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# Port Authority Has Hard Time Filling CEO Post

Job candidates' concerns about the position's independence is one of the complicating factors



Alfred Kelly Jr., a former president of American Express, was approached about the Port Authority CEO job but declined to pursue it, according to a person familiar with the matter. PHOTO: MATT SLOCUM/ASSOCIATED PRESS

By **ANDREW TANGEL**

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0 COMMENTS

**Wanted:** A chief executive officer to oversee a transportation agency with **big plans but limited capital** while working with politicians on both sides of the Hudson River who don't always see eye to eye.

The **post of CEO** of the Port Authority of New York and New Jersey, one of the top jobs in public transportation, is proving tough to fill. Among the complications: concerns about the position's independence and worries about regional politics, according to people familiar with the search.

"It's going to be brutal," was how one industry insider characterized the job's political nature in conversations with four potential candidates for the Port Authority's monthslong CEO search, which has taken longer than the agency had planned.

Among those who were approached about the job was **Alfred F. Kelly Jr.**, a former president of **American Express Co.**, according to a person familiar with the matter. Mr. Kelly led the 2014 Super Bowl Host Committee and helped organize Pope Francis' recent visit to New York City.

Mr. Kelly held conversations with multiple people about the position, but declined to pursue the post, in part because of concerns over the role of politics in the Port Authority's governance structure, according to this person.

The agency has a broad portfolio. It owns the World Trade Center site in lower Manhattan. It runs major shipping ports and airports serving the region, and operates bridges, tunnels and the PATH train between both states.

For much of this year, the Port Authority has been looking for a CEO as part of a revamped management structure aimed at insulating the agency from narrow political interests and potential abuse.

It was among the overhauls put in place in the wake of the scandals that erupted after **allies of New Jersey Gov. Chris Christie allegedly closed off lanes leading to the George Washington Bridge in Fort Lee, N.J.**, to exact political payback in September 2013.

The scandal and the politics in both states were seen by Mortimer Downey, chairman of Washington, D.C.'s transit agency and a former federal transportation official, as potential obstacles in attracting candidates.

"It would be a hard job to fill," Mr. Downey said he recalls telling the Port Authority's search firm when it contacted him for advice earlier this year.

There are other considerations, of course. One person familiar with the search noted the stress and personal strain of such a job and relatively low pay—\$400,000 to \$450,000 a year—compared with the private sector.

The search firm, Spencer Stuart, turned up at least two dozen candidates with impressive credentials who wound up taking part in the hunt for a CEO, Port Authority officials said. A spokesman for Spencer Stuart declined to comment.

Questions about the job's political constraints seemed to matter to varying degrees for different candidates, but those hailing from the private sector seemed to care the most, said John Degnan, the Port Authority's chairman.

Only "one or two people" appeared to pass on the opportunity after indicating they might be put off by the job's political dimension, Mr. Degnan said.

"Governmental oversight of the Port Authority is not going to go away, and if that troubles you—if you somehow view that as an obstacle that you can't overcome—you're not right for the position," he said.

The governors of New York and New Jersey can override votes by their state's six commissioners who oversee the agency's 12-seat board.

Gubernatorial influence at the Port Authority has given at least some prospective CEO candidates pause. "Nobody wanted to walk in between the two" governors, said another industry insider who consulted with a few people approached for the job.

Representatives for Mr. Christie and New York Gov. **Andrew Cuomo** referred questions to the Port Authority.

**Scott Rechler**, a Cuomo appointee who is the authority's vice chairman, said officials wanted an executive who had political savvy and the gravitas to politely and graciously say, if needed, "I'm sorry, I can't support that. This is what I think is right for the agency and region as a whole."

Messrs. Degnan and Rechler recently said the Port Authority was broadening its search in light of major projects it has undertaken, including a **replacement of its aging bus terminal** in Midtown Manhattan and a project to dig new rail tunnels underneath the Hudson River.

Patrick Foye, who has served as the authority's executive director since 2011 and earns an annual salary of about \$290,000, also announced he would withdraw from consideration for the CEO job.

Mr. Foye's position is to be eliminated with the appointment of a CEO accountable to the authority's board. Previously, the authority's management was split at the top, with an executive director appointed by New York, and a deputy appointed by New Jersey.

Mr. Degnan expressed confidence the Port Authority would find the right candidate as it cast a wider net and would likely reconnect with candidates identified earlier in the process.

—Robin Sidel contributed to this article.

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