

MORELAND COMMISSION

ON UTILITY STORM
PREPARATION AND RESPONSE

REGINA CALCATERRA
Executive Director

710 Hartmann Lane
Far Rockaway, New York

January 17, 2013
6:22 p.m.

1 A P P E A R A N C E S:

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3 MEMBERS OF THE COMMISSION:

4 REGINA CALCATERRA, Executive Director

5 BENJAMIN LAWSKY, Co-Chair,

6 Superintendent of Financial Services, State of New York

7 ROBERT ABRAMS, Co-Chair, former Attorney General of the State of

8 New York (Not Present)

9 PETER BRADFORD, former Chairman, New York State

10 Public Service Commission (Not Present)

11 DAN TISHMAN, Vice Chairman,

12 AEOCOM Technology Corp. (Not Present)

13 KATHLEEN RICE, Nassau County District Attorney

14 REVEREND FLOYD FLAKE, Greater Allen AME Cathedral (By Phone)

15 JOANIE MAHONEY,

16 County Executive of Onondaga County (Not Present)

17 TONY COLLINS, President, Clarkson University (Not Present)

18 MARK GREEN, former Public Advocate, City of New York

19 (Not Present)

20 JOHN DYSON, former chairman of the New York

21 Power Authority (Not Present)

22

23 ALSO PRESENT:

24 Jedd Painter, Carol Garcia, Andrew Jacobson

25

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1 CO-CHAIR LAWSKY: Good evening. I'm Ben Lawskey, one of the
2 co-chairs of the Moreland Commission. To my left is Regina
3 Calcaterra. Regina Calcaterra is the executive director of the
4 Moreland Commission, and to her left is the district attorney of
5 Nassau County, Kathleen Rice, who is also an essential member of
6 our Moreland Commission and the chair of our investigation's
7 subcommittee.

8 On the phone also is someone you probably all know, the
9 great Reverend Floyd Flake who is traveling right now but cares
10 about this hearing deeply and this community and wanted to be
11 here not only in spirit but also on the phone and he will be
12 participating by phone. And we're going to say a few words and
13 see if Reverend Flake wants to say anything, and then we will
14 have a PowerPoint presentation that myself and DA Rice will give
15 to you and then we will hear from all of you, those of you who
16 are interested in speaking.

17 It's good to be with all of you tonight because the work of
18 this commission and the investigation we are conducting is
19 incredibly important to New Yorkers. The human and economic
20 toll that Storm Sandy had on our state has been, as you all
21 know, better than any of us do, has just been immense and the
22 devastation has just been profound.

23 As we think about what went wrong in the preparation for
24 and response to the storm, the role played by the utility
25 companies is absolutely essential. What happened in New York

1 was tragic and, with respect to the utilities, in many cases, it
2 was just flat out unacceptable.

3 Our mission in grappling with what went wrong is, on the
4 one hand, quite complex, but, in another way, one could say is
5 fairly simple. We have really in my view three basic
6 overarching questions we are working on:

7 First, what went wrong; second, how and why it went wrong;
8 And, third, how do we fix it going forward.

9 As we answer those basic questions, we need to look at a
10 lot of different areas ranging from technology failures, is the
11 grid modern enough, to corporate structures, to communication
12 failures, to the alphabet soup of agencies that regulate energy
13 in New York State.

14 We even have to look at smaller things, like why didn't the
15 utilities trim trees near power lines? And, do we have enough
16 electricians in this state who were certified when it's time to
17 inspect homes and to get the power on? How the utilities
18 responded or failed to respond to the recent storms deserves, I
19 believe, an investigation that is aggressive, thoughtful, and
20 fair. That is an investigation we are going to do and we need
21 to do that in a speedy way and efficient way but we shouldn't be
22 hurried either.

23 Most of all, we need to do an investigation that puts
24 New Yorkers first. That is really our main goal. New Yorkers
25 suffered just incredibly after this storm and many, and even,

1 certainly, in this community, are still suffering as we sit here
2 tonight.

3 You all, and all New Yorkers, deserve answers, and it's our
4 job to get those answers and to shine a bright spotlight on what
5 went wrong, and what occurred, and the failures, and then to
6 make recommendations for how to fix those failures.

7 I'm very much looking forward to hearing from all of you
8 tonight. We will have a presentation after Reverend Flake
9 speaks where we will tell you in a little more detail about the
10 preliminary report that we submitted to the governor last week
11 that will -- some of our initial findings, and we will obviously
12 be working more towards a final report later this year, and we
13 will take into account the testimony that we received tonight as
14 we do that report.

15 So, with all that said, I want to ask Reverend Flake, I
16 think I heard you before so I hope you can hear me, if you would
17 like to say anything.

18 REVEREND FLAKE (by telephone): Can you hear me?

19 CO-CHAIR LAWSKY: Okay. Yes.

20 REVEREND FLAKE (by telephone): I am thankful for this
21 opportunity because I think that 11 years as the congressman of
22 the Rockaways area, then and now we still are facing problems
23 because Rockaway is often overlooked and passed by no matter
24 what the situation happens to be.

25 So for those of you who happened to come out tonight, I'm

1 grateful that you're there and I want you to know that the
2 Moreland Commission is truly dedicated and committed to making
3 sure that you get the same kind of service and same response
4 that all of the other communities have gotten in relationship to
5 Sandy.

6 We realize the benefits that have gone to some communities
7 and have not come to you and we are determined to make sure that
8 there is a fair process that every community is served
9 appropriately and, indeed, we want to see Far Rockaway gets what
10 it deserves and merits by virtue of the community that it is.

11 So many of you have supported me over the years and I'm
12 grateful for that, and we realize that a lot of people in
13 Rockaway live on public assistance, that should not be a reason
14 that they should be overpassed.

15 So we want to make sure that you understand fully our
16 commitment, our dedication, our purpose, and our goal through
17 this investigation to assure that this does not happen again in
18 this community. We believe in Rockaway. We believe in the
19 people of Rockaway. We believe that there should be
20 righteousness and justice in the Rockaways and we want to do
21 everything to empower what I consider to be bereaved community
22 to help it to get on its feet just as other communities are
23 trying to get on their feet as well.

24 So I welcome you and ask you to be open minded enough to
25 hear what is being presented by the commission. There has been

1 a great deal of involvement, engagement, through this
2 investigative process and I think you will be pleased that the
3 direction that we are going, and hope and pray after tonight
4 that you will be relieved at least to the degree of knowing that
5 somebody is doing something to help you to overcome these
6 conditions.

7 So, with that, I turn back to our chair, Mr. Lawsky, who
8 has done a phenomenal job, and those who are there with you
9 tonight. We tried to be there with you. I'm out of town. But
10 I certainly will be listening in and hoping and praying that we
11 will move forward in an expeditious way to make sure that Far
12 Rockaway gets the rightful benefits that belong to us.

13 So that is my comments and I hope that we can work together
14 and see each other and I would just like to add that my
15 congregation has been out there every single Saturday, and gave
16 and put a great deal of money in. We are supporting you, not
17 only in my position on the commission, but also my position as a
18 person who is concerned about a community of people that I think
19 deserves better service than they are getting.

20 With that, I will be listening in and ready to hear from
21 the committee.

22 CO-CHAIR LAWSKY: Thank you very much, Reverend Flake, and
23 we do wish you were here in person, but we are very glad that
24 you are at least joining us by phone and we thank you for your
25 hard work and your words.

1 So, let me start by -- I'm going to do the first half of
2 the PowerPoint and then turn it over to DA Rice for the second
3 half.

4 This is obviously the Moreland Commission. The storm, and
5 the impact the storm had on electric service is comparable, but
6 even greater than prior storms, and you can see it really in
7 this slide. Hurricane Sandy, October 2012, 2.1 million
8 customers outages. A restoration period of up to 21 days. That
9 compares, for example, to Irene where 1.1 million customers lost
10 power and the restoration period was up to nine days. You can
11 see also comparisons to Tropical Storm Lee and the ice storm we
12 had back in December of 2008. As the commission proceeds, we're
13 considering all of these.

14 Just for your information, the Moreland Commission was
15 created pursuant to Executive Law by the governor. Our mandate
16 is really twofold. First, to study, examine, and review
17 emergency preparedness and response of utilities, the adequacy
18 of the existing regulatory framework. That's that alphabet soup
19 I mentioned. The adequacy of -- and the adequacy of existing
20 oversight and enforcement and, last, to make recommendations for
21 reform.

22 To date, this is what we've done. It's actually a little
23 more than this now. But this is as of last week. We've sent
24 subpoenas to seven utilities, 40 letter requests seeking
25 documents and information.

1 We had received and reviewed thousands of pages of
2 documents. We conducted over 20 witness interviews, held four
3 public hearings, and obviously our work, as you can see tonight,
4 is continuing.

5 The basic problem we believe and that the governor has laid
6 out previously is that utility companies are monopolies. The
7 six utilities operating in New York, and LIPA, operate as what's
8 known by economists as natural monopolies. They operate in
9 their own exclusive service areas with no risk of losing all or
10 part of their territory because of toothless government
11 oversight.

12 Today, the Moreland Commission -- this was last week,
13 actually, we were presenting our preliminary findings and
14 recommendations really in three areas. First, strengthening the
15 state oversight of utilities. And, second, unifying the state
16 energy programs and policy, and, third, restructuring LIPA.

17 The Public Service Commission, we believe, lacks the
18 necessary power and oversight it needs. I can tell, as a
19 regulator myself, I happen to regulate the financial industry as
20 my day job, and a regulator who is aggressive and has the powers
21 it needs to really oversee an industry, and it can have a
22 profound effect on the conduct of that industry.

23 But the reverse is also true, a regulator that doesn't have
24 the power it needs or the aggressiveness it needs, really can
25 become so passive and so toothless that the companies they

1 regulate, the utilities, often really do whatever they want and
2 aren't looking out for consumers.

3 We believe that we should authorize the PSC to impose
4 administrative penalties for violations of its orders. Right
5 now the maximum fine is only \$100,000 a day. These are huge
6 multinational companies. That is a pretty light penalty,
7 frankly. Utilities must be found currently to have committed a
8 knowing violation which may often be difficult to demonstrate.

9 We recommend, and Governor Cuomo has proposed in the State
10 of the State, increasing penalties to ensure real deterrence.
11 For example, the base penalty should be an amount of either .02
12 percent of gross revenue which would equate to about \$2 million
13 per day for Con Ed, and about \$750,000 a day for National Grid.
14 Certainly, \$2 million a day I think gets a company, like Con
15 Ed's, attention in a way that \$100,000 a day does not.

16 We believe the burden of proof should be lowered to a
17 reasonable business standard, and we believe the PSC should have
18 explicit power to review the fitness of utilities. And the
19 state should have explicit authority to revoke operating
20 certificates -- operating certificates in extreme cases.

21 Now, second, we believe there needs to be a real
22 strengthening of the PSC oversight, and we need to restore
23 regular auditing of utilities and their management operations
24 and rate requests. The PSC in the past, as a regulator, has
25 made only minimal use of its authority to conduct operational

1 and management audits. We recommend restoring the management
2 and operational audit union of the PSC; requiring management and
3 operational audits on a five-year cycle; requiring the PSC to
4 mandate implementation of reasonable audit recommendation; and
5 creating a dedicated enforcement unit to help ensure utility
6 companies with laws, regulations, and orders, which can be
7 enforced through penalties.

8 We also believe the PSC needs to hire more trained staff.
9 We are proposing that the governor authorize the DPS to fill all
10 524 of its slots and adding an additional 16 employees to be
11 deployed as follows:

12 Eight engineers in the emergency management unit; six
13 auditors and engineers in a new management and operational audit
14 unit; and two attorneys in the compliance unit.

15 Governor Cuomo has also proposed in the State of the State
16 that we will recruit and hire up to all 524 of those slots to
17 assist in the implementation and the enforcement of all of these
18 new mandates we want to place on the PSC.

19 We also believe the PSC needs to unify its management and
20 structure -- sorry, taking a step back. I'm moving away from
21 the PSC now. And we also made recommendations, this was that
22 second category when we started up-streamlining state energy
23 oversight and investment programs.

24 Right now we recommended in the preliminary initial report
25 that the Department of Public Service and NYSERDA, which does

1 the green energy programs for the state, that they should unify
2 their management and structure of the two. Right now they run
3 competing and overlapping green energy programs leading to
4 confusion, duplication, and waste. NYSERDA and DPS draft
5 separate disaster response plans with little coordination. We
6 recommend merging those two.

7 You may wonder why are we talking about green energy
8 programs. The point is, where there is overlapping
9 jurisdiction, any time you can find efficiencies and ask these
10 agencies to better streamline things, every efficiency they
11 realize is going to give them more time to spend on their core
12 mission. And, their core mission, especially at the PSC, is
13 really overseeing.

14 We want what the governor really wants now, is a PSC that
15 has real teeth, that is really aggressive, and that has the
16 powers it needs to really regulate these utilities in a
17 meaningful way and that is just going to be vital.

18 Whatever you do with LIPA, and whatever you do going
19 forward, you need a regulator who is going to stay on these
20 utilities and let them know that, yes, you have a mini-monopoly
21 in your little area, but that doesn't mean you are going to have
22 it forever if you don't perform for the people of New York.

23 So, with that said, I want to turn it over to the great DA
24 Rice from Nassau County who, it's wonderful having a district
25 attorney running the investigation subcommittee because she's

1 certainly about as good as anyone around at doing something like
2 that and, it's just a pleasure.

3 If I can have a moment of privilege, I just want to say
4 that it's really a pleasure to work with a great public servant
5 like Kathleen Rice who has a day job, has a big county she's
6 supposed to be policing, but is also spending countless hours on
7 this night job really trying to clean up what happened with the
8 utilities.

9 It was obviously vital for her area out on Long Island
10 where it was hit in Nassau post Sandy, but it's wonderful that
11 she's traveling all over the state with us because she knows and
12 is committed to really helping all New Yorkers.

13 So, with that little mini-intro, let me turn it over.

14 DA RICE: Thank you. Well, thank you very much. Ben,
15 thank you very much. It's really been an honor to be able to
16 work with you and Regina and everyone on this team.

17 I want you all to know that everyone up here, we all feel
18 your pain. I especially am from an area that was hit pretty
19 hard as well. There is no way to compare. Everyone suffered,
20 but I am honored and I feel so privileged to be on this
21 commission when the governor asked so I can represent all Long
22 Islanders and everyone throughout New York State, and was very
23 happy to chair the Investigative Subcommittee because that's
24 what I do for a living, investigate.

25 Our first order of business was to look into LIPA because,

1 as Ben said, there was an epic failure on the part of LIPA, and
2 one of the big questions that this commission is going to be
3 answering and has already given a recommendation on is, what to
4 do with LIPA.

5 So, let's see. One of the first things that we looked at
6 and saw very glaringly, that there was a reason for LIPA's
7 failure and that really is the dysfunctional management
8 structure. For those of you who are aware of LIPA, you have
9 separate ownership and operation. You have LIPA, the entity,
10 owning the assets of the system. And you have National Grid
11 that is actually managing the transmission and distribution
12 system.

13 So you have a separate ownership and operation which we
14 found leads to confusion, incompetence, and, most importantly,
15 especially when you have an extreme weather event like we did
16 with Sandy, you have a lack of accountability.

17 LIPA, what we saw also, really drifted from its original
18 mandate which was meant to be basically a holding company for
19 the debt management. Really not for them to be in the business
20 of power delivery. There were resource and capital investment
21 decisions that were made by LIPA staff using consultants that
22 they had to pay money for, not the utility managers from
23 National Grid who were actually managing the system and had
24 really good ideas about how they could improve the system
25 because they were actually the ones doing the day-to-day

1 management of it. Most importantly, LIPA is not subject to PSC
2 oversight.

3 We also felt it was important to look at LIPA's storm
4 preparation and response and what we found was that it was
5 woefully inefficient and it was clearly substandard.

6 The dysfunction management structure led to operational and
7 communications disconnect between LIPA and National Grid and the
8 inadequate response. There were so many levels that
9 communication had to go through that, by the time information
10 was actually disseminated to the public, it was already old.
11 That's because of the dual roles of both LIPA and National Grid.

12 What we also found, which was very disturbing, was the
13 complete failure to implement recommendations that had been made
14 in the past, from past reports that were done, past studies that
15 were done on how to make the system better. One of those
16 recommendations was to upgrade the outage management system.
17 LIPA's OMS was unable to deal with large scale storms. That had
18 been established years ago and they were told to make it better
19 and they didn't.

20 One of the other recommendations was to improve
21 communications with the public. What we found was that LIPA
22 failed to change its communication system which caused it to be
23 unable to provide accurate outage information and what they call
24 ETRs, estimated time for restoration, which left everyone in the
25 dark. No pun intended, but really in the dark about when they

1 were going to get their power back.

2 So what the commission found was that the only option for
3 change is a complete overhaul of LIPA and how power is delivered
4 on Long Island and the other areas that they service.

5 So we looked at basically three options:

6 The first one is an investor-owned utility. Privatization,
7 qualified private utility purchases LIPA's assets and serves as
8 the sole utility manager. The number one benefit to that is
9 that it provides a more efficient operation of utility. And, by
10 that, your owner is your operator and your operator is your
11 owner. There isn't any more of this dual role playing which
12 doesn't allow for any accountability.

13 One of the other benefits is that it would create cost
14 savings with respect to more efficient operations and
15 maintenance, synergies associated with power supply and fuel
16 management, and reduced need for contractors.

17 What privatization would also do is subject the new utility
18 to PSC oversight of rates and service of quality. That's
19 incredibly important. That's something that we don't have now
20 with LIPA.

21 Now, of course, the risks that are associated with this
22 are, this would be obviously because of the enormous debt that
23 LIPA holds, a very complex transaction that would take a long
24 time to execute. Let me just say that that's not a reason not
25 to do something. There are -- and we can talk about that later

1 because I'm sure there will be questions about rates, there are
2 ways to control rates through the privatization process that we
3 can talk about later in the evening.

4 The second option is to expand the state authority to
5 actually turn LIPA into a full public authority. Now, I don't
6 know about you, but I can tell you on Long Island, LIPA is the
7 most powerful four letter word there is. So this option comes
8 with, while some benefits, which means that you marry both the
9 owner and the operator, which allows for accountability and
10 clarity and management and communication, and it also insures
11 FEMA financial support in the event of major storms, which is a
12 big consideration.

13 But the risks are slightly more numerous. It's highly
14 questionable whether LIPA customers will ever regain confidence
15 in LIPA. There is so much bad will, bad feeling about LIPA,
16 that the question is whether people can feel by actually making
17 it bigger, would that make it better?

18 There are no incentives for continuous improvement. It
19 limits the ability to recruit qualified executives because of
20 the inability to offer competitive market based salaries because
21 of its status as a public authority. And, what it would also do
22 is add over 2000 employees to an already overburdened state
23 employee benefit system.

24 The third alternative is to have an existing public
25 authority such as NYPA assume the responsibility. The benefits

1 of that are, oversight of the entity would be done by a
2 successful professional energy industry and financial management
3 team, but the risks are, in our opinion, outweigh the benefits.
4 Some of the risks adds an additional layer of bureaucracy to a
5 complex system, managing of full LIPA public power effort could
6 hurt NYPA's ability to perform its own mission which is
7 different from what LIPA's mission is, limits the ability to
8 recruit, again, qualified executives because of an inability to
9 offer competitive market-based salaries which is also going to
10 be compounded by the challenges of an expanded management. And,
11 again, it would add over 2000 employees to an already
12 overburdened state employee benefit system.

13 So the Moreland Commission recommended to the governor last
14 week privatization of LIPA as the best option. What
15 privatization would do is, it would, as we've said, integrate
16 ownership management, planning, and operations. There is no way
17 that you can underestimate the importance of that.

18 Because what we found is the most glaring problem with LIPA
19 is that there was no accountability, because LIPA could point to
20 National Grid and National Grid could point to LIPA. The big
21 loser in all of that is all of you.

22 It resolves the accountability issues, as I just said.
23 Transfers operations from state to the private sector. It
24 improves the decision-making process because the owner of the
25 assets will actually be the manager of the assets. More cost

1 effective than the expand -- the state authority option. It
2 ends the originally intended transitional role of LIPA once and
3 for all. And ratepayers would benefit from an investor-owned
4 utility rate structure regulated by the PSC. Remember, no
5 regulation of LIPA as it exists now. If you were to continue on
6 the option number two and option number three, still no
7 oversight.

8 Now, we know from what the governor said in his -- he
9 proposed in his State of the State, the privatization of LIPA,
10 so that you could have a disposition of LIPA's assets to a
11 qualified investor-owned utility.

12 So, now, our work is continuing. We gave the report
13 because there is an immediate need to do something about LIPA.
14 We are in the middle of winter. Although we are having some
15 warm weather, you never know when the next extreme weather event
16 is going to happen, so it's important to give a recommendation
17 as to LIPA, but we are going to continue to look at LIPA and the
18 other utilities.

19 We are having more public hearings as we are doing here
20 tonight in storm areas and across the state. We are hoping some
21 time in mid to late March we will have a final report with
22 additional recommendations that we are going to have hopefully
23 by the end of March.

24 CO-CHAIR LAWSKY: Thank you, DA Rice. You have a lot of
25 fans here. That's nice.

1 I guess I would add one or two last points on LIPA which
2 is, when we talk about what kind of company you want in running
3 your utilities, your utility, nowadays, obviously New Yorkers
4 want a company they can trust. They want to company that is
5 committed to truly preparing for a storm, for the big storms,
6 and truly committed to preparing in a way that let's them
7 efficiently and smartly respond when there is a catastrophic
8 storm.

9 Look, what else do you want? You don't want your rates
10 going way up either. It's a very fair point that we've heard
11 since we proposed that LIPA be privatized.

12 For those of you who don't know, LIPA has about three and a
13 half billion dollars in assets. The problem is, LIPA has got
14 about \$7 billion in debt, which leaves three and a half billion
15 dollars of stranded debt.

16 So when you privatize the company and sell it to a private
17 company, you have to figure out what you do about that debt and
18 you have to do it in a very smart way to ensure that rates don't
19 go up on people because that could be the worst of all worlds.

20 We are committed as a commission and we've been doing a lot
21 of thinking about that, and we are in a time of historic low
22 interest rates. There is a chance now potentially to do a
23 privatization that would allow that \$3.5 billion in stranded
24 debt to first be securitized, but then refinanced and then
25 spread out over decades so that you would realize many

1 efficiencies through the privatization and, that stranded debt,
2 once it was with this lower interest rate and spread out over
3 decades, would not ultimately result in an increase in rates for
4 consumers. So it is something that is -- is it easy to do?
5 Absolutely not. But it couldn't really get much worse is our
6 view when it comes to LIPA.

7 We've done a lot of thinking about this and we believe the
8 privatization can be accomplished in a way and the governor
9 believes that it can be accomplished in a way that will, in the
10 short term, not raise rates at all, and even over the long term,
11 would not raise rates beyond what LIPA otherwise would have
12 raised them. So I just wanted to add that to the mix.

13 I think -- I don't know if I fully got to thank her, but
14 Regina Calcaterra, I want to turn it over to her to start the
15 testimony part of our proceeding. Regina Calcaterra has been
16 our executive director from the start. She has been tireless.
17 I don't think she sleeps given the amount of work she has done
18 and she has produced. She has a great staff, some of which are
19 sitting to our right and left today. But I do want to publicly
20 thank her again for all the great work she has done.

21 EXECUTIVE DIRECTOR CALCATERRA: Thank you so much, Ben.

22 What I would like to do first is actually just tell you a
23 little bit about the setup that we have here, which is a similar
24 setup that we've had at prior Moreland hearings.

25 It's important that when the Moreland commissioners go out

1 and listen to the public, that we also provide an opportunity
2 for the public to get services because we do presume that there
3 may be some folks coming here looking for assistance, and we
4 don't want them to be turned away.

5 So we know that the two primary areas that residents that
6 were affected by Super Storm Sandy that, where they still need
7 assistance, is either with getting insurance for their homes for
8 the damage that was done, or trying to get financing from FEMA
9 or funds from FEMA.

10 So, what we have here this evening and what we have at
11 every Moreland Commission is, we have representatives from the
12 Department of Financial Services which oversees the insurance
13 industry in the state and should be able to answer any questions
14 that you may have on insurance and damage related to your home
15 and any questions that you have with your particular insurance
16 provider. We also, fortunately, have representatives from FEMA
17 as well for those who are eligible to receive FEMA. So we
18 didn't want to lose the opportunity to provide service when it's
19 desperately needed.

20 What I would like to do is actually just tell you a little
21 bit about what the Moreland hearings are. This is the first
22 time that we actually gave a PowerPoint because, leading up to
23 this, we didn't yet have an interim report. So this was an
24 opportunity for us to tell you the work that we have do so far.

25 But the reason why we were able to do this work is, one,

1 because we have a fabulous staff, many of which are up at the
2 table with us, and I will just introduce you so you know who
3 else is sitting here besides Ben Lawsky and DA Rice. We have
4 Jedd Painter, we have Carol Garcia, and Andrew Jacobson, and we
5 have many other staff members in the audience as well. So they
6 are either litigators or they're policy experts in the energy
7 industry, so they contribute a lot, either as far as looking
8 through documents that we get through subpoena when we
9 subpoenaed utilities, or with their expertise on asking the
10 right questions for witnesses, or their expertise in the policy
11 area.

12 But another way that we were able to come up with our
13 interim report in the middle of our investigation, as we're
14 ongoing, is also by the contributions of the audience, for
15 people who are actually coming to the Moreland hearings that we
16 are having.

17 So, fortunately tonight, we have a lineup, a tremendous
18 lineup of people who signed up to speak, so we're looking
19 forward to them speaking. But what we want to do is make sure
20 we get information from everyone who is here so, unfortunately,
21 we have to place a time limit on the speakers. So we ask that
22 those that came here tonight and signed up to speak, that there
23 is a three minute time limit to speak.

24 If you're not able to make it in that three-minute time
25 limit, there are other ways you can also submit testimony. One,

1 is that we have a website and that's at Moreland.ny.gov, and
2 we've been receiving comments through our websites. When we
3 receive a comment through our website, that becomes part of the
4 Moreland documents that will remain in perpetuity and will one
5 day go into the archives up in Albany in the library. So every
6 comment that comes in is looked at. So that's one way to get it
7 in to share your comments with us. And another way is tonight
8 through verbal testimony. But we do ask that you limit it to
9 three minutes.

10 When the governor issued the executive order on November
11 13th, it was very specific what it is that he directed the
12 Moreland Commission to do. With that, we are asking you to do
13 the same thing, for you to direct your testimony on specific
14 facts that we're actually looking for in trying to gather the
15 data that we need to gather in order to make our determination.

16 One thing that was in the directive is that the governor
17 charged the Moreland Commission with taking a look at each one
18 of the utilities around the state and seeing what their
19 performance was before a storm and after a storm.

20 Before a storm, they should have an emergency plan in place
21 and, just because you have a plan in place and on paper, and you
22 may have done a drill, doesn't necessarily mean it's going to be
23 a good plan. So we are examining what the emergency plans are
24 for all the utilities and we're also then taking a look at what
25 their response was in recent storms.

1 So even though we started downstate, we are going to be
2 starting next week, the latter end of next week, we are working
3 our way upstate. We have a hearing in Staten Island on
4 Wednesday and, Thursday, we have a hearing at SUNY, Purchase
5 that will cover three counties, Rockland, Putnam and
6 Westchester, and then we start going north and a bit west from
7 there as well. Because the counties in upstate, New York were
8 effected by Hurricane Irene, and Hurricane Lee, and the December
9 2008 ice storm, and many of them were also affected by Sandy as
10 well. So we need to make sure we are getting testimony from as
11 many folks as we possibly can.

12 So, again, one of the things that we're asking that you
13 comment on is the emergency plans that were in place for
14 utilities, or through a storm response, which I'm sure many of
15 you have experienced with the utility storm response as well.

16 Something else that we were asked to provide information on
17 was what to do with LIPA. As DA Rice had said, that the LIPA
18 structure is unique. There is no other structure like it that
19 we know in the entire world that has this bifurcated structure
20 that's in place and that's what created the problem. There
21 needs to be accountability. So we were asked to examine that
22 existing structure and, of course, we made a recommendation on
23 what the next steps are to do. So that was our second charge.

24 Our third charge is to take a look at the regulatory
25 structure of the energy industry in the state. That is

1 something that we did in the short term, as Ben Lawsky had said,
2 we took a look at the PSC, which governs -- which is the
3 regulatory provider for all the other utilities in the state
4 except for LIPA which is self-regulated, and we offered
5 recommendations to strengthen the PSC, so if LIPA ever does go
6 private, that at least it has a strong regulator and,
7 fortunately, the governor actually accepted all the
8 recommendations that were listed up there, he accepted in the
9 State of the State and is presently working on legislation to
10 put in to strengthen the PSC.

11 So any recommendations that you have on the regulatory
12 environment, recommendations on LIPA, or recommendations on
13 emergency plans or storm response, we ask that you just focus
14 your testimony on that for three minutes.

15 What I first want to do is actually recognize an elected
16 official that's in the audience. Here with us this evening is
17 Assembly Member Phil Goldfeder. It's greatly appreciated that
18 you are joining us this evening. Thank you.

19 CO-CHAIR LAWSKY: I'm going to interrupt you for a minute
20 because I can't resist just saying a word about Phil Goldfeder.
21 We were out here a lot post-storm here in Broad Channel and all
22 around the area. Everywhere you went you saw Phil. He has been
23 just incredibly -- just amazing for this community and I just
24 want to say that because it is inspiring to see an elected
25 official who has the get up and go and the hustle that he has.

1 He seems to be everywhere. I think he might have a twin
2 brother. He's in two places at once sometimes. But I have just
3 been incredibly impressed and I think that the community is
4 incredibly lucky to have someone like him who works so hard and
5 so tirelessly in really tough circumstances after this storm. I
6 don't think, like many people in this community, he slept for a
7 while after the storm, and he's an inspiration for all of us
8 that work in government. So I just wanted to add that.

9 EXECUTIVE DIRECTOR CALCATERRA: Okay. Thank you so much.
10 And what we also did, we want to make sure that we reached out
11 to certain providers in the community who provided a substantial
12 amount of service to the communities that we go into and ask
13 them to testify. So this morning -- not this morning, it's not
14 this morning yet, we actually have here with us this evening
15 Doctors Without Borders.

16 So the first person that we want to invite up to speak this
17 evening is Sophie Dalani. Is Sophie here? Thank you so much.
18 And when you sit down, please state your name and your
19 affiliation.

20 MS. DALANI: My name is Sophie Dalani and I'm executive
21 director of Doctors Without Borders in the US.

22 Commission members and concerned New York citizens, thank
23 you for giving Doctors Without Borders the opportunity to
24 provide an account of our medical activities in the Rockaways
25 following Super Storm Sandy. My organization is also known as

1 Medecins Sans Frontieres or MSF, and I will use that acronym
2 during my testimony.

3 MSF is an international medical humanitarian organization
4 working in more than 70 countries. Our medical teams typically
5 work in settings where people are cut off from essential health
6 care due to complete natural disasters or official neglect of
7 the health system.

8 While my colleagues and I who worked in the Rockaways would
9 not draw comparisons to some of the places we typically work,
10 such as refugee camps, we, nonetheless, were struck by the
11 significant medical needs and challenges facing an essentially
12 trapped population.

13 While an impressive grass root mobilization arranged
14 distribution of food, water, and clothing, health coverage,
15 especially in the Arverne district appeared largely neglected at
16 least for several days. And, like, in most of the humanitarian
17 crises where I have been working for the past 20 years, the
18 people most impacted were precisely those who were most
19 vulnerable; the already chronically ill, the homeless, Medicaid
20 and public assistance beneficiaries, the elderly and the
21 homebound, and those who could not or were too afraid to
22 evacuate, those with greater mobility faced closed or washed out
23 medical practices and pharmacies. Prescription renewal was
24 quickly determined to be a leading concern to us.

25 We witnessed the medical impact of the power outages

1 including the inability of patients to refrigerate medications
2 such as insulin. With elevators non-operational and stairwells
3 pitch dark, and reeking of urine and feces due to disrupted
4 plumbing systems, many people remained trapped on the upper
5 floors of buildings to sick or disabled to climb dozens of
6 stairs to seek relief or tend to their preexisting medical
7 conditions.

8 Many reported feeling simply too afraid for their security
9 to venture out of their apartments, and an already medical
10 population was therefore endangered due to the lack of power.

11 MSF began an adult medical intervention on November 3rd
12 after conducting an on-site assessment the previous day and
13 gathering intelligence through various networks within 48 hours
14 after the storm struck on October 29th. The quickly assembled
15 team was composed of a field coordinator, two doctors, two
16 nurses, two medical students, two logisticians and two drivers.

17 While smaller teams conducted medical canvassing and home
18 visits in areas in buildings with reported needs, makeshift
19 medical clinics were established in a public room at the Ocean
20 Village Building Complex at Beach 57th and in the laundry room
21 at Seaview Towers at Beach 31st.

22 The majority of MSF medical consultations were linked to
23 chronic conditions, hypertension, diabetes, asthma, and
24 preexisting emotional and psychological pathologies exacerbated
25 by Sandy's immense impact.

1 Thankfully, the MSF teams faced few emergencies requiring
2 referral. It should be noted that emergency services at St.
3 John's Hospital were functional during MSF intervention period.
4 In total, we treated 238 people, 161 through our clinics and 77
5 through home visits.

6 What it was clear from the beginning of our intervention
7 that our activity would be limited in scope and duration, the
8 teams faced numerous operational constraints. Difficulty
9 procuring drug supply until local pharmacies regularly resumed
10 dispensing services. MSF is not authorized to maintain our own
11 prescription drug supply. Legal requirement when leased only
12 New York State licensed medical practitioner, lack of
13 coordination between the different actors of the field level
14 during the first days following the storm, prolonged lack of
15 power necessitating climbing darkened stairwells and reducing
16 the overall number of patients we could visit. And frustrated
17 bilateral advocacy outreach to public health authorities and
18 other relevant official agencies.

19 We conducted our activities -- we concluded our activities
20 in the Rockaways on November 11th once it was evident that
21 federal, state, and local authorities and agencies expanded
22 their medical activities on the ground. This also coincided
23 with high-profile media coverage of MSF's activity and advocacy
24 messaging. Thank you very much.

25 EXECUTIVE DIRECTOR CALCATERRA: Thank you very much. Any

1 questions from commissioners?

2 (No verbal response.)

3 EXECUTIVE DIRECTOR CALCATERRA: Thank you so much for your
4 testimony. It's truly appreciated.

5 Next is Hugh Weinberg from the Office of the Queensboro
6 President. What we've found is, as we have been conducting our
7 investigation that either the county executives or their staff
8 or their emergency management staff or, for example, the bureau
9 presidents, were very engaged in the storm response and the
10 recovery. So it was important that we heard from the leaders of
11 each one of either the counties or the boroughs and that's why
12 it was important that we reached out to Borough President Helen
13 Marshall's office. So lovely to see you here.

14 MR. WEINBERG: Thank you. I wanted to say that Bureau
15 President Marshall very much wanted to be here this evening,
16 but, unfortunately, she had a conflict and asked me to come and
17 read her testimony into the record.

18 Of course since the storm, she's been out here to the
19 Rockaways many times to help and try to coordinate relief
20 efforts and, of course, she shares the heartbreak felt by the
21 people of the Rockaways and feels that this is a very important
22 hearing.

23 So, with your permission, I will just read into the record
24 her statement:

25 Good evening, Mr. Chairman and members of the Moreland

1 commission. I want that thank Governor Cuomo for creating this
2 commission and welcome you all to Far Rockaway. While millions
3 of people suffered from the havoc reeked by Super Storm Sandy,
4 as the Queensboro President, I am here tonight to speak on
5 behalf of the residents and businesses of the Rockaway
6 Peninsula.

7 This commission presents us with an opportunity to correct
8 the mistakes of the past and to make sure that natural disasters
9 like Sandy can never cause such devastation in our borough
10 again.

11 We can start by replacing the Long Island Power Authority.
12 By now, we are all quite familiar with LIPA's stunning failure
13 to anticipate, prepare for, and respond to Sandy. For the last
14 several years, LIPA has been warned on a regular basis by
15 private consultants, the New York State Department of Public
16 Service and others that it did not have proper emergency plans
17 in place.

18 When Sandy struck, the disaster was exacerbated by LIPA's
19 unpreparedness. Everyone. Especially residents of the
20 Rockaways Peninsula has his or her own story about the days,
21 weeks, and now months following the storm. Thousands are still
22 not back in their homes and people are still without
23 electricity. LIPA was totally unprepared to deal with this
24 ordeal. It had no emergency plans including one for restoring
25 electricity in the event of a massive loss of power. And,

1 because it wasn't prepared, it couldn't advise its customers.
2 It couldn't tell homeowners when or how they could get their
3 power back and, for some reason, they couldn't even explain the
4 certification procedure that was a prerequisite for restoring
5 power. In fact, it was about two weeks before LIPA began
6 responding in a coherent way to the storm's impact.

7 I commend the commission for the excellent and
8 comprehensive report on LIPA's preparation and response. It
9 analyzes in fine detail what went wrong and makes valuable
10 suggestions as to how to restructure LIPA so it will become a
11 more effective utility.

12 In its report, I note that the commission prefers the
13 privatization model, without conceding that privatizing public
14 government functions always results in improved services, I
15 support the commission's recommendations pending its final
16 report provided that a newly structured utility accomplishes a
17 number of goals which I will briefly discuss here.

18 The functions currently served by LIPA and National Grid
19 must be combined and performed by one entity in order to avoid
20 confusion and to allow for public accountability.

21 The new utility must be required to develop and make public
22 plans for safety inspections, disaster preparedness, and
23 emergency planning, including plans for restoring electricity in
24 cases of mass outages. These plans must be developed in a
25 timely way with input from the appropriate local, state, and

1 federal authorities and they must identify elderly and disabled
2 customers who might require immediate attention in emergencies.

3 State laws and regulations must be strengthened to give the
4 department a public service, more effective oversight authority,
5 and enforcement powers than it currently has.

6 The department must have the power to enact tough
7 regulations to require and/or conduct operational audits and to
8 conduct hearings and assess meaningful penalties. To be able to
9 do these things, the department's funding will need to be
10 increased.

11 The customers on the Rockaway Peninsula must not be treated
12 as an afterthought. While LIPA's other service areas might have
13 more customers than this area, the people here often feel as
14 though they're not being heard and their needs are not being met
15 even during non-emergency situations, and these changes must be
16 put into effect without massive fee increases.

17 Most of these conditions have already been incorporated
18 into your report and I'm sure they will be included in the final
19 recommendations. It wasn't clear whether these were the final
20 recommendations because the report we saw was titled "interim
21 report," so I don't know if your final report is going to be
22 substantially different from this one.

23 CO-CHAIR LAWSKY: They're final interim recommendations.

24 MR. WEINBERG: Very confusing.

25 CO-CHAIR LAWSKY: They're not interim final

1 recommendations. It's the opposite.

2 MR. WEINBERG: The important thing is, we are on board. We
3 like them.

4 While Sandy was a tragedy of epic proportions, one good
5 thing that can result from it is an electric utility company
6 that is at last reliable and responsible. Thank you.

7 EXECUTIVE DIRECTOR CALCATERRA: Thank you so much, Mr.
8 Weinberg. Before we open up the public testimony part of the
9 evening, what we first want to do is extend our tremendous
10 appreciation to Reverend Mullins. Is Reverend Mullins still
11 here or did he step out? There you go.

12 Reverend Mullins, he's our host this evening. He is also
13 the reverend for the Community Church of Nazareth and he, most
14 importantly, is the founder of this school. This school, which
15 is the Challenge Preparatory Charter School actually served many
16 different people during the storm. As everyone knows, there was
17 -- because I come from Suffolk County and worked the recovery in
18 Suffolk County and we had to find emergency shelters for many of
19 the families in Suffolk who were flooded out of their homes.
20 And obviously the same thing happened here in the Rockaways. So
21 Reverend Mullins was gracious enough to actually open the school
22 and use this school here as an emergency -- it's the church, I'm
23 sorry, I thought it was the school, the church for an emergency
24 shelter for many people who actually needed shelter and food
25 which was something that was desperately needed at that time.

1 The church and this community is a place that Governor
2 Cuomo visited many times during the storm and he saw the work
3 that Reverend Mullins had performed for the community and last
4 week had invited him up to come speak and give either an
5 invocation or benediction at the State of the State. So he
6 spoke at the governor's State of the State last week as well.

7 So we want to extend our tremendous appreciation for
8 hosting us here this evening. Thank you very much. And, most
9 of all, tremendous appreciation for all that you have done for
10 the community here in the Rockaways.

11 CO-CHAIR LAWSKY: And I would just, because I can't resist,
12 I would just second that motion and thank you, Reverend, not
13 only for everything that you've done here, but your words at the
14 State of the State last week, like your actions inspired all of
15 us. So thank you.

16 EXECUTIVE DIRECTOR CALCATERRA: So for the rest of the
17 evening we have a list of speakers. What I will do is I will
18 list the next speaker and then say who's on deck so the speaker
19 after that can be prepared to come on up.

20 Our first speaker this evening is going to be, the first
21 public speaker this evening is going to be Delores Orr, followed
22 by Howard Pollack, followed by Rachel Forde. So please be
23 prepared to come up. Delores, when you join us at the table,
24 please identify yourself.

25 I do have to tell you right in front of you is a -- you see

1 it, I know, it has a green, yellow, red and I guess you figured
2 out the rest. Thank you so much, Delores.

3 MS. ORR: Good evening. My name is Delores Orr and I'm
4 chair of Community Board 14 which represents Broad Channel and
5 the Rockaways here in New York City. I apologize for my cold.

6 I'm third generation here in Rockaway. Our family has been
7 here since 1900. And I'm going to say for Super Storm Sandy, it
8 might have been strong, but we're stronger and we're going to
9 survive and recover.

10 Every entity has failed us in the aftermath of Sandy and to
11 get to LIPA, were they prepared and how did they respond? And I
12 have a different opinion I think from some folks in terms of
13 some of the response. But in terms of prepared, absolutely not,
14 no one was prepared for it.

15 But LIPA, through their business practices, has failed to
16 invest in their network and safeguard their infrastructure in a
17 world of global warming, coastal erosion, and the 100 year
18 floodplain.

19 Maybe 18 months ago they built a new substation at Beach
20 56th Street just north of Rockaway Freeway. That location is in
21 Zone A. They put that substation on a concrete platform of
22 about three inches. So, clearly, someone at LIPA has no idea
23 how to read a flood map. Why wasn't that substation built
24 higher up?

25 Since Sandy, they have, in fact, elevated it about three

1 feet off the ground and, had they done that in the original
2 design, just think of the time, money, and pain it would have
3 saved all of us.

4 Why haven't they modified and protected the older
5 substations to protect us? Where is the investment in that
6 infrastructure? The investment is clearly not in our safety,
7 well-being or lives, but rather in that of the company's
8 financial stability and bottom line. For them, it's not about
9 lives, but money. It took nearly two weeks to energize the
10 network. This is unacceptable. Almost criminal. So that's
11 their preparation.

12 In terms of their response, I know everyone talks about
13 LIPA, but we know they are only the back-office people. So my
14 interaction on a daily basis was with the folks on the ground,
15 National Grid. So once the network was fully energized after
16 the two weeks, which was absolutely unacceptable, their response
17 became much better. They worked with us in a goal as the doctor
18 had indicated, the buildings, to try to get the buildings turned
19 up first knowing how many people were stuck there, and also once
20 those buildings were up and running, then they can become
21 in-place shelters for friends and families of people that lived
22 in the building. And that was the case for me, once I was up
23 and running, I was able to shelter people that had lost their
24 homes. So the people on the ground were very helpful.

25 One of their obstacles, and I don't know if this has been

1 brought up before, was that OEM failed us in every way. They
2 did not tell us the process of how to get reinstated until the
3 network was energized, and that was a tremendous obstacle, and
4 they need to be completely revamped or done away with entirely
5 because they were the road block for all of us.

6 Thank you.

7 EXECUTIVE DIRECTOR CALCATERRA: Thank you so very much,
8 Delores. Our next speaker is Howard Pollack.

9 MR. POLLACK: Good evening, Mr. Chairman, members of the
10 commission. On behalf of New York City Council Speaker
11 Christine Quinn, I want to thank Governor Cuomo, and I also want
12 to thank yourselves for working so hard to address the concerns
13 of the people of the Rockaway Peninsula.

14 Speaker Quinn has been here many times. She was at OEM.
15 She understands the failures inherent in that system. She sent
16 me here with a very brief and simple message for you that she
17 and the members of the City Council stand ready to assist you in
18 revamping the disastrous process that is LIPA.

19 We look forward to a day that this never happens again.
20 Thank you very much.

21 EXECUTIVE DIRECTOR CALCATERRA: Thank you. Our next
22 speaker is Rachel Forde. And, after Rachel, Hayden Horsham.

23 MS. FORDE: Good evening. Thank you for allowing me to
24 come up. As you heard, my name is Rachel Forde. I'm the
25 director of operations at Rockaway Development and

1 Revitalization Corporation located in Far Rockaway, New York.
2 However, we are the local development corporation. We are
3 responsible for the entire peninsula.

4 So not to piggyback on what everyone else has said, we
5 agree with that. I just wanted to come up and speak about what
6 we're trying to do to help this peninsula as one particular unit
7 of Queens and New York.

8 RDRC is what we call ourselves. We've partnered with the
9 Small Business Administration from the federal government and
10 also the New York State Small Business Development Center. We
11 have representatives who have been coming up to our office as
12 partners, and they are interfacing with individual residents as
13 well as all of the businesses that need those types of services.

14 Both of those entities are really at our site working with
15 our staff to assist the residents and the businesses in
16 completing federal, state, and city loan applications, to
17 provide up-to-date information about claim filing and other
18 sources of financial assistance; assist business in developing
19 emergency response plans; recreating and applying for lost
20 financial records; developing business continuity plans.

21 Because the executive, Mr. Kevin Alexander, I'm here to
22 represent him, he's at another function working with the
23 businesses just this evening further down on the peninsula. He
24 was out here every day for about almost two months, seven days a
25 week going up and down the peninsula looking at whatever

1 services we could partner with other organizations, churches,
2 and other CBOs to help the residents as well as the businesses.
3 A lot of the businesses have really been so devastated.

4 In addition to working with SBA and the state, we've also
5 connected and we are a partner with an organization called
6 American Planning Association which is the national
7 organization. They've come in. For several weekends now. They
8 are basically helping us assess the businesses and the
9 commercial corridors throughout the Rockaways.

10 RDRC partnered with them to develop an assessment tool that
11 is conducted on a monthly basis to track individual business.
12 This information enables RDRC to effectively target resources to
13 businesses and to be able to gauge the number of businesses
14 still closed in the process of reopening and/or those who are
15 actually open to the public at this point.

16 So we've been in the forefront with residents as well as
17 the business core and we will continue to do that. I believe
18 SBA and the state, they will be pulling out probably at the end
19 of January. We actually also did partner with the New York City
20 Department of Consumer Affairs --

21 EXECUTIVE DIRECTOR CALCATERRA: Ms. Forde?

22 MS. FORDE: And we have representatives working in the
23 restore centers to help the residents as well.

24 EXECUTIVE DIRECTOR CALCATERRA: Thank you so very much for
25 your testimony.

1 MS. FORDE: Thank you.

2 EXECUTIVE DIRECTOR CALCATERRA: Next is Betty Leon and
3 then Hayden Horsham and then, after that, Lew Simon. Betty
4 Leon? Hayden Horsham?

5 MR. HORSHAM: Good evening. I'm here representing the
6 state senator, James Sanders, who is at his inauguration as we
7 speak.

8 My position at his office is the director of constituent
9 services. What I do is I deal day-to-day with people that come
10 in with complaints that are greater than the average complaint
11 because someone must come to the office of an elected official
12 to get something solved.

13 So, since day two, we operated as a center to anyone, not
14 as an office, but actually have given away goods because no one
15 from any agency, FEMA, et cetera, Red Cross, was here on the
16 ground in our area until about ten days after this happened.

17 A lot of media focused on different areas in Far Rockaway
18 and I think a lot of resources went immediately to those areas
19 and yet there were areas that were affected equally and no one
20 came to those areas right away.

21 So, to stay on what you want to talk about which is the
22 LIPA situation, presently, based on numbers given to me by LIPA,
23 we are still in the thousands. They have about 34,000 customers
24 and restored maybe 25,000 of those. There are still people
25 without electricity.

1 But further away from that, I want to touch on something
2 that nobody has really focused on, the health issue that's going
3 to come up in time. The mold that is existing and will get
4 worse in time, based on water that has not dried and just made
5 mold come up, is going to get worse in the summer and we only
6 have one hospital in this peninsula.

7 So help from the Moreland Commission, the governor's
8 office, to make sure that what happened, an example would be the
9 World Trade Center, when people were exposed to things that were
10 hurting them, their health, there should be a focus on the mold
11 and the buildings should come after -- at least focus on
12 building after. Let's get healthy also.

13 That's the end of my three minutes. Thank you.

14 EXECUTIVE DIRECTOR CALCATERRA: Thank you very much. I do
15 want to recognize State Senator Malcolm Smith. We have been
16 joined by Malcolm Smith, he's right over there. Thank you very
17 much for joining us this evening and for the service that you
18 have given to the community here as well.

19 EXECUTIVE DIRECTOR CALCATERRA: Thank you very much. Next
20 up is Lew Simon and following him is Norman Silverman.

21 MR. SIMON: Good evening and welcome to Rockaway. I'm very
22 proud to live here. My name is Lew Simon. I'm the assembly
23 district leader in the 23rd Assembly District.

24 I just find it very very hard to speak tonight because I,
25 too, have felt the pain of Sandy. My office burned down to the

1 ground. My home was pretty badly messed up. And, as they say,
2 we are lucky to be here.

3 I see that this is the Moreland Commission. I'm glad that
4 you are here, but I notice a lot of the members are not here.
5 Okay? I'm disappointed. The original hearing that was
6 scheduled was cancelled because the night before we did have the
7 nor'easter. So what I expected tonight was to see the whole
8 committee. I thank you. I'm not being disrespectful. I thank
9 you. But I was hoping to see my dear friends, Bob Abrams and
10 Mark Green who sit on this committee and I'm really
11 disappointed.

12 As we go into our 12th week after the hurricane, LIPA has
13 never been our friend, and does not care about us. We, in
14 Rockaway, have always recalled ourselves as the tail wagging the
15 dog.

16 We are the only part Queens County that is included in
17 LIPA, everything is Nassau and Suffolk County. So we, in the
18 Rockaways, have known for many years that the city has forgotten
19 us. We've been the dumping grounds for the city, we're the
20 dumping grounds for LIPA.

21 In case of a little rain, a little wind, or anything like
22 that, our lights go out constantly. We have had so many
23 problems with LIPA through the years, including with the fact to
24 add insult to injury we incurred the storm on October 29th. I
25 returned back to my home on December 5th to get a bill from

1 LIPA, okay? On December 7th telling me the period of October
2 28th to December 6th I owe them \$3,643. I have never seen a
3 bill like that. Our meters were taken out. I was paid up to
4 the date. I find it really tackless that I should have to call
5 LIPA and argue with them and say, how can you send a bill out
6 when all our meters were removed and I was paid up to the date.
7 This is just some of their tactics.

8 What I do want to say is, LIPA's plug should be pulled
9 immediately. There's no life support for LIPA, they're
10 disgraceful. Okay?

11 What I really think that's needed now is a citizen's
12 committee put together that we, going forward to whatever it's
13 going to become, citizens should be involved from Rockaway, from
14 Nassau County and Suffolk County to have a say. We've had no
15 say. All we do is we're the ratepayers. We constantly get a
16 raise in our rates but no say.

17 I want to thank Governor Cuomo for allowing us tonight to
18 have a say and thank you very much and thank you for your time.
19 We really appreciate it. Thank you.

20 EXECUTIVE DIRECTOR CALCATERRA: Thank you so much, Mr.
21 Simon. Next is Norman Silverman.

22 MR. SILVERMAN: I'm Norm Silverman and I speak today from
23 the level representing as a manager of a co-op with 72
24 apartments that's just a few blocks from here. I also miss my
25 old colleagues, the esteemed Attorney General Robert Abrams and

1 the Public Advocate Mark Green. I see the younger generations
2 is able to come around. I hope my old friends will see the
3 testimony that we have and work with you and come out with the
4 best situation that we can for the people of Rockaway, Nassau
5 and Suffolk.

6 My special situation is we have an undamaged 72 apartment
7 co-op building. The power was turned off. We understand it was
8 turned off by employees who had protested, there was no reason
9 for it to be turned off.

10 What I believe what happened is, someplace in the middle
11 management of LIPA, that they panicked due to the terrible
12 losses that were going on in other parts of Rockaway, and not
13 knowing the community, and not knowing which areas are 11 miles
14 from something else, they decided to turn off the power in all
15 of the areas.

16 I hope in your investigation you're able to find that and
17 see how that decision was made. When it was turned off, the
18 power was off for two weeks. This created a great problem for
19 us because it meant no heat, no elevators, no lights in the
20 apartments. As the weather got colder, it caused people who
21 otherwise would have not have suffered from this storm to become
22 refugees, lose all their food, and so on in this situation.

23 This was not only for our building, it was for the downtown
24 Rockaway area which included the post office, the congressman's
25 office, Assemblywoman Titus' office, Community Board 14 and the

1 supermarkets. People had to be treated like the refugees in
2 Haiti and given food from trucks in little packages because the
3 supermarket had no power, instead of getting the power on and
4 the supermarkets could served the people that were there. There
5 were several supermarkets that were not damaged but were closed
6 for the whole time because of lack of power.

7 Most people here are blaming LIPA for all of this. I'm not
8 sure it's all of LIPA's fault. I believe that there are other
9 government agencies that are supposed to determine with the maps
10 where theoretically the floods would be, and then actually where
11 the flood actually was.

12 If LIPA needed that information, they should have asked for
13 it, but it did not -- I'm not sure it's their primary
14 responsibility to determine this.

15 I want to say something I hear about privatization. I
16 believe that public power is an important part in the history of
17 the United States. Those who remember in high school learning
18 about TVA, the Bonnaville Dam, the Hoover Dam, et cetera.
19 These were public power programs that people have liked.

20 In New York State we have a New York State Power Authority.
21 If you drive along the Niagara River and the Saint Lawrence
22 River, you see power plants that provide power for people all
23 over New York State. We hear very little about it down here
24 because it's not that close to us, but there are businesses that
25 do benefit from it here.

1 I looked at the records of the New York State Power
2 Authority, and --

3 EXECUTIVE DIRECTOR CALCATERRA: Mr. Silverman, can you wrap
4 up your testimony?

5 MR. SILVERMAN: -- I saw that they seemed to have a well
6 organized group that understands how to run power. I see a
7 vacancy on the vice chairmanship, if I make any suggestion there
8 that somebody from the Long Island area could be chosen in there
9 so they can work and they have the skills to handle this and I
10 would look for them as a first choice and certainly as the
11 temporary choice I believe the commission is looking at in order
12 to keep our power system running here.

13 EXECUTIVE DIRECTOR CALCATERRA: Thank you very much.

14 MR. SILVERMAN: Thank you.

15 EXECUTIVE DIRECTOR CALCATERRA: Next we have Paul Lozowsky.

16 MR. LOZOWSKY: Hi. My name is Paul Lozowsky. I'm the
17 director of an organization called Utility Consumer Advocacy
18 Project and I have about 4,000 members, mostly business owners,
19 many in Far Rockaway.

20 I would like to thank the Moreland Commission and the
21 governor for having these hearings and listen to what the public
22 has to say for a change because we've been trying to get LIPA to
23 get hearings like this publicized. They didn't do it. There
24 was only maybe 10 people at the hearings, so it's a good start.

25 I originally -- I was convinced this commission would be a

1 total failure. But my feelings have changed. Why did they
2 change? If you, Kathleen Rice, can get a co-op board to accept
3 a dog, you can no problem getting the rates cut in half and our
4 power out back in 24 hours, so I commend that.

5 Just very briefly because I only have two minutes, ten
6 seconds left. Privatization is terrible. We had LILCO, it was
7 terrible. Could you please have Andrew Cuomo go back to his dad
8 and tell him the hassles of privatization? Because there's
9 taxes, there's accountability, totally to the corporation and
10 not to the customers.

11 The problem with LIPA is two things; one, the LIPA board is
12 written by Paul Hallenberg, In order to include the elections of
13 the trustees, okay? Right now, nine of the 15 trustees are
14 elected by Governor Cuomo. Governor Cuomo nominates the public
15 service commissioners and the chairman of the PSC serves at the
16 pleasure of the governor. So the governor has too much power.
17 We want the power to the people. We want elections. We don't
18 want privatization. We don't want LIPA to be appointed by
19 people in Albany and six appointed by the majority leader and
20 the speaker. We want the people to have the power to elect the
21 people by district. Just like the law originally intended it to
22 be.

23 Also, we have to plan right now to get the energy restored
24 in three to four days next time. After Irene, we recommended,
25 let's get this cut in half. They did nothing. There is no

1 public hearings. No plan. So let's get a plan now so we can
2 cut it -- make a goal and cut it by two-thirds. Probably won't
3 do it, but how can we get the power back in three or four days
4 instead of, what, 21 days? But it's going to take all levels of
5 government cooperating and maybe even the National Guard.

6 Okay. Moving on. This is really the meat of the matter.
7 Kathleen Rice, you said the debt. You talked about the debt,
8 it's a big problem, isn't it? How big a problem is it? It's \$7
9 billion. We all know that. But \$600 million every year from
10 the Long Island people's pockets goes to LIPA for the debt
11 service. That's \$600 million, 15 percent of their bill. So
12 we've been paying it for about 15 years. How much do you think
13 we paid down the debt in 15 years? Do you know?

14 EXECUTIVE DIRECTOR CALCATERRA: Mr. Lozowsky, this is not a
15 Q and A. Thank you.

16 MR. LOZOWSKY: We've been paying interest only for 15
17 years. Why? Because Governor Pataki appointed a Wall Street
18 person like Mr. Lawskey in order to take LILCO's debt, put it on
19 the backs of LIPA. The banks were enriched. The stockholders
20 were enriched. The bond holders were enriched. We were left
21 with the debt in 1987. We haven't paid a penny of it down. Is
22 anybody happy? Yes. Wall Street is happy. Now we think that
23 maybe is the reason, you are the chairman of this commission,
24 aren't you? So your voice will be to these other committee
25 people saying, oh, we can't default on these bonds, what about

1 Washington public power? 20 years ago --

2 EXECUTIVE DIRECTOR CALCATERRA: Mr. Lozowsky --

3 MR. LOZOWSKY: -- they defaulted --

4 EXECUTIVE DIRECTOR CALCATERRA: -- can you wrap up your
5 testimony?

6 MR. LOZOWSKY: And when it's -- and Frank Zarp permitted
7 this deal that transferred LILCO's debt onto the backs of us and
8 this why we can't get the lights on in less than 21 days.
9 Please investigate Frank Zarp in the deal in 1987. Okay,
10 Kathleen Rice?

11 EXECUTIVE DIRECTOR CALCATERRA: Thank you very much, Mr.
12 Lozowsky. Much appreciated. Next is Hank Lori, then Susan
13 Mitchell, and then Danean Ferguson. Hank Lori.

14 MR. LORI: My name is Hank Lori and I'm the president of
15 the Belle Harbor Property Owners Association. I'm glad you guys
16 are here. I just wanted to come and sort of reflect on what
17 I've seen how our community was handled as well as all the
18 communities in the Rockaways.

19 The response that LILCO gave us was totally unacceptable.
20 And that's, we're all in agreement with that. They really are
21 just a small group of people who are misguided and have given
22 out contracts to large companies like National Grid that are
23 profit motivated and are out there saying that they are doing
24 certain things and I'm sure there are times when people were
25 told, yes, we have a major plan, a master plan that National

1 Grid probably put together and did not really have anything that
2 had any teeth to it that could really get the job done.

3 The bottom line in what we saw right after that Tuesday,
4 there was nobody there to help. National Grid didn't show up
5 for seven or eight days. We never saw trucks. We had complete
6 outages. We were knocked out right into the dark ages where the
7 cell phones didn't work, nothing worked, no electrical. And the
8 comedy was, well, you talked to somebody who would show up and
9 say, well, if you had a touch, you can e-mail them or call them.
10 And we said, nobody can e-mail or call. We are completely in
11 the dark right now.

12 When they started showing up, you learned very quickly that
13 they weren't very well organized. On my block we had trucks
14 show up. In one night we had three trucks show up. They sat
15 for an hour. A guy came out finally and turned on the power for
16 one house. The neighbor came out and said, wait a minute, the
17 electrician that put in the approval for this did mine too.
18 Can't you do mine? They said, well, we don't have that. It's a
19 piece of paper they give us and this is the only house. I said
20 to them, well, could you call or? The technology they were
21 using was archaic. It's called pencil and paper. The
22 management was just ridiculous in the way they were handling it.

23 Now, you go and see in your own communities how UPS work.
24 They can tell you where that package is at any moment in time.
25 That's the type of technology that these companies should be

1 using right now so that they know the block they're on, the
2 house they're on, what the latest is as far as who has been
3 approved and get the things on. Woefully inadequate.

4 I can go on examples of stuff that we saw that were really
5 just comical. I'm the type of person that walks up and starts
6 talking to people and I say to these folks that were working for
7 National Grid, really, although they said LIPA on the truck, how
8 are things, how is your management. They said, there's too many
9 bosses. Nobody knows what they're doing. They hand us a piece
10 of paper and tell us, do this and that's it. It's just no way
11 to operate. There was no sense of teamwork, and effective
12 working, and a lot of wasted time and energy, and a lot of money
13 being spent needlessly.

14 Recommendations. LIPA forget about it. We should get rid
15 of it. We should reform a whole other operation that we would
16 oversight. I'm really in favor of a public utility setup. I
17 think privatizing, you bring a large company just like National
18 Grid, their bottom line is profit. It's profit and they are
19 very smart and very clever and you'll have to right a contract
20 that's got to be very specific so they can't loop around things
21 and get away with not doing things. It becomes -- it's a cat
22 and mouse game. I've seen it all too often. I worked in the
23 bureaucracy and I've seen how contracts are worked and how
24 vendors sometimes work around them.

25 We would be better off if we set up -- you guys are all

1 public servants and I trust that you are all very bright and
2 capable people. Why not get forget public servants, and I know
3 at that PowerPoint you're saying, well, we can't pay them a
4 certain price that the private industry, well, let's pay them
5 because it will be worthwhile paying them those higher salaries,
6 the few people that are really on top running it to make sure
7 that they're primary purpose as a public servant is to provide
8 the quality public services that we all deserve. I think that's
9 another way.

10 The other thing as far as concerns, BP got fined a
11 tremendous amount of money. I think we should look into the
12 possibility of fining people like National Grid because the
13 services we got were not the services we were paying for.

14 Thank you very much.

15 EXECUTIVE DIRECTOR CALCATERRA: Thank you, Mr. Lori. Next
16 up is Susan Mitchell. Is Susan Mitchell here? It reads Susan
17 but who knows what happened in translation. She's followed by
18 Danean Ferguson and Barbara Hillary. Sarah Mitchell?

19 MS. MITCHELL: Yes. Good evening. My name is Sarah
20 Mitchell. I'm a lot of things. I'm a student, but I'm more so
21 a concerned resident tonight. So I think tonight a lot of what
22 we heard is obviously that something needs to be done and I
23 think really now is what needs to be done.

24 You've presented us with the alternatives that you guys
25 have came up with, and it seems that you guys are taking steps

1 in the right directions in terms of the oversight and increasing
2 the penalties. I just want to thank you and just say that your
3 vigilance is appreciated.

4 As far as privatization, when a public service transitions
5 to the private sector it becomes profit oriented and not people
6 oriented, and I think that's a rational fear that a lot of
7 people have. I feel that we deserve a service, especially given
8 in the midst of the disaster left over from the storm, and given
9 our experience with the NICE bus system, that we deserve a
10 service that is people oriented.

11 So I think it's unavoidable that rates will increase. You
12 guys are assuring us that they won't, but I think that we need
13 more than an assurance.

14 You guys seem to have a sound cost benefit analysis from
15 the other alternatives, but it seems that the other two
16 alternatives besides privatization, an integral part of them was
17 accountability and clarity. So I just don't believe that our
18 market solution is apt for a social problem.

19 So I guess my only question that I have is, if
20 privatization is our only alternative, what happens if
21 privatization doesn't work out the way that we want it to? So
22 tonight I just came here to impress upon you the reluctance
23 because it does seem like you guys are leaning towards a
24 privatization alternative. That's all I have to say.

25 CO-CHAIR LAWSKY: Let me just, if I can, since you asked us

1 the question, I will take the opportunity.

2 I'll thank you, you and the previous speaker, very fair,
3 balanced testimony raising very important points. We're
4 considering these questions closely.

5 We agree with you. You need a utility that is people
6 oriented, but you had a public utility, it was called LIPA, and
7 it wasn't profit oriented or people oriented. If anything, it
8 was disoriented, and certainly not oriented the way any of us
9 wanted. It's certainly not what you wanted.

10 So the question we are really struggling with is, and we
11 believe you can have a private utility, just because a company
12 of all private companies are profit oriented. That's
13 capitalism, that's what our country is based on.

14 But, at the same time, if you have a real regulator, who is
15 making sure that a profit-oriented company, which, by the way,
16 should be more efficient, and, don't forget, a profit-oriented
17 company, the best way to make profits is to make your customers
18 happy.

19 A company that is devoted to making its customers happy,
20 even if private, with a real regulator that says, you make a
21 false move, we are really going to fine you, or we may even take
22 your license away. We think, and we're leaning towards, and
23 that was our recommendation that you could really see some real
24 improvements, and that you have to do it in a way that takes
25 care of the debt over time and doesn't allow rates to go beyond

1 what they otherwise would have been.

2 So, look, all that said, I just wanted to say, your points
3 were very fair and I want to thank you for your testimony.

4 MS. MITCHELL: You're welcome.

5 EXECUTIVE DIRECTOR CALCATERRA: Thank you, Ms. Mitchell.
6 Next we have Danean Ferguson. We will tell you, we haven't had
7 an audience that claps after people testify, so it's made the
8 atmosphere much lighter and adds to the levity, so we greatly
9 appreciate the claps.

10 Danean Ferguson and then, after that, Barbara Hillary,
11 followed by Queen Makkode.

12 MS. FERGUSON: Good evening. Danean Ferguson. I'm the
13 vice-president of a 101 Precinct Community Council and I'm also
14 special projects director for the Arverne Church of God, Church
15 of God Christian Academy which is K to 12. I'm a 24 year
16 resident of the Rockaway Peninsula. A lot of times I kind of
17 get a little -- people say Far Rockaway, when the media is
18 talking about Rockaway the peninsula. Far Rockaway just happens
19 to be where you are tonight, the location on the Rockaway
20 Peninsula.

21 But a lot of things happened and a lot of people have
22 already expressed that. I am of the disagreement that we need
23 to dis -- I guess throw away LIPA. I think that even though it
24 was disoriented, Mr. Lawsky, somehow I think some the brightest
25 minds in the world are in New York and that we can put it back

1 together, kind of like make it better and stronger than it was
2 before.

3 I'm not sure. I'm not as well researched as Mr. Silverman,
4 but I do think that also the privatization would definitely be
5 detrimental to us, the taxpayers, or the bill payers in the
6 final end to try to accommodate all of that debt.

7 I would like to say that in terms of, we've heard a lot of
8 negatives, but National Grid was here, the Church of God
9 Christian Academy was a disaster relief site because we have a
10 school gym up on high ground on Central Avenue close to the
11 Nazarene site, Reverend Mullins site, and we were providing
12 services to the community distribution of food and clothing. We
13 were even made, thanks to the National Grid, we were made a
14 warming center. That was a very, very big deal in a time when
15 you're in the community, again, being affiliated with the police
16 department, I was at the precinct every day cleaning up the
17 precinct, and going back to the site, doing distribution, taking
18 care of my house with my children and my mother's house, to be
19 able to have a place where we can actually go and be warmed was
20 actually a big deal. So we do want to thank and recognize that
21 National Grid did do some good.

22 The things that happened that brought about the fact that
23 we weren't able to be put back together in a timely fashion,
24 three weeks, 2.1 million people, we had something in being
25 somewhat empathetic towards the service of LIPA or National

1 Grid. It was humongous the disaster that happened. It was a
2 natural disaster, and none of us, as was mentioned before, were
3 prepared for it.

4 In terms of the some of the lights, or negatives with LIPA,
5 even our own governor, who I like, is responsible for some of
6 the misgivings because you have, as it was said, a board that is
7 lacking seats to manage itself properly, and those seats are
8 appointed by the governor and it hasn't been done.

9 So there's lot of people who have some say in the bad that
10 has happened, but I think that we can sit down with our great
11 minds and make it work if we have a mind to work. We already
12 know what went wrong, so we can start working on it and making
13 the correct adjustments that need to be done.

14 Thank you for the time.

15 EXECUTIVE DIRECTOR CALCATERRA: Thank you, Ms. Ferguson,
16 and thank you for your service during this storm.

17 Next we have Barbara Hillary, Queen Makkode, and after that
18 Jessica Roff.

19 MS. HILLARY: Good evening, ladies and gentlemen. My name
20 is Barbara Hillary. I'm 81 years old. I'm a lung and breast
21 cancer survivor. I want to share this with you so you'll know.
22 I'm not a whiner, I'm not a crybaby.

23 At the age of 75, I skied to the North Pole. At the age of
24 79, I reached the South Pole, setting a world's record as the
25 first black woman to reach the North Pole. However, these

1 exploits and/or accomplishments did not prepare me for what my
2 community suffered. What I lost, how I suffered, they were
3 people that suffered more than I did.

4 I would like to make this suggestion. Your meetings should
5 be geared for what the average person wants to say. The elected
6 officials that we pay can wait until we finish.

7 Secondly, if a person cannot come here -- these people have
8 been traumatized. Though haven't come here to listen to a
9 telephone call. They haven't come here to listen to someone's
10 political assistant read a message. I have a graduate degree.
11 I know how to read. I know how to listen. My community has
12 suffered.

13 Now, in preparation for this storm I thought it would be a
14 walk in the park but it wasn't. I was stunned at the
15 unrelenting incompetence displayed by the Red Cross and, by the
16 way, where does all that money go?

17 By the way, all the money that's poured in, the food that
18 the Red Cross gave in at Arverne, they eat better at Rikers
19 Island.

20 I was raised old school. In old school it meant I grew up
21 in Harlem although I lived in Rockaway for over 25 years, and I
22 have been active in the community, but old school means you
23 respect older people, you don't lie, you don't steal, and my
24 mother taught me, the world doesn't owe you anything.

25 When National Grid provided the blankets, food, sanitary

1 equipment, everything that the City of New York did not provide,
2 I say thank you. No one has to do anything for you. And the
3 reason I was able to reach the North and South Pole was because
4 of the way my mother raised me. And, within that framework, I
5 want to say thank you. And within that framework, I would also
6 like to say, people of Rockaway, I have seen ice that you could
7 never imagine. If we don't stick together, we are going to dam
8 sure drown together.

9 EXECUTIVE DIRECTOR CALCATERRA: Thank you, Ms. Hillary.
10 Following Queen Makkode we have Jessica Roff and then Reverend
11 Alfred Cockfield.

12 MS. MAKKODE: Good evening. I don't even have to say my
13 name. So, what I'm going to do is, I'm going to say to you what
14 life was like without the services of LIPA.

15 The impact that the national disaster Hurricane Sandy had
16 on the Rockaway Peninsula, the second hardest hit community, was
17 immediately thousands of residents were displaced and became
18 homeless.

19 While certain areas of the community were given continuous
20 and organized distribution of emergency resources, specifically,
21 the public housing units, NYCHA, private homeowners and tenants
22 were virtually ignored.

23 Were it not for PSMS 42Q's Principal Patricia Flynn, our
24 custodial engineer, Pat Clark, Chaplin Juan Picardo, and, I,
25 Queen Makkode, of the Parent Association CBO, we opened our

1 newly six story middle school and made it a resource for
2 families between the 60s, by the bay and the bay, up until 73rd.
3 Had we not done this, most of those homes were submerged or
4 severely flooded. They no resources, no one brought them
5 anything. Were it not for Chaplin Picardo occupy Sandy's
6 website, Donald Trump, and many private donators, our families
7 would have had nothing.

8 Many schools on the peninsulas were displaced. And, until
9 this day, FEMA refuses to acknowledge the financial burden that
10 families had because we had to create alternate housing for our
11 children to be able to attend the schools like myself, they will
12 not reimburse me the rent I had to pay for my children.

13 Catholic Charities has responded, which they let me know,
14 to the families in Breezy Point quickly. Yet, families like
15 mine, are still waiting 30 days past our request to have a
16 hearing before a board to get assistance.

17 The dissemination of our infrastructure and business
18 community has left an even higher rate of unemployment that's
19 not being addressed by any organized employment initiative,
20 specifically for the Rockaway community. Although the governor
21 promised it, we hadn't seen it. The total exclusion of RDRC,
22 Rockaway Development & Revitalization Corporation, if any plans
23 for employment and training is unheard of when such a disaster
24 has happened.

25 In closing, what Hurricane Sandy has done for me as a

1 responder and caretaker of my community, its renewed my faith in
2 the average American citizen. All across the country they came
3 to Far Rockaway, and they helped alleviate unnecessary and
4 unjust suffering. Were it not for these individuals who have
5 donated millions culminating into billions of dollars of money,
6 resource, time, effort to help our community, we would not be
7 here today to document what LIPA or National Grid did not do.

8 Private individuals were the first to bring generator for
9 public use. As a community, the Rockaways, we will move
10 forward. This commission has the unction from the Constitution
11 to legally address the future of this community, as well as an
12 unction form the creator that you do all you can to ensure that
13 the residents of this community be provided the financial
14 assistance to rebuild so that we can become reborn and enter
15 into our Renaissance. Thank you.

16 EXECUTIVE DIRECTOR CALCATERRA: Thank you, Ms. Makkode.
17 Jessica Roff and then followed by Reverend Alfred Cockfield.
18 For those who came later, we have a three-minute timer.

19 MS. ROFF: Hi. As you know, my name is Jessica Roff. I'm
20 with Occupy Sandy and have been working with the community
21 organization here in the Rockaways and now we are also Restore
22 the Rock. We have incorporated our small group of organizers.
23 We've been full time volunteer out here since immediately
24 following the storm.

25 I'm sure you've heard lots of testimony already about all

1 the problems that everybody has faced as a result of the missing
2 electricity and the missing heat, like hot water, and I'm not
3 going to go on and on about that, but, obviously, we know that
4 that's an ongoing issue and that people are still living without
5 all of those resources and this creates a domino effect that's
6 causing this public health crisis.

7 There's been discussion of mold, obviously the moisture
8 leads to mold problems. If we can't get electric, we can't get
9 heat on, then we don't have the ability to fight the mold
10 because the temperatures are too low for the proper drying out
11 and all these issues are compounded upon each other. So clearly
12 everything has to be addressed from a perspective that's going
13 to deal with the entire picture.

14 I'm not going to go into a whole thing about how you can
15 fix LIPA or any of those other utilities out there because I
16 don't think you're doing it right to begin with. I think that
17 -- and we are all out here continuing to fight for solutions
18 that are going to involve renewable energy because if we were in
19 a renewable energy situation right now -- before the storm, we
20 wouldn't be in the position we are in right now.

21 If we had had solar and wind, storing to large capacity
22 batteries and buried power lines, we may not have lost power to
23 begin with. Had we lost it, it would have come back on line
24 much more quickly. If we had a wind farm situated off shore in
25 the Rockaways, then we would have been able to cut down our wind

1 speeds up to 30 percent and we would have been garnering lots of
2 power during the storm as well.

3 These are all issues that would have helped mitigate damage
4 of what happened during the storm, immediately and after the
5 storm, immediately after.

6 If we were to bring renewable energy to New York and use
7 the Rockaways as a pilot program, which would be an amazing
8 opportunity, since everything here has to be rebuilt from the
9 ground up anyway, then we can also work to have green jobs,
10 renewable energy that's going to power and potentially help fund
11 the community, education, and a system that is local, and keeps
12 all of this happening within the community. It's fully powering
13 from the energy and the people. And, in addition, people would
14 have been put right back to work immediately in the area in jobs
15 that were safe and that were working to go the community back on
16 line.

17 So if we can amend the Public Service Law, which currently
18 makes it illegal to actually have community generated any kind
19 of power, but specifically distributed renewable energy
20 generation, then we would be able to actually go forward with a
21 community development in this neighborhood as well as others.
22 It would serve as a great jumping off point, and if we can't
23 amend the Public Service Law, then perhaps we can talk about
24 actually having an exception temporarily to start what is
25 happening here because it's ludicrous to rebuild a

1 non-functioning system. Why are we even talking about this?
2 Nothing worked. We all know nothing worked. People are still
3 living in decrepit situations because they can't get their
4 power, they can't get their heat, they can't their hot water.
5 People are going into a public health crisis here as it has to
6 get addressed. If we can do this, then we would have a
7 win-win-win situation where everything would be working together
8 in community power, both figuratively and literally.

9 So that's what I have to say.

10 EXECUTIVE DIRECTOR CALCATERRA: Thank you so very much.

11 Reverend Cockfield.

12 REVEREND COCKFIELD: Good evening. My name is Reverend
13 Cockfield, I'm the chief operating officer of Gospel Town and
14 Prayer Ministries which we have a church on Battalion
15 Pentecostal Assembly which is Beach 67th Street in Arverne.

16 Prior to November 5th in Arverne, besides PS-42 which the
17 young lady spoke about, there were no major services provided to
18 Arverne. Arverne is situated, which is in Central Park of the
19 whole peninsula, from east to west or west to east, whichever
20 way you want to start from.

21 RDRC, in their enormous work on the Rockaways, called me up
22 and asked me if we would host or house National Grid on our
23 property. We have enormous property on Beach 67th Street, a
24 huge parking lot, and on November 5th, they landed, and from
25 that day on Arverne was transferred in terms of the services

1 that were provided.

2 So we know that when Hurricane Sandy came, I think all of
3 us can say we never understood or the magnitude of that storm.
4 My parents were in Australia. I stayed in Brooklyn because of
5 the enormous requests from the governor and from the mayor to
6 the peninsula. I live a few blocks away from here, when was
7 young, get water where I am, and I still left.

8 But even with that, no one can imagine the devastation that
9 salt water would have done. You think about the NYU Hospital in
10 Manhattan, even having generators, it would not be able to move
11 the generators to higher floors to be able to take care of that.

12 So we have to be honest with our ourselves. We can look to
13 point fingers, but I think the young lady who just spoke before
14 me who eloquently said, there are options going forward for the
15 peninsula. BeachWood & Benwood (phonetic) put a huge
16 development over by the sea where a good portion of those houses
17 received no water based on how they built it up.

18 Rockaway has been here for many many years. They have had
19 floods before, but not of this magnitude. It can happen again,
20 it will be worse. So we need to look at a way that we can use
21 National Grid, LIPA, all the stuff that they've done in terms of
22 helping.

23 Now, we know that it wasn't a perfect situation. National
24 Grid brought a lot of their employees. Every morning they went
25 out to a whole community and took them out in buses. NYPD

1 partnered with them. They took buses of people and went
2 knocking on doors to tell them how to get their services back
3 on. Obviously some people were dislocated so they were not in
4 Rockaway. So the communication was very down.

5 So we can look to point fingers, but there is options going
6 forward. They were here. One thing I could say, maybe it was
7 confusion. People don't know this, that. But it wasn't a
8 perfect situation obviously with the whole -- a lot of stuff
9 underground, saltwater just deteriorated everything.

10 My parents told first where everything north of Beach
11 Channel Drive in Arverne was destroyed on the first floor. So
12 there was nothing that anyone could have done to make it speed
13 up or whatever to restore. It was pitch black. I mean, it took
14 a while for even NYPD and the city to put flood lights in the
15 community.

16 So we can look to point fingers or we can look to get
17 results to what we can do to go forward.

18 Thank you and God bless you.

19 EXECUTIVE DIRECTOR CALCATERRA: Thank you very much,
20 reverend. Is there anyone who has signed up to testify whose
21 name I did not call out?

22 (No verbal response.)

23 We have Assembly Member Goldfeder who wants to come up.

24 ASSEMBLYMAN GOLDFEDER: Thank you. Of course I want to
25 thank the governor for appointing the commission and putting in

1 place what I think people in the community have been waiting for
2 for a long time, and that's the accountability.

3 For a long time we waited, you know, to get sort of through
4 the relief effort, starting the recovery effort. For now we can
5 finally hold people accountable and hold entities accountable
6 for those who failed is.

7 I want to thank Superintendent Lawskey for your kind words,
8 but the only reason he knew that I was here was because he was
9 here as well. It was day three in Broad Channel in the cold of
10 night and we were at community meetings and the next night in
11 Rockaway and the next night in Howard Beach. So I want to thank
12 you for your service.

13 And people don't know, his day job is probably harder than
14 this, if you can imagine, dealing with the banking and insurance
15 industry right now. So, for that, I want to say thank you to
16 you and to all of the board members and DA Rice and commission
17 members. It's really appreciated because I think the biggest
18 thing that we struggle with is making sure that we are prepared
19 for the next time. Because it's too late. We have gone through
20 this already. We have gone through the hurricane that nobody
21 expected. We've gone through the relief. We're working slowly,
22 very slowly into the recovery, but how are we going to be ready
23 for the next time?

24 I don't want to claim to be an expert in engineering or in
25 electricity, but I can only give you some of the testimonies

1 that I have heard throughout this process and throughout the
2 blackout process and, period, there was contractors from all
3 over the country and even many from Canada, who came and were
4 friendly and took the time to talk to the community as they were
5 fixing the lines, took the opportunity to share with the people
6 who were around the trucks in those surrounding areas. And
7 those folks, especially from Canada, made a point and a comment
8 that sticks with me until today. They said that here in
9 New York you're paying the highest rates probably in the
10 country, the world, and we have been examining these lines, some
11 people who are from out of the country and examining your lines
12 and this is the poorest we have ever seen.

13 They said, the fact that you've had power is shocking to
14 us. The lines are literally put together with scotch tape and
15 gum and that this should have been expected and we should have
16 been prepared for this.

17 That is not a message I'm looking to beat up on anybody.
18 That is a message I want to take into the future. We need to be
19 prepared. We need to do a better job. I want to thank the
20 governor and, of course, everybody who is taking time here when
21 they could be with their families, and that goes to the people
22 in the community as well.

23 I'm surprised and I'm upset a little bit that there isn't a
24 larger turnout, but I'm proud of the people who are here and who
25 spoke passionately and I think that even the commission would

1 agree it was productive. It was a -- in Rockaway we respect the
2 opinions and the work of others, and we appreciate anybody who
3 is going to come here and help.

4 So, again, thank you to everybody tonight and I look
5 forward to real change that we can all be proud of and we can
6 rely that our children and our grandchildren will be able to
7 enjoy Rockaway just like we did.

8 So thank you very much.

9 EXECUTIVE DIRECTOR CALCATERRA: Thank you very much. I
10 would like to share our next steps with you.

11 We do have three hearings that are scheduled in the short
12 term. Next Wednesday, January 23rd, all of our hearings are in
13 the evening, because we hope that that's the best opportunity
14 for people to come and testify and they all start at 6 o'clock.

15 But next Wednesday, January 23rd, we have our hearing in
16 Staten Island at the Bernicow Mid-Island Jewish Community Center
17 on Manor Road. Then, the following evening, on Thursday,
18 January 24th, we are having a hearing at SUNY, Purchase in
19 Westchester and that hearing is a regional hearing that will
20 cover Westchester, Putnam, and Rockland counties and that's at
21 the performing arts center at SUNY, Purchase.

22 Then the following week on January 29th we are starting to
23 venture a bit north and we are having a hearing at SUNY, New
24 Paltz and that will cover three counties in that particular area
25 and the region as well, Ulster and Sullivan.

1 For additional information on Moreland Commission hearings
2 or you want to continue to submit testimony, please go to our
3 website which is Moreland.ny.gov and I'm going to hand the
4 microphone over to Co-chair Lawsky. Thank you.

5 CO-CHAIR LAWSKY: Thank you again, all of you, for being
6 here. And with what I started with, which is the work we're
7 doing, we take it very seriously because it's incredibly
8 important for the future, for our families and for the well
9 being of our state.

10 So we're going to continue to work very hard. I want to
11 thank everyone for taking the time tonight and we will have more
12 hearings to come very soon as you just heard.

13 So, everyone, please take care. The Department of
14 Financial Services and FEMA are still here if you have other
15 needs. We are adjourned.

16 (Whereupon, the Moreland Commission on Utility Storm
17 Preparation and Response adjourned at 8:13 p.m.)

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C E R T I F I C A T E

I, FRANK GRAY, a Shorthand Reporter and Notary Public
in and for the State of New York, do hereby state:

THAT I attended at the time and place above mentioned
and took stenographic record of the proceedings in the
above-entitled matter;

THAT the foregoing transcript is a true and accurate
transcript of the same and the whole thereof, according to the
best of my ability and belief.

IN WITNESS WHEREOF, I have hereunto set my hand this
24th day of January, 2013.



Frank Gray

FRANK GRAY