

**PORT AUTHORITY TRANS-HUDSON CORPORATION**

**MINUTES**

**Thursday, November 15, 2007**

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**MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, November 15, 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. Christine A. Ferer  
 Hon. David S. Mack

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

Sophie Arianas  
 Diana E. Beecher  
 A. Paul Blanco  
 John D. Brill  
 Rosemary Chiricolo  
 Arthur J. Cifelli  
 Steven J. Coleman  
 William R. DeCota  
 John C. Denise  
 Michael P. DePallo  
 Michael P. Dombrowski  
 John J. Drobny  
 Karen E. Eastman  
 Ziomara Y. Foster  
 Michael B. Francois  
 Cedrick T. Fulton  
 William H. Goldstein  
 Linda C. Handel  
 Alan H. Hicks  
 Howard G. Kadin  
 Kevin J. Kirchman  
 Jason E. Kirin  
 Louis J. LaCapra  
 Marc LaVorgna  
 Shawn K. Laurenti  
 Susan Bass Levin  
 Dennis Lombardi  
 Francis J. Lombardi  
 Norma L. Manigan  
 Stephen Marinko  
 Catherine M. Massab  
 Michael G. Massiah  
 Candace McAdams  
 James E. McCoy

Camille T. Moglia  
Christopher J. Mohr  
Anne Marie C. Mulligan  
Mark F. Muriello  
Lynn A. Nerney  
Tony F. Oliver  
Samuel J. Plumeri  
Andrew M. Rachlin  
Andrea Roitman  
Richard R. Roper  
Stephen H. Sigmund  
Gerry B. Stoughton  
Lillian D. Valenti  
Sheree R. Van Duyne  
Jon S. Weston  
William J. Young

Guest:

Sonia Frontera

Public Speakers:

Zoe Baldwin  
Richard Barone  
Bryan Kortis  
Dr. Gay Senk  
Valerie Sicignano

The public session was called to order by Chairman Coscia at 2:04 p.m. and ended at 2:54 p.m. The Board met in executive session prior to the public session. Director Silverman was present for a portion of the public session.

**Action on Minutes**

The Vice-President submitted for approval Minutes of the meeting of October 18, 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.

**Staff Presentation**

A presentation was made by staff on 2007 Performance and 2008 Objectives/2008 Budget and Capital Plan.

## **PORT AUTHORITY TRANS-HUDSON (PATH) CORPORATION – PATH SYSTEM PROPOSED FARE INCREASE – PUBLIC COMMENT PROCESS**

Consistent with the efforts of the Board of Directors of Port Authority Trans-Hudson (PATH) Corporation to promote transparency and public accountability in the manner in which the Corporation conducts the public's business, it was recommended that the Board direct the President to initiate an open process, including public hearings, to solicit public comment regarding proposed changes in the fares for the PATH rail system and to report to the Board on the results of that process.

Since its last toll and fare adjustment in March 2001, the Port Authority has spent \$3.7 billion on securing its facilities. In addition, the Port Authority's \$29.5 billion Updated 2007-2016 Ten-Year Capital Plan (Capital Plan) is intended to reinvigorate the agency's commitment to its mission of enhancing the region's prosperity by providing transportation services that efficiently move people and goods within the region and facilitate access to the nation and the world. Among the major projects contemplated by the Capital Plan are:

- \$3 billion for the Access to the Region's Core Project to construct a second passenger rail tunnel connecting New Jersey and Rockland and Orange Counties in New York to New York City
- \$3.3 billion to modernize stations, provide increased capacity, and maintain the Port Authority Trans-Hudson (PATH) rail system in a state of good repair
- \$2.7 billion for upkeep and state-of-good-repair projects on the Port Authority's bridges and tunnels, including replacing suspender cables on the George Washington Bridge, renovating the Lincoln Tunnel Helix and adding capacity to the Exclusive Bus Lane at the Lincoln Tunnel
- \$1.1 billion for security capital projects in connection with PATH and the bridges and tunnels.
- \$1 billion to replace the Goethals Bridge
- \$545 million to enhance bus service operations at the Port Authority Bus Terminal
- \$100 million to implement an All-Electronic Tolling System at the bridges and tunnels

Similarly, *The Port Authority Strategic Plan: Transportation for Regional Prosperity*, approved on December 8, 2005, incorporates a broad, region-wide approach to providing coordinated investment priorities in a modern, efficient, and affordable transportation network for the region. It has become increasingly clear that the Port Authority's continued capacity to carry out major capital initiatives is shrinking, particularly in light of the magnitude of the Capital Plan.

The Interstate Transportation Network of The Port Authority of New York and New Jersey (Network), of which the PATH rail system is a part, is generating insufficient revenues to cover the Network's operating expenses, and the gap between operating expenses and expenses for the entire Network, including PATH, is projected to widen significantly in the future. In particular, the need to maintain a heightened level of security at all Network facilities, including those of PATH, since the terrorist attacks of September 11, 2001, contributes substantially to the

increase in operating costs in recent years, which has contributed to annual operating deficits of substantial magnitude.

Accordingly, due to such financial pressures, PATH Corporation will seek public input on proposed fare adjustments. The one-way PATH cash fare would be increased from its current \$1.50 to \$2.00 in 2008. The proposal also includes multiple-trip discounts for ten trips, twenty trips and forty trips that effectively reduce the commuter fare to \$1.50. The President would be authorized to adjust fare collection methods, the designation of peak travel periods, and other administrative practices from time to time, as appropriate.

It was reported that related action is being proposed to the Board of Commissioners of the Port Authority, related to vehicular bridge and tunnel tolls, at today's meeting.

An open public process would be undertaken to allow for input from all concerned parties. This process would include public hearings in New York and New Jersey, public communications and notification to customers, at least one online public hearing, and compilation of a report of the public comments received. The notice of hearings (which would cover both this proposed fares action and action relating to Port Authority tolls) would set forth the existing fares and the proposed fares, and would state the purposes for which such fares are to be instituted or changed. Notice of the hearings would be made publicly available, and interested parties would have the opportunity to comment regarding the proposed change in fare schedule.

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

**RESOLVED**, that the President be and he hereby is authorized and directed, for and on behalf of Port Authority Trans-Hudson (PATH) Corporation, to arrange for an open process, including public hearings, to solicit public comment regarding proposed changes in PATH System fares, as described above; and it is further

**RESOLVED**, that the President is hereby directed to report the results of the public comment process to the Board of Directors prior to further action.

Whereupon, the meeting was adjourned.

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Vice-President and General Manager