

THE NEW YORK TIMES, THURSDAY, SEPTEMBER 27, 2001

State Seeks to Play a Role In the Reconstruction Effort

By RICHARD PÉREZ-PEÑA

Officials in Albany and Washington say that the effort to rebuild after the destruction of the World Trade Center will be controlled primarily by the state and federal governments, not the city, although they concede that as yet, they have little idea what that effort would look like or how it would be managed.

In the two weeks since the attack, much attention has been focused on the city's recovery efforts. The only specific step toward rebuilding came from Mayor Rudolph W. Giuliani and City Council Speaker Peter F. Vallone, who have said they will create a reconstruction commission, and Mr. Giuliani's name has often been mentioned to head that panel. But state and federal officials say there is little that a city-only effort can accomplish.

"It is not realistic," said Senator Joseph L. Bruno, a Republican and the Senate majority leader. "The city will do whatever they feel is appropriate, but they're going to have to deal with the state. The state is going to have to have prime responsibility."

"The city can't do what's needed on its own," said Assembly Speaker Sheldon Silver, a Democrat. "I think there has to be a global redevelopment authority that goes well beyond just the jurisdiction of the city."

State officials in particular are determined that they will lead what could become the largest public works project of its time, and they tick off a long list of reasons. The trade center site is owned by the Port Authority of New York and New Jersey, which is controlled by the governors of the two states; much of the nearby damaged property belongs to two state agencies, the Battery Park City Authority and the Metropolitan Transportation Authority; and much of the promised federal aid is likely to be funneled through Albany.

They also note that the city needs permission from the Legislature and Gov. George E. Pataki to take major financial steps like selling billions of dollars in bonds or imposing or cutting taxes. In the first days after the attack, Mr. Vallone and Mr. Giuliani turned to Albany for a \$2.5 billion increase in the city's borrowing authority, which the state granted. The state also has broad power to alter city laws, over objections from City Hall.

But the federal government is likely to provide most of the money to help businesses and individuals recover economically — it has committed \$20 billion, compared to \$500 million from the state — and it might become a major contributor to the reconstruction of the trade center site itself. Under those circumstances, members of Congress warned, it is hard to imagine that they would not also have a direct role in deciding how the money is spent.

"Obviously, if there are federal dollars involved, then we will have a voice," said Senator Charles E. Schu-

mer. "To make this work, you have to have the federal, state and city governments on board."

Mr. Pataki deflected questions about whether the state would take the lead role in reconstruction. "We've had a tremendous relationship at all three levels, federal, state and city," he said. "And as we go forward with reconstruction, we should have all three elements, federal, state and city, pulling together, working together, in a cooperative teamwork, and I'm confident that'll happen."

The governor's top aides were more direct. "Look, others are going to be involved," one said. "It's going to take Washington and it's going to take City Hall. But this is going to be mostly our job." New Jersey, as a partner in the Port Authority, is likely to have a role as well, he said.

Mr. Bruno and some advisers to the governor predicted that Mr. Pataki, both in his official role and as New York's main liaison to the Bush administration, will inevitably play the central role.

Several members of Congress and the state Legislature said that a possible mechanism for rebuilding is a

city, state and federal commission that would decide how to dole out money, and perhaps even what to build. Some said they expected Mr. Pataki to push the Port Authority to take the lead role in reconstruction, which would bypass the Legislature — a contention the governor's aides would not confirm or deny.

State officials have been full of praise for Mr. Giuliani's handling of the rescue and cleanup efforts, and Mr. Schumer lauded both the mayor and the governor. All sides are loathe to be seen as turning a tragedy into a power struggle, but all appear, to one degree or another, to expect one. "This is going to be a fight," said a member of Congress from New York City. "If we're lucky, it'll be a quiet one and a quick one."

On Monday, Mr. Silver took 70 Assembly members on a tour of the site, which lies in his district, and Mr. Bruno has since taken 20 senators there. Both said they wanted to prepare their colleagues for the enormity of the task to which they will be asked to devote billions of dollars. "No picture, no television picture, can give them the extent of it and impress upon them what it is they're a part of," Mr. Silver said.

*The trade center
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handle.*

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