

NEWS RELEASE

**FROM: GOVERNOR'S TASK FORCE ON IMPLEMENTATION
OF 2009 PUBLIC AUTHORITIES REFORM ACT**

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PUBLIC AUTHORITIES REFORM ACT TAKES EFFECT TODAY

GOVERNOR'S TASK FORCE OVERSEES IMPLEMENTATION OF MAJOR REFORM OF STATE AUTHORITIES

New York, NY— The Public Authorities Reform Act of 2009, signed into law by Governor David A. Paterson on December 11, 2009, becomes effective and binding on all state and local authorities today, March 1, 2010. The new law contains a binding fiduciary duty on the board members of public authorities, an Authority Budget Office to enforce the new reforms, State Comptroller review of no-bid contracts, a whistleblower program and many other changes and reforms in the daily operations of New York's hundreds of public authorities.

A growing concern about the reach of public authorities prompted enactment of the Reform Act, one of the most far reaching public authority reform acts in the nation. Given the importance of the Reform Act, it was decided that a seven person task force, under the stewardship of Ira Millstein - a public authority expert and senior partner at Weil, Gotshal & Manges - would ensure that the Reform Act was properly and fully implemented. Six other appointees - Cathy Bell, Scott Fein, Nancy Henze, Marvin Jacob, Lee Smith and Tom Suozzi - join Mr. Millstein on the Task Force and provide considerable experience in corporate governance, public authorities, public administration, management, finance and other relevant disciplines. The Reform Act would not have become law without the efforts of Assemblyman Richard Brodsky (D-Westchester), Chairman of the Assembly Committee on Corporations, Authorities, and Commissions and Senator Bill Perkins (D-Harlem), chairman of the Senate Committee on Corporations, Authorities, and Commissions who co-sponsored the bill.

"We had to act with all deliberate speed", said Millstein, "the reform of public authorities has waited long enough. March 1st is the effective date of the Reform Act and the Task Force was committed to ensuring that on that date reform would begin in earnest".

Working with the staff of the existing Authority Budget Office, the Task Force prepared guidance governing development of mission statements, fiduciary duties of board members, governance and, most significantly, independent decision making. These documents can be found on the Authority Budget Office website at <http://www.abo.state.ny.us>. The acknowledgement of fiduciary duties and mission

statement guidance are attached hereto. “At their inception public authorities were designed to be independent of elected officials and the electoral cycle to ensure that decisions about New York state’s infrastructure were based solely on the merits. Over time that independence has eroded. Authority board members should seek a broad range of opinions from citizens, interested parties, consultants and yes elected officials ... but at the end of the day, all decisions must be made based solely on the mission of the public authority and the people it serves”, said Millstein.

The Task Force will continue to work with the Authority Budget Office on the implementation of the Reform Act over the coming months and plans to issue a final report detailing its findings and recommendations on or before August 15, 2010.

Members of the Task Force

- Ira M. Millstein, Chairman – Senior Partner, Weil, Gotshal & Manges LLP, appointed by Governor David A. Paterson
- Cathy A. Bell – Managing Director, Loop Capital Markets, LLC, appointed by Senate President Pro Tempore Malcolm A. Smith
- Scott N. Fein – Partner, Whiteman, Osterman & Hanna LLP, appointed by Governor David A. Paterson
- Nancy H. Henze – former Executive Director of Municipal Assistance Corporation for the City of New York and Senior Public Finance Investment Banker, appointed by Governor David A. Paterson
- Marvin E. Jacob – appointed by Speaker Sheldon Silver
- Lee Smith – President of Hartland Asset Management Corporation, appointed by Governor David A. Paterson
- Thomas R. Suozzi – former Nassau County Executive, appointed by State Comptroller Thomas P. DiNapoli

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