

**Written Statement from Delaware River Port Authority  
CEO & President of PATCO John T. Hanson  
before the Pennsylvania Senate Transportation Committee  
at 9:00 a.m. Tuesday, June 24, 2014,  
Hearing Room One, North Office Building, Harrisburg**

I would like to thank Chairman Rafferty, Vice Chairman White and the Committee members for inviting me here this morning. I also would like to take this opportunity to thank you for your interest and commitment to help improve the Delaware River Port Authority, and for taking an active role in supporting our ongoing work to be increasingly transparent and accountable and to more successfully perform our role as a critical and beneficial part of the region's transportation infrastructure.

The Delaware River Port Authority is a regional transportation agency that connects millions of people and businesses in Southeastern Pennsylvania and Southern New Jersey. The DRPA owns and operates the PATCO commuter rail line and the Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross toll bridges. The DRPA also owns the RiverLink Ferry.

Our four bridges carry an average of 258,000 vehicles each day. PATCO moves almost 40,000 passengers each workday, or an estimated 10.5 million each year; people who are vital to the success of the region's economy. These figures demonstrate the public's reliance on the Authority's transportation infrastructure and we must look at all aspects of our operations as stewards of important transportation assets and other resources that we hold in trust for the public.

We regard stewardship and public service as the root of our mission and purpose and we must focus on all aspects of caring for, maintaining, operating and protecting these assets. Safety and security is of paramount importance. We are committed to fostering changes that will strengthen the role we play in serving our customers, our employees, the community and the entire region.

The domain of our stewardship includes the transportation assets, financial resources and human resources that serve the public. We also have an obligation to be committed to environmental stewardship.

We need to adopt a holistic and proactive approach to stewardship of the transportation assets and equipment under our custody and control. We need to look critically at how well our organization anticipates and satisfies customer needs. And we need to apply more creativity, energy and efficiency to improving our stewardship of public assets.

Excellence in stewardship begins with building credibility and trust and requires the commitment of every member of our organization to serve with openness, integrity and competence.

One of my goals as CEO is to help everyone, at all levels of our organization, connect and commit to the broader purpose of stewardship and to building credibility and earning the trust of those we serve. We must work together to connect with this purpose and take the steps necessary to achieve our mission and create value for those we serve.

Over the past three years, under the leadership of Governor Corbett and our current Board of Commissioners, we have embarked on a serious and ongoing internal reform effort. Since 2010, as part of our ongoing efforts, we passed a series of reform resolutions to ensure that all aspects of our operation are efficient, ethical and transparent. Among the reforms are:

- **Establishment of an Audit Committee; shortening the period covered by independent management audits from five years to two years**
  - 2010 Comprehensive Management Audit
  - 2012 Yellow Book Performance Audit of DRPA Administrative Functions and Public Safety and Homeland Security Functions
  - 2014 Pending PATCO Performance Audit – Audit Committee Considering Vendor Proposals
  - 2015 Planned Audit of Bridge Operations
  
- **Creation of an Office of the Inspector General**
  - In 2012 and 2013 we spent more than \$755,026 and \$734,400, respectively to support the OIG and this year we are on track to spend nearly \$1 million.
  - Prior to the creation of the OIG we had an Internal Audit Department that performed some of the functions currently under OIG. We spent \$159,350.93 and \$ 125,321.61 respectively in 2010 and 2011.
  - Established an Ethics Hotline available to employees and the public
  
- **Establishment and Support of a Citizen’s Advisory Committee**
  - The DRPA Citizens Advisory Committee began its third full year of operation. Established in a 2010, the CAC works in cooperation with the DRPA but is an independent, advisory body. Vacancies notwithstanding, the CAC comprises 24 members – 12 each from Pennsylvania and New Jersey – who proportionately represent DRPA toll-payers and PATCO passengers.

- **Economic Development funding ban**
  - In 2008 the DRPA Board voted that no proceeds from the bridge toll and PATCO fare increases approved in 2008 would be used for economic development investments. Subsequent Board actions in 2010 and 2011 currently prevent the Authority from making expenditures that are not directly related to its core business of operating, maintaining and improving transportation services and facilities. Together these actions effectively ended the Authority’s involvement in economic development
  - Today, there are a few projects underway that DRPA is still contractually obligated to fund under previously executed contracts. (Remaining balance is approximately \$5.2 million for PA-based projects and \$17.5 million for NJ-based projects) However, beyond those specific projects the Authority is focusing our resources solely on fulfilling our core mission – Transportation. We are steadfast in our commitment to operate transportation services and facilities safely, efficiently, and in a manner that creates value for the public we serve.
  
- **Disclosure of Political Contributions**
  - All Vendors are required to submit a political contribution certification form to our Inspector General in order to be considered for providing goods or services to the Authority.
  
- **Elimination of Caucus Meetings**
- **Prohibiting Commissioners, Officers and employees from referring personnel for employment with DRPA vendors**
- **Prohibition of Nepotism**
- **Requiring that Commissioners, Officers and Employees avoid the appearance of impropriety**
- **Procedures for Sealed Bid Contracts and Contracts for Professional and technical services**
- **Awarding Contracts in open session of the Board**
- **Ethics Filings by Commissioners**
- **Prohibition of Outside employment for Directors and above without Board approval**
- **Eliminating all financial support for charitable and civic organizations and requiring full Board approval for any in-kind support for such organizations**
- **Prohibition of Undue Influence by Commissioners, Officers and employees**
- **Eliminating car allowances**
- **Eliminating EZ Pass and PATCO fare benefits**

The passage and implementation of these reforms illustrate some of the positive changes we have recently instituted at the Authority. However, there are still many opportunities to improve

how we approach the work we do to accomplish our mission.

In order to sustain and increase the value we create we must conduct ourselves effectively and efficiently while preserving equity and fairness.

We must strike a balance and put appropriate bureaucracies in place to preserve equity and fairness but remain nimble and preemptive to get things done effectively and efficiently.

We must achieve the highest level of service performance while adhering to highest ethical standards.

We are genuinely grateful for your interest in the Authority and will continue to work toward meaningful change that will benefit the public we serve.