SCHUBER: Well, first of all--

ASSEMBLYMAN MORIARTY: Why?
MR. SCHUBER: I wasn’t here at the time that it was done, and I’m not going to just run to do something based on just one newspaper article that I happened to read.

ASSEMBLYMAN MORIARTY: Oh, I didn’t ask you to run to do anything except to ask.

MR. SCHUBER: And the answer to your question is I did not.

ASSEMBLYMAN MORIARTY: Okay. So you don’t— You have not reviewed the issue, you don’t know— It’s your testimony that you’re not even sure whether the Pulaski Skyway is an access road to the Lincoln Tunnel -- although a look at a map and a drive would tell you it isn’t.

MR. SCHUBER: Well, I understand that, from your perspective. But, no, I do not.

ASSEMBLYMAN MORIARTY: Thank you for your testimony.

MR. SCHUBER: You’re welcome.

SENATOR WEINBERG: Thank you.

I don’t know how long your questioning is; it’s 1:35. Assemblyman Carroll, do you--

ASSEMBLYMAN CARROLL: Five, ten minutes.

SENATOR WEINBERG: I’m sorry?

ASSEMBLYMAN CARROLL: Five to ten minutes, Madam Chair,

SENATOR WEINBERG: Go ahead.

ASSEMBLYMAN CARROLL: Good, thank you very much, Madam Chair; I appreciate it.
Commissioner, thank you for coming today.

Just a couple of questions -- follow-ups on some of the other things.

If I read what you were saying -- or read between the lines of what you were saying, had you been around in the 1970s you might not have voted for the World Trade Center. And I’m not going to ask you to opine on that; I’m going to just simply say it appears to have been a consistent money loser. And according to what I read in Bloomberg not more than three days ago, it appears that it may still be a money loser. I understand that rents have been cut by 10 percent in some areas there. What is being done to staunch the bleeding?

MR. SCHUBER: That’s a good question, Assemblyman; thank you.

We could speculate for years on what should have gone on there way back in the 1970s; however, right now what we’re trying to--And we have a professional organization that’s seeking tenants with regard to it. We have a state-of-the-art facility -- I think it’s near the top -- with regard to observation. We’re doing everything to make it safe, secure, and desirable for tenants to be a part of. We’re starting to see a little bit of loosening with regard to that. Yes, they did reduce the rent a bit to attract more tenants with regard to it. And, quite frankly, it’s one of the reasons I’m not supportive of the Silverstein application at this time -- only because it looks like it runs in competition with us there on that, and I don’t see the purpose for that.

ASSEMBLYMAN CARROLL: Well, what about the possibility of privatizing it?
MR. SCHUBER: Well, in many ways it’s partially privatized now, quite frankly. I mean, there’s going to be—There’s an underground mall with regard to it, through Westfield. As it relates to that, I’d have to take a look at the issue of what the impact of that would be to the Authority with regard to privatization.

ASSEMBLYMAN CARROLL: Okay. Now, I think Assemblywoman Caride came up with -- was talking about the grant to the Rockefeller Group. But it wasn’t to the Rockefeller Group; it was actually to the City of Hoboken to do a -- what amounts to a master plan study. What possible rationale exists for the Port Authority to be handing out money to local municipalities to do zoning studies?

MR. SCHUBER: Quite frankly, I am not familiar with this issue, and I don’t know the answer to your question.

ASSEMBLYMAN CARROLL: Okay. If I may interrupt--

MR. SCHUBER: Sure.

ASSEMBLYMAN CARROLL: You started out by talking about the Port Authority’s mission. And if the mission is economic development, that’s like the commerce clause -- everything qualified.

MR. SCHUBER: Right.

ASSEMBLYMAN CARROLL: You become, basically, a super entity without limitation on what you can and can’t, in fact, do.

You also pointed out that Kennedy Airport is regarded around the world as something of an eyesore and a disaster. Would it not be more appropriate for the Port Authority to channel its resources into making sure that’s not the case, than giving out goodies to local municipalities? And if that’s a leading question, I apologize, because it’s meant to be.
MR. SCHUBER: I understand it is.

I don’t know how to answer the question. Obviously, I think, obviously, we need to do everything we can to enhance the usability of -- enhance the desirability of the usability of JFK.

ASSEMBLYMAN CARROLL: Or all the facilities.

MR. SCHUBER: And all of our facilities. And part of the problem with JFK is not the facilities themselves, but the access to the facilities--

ASSEMBLYMAN CARROLL: Right.

MR. SCHUBER: --and the terrible traffic in the area, quite frankly. It’s not necessarily the facilities themselves. I didn’t necessarily mean to let that on.

Look, I think -- what I think we need to do is continue more towards our core mission, going forward now with the Trade Tower and the facilities almost now completed. The Museum is open; the memorial site is now open to the public on a regular basis; the transportation hub is coming on. I think it’s important for us now to move ahead into the things that are more closely related to our core mission. For me, one of those things would be the Port Authority Bus Terminal at 42nd Street--

ASSEMBLYMAN CARROLL: Okay.

MR. SCHUBER: --and things along those lines that are more towards the things that we have traditionally done.

ASSEMBLYMAN CARROLL: Well, if I may, I read through most of that *Empire on the Hudson*, which is interesting history; I’m sure you’ve read it.
MR. SCHUBER: Right, yes.

ASSEMBLYMAN CARROLL: It seems to me, back in the day there were the Robert Moseses of this world, etc., and these people had a vision of what they wanted to see. With the massive turnover of the leadership of the Port Authority, is there any one or any group that has a vision as to what you want the Port Authority to look like 5, 10, 15, 20 years down the line, and how are you going to pay for it?

MR. SCHUBER: Well, that’s a good question. And I think that one of the things that occurred to me when we had our oversight meeting, where we brought in Professor Doig -- who wrote the book -- as well as others, and talked about that issue -- about the vision for the future-- I thought that when the reform issue is resolved and moved forward, that we need to do more of that for ourselves intellectually -- to clarify the vision of the future for the Port Authority of New York and New Jersey.

That requires, I think, several things that we don’t do now. For example, I’ve advocated that the Commissioners need to go on retreat -- beyond political retreat -- but retreat with regard to the issue of just getting an understanding of what we do and what we need to do for the future, which we don’t do. Because we come in together for a committee meeting, or we come in once a month or whatever the case may be on that; we just don’t collectively come together for that purpose. So that would be another aspect of that.

ASSEMBLYMAN CARROLL: Maybe instead of retreating you should surrender. (laughter) Because, I mean, we’re looking at this-- If I may, again I’m looking at the Bloomberg story, and apparently you’re running a $1.2 billion operating loss on various and sundry entities that the
Port Authority makes up, while you’re only spending $287 million in the capital projects. And that strikes me as being backwards. I mean, you have a big problem there. What’s being done to make sure that that operating expense ceases to exist -- or actually loss?

MR. SCHUBER: Well, I think that the finance committee, as reconstituted, that’s chaired by a former colleague, Assemblyman Bagger -- now Commissioner Bagger -- he’s really gotten a handle--

ASSEMBLYMAN CARROLL: He’s got lots of titles, actually.

MR. SCHUBER: I’m sorry?

ASSEMBLYMAN CARROLL: He’s got lots of titles.

MR. SCHUBER: Yes. And we’re getting a real good fiscal handle with regard to the Authority and keeping -- riding rein on its expenses, as well as allocating the capital plan appropriately to the areas that we need to do and on a regular basis; and also dealing with the issue of its insurance and its insurance costs. And we made, I think, significant progress with regard to that. It’s an issue for us that is very much in our minds, and continues to occupy a tremendous amount of our time with regard to that committee.

ASSEMBLYMAN CARROLL: Coming back to something that Assemblyman Moriarty was talking about a minute ago -- the labor costs and such. And again, in that same Bloomberg article they reported the massive overtime costs. Now, that’s been a long-standing problem.

MR. SCHUBER: Yes, it is.

ASSEMBLYMAN CARROLL: I mean, I remember when I first got involved -- cops making $284,000 a year because of overtime. And I read that one particular employee -- and I gather he’s a police officer --
made $331,000 last year because of overtime. That’s a lot of *verschnagels*. And what is being done? I mean, I know you hired more police officers, and I know your security costs have more than tripled. And for some-- There’s certainly an aspect which is warranted, given circumstances. But what’s being done to make sure that those, what I would call, *labor abuses* are stopped?

MR. SCHUBER: We actually are starting to see some good news with regard to overtime. Some of the areas now we’re looking at -- overtime seems to be stabilizing.

The law enforcement issues -- given the nature of the things that are going on with the Port -- are a challenge with regard to that. We’re hoping that the new police class will help us to address that. Our security officer, and basically the head of our Public Safety entity, Joseph Dunne, understands that that’s a number one priority beyond the safety of the public and our facilities. And we’re starting to see a little bit of a leveling of that. This last year has been tough -- I mean, the last two years have been tough, between Sandy, and the Super Bowl, and other issues that required -- and the bad winter. The overtime with regard to our employees on that is just a figure that is related to those activities that, hopefully, we don’t -- well, that depends how you feel about the Super Bowl -- we don’t see again.

ASSEMBLYMAN CARROLL: I’m a Rangers fan; I don’t care. (laughter)

MR. SCHUBER: Well, good luck. I hope that works out.

ASSEMBLYMAN CARROLL: I want to thank you very much for this opportunity. Again, it’s been a long day; I’d like to go further on this stuff, but I’m going to stop for the time being because of time.
SENATOR WEINBERG: Thank you, Assemblyman Carroll.
Assemblywoman Schepisi, if you-- And then we can close up.

ASSEMBLYWOMAN SCHEPISI: Recognizing that it’s been a long day, I’m going to limit it to a couple of questions, okay?

First one is just a clarification, because I know earlier there were quite a few references to Senator Weinberg’s letter of September 19. If you have it in front of you, would you just take a quick look at it to refresh your recollection?

Is there any reference within that letter to public safety issues?

Do you have it in front of you?

MR. SCHUBER: I do.

I mean, the word is not used, no.

ASSEMBLYWOMAN SCHEPISI: Okay. I just want to clarify, because that was utilized quite a bit; not by you, but earlier in questioning. And with respect to the letter I did not see that in there.

Notwithstanding that, once you had heard that this letter existed, you and Senator Weinberg had communication on or about September 25, correct?

MR. SCHUBER: Approximately, yes.

ASSEMBLYWOMAN SCHEPISI: Bringing you to your phone log -- which, I believe, is Tab 5.

MR. SCHUBER: Right.

ASSEMBLYWOMAN SCHEPISI: According to the phone log, you had a conversation with Senator Weinberg at approximately 11:13 a.m. on September 25, correct?
MR. SCHUBER: Right.

ASSEMBLYWOMAN SCHEPISI: And that conversation lasted about 6 minutes.

MR. SCHUBER: Right.

ASSEMBLYWOMAN SCHEPISI: And on the same date, at 11:20 -- approximately a minute after you got off the phone with Senator Weinberg -- you reached out to Mayor Sokolich, correct?

MR. SCHUBER: That’s correct, yes.

ASSEMBLYWOMAN SCHEPISI: And according to that log, it was about 2 minutes with -- on the same date -- at 12:09 you received a phone call back from Mayor Sokolich that lasted about 22 minutes. Is that correct?

MR. SCHUBER: That’s correct.

ASSEMBLYWOMAN SCHEPISI: During that 22-minute call with Mayor Sokolich, to the best of your recollection what was discussed?

MR. SCHUBER: To the best of my recollection, the first things we talked about were an IckLE course that was coming up; the second thing, I told him that I was calling at the request of Senator Weinberg, who had asked me to call him about the traffic issues that had occurred up at the Bridge. He had indicated to me that he was concerned with regard to that. I had asked him if he had talked to anybody at the Port. He said that he was trying to get a meeting with regard to that with Mr. Baroni, and that the meeting -- it was scheduled some time in the distance. And I asked him if I could expedite that meeting for him, and he said no, no, he didn’t want to. He wanted-- I think he indicated that he wanted to continue to maintain good relations with the Port. I said, “Do
“you have my cell phone number?” and I gave him my cell phone number for any future reference; and said that I was concerned -- that my concern was that I wanted to make sure that he personally -- and his official staff, like the police, etc. -- would get notification of any other type of actions at the Bridge itself.

ASSEMBLYWOMAN SCHEPISI: During this conversation, do you recall the Mayor ever expressing concern that he believed that what had occurred with the traffic and the Bridge was political retaliation against him by the Governor?

MR. SCHUBER: I don’t remember him saying those words; but he did say that there was a lot of press interest with regard to that issue.

ASSEMBLYWOMAN SCHEPISI: Did you have any subsequent conversations with the Mayor after the September--

MR. SCHUBER: I did not, no.

ASSEMBLYWOMAN SCHEPISI: Okay. With respect to the letter itself, it was also CC’d to a couple of other people, including Assemblyman Gordon Johnson, Assemblywoman Huttle. Did anybody else reach out to you on this issue after the letter was sent?

MR. SCHUBER: I’ll be honest with you, I just don’t remember.

ASSEMBLYWOMAN SCHEPISI: Last question or two.
We have discussed over the past several months potential reforms to the Port Authority.

MR. SCHUBER: Sure

ASSEMBLYWOMAN SCHEPISI: You, yourself, today have testified on certain things that you’d like to see, including preventing
political donations from Commissioners, having potentially a signoff by both governors or the legislative bodies for Director-level type employees with nationwide searches. Based upon your position as a Commissioner, based upon what you’ve seen occur thus far, do you see any reason for us not to start moving forward on reforms?

MR. SCHUBER: Having been a legislator, I’m reluctant to intervene and say, “You should move forward right now with this.” It’s not my purpose.

But I would just say, yes, I think it’s time now to move reforms forward; I do believe that. And the time is right; it’s apropos, given the situation and the fact that there are-- It appears to be, at least collegially -- or collaboratively, New York legislators in similar committees on the other side of the river are doing the same thing; which is unique, in my opinion, in dealing with the Port Authority. And I think you should take advantage of that and go forward, I do.

ASSEMBLYWOMAN SCHEPISI: Last question. You were talking about some of the recusal provisions that have been put in place.

MR. SCHUBER: Right.

ASSEMBLYWOMAN SCHEPISI: If you had a Commissioner who was a partner at a law firm which was doing a real estate transaction involving the Port Authority, they would have to recuse themselves, correct?

MR. SCHUBER: Correct.

ASSEMBLYWOMAN SCHEPISI: If you had a partner who was a Commissioner who was involved in an active litigation against the Port Authority, you would recuse yourself, correct?

MR. SCHUBER: Right.
ASSEMBLYWOMAN SCHEPISI: Okay. And these are all standard operating procedures that are now in place at the Port Authority?

MR. SCHUBER: Those would be-- In my mind, they would be conflicts of interest, yes.

ASSEMBLYWOMAN SCHEPISI: Okay. No further questions.

Thank you.

MR. SCHUBER: You’re welcome. Thank you.

SENATOR WEINBERG: Thank you. And just before I close, I have two questions.

As the former Bergen County Executive, I know you know Bergen County quite well. Did you listen to Bill Baroni’s testimony before the Assembly Transportation Committee?

MR. SCHUBER: Unfortunately, I did not; I’m sorry.

SENATOR WEINBERG: Did you read about it?

MR. SCHUBER: I read about it.

SENATOR WEINBERG: Okay. Are you aware that Bill Baroni testified to the fact that this so-called traffic study was done because there are these private, dedicated lanes from Fort Lee, for Fort Lee residents?

MR. SCHUBER: I was not, no; I’m sorry.

SENATOR WEINBERG: You weren’t aware that Bill Baroni testified to that--

MR. SCHUBER: I was not.
SENATOR WEINBERG: --where there were subsequent op-ed pieces and speeches made about that? Or that the Governor’s Office -- the Governor himself commented on it?

MR. SCHUBER: I’m not; I’m sorry.

SENATOR WEINBERG: Okay; my last question, then.

Do you recall when you were nominated -- and I think three or four hours ago I talked about my feelings about when you were nominated, and that I was planning to vote for you. Do you recall any of those conversations?

MR. SCHUBER: I do.

SENATOR WEINBERG: And what do you recall about that?

MR. SCHUBER: I’m sorry, I didn’t hear what you said.

SENATOR WEINBERG: You do not recall any--

MR. SCHUBER: No, I do.

SENATOR WEINBERG: Okay, then what do you recall?

MR. SCHUBER: I recall what you just said.

SENATOR WEINBERG: Okay. And do you recall that when you appeared before the Judiciary Committee, I again, in the spirit of bipartisanship and because of my respect for you -- that I again reiterated that I was delighted to vote for you because I knew how well you knew Bergen County and how the Port Authority impacts Bergen County -- for all the obvious reasons. Do you recall that?

MR. SCHUBER: Yes, I do.

SENATOR WEINBERG: Okay. And do you recall, although our recollections of that phone conversation seem to be slightly different -- but that is what it is -- do you recall that on at least three public occasions,
and then once or twice when I bumped into you along the road, that I referred to that conversation, and said that you had said to me you were going to check into this and get back to me? Did you ever correct that impression, either publicly or privately, to me?

MR. SCHUBER: I don’t remember. I actually don’t remember that last part, but I did not, no.

SENATOR WEINBERG: You don’t remember my speaking before the Port Authority--

MR. SCHUBER: Oh, I do; I do remember that.

SENATOR WEINBERG: --and my referring specifically to our phone conversation?

MR. SCHUBER: I don’t remember that.

SENATOR WEINBERG: Publicly.

MR. SCHUBER: No.

SENATOR WEINBERG: You don’t recall that?

MR. SCHUBER: I do not.

SENATOR WEINBERG: And you don’t recall when we met each other along the road?

MR. SCHUBER: I remember meeting you at the debate.

SENATOR WEINBERG: And that I, again, approached you about that phone conversation. You don’t recall that?

MR. SCHUBER: I don’t recall you saying that; no, I do not.

SENATOR WEINBERG: Okay, I appreciate that.

We have no further questions; we need to move to release the documents.

Oh, I’m sorry -- I didn’t see the first sentence.
Assemblyman Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Just one brief follow-up.

I think in questioning -- responding to questioning -- it might have been by Assemblyman Moriarty, but clearly I know Senator Gill asked questions about the September 13 Pat Foye e-mail.

MR. SCHUBER: Right.

ASSEMBLYMAN WISNIEWSKI: Do you recall that inquiry?

MR. SCHUBER: I do.

ASSEMBLYMAN WISNIEWSKI: Your testimony was that you did not receive a copy of this e-mail.

MR. SCHUBER: No, I didn’t say I didn’t receive it; I didn’t remember whether I had read it or not at that point.

ASSEMBLYMAN WISNIEWSKI: Okay. When did you read it?

MR. SCHUBER: Subsequent to that. And I don’t remember when, I’ll be honest with you.

ASSEMBLYMAN WISNIEWSKI: Okay. When did you first become aware that Pat Foye had raised his concerns in the form of an e-mail?

MR. SCHUBER: I don’t remember.

ASSEMBLYMAN WISNIEWSKI: Not at all?

MR. SCHUBER: I do not; no I do not.

ASSEMBLYMAN WISNIEWSKI: When did you first become aware that there was a question about lanes being closed on the George Washington Bridge?
MR. SCHUBER: When I read a newspaper article -- around the 19th or 20th of September.

ASSEMBLYMAN WISNIEWSKI: Of September?

MR. SCHUBER: Yes.

ASSEMBLYMAN WISNIEWSKI: When was the next Port Authority Commissioner meeting after that?

MR. SCHUBER: I’d have to look; I don’t know.

ASSEMBLYMAN WISNIEWSKI: Do they meet monthly?

MR. SCHUBER: I don’t know if there was one in September, or the next one would have been in October. I don’t remember.

ASSEMBLYMAN WISNIEWSKI: I know I attended one in November.

MR. SCHUBER: Yes. No, I realize you were in November, but the next one might have been October; I just don’t remember.

ASSEMBLYMAN WISNIEWSKI: Would it be fair to say that by the November meeting you were aware of the Pat Foye e-mail?

MR. SCHUBER: I don’t want to speculate; I would assume so.

ASSEMBLYMAN WISNIEWSKI: Okay. When you became aware of the Pat Foye e-mail -- which raised, among other things, an allegation by Pat Foye that laws may have been broken -- did you then contact Mr. Bookbinder, the Authority’s counsel, and ask him, “What should I do with this?”

Mr. ALFANO: Excuse us, please.

(attorney/client confer)

MR. SCHUBER: I think that-- First of all, with regard to any conversation with Mr. Bookbinder, I think those might privileged.
ASSEMBLYMAN WISNIEWSKI: I’m not asking to describe the conversation--

MR. SCHUBER: I did not; no, I did not.

ASSEMBLYMAN WISNIEWSKI: --I’m asking you, did you, at some point in time, contact Mr. Bookbinder and say, “What should we do about this?”

Mr. ALFANO: But you characterized the conversation, Assemblyman.

ASSEMBLYMAN WISNIEWSKI: Did you ask Mr. Bookbinder a question about what you had been made aware of?

MR. SCHUBER: I did not.

ASSEMBLYMAN WISNIEWSKI: At no time?

MR. SCHUBER: No.

ASSEMBLYMAN WISNIEWSKI: Okay. At any point in time did you raise it to your fellow Commissioners?

MR. SCHUBER: I did not, no.

ASSEMBLYMAN WISNIEWSKI: After the revelations of January of 2014, did you raise this issue with Mr. Bookbinder?

MR. SCHUBER: I did not, and shortly thereafter it went to the Inspector General.

ASSEMBLYMAN WISNIEWSKI: At any time after those revelations of January of 2014, did you raise it to your fellow Commissioners?

MR. SCHUBER: No.
ASSEMBLYMAN WISNIEWSKI: Okay. My concluding question is, do you believe, in your failure to raise these issues, that you fulfilled your fiduciary responsibility to the Port Authority?

MR. SCHUBER: I believe that-- The answer to your question is yes, I do. I believe that I have served the Commission -- or the Port Authority Commission professionally and ably with regard to it. Could I do better? Sure, I could -- anybody could, with regard to it. And hindsight is 20/20. But as far as fulfilling my fiduciary duty to the -- as a Commissioner, I believe I have.

ASSEMBLYMAN WISNIEWSKI: You never once raised this issue with either Mr. Bookbinder or your fellow Commissioners?

MR. SCHUBER: I did not.

ASSEMBLYMAN WISNIEWSKI: Thank you.

SENATOR WEINBERG: Thank you.

One final comment or question each.

Assemblywoman Huttle? No?

Senator Gill.

SENATOR GILL: Just one question.

Did you or any Commissioner at any point ask why were there lane closures on September 11?

MR. SCHUBER: I can’t answer-- I can’t speak for anybody else.

SENATOR GILL: Okay, so I’m asking--

MR. SCHUBER: I did not.

SENATOR GILL: And the reason I’m asking you this is because, even if you assumed it was a valid traffic study -- even if we assume
that for the purpose of argument -- it seems to me a logical question would be: Why would you close the lanes on September 11, which is the height of national security, in issues of national security and terrorism in our country? Why would the Port have lane closures on September 11?

( attorney/client confer)

MR. SCHUBER: I can’t answer your question with regard to that particular issue as it relates to September 11. I can’t; I don’t know the answer to it. But again, from my perspective as a Commissioner, my perspective with regard to the staff of the Authority and how it ran -- you depend upon it, and I thought they ran it professionally with regard to it, and I took that as part of my feeling about how the Authority runs.

SENATOR GILL: Okay, thank you.

MR. SCHUBER: You’re welcome.

SENATOR WEINBERG: Thank you.

We need to-- First of all, thank you, Commissioner Schuber.

MR. SCHUBER: You’re welcome.

SENATOR WEINBERG: You were quite correct; you are the first Port Authority Commissioner who we have had the opportunity to question about a number of issues, and I think you gave us an insight -- pretty clear insight, perhaps, into the Port Authority.

And we appreciate your being here; we appreciate your attorney being here.

We need to just do two follow-up resolutions. We need to move to release the documents.

ASSEMBLYWOMAN VAINIERI HUTTLE: Madam Co-Chair, I’ll make a motion that all the documents submitted today, June 3,
2014, by the Port Authority of New York and New Jersey, on behalf of William “Pat” Schuber, to New Jersey Legislative Select Committee on Investigation, and any other exhibits on which William “Pat” Schuber was questioned here today, be made part of the official public record and attached to the official transcript of today’s meeting.

I make that motion.

SENATOR WEINBERG: Second?

ASSEMBLYWOMAN CARIDE: I’ll second.

SENATOR WEINBERG: Second.

Roll call.

ASSEMBLYMAN WISNIEWSKI: Wait a minute.

SENATOR WEINBERG: Question from Assemblywoman Handlin.

ASSEMBLYWOMAN HANDLIN: Yes, I just wanted to make sure that would include the exhibit to the lawsuit that I shared with everyone.

SENATOR WEINBERG: That was distributed, yes.

ASSEMBLYWOMAN HANDLIN: Okay, good. So that will be part of the information released?

SENATOR WEINBERG: Do you have a comment you wanted to make?

ASSEMBLYMAN WISNIEWSKI: I do have a comment.

I think that what we were talking about, Assemblywoman, was the documents that were submitted in response to the subpoena, as well as the documents that were used today. Is that correct?

SENATOR WEINBERG: Right.
ASSEMBLYWOMAN HANDLIN: That is correct. I amend the motion.

SENATOR WEINBERG: May I have a roll call, please.

MR. MOLIMOCK: On the motion that all documents submitted by the Port Authority of New York and New Jersey, on behalf of William “Pat” Schuber, to the New Jersey Legislative Select Committee on Investigation, and any other exhibits on which William “Pat” Schuber was questioned here today, be made part of the official public record and attached to the official transcript of today’s meeting,

Senator O’Toole.

SENATOR O’TOOLE: Yes.

MR. MOLIMOCK: Assemblywoman Schepisi.

ASSEMBLYWOMAN SCHEPISI: Yes.

MR. MOLIMOCK: Assemblywoman Handlin.

ASSEMBLYWOMAN HANDLIN: Yes.

MR. MOLIMOCK: Assemblywoman Vainieri Huttle.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes.

MR. MOLIMOCK: Assemblyman Moriarty.

ASSEMBLYMAN MORIARTY: Yes.

MR. MOLIMOCK: Senator Gill.

SENATOR GILL: Yes.

MR. MOLIMOCK: Assemblywoman Caride.

ASSEMBLYWOMAN CARIDE: Yes.

MR. MOLIMOCK: Co-Chair Wisniewski.

ASSEMBLYMAN WISNIEWSKI: Yes.
MR. MOLIMOCK: Co-Chair Weinberg.

SENATOR WEINBERG: Yes.

SENATOR WEINBERG: And now we need to move to go into executive session and lunch.

ASSEMBLYMAN WISNIEWSKI: And we will not return.

SENATOR WEINBERG: Can I have a motion?

ASSEMBLYWOMAN VAINIERI HUTTLE: So moved.

ASSEMBLYWOMAN CARIDE: Second.

SENATOR WEINBERG: Roll call.

MR. MOLIMOCK: On the motion that the Committee convene in closed session to receive the advice of special counsel, Assemblywoman Schepisi.

ASSEMBLYWOMAN SCHEPISI: Yes.

Mr. MOLIMOCK: Senator O’Toole.

SENATOR O’TOOLE: Yes.

MR. MOLIMOCK: Assemblywoman Handlin.

ASSEMBLYWOMAN HANDLIN: Yes.

MR. MOLIMOCK: Assemblywoman Vainieri Huttle.

ASSEMBLYWOMAN VAINIERI HUTTLE: Yes.

MR. MOLIMOCK: Assemblyman Moriarty.

ASSEMBLYMAN MORIArTY: Yes.

MR. MOLIMOCK: Senator Gill.

SENATOR GILL: Yes.

MR. MOLIMOCK: Assemblywoman Caride.

ASSEMBLYWOMAN CARIDE: Yes.

MR. MOLIMOCK: Co-Chair Wisniewski.
ASSEMBLYMAN WISNIEWSKI: Yes.
MR. MOLIMOCK: Co-Chair Weinberg.
SENATOR WEINBERG: Yes.
Thank you very much.

(MEETING CONCLUDED)