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- If you overlooked it, annual membership dues for fiscal year June 1993 - May 1994 are overdue. Just use the form at the top of page 2 to renew. For your membership status see the Straight From the Shoulder column on Page 4.
- Prospects for a MOPP bill in the coming legislative session look bright. A united APRO, a supportive State Comptroller, expanded "Telephone Tree" contacts, planned retiree rallies, and a unique APRO Convention are all in the works. Also, a new PARA team is on board. We just need your support to swing it!

**ALBANY REPORT** *Al Gonseth*

**Ex-P.A. Commissioner H. Carl McCall is N.Y. Comptroller**

In May of this year Governor Cuomo appointed H. Carl McCall State Comptroller, which you as a retiree recognize is a critical position to any legislation dealing with pension adjustments. At the June 6, 1993 meeting of the Alliance of Public Retiree Organizations (APRO), of which the Port Authority Retirees Association (PARA) is a member, we were fortunate to have Comptroller McCall as guest speaker. This was the Comptroller's first address before a retiree organization.

Comptroller McCall's relatively detailed knowledge of the retirement system and his direct approach in answering questions was not only surprising but reassuring. A major APRO concern has been the Projected Unit Funding (PUC) pension funding method which, as described in earlier newsletters, allowed the state and other participating employers to put between \$1.5 and \$3.0 billion less into the pension system over the past three years. A multiple party suit was filed in September 1990. Initially PUC was ruled unconstitutional, however the state appealed it to the Appellate Division where the outcome was affirmed. The state has now appealed it to the Court of Appeals where it is now under consideration. We were delighted to learn that the Comptroller supports the suit because he believes that the actions of the Governor and Legislature were illegal and that the monies due should be returned to the pension fund. He has urged the Governor and Legislators to settle the issue as quickly as possible.

The Comptroller's position on a cost-of-living adjustment (COLA) is that he believes it is his responsibility to represent the retirees in the system, and therefore he will be an advocate by speaking for the retirees, assuming all concerned groups can agree on a realistic level of adjustment and cost. Also, the Comptroller indicated that the security of the \$60 billion pension fund is his top priority and that he will focus on prudent management of the pension fund by making investments that will bring about the greatest return on

investment. He stated several times that he was taking his fiduciary responsibilities very seriously. He is fully aware political strategies must be developed that make sense, are reasonable and have broad based support.

**Legislative Update**

The New York Legislature's 1992/1993 session concluded on July 6, 1993. As you may recall the media's description of the sessions accomplishments were considerably less than favorable. A summary of a few key bills of interest to PARA members follows:

Senate 2742 & Assembly 5887: Supplemental Retirement Allowance extender bill. Current supplemental allowances extended for two years as is.

Senate 3121 & Assembly 5183: Supplemental Retirement Allowance for retired teachers. APRO drafted a similar bill for all other NY State, Local, Police and Fire retirement systems and provided it to key Senate and Assembly legislators, however the draft was not acted upon.

Senate 3578 & Assembly 7706: Cost of Living Allowance (COLA) - No positive action taken.

Assembly 5833: Cost of Living Allowance (COLA) - No companion bill in the Senate.

Senate 5878: Maintenance of Purchasing Power (MOPP) - This is the bill developed by APRO and has since received the endorsement of an Assemblyman who will introduce it this coming legislative session. The May 1993 Newsletter described provisions of this bill in detail.

Senate 4381 & Assembly 940: Same health insurance coverage for retirees as active employees from participating employers. No positive action taken.

Senate 4380 & Assembly 1166: Same as previous entry except for non participating employers. No positive action taken.

*(Continued, Page 2)*

*A problem is an opportunity in work clothes.*  
- Henry J. Kaiser, Jr.

Port Authority Retirees Association, Inc.

P.O. Box 331, Ship Bottom, NJ 08008-0212

Please print or type:

Check 
 P.A. Employee
 P.A. Retiree

Last Name First Home Phone Number Year

Address Town State Zip

CHECK

Name, address, or phone number changed?  Yes  No

Enclosed is \$5.00 Annual Membership Dues (June 1993 through May 1994)

Enclosed is \$ \_\_\_\_\_. I would like to contribute as a sponsor. Receipts in excess of annual dues are credited as sponsor contributions.

Please submit checks only payable to: Port Authority Retirees Association, Inc.
Return form and check to the above address. Retain cancelled check for your receipt.

ALBANY REPORT (continued)

Legislative Outlook

At it's October 27, 1993 meeting APRO unanimously voted to support the aforementioned MOPP bill (Senate 5878) and also agreed to initiate a "grassroots" campaign among all of the 30+ organizations within APRO to assure that the 450,000+ combined membership actively contact their respective legislators in their home district. Rallies will be scheduled. Members will be alerted to the details of the proposed legislation and the importance of the provisions so they can intelligently deal with their

elected representatives. The groundwork has been set and the momentum is building. APRO leadership has been advised by many "Albany Watchers" that the chances of the MOPP bill being adopted during this legislative session are quite good. The solidarity of APRO organizations coupled with the vigorous support of their combined memberships will undoubtedly play a very important role in assuring passage of this needed automatic cost-of-living allowance keyed to the C.P.I.

FLASH! PRESS TIME NOV 16TH. COURT OF APPEALS RULES PUC UNCONSTITUTIONAL!

PARA CALLING - KEEP LISTENING Al Rubbert

In our last newsletter we carried two articles captioned "Are You Listening?". One, authored by Clay Peavey, dealt principally with the issue of COLA, now termed MOPP, and the political process required to bring the legislative program to reality. The other which I contributed concerned the development of a "Telephone Tree" or calling list of New York resident retirees.

For those who may have missed the article, the "Telephone Tree" was the brainchild of your Legislative Committee. Due to the cumbersome and sometimes unpredictable legislative process some device other than the Newsletter was needed to contact New York resident retirees on short notice, to advise them of legislation affecting us, and to urge them to target their respective State Senators and Assembly Members for appropriate action. The key to success of the phone network was the establishment of 100 or so calling captains who volunteered their services. Each captain was furnished a phone and address list of 10-15 PA retirees to contact in their own area code or zip code locale.

The first test of the "Telephone Tree" was in connection with the MOPP legislation. Unfortunately, due to the legislative process, the MOPP bills were not yet numbered as we neared the end of the session yet, with time running out, the phone network had to be put in effect. Despite these difficulties information was furnished to almost all New York constituent retirees indicating the sponsors of the MOPP bills which in turn was a key indicator to all legislators. In addition, if a retiree did not know the elected representatives in his or her district they were told how to obtain the information. Also, names and addresses of legislative leaders in Albany were provided.

Although the MOPP bill did not make it out of committee this session, by all accounts the "Telephone Tree" was a resounding success and holds much promise for the future. Legislators we contacted indicated they never had so much interest on a single issue and, in the main, they were sympathetic to our cause. As compared to previous contacts where they had only faintly heard from us this was very encouraging. All in all, it bodes well for this next legislative session as all legislators are now aware of the MOPP proposal and more will be heard about it.

The Senate numbered MOPP bill -S5878- was introduced by Senator Nozzolio and is already in the hopper. Assemblyman McEneny submitted the Assembly companion bill on November 15th. When this bill is numbered and all details are available, the "Telephone Tree" will again be put into action providing all information necessary to get the attention of your elected officials.

Based on PARA's initial success with the phone network approach other APRO members plan to launch similar efforts. An APRO Convention is also planned to invite all key legislative players to hammer away on the MOPP theme. The groundwork has been laid and rewards are ahead.

As to the phone network, there may be other uses for expanding the concept. One example might be the since enacted rise in Social Security tax while another potential could be the President's proposal on Health Care which will be the subject of long debate in the year ahead. (Both of these issues are addressed elsewhere in this Newsletter.) And a surprising, enjoyable side benefit were the calls and letters of thanks and appreciation received from all over New York State m retirees who have re-established contact with former co-workers.

Finally, we would like to take this opportunity to thank the volunteer calling captains who did a fantastic job. It was a great effort and although the legislation didn't get out of committee last session we're almost there. Again, many thanks. You were listening!

## NEW YORK HERE WE COME *Hal Milley*

PARA is moving to New York and with a new team at the helm. At the board of directors meeting on October 28th Al Rubbert was elected President and Al Gonseth 1st Vice President, both changes effective January 1st 1994.

The newly elected officers bring a wealth of talent and experience to their respective positions:

**Al Rubbert's** Port Authority career spanned thirty years. He held several executive positions including Manager-Port Authority Building, Manager-Port Authority Bus Terminal, General Superintendent Railroad Operations-PATH, and Deputy Director-Tunnels, Bridges and Terminals. He was also Director of Rail Management, Assistant Vice President, and Assistant General Manager with New Jersey Transit. Currently he is President of PA Management Services, Inc. a consulting firm specializing in building management and transportation services.

**Al Gonseth**, a Professional Engineer, was a thirty four year career employee with the Port Authority. He held several executive positions including Manager - Lincoln Tunnel and Manager- Transportation Policy and Planning Division. In 1992 he was elected International President - Institute of Transportation Engineers. He is currently President of Gonseth Associates, Inc. a transportation engineering consulting firm.

Both new officers have served on the PARA board of directors and have volunteered a considerable amount of time and effort as PARA's representatives to APRO in Albany. This association is fortunate to have them in key positions of leadership and our confidence in the future has been ratcheted up several notches.

With the election of new officers - both of whom reside in New York - a new location for the association will be selected in New York and the board of directors will be expanded with the selection of additional members, also residents of New York.

While these steps are consistent with the need to provide continuity for PARA they also offer the opportunity to locate the principal office of the association in New York where decisions are made respecting the pensions of PARA members both present and future. Too, active participation in APRO, effective legislative liaison at the seat of power in Albany, and motion and coordination of retiree contacts with elected representatives through the telephone network and through planned rallies at local offices of legislators will all be enhanced by the move.

Support services - health benefit expertise, electronic data services, treasury functions, and the office of 2nd Vice President/Secretary - will be retained in New Jersey to assist the new President and 1st Vice President who will have responsibility for directing the activities of the association. Assistance will also be afforded through such committees as the President shall appoint.

With these changes, the evolution of PARA continues in a positive direction and the association will take on a bi-state character not unlike the Port Authority itself. While pension improvement is essential and can only be advanced in New York, other pressing issues - taxing Social Security benefits and the proposed National Health Care program to name two examples - can be more effectively dealt with through congressional delegations in both states and through the membership at large.

Cy Storer and I will be vacating our current positions effective next January 1st but will continue as members of the board. We congratulate Al Rubbert and Al Gonseth and will, like all of you, support them fully.

## NATIONAL HEALTH CARE *Sal Mirenda*

These are busy days in Washington. Congress is, and has been, the scene of a struggle to: unfairly raise taxes on Social Security income, slash Medicare, swell the Medicare Part B premium, and tamper with the Social Security cost-of-living adjustment. And they have also been busy working on a National Health Care reform plan that, while sorely needed, has some negative overtones.

The first resolved issue, an attempt to stave off higher taxes on Social Security, met with some success. Currently, couples with incomes including Social Security benefits of over \$32,000 (\$25,000 for individuals) must pay federal income taxes on up to 50% of their benefits. President Clinton's original plan would have raised the share of benefits subject to the tax to 85% but the reaction was not long in coming. AARP and other senior groups lobbied

hard and PARA protested in letters to the entire New York and New Jersey congressional delegations. (Our letters brought positive responses particularly from Senator Frank Lautenberg, a former Port Authority Commissioner.) As a result, when the Omnibus Reconciliation Act of 1993 was passed, Congress agreed to tax up to 85% of Social Security benefits but raised the threshold for taxation to \$34,000 for individuals and \$44,000 for couples.

Though less than the tax increase originally proposed, it is not the "shared sacrifice" that was called for. Middle income seniors are now saddled with higher taxes than will be paid by others in the same bracket. Clearly seniors were targets.

The next series of blows fell with steps to help finance the National Health Care plan. For starters, Congress voted

to further reduce Medicare spending by \$55.8 billion. Some \$44 plus billion will come from reduced payments to hospitals and doctors making total reductions since 1990 \$100 billion. (Any doubts about how this will impact your deductibles and co-payments and possibly the quality of care for Medicare patients?) The balance, \$7plus billion, will come from hefty boosts in Medicare Part B premiums starting in 1996. Presently the premium is \$36.60 per month and is due to be raised to \$41.10 in 1994 and \$46.10 in 1995. The bill just passed raises the monthly premiums to \$50.20 in 1996, \$56 in 1997, and \$62.20 in 1998.

And it's not over yet! Despite these major hits, some lawmakers are intent on inflicting even deeper cuts and a special commission has been set up to scrutinize entitlements with particular emphasis on Social Security and Medicare. This further targeting of seniors and the "piling on" led us at PARA to again write both New York and New Jersey congressional delegates.

We believe the proposed National Health Care plan has merit and we would not "throw out the baby with the bath water." But our views must be shared with our representatives to obtain a more equitable bill. Therefore, our letters *urged passage of universal health care coverage to include the 32 plus million Americans currently without health insurance. Too, we stressed the need for: cost containment, preventive services, quality assurance, prescription drugs, and long term care - all to be provided by fair sharing of costs. And we strongly opposed a means test for Medicare premiums, harsh reductions in Medicare, and tinkering with Social Security cost-of-living adjustments.* Respecting the Social Security COLA, we reminded the delegates that unlike federal retirees and public retirees from 36 other states whose pensions are indexed to the CPI, our members receive pensions from New

*They say you can't do it, but remember, that doesn't always work. - Casey Stengel*

York State which have never been adjusted for cost-of-living except in a token way. Supplements from NYSLRs are meager at best and more than half of our retirees get no pension supplements at all. Only the indexed Social Security adjustments provide these seniors with partial relief from the ravages of inflation.

As you know, the National Health Care plan is in a constant state of flux and was being changed as recently as the end of October. However, the flux and the flexibility have their good points too. During discussions a generous prescription drug benefit under Medicare Part B was included. (Presently prescription drugs under Medicare are covered only in the hospital under Part A.) Also, the administration's proposal calls for a home and community based program for the severely disabled regardless of age or income. That is a start and we finally have recognition that long term care is, properly, a national concern.

However, we must now work toward convincing Congress to keep health reform financing at an evenhanded level and to insure it is not funded by excessive cuts in Medicare. (Remember, Medicare has already been cut \$100 billion in the 1990 and 1993 budgets.) Presently, Congress is debating some of the most important issues in the last 50 years so write your representatives in Washington and let them know *you support National Health Care reform but not on the backs of senior citizens.* Write your own letter (that's always more effective) and make it short, simple, and to the point. To assist you we've used bold italic type face on the essential points in this article. Names and addresses of your Senators and Congressional Representatives can be obtained from their local offices, libraries, some Post Offices, and the League of Women Voters.

Be a mover and a shaker! When the dust clears give yourself a chance to say - I helped do that!

## Straight From the Shoulder

1. Membership dues for fiscal year June 1993 - May 1994 were due this past June. If you overlooked the renewal date the mailing label on the Newsletter envelope contains the words **\*DUES REMINDER\***. If your mailing label has this message PARA records do not show your current dues payment. PARA's goals require a strong organization comprised of important people just like you and we need your active involvement and continued financial support. Just complete the renewal form at the top of page 2, attach your check, and drop it in the mail. If you've already renewed your membership please ignore the reminder.

2. Our "Telephone Tree" is currently used for the New York residents and is aimed at improved Albany contacts. To no ones surprise, letters to Albany from non-residents just don't seem to count and are often not answered. But that's no reason to quit. How about friends, family, and active or retired New York residents who would be responsive, even welcome your persuasion. Also, while pension issues are sited in New York, National Health

Care reform and proposed reductions in Social Security COLA should certainly grab your attention.

3. The Alliance of Public Retiree Organizations met in Albany on four occasions since May '93 and PARA representatives were in attendance.

4. Keep us posted on name and/or address changes. PARA records are as accurate as you keep them and the returned mail count is up. Also, correct names and addresses should be reported to the P.A. of NY and NJ, Compensation & Benefits Division, Human Resources Department, 1 World Trade Center, 61 East, NY, NY 10048.

5. Sources of Help: P.A. Benefits \*800-269-4280  
 Retirement System 518-474-7736  
 Prudential Insurance 800-772-4683  
 Social Security 800-772-1213

*\*Port Authority benefits number -still a free call- has been recently changed and a recorded voice "prompts" information from caller to facilitate routing. It's a common innovation in todays business world and may require some adjustment.*

*-We're thinking of you.*