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Governor Chris Christie Approves Retention of Law Firm to Protect Taxpayers from Unreasonable FTA Demands

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Trenton, NJ – Furthering his commitment to protect New Jersey taxpayers, Governor Chris Christie today approved New Jersey Transit's retention of a law firm to challenge the Federal Transit Administration's attempt to bill the state \$271 million in connection with the Governor's cancellation of the ARC Tunnel project with its billions in potential cost overruns.

In cancelling the tunnel project, Governor Christie sought to protect taxpayers from an open-ended bill for a project whose final costs were unknown and unpredictable and which left New Jersey responsible for all cost overruns. Now, Governor Christie will extend his pledge to protect taxpayers by challenging the federal government in its demand for more money from New Jersey.

"It's not surprising that the same federal transit agency that had no clear way to pay for cost overruns of a project already hurt by poor planning and inequitable cost sharing is relying on bureaucratic power plays to wring even more money from New Jerseyans," Governor Christie said. "New Jersey and its taxpayers should not be responsible for these costs, which is why our Administration is making every effort to fight the FTA's unreasonable demands. I simply cannot allow our state to be taken advantage of any further over this highly flawed project."

The Governor also said he was gratified to see bi-partisan support emerging from New Jersey's Congressional delegation in support of the move to challenge the FTA and protect New Jersey taxpayers.

The Governor has authorized New Jersey Transit to retain the Washington, D.C. law firm of Patton Boggs, LLP. NJ Transit will consider ratifying the contract at its regular board meeting on December 9.

The Christie Administration believes the FTA is arbitrarily and inconsistently applying federal regulations in seeking payment of the \$271 million. Areas that the Administration believes are grounds for challenging the FTA:

- The FTA's inconsistent application of this unreasonable demand. The FTA has not demanded repayment for other transit projects that were halted. In fact, in Rochester, New York, the Rochester Genesee Regional Transportation Authority (RGRTA) was managing a major transit construction project that was stopped at the last minute and the FTA did not demand repayment of tens of millions of dollars spent.
- The FTA is demanding money that New Jersey would have received from a combination of federal programs regardless of the existence of the ARC tunnel project and otherwise designated for other projects benefiting New Jersey citizens.
- The work already completed has ongoing value to other entities and organizations, as well as to future transportation projects in the region.

The selection of Patton Boggs was undertaken by the Department of Law and Public Safety in the Attorney General's Office, which engaged in a rigorous competitive process and evaluated the costs and merits of multiple law firms.

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Press Contact:
Michael Drewniak
Kevin Roberts
609-777-2600

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