

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, October 18, 2007

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MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, October 18, 2007, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Virginia S. Bauer
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. David S. Steiner

NEW YORK

Hon. Henry R. Silverman, Vice-Chairman
 Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. David S. Mack

Anthony E. Shorris, President
 Ernesto L. Butcher, Vice-President and General Manager
 Darrell B. Buchbinder, Counsel

Terry A. Benczik
 A. Paul Blanco
 John D. Brill
 Steven A. Brown
 Arthur J. Cifelli
 William R. DeCota
 John C. Denise
 Michael P. DePallo
 Pasquale DiFulco
 Michael Dombrowski
 John J. Drobny
 Karen E. Eastman
 Michael G. Fabiano
 Ziomara Y. Foster
 Michael B. Francois
 William H. Goldstein
 Lash L. Green
 Linda C. Handel
 Alan H. Hicks
 Victoria C. Kelly
 Kevin J. Kirchman
 Louis J. LaCapra
 Richard M. Larrabee
 Marc LaVorgna
 Shawn K. Laurenti
 Susan Bass Levin
 Francis J. Lombardi
 Thomas P. Maher
 Stephen Marinko
 Michael G. Massiah
 James E. McCoy
 Sanjay Mody
 Christopher J. Mohr
 Lynn A. Nerney
 Kevin O'Driscoll
 Summer Oesch
 Tony F. Oliver

Steven P. Plate
Samuel J. Plumeri
Andrew Rachlin
Andrea Roitman
Richard R. Roper
Alexandria Sica
Stephen Sigmund
Ralph Tragale
Lillian D. Valenti
Sheree R. Van Duyne
William Young

Guests:

Sonia Frontera
Hon. Charles A. Gargano

The public session was called to order by Chairman Coscia at 1:31 p.m. and ended at 1:56 p.m. The Board met in executive session prior to the public session.

Action on Minutes

The Vice-President submitted for approval Minutes of the meeting of July 26, 2007. He reported that copies of these Minutes were sent to all of the Directors and to the Governors of New York and New Jersey. He reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Directors unanimously approved the Minutes.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in public session at its meeting on October 18, 2007, which included discussion of a project for Phase II of the PATH signal system replacement program, and the report was received.

Staff Report

A presentation was made by staff on PATH – Railcar and Signal System Replacement Program.

PATH – RAILCAR AND SIGNAL SYSTEM REPLACEMENT PROGRAM – PATH SIGNAL PROJECT PHASE II – PROJECT AUTHORIZATION

It was recommended that the Board authorize a project for the Port Authority Trans-Hudson Corporation (PATH) Railcar and Signal System Replacement Program – PATH Signal Project – Phase II, including the purchase and installation of a service-proven Automatic Train Control (ATC) system, utilizing communications-based train control technology, adapted for PATH's specific operational requirements, including an independent safety assessment and contract management support, at a total estimated project cost of \$389 million.

In April 2001, the Board authorized planning services, in the amount of \$17.8 million, in connection with a program to replace the PATH railcars and signal system. This authorization also provided for the President of PATH to enter into an agreement with a consultant for professional services for the planning, review and development of a Request for Proposals, including technical specification development for the railcar and signal system replacement work, at an estimated cost of \$7.9 million. The consultant agreement was awarded to LTK Engineering Services/Parsons Transportation Group, Inc., a Joint Venture.

In September 2003, the Board authorized a project, at an estimated cost of \$809 million, for: (1) the purchase of 246 new railcars to replace the PA-1, PA-2 and PA-3 PATH railcar fleet and disposition of the replaced railcars; (2) the rehabilitation or replacement of the current class of 94 PA-4 railcars; (3) the renovation of the Harrison Car Maintenance Facility and maintenance equipment to support the new and/or rehabilitated railcars; and (4) Phase I of the Signal System Replacement Program (Program), which included preliminary engineering and design, testing, evaluation and demonstration of modern signal system technologies. At that time, the Board was apprised that authorization for Phase II of the Program would be requested at a future date.

In July 2005, the President authorized contracts with three signal suppliers, at a maximum cost of \$1 million per contract, to perform the Phase I work, which included working with the railcar builder to define interfaces for the carborne ATC equipment, and perform limited preliminary engineering trials and demonstrations on PATH property.

The three signal suppliers satisfactorily completed Phase I and have the exclusive right to submit a proposal for Phase II of the Program. The selected Phase II signal contractor would be responsible for the design, manufacture, factory test, delivery, installation, field test, commissioning and technical support for a complete ATC system for the entire PATH mainline network, including all central office, wayside and carborne equipment and removal and disposal of existing signaling equipment.

The technology used for the existing signal system is very limited in being able to adapt to increased capacity and service demands. Many components are no longer produced or supported and have exceeded their expected useful and economic lifespan, and replacement parts are increasingly unavailable.

This project is a significant component of a \$1.3 billion investment in the PATH system, which also included the purchase of 340 new railcars and will result in an increase of

approximately 20 percent in system capacity, thereby allowing PATH to meet forecasted peak-hour demand.

Staff has estimated that increased system capacity could reduce carbon dioxide emissions by 6,500 tons per year, based on the reduction of 2,700 vehicle trips annually and corresponding fuel savings of 730,000 gallons.

Pursuant to the foregoing report, the following resolution was adopted with Directors Bauer, Blakeman, Chasanoff, Coscia, Mack, Pocino, Sartor, Silverman and Steiner voting in favor; none against:

RESOLVED, that a project for the Port Authority Trans-Hudson Corporation (PATH) Railcar and Signal System Replacement Program – PATH Signal Project – Phase II, including the purchase and installation of a service-proven Automatic Train Control system, utilizing Communications-Based Train Control technology, adapted for PATH’s specific operational requirements, including an independent safety assessment and contract management support, at a total estimated project cost of \$389 million (the Project), including payments to contractors, allowances for extra work (if necessary), and net cost work, engineering, administrative and financial expenses, and a contingency (if necessary), be and it hereby is authorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to take action with respect to purchase and construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the Project, subject to advising the Directors of individual contracts or agreements to be acted on pursuant to this authorization prior to taking or authorizing such action; and it is further

RESOLVED, that the form of all contracts, agreements and other documents in connection with the Project shall be subject to the approval of Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Vice-President and General Manager