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STATE OF NEW JERSEY

INTERIM REPORT

of the

*New Jersey Legislature,*  
AUTONOMOUS AUTHORITIES STUDY COMMISSION,

pursuant to ACR 9 of 1968

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LETTER OF TRANSMITTAL

TO: The Honorable Members of the Senate and the General  
Assembly of the State of New Jersey:

Pursuant to Assembly Concurrent Resolution Number 9 of  
1968, the Autonomous Authorities Study Commission herewith  
submits its interim report.

Respectfully Submitted,

/S/ KENNETH T. WILSON  
Assemblyman Kenneth T. Wilson,  
Chairman

/S/ LEE B. LASKIN  
Assemblyman Lee B. Laskin,  
Secretary

/S/ JOHN A. LYNCH  
Senator John A. Lynch

/S/ MATTHEW J. RINALDO  
Senator Matthew J. Rinaldo

/S/ MILTON A. WALDOR  
Senator Milton A. Waldor

/S/ JOHN J. FEKETY  
Assemblyman John J. Fekety

INTERIM REPORT OF THE AUTONOMOUS AUTHORITIES STUDY COMMISSION

The Legislature of the State of New Jersey created the Autonomous Authorities Study Commission pursuant to Assembly Concurrent Resolution No. 9, introduced on January 22, 1968 by Assemblyman Kenneth T. Wilson and 41 other Assemblymen. A Statement appended to the Concurrent Resolution declared:

"The number of autonomous authorities has been increasing in recent years, in spite of the divergence of views as to advantages of this type of operation.

"It is the purpose of this resolution to create a study commission to inquire into the functions and operations of these authorities with regard to the public welfare.

"The need for such a commission is of particular urgency in view of a tendency to create more authorities to perform various public services, without sufficient information concerning their usefulness."

In pursuance of the Resolution, the Legislature constituted the following legislators as the Commission:

Chairman: Assemblyman Kenneth T. Wilson

Secretary: Assemblyman Lee B. Laskin

Senator John A. Lynch

Senator Matthew J. Rinaldo

Senator Milton A. Waldor

Assemblyman John J. Fekety

Monroe Jay Lustbader, Esq. was appointed Counsel to the Commission and Harry W. Wolkstein & Co., Certified Public Accountants, were appointed as consultants to the Commission.

The Commission has thus far held three public hearings, the first at the State House on May 14, 1968, the second at Camden County Court House on June 19, 1968, and the most recent at the State House on October 30, 1968. The hearings of the Commission have been far-reaching, intensive, and very productive in terms of results attained, even during so short a period of time of its initial existence. It is hoped and anticipated that the continued efforts of the Commission will carry forward the previous work and will be correspondingly fruitful.

Perhaps the best measure of the successful work of the Commission has been the roster of legislation generated by the Commission and by the public interest created incident to its work. Both houses of the state legislature have passed three parallel provisions, Assembly Nos. 245, 250, and 268, which now require

public bidding for most contracts exceeding \$2,500.00 by the New Jersey Highway Authority, New Jersey Turnpike Authority, and New Jersey Expressway Authority, respectively. The hearings of the Commission had brought to light and had emphasized the letting of contracts by such authorities without competitive bidding.

Senate No. 493 (later Chapter 348, Laws of N.J. 1968) amended pre-existing charter and enabling provisions of the New Jersey Highway Authority to limit the Authority's functions to those "directly related to the use of the express highway" and to delete from the recital of permissible functions those ambiguities under which the Authority had claimed it could undertake projects such as the Cultural Center at Telegraph Hill. The Commission hearings had brought out and had underscored the tenuous nature of the basis upon which the Authority had embarked on such activities.

Assembly Bill No. 783 of 1968, which was passed by the General Assembly and was on second reading in the Senate at the end of the 1968 session, would have provided for stringent controls on the activities of the New Jersey Highway Authority. To summarize this bill briefly, no action taken by the Authority on bond indebtedness or on toll charges will henceforth be operative without the written approval of the Governor and either the State Treasurer or the Comptroller of the Treasury. Also, the Governor has the express power to veto any action taken by the Authority

within 10 days after receipt of the minutes in which such action is recorded.

Assembly Bills Nos. 950 and 951, which were referred to the Assembly Committee on Transportation and Public Utilities and not reported, would have provided for an increase from three to five in the number of Commissioners in the New Jersey Turnpike Authority and New Jersey Highway Authority respectively. Further, Assembly No. 951 would have reduced the term of office from nine years to five years. The hearings of the Commission had brought out the desirability of broadening the composition of the respective Authorities, infusing new blood into those bodies, and making them more efficient and responsive by increasing their composition.

This extensive legislation, as indicated, had resulted from hearings conducted by the Commission. The first and third set of hearings involved the New Jersey Highway Authority. The Commission questioned (along with other interested witnesses) Chairman Smith of the Authority and Executive Director Tonti, and later Commissioner Townsend. Many aspects of the functioning of the Authority were scrutinized, including toll charges, the construction and operation of the Cultural Center, bidding procedures, and so on. It is confidently expected that further hearings will continue the process of examination, and will give rise to further creative, significant, and important legislation and recommendations for effective supervision and control of public authorities.

The second hearings involved the Delaware River Port Authority, and went into such matters as toll charges, port development, public use of Authority facilities, public voice in their decisions, and the like.

In the case of both Authorities, much was brought to public attention in the way of actual, potential or possible abuses by the Authorities and ways in which their operations could be made more efficient, more economical, better geared to the general welfare, and more subject to the control and mandate of the electorate.

In the light of the magnitude of the issues and the complexity of the problems involved, however, it should be emphasized that in its maiden year of existence, the Commission could only commence such an undertaking, albeit as successfully and fruitfully as it has. Much was learned which would be of inestimable value and utility in continuing the examination by the Commission. The Commission would in its future work make the Authorities more responsive -- and the Authorities had shown a tendency toward unresponsiveness -- to the Commission's inquiries.

Future activities of the Commission would bring both a wider and deeper scope to its examination. Questions left unresolved in prior hearings would be re-explored; other public Authorities would fall within the scope of the Commission's purview; new

aspects of the functioning of such public authorities would be investigated.

