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Alan M. Voorhees Transportation
Oral History Project and Archive

Interview with Lou Gambaccini, November 2012

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Disclaimer Statement

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[Interview Part 1 begins]

Nick: Okay, so this is an interview with Lou Gambaccini on November 16th, 2012 with me, Nicholas Tulach. I am a Project Coordinator at the Voorhees Transportation Center. And Martin Robins, the former Director of the Voorhees Transportation Center and a long-time colleague of Lou's.

So first of all, thank you for taking the time out to talk with us.

Lou: No problem. Delighted to do it.

Nick: So let's jump right in and talk about your early professional career and the reasons why you got into transportation as opposed to other fields.

In doing my background research for this interview, I came across a number of interviews with you in the past where you talked about the reasons why you got into public service but none of those interviews really touched on the reasons why you chose transportation as a field as opposed to other types of public service. So why don't we talk a little bit about your decision to go into transportation as a field and some of your early… and then we can get into some of your early contributions.

Lou: Okay. I did not choose to go into transportation but the opportunity opened and I was promoted to a position at the Port Authority where I worked that I couldn't turn down and that looked very attractive. And then I really got the "bug" once I was in it; I enjoyed it thoroughly and I've had a lot of years now – over 40, close to 50 – in transportation and it was a result of this first assignment. But then I plunged in full bore and had a variety of different jobs in the field and so I became committed to transportation as a career pursuit, including other than Port Authority, transportation activities. But most particularly in three states – New York, New Jersey, and Pennsylvania. I also was given the opportunity by the Port Authority, in fact encouraged to be active at the national and international levels so that added a great deal of insights and dimensions that I would not have had by virtue of prior experience or training and that was a substantial help in future jobs as well.

And to think… let me open it or put it back on you to frame the questions.

Nick: Sure.

Lou: Did that answer your question?

Nick: Sure. Sure.

Lou: Okay.

Nick: So you said that you were at Port Authority and you sort of got promoted. What led you to Port Authority as a job in the first place?

Lou: Well, that's a good question, too. I graduated The University of Connecticut with a degree in Bachelor of Arts and Sciences and with the intention of going into the international relations, hopefully into the Foreign Service. I served in Korea, which taught me a great deal about international relations and made me decide that it was not something that I wanted to do but I still had this impulse to public service and set my sites on being a city manager. I went to Maxwell School in Syracuse, The Maxwell School of Citizenship and Public Affairs with the intention of going into city management. But before I did so, I was… in planning to leave the Army, I was stumped as to what I did want to do specifically. I had no training other than military training and there was no particular call for any of that background and experience.

And because of the fact that a very close friend of mine went to Maxwell School and gave me some background on it and why he went there.

And then in addition, I ran into the grandson of the Chancellor of Syracuse University, who encouraged me to apply for a scholarship, or rather a fellowship at the Maxwell School, which I did. He lent no other assistance in having it given a nudge but apparently I guess the recommendation of a friend… no, I guess I'm ahead of myself. I was recruited by the Port Authority in their campus visitation and I had little knowledge about the Port Authority but I quickly read up on it and it sounded like an intriguing possibility; had a lot of job offers that federal, state, and local governments were expanding very rapidly in the mid-fifties.

Nick: So what was the timeframe of this, Lou?

Lou: This was '56. I left the Army in '55 and moved to Syracuse in late '55, actually, and graduated in '56. So that was that transition. Syracuse was a great move on my part. I developed close friendships with several professors who remained friends for life and who were, from time to time, were very helpful to me and they were well-connected in the so-called… what they call the "Maxwell Mafia", which is a reference to a network of mafia… (laughing) to a network of public administration people around the country and the three levels of government. So that got me intrigued.

When they recruited me, they picked me up at the airport in New York by helicopter and gave me a grand tour of their facilities, which was pretty exciting. And what really hooked me was the sense I had that it [the Port Authority] was a dynamic organization that lended the best of public and private sectors, it was required to be self-supporting, which encouraged innovation and attracting the best people to perform. It was very much committed to public service as well, so I didn't… to me, it was almost the ideal.

When I left the Army, I had had a couple of superior officers that I was not impressed with and made a particular effort to work with an organization where I could respect my superiors, my subordinates, and my peers. And that was the Port Authority. So it was a good set of events, first Maxwell School, then the Port Authority and the Port Authority was a great institution in not only management, but in developing people from the first level of management, a trainee program, to very senior positions.

Martin: Lou, would you like to talk about Austin Tobin and how your career evolved around him?

Lou: Oh, right. Austin Tobin was the Executive Director of the Port Authority for oh, some thirty or so years. He was up through the ranks in the law department, had a great career; highly respected. And I had the occasion to be invited to work in his office as his executive assistant, which was a training job, rotating new people in every year.

And I found it just great. In fact, I took a nominal or an apparent demotion – my salary wasn't cut but my grade was, technically, although it had absolutely no impact – in order to take the job on the strength of the urging of my boss, who said it really was an opportunity to do and see in action the formation of policy and the decisions of the top staff and the Board of Directors.

And it turned out to be an exceptionally interesting year with lots of controversy that was dispelled over time but we had created a bit of a storm over trying to build a fifth airport. We did not succeed on that. We did spend a difficult year of negotiations to get permission to build the World Trade Center and were saddled with the burden of having to take over PATH and reconstructing it as a sop to NJ. The tradeoff – New York got the World Trade Center and New Jersey got the commitment to PATH, not only the acquisition of, but the commitment, the long-term deficits and the obligation to upgrade the system. And I guess the icing on the cake was when – that is from the point of view of challenge – was the indictment of the Chairman of the Board and Austin Tobin for contempt of Congress. When we were under attack at the airport, Manny Celler, the longest serving congressman ever, from Brooklyn, undertook an investigation of the Port Authority, nominally related to the airport but in fact, it was a fishing mission to see what he could get his hooks into to put pressure on the Port Authority, which agency had denied him his requests to give preferential treatment to some of his clients in his law firm. It was a very turbulent year but it was fascinating and educational. I think that one year could've been a book; very easily, an intriguing book about…

Martin: Was that 1962?

Lou: 1960. Yeah. But it was just a great experience. Did that…

Nick: That certainly starts the Austin Tobin story. After that year, what did you do? What was your next position?

Lou: I went back to the job I previously had for a brief period. That's when, because of the agreement on the PATH, politically and as part of a legislation, when we were directed to acquire PATH – then known as the Hudson Tubes or the Hudson and Manhattan Railroad – I was assigned to manage the transition. And another management trainee, at least initially a trainee but a superstar by the name of Neal Montanas (sp?), was assigned to be the number one person in the acquisition and I was his deputy. I expected to be his deputy for years and not aspire to his job but in only a couple of years, he was then further promoted to the higher level Director of Aviations job. But he was a great guy to work with; he was a terrific…

Pearl: Will I disturb anything if I sit here?

Lou: What's that?

Pearl: Will I disturb anybody if I sit at the computer?

Lou: No, not at all. Is this Pearl?

Pearl: It's Pearl.

Lou: Yeah. No, that shouldn't be a problem.

Nick: Yeah, that's fine.

Lou: As long as you're not going to report all of our super-secret activities here. (Laughing) Anyway, Neal Montanas (sp?) had moved on; I was suddenly catapulted into the top job, which was Director of the Department and General Manager of the Hudson Tubes. And there was a series of fascinating events. We had some 15 unions representing a thousand employees, including a supervisor's union and while Neal was the General Manager, I was given the job of negotiating with the 15 unions. I'd never had any background in it but I had a lot of work experience in tough jobs with unionized jobs and so I learned a lot. But I did that for almost a full year before becoming General Manager. I had great support from Austin Tobin, whom I got to know well when I was his aid. Leave anything out, Martin?

Martin: No. This is actually… I'm learning as I'm listening. It's in the detail.

Nick: So you became director of the department and basically in charge of the…

Lou: Rail operation.

Nick: Right, rail operations there.

Martin: And there was a great deal to be done, not only once you got the labor agreements, there was a tremendous amount of rehabilitation that was… that had to be confronted, correct? Because the system was disintegrated.

Lou: We wanted to change the image, so at precisely 12:01 o'clock on September 1st, 1962, we took over the railroad and had cleaning forces there at midnight to start the process of tidying it up while we got ready to manage the complete rehabilitation, replacement of all the vital equipment of all the rail cars and signal systems and track and so forth. It was a hell of an effort but it was completed as planned within ten years of acquisition.

We had limited internal talent on rail activities but we did have the benefit of several key people that were in the bankrupt railroad who came over with it to our operation. So we had a blend of Port Authority people, of key people who survived the bankruptcy, and then recruiting a number of particular specialists that were lacking in both organizations. And we were off and running. It was a very intense period but a very exciting one as well.

Nick: What were some of the key challenges during that period, during that ten years that it took to rehabilitate the railroad?

Lou: For one thing, it was the labor contracts. Port Authority had no experience in labor, so this was quite an education for many of us.

We had the benefit of the Port Authority's excellent engineering staff and could draw on the Port Authority's other specific areas of speciality and excellence so that it helped us along, despite our lack of background, to manage to both rebuild and make near-term improvements that would help ease the pain and suffering of the customers who had been paying the price in both fares as well as discomfort for quite a number of years.

Nick: So this was the 1960s, basically, right?

Lou: It started in '60, yeah. And matter of fact, you know you're getting old – that's happened to me – when we first took over the railroad, the priority was replacing all the antique cars that were in horrible condition and determined that they had outlived their usefulness and there was no point in improving them so we tried to patch them up and operate them until we could get all new cars. And… where was I going with that? Oh – we promoted the heck out of the fact that we purchased new cars, going from Stone Age and vintage cars to state-of-the-art electronic equipment. And we got a lot of it in publicity and at least in encouraging hope in the passengers. And fifty years later, I read in the newspaper that PATH was replacing its fleet 100%; it had the oldest cars in the country. (Laughing) And I thought oh my God, that's during my watch. (Laughing)

Nick: Yeah, so PATH seems… so this is the 1960s. PATH seemed to be sort of uniquely positioned because of the revenue that they had from…

Lou: Right.

Nick: … the dedicated revenues in order to do this as opposed to across the river at the MTA, where they struggled during the 1960s to maintain their operations.

Lou: That's a very good point. I worried a little bit at the outset that our board would get cold feet and try to find ways to do less than was implied by the legislation but they never did. They really stood… lived up to the responsibility to a fairly well, even though the deficit was rising rapidly. There was no hope of being profitable, just the inherent nature of the operation, which primarily was based on… I say that based on it being the sharpest peak of any system in the world, the proportion of passengers carried in the peak hour versus the rest of the day. It was the sharpest in the world and that is the crux of the lack of economic strength, indeed the weakness of rail operations because it served a very narrow purpose within a very small segment of hours of the day and yet they had to have equipment, employees, and all the other support systems for that needle-nose peak and much of it was relatively idle for the rest of the day. And that's the whole story of the declining efficiency or the economic basis of operation of, at least in our country – not so in all countries, but in most countries it was also the same story.

Martin: How did PATH's ridership respond in terms of numbers to the improvements that were made?

Lou: It held; it didn't decline sharply. It did decline some. I think it was like 100,000 a day when we took over and at its lowest point, it got to 90 and now I think it's at several hundred thousand.

Martin: It's 200 now, I think.

Lou: Is it 200?

Martin: As I recall, the role that it served was very different than it is today. Hudson County was kind of a bedraggled place at that time. There wasn't much economic life there.

Lou: That's right.

Martin: Right? And then the railroads that brought people to Newark and Hoboken were bankrupt, themselves.

Lou: Yes.

Martin: Right?

Lou: Yes.

Martin: So that was not a healthy feeding process occurring at that time. So you were like pulling everybody along with you with those improvements.

Lou: Yeah. It was an exciting period. I wouldn't have missed it for anything.

Nick: So PATH seems to have taken a much different path than other rail systems in the country during this time period especially.

Lou: Yeah. We were unique because we were tied to a – thank God – parent organization that could give us the resources needed while the others were suffering the pangs of trying to find the support that they needed. But I guess we took over, as I said, September '62 and I was totally committed and immersed in it full-time for the rest of that decade. However, in 1968, following some of the Port Authority culture, I did start to get active in the lobbying group, lobbying and a professional organization called American Public Transit Association – later it was called that. It was… during the sixties, it was a combination of two organizations, a rail organization called The Institute of Rapid Transit and a bus organization called American Transit Association.

That continued in the sixties and I started getting active in '68 with both groups initially and then Bill Ronan was chairman of our board and at the same time, chairman of the national group. And I got to work closely with him for several years.

He was leading the merger of those two other organizations, the rail and the bus organizations, to become American Public Transit Association. So that opened up my lens and activity quite widely.

And in fact, I was appointed to be Chairman of the legislative committee, which was the lobbying arm of APTA and that really set me on a course to develop a wide network of associates around the country and develop close friendships. And the beauty of it was – and this is the reason the Port Authority encouraged this kind of thing – is that especially since I lacked background and experience, I developed friendships and professional associates with mutual respect for each other to keep… help each other as much as possible. And a lot of… we shared information, we helped each other out during crises and it was a noncompetitive, publicly committed… I mean a

commitment to public service that we shared. There was a trend at this time, with the abandonment of bus companies and rail operations entirely, that seemed to suggest that the historic basis of picking managers who were operations people had evolved to picking managers who, in some cases, were former city managers but in many cases were previously occupied in public service activities and then were recruited to be the general managers of transit. And it was an interesting phenomenon but it reflected the evolution from barely viable operations to outright bankruptcies and abandonment's and it called for more emphasis on support systems, federal and state subsidies and grants to do the physical infrastructure rehabilitation.

Nick: So it was a shift from, as you said, operational people to people who were more in tune with the ways to seek new revenue sources?

Lou: Revenue sources but also who could inject other techniques than strictly being concerned with rail operations of maintenance and repair or purchase of wheels and all the other physical needs of the agency. I'll give you an example. One of the things I'm proudest of was, in my naivety, after I became General Manager, and while we were in the period of having to hold things together with scotch tape and prayers, we had a succession of disruptions that were painful to the passengers, you know, delays of a couple of hours or stuck in the tunnel, panicking, wondering what the hell was going on. We didn't have public address systems in place. So it was really a struggle to keep the passengers informed and make them patient and we succeeded despite the traditionalist approach, which was being pushed at me, and which I followed the first couple of times. I had the inclination to put out a bulletin to passengers after any disruption as quickly as possible to explain what happened and to explain what we were doing to prevent recurrence. And I also directed the operating staff, since we didn't have public address systems, to get word to the train crews and have the conductor literally go through the train, car by car, to verbalize as best he could – we gave them bullhorns so they could be louder – but they would communicate the essence to the passengers and appeal to their patience and we were aware of their discomfort and were working as fast as we could to relieve the pressure.

So the first couple of times, I was told by the experts don't do it; you're going to invite all sorts of crank letters, and I went along with them. And I knew in my gut I was right, so the third time, I said the hell with it; we're doing it. And from then on, that was our common practice. But we buttressed it with a lot of other ways of conveying the concern we had and that we valued their patronage and that we would keep them informed but hang on and be patient and live in hope.

One day, we had a disruption that was really bad, two or three hours of delay in the early morning, so that people were late to work by the thousands and I called down to operations and said get all your supervisors you can muster onto the platforms at the World Trade Center, invite the passengers to have a free breakfast on us. We had no takers whatsoever and not a single complaint letter, either, which I found amazing. But it underscored how patient they'd become. They saw improvements themselves. They were being kept informed and they showed a lot of willingness to ride out the process.

Martin: Nick, I'd like to take a half a step back, if we could.

Nick: Sure.

Martin: I'd like to talk about two things – you talk about two things, and they both fall within the special position of PATH within the Port Authority, which was a unique relationship, with Port Authority being a perpetual money losing operation and Port Authority being an agency that needed to generate income in order to issue bonds and invest. Two things – first of all, the Rail Deficit Covenant and how that played out during your time at the Port Authority in those early days and the second thing is, was there competition or a kind of a resentment on the part of others in the Port Authority toward PATH? Because PATH was the money loser and still needed a huge amount of investment. Or was that something that evolved later on? Because I observed that when I was at the Port Authority in the 1980s. I was wondering if that was present in the early days at all? Rail Deficit Covenant and internal…

Martin: Can you respond to those questions? Like the Rail Deficit Covenant?

Lou: Oh, I thought…

Martin: It was for you. The Rail Deficit…

Lou: What was the question?

Martin: Well, number one, the Rail Deficit Covenant – what was it and what was the… how did it affect things going on at PATH…

Lou: Well, the legislation… PATH or Port Authority resisted prior efforts for years to have us get into public… into mass transit on the basis that it would destroy the organization that was required to be self-supporting and there wasn't any way that we could generate the funds to do it. In fact, I think it was about the time they hired me in '56. Another crisis was brewing at the MTA; at that time, it wasn't the MTA, but the Transit Authority and the Daily News especially was clamoring for the Port Authority to acquire the entire subway system. And it was a major effort to keep that at bay. And so this was the backdrop before we did get snookered into PATH. And I say snookered because of the fact that the deficit was undoubtedly going to be part of the deal that would be open-ended. And the board resisted and I think rightly from the point of view of their obligations as board members to the Port Authority to protect its interest and represent responsibly their role as board members.

So there was major resistance to any involvement in mass transit. The Port Authority prided itself on its self-sustaining operations and that they had to produce a surplus in not every single operation but it could tolerate loss leaders that were for the public good so long as their deficits were minor and could be absorbed in the surpluses of the organization. But not an open-ended commitment to a function like that that was well beyond the capacity of Port Authority. So that was the backdrop.

When the negotiations on PATH were underway, the challenge became how do you contain the commitment on deficits? So they came up with a formula that said if the deficits exceeded the 10% of the reserve funds required under the Port Authority's founding documents, that the Port Authority would be… well, first of all… no, the commitment was that if it exceeded 10%, there would be an absolute bar to any further involvement in the future. That was tested in the Supreme Court later on when others were trying to reopen that issue and put in provisions to virtually assure the Port Authority's total decline. And it was validated by the Supreme Court as a

contract that was made with the bondholders of the organization. So that was the kind of tension surrounding the finances, which could have been catastrophic.

As the Port Authority increased its surpluses, it did increase their contribution but not in direct operations; rather in financial contributions to the two state agencies that were concerned with public transportation.

Martin: I was wondering also, at its inception, whether there was sort of a rivalry within the Port Authority about the investments that had to be made in PATH and the other needs of the organization.

Lou: There was no… that's where, I guess, I started this. The board lived up to its responsibilities without any flaw, in my opinion. We had an over-eager treasurer… not treasurer but director of finance who took it on himself to be, at times, petty by making snide remarks about the drag PATH represented to the rest of the organization. Our colleagues in the other departments, though, for the most part, you know, did not play that kind of a game. They knew full well what the nature of the give and take on the legislation and the compromise that was made and they did not, despite the fact that they ran the risk of making it leaner for the rest of the organization to do things they wanted to do, they took a responsible position, as did the board. So it used to be a real nuisance to me to have to confront the nagging criticism of that director of finance but fortunately, it did not spread itself to the rest of the organization.

Martin: Maybe an element of this is if you could discuss the PATH Extension controversy, which occurred in the 1970s.

Lou: You're talking about the…

Martin: Extension to Plainfield.

Lou: Plainfield Extension. (Laughing) We were under the gun to make further transit improvements and…

Nick: Where did the pressure come from?

Lou: From, really New Jersey but both states, really. And the Port Authority began to really change when Nelson Rockefeller in New York and particularly Bill Ronan's participation and Bill Cahill in New Jersey came to agree that they needed to squeeze more out of the Port Authority. The first significant breech or rather opening to them was that the Port Authority would construct rail cars for the Long Island Railroad; that is, have them made by car builders and cars for New Jersey. It was relatively modest by today's dollar standards and the like; it was like $100 million in each state.

We were to be the agents to do the contracting with the car builders as well as arrange the funding and pay off the funding until the state could reimburse us at some appropriate point. And that started a process that has continued to date with ever increasing pressure and dilution of the Port Authority's resources. We were forced to make contributions to functions totally unrelated to the mission of Port Authority, like building an office building in Newark and calling it a law center or was it legal center?

Martin: Legal and Communication Center.

Lou: Effectively, it was no more than an office building with leased space to private sector. The Bloustein School itself was paid for – I don't know what proportion; I think it was all or virtually all…

Martin: I think it might've been all.

Lou: By the Port Authority. And that's a reach to say that that fits any part of the mission that was in the founding documents, primarily them operating and maintaining transportation facilities, promote commerce and the welfare of the region economically but in a promotion mode, not an operations mode.

So that process then continued over the last couple of decades.

Martin: What's your recollection of the PATH Extension itself?

Lou: Oh, you mentioned extension.

Martin: That was a highlight of the…

Lou: A point of frustration, Cahill was really determined to get the Port Authority to open up its cash register to assisting public transit more than PATH in Jersey and the Port Authority was stoutly resisting. In fact, Austin Tobin got in trouble because he and Cahill could not get on. Austin survived democrat and republican governors for up to 30 years but Cahill – I used to say problem two stubborn Irishmen who could not find any basis of agreement on anything. And Cahill appointed a particular board member, former chairman of Johnson and Johnson, with the express mission of getting Tobin out of the Port Authority. And so it was a pretty nasty period, even to the point where we had our hands full with PATH rehabilitation but the pressure started literally with the chairman of the board working out on an oil company map, an extension of PATH to Plainfield, Why Plainfield? That was never clear and there was certainly no even "back of the envelope" estimate of the cost for the realism of it. And so we were directed to undertake a serious engineering study and develop it into a possible project. I think we spent about… well, it was a sizeable sum. It might've been like ten million bucks or more to formally review the concept and find it was totally without merit, which was kind of a bad conclusion since the chairman of the board and the governors wanted it.

Nick: Do you remember who the board chairman was?

Lou: Yeah. I'm afraid to tell you.

Nick: Okay.

Martin: That didn't stop the Port Authority from pursuing the project.

Lou: We did the study part of it but there continued to be resistance because it wasn't… well, I think it ran in conflict with the provision of that 10% measure.

Martin: But Governor Byrne continued to support it.

Lou: Not really. Do you mean the Plainfield…

Martin: PATH extension.

Lou: No, he didn't…

Martin: No? Because it wasn't really stopped until the Supreme Court decision on the US Trust Company case that said that Port Authority engaging in that particular project was in violation of…

Lou: There might've been an outstanding appeal that Byrne had not yet had the time to get into but I don't… I remember just pressuring us at the time, you know, on other grounds. He was insistent. He continued the $0.30 fare well beyond the point he should've because it aggravated New York to see her getting an improper or unfair advantage with subsidies that are going up and up with no moderation of fare. When we took over PATH, the fare on PATH was $0.30 and the fare on the Transit Authority was $0.15. And during the Byrne administration, the fare on PATH was $0.30 and the Transit Authority fare was up around $0.90, I think it was. The point being that the Transit Authority was allowed to raise its fares after they broke through initially on the nickel fare. Then it was going up at a stunning rate compared to the fixed rate of PATH at $0.30.

Martin: Do you need a break?

Lou: No.

Martin: Okay. How about a glass of water? We lost EB; I don't know where he is.

Lou: Can we cut the tape off?

Nick: Yeah, why don't we take a break for a few minutes?

[Interview Part 1 ends]

[Interview Part 2 begins]

Lou: We talked about the takeover in 1962. I took over the job in ’66 and then left to go to New Jersey in ’77.

Martin: In ’78.

Lou: In ’78. You’re right. ’78. So I’m thinking about what to cover on that interim period. We were consumed with the PATH operation and its improvement and the condition of the MTA, the role of Ronan were significant elements in the churning and trying to identify who should pay and the arguments about fare increases, toll increases, and how to get money to the two states to help them out.

One of the things that… in fact, I forgot how I got started on working the preliminary part of TRANSPAC (Transportation Partnership and Coordination). I guess I put together a preliminary presentation that nobody asked me for but I thought I’d throw my thoughts in a ring and try to help the Port Authority buy more time and get this nettle off their back. So I put together a strategy that would see the Port Authority, after the Supreme Court supported the Port Authority in not opening up our coffers to the states on mass transit, we were in a dire need to come up with some evidence that we were trying to be responsive to the two governors. And so we put together a package of how, within the decision of the Supreme Court, we could push money to the two states to help on the transit business. And the first part of it was in effect, an outright donation of $120 million to each state to buy busses, which busses were not cited specifically in the original agreement but mass transit was interpreted to mean mass rail. So within the envelope or window of helping to ease the overall strain by at least easing the problem of replacement of busses and the $120 million, it was kind of a sop to hope the problem would go away for an indefinite period.

But then, that grew into a larger proposal in the case of New Jersey, which – did you come up with the name TRANSPAC?

Martin: No, I can’t claim it.

Lou: Well, it evolved. I don’t remember who…

Nick: What did TRANSPAC stand for?

Lou: Transportation…

Martin: Package.

Lou: Yeah. So incorporating the $120 million each from the states plus using that as leverage to attract more federal funds and coupled with a bond issue in the case of New Jersey, produced a total of $3 billion when New Jersey had nothing, no money really to even start the process.

Martin: In fact, New Jersey had failed to get voter support on three successive bond issues in the 1970s; 1972, 1974, and 1975. So all those those years that Lou is referring to was

set against as backdrop of New Jersey being very short on funds and the state was casting around for ways to have the resources to invest.

Nick: And so they got hold of $3 billion dollars for it.

Martin: Well, it wasn't that simple but they did ultimately.

Nick: Right, ultimately.

Martin: But the combination of – which Lou could talk about it after he discusses his coming to New Jersey – one of his major accomplishments was the 1979 bond issue. He put that together with TRANSPAC and then the federal funding that was made available, and New Jersey was able to make a huge step forward in public transit investment during that period. As well as in highway funding because the bond issue was very successful.

Do you remember more about how TRANSPAC actually came into being? You came up with the idea, but where were you when it finally was… the deal was sealed? Were you at New Jersey or were you at the Port Authority?

Lou: Port Authority.

Martin: Okay.

Lou: No – let me think. Incidentally, when I was at Jersey and unveiling this thing to…

Martin: Governor Byrne?

Lou: No. Speaker…

Martin: Jackman?

Lou: Jackman. In a private meeting at the restaurant across the street from the railroad station. I forgot who was with me – I don't think you were. Were you, Martin?

Martin: No. No, because you were then a Port Authority employee.

Lou: So I went through the drill on the TRANSPAC thing thinking he was going to be very impressed and positive and his reaction was, "Jesus Christ, Lou! Are you Crazy? You're talking billions, not millions! Are you out of your fucking mind?" (Laughing) Which was not quite what I had hoped for. (Laughing)

But to your point, I'm a little fuzzy. I know I was initiating – or sort of a nag – in looking for a way to throw or to ease… show some responsiveness to the two states but then later, that matured into the presentation to Byrne at Drumthwacket on the New Jersey part of it. It was focused entirely on the Jersey idea. And then I had had the idea that we could use it for leverage to get more federal funds and then decided it was too spacey an idea and Jack Rosen picked up on it and made the same recommendation (laughing). And it wasn't plagiarizing from me; he came up with it separately, the same thought.

Martin: Really?

Lou: And that really was a key element, actually.

Martin: Okay. Could you talk about how…

Lou: By the way, you know he's deceased, don't you?

Martin: No, I didn't. I lost track of Jack Rosen.

Lou: He was a good buddy.

Martin: He was the head of the Tunnels, Bridges and Terminals Department at that time.

Lou: No, he was full-time law department.

Martin: Oh, he was in law department at PATH?

Lou: No, at Port Authority.

Nick: At Port Authority. Yeah.

Martin: Could you tell how you became… the complicated way that you became the Commissioner of Transportation in New Jersey? You know, with your… the fact that you were a Port Authority employee and remained a Port Authority employee?

Lou: Well yeah. My wife properly insisted that with six kids, three of them in college and three to go, and the three to go were still in high school, that she did not want me to take the job in Trenton. I didn't seek the job, didn't want the job, but I was being pushed into it by Alan Sagner – the former Commissioner – and some of the commuter groups. She insisted that she would only go along with it if I could go on leave of absence and come back and continue to build my pension at the Port Authority. I said, you know, there's no chance of that happening but what the hell? If that's the position you're taking, I'll pass that along to the governor and see (laughing) and to Sagner. And they made it work out. There was a lot of newspaper opposition because they said it was a conflict of interest. A couple of them said it was worth doing it, nevertheless, because they were looking for somebody to run the department.

But there was a lot of publicity to the matter, which worked very much to my advantage when I came in as commissioner. There was so much publicity about the brouhaha about whether it could be okay to be appointed on leave of absence rather than on a full-time commitment basis. John Degnan said it was the worst decision he had ever made while in office but it was worth it, which I thought was a high compliment, but his decision as Attorney General that it was okay to do. (Laughing)

Martin: (Laughing) I didn't know he told you that.

Lou: Huh?

Martin: (Laughing) I didn't know he told you that.

Lou: Yeah. And it never turned out to be a problem, the conflict part. But, what the hell was I starting to tell you?

Martin: You started to say about the publicity and how it…

Lou: Oh, the publicity and how it helped. Because of all the ink there was on the subject, newspaper articles, everyone knew… well, first of all, my name became well known around the state and everyone knew that I didn't seek the job. And more, the reporters reported in dismay that I had never been registered in either party, never attended a political event of any sort. And so that I was totally nonpolitical. (Laughing) And that helped me immensely. My predecessor, Alan Sagner, who was a very good guy but was viewed as ambitious to become governor and he was quite political – he was a fundraiser for the Democrats – and they gave him a hard time. Just everything he did was suspect. And he was a very honorable guy (laughing). But me, they left alone because they figured I was not aspiring to use anything as political… you know, at times in fact that it irritated Byrne that I was so distant from the politics (laughing) and… but I constructed a commitment from him that he wouldn't push me to do anything in the way of hiring or to accommodate anybody politically or any corporations and he lived up to the commitment very, very well. Were you here when… yeah, when we were talking about the free trade zone?

Martin: Earlier? Yeah.

Lou: In that case, I mentioned that Byrne kind of got the position that Lou, if you feel that strongly and you know you're right, go for it. Oppose the thing and see if you can beat the brotherhood… the Rockefeller brothers in their pursuit of that project. We lost, without question, but he was ready to take on the fight. Did I answer your question?

Martin: Oh yeah, it did, very well. So maybe you can now turn to the problems that you faced when you became commissioner and what you did to try to address them.

Lou: I had a lot of experience with the department for about ten years, or since the department was formed. And I guess the first guy was…

Martin: David Goldberg.

Lou: Who?

Martin: David Goldberg.

Lou: No. It was the professor.

Martin: Cole. John Cole?

Lou: John Cole, yeah. And I had good relations with each of the commissioners and I was very frank with them about my views on where they ought to put their emphasis. And that was one of the things, when I was being pursued, I thought to myself, you know, put up or shut up. (Laughing) You've been telling them how to get out of their problems, now you have an opportunity to do it.

I'm starting on that department… oh, you wanted me to talk about initial… when I got to Trenton, I think you and I were talking, Martin. We were looking forward to working together.

Martin: We had known each other from Newark Penn Station. We collaborated on getting federal funding from the Northeast Corridor Improvement program for Newark Penn Station.

Lou: I had not had experience directly in any real sense in the political media, so I had some concerns. Probably the biggest concern I had was that I would get tainted by scandal, that handling so much contract money and the political pressures to get engaged. Which, by the way, I think we're now on a new round. The mayor's being indicted and convicted. And I was afraid even if I were Simon Pure, if there was any large scandal about kickbacks and bribery, that it would sully my reputation and be with me the rest of my career. So I was concerned about that to the point where I decided… well, I put up my… I had an affinity for this Athenian oath. I don't know if you're familiar with that?

Nick: I came across it in one of your other interviews.

Lou: Yeah. It expressed to me a very high level of vision about what public service was all about and I put it up on the wall in the organization and also buttressed it with comment, whenever I could. And so I got sort of identified with that. To my amazement, that thing still remains on the wall, thirty-five years later. It's been signed by most of the succeeding commissioners, I'm told. I haven't seen it. Which was nice. I think I'm very pleased that it had the effect that it did, that everybody was aware of it, that even successive commissioners felt that it was an important thing to leave there and to underscore their support for it.

So that helped to get me… and then I discovered that we had some very good people in the department. There were some that had to be pushed aside because they couldn't take having a transit guy run the department. And I tried to not appear to be or to be in any way solely a transit person but ultimately responsibly do the highway stuff, too. But it seemed to me the priority was to put together a team that was loyal, that were competent. And I hired a few people from within state government, like Cathy Sweeney – at the time, she was Cathy Arnone. Amy Rosen was in the department. Martin was in the department.

George Warrington was in the department at a very low level and Martin was the one who told me I should get to meet and see this guy, that he might be important in being an assistant in the Commissioner's office. You're familiar with George Warrington's role? Are you?

Nick: No. No. Could you describe that some more for us?

Lou: Yeah. He was the head of New Jersey Transit, did a great job. He was also president of Amtrak. I hired him when he was a very junior guy… I mean, promoted him from the ranks. And then he was also a Maxwell graduate.

Martin: (Laughing)

Lou: Which was great. He was my executive assistant and he was great; just terrific. And then he later was, as I said, Amtrak and NJ Transit.

Martin: Unfortunately, he died at a very early age, in his late fifties.

Lou: So we put together a team that was very compatible, very focused on the goals that I had set out. And feeling the pressure of time, I decided not to develop priorities in sequence, but to try to treat four or five subjects of equal importance and commitment so that I organized separate task forces to deal with each of them. One was on the plans for legislation to take over transit and set up a state organization or something of that sort. That was based mostly on my experience around the country, to see the different forms of organization and plus my experience at the Port Authority.

So I drew from both backgrounds with Martin's help. In fact, Martin did the legislation. Martin was a mainstay in almost everything I did. He was invaluable to not only articulate the things we were going after in legislation or in policy papers but also drawing on other good people to work with him and us, some as consultants in law and some as contractors.

We set up several task forces in parallel; one was, again, on the future of the organization for transportation, public transportation. Another was on the bond issue. We knew we needed to have seed money to attract a larger capital program. Another one was to get an agreement on… from 21 counties as to the priority of projects within their counties but also acceptance of the priorities of other counties as a condition of supporting their list. So we had the ability to tell the feds, who kept saying yes, you are not getting the funding that your state deserves but there's no… you need to get your act together. There's such dissonance among the different actors of the 21 counties that we can't… don't want to get in the middle of an internal fight within the state. So we served up a tight plan, signed off on by 21 counties and that helped to open up and give us the basis of saying okay, we've got consensus; now, help us start the process of checking off these projects in the sequence of each county's priority. And that worked well.

So what else was there, Martin?

Martin: Was it the completion of the interstate system? Wasn't that a big headache?

Lou: Well that, yeah, it was... yeah.

Martin: That was out there?

Lou: Not only was it there…

Martin: There were some roadblocks.

Lou: Yeah, but we… it was also a way of getting money for transit.

Martin: As well as… there was a transfer of interstate money.

Lou: Yeah, that's what I was…

Martin: To them. Yeah.

Lou: Yeah.

Nick: So you said that there were four parallel projects that you…

Lou: Well, four or five.

Martin: I remember you spent a lot of time on the interstate highway system and the transfers.

Lou: Yeah.

Martin: One of the things that still is somewhat controversial was the de-designation of I-95.

Lou: Yeah. That was… yeah. There was money transferred to highway. I'm still getting… fortunately, most people in the region don't know that I played the key role in eliminating that stretch between Philadelphia and here on I-95. Every now and then, the *Philadelphia Inquirer* would carp about who was so short-sighted as not to have let that, that missing link go forward. (Laughing) That was me. (Laughing)

Nick: How do you feel about that today?

Lou: I think it was the right decision at the time.

Nick: Mm-hmm.

Lou: It was amusing because I hadn't realized that there was a very important politician of my own party – I say my party; I was not political but I was in a democratic administration – who, aware of the routing, had bought a lot of land in the (laughing) right of way.

Martin: (Laughing)

Lou: You knew that, didn't you?

Martin: No.

Nick: How did you… so you talked about the challenges of being in this role of commissioner and being connected to… more directly connected to the politics of the time.

Lou: Well, I continued in my nonpolitical involvement and nobody challenged me or said I was doing anything political, ever. Not once.

Nick: Even during the freeway battle?

Lou: Yes. Yes. Even during that. Well, first of all, it wasn't a battle; it was a lot of large question marks but we were forthcoming in saying that our studies – and this is true – done by highway engineers for the most part, concluded that completing that stretch would not only ease traffic, but would attract so much new traffic that it would introduce a new level of stagnation and congestion. So that coupled with my hunger for money for transit made it an easy decision and no political fallout.

Martin: Really, there wasn't.

Nick: That's pretty amazing, though, given the types of political battles in other areas over these types of questions.

Martin: When I was interviewed about my career, I thought… I reported to Nick that one of the most interesting experiences, which we both… which we went through together was the evolution of our relationship with Transport of New Jersey and the Public Service Electric and Gas Board and how that related to that pension obligation and the hiring of Lowenstein, Allen Lowenstein, to help you piece your way through that.

Lou: Mm-hmm.

Martin: And how it came to a culmination with John Gilhooley coming in your office. Do you remember that?

Lou: Oh, yes.

Martin: (Laughing) That's a great story to tell.

Lou: As you were talking, we had some very interesting personnel or persona in this drama, really when you consider the people like Jack Gilhooley and the Commuter Association leaders and…

Martin: Right. All that had just preceded you and kind of set the stage, the Commuter leaders, who had been so frustrated with the conditions on the railroads, particularly the North Jersey coastline in the middle 1970s, during Alan Sagner's tenure. And you came in as the Savior, (laughing) in their minds.

Lou: Yeah, we had six bankrupt railroads, about a dozen bankrupt bus companies. It was really a morass; uncoordinated, a lot of greedy hands into the subsidy pot. It was really fascinating.

Nick: And they recognized you as a champion of public transport.

Lou: I think Martin and I were both regarded with disdain by a lot of people as boy scouts. They didn't get the message. One congressman came to visit me right after I took office to make sure that I understood the power that was in my hands by the award of contracts. (Laughing) It was so evident what he was…

Martin: I think I might be able to guess which one that might be. (Laughing)

Lou: If he were more explicit, I would have to report him as offering a bribe or the like, but I could read between the lines, what he meant. (Laughing)

Martin: Would you want to talk about the culmination of the New Jersey Transit legislation and how we… how it came to pass that John Gilhooley lost and PSE&G gave in and we had the law passed that night?

Lou: What time is it?

Martin: It's now about a quarter of four. You tiring?

Martin: I'm thinking about the culmination of that legislation after we put together the case, the horror show and the… you testified and you had…

Lou: You mean the legislation creating the New Jersey Transit?

Martin: New Jersey Transit, yeah. And then the back… behind the scenes dealings with Public Service Electric and Gas, MTA, and John Gilhooley.

Lou: The value of TNJ, the country's largest private bus operation, was given to be about $100 million, as I recall, the corporate… it was clear that the chairman or the president of PSE&G wanted to invest themselves in the loss leader or would-be loss leader if they didn't have the state subsidy. But the president of TNJ was very active in opposing the takeover. So facing us was a feeling that that would be the keystone of any new statewide transit organization, as the largest transit operator, around which we could supplement services and that would be in effect the base of a new organization. We knew that the pension thing would be a problem, the obligation, outstanding obligation to pay those pensions. As I recall, the $100 million reduced to $50 million and then to zero.

Martin: The pension obligation was huge.

Lou: Yes. Okay, but if you don't mind, why don't you… I'm a little fuzzy in the recall on sequence.

Martin: I don't know if I can recall everything.

Lou: Yeah.

Martin: Well, we were paying… New Jersey DOT was paying about $5.5 million a year.

Lou: Oh, okay.

Martin: As part of the subsidy, which was much larger, to assist TNJ to begin to fund these outstanding pension obligations. The Pension Benefit Guarantee Corporation law had been established just a few years earlier and they had this obligation to fund the pension. And the question then became well, are we going to continue to pay off their pensions for the subsidy and take them off the hook for things that had occurred on their corporate balance sheet years and years before? Or whether this could become a lever in getting them, getting PSE&G to not oppose the creation of New Jersey Transit and enter into a sales agreement with us and it got pretty complicated. We had Allen Lowenstein eventually; he was guiding us on the pension obligation. And then, as I recall and it may be it's more clear in my mind than yours, there was one day that John Gilhooley came down to your office in Trenton, and this was before anything had really transpired except that I think you had… well, something had… I think you had communicated that the state wasn't going to pay for the pension obligation anymore and… the funding of the

pension obligation. And Gilhooley, knowing that this would be very bad for his position with PSE&G, tried to intimidate you into changing your position. Are you looking for the water?

Lou: Yeah.

Martin: Yeah. And I can remember him coming into your office being, you know, getting all red in the face and pounding on the desk (pounding on desk) and trying to get you to change your position.

Lou: He turned beet red and I really worried about him having a heart attack right on the spot. He was so angry. I know what I was thinking, trying to remember. The value was estimated at $100 million and then… the initial value, I mean, without regard to what offsets and so forth. But we were successful first in getting a federal grant to pay for half of it under the acquisition… Federal Transit Acquisition part of the transit legislation. But then we had the volunteer services of a really top-notch lawyer who, I guess we paid him union rate, I guess, but he was a real class act.

Martin: Super.

Lou: And in fact, he reverted that his help to us as one of the biggest achievements of his career because he was really a very decent, dedicated person and saw this as a service to the public. He found a… charted the course for getting the remainder to cost us nothing by working the legislation that would benefit TNJ through tax, a muddle of tax and revisions, such that they got enough credits offsetting their $50 million and that charge to New Jersey Transit wound up being zero; not $100 million, not half a million.

Martin: Can you believe that? (Laughing)

Nick: (Laughing)

Martin: Yeah, it's true. And I think that he showed them the way to purchase an annuity that would enable them to, from the proceeds of whatever was available like the federal money that we gave them, to take the $30 million plus and use that as a… purchase an annuity that would then, over time, pay off the entire pension debt, which was something that was of enormous consequence to them. And it ended up, on their balance sheet, or their income statement, profit and loss statement, ended up with benefits each year.

Nick: Wow.

Lou: You know, that's something that really should be part of any report or any record that…

Martin: I have a report that he gave you.

Lou: Yeah? Okay. I think I have it in my files. But that's an important document. He would…

Martin: He's now deceased.

Lou: Yeah. He would be delighted if we gave him recognition for that.

Nick: Do you recall what that… what the document is?

Lou: Well, he… it was part of his memoir, I think.

Martin: Yeah, it was a section…

Lou: It was an excerpt, a chapter in his memoirs.

Martin: I think I have it, actually.

Lou: What was his name?

Martin: Allen Lowenstein.

Lou: Oh, I'm sorry.

Martin: I have, I have the document.

Lou: Great guy. Thank God there are people like that.

Martin: He was like an angel, helping us.

Lou: (Laughing)

Martin: Remember Bill Knox was his pension expert? Remember him at all?

Lou: Was his what?

Martin: Bill Knox.

Lou: What expert?

Martin: Pension expert on the staff.

Lou: I don't remember him.

Martin: You don't remember him?

Lou: Who did he work for?

Martin: For Lowenstein.

Lou: For who?

Martin: Lowenstein.

Lou: Oh. No, I don't.

Martin: But before… let's just make a little segue and maybe you can turn it off because, for a minute, because I want to talk about documents you had.

[Interview Part 2 ends]

[Interview Part 3 begins]

Lou: … wee hours of the morning, about 3:30 in the morning or something like that.

Martin: Like 2:30, I think it was.

Lou: 2:30. I had done a lot of reminiscing about NJ Transit and I conclude that we did better than we thought we could have done. And again, it was rooted in experience at the Port Authority. For example, I knew that we would get pressures to expand the board. I thought the ideal number would be somewhere around five to seven. My experience around the country was to be shocked at the volatility of boards that were 15 or so in number, and with the political chalking. And so to get to five or seven… what did we start off at, three? Got ourselves… let ourselves get negotiated up to…

Martin: Seven.

Lou: Seven, yeah. And other things that are… director's fees. I held to the position that we not pay anything, that we would get a better quality and I think that's worked out quite well. Don't you, Martin?

Martin: Yes, I do.

Lou: On the theory that… and the experience, again, at the Port Authority is Port Authority pays no fees and as a result, private sector regards it as a very high order of public service and a lot of corporate figures welcome the chance to be identified as a Port Authority commissioner and have no interest in the director's fees. When you get a fee, you get people politically being paid off by getting it plum, if you will, and therefore you don't get the experience or the caliber. Now, this is all generalizing but I think it's proved itself pretty much at NJ Transit. And to my amazement, both parties and governors of both parties have been very supportive, as they need to be because now it is very clear that all the responsibility is vested in the governor where much of it was private sector in the past and otherwise splintered, so you couldn't begin to fathom who was responsible for what. All these things, I think, came together very nicely. And I've had a very positive feeling about most of the appointments by both of the parties, both governors. Every now and then, one of the opponents was that Senator Gagliano and he was one appointed as executive director as a pure political appointment, which… and he was not one of the better executive directors, I would say.

Martin: Didn't last very long.

Lou: No, he didn't. Well, he didn't need… he was just trying to get his minimum number of months to jack up his pension.

Martin: His pension.

Nick: (Laughing)

Lou: Incidentally, it wasn't he… it was another appointment to the creation of NJ Transit who expressed incredulity that we were able to pull off that acquisition of TNJ for zero payment.

In fact, he did publically say that we were minimizing the cost; it would be much higher and so forth and so he was… expressed his own surprise at well done on getting it at that price, or no price.

Aything else, Martin?

Martin: On that subject? Just the excitement of getting that forty-first vote in the Assembly that hot summer night. Remember? There was a big rainstorm that occurred during the…

Lou: Right.

Martin: They adjourned and there was a gigantic rainstorm and we had doubts that they would ever even come back that evening. Trenton had flooded that day. It was a very memorable experience. (Laughing)

When you moved on to working with George and Debbie Finn, you moved on to the 1979 bond issue, right? Which brought together the resources that were necessary to keep the highway program going and also to supplement the public transit resources that you had accumulated.

Lou: What also was impressive is the four or five, whatever it was, taskforces did not report in sequentially but all at about the same time. So 1979 was a banner year. We had the legislation passed, eked by; we had the bond issue approved…

Martin: In November.

Lou: By a vote of two to one after several prior bond issues failed. We had the state plan signed off by 21 counties. We had… there was something else. Oh, we had our first board meeting of NJ Transit. But it was possible to get the ball moving. It didn't require large numbers of troops; it required a couple of highly motivated key people. George was the lead on the bond issue. Martin was primarily the lead on legislation drafting and organization. What else did you have?

Martin: Some of the… I eventually became the acting executive director in January 1980. I helped to carry that through until Jerry Primo arrived six months later. So we got things… we got the organization going on the fronts.

Lou: In my career of almost 50 years, I think the high point of it was your three years that I was here in NJDOT and the team that we… that came together, some outside recruitment, some state service, some existing at DOT. It was really incredibly a team. I mean there was mutual respect. We maintained friendships over all these years. Some of them were in their twenties at that time, now in their fifties. Hard to believe. (Laughing)

Martin: (Laughing)

Lou: The young women, particularly. We had this impertinent trio of women that were very, very good but also very impertinent.

Martin: (Laughing)

Lou: Busting into meetings that I'd have. Those were Amy Rosen and Debbie Finn and…

Martin: Cathy.

Lou: Cathy Sweeney. You started by asking what contributions I made. One of the things, looking back, that I think I was able to do was take the overview and look for ways to make dramatic changes and improvements. One that comes to mind is the TRANSCOM. In fact, I've started to enumerate a lot of these organizations that I started. TRANSCOM was a response to my being stuck in traffic in Hudson County on Route 9, which is like a trench. Are you familiar with Route 9?

Nick: Yeah.

Lou: I was north of the Lincoln tunnel and I had my suspicion when I looked ahead and saw some traffic, thinking what am I getting into? And sure enough, I got sucked into it and sat there for three hours or so.

Martin: (Laughing)

Lou: No movement at all. And it, you know, it struck me that it would've been so easy for them to operate a variable message sign at the junction, within which if we were once trapped, you don't get out at all.

Nick: (Laughing) Right.

Lou: And divert traffic to other routes. And that motivated me to set up a coordinating organization called TRANSCOM – Transportation… Com was command, I guess.

Martin: Command, yeah.

Lou: To… with members comprised of all the highway interests to coordinate rush hours and… particularly rush hours but they operate all day using the state of the art technology to assess where the points of congestion, if there's a major accident, communicating it to the other agencies as quickly as possible, to tell them… keep them posted and tell them how the situation was evolving, whether the affected transportation property needed help, like maintenance equipment or ambulances or whatever. Simple concept, responding to a very evident, simple situation but you know, getting it going was an uphill battle because the Jersey Turnpike had a, really a difficult command group that opposed everything that wasn't their creation. And it was Jim Weinstein, who was then the governor's representative for authorities who I called on to see if he could help and he did.

Martin: You were at the Port Authority at that time.

Lou: Yes, that's right. That's right.

Martin: And I think I was working with you at that point.

Lou: Yeah. Yeah. But that, I think is, unheard of as it is, has been quite, I think, quite successful. The same guy who took the job is still there thirty years later.

Martin: Right. Correct.

Lou: But there's so many things like that, that I guess I believe, and I used to preach to the commissioners that preceded me in Jersey, you can't simply keep wallowing in a growing crisis of endless subsidies. You've got to find a way, structurally, to change the whole dynamic. And that's what I felt I had a commitment to do when I was asked to do the job. And it worked. Some of these things have that resistance and you've just got to find a way around it, as in the case of Weinstein, who came to the rescue in that situation. In the case of legislation on setting up NJ Transit, it took, I think, the unique way in which a number of commuter organizations that were very, very strident, hostile toward the department and to political allies to get lobbying the legislature to come up with the funding or to support the legislation we were proposing to create NJ Transit.

And that was… I don't mean to say that was my doing alone; I had a lot of good people. Martin was almost always there at my right hand and totally reliable, totally motivated. The biggest insult I ever heard of Martin was that he was a boy scout.

Martin: (Laughing) Yeah, right.

Lou: Which I thought was a compliment but the person saying it…

Martin: Ironically, I never went to the boy scouts.

Lou: …clearly insulting him.

Nick: (Laughing)

Lou: Who was that? Do you remember? I forgot who.

Martin: I don't remember. I don't know if you ever told me who it was.

Nick: (Laughing)

Martin: But you did tell it to me. I know I've heard that before.

Nick: Why do you think you and your team were so effective at bringing these interests together and getting them to move, to progress forward on issues where, you know, like in today's political climate everybody is talking about all the political impasse and how nobody can do this kind of stuff anymore?

Lou: Well, I think it goes to the point I was making about my nonpolitical character, that I was trying to do a job for the state and I think the present scene is a political hotbed of vituperation and angling for a little bit of ink and so forth. That doesn't say the whole story but I think…

there were a lot of similarities to the condition. We were in the middle of a recession when all this we're describing happened.

Nick: Right.

Lou: But remember the Alliance for Action played a very key role in being a key element in… they had the latitude to spend money because they had high leaders and corporate…

Martin: Contracts.

Lou: …officials that had a lot of dough and it's put into any of their pet projects. And they saw, in what we were trying to do, an honest effort to bring order to transportation and they really rolled up their sleeves and were a great help in putting together a war chest of public relations and so forth. It seems like we've institutionalized conflict and nitpicking and paralysis in Washington. The approach… the commuter groups were clearly roiling in anger at the fact that service was declining, the costs were going up and so forth. And I went to a meeting – remember the Little Silver meeting when I first got there, Martin?

Martin: I wasn't with you then.

Lou: Oh, you weren't?

Martin: On that particular day, no.

Lou: Well, I had been warned, don't go. You'll be lucky to get out of there alive because they were really pissed at all the promises that were made, that they were given were not…

Nick: Could you describe who this group is?

Martin: Let me just say that I went to a public meeting at Red Bank High School before you became commissioner. Peter Stangl was chairing and there were 1,100 people in that auditorium and they were irate.

Lou: (Laughing)

Martin: There were catcalls, there were…

Nick: Over what?

Martin: Over poor rail service.

Nick: Poor rail service.

Martin: They were absolutely aggravated. It was like a community revolution that was going… about to go on. And then a few… you know, after a time passed, maybe it was about 18 months later, you became the commissioner and you were presented as this different kind of a person with your credentials and I think it had a lot to do with your credentials and the people were willing to give you a hearing. And you didn't have that kind of reaction, right? A negative reaction?

Lou: What the… I was warned that, you know, they were really bitter and they were boiling mad because all these promises made over the price the preceding ten years and not delivered. And I took the position with my, I guess chip on my shoulder, saying that you can either continue to fight us and we will not make… not only deliver the promises of the past but you won't get anything accomplished except to vent or you can make a judgment on whether you think we're working in full earnestness and to the best of our ability, I will commit to opening up everything to your inspection or information. But if you're satisfied we're doing all we can, then don't be part of the problem; be part of the solution. Help us get the funding and support out of Trenton and Washington and give us time to show that we're in earnest and are achieving results that you can buy into. Well, that strategy worked incredibly. They were mute in the meeting. There was little they chose to say except that, you know, were willing to give it some time but initially, you could feel the tension dripping in the whole place.

Martin: (Laughing)

Nick: (Laughing)

Lou: But they very quickly came around and then they became a strong, important asset to… like Gagliano, who was a powerful state senator, came from the Shore where transit was vital and it was… his inclination was to go with party line and oppose it because everyone knows government can't do anything right. He was a republican and the policy of the republicans was to oppose it. But he was compelled by his constituents to vote for it, reluctantly.

[Interview Part 3 ends]

[Interview Part 4 begins]

Nick: I was going to say that I think Martin brought up a good starting point for this session in that the creation of the New Jersey Transit Board.

Martin: And Jerry Primo's hiring…

Lou: But Martin played a particular key role because we worked well together, even before we started on that project. But his education, his commitment to public service, his thoughtfulness and intelligence was key in bringing together others to help us, including the brother of the state treasurer; Cliff Goldman was the treasurer. Was it… Richard?

Martin: Richard was Deputy Attorney General.

Lou: Yeah, Richard Goldman. We had the consultant from Washington working with Martin and we had a really good taskforce but Martin was the key. And the legislation was far better than I appreciated at the time. We did better than we knew in terms of walking the tightrope on size of board, nature of board and the responsibilities that flowed to and from the agency. A lot of stuff fell into place very neatly. I think I mentioned the role of the commuter groups last time? Did I not?

Nick: I don't recall that.

Lou: There were five or so commuter groups representing the different geographic and functional passengers in the transit field – bus, rail – and they were all very hostile toward the Department of Transportation, toward government, the failure of the bankrupt railroads, the increasing subsidies and the worsening service. And you know, people were warning me I was just going into a hopeless situation and would be massacred by these angry, really angry commuter groups. And we decided to take it head on in a meeting in Little Silver to both hear them out and to report on what we… our assessment of the situation and the general areas of possible relief. And it was a sort of confrontation with both sides trying to get the measure of the other. And it was quite frank and open. They expressed bitterness about promises made in the past that were not kept and I acknowledged that, that, you know, said the simple matter was under pressure. My predecessors were compelled by the pressures politically to promise a lot more than they had the funding capacity to deliver and this is the consequence of it.

We don't get… we haven't gotten a fraction done of the promises made, much less going beyond them to deal with other problems. And I said if you persist in fighting this, you can be sure of more of the same. On the other hand, if you are satisfied that we are sincere and trying to do the best job possible, that we recruit good people or demonstrate that we've got good people and they're on top of affairs given the limitations, if you're satisfied that we're doing as best we can, then don't add to the problem by constantly publically vilifying us but come aboard and be partners with us in getting political and public support.

And it worked out far beyond my best hopes. The leadership of these commuter groups rose to the occasion. They really became an important factor, probably the most critical factor in getting support for legislation that only barely eked by. The opposition was full of this Tea Party kind of mentality that everyone knows that public sector can't do anything right. Meanwhile, trying

to figure out a way to take care of six bankrupt railroads and a bunch of bankrupt bus companies drawing sizeable amounts from the treasury but delivering worsening service. So that was the kind of dilemma that was out there. And yet, some of the very problems turned into opportunities to awaken a new way of going at it by the commuter groups and then we became bonded rather than in the death throes of opposing each other.

But that was one illustration. But that evolved into several republican legislators who were committed to opposing the legislation in coming aboard and supporting it, which gave us just a bare number of extra votes to get the thing through both houses.

Martin: You can't think of Senator Tom Gagliano?

Lou: Yes, Gagliano particularly was a vocal adversary of our proposal but his father-in-law was a lifelong transit buff, judge, Judge LaBrecque.

Martin: And leader of one of those groups that you were talking about, right?

Lou: Yeah.

Martin: That [unintelligible] coordinating committee I think.

Lou: He later became Chris Whitman's appointee to the job of executive director of New Jersey Transit.

Martin: That was Gagliano.

Lou: I'm sorry?

Martin: (Laughing)

Lou: What?

Martin: Gagliano, you mean?

Lou: Yeah. What did…

Martin: Well, it could've been interpreted you meant Judge LaBrecque. (Laughing)

Lou: No, no, no. Got you. His son-in-law is Senator Gagliano. Every time I pronounce his name, I gag.

Martin: (Laughing)

Lou: It should… well, because he mispronounces his own name.

Nick: (Laughing)

Lou: Which happens with a lot of Italian Americans. His name in Italian is (using accent) Gagliano, which I think is a pretty name, but he prefers to call himself Gagliano, which I don't think is nearly as euphonic.

Martin: (Laughing)

Lou: Anyway. So that was one interesting… my hero, Kerry Edwards, is a republican who later ran for… he was Attorney General; ran for governor in the primary but didn't make it. He's deceased now but he was a youngish state senator, very well regarded, who decided that despite his party's position, he was going to support the legislation and promised that he would also deliver a few other republicans, which I thought doubtful but I was happy to hear his willingness to give it a best effort. And he did deliver them and it showed to me a profile in courage because he knew he was going against the party line but felt, in all good conscience, that it was an essential step to take to improve public transportation.

Martin: And since the bill barely got 41 votes in the Assembly, his votes and the votes of a handful of other republicans was critical in getting the necessary majority.

Lou: I drew on my Port Authority – at that time, 22 years of service – in offering my input to the legislations. For example, the design of the board. The Port Authority had 12 commissioners, six from each state and sometimes it seemed to be unwieldy in number and in the very interests that had to be accommodated. So I was out to try to have a smaller number and yet recognize the deep pressures to increase no matter what the recommended number. So I thought we'd probably be forced to have about ten or so but thought we'd start off by suggesting… what was it?

Martin: Seven.

Lou: Pardon?

Martin: Seven people.

Lou: Well, that was what the outcome was.

Martin: Oh, yeah.

Lou: But before that, we…

Martin: Was it five?

Lou: Deliberately went for something like five, four or five.

Martin: Yeah.

Lou: Knowing we'd be bid up. And so we compromised at… the ultimate, the final was six, right?

Martin: Seven.

Lou: Seven? Three that were ex-officio public officials of the state government and four appointed by the governor, two staggered terms of four years?

Martin: I think it's four years, yeah.

Lou: Four years each. And I thought that was a good outcome. I also felt strongly that it should not be a paid board and that may sound odd but that, again, was a Port Authority thing. We found… the Port Authority really had an illustrious board of highly respected public figures, mostly private sector, and did not pay either a per diem or a fee or any kind of compensation and it attracted some of the most illustrious names in corporate New York, New York and New Jersey. And I felt that that probably would carry over, that if it wasn't looked at as a pastronage plum, but rather an expression of high public service, that it would attract a higher caliber and I think that worked out quite well. We had a good board to start and through the years.

We had a couple of people appointed in the original board who brought two very valuable skills. One was a successful entrepreneur – I'm trying to remember his name.

Martin: Martin Brody.

Lou: Martin Brody. So he brought business acumen, and then there was John McGoldrick, a respected lawyer from one of the biggest law firms in New Jersey. And they both stayed on the board for over 20 years. I think McGoldrick was 30, which is a heck of a long continuous run of public service. He had really played a key difference in bringing dimensions to deliberations about contracts and other policy decisions of the board.

We set out, [unintelligible] and the Port Authority, to try to establish a new level of professionalism and competence and so forth, so I was able to persuade the governor not to require me to go under Civil Service and permit us to pay only a few thousand more and attract some of the best people in the country to staff the agency.

So all these things had a momentum, once started, and it came together and I think the organization got imbued with some important kinds of goals and I'd say tenants of management in public service that was quite impressive and refreshing. Martin was the first acting executive director. We had a number of people from Department of Transportation transfer to the new agency and so we had a mix of former DOT people, outside recruitment, some advancement from within the agencies or at least in operations we were acquiring, and it came together quite successfully. In fact, even some of the opponents, the republicans, admitted to me that it was a good move and they were wrong to oppose it.

Martin, what did I leave out?

Martin: Well, the… your hiring of Jerry Primo.

Lou: I'm sorry?

Martin: Your hiring of Jerry Primo as the first executive director.

Lou: Hiring…

Martin: Jerry Primo.

Lou: Oh, Primo, yeah. Yeah, Jerry… we had a selection committee that wanted to get people, you know, to look at the potential field of candidates. We had an interesting mix of candidates including oh, somebody who later became the secretary general of… I forgot what they call them, director general or whatever, of London Transport, one of the second largest, I think, in the world after New York. We had a candidate from the private sector who... that was Kirk Foley, who had a good bit of public transit experience in Seattle, or Vancouver, rather.

Martin: Right.

Lou: We had a woman, a black woman… oh no, I'm getting into the board now. Well, I guess I lost track of myself. Am I on the board or on the staff? The board?

Nick: You were talking about the candidates for first executive director.

Lou: Yeah. Oh yeah, that's right. So this was the panel to look at the candidates and to beat the bushes for people from the industry. We had Jerry Primo, who was ultimately selected, had been employed at the Federal Transit Administration and was well regarded as one of the grantsmen. He turned out or was selected.

There were a couple of others that were really top-draw people so that was a good start. The board was in gear and on a good roll and the selection process went very well and I think the agency got launched very, very positively with good people, key people, many of them from DOT.

So what's next, Martin?

Martin: Well, you might want to just mention some of those young people that came over and helped to start New Jersey Transit. People like Susan Kirk and [unintelligible].

Lou: Yeah, I was thinking of Susan and Dick Anderson.

Martin: Dick Anderson.

Lou: Dick Anderson was a very dedicated staff member who died much too young.

Martin: And around that time, actually.

Lou: I'm sorry?

Martin: And around that time, he died. Or soon thereafter.

Lou: Who did?

Martin: Dick died around that time. Maybe the year before…

Lou: Yes.

Martin: New Jersey Transit [unintelligible].

Lou: We had two staff members, Dick Anderson and Ben Feigenbaum, who were very dedicated staff members who got routinely vilified by the private sector, who didn't feel that they were adequately helping them siphon off money with that. (Laughing) Were being overly demanding in the way of standards of performance. And I thought it criminal that they would be so unthinking and brutal of two guys carrying a very heavy load and making them the enemy when in fact, they were doing a great job for the public interest. But such is life.

Nick: What were their roles?

Lou: Well, they were administering the contracts with the public agencies who were drawing down subsidies.

Nick: Mm-hmm.

Lou: And they had the nerve to expect, you know, standards of performance (laughing) and responsibility. They unearthed a lot of bad practices, some of which should've been perhaps brought to bear in a… on a penalty or a charge of fraud basis. But with so many other problems, we didn't have time to try to clean up some of these things while we tried also to change the whole paradigm.

Martin: I just… I thought of this, so if you talked about George Warrington because of his legal involvement.

Lou: Oh, yes.

Martin: In a lot of things that are… were through your career. And Susan Kirk was another person and Bert Hasbrouck. Those would be three people that I think deserve mentioning.

Lou: It broke my heart to see several very young people, who threw themselves into this so completely, who died at an early age. Susan, George Warrington, Dick Anderson, a few others. Dick Clark.

Martin: Steve Clark.

Lou: I'm sorry?

Martin: Steve Clark.

Lou: Steve Clark, right.

Martin: Rick Mariani.

Lou: And Rick Mariani.

Martin: Yeah. This was over a period of…

Lou: These were people in their forties, fifties who expired from cancer, from heart attacks and so forth but very good people. I have very fond memories of that whole three and a half years because with good fortune, a lot of things did fall into place. A highly motivated, very

effective team of people formerly from outside or from within the department or other eclectic means we pulled together and we remained close friends and you know, respectful and lasting friends over thirty, forty years now.

Martin: Lou's accomplishments didn't stop there because he then encountered the fact that there had not been a successful bond issue for 11 years. And New Jersey was very short on capital funding and he undertook something that he loves to talk about, I know.

The way that you were able to weld a coalition of local governments behind your bond issue proposal and then also the TRANSPAC proposal welded… both were welded together and a very large amount of capital funding came suddenly… came to New Jersey. And you were involved in one way or another in all of that in 1979, which is extremely helpful. Do you remember? You must remember the bond issue.

Lou: I used to comment that I'm glad we started not prioritizing and having a rank order of objectives, a first priority, second priority but rather framed out five or six areas that needed development at the same time. So we had one group led by Martin on legislation, another on bond issue, still another on getting 21 counties to come to an agreement on a single overall state plan and against the timeframe and funding priority to get consensus and therefore change the image of the state in Washington from they're not able to get their act together or make a decision. They tend to stalemate each other and you don't know where to put the money or the support. So we cured that. We developed a 21-county agreed list of priority of projects and they all signed off on that.

And we developed, I think, a very good working relationship with the customers. And the first success breeds the next and once you get a winning thing going, and I pray this is the case with Obama. Success breeds success so the first event we had was in the… I guess… which was it? The bond issue? Yeah. No, the legislation on NJ Transit was in July, right?

Martin: That came first.

Lou: '79.

Martin: Right.

Lou: '79 was a very, very productive year, extremely.

Martin: Extraordinarily productive.

Lou: I'm sorry?

Martin: An extraordinarily productive year.

Lou: Yeah.

Nick: It seems like such a different time and climate than what we have today.

Martin: And it took leadership. It took leadership and a credible leadership. And so the New Jersey Transit statue was passed in July of 1979 and then the bond issue was on the ballot in November.

Lou: The first meeting of the board was December.

Martin: December.

Lou: We had agreement on the 21-county plan, I think, by then also. So it seemed like every time we turned around, we had a new plateau, a victory. And I truly believe that that could happen, for example, at the national level. Once there's a sense, an ascent of of success, the public, I think, will be more turned on and there'll be virtually no nothings to try to stymie everything.

Martin: Do you remember much about TRANSPAC?

Lou: Oh, yeah.

Martin: Why don't you… that's a very interesting piece of history.

Lou: I think I covered it last time. I know I made that gaff about…

Martin: About what?

Lou: My private briefing for…

Nick: Yeah.

Lou: A prominent political figure, which I won't repeat. (Laughing)

Nick: (Laughing)

Martin: Oh, yes. Yes.

Lou: I think I covered it.

Nick: Yeah, we did. We talked about that. I'd like to hear more about this 21-county agreement because that seems… that seems amazing to me, given…

Martin: And there was also a public relations element of it. Lou, you appeared in many, many newspapers showing decayed bridges. The thrust of the bond issue was mainly around highway needs. Some public transit as well.

Lou: We had, again, just a great, fortuitous set of circumstances. When we were, you know, it looked like we were stymied, the Alliance for Action picked up and they put up a war fund, or call it a base funding for a widespread PR effort, not only to communicate the nature of the crisis and the conditions that were so in sore need of repair, but they had hired three PR firms; one for South Jersey, one for North Jersey, and one for overall, to advise us on a steady diet of photographs of me pointing to decrepit facilities.

Martin: (Laughing)

Lou: By the way, Martin, you know that Andy Baglivo's daughter has an incredible job. Do you know that?

Martin: Yes. I lost track of what it is.

Lou: She's the CEO/Chairman of…

Martin: Oh, of Saatchi & Saatchi.

Lou: Saatchi & Saatchi. I think it's the world's largest PR firm now. She's a Rutgers person.

Martin: And he was one of the wise counselors of the Alliance for Action, Andy Baglivo.

Lou: So it was a sheer delight to work with all these guys, the people of… there were no strong egos or other motivations. We were all pulling together in a very harmonious way and it was most…

Martin: Didn't George Warrington do a lot of the staff work for you?

Lou: He did a great job. Yeah.

Lou: And while we're doing all this, we were doing other things, too. The law provided that – I forgot what year it was – that we would have to organize a… no, it wasn't that specific. It talked about, in general, about regional rail coordination. Remember it led to NECCRAC? [North East Corridor Commuter Rail Authorities Coordinating Committee]

Martin: Yeah. There was a law that was passed in 1976, just before you became commissioner.

Lou: Yeah.

Martin: And then… but NECCRACC, you took the leadership once you became the commissioner.

Lou: That, itself, is evidence that we were not Washington types, because in Washington, you come up with an acronym and then fit the words to fit the acronym.

Martin: (Laughing)

Nick: (Laughing)

Lou: NECCRACC was language right out of the bill that said we had to have… well, we interpreted it to have to develop a Northeast Corridor Coordinating Committee… there was more to it, I think. Martin virtually ran that but I was nominally the chairman of it.

Martin: (Laughing) Quite a nominal chairman. (Laughing)

Lou: And again, these side projects also worked for us in developing various kinds of support, both from Federal Transit Administration and state and local.

Martin: And Federal Railroad Administration.

Lou: I'm sorry?

Martin: Federal Railroad Administration, also.

Lou: Yes. Yeah.

Martin: Because they were in charge of Amtrak.

Lou: Mm-hmm.

Martin: In fact, that story is still being written, the relationship between Amtrak and New Jersey Transit. That's a…

Nick: And SEPTA, too. Yeah.

Martin: Yeah. There's a lot going on right now that's not relevant to this, but now that you mention it…

Lou: Constructive?

Martin: It was an early stage of that collaboration. There's now a commission that is trying to bring Amtrak together with the Northeast Corridor states. That was part of Senator Lautenberg's legislation a few years ago and it does exist now. It's doing some of the work of NEC-CRACC.

Lou: (Laughing)

Martin: So that idea has not died. I guess what do you think is your last hurrah at the Department of Transportation? Would it be the effort at stable funding?

Lou: Well, that was the last project but we never completed it and it still hasn't been achieved. (Laughing)

Martin: (Laughing) And it's an interesting story. Well, they actually did succeed and then they un-succeeded. They had state funding.

Lou: Governor Kean, who succeeded Byrne, picked up and tried to go forward with the same proposal. Then he had to finally give it up but to his credit, set up a transportation trust fund that worked quite well for awhile. But…

Martin: And they give you a lot of credit for having plowed the field first.

Lou: But it was very gratifying. I mean, we really had so many different things in play, a lot of good people clearly throwing themselves in with complete commitment. And then that led to

sort of a growing arc of people who were impressed and either directly supported or generally in the background would be supportive. And again, it drew the best of many people into the whole effort with good results.

Nick: So with all this work to be done in New Jersey…

Martin: Sort of. He returned to the Port Authority.

Nick: Oh, right. That's right, you had the Port Authority in between.

Martin: He went back to his mothership.

Nick: Right.

Martin: (Laughing)

Nick: So what drew you back to the Port Authority?

Lou: Primarily, personal. I had 22 years in and I wasn't eligible for pension yet, so with six kids, three of them in college, we didn't want to move from our home in Bergen County and it was too disruptive to think about taking a job anywhere else. I had been offered the Federal Transit Administrator's job and other… I was approached about a couple of other things that would normally have been very attractive but I felt I had to get back to the Port Authority to get my base pension effective for until I got the kids all through college.

So I returned for seven years and then retired and moved on to Philadelphia, then to Rutgers. And it turned out… well, it was kind of grueling and I, for seven years, I commuted home on weekends only because… or for the most part because I had an apartment in Trenton when I was there for three and a half years and I had an apartment in Philadelphia where I stayed for three and a half years before selling our house in Bergen County and moving my wife down. And it was good to get back to the Port Authority, not only for the improved personal considerations but it was still a very exciting place and I enjoyed a new set of challenges as a director of administration, assistant executive director. But on the other hand, I was ready for a change after 32 years with the Port Authority.

Martin: Things changed at the Port Authority while you were there during that period of time.

Lou: Very much so.

Martin: You came with Peter Goldmark as an executive director and that was a pretty positive atmosphere.

Lou: But for that, I would probably not have gone to Trenton. But I was pretty ripe for a change when offered the job in Trenton. My wife was not terribly thrilled because he felt that I was giving up the security and the… and any incomes would be postponed into the future. You know, I went from something like a $66,000 a year job to a $49,000 a year job (laughing), which is the wrong direction to go.

Martin: (Laughing)

Lou: But it was, looking back, I'm very pleased with my whole career. A lot of it, I had no interest or expectation I'd get into transportation per se. And that was just happenstance with the acquisition of the Hudson Tubes. And once I got into it, I enjoyed it so much that I was more committed to transportation than to the rest of the Port Authority agenda. But part of it, of course, operating the transit system and being director of rail operations, again, that was an experience of great value, the competent people that I worked for, worked with, or who worked for me made it exhilarating, to be honest.

Martin: One of the things that you did… two of the things that you did in that seven years was spawning new entities like the TRANSCOM and the Transit Center. You may want to talk about that. Your involvement in that is not that well known because it's a long time ago but they would never have happened if you weren't the… formulating their birth.

Lou: What pleased me, though, I know I kid about some of my best friends are republicans. Well, Kerry Edwards was one such. Jim Weinstein, who runs NJ Transit, was just terrific to work for when he was reporting to Chris Whitman.

I was getting really stonewalled by the New Jersey Turnpike Authority, who didn't want to cooperate with our efforts to get this TRANSCOM organized, a central coalition… or cooperative of all the transportation agencies, having a piece of this information gathering, dissemination and daily tracking of transportation, mostly highways – not public transport so much. And I had all these organizations lined up to be active participants, including New York Thruway and the Port Authority and others. And Turnpike refused to cooperate and it took Jim Weinstein having the governor intervene because the agency was a highly political institution and they pretty much forced the Turnpike Authority to play ball.

Martin: Jim worked for Tom Kean, as I recall, not… you had the right political party but I believe it was Tom Kean.

Lou: Was it Tom Kean?

Martin: It was Tom Kean because Christie Whitman wasn't elected until '93.

Lou: Was what?

Martin: Wasn't elected until about '93 and Tom Kean was in office from '82 to '89.

Lou: So it was Kean? Hmm. Well, maybe…

Martin: But Jim Weinstein worked for him. I know he did.

Lou: Worked for Kean?

Martin: For Kean. But then…

Lou: Yeah, but I think…

Martin: Jim Weinstein was commissioner under Whitman.

Lou: Whitman. Okay. That's exactly right.

Martin: Maybe that was…

Lou: Yeah, at the time, he was not commissioner.

Martin: No.

Lou: He was…

Martin: In the governor's office.

Lou: Authorities. Yeah.

Martin: Right.

Lou: Right. You're right.

Martin: And he was very helpful.

Lou: Transit agencies…

Martin: I mentioned Transit Center, was the other one.

Lou: Yeah. That's still in existence, isn't it?

Martin: Well, it has not actually been sold.

Lou: Really?

Martin: Yeah.

Lou: Huh.

Martin: Yeah. It sold its transit check business and it's only now a nonprofit that I'm not sure exactly what it's doing, but it is supposed to promote public transit usage in the metropolitan area.

Nick: What was the idea behind Transit Center to begin with?

Lou: To do for public transportation what TRANSCOM was going to do for the highway interests, to provide linkage between all the public transit agencies, not only sharing of information but projects that might be mutually or jointly sponsored. The specific biggest slice was being an agency through which the federal law respecting subsidy for public transportation could be implemented by…

Martin: The tax…

Lou: I'm sorry?

Martin: The tax credit.

Lou: Yeah, the tax credit. And for 20 years or so, we had a chairman there who was from the New Jersey Department of Transportation, who I think showed a lot of initiative in getting it off the ground and making it work.

Martin: It's Larry Filler.

Lou: I'm sorry?

Martin: Larry Filler, I think. Are you thinking of Larry Filler, who was the executive…

Lou: Filler, yeah; Larry Filler.

Martin: Yeah. Right. And interestingly, he was there for maybe 20 years and Matthew Edelman is still at TRANSCOM and he was the first person hired to be the head of TRANSCOM. He was another person that had worked for you. Do you remember Matthew Edelman?

Lou: I'm sorry?

Martin: Matthew Edelman.

Lou: Oh, yeah. Yeah.

Martin: So these are more of the people that Lou selected that really stuck with these ideas.

Lou: One of my biggest worries before I took the job, I had no involvement in any direct political activity and worried that even though there was no significant reflection on the department of misdeeds. Nevertheless, in fact, two or three of my colleagues elsewhere went to prison.

Martin: Mmm.

Lou: Receiving bribes. And I was concerned about the potential for that kind of thing when you're handling those kind of dollars and contracts and so forth, the hundreds of millions of dollars. And so I, more in anticipation of the future rather than based on anything in the past, I promoted the Athenian Oath as best I could through newsletters and speeches to the staff and the like, on the importance of your commitment to the public trust and integrity and so forth. Some people, I think, might've thought that it was BS but it wasn't. And I posted the full quotation on the Athenian Oath that generally covered those themes of commitment to making the city better, more beautiful than you found it and so forth. And to my pleasant surprise, that thing has been on the wall for the last 35 years, signed by I think all of the commissioners who followed me, which is a wonderful, to me, a wonderful feeling that this did connect and some of the commissioners who followed me used it in their speeches. George Warrington used it frequently. But even commissioners who had not had public background bought into it and I think it helped to set

a tone of high purpose and dedication to the public service that might've been there but latent. And this kind of stimulated it. Is that overstatement, Martin?

Martin: No, I think that's a very good statement. Another one of your legacies.

Lou: I'm sorry?

Martin: Another one of your legacies.

Nick: Yeah, one that's often mentioned, too, among the research that I've done. I mean, almost everyone mentions that as one of your lasting contributions, which is a good contribution to have, I would say.

Martin: Right.

Lou: Well, it certainly made me feel good. That's been one of the joys of being in transit – a lot of dedication in the ranks. You know, you can have conflicts with the union but when disaster hit or any kind of emergency, boy, everybody turned to and showed their metal. It was very gratifying.

Martin: As you look back on those seven years with the Port Authority, is there anything else that you remember?

Lou: Of the Port Authority?

Martin: Yeah, in that period.

Nick: You know, when you returned.

Martin: Your second life there.

Lou: So we had a succession of turnovers in the executive director's job and other jobs. It still was a great organization but it was starting to show some wear and tear and tatters. And I would say that's true today, too. It's got…

Martin: Worse. (Laughing)

Lou: Pardon?

Martin: Worse.

Lou: Worse, yeah.

Martin: Worse.

Lou: So I was content to retire after 32 years but I took a job as president of the Institute of Public Administration, a think tank, but clearly wasn't cut out to do that. After seven weeks, the Philadelphia board asked me to come down and pressed me.

I tried to say no a couple of times and the chairman, who was just great, persisted in not letting me say no.

Nick: Who was the chairman at that time? Do you remember?

Lou: Yes, Clayton Undercofler. He's deceased now; he was only 66 when he died. He was a highly respected ex-US attorney, ex-head of one of the prominent law firms, Saul Ewing in Philadelphia. Prince of a guy. I was blessed with three great leaders – Austin Tobin of the Port Authority, Governor Byrne in Jersey, and Clayton Undercofler. And in each of those jobs, I felt like I had a lot of support, a lot of latitude to do my own thing, and good chemistry with my boss, so very gratifying.

Martin: What were the highlights and the lowlights of your time in Philadelphia?

Lou: Well, Philadelphia was, in many ways, exciting. It's a great city. The politics left me fairly cold.

Martin: (Laughing)

Lou: I saw the seamier side of politics than I ever saw in New York or New Jersey. One of my archenemies is still in prison, federal prison, for his misdeeds. Not that I had anything to do with it, but (laughing) he had a trail of unsavory activities and actions and misuse of public moneys and other public assets.

Nick: So hold on one second. Your time in Philadelphia was from 198… what was it?

Martin: '88.

Lou: '88 to '97.

Martin: '88. It was a long period.

Lou: I'm sorry?

Martin: That was a long period.

Lou: It was the longest in the history of the agency.

Martin: Yeah, which had had a record of rapid succession of executive directors. It had been a pretty unstable organization for much of its history.

Nick: Well, because they had gone through the whole unifying of the rail system in the early eighties – late seventies and early eighties, right?

Martin: Yeah. David Gunn was there at that time.

Lou: The chairman, who was a republican, was picked by Governor Casey, democrat, because they had worked together in a law firm earlier. And so it was an unusual selection at the

time. But he had such a great reputation as US Attorney, man of integrity and honor, that he had broad support and respect and he was a delight to work with; just terrific.

Nick: So what were some of the challenges that you faced at SEPTA?

Lou: SEPTA, well the biggest was short funding.

Nick: Mm-hmm. As usual.

Lou: An excellent, extensive system in horrible physical shape with very inadequate funding. So first priority was to put together a private sector coalition to storm Washington but particularly Harrisburg to get a dedicated tax to support transit. And we succeeded but we didn't achieve nirvana; it was still not all that we could and should have gotten but it was enough to get us on a stable footing, much like TRANSPAC in New Jersey. Some of the board members, to be honest, left me cold because their short-sighted or let's say their primary interests were extrinsic to the Port Authority on key issues that mostly came from the suburbs and favored much more helping to build highways to shopping centers than to be concerned about the poor sections of Philadelphia and the decrepit condition of transit stations or other services to the poor.

Nick: Yeah, because at that time, they were building the Blue Route.

Lou: I'm sorry?

Nick: Were they building the Blue Route at that time in Philadelphia as well?

Lou: No.

Nick: No?

Lou: No. We had our hands full just keeping things going because you know, in fact when I got there, one bridge was considered unsafe so one suburban railroad was canceled for some time. And the kind of stuff that was going on was the state congressman… I mean the US congressman from that district was able directly to get a pork barrel earmark for that bridge to rise to the top of priority for the system when we had much more severe problems.

This was a duplicative line with another line that could easily carry the traffic but the politics was such that he got his way, even though we had far worse condition in the poorer areas of stations that were crumbling and unreliable service. And those are the kind of challenges that very much took part in those days. I used to become a strident voice and non-voting member of the MPO – the Metropolitan Planning Organization – that distributed money from the feds to the priorities of the region. And invariably, the connection to a new shopping mall always had priority over anything for the (laughing) poor sections of the city. It was a noble fight, but a losing fight nevertheless.

Nick: Did you bring your Athenian Oath to Philadelphia with you?

Lou: Did I what?

Nick: Did you bring your Athenian Oath with you to Philadelphia?

Lou: Yes, I sure did.

Nick: How was it perceived there?

Lou: Well, again, there was more of a specter of corruption than existed, and I don't mean in our ranks directly but some of our board members did questionable, you know, things, mostly relating to their suburban bosses and the like. But I cannot honestly say that we had any evidence of corruption in the ranks. On the other hand, it was much more of a political morass than anything I had at the Port Authority in New York or New Jersey in terms of staff members who were also active politically and of questionable honesty in terms of their role or failure to see the conflict of interest in serving their political friends or partners as well as trying to do the job that they were required by their jobs to do.

Martin: It contrasts with your NJDOT experience, doesn't it? Where really, NJDOT and New Jersey Transit, we really didn't have any evidence of that sort of thing.

Lou: Right.

Martin: It was a very cohesive group of people that were around.

Nick: Yeah, it's… it's…

Lou: Well, but on the other… I don't mean to overplay it. As I say, I'm careful to say there were no clear-cut examples of kickbacks. There were before I got there on a limited basis and they were rooted out but the climate of political thinking, political connections was disturbing to me. Port Authority was very rigid about the best way to kill your career, get unemployed, or not getting promoted is to try to use political favoritism to get promoted or a pay increase or whatever. That was a no-no that resulted in swift retribution from Austin Tobin, the executive director.

Nick: Yeah, it seems like there's, in the case of Philadelphia, which is probably more typical of a lot of these regional transit organizations.

Lou: I think so.

Nick: That there's the conflict between city and suburb.

Lou: Yeah.

Nick: That's embedded within the whole…

Lou: I think that's right.

Martin: Yeah, well there's something about the structure of SEPTA where the suburban…

Lou: Yeah, that's true.

Martin: ...counties have a huge amount of influence.

Nick: Yeah.

Martin: And the city doesn't have the influence that it ought to have.

Nick: Same thing with the MTA as well.

Martin: Yeah.

Lou: The most dramatic example of that, I think, is the Metropolitan Planning Organization, Delaware Valley Regional Planning Commission. Eighteen members of the board. Philadelphia County and city both had one vote. Mercer County had a vote for Trenton and a vote for Mercer County. Every other suburban counties had the county seat getting one vote and the counties of all another. So out of 18 votes, Philadelphia with 50% of the population of the region had one vote. One vote; not two (laughing) out of 18. So is it any wonder that all the priorities went to the suburbs? But that's the way the thing was designed by a legislature that was dominated by suburban legislators as well. And to me it's unconscionable and I can't understand why the city or the labor unions didn't take it to the Supreme Court on one man, one vote.

Nick: Yeah.

Lou: You know, but it's typical of so many other things like the rules of the US Senate. One senator can block any action of the body of a hundred senators.

Nick: Mm-hmm.

Lou: In fact, I was listening to a presentation on TV over the weekend and it said that a senator could be a fundraiser and learn from his clerks that a bill had been introduced of a certain nature. He could call the Senate and say I am blocking that legislation and nobody could force him or her to change that position, so they could be kept perpetually in paralysis (laughing). That's incredible. It's bad enough to have the requirement of 60 votes rather than a simple majority but when a single person can block anything of their choosing without explanation or accountability, that's sick. You know?

Nick: Certainly calls into question the idea of democracy.

Lou: I'm sorry?

Nick: It certainly calls into question the idea of democracy.

Lou: Yeah. Right. And you know, along the same lines, the other rules for the Senate that just makes it virtually impossible to get any kind of honest debate about the substance and the value to the public interest. It's terrible. The other thing that is at work as well is the growing power of the rural interests. As it is now, the Senate of course makes it very lopsided, considering states having two senators who don't have even enough population to have a single congressman. They get one as a minimum token but even the districts that previously were mostly urbanized have been, let's say decentralized so that more and more, the suburbs are built up and

the city has even less and less role in the proportion of votes or action, centers of action. It's kind of depressing. It's hard to imagine correcting that; it's so deeply rooted in our system now.

Nick: And that debate was happening from the early stages of the formation of our government, you know, the role of the Senate as having that sort of structure. You know, even in the early years of America. But back to SEPTA, I think this is a really interesting discussion for me but the divide between suburb and city.

Lou: Right.

Nick: That SEPTA has been able to function as well…

Lou: Yeah.

Nick: As it has.

Lou: Yeah.

Nick: Despite that, those political problems between those two areas has been… I think that's been a shining example of people taking their jobs seriously despite the political problems surrounding them.

Lou: I keep praying that the republicans will come to their senses and be some ones that have any hint of dedication to the public trust, will find ways to neutralize the Tea Party and the other groups that want to control or stifle any kind of progressive thinking.

Martin: Is SEPTA now looked upon as a successful public transit agency?

Lou: I would say so. It's been fairly quiet since I left.

Martin: Because before David Gunn got there, who preceded you…

Lou: Yeah.

Martin: It really had a history of being…

Lou: Turbulent.

Martin: Something of a real weak link.

Lou: Yeah. Yeah. Well, it's true of other… BART had that reputation for years and years, you know, really some pretty bad board members who were driven by external politics much more than they were duty to the BART purpose.

Martin: They were elected, weren't they?

Lou: Yeah. Yeah. And others have had that for intermittent periods of tumult or periods of calm; Cleveland, Chicago, and others.

Nick: Yeah, my understanding with SEPTA now is that they still are struggling from the same financial problems. Their capital budget is a fraction of what it should be.

Lou: Bill Bradley said to me after I was here awhile and moaning about the condition of SEPTA's finances (laughing), he said you knew that you were getting into that, so now you're stuck with it. Figure out a way to deal with it.

Martin: (Laughing) Yeah, that was endemic.

Lou: What?

Martin: That was endemic, the history of SEPTA.

Lou: Yeah. Right. But all three jobs, particularly New Jersey and SEPTA, were similar in character as far as the political environment, the financial strain. But ultimately in that case, even at SEPTA, we had a very good organized, mostly private sector coalition. We marched on Harrisburg, on Washington; that with our legislators. And we had an impressive group of senior corporate executives who backed us to the hilt and a number of volunteers who threw themselves into it with a lot of impressive vigor and commitment to the public interest, which is a nice thing to see whenever it flourishes. (Laughing) So in short, I've enjoyed my career immensely. Some people thought I was a masochist; others thought I must've been under a lot of stress. I wasn't, for some reason, and I found it surprising to me because I used to be a worrier. But you get to the point, I guess you get a thick skin. Every now and then some of our board meetings would get hot, like protests by the disabled for our not doing enough for them. One time, this activist woman wearing Army fatigues, lunges across the table to grab me and my chairman by our neck-ties and our cops had to pull her off of us. (Laughing) But she was about to eat us up, I guess. You get… another time, I was a hearing officer for the Port Authority and went to… I was presiding at this hearing and the rhetoric kept escalating and it was getting hotter and hotter and extreme comments. Somebody threw a bag of red-colored liquid at me with the comment about, "You're draining the very blood from our veins" and blah, blah, blah.

Martin: (Laughing)

Lou: And you think to yourself, what the hell am I doing here, putting up with this crap? (Laughing)

Martin: (Laughing)

Lou: But it's all part of the nature of the game, I guess. But all in all, it was just very gratifying and as I say, I have to… I do a lot of reminiscing ever since I went blind especially and I have to admit that I really believe there were a lot more people that I admired and thought very highly of than were either crooked but more particularly laggards or committed to other agendas than the public interest. So it's been a good run. Port Authority was a good agency. Governor Byrne was good to work for. The right people came together to do the right thing in Jersey as well as in Philadelphia.

And meanwhile, also, besides NECCRACC and that stuff, Tom Deen was a great guy to work with. I was on that board – I forgot – something like 15 years, chairman for one year and it was really gratifying to have virtually lifelong friendships and colleagues in the Transportation Research Board that gave me the opportunity to sit back and look at the larger scene or visit colleagues around the country and around the world.

Sounds like I'm wrapping up; checking out, huh?

Nick: (Laughing)

Martin: (Laughing) Well, you're wrapping up. I don't know about the checking out.

Nick: Do you want to talk, backing up just a little bit, do you want to talk at all about your exit at SEPTA? Because I know…

Lou: My exit at SEPTA?

Nick: Yeah.

Lou: Yeah, it was somewhat disappointing and yet, you know, I guess given the situation as I described it about the politics, when I announced… first of all, volunteered to leave earlier because I knew that several board members were under pressure to get rid of me, from their bosses in these suburbs. So I saw the handwriting on the wall and I decided to take the initiative because I would leave on my terms rather than theirs.

Martin: Was Undercofler gone?

Lou: Yes.

Martin: At that point?

Lou: And we had a political hack as chairman, who was very beholden to his political boss.

Martin: That's a bad atmosphere.

Lou: Delaware County. Yeah, and I've seen it with a number of my colleagues and when I saw it coming at me, I recognized it for what it was and decided to offer one of the board members most, I think more sound and committed to SEPTA, I said you know, you may want to try out this approach. And it took root, so then I was happy to get away about six months early and leave on my terms rather than theirs. But what was disappointing is that, for example at the last board meeting as I announced my intentions and they were clearly in the affirmative and going along with it, one of the guys that I had worked… who worked for me and I had fired for, let's say for inappropriate lack of loyalty and trust, was then appointed to my board by the governor. That's when I knew that the end was in sight. (Laughing) And so the commissioner stood up and applauded when I was being recognized by the chairman and he sat in his chair and looking sternly but showing any support at all. I guess I can understand that if I were fired, too, but he

deserved what he got and he knew it. But that kind of thing. You know, again, as you develop a tough skin…

One of my favorite stories is that I had a lot of television exposure, frequent interviews by… or responded to questions at emergencies, so I was a familiar figure in town or you know, my name was known and I was recognized.

Frequently, I would be stopped on the sidewalk and people would say anything from a compliment – keep it up, doing a good job – to you're a crook just like all the other government people. (Laughing) And you just take it and go along. One day this guy comes up to me and he said, "You're Gambaccini, ain't you?" And I said, "Yeah." And he said, "My wife and I seen you on television last night and I told her I seen you in person and that you ain't as ugly as you look."

Martin: (Laughing)

Lou: Isn't that a gem of a compliment? (Laughing)

Nick: (Laughing) Right to your face.

Lou: Huh?

Nick: Right to your face, right?

Lou: Yeah. (Laughing) I laughed all the way to the office thinking well, I think it was a compliment.

Martin: (Laughing)

Nick: (Laughing)

Lou: I think it had something to do with how you look heavier on television.

Nick: Right.

Lou: Than you do in person. But so there were a lot of humorous moments of that sort. Another time, Jack Covin (sp?) and I were traveling on PATH and I was bitching. Jack was my deputy and mostly in charge of operations. We had not had a public address system, so we couldn't keep the passengers informed. Finally, we put a makeshift one in as a temporary gap filler and figured we'd at least buy some time until we got our proper system in place. And we got on the train and we hear this terribly garbled message from the conductor and I'm pissed off and make a comment to Jack about we're still not getting up on the problem. We go over to talk to the conductor and it was he, not the equipment; he was unable to speak clearly (laughing) and it came across so garbled, we thought it was technological.

Martin: (Laughing) He had a speech impediment.

Lou: Yeah. (Laughing)

Martin: (Laughing)

Lou: Or the time that I was visiting the control center in Newark and the train master was saying you know, we would be able to operate on time, without difficulty if it weren't for the god-damned passengers holding the doors and keeping the train from moving. (Laughing)

Martin: (Laughing)

Nick: (Laughing) Right.

Lou: Which I thought a bit short-sighted.

Martin: That's a classic.

Lou: What?

Martin: That's a classic railroad comment, right?

Lou: Yeah. And there was the time I took Senators Specter and Heinz on a tour of City Hall subway station and there was concrete that was falling and rusting steel underneath and Heinz whispered to me, almost in a stage whisper – there were reporters present – he said you know, we just came back from the operations yard – it was in Colorado, one of the freight rail-roads – he said we treat our pigs better than our people because their conditions were state-of-the-art technology (laughing) and we were green-eyeshades guys trying to keep in touch with lost trains in the suburbs. (Laughing) And thought it was a very significant comment from a layman.

Martin: (Laughing)

Lou: I should try to record some of these humorous incidents.

Martin: They're rich; they're good. They're good stuff.

Lou: One time we had a rape at Ninth Street station and the woman identified her rapist as having worn a white shirt with red hearts on it. How dumb can you be with that kind of distinctive dress? And so that was communicated to the police and before the next train arrived at Journal Square, the cops boarded the train and they find this guy sleeping, who had a white shirt with red hearts on it (laughing) and sure enough, he was the rapist.

Martin: (Laughing)

Lou: But can you imagine anybody so dumb as to have distinctive clothing and then sleeping on the very same train that… the same system?

Then there was the story about Lee Jaffe (sp?). Remember her, Martin?

Martin: I never met her. She was gone from Port Authority when I got there.

Lou: She was considered a very dominant woman PR person and had a lot of power at the Port Authority. She took over PATH and she was angry that the nuns were there collecting donations to their order, at the foot of the escalator at Journal Square Station, so she directed our operations people to remove them and that they would have to follow the policy of the Port Au-

thority, that they get advanced approval, that they be limited to only a couple of weeks, that they follow other policy guidelines, which the operations people did. It lasted about a day. The nuns descended on her office at Hudson County, blew up at this intervention with an age-old practice of nuns collecting alms at Journal Square Station. She very, very quickly reversed her order, directed us to let the nuns back with no restrictions, and then insisted that we put insulated material on the floor so their feet would not get cold while they're sitting there collecting alms. (Laughing)

Martin: (Laughing)

Lou: A total retreat. (Laughing)

Martin: That's what made her successful. (Laughing)

Lou: What's that?

Martin: That's what made her successful.

Lou: Yeah.

Martin: She didn't dig in and resist.

Lou: We had a lot of colorful characters. Dr. Cooperstein was another legendary figure. He was a medical director. Anyway. Good job getting taken off on asides. What have we not covered?

Lou: I think a word about our relations with state DOT and New York with Turnpike, with all these other entities, I think we had generally good relations. When we put TRANSCOM together, except for the Turnpike Authority, the rest were very quick to agree that this would be an excellent cooperative venture and it's still going and doing well.

I think we had generally good relations in Washington with the Department of Transportation. I spent a lot of time there near the beginning of my tenure as general manager, working with, of all things, the Nixon administration, whose secretary of transportation was just a great guy to work with, Secretary Volpe, former governor of Massachusetts and former construction industry guy. But very enlightened, very, you know, the fact that his political background made him sensitive to the interests of cities and states. And he had around him some very good people; even though it was a republican administration, they had some progressive thinkers about urban improvements. And a lot of good programs started in the Nixon administration. I was not a fan of Nixon but have to admit that some of his people put together some good things like net revenue sharing with the cities, the Environmental Protection Acts, the significant increase in public transit funding. And then, as I say, it was really a pleasure working in support of and with Secretary Volpe. I was on his Urban Advisory Committee. So you know, despite some of the more conservative members of the administration – I forgot the name of one of the most powerful, who really did not have any interest in transit and gave us a hard time but we were able to overcome it with other people who played a key role like Dan Moynihan and – I forgot the names of several others. Bob Bennett, I got to know; former senator who was removed from senate office by the Tea Party in Colorado for being…

Martin: Utah. Utah.

Lou: Or Utah, rather, for not being conservative enough (laughing) and where I sat, even though I admired him a lot, he was a very, very conservative senator.

Martin: (Laughing)

Lou: What a shame, people like that and Senator Lugar being forced out by the very people who should've been honoring them for their leadership and the fact that they were highly regarded across the political spectrum.

But there were a lot of other external relationships that we developed. Martin was interacting with planning groups from all of the agencies – the DOT environmental, DOT city, DOT New York State and the like. So in that regard, it was very invigorating despite our problems at what became NJ Transit or Port Authority. We also played an active role in policy formulation elsewhere. In fact, I was vice chairman of a committee that was advising Volpe on how to deal with the… at the time, it was called the elderly and handicapped; now it's the Disabled Lobby, which was growing in force and momentum and resulted in the enactment of the Americans with Disabilities Act.

So I think we left a mark on a broad range of issues and it was fun doing it as well. It was somewhat trying as far as the amount of hours and travel and so forth but very gratifying, too. I think I'm getting run out of thoughts about… Martin, can you think of anything else?

Nick: We can talk about your time at Rutgers a little bit if you'd like.

Lou: Sure.

Martin: Yeah, that's the missing aspect. Then we can wrap up.

Nick: This was after SEPTA, correct?

Lou: Yeah. I was retired from SEPTA and the last… I think it was the last public function I served, was as a panelist of a conference sponsored by the Delaware River Port Authority. Not Port Authority – Delaware River Planning Commission [*ed. note: Delaware Valley Regional Planning Commission*] and Jim Hughes was on the panel, as I was, and he was aware that I was stepping down at SEPTA, so he whispered to me that he'd like to talk with me so I said fine. So we talked afterwards and he asked if I might have an interest in coming to Rutgers and doing something to implant a transportation activity. He mentioned the National Transit Institute, which was already there. And but he thought they would like to have a broader kind of transportation role. And I said yeah, I'd certainly be interested in talking about it but then I went to France for the summer, the next summer, and… next two summers.

The second summer, I got a call when I was in Siena from Joe Seneca asking if I would consider running the Transit Institute and I said well, I'll be glad to talk about it; sounds interesting. My predecessor died suddenly of a heart attack.

Martin: Alan Gibbs.

Lou: Alan Gibbs, yeah. So I was in Siena and got that call and promised to come in and I did after I got home. It seems that Ralph Voorhees had talked to Jim about setting up a center on transportation to honor his brother, Alan, whom I knew from earlier work over the preceding decade or two. And so you know, we kicked that around and decided to try to create something parallel with the National Transit Institute, which is funded by the feds and exclusively transit, that would be a broader, all-encompassing transportation scope and more of a policy or study policy institute on transportation issues. And as we talked, the more we talked, the more I was getting turned on by the possibilities of it and I forgot at what point Martin and I discussed it. I said I would really like to find a way to get Martin to retire from the state and come over and work with us. Do you remember what year that was, Martin? Was that '98?

Martin: It would've been '98.

Lou: Yeah. The center was authorized by the board in '99.

Martin: That's right. It was '98.

Lou: I'm sorry?

Martin: It was '98. I left ARC in '98.

Lou: Yeah, but I think it was before we actually got board approval.

Martin: Oh, yeah. Yeah. It was about at least maybe a year and a quarter.

Lou: Anyway…

Martin: When we teamed up at…

Lou: The flow of federal funds, about four or five million a year, was a good base for the NTI but our objective was to have something parallel. And Ralph indicated his intention to contribute, and he ultimately did, over a million bucks. And we had other limited support. Seneca came up with some money from the Rutgers Development account, very modest, $120,000 or $130,000, I forgot. So with Martin's help – Martin and I have been colleagues in several situations over much of 35 years – with Martin's help, we got a momentum going, collected a few good people, the initial funding, and once we got the million dollars, it was a pretty good base with several grants, which Martin was instrumental in arranging. And in short order, by '99, 2000, it was developing a momentum, a solid momentum.

I was getting itchy to do more travel and ease the amount of time I was spending at work so I started to taper down and recruited somebody else from outside to do the NTI work and recommended, with Seneca's support, that Martin be my successor as director of the center. Martin is outstanding in his policy papers and thinking and integrity and so forth and did a great job in really founding and launching the policy arm of the center. But I had a good feeling.

I think we could've gone farther and faster if we had more support. There was a peer review that suggested that the university should put more money into giving momentum to this

whole effort and they didn't do so. In fact, they were supporting other things that were centrifugal to what we were trying to accomplish.

Martin: My recollection is that that peer review said to…

Lou: That what?

Martin: That the peer review said to the leadership that the best thing that was going on at the Bloustein School was the transportation function.

Lou: Yeah.

Nick: (Laughing)

Martin: (Laughing) But we didn't see a rapid recognition of that.

Lou: Right. Right. On the other hand, it was, you know, it was…

Martin: A good atmosphere.

Lou: Yeah. Yeah.

Martin: A lot of very wonderful people there.

Lou: The Port Authority was an extremely good place for somebody like me that had no particular specialty or experience other than the Army because it was such a supportive atmosphere for stretching and becoming involved in professional activities and advancing education. It was just a great climate. Stimulated creativity, it rewarded positive thinking and you know, breaking new ground and showing leadership in the profession or the particular transportation function. It was just a grand experience and there were a couple of people at the top – Austin Tobin, Matt Lukens, Dan Kershan and Harvey Sherman, who were very much part of that management thinking.

Martin: In your second term at the Port Authority, I think you did some… you spearheaded the Executive Development Program.

Lou: Yeah.

Martin: Which I thought was one of the most remarkably successful personnel initiatives that I've ever seen.

Lou: I thought of that many, many times since I have been so unbelievably disappointed at the selection process for President. (Laughing)

Martin: (Laughing)

Lou: The last 20 years, thinking that those – what do we call them – assessment centers that we ran, where we would put candidates for management job through their paces and various

tests of their personalities, their articulateness and so forth. I mean, we really zeroed in on people in great detail to try to anticipate how they would perform in different situations.

Martin: Remember that one of the problems in the Port Authority was the silo effect.

Lou: Yes.

Martin: That people developed from staying in one department and not talking to other people?

Lou: Yeah.

Martin: The Executive Development Program gave people a wonderful relief from that and broadened their perspectives. Again, it was great training for the future.

Lou: And some of the people really showed – as we expected from our assessment – showed great capacity to do anything. They could go through aviation and marine. Lillian Borrone, she was head of – what was that – senior in the PATH systems, budget director, deputy director of aviation.

Martin: Ports. Head of the Port Department.

Lou: She had quite a number… I'm sorry?

Martin: She was the head of the Port Department, also.

Lou: That's right. That's right. So it was a good place, I believe.

Martin: Another one was Richard – and his name hasn't come up – is Richard Sarles.

Lou: Yes.

Martin: Benefitted early in his…

Lou: Mort Downey.

Martin: And Mort Downey. Right. Great careers.

Lou: I had, when I left my graduate school in Syracuse, almost… literally almost signed a contract with OMB – at that time was the Bureau of the Budget. It was considered the top tier of government agencies but then I got recruited by the Port Authority and what appealed to me about it was the entrepreneurial spirit, the emphasis on creativity, risk taking, and it lived up to that kind of expectation and I enjoyed it immensely. Never had any regrets.

Nick: And it sounds like that was something that you also passed on at New Jersey Transit as well, and New Jersey DOT.

Lou: I think so. Yeah, at least with the feedback I got is that it has really maintained a good level of professional commitment to the job in its finest way. And we were careful, too, in

the early days and apparently since then, of picking people that reflected that kind of commitment. If they were to be honest, there were several at DOT at the time anyway, so there was a good core group that played a key role.

So, it's interesting to reminisce about all this stuff.

Martin: It's quite a legacy.

Nick: Yes, very much. Do you have any closing comments or anything, any perspectives you'd like to share of your career in a broader sense? Things you might want people to remember your professional contribution as being?

(Background conversation)

Lou: I have a good feeling about my career and to be honest, I was lucky to fall into the situations, even those that people said I was crazy to take on. It turned out to be exhilarating and rewarding. That's true of DOT, it's true of SEPTA. There were some strings, particularly at… while I developed the thick skin, I had to; I couldn't done without some of the naked and ugly political actors but again, on balance, I think there were more plusses than minuses as far as… even in Philadelphia, where it's, in my opinion, a much more politically volatile situation than New York or New Jersey, where in fact I used to wrestle at the mocking of New Jersey as being the pits by comedians and other outsides, who fall into that kind of cliché but on balance, I think I do have a more positive and upbeat feeling about public service.

I do resent a number of the things that I see continuing and worsening and some instability and paralysis, the short-sightedness, all the basic pervasive corruption that is in campaign contributions and the like. One of my best friends who… well, not best friends but an acquaintance who I worked with in extra-curricular activities – I was on the board of Constitution Center and he was the board chairman and he was the founder of the major financial company, Vanguard, and he told me that… he's in his eighties, he has a transplanted heart, but he said he's convinced that the biggest return on investment of any investment that he knows of is the campaign contributions.

Martin: (Laughing)

Lou: Which sums up the nature of our corruption pretty simply. That's disappointing. And yet, we still have a lot to be proud of as far as a nation.

Martin: I heard something just the other day at a retirement party. Jim Weinstein spoke for about a minute at this retirement party and he said…

Lou: I didn't…

Martin: Jim Weinstein.

Lou: Yeah.

Martin: And he said that he'd been an observer of New Jersey Transit from virtually its beginning and he believed that the creation of New Jersey Transit was one of the principal reasons why New Jersey has flourished in the last 30 years.

Lou: Hmm. That's a nice statement.

Martin: And it really has been a success and adds to the luster of the state.

Lou: Hmm. Nice to hear. I think that Brendan Byrne feels that way, too, or so he's expressed.

Martin: He's expressed that to you? That's something to be really proud of.

Lou: Not in those words, but pretty close.

Nick: So Lou, I have one more thing that I think would be fun to close with and that is for people who want to get into public service or transportation in particular, what advice from your career would you give to them, to people seeking now to enter into public service or transportation fields?

Lou: I think… okay, I haven't really given it a lot of thought but be flexible. I used to stay awake nights, literally, worrying that I didn't know what I wanted to major in in college or after I left the Army, as I've said to my wife, all I'm trained for is killing.

Martin: (Laughing)

Nick: (Laughing)

Lou: But, there's no market for that. So I felt like I needed some specialty. That's when I decided to go to Maxwell School at Syracuse, thinking that I would become a city manager or go into the Foreign Service. But never thought about Port Authority, although Port Authority had a great reputation as a stellar professional agency, at least in public administration circles. But some of the best breaks I had were just fortuitous. Port Authority going into the railroad business was unthinkable when I joined in '56. So the suddenness with which we were compelled by legislation to acquire the Hudson & Manhattan Railroad accelerated… had a dramatic promotion from like a grade 4, I think it was, to the equivalent of a grade 13. Nobody had ever moved that fast that quickly, which was just stunning. You know, I didn't feel adequate. I thought… I'd spent nights worrying that I wouldn't live up to the expectations. But I guess, again, back to the key point, being flexible to take opportunities when they present themselves. I didn't intend to get into transportation. I didn't expect that, by any means, that I would move that fast, that far, but then that sort of encouraged me to really bear down on… for example the first job I had, I had no background on. As deputy director of the new department, I was pretty much full-time negotiating labor agreements and I found it really wearing but exciting as hell. I enjoyed it and I learned a lot and I think we accomplished a lot.

So each of these things were totally unplanned, totally unexpected, but turned into opportunities, including being asked to go to DOT. A number of people said you're crazy; it's hopeless – the funding, the political impasse and so forth.

But many people rose to the occasion and again, each such positive turn, like the conversion of commuter groups from actively violent, or at least they would like to have been violent, to a very, really impressive, committed leadership to make things better and playing the roles that they needed to play.

So flexibility, respond to opportunities as they present themselves, having core values as far as the principals of ethics and leadership in the public sector. How to deal with the political world around, as you also have to perform the public agenda. I think those are the general guidelines I would recommend.

Nick: All great points.

Lou: I wouldn't have changed anything and I sometimes wondered if I had gone into private sector, whether I'd be better funded. I have no complaints. Port Authority had a reputation for treating its employees well as far as salary and benefits and even in these other positions, I have no complaints about that part of it, either. But the real joy and the exhilaration came from the kind of dedication of others, the teamwork that developed – and that means including people in the ranks. I mean, the lowest levels, who showed a lot of commitment and dedication to the cause.

Martin: One added degree that I want to… I'd like to suggest is that whether you thought about it or whether it just happened, you positioned yourself so that you were working for people that you really respected.

Lou: Yeah, that's true.

Martin: And when you are working for… when you are able to make those kinds of job moves and you can work for Austin Tobin and the people that worked around Austin Tobin and Governor Byrne and Clayton Undercofler, I mean that is one theme that fits and if you can give a young person any advice, it's to try their very best to follow the people that they can hold in higher respect.

Lou: That's a very good point. When I left the Army, it was after… I had considered making the Army a career. I had a regular Army commission. I had served in Korea during the war. And so before we got into Vietnam, people were saying you've got it made. You could put in your 30 years; you'll retire as either a bird colonel or a brigadier general. Just keep your neck down and you'll not have to go to war again; that's not likely after Korea.

So I gave that some brief thought but I got so frustrated by the futility of the peacetime army after a year that the war had ended that I wanted out. And I remember my wife and I would have this process of analyzing decisions – what do we do if – and the decision was do we get out of the Army? And if we do, what do we do? So that got us into reviewing alternative options, one of which was going to graduate school and then how would we manage that? By applying for assisted check. I had one child and another one on the way and so we decided that, I think, was a good measure.

But then I also… we moved to what other kind of job would you want? And I described the perfect job was one I would not be interested in the time, but be committed to the task be-

cause the task was so worthwhile and of public value. And people that I could admire as my superiors, my peers, and my subordinates. And I tell you, the breaks came so that those goals were met and then some. I mean, leadership, all those… those three people, the organizations, the environment of public service. It could not have worked out better in terms of the respect with other… in the Army, I had several mediocre bosses and I thought I'm going to go crazy if I spend 30 years with this environment. It's chicken shit, which was, you know, preoccupation with inane detail stuff that had no importance whatsoever. (Laughing)

Martin: And I bet you would say that, even after the Army and your long career, although you did have some wonderful bosses, that when you didn't have people you considered to be wonderful bosses, your happiness quotient went down significantly, right?

Lou: Matter of fact, I think there are some of my staff – I won't mention names, but the initials are Martin Robins and his wife – who didn't appreciate being called regularly at 11:30 at night.

Martin: (Laughing) And there were many, many times.

Lou: Because so far as I knew, they were still on duty.

Nick: You said there were many calls at that time. (Laughing)

Martin: (Laughing) Many calls at that time.

Lou: Yeah. Not so anymore, Martin.

Martin: Not so anymore. (Laughing)

Lou: Now I go to bed at 9:00.

Martin: Now you're more reasonable. (Laughing)

Lou: I go to bed at 9:00 now.

Martin: I'm benefitting from that. (Laughing)

Nick: Well, thank you so much, Lou. This has been fantastic.

Martin: That ends it up on a real high note. (Laughing)

Lou: It's been fun, Nick. I hope I didn't get too personal or immodest but it was a pure joy to work with the people that remained close…

[End of interview, 3 hours 38 minutes]