FOI #14005

From: ML Donovan | The Twin Towers Alliance [mailto:mldonovan@twintowersalliance.com]
Sent: Saturday, May 18, 2013 11:08 PM
To: Duffy, Daniel
Subject: FOI Request

Dear Mr. Duffy,

Please provide us with a copy of every Board Meeting transcript going back to when they started being transcribed in, I think, 2011.

In fact, it would be a public service to archive them on the site, since the video versions are often difficult to copy and paste because they don't scroll easily.

I will submit a separate request for all the other committee transcripts so that there will be no reason to delay this request.

Thank you.

Margaret Donovan | The Twin Towers Alliance

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

September 6, 2013

Ms. Margaret Donovan
The Twin Towers Alliance

Re: Freedom of Information Reference No. 14005

Dear Ms. Donovan:

This is a response to your May 18, 2013 request, which has been processed under the Port Authority's Freedom of Information Code (the "Code") for a copy of every Board Meeting transcript going back to when they started being transcribed in 2011.

Material responsive to your request and available under the Code can be found on the Port Authority's website at http://www.panynj.gov/corporate-information/foi/14005-O.pdf. Paper copies of the available records are available upon request.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,

Daniel D. Duffy
FOI Administrator

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The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
October 18, 2012

[Chairman Samson] ..for the delay, but we're off and running. The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee may be held to consider certain matters on today's agenda. Prior to today's meeting, the Committees on Operations and Capital Planning, Execution and Asset Management met in public session, the Committee on Finance and the World Trade Center Redevelopment Subcommittee met in both public and executive session, and the Committee on Security met in executive session. Their reports will be filed with the Official Minutes of today's Board Meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss matters involving ongoing negotiations or reviews of contracts or proposals, matters involving public safety or law enforcement, and matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest. Our first order of business is the Executive Director and the Deputy Executive Director will provide some highlights of the actions that they're advancing today and are working on. Pat? Bill?

[Pat Foye] Thank you, Mr. Chairman. Bill and I want to take a few minutes to discuss actions that the Board and Board Committees considered earlier today. The Board's actions today continue to represent crucial investments in our facilities, which will drive job retention, job creation, and economic development in the region. They include airport investments for high-speed taxiways that Bill will discuss and continued significant progress on the World Trade Center site. We also continue our commitment to green initiatives as we work to meet the Port Authority's environmental goals. At the World Trade Center Transportation Hub, the World Trade Center Redevelopment Subcommittee, part of the new Capital Planning Committee, met today to discuss reauthorization of the World Trade Center Transportation Hub budget in order to align with our most recent cost estimate. This project has been reauthorized at $3.99 billion plus financial expense and is on track for completion by December of 2015. Today's Board action also formally increased the Federal Transit Administration's commitment by $280 million. The FTA has now committed approximately $2.8 billion to the World Trade Center Transportation Hub. As you know, third party funding is crucial to Hub completion. The FTA grant now represents more than half of the total project cost and is consistent with our goal, as laid out in the Navigant report to the Special Committee, to pursue and confirm third party reimbursements. Already today we have commitments or payments from third parties in excess of the amount that Navigant projected in its recent report. Today's action also ensures successful completion of this important landmark in the Lower Manhattan skyline, and it is expected to generate an additional 23,000 jobs. The Board also discussed World Trade Center retail, specifically the Cortland Way construction award, which is a construction contract for the fit-out of Cortland Way, 16,000 square feet of street-level retail at the site. This is yet another site, together with the Westfield joint venture, that returns world-class retail to the World Trade Center. Located between Towers 3 and 4, Cortland Way will provide first-rate amenities to our residents, workers, and visitors. This contract award is estimated at slightly over $11 million. This project supports the continuation of the financial viability of the World Trade Center Retail Program and will create a positive impact on the local community. Bill?

[Bill Baroni] Thanks, Pat. Mr. Chairman, Mr. Vice Chairman, members of the Board I speak about 2 projects that the Board today undertook. First, at Newark Airport the Board authorized $31.5 million for the rehabilitation of Taxiway P at Newark Liberty International Airport. Taxiway Papa handles approximately 190,000 aircraft movements annually. The surface has deteriorated over time due to normal wear and tear. This project will include the asphalt paving and realignment of 2 high-speed taxiways to accommodate future aircraft fleet. This allows planes to leave the runway at higher speeds after landing, which minimizes idling time and reduces harmful emissions. This project will create more than 200 jobs in the region. This project does 2 very important things for the Port Authority. It both helps our environment and it helps make traveling better. Speaking of the environment, consistent with our overall commitment to the environment, we have furthered the Port Authority's goal of protecting land from development by a project within the Hudson-Raritan Estuary Resource Program of the Port Authority. As the Board knows, in July of 2001 the Board authorized $60 million in funds to acquire property for conservation purposes by establishing the Hudson-Raritan Estuary Resources Program. Earlier this year, the Port Authority made a $4 million commitment to the conservation of Staten Island's Pouch Camp. Today the Port Authority has contributed $1.3 million from the program to complete the purchase of waterfront land, the Essex County Riverbank Park Extension. This totals 12 acres of much-needed public recreation space in Newark, New Jersey. Public park benefits include a greenway which spans 8 city blocks, soccer and baseball fields, tennis and basketball courts, and 2 playground areas. This support will also provide vital Passaic River waterfront access to the local community. The Port Authority is proud to support this development of open green space in our urban setting. Thank you, Chairman.

[Chairman Samson] Thanks, Bill. Thanks, Pat. We will now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker today is Margaret Donovan of the Twin Towers Alliance.

[Margaret Donovan] Good afternoon. The writer Jessica Mitford, who exposed the corruption of the American funeral industry in her book, The American Way of Death, once wrote: "You may not be able to change the world, but you can embarrass the guilty." Many of the faces have changed since Richard Hughes included that quote in his first statement to the Port Authority Commissioners in September of 2010, but what hasn't changed is our purpose: not to embarrass or to annoy but to ask why fellow citizens who were appointed by elected officials feel free to run Ground Zero by imperial fiat and then present the bill with never answering a single question. You are so averse to answering questions that you even moved the so-called press gaggle at the end of each meeting behind closed doors, and that was at the very meeting when you rolled out the new, quote-unquote, transparency. I know you think you are doing-- Excuse me. I know you think you are doing the right thing, that you're eminently respectable individuals doing the eminently respectable thing, but I believe the record tells a very different tale. You had 2 prominent 9/11 family members here last month and the leading civil rights attorney in the country and his associate enumerating the compelling reasons why the WTC land swap is ill-

advised and improper at this time, and Vice Chairman Rechler condescendingly brushed it all off as an emotional issue without addressing a single objection. I see no discernible difference between the methods of Vice Chairman Rechler and Executive Director Ward. The rationale for everything you do is decided behind closed doors. I would be inclined to say that you think you're serving the public interests, but if you can't explain your actions, you clearly understand that you are not. We have been asking for the financial information regarding the Silverstein involvement at Ground Zero for well over a year. If you're so proud of everything you've done, why can't we get something that simple? Every month I get this answer saying, "Oh, in another month you're sure to get the answer." We never get any answers. If I had to choose one word to describe the way the Port Authority operates, it would be corrupt. We thought we were going to get answers when we spent $2 million for an audit, until I got to the last page and found out that everything the auditors said was based on information you gave them. There was no independent investigation after an entire year. It may be business as usual at the Port Authority, but it's not business as usual in the country. There's a different climate. You work for 2 governors who want to be president. Overriding the public through their proxies is not the way to get there. Thank you.

[Chairman Samson] Thank you. Our next speaker is Kalev Savi.

[Kalev Savi] Good afternoon, gentlemen. Thanks for giving me the opportunity to speak to you again today. I addressed this group one month ago regarding this wonderful building, JFK Terminal 3, and with our proposal around preserving the original structure and reinvesting for the future. You would have received by now well over 1,000 petition signatures from people representing 35 countries of the world. In fact, I just had a petitioner from Tegucigalpa in Honduras yesterday. I'm not here to rehash old history from last month but just to update you on happenings since. As I delve further and further into the history of this terminal, I find that I'm not the first person who has actually tried to lead a campaign for historic preservation. I'm probably about the third person. The New York State Historical Preservation Office already had an application back as long ago as 1988 to list this property, and they deemed it eligible. Then in 2001 a consultant's report from Fitzgerald and Halliday was sent to New York SHPO, State Historical Preservation Office, that advised that it was ineligible due to extensive modifications. Under Freedom of Information regulations, I obtained that consultant's report, and in discussions with New York SHPO, we have found that report to be extremely one-sided and biased towards negative. The good news this week is New York State Historical Preservation Office has agreed to reopen the case. A lot of things have changed. First of all, the building is now more than 50 years old, so that satisfies a criteria. In fact, they've asked in whatever resubmission I do--and we have 30 days to do it-- not to even waste any time arguing the history behind the structure or the uniqueness behind the structure but to concentrate on satisfying 4 out of 7 criteria, which I won't have time to go into today. Other than that, I just wanted to thank particularly Susan Baer and her group at JFK. A lot of times you guys get criticized for your staff not being responsive, but I've really found my dealings with Susan and Jim Steven to be-- They're quite professional, they're very courteous, and they're very quick to respond. I even sense they're sympathetic to this cause; but I understand their hands are tied. I just want to share one last picture today with you. This photograph--and I realize it's probably hard for you to see this-- was taken 2 weeks ago just at sunset at JFK. Last month I told you that we call our project the "From Eyesore to iCON Project," but I'd say have a look at this again. This building is a gem, it is a treasure, and I

think it's a travesty if it comes down. I'd like to say that I think the sun is rising on this terminal instead of setting. Thank you for your time.

[Chairman Samson] Thank you. Our next speaker is Robin Beck from UNITE HERE.

[Robin Beck] My name is Robin Beck, and I've worked at Newark Airport Terminal C for 9 months as a host and cashier. I'm a member of UNITE HERE. The recent transition in concessions companies at LaGuardia Terminal C is being handled smoothly thanks to cooperation from OTG and thanks to the Port Authority Labor Peace Policy. I want you to know that there are more upcoming changes to concessions at Port Authority airports. The concessions management company Westfield will soon be choosing new food companies for Newark Airport. Delta Airlines has very big changes happening next year at JFK which will affect members' jobs. We want to make sure that all of these changes happen in a responsible way that protects our jobs. We look forward to working with you and staying in touch with you about this process. Thank you.

[Chairman Samson] Thank you. Our last speaker is Murray Bodin.

[Murray Bodin] I can't see Pat if I sit over there. The last speaker--good afternoon--was very interesting. He brought up a point that nobody's brought up before. He read his presentation from his phone. The world is changing, people. Last time I was here-- Well, you've heard on the news that the MTA at the Henry Hudson Bridge is going to go to cashless on their bridge, which means all E-ZPass are photography, right? Only one problem: They didn't take out the tollbooths. Why would you not take out the tollbooths if you will never use them again? It becomes an obstruction and a dangerous situation. Cedric saw me there--how long--a year ago, a year and a half ago? A year and a half ago I told them that if you're going to take out the toll, take out the tollbooths. You have 3 lanes of traffic. Two of them were E-ZPass. They had 4 total E-ZPass lanes. So you forced people to go apart and then you came back together again. That's crazy. New Jersey Turnpike has on the northern end 2 high-speed lanes-- 2 lanes for E-ZPass, 2 lanes go through. There's no merge, there's no-- Why is this important? Because on the lower level of the George Washington Bridge, I've suggested that you refine it and you use 2 E-ZPass lanes going because you only have 3 lanes going underneath anyhow. Two are E-ZPass and the other separated by a double white line would be for cash and everything else. You do it at night. Last time I was here I thought I would meet with these people and go over it. Didn't happen. And why is it important? Because at the airports you put the long lines down and you make it difficult for people to find out where they're going. The same mentality that cannot understand how to put tollbooths on the lower levels is making it more difficult for your people at the airports. I worked at the airport with one of your people. He was very helpful. He's constrained by Traffic Engineering. Now, can other people work well? Yeah, they can, because I had questions about traffic at the George Washington Bridge, and Mike's staff went over and looked at some of the suggestions I made, and they came up with a better plan than I could have possibly imagined: reduced traffic, reduced staffing, made it safer. So I know that Mike can't get everything I want, but his team listens carefully. And that's in the best interest of the Port Authority. The Traffic Engineering team does not-- Yes, I know. The Traffic Engineering team does not listen correctly, and I'm at the end of my wits to figure out how to save lives, save

money, make it more appealing to the traveler. I don't know what to do next. Thank you for your time.

[Chairman Samson] Thank you. May I have a motion to move the Consent Calendar forward? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] There being no further business before the Board, I move to adjourn the meeting. May I have a second? [Commissioner] Second. [Chairman Samson] All in favor? [All Commissioners] Aye. [Chairman Samson] The meeting is adjourned. Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
October 20, 2011

[Chairman Samson] The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee will be held to consider certain matters on today's agenda. Prior to today's meeting, the Committees on Finance, Operations, Construction, and the World Trade Center Redevelopment Subcommittee met in both Public and Executive Sessions, and the Nominating Committee met in Executive Session. Their reports will be filed with the official Minutes of today's Board Meeting. The Commissioners also met in Executive Session prior to today's Board Meeting to discuss and act upon matters involving ongoing negotiations or reviews of contracts or proposals and matters involving public safety or law enforcement. As I said, there was a Nominating Committee meeting for the election of Officers in accordance with the Bylaws of the Port Authority of New York & New Jersey, Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation. The Nominating Committee met in Executive Session prior to today's meeting in connection with the election of Officers. Commissioner Sartor, as Chair of the Nominating Committee, may we have your report?

[Commissioner Sartor] Yes, sir. On behalf of the Nominating Committee for the Port Authority of New York & New Jersey, Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation, I desire to report that at its meeting held earlier today, in accordance with the provision of Article VII of the By-Laws, the committee by unanimous action submits the nomination of Patrick J. Foye for Executive Director of the Port Authority of New York & New Jersey and for the President of the Port Authority Trans-Hudson Corporation, President of the Newark Legal and Communications Center Urban Renewal Corporation, and President of the New York and New Jersey Railroad Corporation. Mr. Foye's service will begin on or about November 1, 2011.

[Chairman Samson] I'd like to move this nomination forward. [Commissioner Steiner] Second. [Chair man Samson] Second? All in favor? [All Commissioners] Aye. [Chair D. Samson] So moved.

[Chairman Samson] As everyone knows, Chris Ward, our Executive Director, has announced his resignation. And today the Board received and accepted his letter of resignation. So we will have a new Executive Director commencing on November 1. In keeping with the tradition of the Authority-- Governor Cuomo made that announcement yesterday-- but the Board would like to recognize Chris for his service and his commitment and his accomplishments to the Authority and, in particular, I have a tribute which is in the form of a resolution which I'd like to read on behalf of the Board. Whereas, from the time he returned to the Port Authority in May 2008 as Executive Director after previously serving as the Agency's Director, Port Redevelopment Program and then Chief of Corporate Planning and External Affairs from April 1997 to April 2002, Chris Ward has led the Agency with great pride and has given the full measure of his knowledge, skill, and ability to further the mission and goals of the Port Authority and the region it serves; Whereas, Chris Ward has managed the Agency's finances by maintaining zero growth operating budgets for 3 consecutive years and reducing the Agency's staff headcount to its lowest level in 40 years in order to allow for continued capital spending to advance the Agency's priority

projects and maintain the Agency's facilities in a state of good repair during a period of significant economic downturn and uncertainty; and Whereas, Chris Ward has been instrumental in the redevelopment of the World Trade Center site, including construction and delivery of the National September 11 Memorial on the 10th anniversary of the attacks of September 11, 2001, completion of the World Trade Center East Side Development Plan with Silverstein Properties, Inc. that will ensure the full restoration of the World Trade Center site and the phased development of the commercial office space to better meet the market; and the positioning of One World Trade Center for commercial success with the signing of the Conde Nast lease to a 1 million square foot contract; Whereas, Chris Ward has led the Agency in the advancement of a multi-billion dollar capital program, including the modernization of airport terminals and infrastructure, such as the expansion of Terminal 4 to replace the oldest terminal at JFK International Airport and the rehabilitation of the Bay Runway at JFK, the region's longest and busiest runway; Newark Liberty International Airport's Terminal B; a major modernization of the Port Authority's Trans-Hudson (PATH) Rail System; a major redevelopment arrangement for the George Washington Bridge Bus Station; planning for a new Goethals Bridge; and maintaining the Agency's facilities in a state of good repair to ensure that the Port Authority's mission to improve regional mobility of people and goods as well as foster economic growth and opportunity in the region continues; and Whereas, throughout his tenure as Executive Director Chris has worked toward maintaining the competitive position of the Port of New York & New Jersey by overseeing a series of strategic investments, acquisitions, and public-private partnerships in furtherance of the expansion and modernization of the agency's port commerce facilities, the expansion of the Port Newark Container Terminal, and the acquisition and expansion of the Global Marine Terminal at the revitalized Port Jersey-Port Authority Marine Terminal; and Whereas, Chris Ward has recognized the importance of conducting the Port Authority's operations in an environmentally responsible manner and has supported Agency programs and policies that promote a sustainable environment; and Whereas, he has provided support to ensure continued investment in the safety and security of the Agency's facilities so that the public and commerce may be ensured dependable, trustworthy and safe passage throughout the region; now therefore, be it Resolved, that the Commissioners of The Port Authority of New York & New Jersey hereby recognize Christopher Ward for his service to the Agency and the region it serves; and it is further Resolved, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Chris Ward. Can I have a motion on this? [applause] [Vice Chairman Rechler] I'll make a motion. [Chairman Samson] All in favor? [All Commissioners] Aye. [applause]

[Chair D. Samson] One further recognition by the Board. As I mentioned at last month's meeting, Commissioner Stan Grayson recently resigned from the Board. We have a tribute to Stan before the Board today for consideration. And while he was not able to make it here, I do think it's important that we recognize Stan's service to the Agency and the region and briefly comment on his contributions. First and foremost, when I started, Stan was Vice Chairman, and he was enormously helpful for me in the transition and the support that he gave me, and I want to personally thank him for that. I know that he provided support and guidance in our capital plan, he assisted in ensuring that the Agency continued to make great strides in redeveloping downtown and working with Chris Ward in that regard, he was a very strong advocate for the Agency's minority, women, and small business enterprise programs, and worked with me and was instrumental in advancing numerous security initiatives at our facilities. I'd just like to read this tribute on behalf of the Board. The following resolution was unanimously adopted today to express our appreciation to Commissioner Stan Grayson upon his retirement. Whereas, from his

appointment by New York Governor David A. Paterson in 2008, Stan Grayson has given tirelessly of his time, talent, and experience to further the mission and goals of the Port Authority; Whereas, Stan Grayson provided support and guidance in the advancement of the Agency's multi-billion dollar Capital Plan ensuring the Port Authority's mission to improve regional mobility of people and goods and fostering economic growth and opportunity in the region; Whereas, as Vice Chairman from May 2010 to September 2011, Stan served with pride and distinction as the Agency continued to make strides towards the redevelopment of Lower Manhattan and the World Trade Center site; Whereas, Stan was an advocate for the Agency's minority, women, and small business enterprise programs that provide for an increase in recruitment of certified firms, the funding of training and development programs and creative loan and technical assistance programs, thereby ensuring that the Port Authority maintains its position as a leader in providing business and job opportunities to minority, women, and small business firms; Whereas, Stan was instrumental in the advancement of numerous security initiatives to ensure safety and security of the Agency's facilities; and Whereas, during his tenure on the Board, Stan Grayson served with great distinction as Vice Chairman of the Port Authority, Vice Chairman of the Committee on Operations, Chairman of the Governance and Ethics Committee, Vice Chairman of the Committee on Capital Programs/Agency Planning and as a member of the Audit and Construction Committees and the World Trade Center Redevelopment Subcommittee. Now, therefore, be it Resolved, that the Commissioners of The Port Authority of New York & New Jersey express to the Honorable Stanley E. Grayson their sincere appreciation for his leadership and service to the Agency; and it is further Resolved, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Stan Grayson as a token of the high esteem in which he is held by the Board and staff alike. Can I get a motion? [All Commissioners] So moved. [Chairman Samson] All in favor? [All Commissioners] Aye. [Chairman Samson] Thank you. So moved.

[Chairman Samson] As we are approaching the 80th anniversary of the opening of two of the world's most iconic bridges, today our Director of Tunnels, Bridges, and Terminals, Cedrick Fulton, will commemorate both the George Washington and Bayonne Bridges. Cedrick? Thank you.

[Cedrick Fulton] Good afternoon, Commissioners. As you've heard, we are approaching the 80th anniversary of 2 of the most recognized bridges in the world, the George Washington Bridge and the Bayonne Bridge. Both of these bridges have been critical to regional mobility and the economic vitality and job growth we have experienced in the past 80 years. Both bridges finished ahead of schedule and under budget. The George Washington Bridge opened for use on October 25, 1931, 8 months ahead of schedule and $1 million under budget. The Bayonne Bridge followed on November 15th, several months ahead of schedule and $3 million under budget. Since their opening, both bridges have been internationally celebrated for their beauty and design. Shortly after the Port Authority was formed in 1921, discussions began on how the Port Authority could facilitate the urgent need for a major crossing that would provide a critical link in the East Coast highway network to spur regional mobility, promote goods movement by truck and job growth on both sides of the Hudson River. These discussions led to the construction of the George Washington Bridge which today is the world's busiest bridge, serving more than 300,000 vehicles a day. Simultaneously, the Bayonne Bridge, while a key in the region's transportation system, primarily serves as a gateway to the region's port facilities which generate 269,000 jobs a year and billions in wages and economic activity. Both the George Washington and Bayonne Bridges were engineered by Othmar Ammann, one of the world's most innovative and lauded master bridge builders. Through his genius, solutions were applied to the challenges each of these

bridges faced. Construction of the Bayonne Bridge posed special engineering challenges since it had to be built without disturbing shipping traffic in the Kill Van Kull. The engineers developed a solution: simultaneous assembly of both sides of the river with sections being added until they met in the middle. Construction of the bridge began in September 1928. The George Washington Bridge, which links Fort Lee, New Jersey, and Washington Heights, New York, posed its own set of construction challenges. The main bridge cables had to be anchored into bedrock on both sides of the bridge. Both the New York and New Jersey towers were anchored into bedrock 100 feet below the Hudson River, and footbridges were built between the 2 towers to allow construction workers to build out the main bridge structure hundreds of feet above the river. The afternoon before it was put into service, the George Washington Bridge was officially dedicated in a grand ceremony by New Jersey Governor Morgan F. Larson and New York Governor Franklin D. Roosevelt. The Governors committed the span to the friendly cooperation between States. On opening day, 55,523 vehicles and 33,540 pedestrians crossed the bridge. As time goes on, the bridge has undergone changes to move with the times. To handle the region's rapid growth, the bridge was built to handle a second level, which was added in 1962. A major dedication ceremony was held for the Bayonne Bridge in Port Richmond, Staten Island. At the time it opened, the bridge was acclaimed the most beautiful steel bridge by the American Institute of Steel Construction. Today the George Washington Bridge has become a critical link not only for commuters but for truckers serving the states up and down the East Coast. In 2010 the bridge handled 102 million vehicles on its 2 levels, 3 toll plazas, and 28 toll lanes. The Port Authority has been committed to keeping the bridge in a state of good repair and routinely invests millions to repair and replace the bridge's deck, road surface, and steel structure. The Agency has future plans to replace all of the bridge's original suspender ropes. To ensure the long-term economic vitality of the region's maritime ports, the Port Authority has committed $1 billion to a project to raise the Bayonne Bridge's roadway bed from 151 feet to 215 feet to accommodate a new generation of larger oceangoing vessels that call on Port Newark, the Elizabeth-Port Authority Marine Terminal in New Jersey, and on the New Jersey Container Terminal on Staten Island. The project will ensure that the Port can continue to build on the 269,900 direct and indirect jobs and nearly $6 billion in economic activity generated by the ports. Both the George Washington and Bayonne Bridges have remarkable pasts and promising futures. They help drive our economy and are iconic members of the community. The George Washington Bridge is now the subject of a marketing effort for the 2014 Super Bowl and continues to serve numerous charitable functions, including walks and bicycle events. The Bayonne Bridge has been a landmark structure in the community it serves and currently is illuminated in red, white, and blue lights following a request made by a local resident years ago. These bridges now serve millions of people a year, and we will continue to provide the stewardship over them to make sure they continue to serve as economic engines for the next 80 years. Thank you.

[Chairman Samson] Thank you, Cedrick. We'll now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker is Murray Bodin, and he's going to speak on the Greenville Yard Port Authority Marine Terminal.

[Murray Bodin] The Greenville Marine Terminal is a 20th century design dressed up to look like a 21st century design. It's very difficult to prove, but illustrative, I've got some notes for you there. Most of you

are driving cars with automatic transmissions, but they also have a tachometer on the dashboard. And today the new cars are coming with flat panel displays and a computer-generated display of a tachometer. Our inability to stop putting a tachometer in front of a driver reflects the mentality of the 20th century. We've always had them. How do you get rid of the tachometer from in front of the driver, because it's useless. There is absolutely nothing you can do about it. And the other thing is you've got an analog speedometer, and the only thing you really need to know when you're driving your car is the numerical speed of the vehicle. Now, the kind of thinking that keeps tachometers and analog speedometers on your dashboard needs to be looked at. And we have to take and apply it to the people who are designing the Marine Terminal and ask them to either defend the tachometer or actively oppose it and then go back and look at the design of the terminal and say-- because you've left out one major source; it's an intermodal--"You left out one." I've spoken to your representative this morning, and I've got his email address, and I will email him with a request that next week I meet with the people who design the parameters of the Marine Terminal and see if they can add some facet that's currently missing that will facilitate the movement of freight. You're going to have a big terminal when those big ships come in. We can't move all of those boxes over the George Washington Bridge. There will never be a harbor freight rail tunnel. There will be a reconfigured ARC tunnel done differently. We have to begin to address those things by, one, asking the question simply, "Why do you have a tachometer on your automatic transmission car?"

[Chairman Samson] Thank you. Our next speaker is Margaret Donovan of the Twin Towers Alliance.

[Margaret Donovan] Thank you, Chairman Samson. I would really appreciate it if you would let me speak last today. Thank you.

[Chairman Samson] Certainly. Then our next speaker is Richard Hughes of the Twin Towers Alliance.

[Richard Hughes] Good afternoon, Commissioners. It should be no surprise that the New York Post recently reported that the Port Authority wasted hundreds of millions of dollars under the leadership of Chris Ward. It is certainly no surprise to those of us at the Twin Towers Alliance. We have been decrying the waste at Ground Zero for years. But the waste, in fact, is not in the hundreds of millions but in the billions, and that waste has a direct impact not only on the wallets of the citizens of the metropolitan area but on the economic future of the region as well. For a region to thrive, people need to be able to move about easily without being extorted at every turn by the gangsters of a transportation mafia. It's a little like the circulatory system of the human body. When the blood flows easily, the body is healthy and vigorous. When the circulation is impaired, however, the body withers and dies. Now, thanks to the Port Authority's gouging of the public with outrageous toll hikes, people cannot easily move around the region because it has become so expensive to do so. This is not just an extortion of the region's drivers; it is a recipe for economic decline. None of this had to happen. What has taken place at this agency over the past 10 years is a textbook case of incompetence, mismanagement, arrogance, and malfeasance. The Port Authority has suffered from a fatal combination of delusions of grandeur and institutional idiocy. The Twin Towers were built by giants--giants of your Agency. The current harebrained plan for Ground Zero was conceived and executed by pygmies. Rebuilding the Twin Towers would not only have been the right and popular thing to do; it would have also been the economically sensible thing to do. The Twin Towers were not only beautiful in their simplicity, they were relatively simple to build, and thus relatively inexpensive. If Larry Silverstein had been forced to pay for and

rebuild the Twin Towers, as the terms of his lease agreement with the Port Authority obligated him to do, the Port Authority would have had to spend next to nothing at Ground Zero instead of a colossal $12 billion and counting. Now not only do we not have the new Twin Towers we wanted and deserved; we have a project that will never pay for itself, and we the citizens are getting stuck with the bill for something we never wanted in the first place. We now have to pay outrageous tolls which will only grow more outrageous with the years. And now the man who has been a big part of this mess wants to be our next mayor? God help us all. Thank you.

[Chairman Samson] Thank you. Our next speaker is Yvonne Garrett-Moore, who will be speaking about Newark Airport.

[Yvonne Garrett-Moore] Good afternoon, Commissioners. Thank you again. I'm very surprised that I'm back so quickly. I was here just last month to introduce to you a concept called Airport City for the Commissioners to consider such a development. I had asked you all to consider doing a feasibility study for such a development, and I am very pleased. After the meeting on the 22nd, I had an opportunity to brush elbows with Christopher Ward, who is a good teacher, by the way, and I think he's got a future in education. He advised me to get a book, and the book is named Aerotropolis. I went to the library, I got the book, and I also reached out to the author of the book, who is Dr. John Kasarda, who is from the University of North Carolina, who is actually in New York today, but he was not able to speak because of a previous engagement. This book, Aerotropolis, is the feasibility study for the vision that I presented to you all last month. It is possible to build such an initiative at Newark International Airport, and so I appeal to you today to continue to blow some air in our sail, some wind in our sail, so that we can move forward to realize the potential that we have in Newark International Airport. Newark International Airport has always led the way for aviation in our nation and in our world, and we have a great opportunity to continue to expand upon its capableness and its ability. We have a great opportunity to continue to invite our world to our community and to serve our world in a very exceptional way. We have a wonderful front door to do that, and the amenities and the services that we can provide for the citizens in our region as well as for our global citizenship is a great opportunity that we want to take full advantage of. We also have an opportunity to create jobs for people who need them. And so I appeal to you today: Let's look closer at this Aerotropolis, at this Airport City concept. Mr. Ward has done his homework. He advised me to do mine. I have reached out to the university systems and have gotten a positive response. Dr. John Kasarda has traveled all over the world helping nations and countries to understand how to best utilize their airport facilities, and he would like an opportunity to meet with the leadership here at Port Authority. So I encourage you to please embrace this opportunity to continue to dialogue about what we're capable of accomplishing when we work together. Thank you again. God bless.

[Chairman Samson] Thank you. Our next speaker is Linda Grant Williams speaking on financial matters.

[Linda Grant Williams] Thank you very much. My name is Linda Grant Williams, and I'm here to speak with you because having been a practicing lawyer for over 30 years now, specializing in real estate, securitization, and public finance, I devised a mechanism while I was a partner at Pillsbury Winthrop Shaw Pittman that was designed to reduce the tax-exempt interest rates that airlines pay at major origin and destination airports, like the 3 that are under your control. This methodology results in saving the

airlines well over a billion dollars just by refunding current high tax-exempt interest rate debt. In the $3 trillion municipal bond market, airline special facility revenue bonds, which are issued to build terminals at your airports, are the very highest interest rate bearing bonds, and they're also the most profitable for Wall Street. They're volatile, they're traded very frequently, they're used in derivative programs and tender option bond programs which deliver immense, immense profits to major Wall Street banks which dominate and control this municipal bond underwriting industry. I have developed this, I had it vetted by Goldman Sachs, JP Morgan Securities. They confirmed that by using my methodology they could transform junk bonds, airline special facility revenue bonds utilized to build terminals at your airports and others-- transform them from junk bearing high interest rates--8, 9¼, 9 1/8%-- and reduce that interest rate to investment grade comparable to the ratings the Port Authority as an issuer of general airport revenue bonds enjoys. So we would convert junk bonds to investment grade rated bonds. I'm not going to talk to you to beg you to help the airlines save a billion dollars, but I want to point out to you that this very same methodology that I developed could be used to substantially reduce the liabilities on your consolidated balance sheet. Because of the disparity in interest rates between special facility bonds and general airport revenue bonds, your airports have often and you at the Authority have cooperated in issuing bonds backed by your consolidated balance sheet. And that was necessary to get a good interest rate for the project, but that is no longer necessary. You could look at your consolidated balance sheet, which is so cash constrained, replace some of that general airport revenue bond issue that was issued to finance high demand passenger terminals for airlines, and replace them with investment grade special facility revenue bonds. I ask you to consider this because you are cash constrained. You cannot borrow to produce the capital projects you've earmarked like the LaGuardia Central Terminal and Newark. I'm an expert in this area, and I'm beseeching you to ask your staff to do a close analysis of what I'm telling them. I can assure you you will benefit. Thank you.

[Chairman Samson] Thank you. Our next speaker is Michael Brenzel, who is going to be speaking about Newark Airport.

[Michael Brenzel] Thank you very much. This will be very brief. I'm here really not on my behalf but on the behalf of towns in the area that are in desperate need of economic activity and jobs. Our idea is very simple. It is to use the benefits of Newark Airport to try to entice layover passengers, international layover passengers who may be spending 3 to 5 hours at Newark Airport who would not go to New York City and to bring them to such great locations as Liberty State Park, the Newark Museum, Montclair, areas to the west and so on. We presented this to the Port Authority back in April, we're having some meetings later this afternoon, and I just wanted to bring this to your attention and seek your help. Thank you.

[Chairman Samson] Thank you. And our final speaker is Margaret Donovan of the Twin Towers Alliance.

[Margaret Donovan] Thank you. Good afternoon, Commissioners. Everyone is suddenly shocked to learn that Chris Ward carelessly blew hundreds of millions of the public's dollars at the WTC site. But the true figure is much higher, and he didn't do it alone. The garish cubic zirconia display downtown is a dusk to dawn tribute to an entire Agency run amok. Ward tries hard to separate the role of symbolism and pragmatism at the site, but the public deserved both and got neither. And little will change after he is gone if the PA culture remains the same. There would be no need for an audit now if the public had

been allowed to audit your decision making all along, as required by law. If only your deliberations for the past 10 years had not been done in secret in bogus executive sessions, we would have our treasured skyline back today, better than ever, at a tremendous savings, as the contracts and the people called for. It really is as simple as that. Ward could have channeled his prodigious energies into a project that would have turned those lights of home back on. Instead, his headstrong allegiance to Mayor Bloomberg cost the public billions. Neither he nor anyone else has ever tried to discredit the Twin Towers II plan that we brought to his attention in 2008 because it can't be done. But ignoring a fully designed plan that would have saved billions of dollars and years of time while honoring the will of the people was never his decision or the Commissioners' decision or the Governor's decision to make, and it still isn't. How many people would be applauding what Ward inflicted on the site and on the public purse if they really understood how rogues like Pataki and Bloomberg stole what most people wanted without ever once explaining why a far more honorable, far more feasible, far more popular option was off the table from the start. How did they get away with it? That's easy. Port Authority Commissioners caved in to political pressure with help from the General Counsel and the Board Secretary. Has either one of them written to tell the Committee on Open Government why its recent advisory opinion that was sent to you recommending that you reconsider your procedures was wrong? Business as usual is finally catching up with the Port Authority. The independent auditors can't possibly do a "thorough review "of the Authority's capital projects and spending over the past 10 years" without evaluating the concrete basis for the Twin Towers II plan's superior claims that were ignored. What auditors can't measure is how much your ersatz World Trade Center has cost the American people by defeating the recovery that would have had the whole country cheering and much of the world. We do not have a fixation on 2 buildings. We do have a fixation on standing up for the democracy that so many people have paid for with their lives to win and to defend. But it is not too late to make amends because it is never too late to do the right thing. Thank you.

[Chairman Samson] Thank you. May I have a motion to move the consent calendar for approval? [multiple Commissioners] So moved. [Chairman Samson] Second? [multiple Commissioners] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. There being no further business, I move to adjourn the meeting. May I have a second? [Commissioner] Second. [Chairman Samson] All in favor? [All Commissioners] Aye. [Chairman Samson] The meeting is now adjourned.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
October 21, 2010

[Chairman Coscia] The board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special interim meeting of the Committee on Operations will be held to consider certain matters on today's agenda. Prior to today's meeting, the Governance and Ethics Committee and the Committee on Finance met in public session, the Audit Committee met in executive session, and the Committee on Capital Programs/Agency Planning and the WTC Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official minutes of today's Board Meeting. The commissioners also met in executive session prior to today's Board Meeting to discuss matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest. Our first item to discuss today is a report from Steven Plate, the Director of World Trade Center construction, providing an update on progress of the Transportation Hub. Steve?

[Steve Plate] Good afternoon, commissioners. We are continuing to make significant progress on all of the World Trade Center projects. Today I am pleased to inform you that we have ramped up construction this fall on the World Trade Center Transportation Hub, which is beginning to take shape of Santiago Calatrava's vision for this major transportation facility. Over the past year, more than $1 billion in contracts for the Hub have been authorized, and nearly every facet of the project is currently in construction. During the last several months, we have installed massive steel plate girders that will support the PATH station roof and installed the smaller rib arches that will form the station's mezzanine level. Today I am pleased to announce that we will begin in December to install massive Calatrava designed arches and steel that will support the PATH station roof, including pieces as large as 80 tons. These steel members are being manufactured and fabricated in various locations throughout the world, including New Jersey, Pennsylvania, North Carolina, Canada, and Spain. We are presently working to construct the new Platform A and Tracks 1 and 2. Once complete, PATH patrons will be able to utilize the reconstructed platform. Following the top-down construction methodology that was developed during the 2008 assessment, we are building the roof of the Hub first, as it serves as the floor for the Memorial. As you can see from the photo, the Memorial's Pavilion is being built literally on top of Calatrava's Hub steel, which will form the roof to the PATH mezzanine level. As a result of the top-down design, the Pavilion steel installation is nearly 80 percent complete and will be finished as early as next month, which is months ahead of our original schedule. This top-down design was developed during the 2008 assessment to allow us to meet our commitment to open the 9/11 Memorial by next September 11th. Relative to the Hub Connector, we have successfully installed 54 arches which make up the backbone of this critical passageway. It is expected to serve approximately 100,000 travelers each day. We are working closely with Brookfield Properties to excavate the Route 9A Tunnel which will provide a vital underground link between the Hub, World Financial Center, and Hudson River areas. We are also working diligently to advance the excavation under the MTA's Number 1 subway line, which will ultimately link the PATH station mezzanine level to the Hub's main concourse on the eastern side of the site. I'm pleased to report that we've reached our target excavation levels over 70 feet below street level and up to 100 feet in some areas. This is one of the most complex underpinning of an active railroad in the United States. We are now in the process of beginning the transition from the temporary mini pile

support to the permanent top-down concrete support structure, all the while maintaining active service on the Number 1 subway line. Commissioners, as you know, in June of this year you awarded more than $100 million in contracts to build the foundations for the Oculus, the centerpiece of the Hub, and to build the concrete slabs that will bring this section of the Hub to street level. Next month, work under these contracts will begin with the installation of the foundations for the Oculus. Presently, we are undergoing procurement for Oculus steel and various mechanical, electrical, plumbing trades. To further these efforts, we are asking the board today to award two construction contracts for miscellaneous metals as well as hoisting and scaffolding equipment for work that will take place in the Transit area. It's important to note that all of the work on the Hub is being done around the existing PATH station to allow round-the-clock service to continue. The station currently serves more than 100,000 weekday commuters, and we are working diligently to make sure their commute remains as smooth as possible. Our staff built a temporary shield and worked nights and weekends to allow the station to continue to operate safely while construction continues around it. I will now request your approval to award two construction trade contracts listed above for the World Trade Center Transportation Hub Project as discussed in the public session of today's subcommittee, which includes an award to Atlantic Hoist & Scaffolding, the lowest price qualified proposer, for Transit Hall hoist and scaffolding at a total cost of $3.2 million including extra work and an award to Capco Steel, the lowest price qualified proposer, for Transit Hall miscellaneous metals at a total cost of $5.1 million, again including extra work. The above contracts also include increase in compensation to Downtown Design Partnership of $400,000 for architectural and engineering services during construction and an increase to Tishman/Turner of $500,000 for associated construction management services. Commissioners, we remain confident that this project and progress will continue, and I look forward to reporting on our critical activities as we move ahead with this tremendous project. Thank you.

[Chair A. Coscia] Thank you, Steve. Can I have a motion to approve? [Commissioner] So moved. [Commissioner] Second. [Chairman Coscia] Okay. Does anyone have any questions or comments? [silence] Steve, I wanted to commend you and your team on moving along such a difficult project and really showing a great deal of ability in being able to bring us to this point. It's greatly appreciated, and we're all really proud to be making the progress we're making at the site. And again, thanks to you and your team and Chris Ward and Bill Baroni and David Tweedy and the whole team that puts this together. Very much appreciated.

[Steve Plate] Thank you. I'll pass the word.

[Chairman Coscia] Questions? Comments? [silence] All those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Any opposed? [silence] Thank you. We do have two speakers. Excuse me? Yes, we do have two speakers if I can hold the vote on that before the speakers. The first speaker is Margaret Donovan. Thank you.

[Margaret Donovan] Good afternoon. My serial statement continues. Director Ward's pat assurance that the development plan approved in August will ensure the full restoration of the entire World Trade Center site is, at best, an educated guess and may be proved shamefully wrong. But Mr. Ward is counting on the fact that by that time, the momentum--a word he uses frequently--will make it too late to remedy. After all, it worked when as head of the city's DEP he rammed through the scandalously wrong-headed water filtration plant. Bronx Assemblyman Jeffrey Dinowitz tried to warn the public in May

2008 when he wrote in the Daily News, "Giving Christopher Ward Port Authority Job Like Fox Guarding Henhouse." Unfortunately, then as now, the media dropped the ball. Our so-called watchdogs have turned into lapdogs. So the worst possible choice was handed this sacred trust because in New York it's not what you know, it's who you know. The similarities of the two projects are numerous: the misleading statements, the disdain for public opinion, the out of control costs, the single-minded pursuit of an apparently irrational goal when there is a far more appropriate alternative, and the media's lethargy. There is a world of difference between being a builder and being an enforcer. We hope the next governor or attorney general will look into the record of your executive sessions since September 2008 to discover how thoroughly you were briefed by the executive director on a true shovel-ready project that would have inspired the nation at a tremendous savings to the public and way ahead of the current projections, and if you were, how many of you advocated at least looking into what the Twin Towers II plan had to offer. In the fall of 2008, the groundwork that had been done had to be done for either project. There was virtually nothing insurmountable standing in the way except Mr. Ward's ambition to fill a political agenda. The front page New York Times expose on September 18th was not an editorial opinion. What was most damning about it was not the contention that the Freedom Tower is going to be a colossal white elephant but the implication that the fundamentals may never warrant building Towers 2 and 3. Mr. Ward conceded as much in an October 11th New York Observer interview. He may be ready to accept a WTC with an iffy Tower 2 and a Tower 3 that only goes to the podium level, but the American people are not, especially when there is an alternative plan they wholeheartedly support. You have no business backing buildings that can't be built and ignoring buildings that can be and should be. The future that we are building at Ground Zero will have to coexist with the past, not clash with it. We can only imagine the bravery and sacrifice of 9/11, but we know that cynicism and greed were nowhere in sight that day or in the days and weeks that followed. That makes the current project, in fact, an anti-memorial. If the Twin Towers do not reappear in America's skyline, it won't be just foreign enemies that will have won, it will be a victory for the cynics in our own government and media which is in some ways even more frightening. The Twin Towers Alliance remains dedicated to showing that the good guys really do win in the end. As long as cynicism and greed are building the World Trade Center, it is our duty to resist. It is still not too late to do the right thing. Thank you.

[Chairman Coscia] Thank you. Mr. Richard Hughes?

[Richard Hughes] Thank you. I've been thinking recently, "Who was the worst governor in the history of New York?" at least in my lifetime. When I think about it--and there have been some real doozies-- I come back to George Pataki. I think about Pataki, and I think of what not only he did to New York State but what he did to the Port Authority. The Port Authority was forced to sell its crown jewel, the World Trade Center, for what appears to me to be a song, a series of structures which I understand were netting the Port Authority over $100 million a year, which was good for the Port Authority and which was also good for the people of New York and New Jersey. And yet George Pataki, for whatever benighted reason, forced you to sell it. And then after 9/11, after the terrorist attacks which destroyed the World Trade Center, George Pataki rammed his plan not only down your throats but our throats-- a ludicrous, unpopular plan which I don't think you probably liked and certainly the American people didn't like. As Ms. Donovan has pointed out, the popular choice has always been to rebuild the Twin Towers. Not exactly as they were--better Twin Towers, LEED certified Twin Towers, maybe mixed use Twin Towers which would be able to turn the World Financial Center or the World Trade Center into a 24/7 operation where people lived where they worked and keep New York competitive with cities like London and

Hong Kong. I want to pay you a compliment because you've heard me in the last couple visits be very critical. So let me pay you a compliment. The Port Authority had vision at a time when the city was lacking in vision. I'm talking about the '60s and the '70s at a time when the city, as we all know, was in the dumpster, it was going downhill. And yet what happened? The Port Authority stepped in and built the World Trade Towers which gave the city a new boost, a reinvigoration. Here we had torn down Penn Station, one of the greatest buildings in the history of the world and built, as Pat Moynihan said, a basketball court over a hole in the ground, and that was the vision that the city had. Yet the Port Authority did have vision. Men like Austin Tobin and Guy Tozzoli and the people under them built the World Trade Towers, and they inspired the city, and they inspired the world, and they had the chutzpah to call it the World Trade Center at a time when everybody had written New York off. We were finished. We were done. Those Trade Towers became the symbol of New York. They became what we all looked to as New York. Every movie that was shot here used the Trade Towers as the establishing shot for their movie. They were the symbol of New York. The Port Authority should be proud of what they did, but the Port Authority needs to rediscover its vision and build something worthy as the successor, and you are not. Thank you.

[Chairman Coscia] Thank you, Mr. Hughes. Okay. I will now ask again for a motion on the same item. [Commissioner] So moved. [Chairman Coscia] Is there a second? [Commissioner] Second. [Chairman Coscia] Any further discussion? [silence] Okay. All those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Any opposed? [silence] Okay. Thank you. Our next item. And again, an agency such as the PA has quite a few members of our family who dedicate an incredible portion of their career and make incredible contributions during their period here. But for a whole variety of reasons, there are times such as these where several of the members of our family move on to other pursuits. And we do like to take a moment and recognize their contributions before they leave us. Four such individuals we'd like to recognize today, all of whom have made tremendous contributions during their time here. The first--and I'd like to offer a resolution of my own commending him for the work he did here--is in connection with our head of Public Affairs, Stephen Sigmund. Steve Sigmund came here four and a half years ago and has held several positions while he is here. But what is most notable about Steve's contributions is that he probably has contributed more to the transparency and openness of this agency than anyone in that position in our nearly 90-year history. Steve truly has been a public servant in trying to inform the public as best possible about what this Port Authority is all about, about the transactions we undertake, dealing with the difficult issues-- and there have been many in the past four and a half years. And for all of those reasons, he is the person who I think has served the people of this region in a truly exemplary fashion. Steve has decided to move on to opportunities in the private sector. He'll be missed. His talents will be missed here. But the work that he's done we're sure will endure for a long time. So I'd like to offer a resolution commending Steve for his work here and congratulating him on his tenure. If there is a second? [Commissioners] Second. [Chairman Coscia] All those in favor? [All Commissioners] Aye. [applause]

[Chairman Coscia] I would now like to call on my fellow Commissioner, David Steiner, to make a similar motion.

[Commissioner Steiner] Upon the impending retirement of Victoria Cross Kelly, I'm going to just talk a little about what you did because I could be reading here for two hours about the things you're noted for. I know you joined us in '76 and you currently serve as the Director of Tunnels, Bridges and Terminals

Department with great honor, distinction, and you've given so much--a full measure of your talent, skill, and ability--to further the mission and goals of the Port Authority. You've been a visionary leader, and your tireless efforts to maintain the Port Authority crossings in good repair, champion asset replacements including all things for the Goethals and the Bayonne Bridge will certainly add to the economic growth of this area. You've become a nationally and internationally recognized leader in the toll collection and road pricing industry by extending the toll systems and building on the E-ZPass as an example to all parts of the country. You've provided strategic direction and guidance for a strong security program that resulted in a completion of technology and infrastructure, strengthening all security at our agencies. And I'm happy to add that you've been a strong environmental advocate, which rings a bell with all of us here, and a leader in our commitment to sustainability efforts that reduce expense, energy use, and congestion. And what I really like is your development of the energy efficient lighting at the Holland and George Washington Bridge and the new bicycle path that connects the bridge and the Palisades. I just could go on for so much. You were so important in the recovery and the restoration of PATH service to the World Trade Center, and you've received so many awards. I'm not going to read them all, but I have something here. I'd like you to come up. I'd like to present a-- I have a resolution. Victoria, would you come up. [applause] [Commissioner Steiner] I hate to see you go. [applause continues] [Comm. D. Steiner] You're going to be sorely missed. [Vicky Cross Kelly] Thank you so much, Commissioner.

[Chairman Coscia] I'd now like to turn it over to my fellow Commissioner, Virginia Bauer.

[Commissioner Bauer] Thank you, Chairman. I too have the privilege and honor of offering this resolution to a very important employee here, Mr. Alan Rhome, who has been with the Port Authority since 1969. Over those 41 years, you have established a standard of excellence that your fellow commissioners and, more importantly, your fellow Port Authority employees applaud you for. You've had a number of opportunities and a number of positions of which you have achieved. You have been Manager of Airport Facilities at Newark, you were one of the Directors of Operational Services where you oversaw Communications, Security and Electronics, you were instrumental in implementing the operations of Going Green, and, very dear to my heart, after 9/11 you helped construct temporary office space for the employees and you also received the James G. Hellmuth Citation for the restoration of the PATH. I want to thank you personally and, more importantly, on behalf of the Board and your fellow employees at the Port Authority. Thank you very much. [applause] [Commissioner Bauer] Thank you so much. [Commissioner Silverman] Good luck. [Chairman Coscia] Good luck, Alan.

[Chairman Coscia] And finally, I turn it over to Commissioner Sidney Holmes.

[Commisioner Holmes] It is with great pleasure that I offer the following for the Board, the following consideration, in tribute of Kevin Kirchman upon his impending retirement. Kevin has been a dedicated public servant and has served the agency in several important roles during his 34-year career including most recently as Director of Marketing and Special Events. Kevin has provided innovative leadership of the agency's marketing and advertising functions. He has ensured that the Port Authority meets its commitment to transparency through webcasting of the Port Authority's public meetings and his ongoing commitment to the support and maintaining of the agency's website. Kevin has been responsible for keeping staff located at numerous facilities informed of the Port Authority's activities through his oversight of internal publications. In keeping with the agency's commitment to excellence and

achievement, Kevin received several unit citations for his work assisting with the recovery and rebuilding efforts after September 11th. On behalf of the Board, Kevin, I would like to express our sincere appreciation for your service to the agency and give you the following citation. [applause]

[Chairman Coscia] Good luck, Kevin. [Kevin Kirchman] Thanks. [Chairman Coscia] Thank you. Fortunately, there's enough of us left here to still carry on everything that needs to get done, just a lot more work to do and a lot of big shoes to fill. Final piece of action is, can I have a motion to approve our consent calendar? [Commissioner] So moved. [Chairman Coscia] Second? [Commissioner] Second. [Chairman Coscia] Okay. All those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Okay. Can I have a motion to approve--excuse me--to adjourn? [Commissioner Holmes] So moved. [Chairman Coscia] Second? [Commissioner Steiner] Second. [Chairman Coscia] Okay. Good afternoon, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
October 23, 2008

Chairman Coscia: Good Morning everyone. Sorry to keep you waiting. The Board Meeting of The Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committees on Finance and on Operations met in public session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss matters related to the purchase, sale or lease of real property or securities where the public disclosure would affect the value thereof or the public interest, and to act upon matters related to proposed, pending or current litigation or judicial or administrative proceedings.

For today's first order of business, our Director of the Office of Environmental Policy and Compliance, Christopher Zeppie, will provide an update on the Port Authority environmental program including ongoing efforts to achieve the goals of sustainability policy adopted by this Board earlier this year. Chris.

Chris Zeppie: Good afternoon Commissioners. Today I am pleased to update you on the sustainability program and to seek your authorization for steps that would enable the Port Authority to achieve the Board's policy goal of carbon neutrality by 2010.

Earlier this year the Board authorized the sustainability policy that sets a variety of goals to address climate change. The most important of these goals is to reduce greenhouse gas emissions that the Port Authority controls by 80% from 2006 levels by the year 2050. The agency will meet this target through capital initiatives as reflected in the capital plan and through operational changes.

A second, near-term goal is to reach a net zero greenhouse gas emission by 2010. This means that for the greenhouse gas emissions we are unable to reduce in the near-term through capital investments and operational changes, the Port Authority will offset these emissions through the purchase of carbon offsets, on an annual basis.

Third, the policy directs the agency to promote sustainability among its tenants and customers.

Finally, the Board authorized the staff to begin work on climate change adaptation. It is critical that Port Authority safeguard its facilities against climatic changes that scientists tell us are coming, more severe and more frequent storms, sea level rise and higher storm surge.

The Board's adoption of these policy goals placed the Port Authority at the forefront of public agencies in this region and nationally in dealing with the urgent issue of climate change. In the course of the last year the Board authorized several capital projects and operational changes to help us achieve the sustainability targets. At the Holland Tunnel we completed the testing and evaluation of two different types of energy efficient LEDs. Working with the New York Power Authority, we plan to solicit bids for the purchase and installation of the fixtures this December.

At the George Washington Bridge we evaluated and chose the best suited decorative LED necklace lighting and selected a vendor for the fixtures. At JFK International Airport, Building 254, we began work on a geothermal energy project. We are now reviewing the scope of this project as we consider additional upgrades to the building. The JFK project is part of a larger energy efficiency initiative at the airport that began in 2006. This initiative included energy efficient lighting projects, cleaner burning, more efficient boilers and the decommissioning of buildings. These projects have resulted in a total energy reduction of 6 million kilowatt hours a year.

We are also turning the Port Authority vehicle fleet into one of the greenest in the country. More hybrid and alternatively fueled vehicles are replacing conventional ones. And by the end of the year, biodiesel will be available at every one of the Port Authority's fueling facilities.

This year we also completed an anti-idling project that will reduce diesel consumption at PATH operations.

As I described earlier, the second goal of sustainability program is to become a carbon neutral agency by 2010. Our strategy for meeting this commitment is to purchase carbon offsets for the Port Authority's emissions that we are unable to reduce through our capital investments and operations in the near-term. Carbon offsets are financial instruments that represent the avoidance of greenhouse gas emissions. Offsets come from the environmental projects such as energy efficiencies and capture of landfill gasses. The Board imposed two principle requirements for purchase of offsets. First, that the offsets meet the highest quality standards. And second, that at least 75% of the offsets be generated by projects in this region.

This approach delivers a number of benefits. To buy carbon offsets means taking immediate action on climate change. The Port Authority's purchases would also support the region's green economy by helping to finance projects in New York and New Jersey. At the same time, the projects would help improve local air quality and public health. Finally, by purchasing offsets, the agency can lead by example and encourage others to undertake their own sustainability efforts.

In furtherance of the Board policy goal, we also proposed to give the Port Authority's tenants and customers an opportunity to offset their greenhouse gas emissions. Tenants such as airlines or major marine terminal operators and customers flying from our airports or driving across our bridges and tunnels would be able to use a new Port Authority website to calculate their emissions and to purchase carbon offsets. In buying offsets through the Port Authority, they would be assured that they were helping to fund environmental projects that the Port Authority had screened for quality.

A public education campaign would accompany the creation of this website. The campaign would highlight the sustainable use of Port Authority facilities and educate tenants and customers in ways to fight climate change.

Although we are only at the beginning stages of developing this component of the program, I wanted to provide you an example of what the on-line carbon calculator might look like. It

would allow tenants and customers to calculate the emissions associated with their commuting, air travel and business operations. The website would then give tenants and customers the opportunity to offset those emissions. And it would provide information about steps that people can take to shorten their commute time, reduce energy costs, and fight climate change.

To implement this part of the sustainability program, we are seeking your authorization to enter into agreements with brokers who would assist us in purchasing carbon offsets and with technical experts who would advise us in the evaluation of carbon offset projects. We selected each of these firms via publicly advertised Requests for Proposals.

Specifically, we request authorization to contract with two different teams headed by CantorCO2e and Blue Source, respectively, for the purchase of carbon offsets. These two teams would compete to provide broker services and assistance with the dimensions of the program dealing with tenants and customers.

CantorCO2e, a subsidiary of Cantor Fitzgerald, performed its first voluntary market transaction in 1998 and holds the record for the largest ever transaction in the carbon market. Blue Source has developed the largest portfolio of voluntary assets in North America and has provided related services to Fortune 500 companies such as Tyson Foods and International Paper.

We also request authorization to contract with the following three organizations for technical advisory services – the Stockholm Institute US, the Climate Trust and E.H. Pechan & Associates. This assemblage of organizations would give the Port Authority access to and expertise in the carbon market, which are necessary to meet the Port Authority's sustainability goals.

The total coast of these broker and technical advisory contracts in 2009 would be $2.5 million. Commissioners, I request your authorization for this item. Thank you.

Chairman Coscia: Thank you, Chris. Can I have a motion to approve? Commissioner: So moved. Chairman Coscia: Is there a second? Commissioners: Second.

Chairman Coscia: All right, Chris, thank you for that report. Obviously this is a very important initiative by this agency and understanding the challenging economic times we are in, and the need for us to be measured in how we expend money, this is a very appropriate place to place our priorities and we appreciate that. Anyone else have anything to add? Okay, all those in favor?

Commissioners: Aye.

Chairman Coscia: Okay, any opposed. Okay. I guess there are no speakers signed up. None. Okay, can I have a motion to approve the consent calendar? Commissioner: So moved. Chairman Coscia: Second? Okay, any questions or comments on that? All those in favor? Commissioners: Aye.

Chairman Coscia: Okay, can I have a motion to adjourn. Commissioner: So moved. Commissioner: Second. Chairman Coscia: Second. All those in favor? Commissioners: Aye. Chairman Coscia: Thank you very much. Good afternoon.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
November 15, 2011

[Chairman Samson] The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committee on Construction met in public session, the World Trade Center Redevelopment Subcommittee met in both public and executive session, and the Security Committee and Committee on Operations met in executive session. Those committee reports will be filed with the official Minutes of today's Board Meeting. The commissioners also met in executive session prior to today's Board Meeting to discuss and act upon matters related to proposed, pending, or current litigation or judicial or administrative proceedings. I want to start by saying on behalf of the board how saddened we are to advise that last night we lost one of our police officers, Officer Jimmy Salogiannis, who joined our force in December 2002 and was assigned to the Port Authority Bus Terminal. Officer Salogiannis was 43 years old and lived in Queens. I'd ask you all to please rise for a moment of silence in memory of the Officer we lost. Thank you. In addition and on behalf of the board, I want to welcome our new Executive Director Pat Foye, who started working earlier this month and has already made great contributions. Pat, we're of course all looking forward to continuing our working relationship with you. I understand that you have some remarks you'd like to make at this time.

[Pat Foye] Thank you, Chairman Samson. I will be brief. First I want to begin by thanking Governors Christie and Cuomo and this board for its approval earlier this month. I want to touch on two or three topics. One is growth and the Port Authority's role in generating and creating regional growth. These are obviously tough times for our nation and our region. Unemployment in the region is in the 9 to 10% area generally. Unemployment in the trades is 20 to 30 to 40% depending on the particular trade. Unemployment among minority groups is even higher, and that has both a financial and a human and a social cost since delay in getting an entry level job has, frankly, lifetime consequences. The Port Authority has long been an engine for growth in this region, and I think it's clear to many that the region's infrastructure, including the Port Authority's infrastructure, is now an impediment to growth and is becoming a greater impediment to growth. The assets that the Port Authority is custodian of--the bridges and tunnels, the airports, the ports, PATH, the World Trade Center-- are extraordinarily important assets--infrastructure assets, transportation assets. But the time that airline passengers spend circling one of our airports or another airport affected by delays here in the New York area, delays on PATH, delays on the George Washington Bridge or the Lincoln Tunnel, if you take the value of the time of those customers, and those are our customers-- the airlines are our customers, airline passengers are our customers, the people who rent and have concessions at the ports, people who ride PATH, the people who take the George Washington Bridge and Lincoln Tunnel to and from work are our passengers--their time is extraordinarily valuable and could be better deployed, especially in these tough economic times, to value job creation or, frankly, social or entertainment activities. I think as a result that the economic crisis that I just described, that these times call for a robust and growth-minded Port Authority. It's a role that the Port Authority played frankly during the Depression where despite the economic times then--and Port Authority revenues if you go back and read the history, as I'm in the process of doing, those times had a significant impact on Port Authority revenues. The Authority was far smaller and less sprawling than it is now, but the Port Authority was affected. But despite that, Port

Authority commissioners and staff did great things and built great assets, and the region's growth was accelerated significantly after the close of World War II by the investments the Port Authority had made in the years and decades before. I want to talk briefly about some priorities that I know we've discussed in executive session and I've discussed with all of you individually. First is a return to the Port Authority's core mission, which is designing and building and operating critical infrastructure. Second is speed to market. The Goethals Bridge Modernization Project that the board just approved and the committee approved earlier has been in an environmental process for the second time, the second time at a cost of $60 million and 6½ years of delay. Surely we can do better internally, and surely outside stakeholders, including NEPA and CECRA officials and other government agencies, can do better. I'll note that President Obama with respect to the Tappan Zee Bridge-- not a Port Authority asset--recently gave Governor Cuomo a waiver, gave the state of New York a waiver with respect to the federal processes for that bridge, 1 of 14 in the country. That's a great thing for our region, even though it's not a Port Authority asset. And the question that occurs to me and which I frankly asked Secretary LaHood in a small meeting in the governor's office a couple of weeks ago, "Well, why not 140 projects?" "And why not Port Authority projects like, for instance, the Bayonne Bridge "where we're not proposing to build a new bridge but merely to raise the roadway "of an existing bridge?" Surely the environmental impacts from that project are going to be limited. From a macro point of view, I think one can argue convincingly that the environmental impact of raising the roadway of the Bayonne Bridge will result in fewer larger ships traversing entering the harbor, burning less fuel on a per ton basis because of better technology. That's good for the environment. It's good for our region. From the point of view of things that we can control, I think there are a number of concerns that we all share. One is we've all got to do better rigorously controlling soft costs. I think as the board continues with the audit that it was charged with doing by Governors Christie and Cuomo that a rigorous analysis of our soft costs compared to other agencies--the MTA, Massport, other peers, and I realize the Port Authority has no peer, but other peer counterparts-- I think is something that ought to be undertaken. I think while we're doing that, frankly, we ought to look at soft costs from private sector operators and developers. I think that review is worthwhile. I think that the times require a more disciplined capital allocation process that focuses on real objective metrics such as return on assets, job creation and retention, but both of those being looked at in a quantifiable way but recognizing that as a governmental agency, bi-state agency, the Port Authority will always have policy and governmental objectives that a private sector operator or owner will not. But the times require, and the capital constraints that we operate under require a disciplined capital allocation process. The last point I'll make and something that each of us in the room knows is that tolls and fares, which is a major component of our revenue and a major component of the support for the bonding that we have done and will do for transportation infrastructure assets, toll and fare increases are not free, and they have a significant financial, social, media, and political cost. I think that further toll and fare increases, which we're all going to work hard to minimize, will become increasingly difficult, especially in the low inflation, low growth world that we operate in, and it behooves us all, as both Governors Christie and Cuomo have said, that we squeeze maximum value out of every dollar that we're entrusted with, whether that comes from toll and fare revenue, from revenues from airlines at 1 of the 3 major airports or any of the 5 that we operate, whether it's from ports, PATH, World Trade Center, etc. I end, Chairman Samson, where I began which is to thank Governors Cuomo and Christie, each of the commissioners, and the staff which I've worked with over the last 7 or 8 days for your support. I look forward to working with this board and the staff and both governors going forward.

[Chairman Samson] Thanks, Pat. On behalf of Vice Chairman Rechler and the entire board, I want to underscore that we really look forward to working with you. I know your experience and your talent will add value to this great agency, and of particular value and interest to this board is promoting increased communication between the senior staff and the board. So I thank you.

[Chairman Samson] We will now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker today is Margaret Donovan from the Twin Towers Alliance.

[Margaret Donovan] Good afternoon. There was an article in the New York Times last week entitled "America's Unnecessary Secrets" that dealt with the problem of the overclassification of federal documents and what to do about it. It ended with this conclusion: "By holding classifiers accountable for their decisions, "the President could make strides toward solving a problem "that imperils national security, weakens our democracy, and needlessly saps the treasury." "And 10 years after terrorists threatened to shake our commitments to our values, "the United States would show the world that an open government "and an informed public are among this nation's greatest sources of strength." It kind of sounds like the empty promises in the Port Authority's Open Meetings Policy, which was patterned after the following resolution of the New Jersey legislature. "The legislature finds and declares that the right of the public to be present at meetings "of the Port Authority of New York & New Jersey and to witness in full detail "all phases of the deliberation of policy formulation "and decision making of the Authority "is vital to the enhancement and proper functioning of the democratic process "and that secrecy in public affairs undermines the faith of the public in government "and the public's effectiveness in fulfilling its role in a democratic society." When we say that the Freedom Tower is a monument to corruption, you think we're nuts, because there is a misconception that corruption is taking bribes or paying graft. But it goes much deeper. Corruption is lying, even when one lies to oneself and says it's all for the best, that it serves the higher good. It doesn't. It only digs a deeper hole. The WTC that has virtually bankrupted the Port Authority is the result of unwarranted secrecy, and the proof is in the way the PA has blocked many of our Freedom of Information requests. Einstein said that we can't solve problems by using the same kind of thinking we used when we created them, and President Kennedy said that our problems are man-made, therefore they may be solved by man, but only if we tell ourselves and each other the truth. This is not a vendetta or a crusade. Thousands of fellow Americans died simply because they were Americans. Please instruct your staff to release the stalled requests. The least we can do is tell each other the truth. Thank you.

[Chairman Samson] Thank you. Our next speaker is Richard Hughes of the Twin Towers Alliance.

[Richard Hughes] Good afternoon, commissioners. Recently I've been reading Port Authority annual reports. They're as good as Dickens or Balzac. They're fascinating. They loved a good puzzle, didn't they--Dickens and Balzac? And the great puzzle here, of course, the great mystery is how come this past summer the Port Authority suddenly needed to raise its tolls 50%? Fifty percent in a recession. So I started looking back through your annual reports-- last year, 2009, 2008-- and lo and behold, as I said,

fascinating stuff because what did I discover? Well, for one thing, how you spend your money. I mean, our money. According to your annual reports for the last 3 years, your capital expenditures on your core mission, on what you do-- the bridges, the tunnels, the terminals, the PATH trains, the airports, the Port of New York and New Jersey--on that in the past 3 years you spent $3.85 billion. That's what you do. That's your core mission. And then what did you spend at the World Trade Center site, which is not your core mission, which is real estate? Almost exactly the same amount--$3.833 billion. $3.85 versus $3.83. And now we hear you need money for capital expenditures for the bridges and tunnels which produce the tolls. What did you spend during that period on them? $500 million, while you took in approximately $3 billion in tolls, $2.5 billion more than you needed. So where did the money go? Into the money pit at Ground Zero. Of course, none of this needed to happen. Larry Silverstein was required by his contract to rebuild the Twin Towers on his own dime-- not using the Port Authority's money--and to clear the site too. But you let him out of his contract and are giving us a project we don't want and making us pay for it. Many of you on the board here have been in business or are in business. Would you allow this kind of misallocation of resources in your companies? Of course not. You'd go out of business. The public wouldn't let you. So what's the problem here? I forgot. We're dealing with a monopoly--a monopoly that can do whatever it damn well pleases and the public be damned. The Occupy Wall Street crowd, they have it all wrong. If they really want to protest the abuse of power, they ought to occupy the Port Authority, they ought to camp out here. This is where the real arrogance and incompetence are on display. Thank you.

[Chairman Samson] Thank you. Our next speaker is Murray Bodin.

[Murray Bodin] Listening to the new executive director, I realize that I am an infrastructure person. I want to create the tools whereby the next generation can go forward. We just bought our grandson who is 15 an iMac. He has my old iPad, and he has an iPhone, and he's integrating the 3 of them together. This is a steering wheel from a 2004 Eldorado convertible Cadillac. It was the cheapest one I could buy because nobody's buying parts for it anymore. But it's symbolic of our inability to order new buses with steering wheels this small. We're still ordering buses with the big ones as if they were connected mechanically. And they're connected by a computer. We can't stop putting tachometers on cars with automatic transmissions. That's our mindset that has to be addressed. And what the executive director spoke about today is changing how we look at the infrastructure we create. Working with Admiral Larrabee on various issues concerning Greenville and moving freight, it's a pleasure to come here because this organization is better run than anywhere else. Yesterday I was at the MTA. I spoke at 4 committee meetings. I'm embarrassed to say how I embarrassed them. Last week I was at New Jersey Transit, and I spoke at the board meeting. And a week from now I'll be at the New Jersey Turnpike. I'm the only one that goes around and can compare one board to the next. You'll see me in a week. This place is run-- You've set an example that other people haven't followed yet. And what he said today is the direction we have to go in. You have to create an infrastructure whereby jobs are created. This all it comes down to--jobs. And if you don't have a decent infrastructure, you don't have the job base. And how do we get there? Well, we have to talk about stop buying buses with big steering wheels. And symbolically, we have to move on. My generation has to give up the power to my grandson. Thank you.

[Chairman Samson] Thank you. Our next speaker is Peter Levenson from Kibel Developers.

[Peter Levenson] Good afternoon. I guess we segue from different scale issues, but my story is that our company purchased 90 West Street after 9/11. It was the precursor of the Woolworth Building. It's a city landmark and now on the Register of Historic Places. We spent $150 million and created 410 apartments. People moved in in 2005 and made 90 West Street their home, probably the first completed development after the tragedy that we all experienced. And we made a commitment both financially and emotionally to create a new neighborhood, almost the seeds of the enormous project that the Port has taken on. And I understand the complexity of this project. It is very impressive, and I trust when it's all done it's going to be a real centerpiece of our country. But be that as it may, the thousand people that live in our building have experienced enormous difficulty living through the construction. And I knew it wasn't going to be easy. In 2005 we thought a couple years it'll be done. We're at 2011, and although there's lots of progress, it remains a very difficult situation. We were promised that the big rush is for the 9/11 Memorial. Recently we have experienced an uptick in construction that goes from morning through early hours. They were working until 1:00, then they threw that directive out and they worked until 3:00 in the morning with rock removal. We meet with the Port, and the new director was very sympathetic and called me personally yesterday, and I'm appreciative of that, and I understand that there will be some new direction. However, in the past there's enormous disconnect between the board, the directives that the board may give or whoever decides how this thing will get built, and the people that live on this site. So I do implore you to make it clear to those that actually have to implement this instruction that this is a neighborhood, that we are all partners in doing this, but it's enormously arrogant to think that people can live 3:00 in the morning with rock removal constant every single night. It's just not fair, it's not right, and it's not the way to respect the city that we all love. Thank you very much.

[Chairman Samson] Thank you. Our next speaker is Michael Brendzel from BZL Associates.

[Michael Brendzel] Thank you. This will be brief again. I just wanted to clarify a couple of things about Liberty Loops. After I spoke last month, a couple of the commissioners asked me whether I represented the towns. The fact is that I'm not a consultant. The money that we have spent in moving Liberty Loops along is coming out of my pocket. Fortunately, I can afford it. But I seek your continued cooperation and the cooperation of your staff to facilitate this process, because the longer this takes, the more expensive it's going to be, and I think the region is going to miss an opportunity for economic development and jobs, which has been mentioned a number of times at this hearing. So thank you very much.

[Chairman Samson] Thank you. Our last speaker is Chrissy Buteas of the Girl Scouts of Northern New Jersey.

[Chrissy Buteas] Thank you, Chairman. My name is Chrissy Buteas. I'm with the Capital Impact Group. I'm representing the Girl Scouts of New Jersey. With me is Laura Herrera from Full House Events. We're here today on behalf of the 4 Girl Scout Councils of New Jersey representing over 140,000 girls and adult volunteers to thank you, the Port Authority, and especially Deputy Executive Director Bill Baroni for your efforts in making and kicking off our 100th year anniversary a complete success. I'm sure everybody knows we had the ability to cross over the George Washington Bridge with over 2,000 to 3,000 girls on Sunday afternoon. I approached Bill Baroni probably about a year ago and I said, "The Girl Scouts would like to bridge over one of the most spectacular bridges in the world," and he led me and said, "We're going to make this happen." And I am so thankful to him and to the entire staff, the

general manager of the George Washington Bridge, Bob Durando, Andrea Bocker, resident engineer, and Bill Young from Government Relations. They were an absolute pleasure to work with. And because of all of you and Bill Baroni, complete success. We had tremendous press coverage, and it's so exciting to know that you were a part of kicking off our 100th year anniversary. We're going to be presenting them with a plaque that reads, if you don't mind, "With gratitude for your friendship and support in helping to celebrate our 100th anniversary, "bridging into the next century." So once again, thank you to everybody for making this event a very, very successful event.

[Chairman Samson] Thank you. [applause] May I have a motion to move the consent calendar for approval? [Commissioner] So moved. [Chairman Samson] Second? All in favor? [multiple Commissioners] Aye. [Chairman Samson] There being no further business before the board, I move to adjourn. May I have a second? [Commissioner] Second. [Chairman Samson] All in favor? [All Commissioners] Aye. [Chairman Samson] So moved. Thank you.

The Port Authority of New York and New Jersey
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November 15, 2012

[Chairman Samson] Thank you. The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee may be held to consider certain matters on today's agenda. The Committee on Capital Planning, Execution and Asset Management met in executive session on October 18th and again earlier today. The Committee on Capital Planning, Execution and Asset Management met in public session, and the Committee on Operations and the World Trade Center Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official Minutes of today's Board Meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss matters involving public safety or law enforcement, matters in which the release of information could impair a right to receive funds from the United States or other grantors, and matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest and to act upon matters related to proposed, pending, or current litigation or judicial or administrative proceedings. Before we go any further with our official agenda, I want to welcome the newest member of the Port Authority-- there he is--Joe Dunne. He has agreed to serve and is now serving as the agency's first Chief Security Officer. Joe was identified and ultimately selected as part of a national search and brings a wealth of expertise and decades of experience in public safety and security matters to the Port Authority. From day one, I personally believe that there was no other issue for this Board and this agency more important than security-- the security of our facilities, the safety of our customers and passengers who use them. Our selection of Joe Dunne renews our commitment to this issue. And Joe, on behalf of the Board, welcome to the Port Authority. We as a board, and I personally, look forward to working with you closely. Thank you for agreeing to serve. I'd also make a mistake if I failed to mention the devastating impact of Hurricane Sandy on the region, and our thoughts are with the many people who have lost so much as a result of this unprecedented storm. Many of our facilities were significantly impacted by the storm, and there is still much work ahead in order to reach a full recovery of our facilities and operations. But I do know that based on our staff and our leadership-- the exemplary service that we've seen over the past few weeks-- the agency is prepared for any challenge. In that regard, Pat Foye and Bill Baroni are going to highlight the agency's preparations for and response to Hurricane Sandy and the status of our facilities' operations. Pat? Bill?

[Pat Foye] Thank you, Mr. Chairman. I'm going to split this duty with Bill Baroni. Okay. The storm surge from Superstorm Sandy has left, but the results of the storm in terms of unfortunate deaths, millions of people without power, thousands without homes, the shutdown of the region's transportation system, and a lingering impact on our region's economy has been left behind. This storm inflicted tens of billions of dollars of damage in our region and tested the Port Authority's ability to prepare for, repair, and restore our infrastructure. Yet I can report today that all of our facilities are operational once again, with our last remaining goal being to restore full service to the remaining PATH stations as soon as possible. Bill and I want to take some time to discuss the impact of Superstorm Sandy on the Port Authority and the quick recovery efforts that kept the region moving. We plan to show through photos and video images that capture the true

devastation to our facilities. I want to briefly touch on a Superstorm Sandy timeline because this is extraordinary. The Port Authority Emergency Operations Center opened Sunday. PATH service was suspended, as was MTA service, on Sunday, October 28th. The height of the storm in this region was about 9:00, which was when the storm surge occurred, 9:00 Monday, October 29th. There was widespread flooding and power outages, widespread facility closings, and the Lincoln Tunnel continued opening, Stewart Airport never really closed, but all of our other facilities were significantly impacted. Yet the next day, literally hours after the storm surge peaked at 9:00pm on Monday, the George Washington Bridge and the Staten Island Bridges opened. The next day, Wednesday, October 31st, JFK and Newark Airports opened. Limited AirTrain service resumed at Newark. You're going to see pictures in a moment of the degree of flooding at the airports, especially at LaGuardia which, as you know, was built at sea level. But in an extraordinary effort by Tom Bosco and his crew, LaGuardia Airport opened on Thursday, November 1st, at which time all of our airports were operational. Operations at the Port Authority Bus Terminal resumed on Thursday, November 1st. On Friday, November 2nd, the Holland Tunnel opened to buses, and that's a result of the extraordinary efforts of Tony Carvagno and his team. And on Friday also, JFK AirTrain resumed limited services. On Sunday, November 4th, the first ships arrived at our ports at Port Elizabeth. The next day, Monday, November 5th, all New York and New Jersey ports opened, and extraordinarily, construction resumed at the World Trade Center after a massive dewatering effort. On Tuesday, November 6th, PATH restored limited service from Journal Square to 33rd Street thanks to the work of Steve Kingsberry, Mike Marino, Radomir Bulayev, Will Guzman, and hundreds of people working around the clock at PATH. Wednesday, November 7th, the Holland Tunnel resumed full operations, PATH resumed Newark to Journal Square service on Monday, November 12th, and the PATH 9th Street Station opened earlier this week on Tuesday, November 13th. That's the timeline. Bill and I want to acknowledge the herculean efforts of staff in every department of the agency who worked around the clock to restore operations. Many of them camped out with us at the Emergency Operations Center, and Port Authority police officers took turns sleeping between shifts in hotel rooms with no power or water even though many of them did not know whether their own homes had been damaged. These unsung heroes make up the Port Authority team that got the New York and New Jersey region back to work. This photograph is preparation. This is a sandbagging operation at the World Trade Center in the days before the storm. This is sandbagging at the Hoboken PATH entrance with flood barriers. We also, I ought to note, worked in close coordination with and under the guidance and leadership of Governors Cuomo and Christie in the preparedness for and subsequent response to Sandy. This photo is placing Jersey barriers and sandbags near the Holland Tunnel, which because of its location on the western part of the tunnel is susceptible to flooding, especially in a storm like this. Sandbagging continued at the World Trade Center site, and our operations staff completed sandbagging efforts and set up Jersey barriers in low-lying places of the World Trade Center site to prepare for the storm. At the George Washington Bridge, equipment was moved and facility staff placed pumps in strategic areas, secured construction equipment, and cleared storm drains. This image is of sandbags being placed at the Newark Airport Terminal B entrance. Our colleagues in the Port Commerce Department built earthen berms at the ports as a protective measure. As Sandy approached on Sunday, October 28th, we opened the Emergency Operations Center, led by our acting director of OEM, Gerry McCarty, and manager of emergency operations, Ira Forman, and had representatives from each line department and the Port Authority Police Department to monitor developing issues and address impacts of the storm with

support from Sean Waters at FEMA and, frankly, from the Defense Department in the form of Marines who were working on the effort. During the time we were in the EOC, Chairman Samson and Vice Chairman Rechler stopped by for briefings. LaGuardia, as I mentioned, is built below sea level, and this photo shows the impact of the storm at LaGuardia over the dike wall. The Port Authority was as prepared for this unprecedented storm as we could be, yet the impacts were beyond anything anyone could have imagined. To remind you, as an example, the storm surge in Lower Manhattan was over 13 feet, and the 100-year flood scenario for that region estimate is 10 to 11 feet. This is waves by LaGuardia Airport Monday prior to the storm surge. Throughout the day of the storm, fortunately, heavy rains did not materialize but winds were high. We received in this period hourly updates from our facilities as the Emergency Operations Center monitored the situation. And as we all know now, Sandy delivered a destructive blow to the entire region and to most of our facilities. As the storm surge hit around 9:00pm Monday evening, we started then receiving reports as to the sudden, overwhelming, and destructive impact of the surge. This is a photo of LaGuardia Airport near a taxiway after the storm, and you can see that Flushing Bay has moved onto the runway and taxiway areas at LaGuardia. Indeed, at one point there was at JFK and LaGuardia boats that had been washed up by the storm. This is LaGuardia Airport completely flooded on the day of the storm. The runways there had significant flooding that left behind large debris fields and caused power outages and damage to substations and airfield electrical equipment, including vital FAA navigational aids and runway lighting. And obviously, given the fact that jet engines suck in whatever is in their path, it's critical that the runways and taxiways be clear of debris. This extraordinary photo is waters before the storm surge--before the storm surge-- at LaGuardia Airport. This next photo is really extraordinary. It's the airfield at LaGuardia flooded halfway or three-quarters of the way up to the navigational aid signage. This is flooding at Terminal C and D ramps at LaGuardia Airport the day after the storm. This one is near the Delta shuttle ramps at LaGuardia Airport. You can see that for all our facilities, but LaGuardia in particular, the impact was tremendous. Flooding at LaGuardia Airport Terminal C. Next image, navigational pier damage at LaGuardia Airport. Major challenges included restoration of commercial power by our commercial utility providers on both sides of the Hudson. And in this case of this pier at LaGuardia, a barge collision with a large barge that had become unmoored. It collided with the navigational pier at LaGuardia and a broken levy at Teterboro Airport. This photo is after the pumping had reduced the level of water at LaGuardia airside, but you can see the significant amount of debris that existed and had to be swept away and the runways and taxiways fully cleaned by LaGuardia staff. Teterboro Airport was not immune, but despite the damage, JFK and Newark opened for operations just 2 days after the storm. This is a photo of the cots that were provided for stranded passengers at Newark's Terminal B. Lot 4 at LaGuardia Airport. LaGuardia and Teterboro opened for operations on November 1st. Our airport system, led by Susan Baer, the busiest commercial aviation system in the United States, was fully operational in an extraordinary way for business just 3 days after Sandy. I want to thank Sue and all the general managers of our airports. Jerry Spampanato, Tom Bosco, and Huntley Lawrence are GMs at JFK, LaGuardia, and Newark respectively, as well as our Teterboro General Manager, Renee Spann, and our general manager of Stewart Airport, Rich Heslin. They and their staffs worked tremendously hard to get all our airports back up and running. I also want to thank the police commands for their tireless efforts, including Acting Inspector Martinez, Inspector Guarnieri, and Captain Harper, and every man and woman in the Port Authority Police Department who worked tirelessly during this entire period. Let's now focus on bridges and tunnels for a second. This is a tour that Bill Baroni and I

did with Tony on the night of the storm when he and his crew were finishing the installation of sandbags and Jersey barriers on the Holland Tunnel. The wind speeds at that time were high, there were power outages already and debris everywhere. This is a sign of the significant flooding in the Holland Tunnel after the storm, and you can see that there is a number of feet of water as well as debris in the Holland Tunnel. We knew going into the storm that the Holland Tunnel would be vulnerable as its western entrance and exits sit in low-lying areas. Tony and his staff at the facility put into place sandbags, Jersey barriers, and pump equipment, but the degree of flooding ultimately overwhelmed the pumps. Following Sandy leaving the area, the Holland Tunnel began an extensive pumping operation and used Port Authority and external equipment, including some from the Army Corps of Engineers. All facilities and TBT, with the exception of the Holland Tunnel, opened to the public the day after the storm. After extensive inspections involving Peter Zipf and his team and Cedrick Fulton and their teams, all the bridges and tunnels were found to be structurally sound and not significantly damaged. There was an estimated 20 million gallons of water in the Holland Tunnel alone. After around-the-clock pumping and repair efforts to dewater the tubes, the Holland Tunnel amazingly opened to commuter bus traffic on November 2nd. This is a photo of debris removal on the west side of the George Washington Bridge by Port Authority maintenance staff. Maintenance staff was dealt a very tough hand and did a heroic job in restoring operations. In recent days we've seen the critical role that the Port Authority Bus Terminal as well as all our transportation facilities play as transit continues its recovery efforts between New York City and New Jersey. I want to thank our director, Cedrick Fulton, and his general managers, Bob Durando of the George Washington Bridge, Roger Prince of the Staten Island bridges, the general manager of the Holland Tunnel, Tony Carvagno, and general manager of the Port Authority Bus Terminal and Lincoln Tunnel, Steve Napolitano, who has done a terrific job managing the crowds in the Port Authority Bus Terminal given the fact that there was so much dislocation to New Jersey Transit's train operations. I also want to thank the police commands and their leaders, Captain Raymond Bryan at the Port Authority Bus Terminal, Inspector Hardy at the Lincoln Tunnel, Captain Silva at the Holland Tunnel, and Captain Licorish at the George Washington Bridge. They and their teams have done amazing work in the past few weeks. Let me turn it over to Bill.

[Bill Baroni] Thanks, Pat. In the immediate aftermath of the storm as recovery was taking place in the briefings that Pat and I would do not just with the members of the Board but also with our governors, one of the most devastating areas that we faced was the ports that make up the Port of New York & New Jersey. Above you can see a picture now of what we saw in those opening hours after the storm surge at the Port. You can see above pictures of motorcycles that were damaged. The water that came up at Port Jersey, Port Elizabeth, Port Newark, MOTBY, Brooklyn, Staten Island--the storm surge was unlike anything anyone who had worked there had ever seen. In fact, Rick Larrabee and his extraordinary team at Port Commerce-- the Port Commerce Administration Building, which even in other areas where we've had storms, never had to be evacuated had to be evacuated as water came down North Avenue unlike they had ever seen. You can see these huge metal crates, these shipping containers were tipped over as if they were toys. On the morning after the storm, Pat and I were out there and you literally couldn't drive throughout the roads within the Port. These heavy pieces of metal were thrown around and floated around. One of the most iconic images of the devastation of the Port was a barge that was lifted out of the water and landed on Berth 4 at Port Newark. The amount of storm surge and wind that toppled these over did significant damage to each and every one of our port facilities.

The flooding and resulting power outages and the significant damage to our administration buildings and the buildings and facilities of our tenants on the opening hours after the storm were profound. Here you can see a piece of rail track in Port Newark that was lifted off of the ground. Within 2 days, Chairman Samson visited the Port and already Admiral Larrabee's team had that track repaired. The next image is that of Fiskers, which are $125,000 cars, that went up in flames as a result of the saltwater surge that came out onto the property. Later that week, Admiral Larrabee gave the Chairman a tour of the devastation and the destruction at all of our marine terminals in New Jersey. Before we could reopen, the Coast Guard had to sweep throughout the entire facility and all of our berths to check to see if any of the containers had fallen into the water. Admiral Larrabee's team was able to complete that review of our own facilities with the Coast Guard very, very quickly because we knew that in order to begin the reopening of the region we had to reopen the Port. Despite all of that damage that you've seen to all of our marine terminals, the Port began operations on November 4th. We had 5 vessels arriving at Port Elizabeth. On November 5th Port Newark, New York Container Terminal, and Red Hook Container Terminal opened for business. I have to say that the leadership in Port Commerce--Admiral Larrabee, Deputy Director Dennis Lombardi, General Manager of the New Jersey Marine Terminal Tom Clyne, literally worked around the clock on site to take what at first glance could be weeks of work and brought it down to days. I also want to thank the general managers of New York Marine Terminals, Jon Trutneff, Mike Deveney and their staff, who did an exemplary job in Brooklyn and Staten Island. And as special thanks, all of the police officers in all of our marine terminals did extraordinary work, but in particular I'd like to point out Acting Inspector Steve Rotolo. On the night of the surge, Inspector Rotolo was manning the police operation at our Administration Building. There is a facility on Port Newark, not a Port Authority facility-- one of our tenants--and 2 security guards were ordered by their bosses-- they don't work for the Port Authority--to remain in their facility as the waters rose. And Inspector Rotolo himself went out and rescued those 2 people from the high risk of where they were located. That is an indication, along with countless examples, of our Police Department, who stepped up and did miraculous things and saved people's lives. Now I'd like to move on to the Port Authority Trans-Hudson Railroad. One of the pictures that went around the world was of water going through a door. That was at the Hoboken PATH station. We want to show you these photos so you people can truly understand the massive, historic devastation of our Trans-Hudson tunnels and stations. You can see the water cascading down some of the stairs. This unbelievable storm surge flooded the tunnels under the Hudson, soaking caissons which contain critical signal, electrical, and communications equipment. Our PATH team, nearly 1,000 PATH employees and private partners, worked around the clock to pump out the tunnels and stations and go through the painstaking process of restoring power to the substations, testing and repairing each and every piece of equipment along the entire PATH route. We have been working with an extensive network of equipment suppliers and other transit agencies throughout the country who, in the spirit of mutual aid, have helped out with pieces of replacement equipment. This is now a picture of the Hoboken platform as it was flooded. We were able to restore the Journal Square to 33rd Street line by November 6th, just 1 week after the storm, and Newark to 33rd Street this past Monday morning. The 9th Street PATH station went back into service this week, and Christopher Street is scheduled to come back online this weekend. I cannot thank the PATH team enough for their extraordinary dedication to this railroad and the customers we serve. Our Director, Steve Kingsberry, and his team, including Will Guzman, Assistant Director of Capital Mike Marino, Superintendent of Ways and Structures Radomir Bulayev, Assistant

Superintendent of Power and Signals, and in addition, our Chief Engineer Peter Zipf and Wally Caban and their entire team for their support. I also want to thank Acting Inspector Kamitsis and the PATH police command for their support and vigilance during this time to move tens of thousands of people through the PATH system. You can see a picture here outside of the Hoboken station. We remain focused on restoring that service to Hoboken, Exchange Place, and the World Trade Center stations. We know thousands of commuters rely on our facilities and now have much more significantly crowded and difficult commutes. Our Newark Penn to 33rd Street route has significantly increased traffic, and we have, along with our partners at New Jersey Transit, established temporary ferry service between Hoboken and Pier 79 at 39th Street on the West Side here in Manhattan. But for all the pictures we have shown you of the devastation of PATH, and I guess the old line is, "A picture is worth a thousand words," I think a video is a million words. So I'd like to show you some of our own CCTV-- and we're going to show it twice because it's brief-- of what happened to our PATH facilities the night of the storm surge. This is outside of Exchange Place. This is the Hoboken. As you can see, Mike Marino, who works at PATH--some of you may have read-- Mike said that in his 31 years of working on railroads, both at the Port Authority, with Amtrak, and others, he has never seen this level of devastation to a railroad ever. AECOM, which is one of our private partners in helping bring back the PATH system, who had been working with us from the very beginning, said that they've never seen anything this devastating at all areas of our PATH system. But we remain committed every day-- the people of PATH, the people of the Engineering Department-- to restore this service as quickly and safely as we possibly can, and we are working 24 hours a day to make that happen. I'd like to turn it back over to Pat.

[Pat Foye] Thank you, Bill. Now to the World Trade Center. Above you can see the impacts at the nation's largest construction site, the World Trade Center. I was there the night, Monday, after the storm surge with Steve Plate, and it is a sight I will never forget. That night our workers were standing by on site ready to respond, having placed Jersey barriers and sandbags extensively, having increased the number of pumps typically on the site dramatically. What you're seeing now is a flooded portion of the World Trade Center site. A wall of water powerful enough to carry cars and heavy construction equipment-- on the screen now--poured into the site. This is the southwestern part of the site near the Vehicle Security Center close to West Street and Washington and Cedar. Over 125 million gallons of water, an inconceivable volume of water, flooded the site during the storm. That much water would fill a swimming pool almost 6½ million miles long, 50 feet wide, and 10 feet deep. The next image is a photo of Governor Cuomo touring the World Trade Center site on the evening of the storm with Vice Chairman Rechler and Steve Plate. Next is flooding looking into the World Trade Center Transportation Hub Transit Hall. I was there with a senior federal official yesterday, and that site is bone dry and has been for some time. Governor Cuomo reviewed the damage near the PATH tracks. You can see in the background that the water is basically up to the platform level. I've been on the PATH tracks many times since then, as has Bill, and the PATH tracks are bone dry. The salt that was on the third rail and on the tracks has all been removed thanks to the good work of Steve Plate and Jim Keane and their teams. This is a photo of pumping operations for the Transportation Hub Transit Hall. Dewatering efforts at the World Trade Center site began on October 30 and 31, and by November 5, 95% of the water had been pumped out of the 16-acre site. This is a photo of some of the equipment that was put in place-- huge pumps to pump out the Hub Transit Hall. Next, cleanup operations at the World Trade Center Transportation Hub.

Debris at the World Trade Center brought in or moved around by the storm surge. Bill Baroni and I reviewing recovery operations at the World Trade Center. I want to thank Steve Plate, Alan Reiss, Stephanie Dawson, who played a key role in World Trade Center and PATH as well as all others on their team, Mike Donovan, as well for their work in getting the construction site up and running. I also want to thank Acting Inspector Gloria Frank and her entire police command for their unwavering commitment and support of this important site. Amazingly, on Halloween, October 31, One World Trade Center was illuminated. This is a site of resilience and hope. We were all witnesses to that hope yet again when the lights again illuminated One World Trade Center just 2 days after Sandy. As we can see, the storm's impact was tremendous. And unfortunately, some of our neighbors in the region are still without power and some are homeless and feeling its effects. The Emergency Services Unit of the Port Authority Police Department preparing here for rescue operations. Over 60 people were rescued by the Port Authority police. Bill has mentioned Inspector Rotolo. The Emergency Service Unit played a key role in rescues in Jersey City and Hoboken at the request of those city governments and police departments. None of these recovery efforts that we've described, Bill and I, would have been possible without the efforts of hundreds of Port Authority and PATH and PAPD employees who worked tirelessly. This is the ESU unit of the Port Authority police preparing for rescue operations, taking inflatable boats into action as the flood waters continued to rise and the full extent of the damage had not yet been determined. Emergency Service Units of the PAPD preparing for rescue operations. Restoration: This is a happy photo Bill and I were there to witness, which is the first buses traveling through the Holland Tunnel after the flooding that you just saw on the morning of November 2. An incredible amount of work by the Holland Tunnel team dewatering, checking lighting and pumping and ventilation systems together with their colleagues in Engineering and close cooperation with the Port Authority Police Department. We want to acknowledge and recognize all of those individuals who contributed to this effort, which included, as I said, the police, our line directors, facility general managers, and hundreds of staff who worked around the clock to ensure our facilities were brought back online as quickly as possible while ensuring our first priority, which is the safety of the traveling public. Reenergizing power and lighting at the World Trade Center. Staff dedication and commitment to the agency and its people and its assets in the region exemplifies the highest levels of public service. The Port Authority Police Department in particular exemplifies the highest level of public service. There is no greater public service than saving the lives of our fellow neighbors and citizens. This photo is recovery dewatering efforts under way near One World Trade Center. More dewatering. The first cruise ship arrived at Cape Liberty in Bayonne, New Jersey, on November 4, a welcome sight. New York Container Terminal and Red Hook Container Terminal opened for business on Monday, November 5. I went out to see Jim Devine at the New York Container Terminal and Phoenix at Red Hook as well as the New Jersey container operations, and the recovery at all of them on both sides of the Hudson was extraordinary, and I echo Bill's praise for Rick Larrabee and Dennis Lombardi and Tom Clyne and their staffs. A happy sight of passengers checking in for their flights at Terminal D at LaGuardia Airport on November 1, not that long after the extensive flooding that you saw. First flight arriving at LaGuardia on November 1, only 3 days after the storm. Inspector Kassimatis summoning passengers on the first trains to leave the Journal Square Station for Manhattan. Bill and I believe in eating our own cooking, and we were on that train, as we were on the first train to leave Newark for 33rd Street in Manhattan. One thing we're going to be focused on is incorporating into all of our restoration work and designs and our designs going forward for all of our facilities and projects the impact of rising sea levels. Governors Cuomo

and Christie have both made the point quite eloquently that we may suffer an event like this in the future, perhaps in the near future-- one hopes not--but we've got to be ready for it. The Port Authority will be ready for it. There's lots of work to do in the weeks and months ahead. The next photo is the morning commute the first day of Journal Square to 33rd Street at the Journal Square station. First trains leaving Journal Square in Jersey City to Manhattan on November 6. And then from one of PATH's many fans, a thank you. Chairman.

[Chairman Samson] Thank you, Pat. Thank you, Bill. Just a personal note. The Port Authority often gets criticized for its actions and its inactions. Sometimes those criticisms are justified, sometimes they're not justified. But the most under-reported story of this storm has been the heroic effort of Port Authority personnel and leadership. This presentation graphically presents visuals of exactly what had to be done, the extreme circumstances under which the work was done, and on behalf of all of us, speaking on behalf of the board as well as the public generally, I want to express the thanks that you deserve. Among the employees who served most heroically were members of the Port Authority Police Department. Our Director of Public Safety and Superintendent of Police Mike Fedorko will now recognize members of the Port Authority Police Department who risked their lives while assisting others who were in grave danger during and in the immediate aftermath of this hurricane. Their actions clearly were above and beyond the call of duty. Mike, I hope you can express our gratitude to the members of your force.

[Mike Fedorko] Thank you, Mr Chairman. Mr Chairman, Vice Chair Rechler, and commissioners, good afternoon. To say that the past 2 weeks post Hurricane Sandy were trying is a gross understatement. Once again the Port Authority, under the leadership of the executive director and the deputy executive director, broke all records in getting the Port district back in business. In catastrophic occurrences like this, people rise to perform actions which are above and beyond. During these 2 weeks, the Port Authority police once again showed what they are made of: pride, service, and distinction. Port Authority police officers were called upon to perform missions that were extremely dangerous, and they did this in a manner to bring credit on themselves and the department. At least 60 people were saved from flood areas, 23 trapped in a building in Jersey City. Thirty people were saved in Hoboken from their homes as the flood waters began to rise above the first floor of their buildings. Two police officers, Vincent Morelli and Daniel Tarpey, rescued a security guard from the Harrison PATH maintenance yard after he climbed to the top of his booth as the water rose. As you heard, Inspector Steven Rotolo rescued 2 security guards trapped by the flood in the Port area, and PAPD Emergency Services rescued a cleaning employee trapped in 6 feet of water. The day after the storm, Sergeant Kevin Cottrell, with police Officers Glen Page and Joaquin Portes, evacuated 23 residents from an apartment building in Jersey City. The building was filled with carbon monoxide. On October 31, Lieutenant Munnelly, Sergeant Antonio Perzichilli, Sergeant Dan Dias, along with police Officers Jerardo Fredella, Raymond DeVito, James Giaguzzi, Edward Bauer, Steven Krapf, Luis Morales, Melissa McNair, Phil Lekkas, Michael Kostelnik, Shawn Murphy, Craig Farrell, and Ralph Ruiz rescued 30 people who were trapped in their homes from the rising flood waters in Hoboken. One of the rescued people was an 84-year-old woman who had to be transported to the hospital. Also assisting were Police Officers Joseph Doherty, William Biedermann, Rich Egan, Brian Ross, and William Kruesi. The word "hero" today is an overused word, but to save the life of another is truly heroic. The Port Authority police officers, as they do every day, performed heroically and admirably above and beyond the call of duty. It is impossible due to work

schedules to have all of these officers here today, but with me are Sergeant Richard Munnelly, Sergeant Antonio Perzichilli, Sergeant Dan Dias, Police Officer Glen Page, and Police Officer William Biedermann. Will you officers please come up. Mr Chairman, Mr Vice Chairman, ladies and gentlemen, please join me in congratulating and applauding the actions of these brave, outstanding Port Authority police officers. [applause] [applause]

[Chairman Samson] Thank you, Michael. Next I'd like to call upon Cedrick Fulton, our Director of Tunnels, Bridges and Terminals, who will recognize several employees from his department who risked their lives to search for and rescue a coworker who was caught in rising flood waters. Cedrick?

[Cedrick Fulton] Thank you. Chairman, Vice Chairman, and Commissioners, on October 29 during the peak of the storm surge for Hurricane Sandy, Staten Island employees toll collector Ed Strauss, supervisor Robert Swaney, and tunnel and bridge agent John McColgan set out in search of fellow employee toll collector Travis Horwath, who made a call for help. Travis's car became disabled in rising waters on a service road not far from the Goethals Bridge. Ed, Robert, and John drove toward Travis in total darkness until the rising waters swallowed the road before them, forcing them to stop their car. Travis reported that he could see their lights approaching as he was now stranded on top of his floating car. At that point, the rescuers could not see him. Without consideration for personal safety, TBA McColgan emptied his pockets and announced that he was going in. Within minutes, TBA McColgan emerged from the darkness through the waters chest high with Travis in tow. They were both soaked to the skin but they were unharmed. Despite these very dangerous conditions, these individuals risked their personal safety as they ventured out in the rising waters to answer the call for help from their colleague. Notably, TBA McColgan's immediate, selfless actions likely saved the life of his coworker from certain tragedy. Ed, Robert, John, on behalf of the Port Authority, I would like to commend you for your heroic efforts. And Chairman, Vice Chairman, and Commissioners, I would ask you to join me in recognizing these heroic gentlemen. [applause] [applause]

[Chairman Samson] Thank you, Cedrick. We will now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker is Margaret Donovan of the Twin Towers Alliance.

[Margaret Donovan] Good Afternoon. For those who wonder what we keep blabbering about, who think it is a mix of sour grapes and misguided idealism, something Nobel laureate Elie Wiesel once said explains it best. "There may be times when we are powerless to prevent injustice, "but there must never be a time when we fail to protest." I believe that summarizes not just our mission but everyone's mission. Whether or not it is convenient, it's a great moral imperative and equalizer. If we see injustice, we can either protest it or become part of it. That is not a theory, it is a bedrock principle. Tall towers stand because they are built on bedrock. Likewise, actions that are built on expediency, political maneuvering, and contempt for public opinion are on very shaky ground. But before one can protest injustice, one has to see it. The

Merriam-Webster definition of justice is "the maintenance or administration of what is just "especially by the impartial adjustment of conflicting claims "or the assignment of merited rewards or punishments; "the quality of being just, impartial, or fair." 9/11 is a prime example of an injustice we were all powerless to prevent. The swindle at Ground Zero is an injustice we are all bound to protest. A review of the new documentary, 16 Acres, in this week's Variety said that the director "razes much of the faux nobility erected around the rebuilding of Ground Zero, "an 11 years plus reconstruction project that was supposed to represent defiance "in the face of terrorism but instead signifies politics at its worst." "With a bit of marketing spin, the pic's appeal could be widespread and unconventional." If the Freedom Tower were truly the result of the public's input, we would have done our best to applaud it. But we have established through our Freedom of Information requests that it is instead the result of contempt for the public's right to know, and that is the entire project's fatal defect. In fact, dismissing the public's rightful role resulted in colossally expensive mistakes. And you know it or you wouldn't avoid answering our questions. One cannot make an honest mistake by dishonest means. When someone chooses to ignore information year after year, it is not an honest mistake and there are inevitable consequences. There is nothing more corrupt than behaving as if the public's input is dispensable. Bureaucrats are dispensable. Respect for public opinion is not. And that is where our Freedom of Information requests that have been sent to the Port Authority, the LMDC, the mayor's office and others come in. They take doing the right thing and doing the wrong thing out of the realm of the hypothetical. The World Trade Center is a perfect mirror for the country. What the people want in America deserves a responsible government and an honest press. That is not too much to ask for. If we ever get to the point where it really is too late to do the right thing, it will be a very sad day for us all. Thank you.

[Chairman Samson] Thank you. Our next speaker is Richard Hughes of the Twin Towers Alliance.

[Richard Hughes] Good Afternoon, Commissioners. We at the Twin Towers Alliance are, unfortunately, here usually in a critical capacity, but I'd like to do a 180-degree turn for a moment and just tell you, particularly the guys on the ground--the police, the emergency services people-- what a terrific job you all did during the storm and in the days after. As a longtime New Yorker, I can tell you we can always count on the Port Authority when the going gets tough. You always rise to the challenge, and I hope you always will. Unfortunately, it's sometimes the day-to-day things, which most of you are not involved in, where we have a great deal of dispute. I was not here at the previous Board Meeting due to a travel conflict, so I'd like to refer back to September's Board Meeting in which a number of 9/11 family members spoke to you about their concerns about your plan to sell 8 acres of the World Trade Center site to the museum or make it over, rather--not sell it but make it over to the museum and what I call the non-memorial memorial. They were concerned about it passing out of the public domain and into a private domain. And I think their concerns are worth considering, and yet you just brush right over them. I would like to approach it from a different perspective and tell you whatever the emotions involved in this-- and the emotions were dismissed in a rather abrupt way after that meeting-- I would like to tell you that I think from a purely business point of view it's a disastrous decision. Those 8 acres are part of a 16-acre plot which belongs to you, which is sacred ground, which belongs to the public, which we are part of, and you're going to take half of that site and pass it into private hands-- out of public hands into private hands forever. Anybody who has looked at

the situation knows that the vastly expensive memorial and the vastly expensive museum are never going to be able to sustain themselves. They're never going to be able to break even. They are always going to need funds from the public. So they're going to go bust, and yet those 8 acres will pass into those private hands, out of your and our public hands, and they are extremely valuable. I ask you to consider retaining those 8 acres, finding some way to create a revenue stream from those 8 acres so that a proper memorial and a proper museum which is free to the public can be opened and satisfy all involved, including the 9/11 families. I think it's a win for them, I think it would be a win for the Port Authority; it would certainly be a win for the public. Thank you very much.

[Chairman Samson] Thank you. Our next speaker is Kalev Savi.

[Kalev Savi] Good Afternoon, Commissioners. I just want to deviate from my prepared comments to just echo what somebody earlier said that as a citizen watching the media, I had no awareness of the extent of the devastation your facilities that happened during Hurricane Sandy, and my congratulations to you all for a job fantastically done at recovering from it so quickly. But time never stands still. It marches on. You'll know I'm here to talk to you, as in previous meetings, about John F. Kennedy Terminal 3, specifically about my group's ideas for preserving and restoring only the original 1960s flying saucer shaped section and putting it back into productive use. I think in order to plan for the future, let's look at some things in the past. Again, kudos to the Port Authority. This is from the Saarinen TWA restoration that you've done. You've spent millions of dollars to restore this facility and designed a new Terminal 5 for JetBlue behind it. Let's look at another Port Authority property, the Marine Air Terminal. The Marine Air Terminal is the world's current only operating terminal from the 1930s time frame. This building was dedicated in 1939. It basically fell into disrepair in the '50s but was reopened in the late '60s and then again in 1985 to passenger traffic. Next picture, and this is I think probably the Port Authority Aviation Department's proudest moment. This is a picture of Building 1 at Newark Airport sitting on dollies. For those of you not familiar with this project, Building 1 was probably the first airline terminal ever in the United States actually inaugurated in 1935 by Amelia Earhart. So in 2000 when an airport expansion project was under way, you could have easily just destroyed this and make a parking lot or a taxiway or runway. But you didn't. You moved it ¾ of a mile to the southwest. I don't know how much it cost you to do it, but it took 5 months to complete this move and now reconfigure it as your administration building and police building at Newark Airport, and I'm sure it cost you millions and millions of dollars to do this. Again, my congratulations to you on that. So looking at those 3 properties, I ask you why this last remaining structure that I'm aware of from your 3 airport properties that is iconic-- it's won an architectural award for its significance back in 1961, it was the site of the Beatles' first departure in '64, the site of the first Boeing 747 flight on January 22, 1970-- I ask why must this structure be torn down in place of a parking lot for the benefit of 1 airline only? I would hope that with your past history you'll reexamine the decision to tear down this structure. Thank you for your time.

[Chairman Samson] Thank you. Our next speaker is Phil Derner, Jr, of NYC Aviation LLC.

[Phil Derner] Good afternoon. I'm Phil Derner, founder and co-owner of NYC Aviation LLC, a worldwide aviation news and enthusiast organization based in the New York City area. We provide news and consulting to all mainstream media outlets on all aviation sectors with a

concentration on all facets of the airline industry. For example, in the past week we've appeared on CNN, the New York Times, and in the Wall Street Journal, all on separate topics. Our website sees nearly a million views per month, and our site's forums and social media outlets both have followship in the tens of thousands. Our roots, however, are with aviation enthusiasm and plane spotting, plane spotting being defined as the act of watching aircraft land and depart at airports, often utilizing digital cameras to document what will one day be aviation history while creating beautiful photography to be seen by the masses. The hobby of plane spotting originated in World War II when civilians were taught to identify enemy aircraft to spot incoming attack, and people never stopped looking up as we emerged through the jet age and into the modern era of air travel. Plane spotting is enjoyed by hundreds of thousands of people around the world with a concentration of hundreds in the New York City area. It is a unique hobby that can draw questions or even concern from citizens and does draw visits from airport and local police. We welcome these encounters, and they are almost always friendly, with respectful officers asking for an ID, seeing that we are all law-abiding citizens and letting us continue our hobby. Sadly, we do have some unfortunate encounters, the most recent being on October 13 of this year when an enthusiast at JFK Terminal 5 who did not even have a camera was approached by 2 plainclothes PAPD officers who were at first reluctant to even identify themselves as officers. And when asked to see a badge, he was met with profanity and forms of intimidation in hopes of permanently dissuading him from his hobby. You can read the details of this incident in the complaint filed as Case Number 12-065. I'd also like to emphasize this is not to discredit the efforts of the Port Authority Police Department, who keep our ports safe every day, not just during hurricanes. Though that encounter took place on airport property, enthusiasts usually employ off-airport locations due to unofficial rules pushed by airport management that photography is not permitted on airport property, though PANYNJ Public Affairs tells us that it is in fact permitted as long as there is no photography of security checkpoints or people. Many airports in Europe and a growing number in the US are utilizing plane spotters in an Airport Watch Program, which is essentially a community watch program for the airport. taking enthusiasts that are aviation experts spending their free time at airports on a constant basis to help keep an eye on airport perimeters for the sake of terror threats, airfield conditions such as foreign object debris, and crimes that sometimes take place around airport perimeters. Added benefits are the good PR of working with the community and also an educated group within the community that actually likes the airport as opposed to the opposition I know you do face so often. NYC Aviation can help implement this program with little effort and even less cost to PANYNJ. Aside from that, my primary goal here today is to shed light on a hobby, to obtain official word that aviation photography is allowed on airport property, and to make it known among all PANYNJ employees and law enforcement officers to bridge the gap with many enthusiasts that they are a true asset to airport and aviation safety and not a threat in the way they are often treated. Thank you for your time.

[Chairman Samson] Thank you. Our last speaker is Murray Bodin.

[Murray Bodin] I add my thanks to all those members of the Port Authority who helped in this hour of need. This is without a doubt my most difficult presentation I have ever done. Governor Christie said, "I have to say it like it is." Governor Cuomo said, "We have to break down the information silos "that contain and don't distribute information." In your packet is a diagram of the lane markings at the exits of highways. The diagram is patently wrong on its surface. And yet

that diagram is what Traffic Engineering is using-- and exaggerated, and that white line is extended further-- because they're in the information silo. Traffic Engineering sees me coming, and they refuse to talk to me. I've asked for a meeting. It is now public record that the lines used by Traffic Engineering, the Port Authority, are illegal, not safe, and a basis, as prior knowledge, prior notification, for a liability suit. I said the same thing at the Westchester County Board of Legislators on Tuesday. I would have said it at the Thruway, and I will say the same thing at the Thruway. You're opening up your organization to liability suits because Traffic Engineering is using a wrong diagram instead of the law. This morning in the Committee of Operations I watched the presentation of new signs. In 2000 I was in Washington, and the Federal Highway Administration published a book for older drivers in which they suggested that the arrow per lane signs, the arrows pointing up in the direction you're going, are the preferred method of signs. The signs presented this morning were down arrows where you're supposed to figure out which arrow you're supposed to be under. That was designed 50 years ago when cars were going slower and you didn't have the wide sweep. There's no way you can figure out how to get under the right arrow. If you present a sign with each arrow for each lane, it not only will tell you which lane to be in, but what happens to that arrow? It may curve to the left, it may curve to the right. I've been stonewalled. Mr Chairman suggested that if I needed help, I ask for it. I've asked for it; they refuse to meet with me. I don't know what to do next. Traffic Engineering--and it's not just here, it's throughout the country-- think that way, in a silo, and they cannot see what's going on around them. I don't know who is going to-- I understand. This is worth tens of millions if not hundreds of millions of dollars because until you look at the way they design tollbooths-- I talked about the lower level of the George Washington Bridge, how badly it's designed. They see me coming and they say, "We don't want to deal with him." Well, it's costing you hundreds of millions of dollars not to deal with intelligent lane design. The Henry Hudson Bridge just came in and they went to cashless. Four E-ZPass lanes? Jersey Turnpike, the Garden State Parkway has 2 lanes of high speed. Why they went to 4? Because they can't look around. This is a very serious issue. That information silo has to be broken down, and somebody has to take responsibility, and I don't know what to do next. I come up here and I talk, and a week from Monday I'll be at the MTA. They can't understand. Maine Turnpike is doing the same thing. Who stops this craziness in saying, "What you're doing is not following "the logical part of the law"? I apologize for running over, but I don't know what else to do. Thank you for your time.

[Chairman Samson] Thank you. Before we move the consent calendar, the vice chairman has a statement.

[Patrick Foye] Chairman, I just want to take 30 seconds on behalf of Bill and I to thank additionally everybody else who was in the EOC the last couple of weeks-- Kirby King, Diannae Ehler, Mike Muriello, Lillian Valenti, Superintendent Fedorko, Chief Ryan, Mike Fabiano--and all of their teams for their work. Thank you.

[Vice Chairman Rechler] I think that's a good segue to what I want to say. I just want to commend both you and Bill for your leadership and the leadership of your entire team and how it permeated throughout the entire organization. I remember on the Sunday before the storm the executive director said that this was going to come down to safety, then preservation, then recovery. And if you look at the results in terms of our safety record and that no lives were lost and everyone was rescued that needed to be rescued and the preservation that you could see

through the pictures and how fast the recovery took place, as you saw through that chart, I think setting that tone has carried its way through and really set the Port Authority apart. It's really an example of what good government is all about and something that hopefully other people will see. Typically, when something goes wrong, as I mentioned, some of our committee meetings get a lot of attention, when danger and destruction is averted, it usually is ignored. And I think it's important for people to look at execution like this and commitment like this as a model as we go forward. And to the point, I think all the way through the organization as the chairman and myself toured through the different sites, whether it was at the World Trade Center, the airports, the ports, the tunnels, the bridges, the EOC, Office of Emergency Management Center, everyone was so committed, not only the Port Authority employees but the people that worked for the Port Authority. They would, as you said before, leave their homes that may be flooded and challenged and be working on the site to recover and help get us back and up and running and get our systems up and running. So truly, it speaks a tremendous amount for the Port and how people feel about working for the Port. The only thing else I'd like to close with is that while normalcy is returning for many of us, there's many of our neighbors right now that haven't really had that experience. There's a lot of people, a lot of our neighbors that still don't have electricity, still don't have heat and many that are homeless and lost everything. I know we've quickly transitioned back to normal in some of these comments here. This isn't a normal storm, and the repercussions aren't normal for our region. And so we as an agency and as members of this region need to be committed to not forget and focus on what happened, help the people that need the help, and then try to position ourselves for the future so we can avert tragedies of this nature. I just wanted to conclude with that and thank you both.

[Chairman Samson] Thank you. Can I have a motion to move the consent calendar? [multiple Commissioners] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] So moved. There is no further business, so I move to adjourn the meeting. May I have a second? [Commissioner D. Steiner] Second. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] The meeting is adjourned.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
November 18, 2010

[Chair A. Coscia] Good afternoon, everyone. Sorry to keep you waiting. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special interim meeting of the Committee on Operations will be held to consider certain matters on today's agenda. Prior to today's meeting, the World Trade Center Redevelopment Subcommittee met in public session, the Security Committee and the Committee on Finance met in executive session, and the Committees on Operations and Construction met in both public and executive session. Their reports will be filed with the official minutes of today's Board Meeting. The commissioners also met in executive session prior to today's Board Meeting to discuss matters related to the purchase, sale or lease of real property or securities where the public disclosure would affect the value thereof or the public interest and matters involving ongoing negotiations or reviews of contracts or proposals. Our first item for today will be presented by our Director of World Trade Center Construction, Steve Plate, who will provide an update on construction progress at the World Trade Center site. Steve?

[Steve Plate] Good afternoon, commissioners. I'm pleased to share with you an update on the tremendous project and progress at the World Trade Center site. At One World Trade Center, construction is progressing rapidly as we continue to hit our one floor per week pace. Steel is currently at the 48th floor, which is 560 feet above street level, and has now exceeded the height of the adjacent Verizon Building. The concrete core and floors are following closely behind as multiple trades continue to fit out the building's interior. At the current pace, we are clearly on track to meet or exceed our goal of 50 floors by year end. Earlier this week we placed the first sections of the building's curtain wall on the 20th floor. Made up of 13,000 pieces, this curtain wall, which is already fabricated to the 88th floor, will form the iconic skin of the building and will help to clearly define One World Trade Center as one of the most prominent structures in the Manhattan skyline. At the World Trade Center Transportation Hub, placement of the massive east box girder began in the PATH Hall area. When complete, this 2,200-ton girder will sit atop the super columns and form a 200-foot-long bridge to carry the subway line across the passageway from the Transportation Hall to the Calatrava Oculus. All of this work was safely coordinated during normally scheduled outages of the Number 1 Line which carries over 4 million commuters annually. Work continues in all areas of the Hub with EIC placing foundations for the Oculus in the east, Skanska Granite progressing with structures to grade in the west, Tutor Perini nearing completion on excavation under the Number 1 Subway Line and DCM erecting the sweeping center arches for the roof over the PATH Hall. As we approach the end of the year, we continue to manage this project like no other, including on-site coordination walkthroughs and daily communications with steel fabricators located throughout the world. All six of the chiller units have been installed in the Central Chiller Plant, including a 1,000-ton unit which will accelerate the fit-out of the Memorial Museum and ultimately provide ability to manage partial load demands at the site. All chillers and major equipment are now in place, less than one year after construction of the plant began. Across the West Side Highway, work is well under way in the river water pump house located in Battery Park City. This will serve as the main entry point for the Hudson River, which will provide the plant's main cooling water supply. At the Vehicular Security Center, soil excavation and tieback installation in the western portion

of the site will be completed next month. Utilizing as many as 160 trucks per day, workers have already removed more than 50,000 cubic yards of soil from the site. Yonkers Construction is gearing up to start rock excavation and foundation work after the first of the year. W&W has steel in fabrication, and the mechanical, electrical and plumbing contract is scheduled for award early next year. With the deconstruction of 130 Liberty Street now anticipated not to be complete until February, our team is working with LMDC to start early action construction activities in the eastern portion of the site to further mitigate the delay to Deutsche Bank. The Memorial Pavilion is quickly rising above the Plaza with over 95 percent of its steel in place. Tridents from the original North Tower are in place, and the remaining atrium steel is being erected to enclose these massive columns. The concrete contractor has mobilized and will begin operations in conjunction with the remaining steel erection, which will be complete prior to the end of the year, allowing for curtain wall installation to begin in the first quarter, well ahead of our previous plan. Work is under way in almost 70 percent of the Plaza as workers continue to capture any and all available areas. Compared to our original plan, the acceleration shows almost 40 percent more square footage started ahead of schedule. This accelerated Plaza construction will increase certainty and reduce requirements for temporary winter provisions. We will continue to exploit all opportunities available as we work towards our commitments for 9/11/11. As discussed in today's World Trade Center Redevelopment Subcommittee, I request your approval of the items listed above, including planned authorization in the amount of $2.5 million to evaluate alternatives and other impacts for truck access to One World Trade Center that would best support the current leasing plan; an award to Island Acoustics, the lowest responsive bidder, for Memorial Museum Pavilion carpentry work at a total cost of $2.59 million including extra work and Bovis' construction management services; an award to KSW Mechanical Services, the lowest responsive bidder, for the Memorial bronze parapets heating and cooling system at a total cost of $3.8 million including extra work and Bovis' construction management services. The total cost of the two Memorial trade contracts will be borne by the Memorial Foundation. Authorizing these packages will bring us to 96 percent of Memorial contracts awarded to date. Commissioners, I request your approval of these items. This last video shows the first testing of the north fountain for the Memorial. The pumps circulate water at over 40,000 gallons per minute. And when full, the fountain will contain over 600,000 total gallons. This marks a significant milestone for all parties involved, as we have delivered this pool almost 10 months ahead of our original schedule. Commissioners, as we head into the new year, we are very excited about the tremendous progress on this site, and we look forward to continually updating you as we work towards our firm commitment for 9/11/11. Thank you.

[Chairman Coscia] Thank you, Steve, and thank you for all the good work that you and your crew have been doing. We have one speaker on this topic, Margaret Donovan from the Twin Towers Alliance. Ms. Donovan?

[Margaret Donovan] Good afternoon. The efforts of the Twin Towers Alliance may seem ridiculous to you, but it is, in fact, the commissioners who are out of touch with the American people. Your website states that the Port Authority is a financially self-supporting public agency, but it is more accurate to say it is a publicly supported agency that relies on the people for every penny it spends. That is why your condescending 25-minute board meetings where you limit comments to 3 minutes and rubber stamp actions that are decided behind closed doors make a mockery of the public process. It is no secret that the Port Authority is an autocratic agency, but in the past it has been led by men whose vision matched their ambition, and they served the public well. That is certainly not the case today. We hope that

someone with guts will look into the agency's corrupt deterioration into a politically driven body in violation of its congressional charter because the history of Ground Zero only makes sense when looked at in terms of a political agenda. Two years ago, a man was put in charge of this agency who had demonstrated a willingness to say and do whatever it takes to deliver, regardless of the cost. At the World Trade Center, the cost has been astronomical, not just in terms of the disfigured skyline, not just in terms of the ridiculously extravagant PATH station, not just in terms of the wholesale depreciation of the public's property, but, above all, in cementing the alienation of the people. Mr. Ward often glibly refers to the 9/11 Memorial as the sacred heart of the site. He clearly does not appreciate that every square inch of the property is sacred to the American people, as is the contract between the people and their government. You may think the aim of the Twin Towers Alliance is ridiculous, but as the Capra classic, "Mr. Smith Goes to Washington" put it, "The lost causes are the only ones worth fighting for." The damage done in the last two years can't be overstated. Defeating something for purely political reasons that would thrill and inspire hundreds of millions of people, especially when it makes so much more sense financially, strategically and in every conceivable way, is a crime against the people. Thwarting the highest public good in a country dedicated to government of, by and for the people on land that belongs to the people, with money that is supplied by the people, in spite of how much it hurts the people, is an offense that will only become more glaring with time. In the future, I will share comments with you that were left on the Twin Towers Alliance petition by residents of New York and New Jersey. Today I will close with just one. When Matt Franzblau signed the petition last year, he wrote, "When someone dies, it is impossible to bring them back to life." "But we are given a unique opportunity to do just that in this case." "Bring the Twin Towers back to life instead of being haunted by their absence." Thank you.

[Chairman Coscia] Thank you. Can I have a motion to approve the item? [inaudible motion] Is there a second? [Commissioner] Second. [Chairman Coscia] All right. Any other questions or comments? [silence] All those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Any opposed? [silence] Okay, thank you.

[Chairman Coscia] Today is a date that a number of Port Authority employees who have chosen to participate in New York State's retirement program will be leaving us, and in that group are many employees who have been here at the Port Authority for 30 and, in some cases, 40 years. I have to say that it has been a privilege to work with people with their level of dedication. And in a minute I'm going to turn it over to some of my fellow commissioners to recognize a number of our senior executives who will be leaving us today. But I wanted to take a minute also to talk about many other names that we won't mention specifically today but I know we all feel just as strongly about, and these are the people who keep the airports going in bad weather, who deal with traffic jams every day, who are struggling to sort of deal with all the complexities of keeping people moving and keeping goods moving, and they are people who just look at their career as a job but one that they really feel in their heart. And so we take a minute here to recognize a number of senior officers who have contributed so much to this agency, but we also recognize that today we'll be saying goodbye to some real friends and some very dedicated employees who made their life's work the Port Authority. And I think the residents of this region are fortunate because of it. With that I'd like to start by turning it over to my fellow commissioner, Henry Silverman, to recognize Mr. Paul Blanco.

[Commissioner Silverman] I'm going to read a rather lengthy resolution honoring Paul-- lengthy because Paul has been here for almost 40 years, the last five and a half years as our CFO and someone I have worked very closely with as chairman of the Finance Committee. And I'm personally upset about Paul leaving because it took me five and a half years to teach him to use cash versus GAAP. [laughter] So I'll apologize to you. Bear with us because this is rather lengthy, but it is certainly well deserved. The Board of Commissioners, upon the retirement of Chief Financial Officer A. Paul Blanco, unanimously adopted the following resolution. Whereas, from the time he joined the Port Authority of New York and New Jersey in September 1971 as an Accountant through his service as Comptroller, Chief Administrative Officer, Chief of Regional Economic Development, and, most recently, CFO since February of 2005, Paul Blanco has been a dedicated public servant and has served in numerous key roles in his distinguished career; and Whereas, as Chief Financial Officer, Paul Blanco committed himself to the highest standards of financial management, reporting, performance and achievement where he was responsible for the oversight of the agency's financial accounting and reporting activities and insurance matters, as well as the agency's multi-billion dollar Budget and Capital Plan; and Whereas, Paul Blanco has overseen the development of innovative financing techniques and numerous complex financing plans to enable the advancement of critical regional projects including the redevelopment of the World Trade Center site, the acquisition of Stewart International Airport and the effectuation of major regional transportation projects including PATH's modernization program, the Goethals Bridge modernization program, and various airport terminal and port facilities; and Whereas Paul Blanco has been a driving force in the identification of agency-wide cost-effective budget strategies, procedures and organizational effectiveness and change management during the recent significant period of economic downturn and uncertainty and has ensured that the agency's financial condition remained sound through various cost cutting measures and zero growth budgets, maintaining the reputation of the Port Authority to the financial community-- I could go on for about 15 more minutes about Paul's achievements, but in the interest of time, I'd like to summarize by saying Whereas, in keeping with the agency's continuing tradition of excellence and achievement in public service to the region, Paul Blanco was awarded the Port Authority's Robert F. Wagner Distinguished Public Service Medal in November 2007; and in April 2004 was a recipient of the James G. Hellmuth Unit Citation Award for his work on the World Trade Center Loss Recovery Team as well as the Tunnels, Bridges & Terminals Hazard Mitigation Grant Program; and now, therefore, be it Resolved that the Commissioners of The Port Authority of New York and New Jersey do hereby express to A. Paul Blanco their sincere appreciation for his service to the agency and the region it serves; and it is further Resolved that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to A. Paul Blanco as a token of the high esteem in which he is held by the Board and staff alike. Paul, please come up. [applause]

[Chairman Coscia] Next we say goodbye to someone who holds a special role in the history of this agency, the Chief Engineer. Being the Chief Engineer of the Port Authority of New York and New Jersey is a title that means something to all of us and certainly has meant something at this agency during this gentleman's long tenure. And for that I'd like to turn it over to fellow commissioner, Raymond Pocino. Ray?

[Commissioner Pocino] Thank you, Chairman. Frank Lombardi, again, I have a long resolution to read since Frank's been here some 39 years. And as chairman of the Construction Engineering Committee for the last seven, eight years, I've worked very closely with Frank and gotten to know him very well, and he is a loyal, dedicated, very competent, capable person. I was not able to teach him anything. He taught

me a lot. We're going to miss him dearly. So it is really my privilege to be able to read this resolution that the board has passed in honor of Frank. The Board of Commissioners, upon the retirement of Chief Engineer Francis J. Lombardi, PE, unanimously adopted the following resolution. Whereas, from the time he joined the Port Authority of New York and New Jersey in June 1971 as a Civil Engineer through his appointment and service as Chief Engineer in September 1995, Frank Lombardi has been a dedicated public servant and his performance has exemplified the engineering excellence for which the Port Authority has long been known; and Whereas, as the agency's Chief Engineer for the past 15 years, Frank Lombardi has overseen the planning, development and completion of critical construction projects in the region including rail connectors to John F. Kennedy and Newark Liberty International Airports, airport terminal redevelopment projects, the Battery Park City Ferry Terminal, electronic toll collection at the Hudson River crossings, port channel deepening projects and ExpressRail facilities; and Whereas Frank Lombardi oversaw the development and implementation of various innovative engineering techniques during his tenure including protective coverings for the George Washington Bridge suspender ropes to enhance the safety and security of our facilities, and, most recently, the replacement of an asphalt runway with concrete for the John F. Kennedy International Airport's longest runway, the Bayway Runway, which will increase the utility and efficiency of the runway for years to come; and Whereas, from 1988 to 1991, his role as Manager of Design for John F. Kennedy International Airport Redevelopment, Frank Lombardi played an instrumental role in the planning and design of an unprecedented airport redevelopment program which included the development of airport terminals, new parking garages and the new airport access rail link, now known as AirTrain JFK; and Whereas, as Assistant Chief Engineer, Frank Lombardi was instrumental in the restoration of the World Trade Center following the February 26, 1993, bombing at the World Trade Center; and Whereas, immediately following the events of September 11, 2001, as Chief Engineer, Frank Lombardi played a prominent role as part of the agency's crisis management team, ensuring the well-being of staff and tackling the difficult challenges facing the agency, including oversight of a massive project for the restoration of PATH service to Exchange Place and lower Manhattan; and Whereas, during his 39 years of distinguished service, Frank Lombardi has given the full measure of time and talent to provide sound guidance and advice to staff and to encourage the development of staff throughout the agency; Whereas, during the course of his prestigious career, Frank Lombardi has demonstrated extraordinary leadership and gained the trust and respect of all who have come to know him within the agency and the engineering industry and has mentored dozens of students in Engineering to help ensure the future of the industry; and Whereas, Frank Lombardi was recently inducted as a Distinguished Member of the American Society of Civil Engineers and was also elected to the National Academy of Construction for his outstanding achievements and contributions to the engineering and construction industry; and Whereas, in keeping with the agency's continuing tradition of excellence and achievement in public service to the region, Francis J. Lombardi was awarded the Port Authority's Robert F. Wagner Distinguished Public Service Medal in 2007, was a recipient of the James G. Hellmuth Unit Citation for the restoration of PATH service to Exchange Place and lower Manhattan in 2004, was a recipient of an Exceptional Service Award as part of the Port Authority's Executive Level Crisis Management Team in 2002, and in 1993 received the World Trade Center Award for Exceptional Service in connection with his work following the events of the 1993 World Trade Center bombing; and now, therefore, be it Resolved, that the Commissioners of the Port Authority of New York and New Jersey do hereby express to Francis J. Lombardi their sincere appreciation for his service to the agency and to the region it serves; and it is further Resolved that the Board of Commissioners hereby directs that this resolution be suitably

engraved and presented to Francis J. Lombardi as a token of the high esteem in which he is held by the Board and staff alike. Frank, come on up for your award. [applause]

[Chairman Coscia] And finally, in this agency's continuous effort to try to strengthen its governance and accountability, I turn to our very qualified and capable chairman of our Audit Committee, David Steiner, to recognize someone who has been a big part of that effort.

[Commissioner Steiner] In the last seven years [inaudible] He's done an outstanding job, and his retirement is going to be a big loss to the Port Authority. I know everybody will have a hard time filling your shoes. The Board of Commissioners, upon the retirement of John D. Brill, Director of the Audit Department, unanimously adopted the following resolution. Whereas, from the time he joined the Port Authority of New York and New Jersey in November of 1970 as an Auditor to his appointment as Director of the Audit Department in June 1996, John Brill has been a dedicated public servant and has served with great pride and distinction throughout his 40-year career; and Whereas, as a certified internal auditor and fraud examiner, John Brill has held a series of management positions in the internal audit and investigation areas of the agency, including Assistant Inspector General and as Manager in the Port Commerce Department; and Whereas, over the course of his distinguished career, John Brill has committed himself and his department to the highest standards of excellence in the management of the agency's audit function, ensuring the Audit Department's continuing high quality and performance through external peer reviews; and Whereas, John Brill has guided the agency in achieving its business objectives by bringing an independent, analytical and highly disciplined approach to evaluating and approving the effectiveness of internal controls and the management of agency risk and assets; and Whereas, John Brill has developed innovative solutions to improve the performance of the agency, including reviews of business processes, systems and operations, as well as the examination of the records of tenants and contractors doing business with the Port Authority to limit agency risk and protect agency assets which has resulted in the recovery in excess of $200 million to the agency; and Whereas, during his distinguished service, John Brill has given the full measure of his time and talent and has provided sound audit advice to staff throughout the agency; and Whereas, in keeping with the agency's continuing tradition of excellence and achievement in public service to the region, John D. Brill has served as a member of the Association of Certified Fraud Examiners and has served numerous prestigious roles with the Institute of Internal Auditors, including member of the New York Board of Governors and past President of the New York City Chapter, and he was awarded the New York City Chapter's Distinguished Leader Award in 1999 for his service to the chapter and to the internal auditing profession; and therefore, be it Resolved, that the Commissioners of the Port Authority of New York and New Jersey hereby express to John D. Brill their sincere appreciation for his service to the agency and the region it serves; and it is further Resolved, that the Board of Commissioners hereby directs that this resolution be suitably engraved and be presented to John D. Brill as a token of the high esteem in which he is held by the Board and staff alike. John, would you come up, please. [applause] [Commissioner Steiner] We're really going to miss you. I'm sorry to see you go, but I understand why. [applause continues] [Commissioner Steiner] Big loss. [Chairman Coscia] Thank you.

[Chairman Coscia] We have three additional speakers who have asked to address the board on matters unrelated to any item presented today. The first is Murray Bodin regarding the George Washington Bridge.

[Murray Bodin] Mr. Chairman, members of the board, my grandchildren--they get to watch this on Thanksgiving-- this is the marathon medal I got in 1987, the picture of me in the marathon. It says that I wore a T-shirt that said, "Polio Plus." I was president of the Yonkers Rotary Club at that time, raising money for Rotary International's polio drive. Last Thursday in the "New York Times" at the bottom is Itzhak Perlman, who says, "We are this close to ending polio," referring to Rotary's current drive. I was ahead of the curve at that time. I'm often ahead of the curve. Right now I'm reading a book called, "The Gun," by C.J. Chivers, and I'm going to leave it for you, because if you don't know history, history tends to repeat itself. The Gatling gun, the Maxim, the AK-47, getting them accepted by higher authority was extremely difficult. Likewise, I'm concerned about the lines and striping on the George Washington Bridge and other places, and I'm having great trouble getting anybody to listen. On November 7th I sent an email to the Port Authority. Subject: prior notice of unsafe conditions, lane markings. I sent it to the attention of the Law Department. It says, partly, "This email is prior notice of unsafe conditions "caused by improper lane striping on various roads "under the control of the Port Authority." "Exit only lanes and various auxiliary lanes are not striped with dotted lines "as required by the Federal Highway Administration's "2009 Manual on Uniform Traffic Control Devices." "This is prior notice that if there is an accident where the lanes are marked incorrectly, "the Port Authority may be liable for damages as this prior notice "has made the Port Authority aware of unsafe conditions." So not only--and I'll leave this with you-- do you have this in writing; we now have it on video. And if anybody is injured--and they are--then the Port Authority becomes liable. There's no reason why this can't be restriped correctly. Thank you.

[Chairman Coscia] Thank you. Harry Greenberg, the IBEW.

[Harry Greenberg] Good afternoon. My name is Harry Greenberg, and I am counsel to approximately 200 electricians who work for the Port Authority and are represented by Local 3 IBEW. I want to thank you for the opportunity to address you concerning the successor agreement that has yet to come in place from the contract that expired on June 3, 2006, more than four years ago. Mr. Gonzalo previously who was the chairman of the Local 3 Port Authority unit, previously addressed you on this matter. Prior to the fact finding, which I'll talk about in a minute, we had a mediation that lasted two sessions. And during those sessions we grew further apart. In my more than 30 years' experience representing management and labor in this arena, I have never been involved in a fact finding or interest arbitration that took 24 hearings and 2 years to complete. Further, I have never seen such a contentious labor management relationship that exists between the Port Authority and Local 3. Without pointing fingers, I submit to you we need to fix this. The last MOA, which expired, as I indicated, on June 2006, members of your board helped fashion the settlement. My clients tell me and they will tell you that Port Authority representatives have told them that they will make them pay for going over their head when they sought and received your assistance. That's wrong. It is for this reason and the unfortunate contentious relationship that the collective bargaining failed, that the mediation failed and that the fact finding took 24 hearings and 2 years to complete. One of the main sticking points is that your representatives are demanding that newly hired electricians pay for a portion of their health insurance. After our fact-finding report in August, this board voted and approved the PATH IBEW employees receive a contract. They do not pay for health insurance. That was after our fact finding. In fact, no unionized employee of the Port Authority pays for health insurance. So we ask ourselves, "Why are we being asked to pay for something "nobody else is being asked for?" If such issue was economic, there are ways to address it. I submit to you it is not economic nor is it the cost of health insurance. I say this because on the last day of the fact-

finding hearing, September 18, 2007, the fact finder asked your counsel, "Are you going to argue that you don't have the ability to pay?" Her answer was, "No." And with that statement the Port Authority said money was not an issue. Because of these circumstances, I ask for your help again. I will tell you that we'll be ready to act in good faith, without any antagonism, to meet and come to an agreement that's fair and reasonable. It is our hope that we both can achieve it and we have deal makers at the table. Thank you. I got it. [inaudible off camera speaker] [applause]

[Chairman Coscia] Thank you, Mr. Greenberg. Mr. Richard Gonzalo.

[Richard Gonzalo] Good afternoon, commissioners, Chairman Coscia, Mr. Ward, Mr. Baroni. As I was here back in April, we asked for your assistance in trying to break a stalemate in negotiations. Things have gotten worse. We've gotten farther apart. No one at the Port Authority in the Labor Department is even willing to speak not only with the electricians but any other union. We're asking for your help in trying to persuade the Labor Department to negotiate in good faith; to come to the table and make some type of offer. We have nothing that's concrete. We have nothing we could bring back to our membership. Everything is abstract. They maybe want this, they maybe want that. We can't get anywhere under those conditions. We've asked you before for your help. We had Chairman Sinagra here who was able to help us when he listened to both sides and was able to hear what we were asking for, and we did get to a settlement--a fair settlement. And I have been paying for that, and so have my members, ever since. I don't think it's fair, I object to the harassment and I object to the personal attacks that I've had. I'm asking that if there is any possibility, any power or any ability that you may have even to sit in on one of our negotiating sessions and listen to what goes on at the table, that these people who speak to us are asking for things that were never in the initial offer. They just keep adding them, bringing us backwards and we're going into negative territory. We can't get anywhere under those conditions, so we invite Mr. Baroni, Mr. Ward, any commissioner who would like to attend just to sit in to observe what the Labor Department does to unions. And I appreciate your time. I'm going to end early out of respect for you, commissioners. Thank you. [applause]

[Chairman Coscia] Thank you. Our final order of business is, can I have a motion to approve the consent calendar? [Commissioner] So moved. [Chairman Coscia] Is there a second? [Commissioner] Second. [Chairman Coscia] Okay. All those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Okay. Any opposed? [silence] Okay. Thank you. Can I have a motion to adjourn? [Commissioner] So moved. [Chairman Coscia] Second? [Commissioner] Second. [Chairman Coscia] All those in favor? [All Commissioners] Aye. [Chairman Coscia] Thank you very much. Good afternoon.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
December 6, 2012

[Chairman Samson] The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee may be held to consider certain matters on today's agenda. The Committees on Finance and Operations met jointly, and the Committees on Capital Planning, Execution and Asset Management, Audit, and Finance met individually in executive session prior to today's meetings. And earlier today, the Committees on Operations, Finance, Capital Planning, Execution and Asset Management and Governance and Ethics met both in public and executive session, and the Committee on Security and the World Trade Center Redevelopment Subcommittee met in executive session. Their reports will be filed with the official Minutes of today's Board meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, and to discuss and act upon matters involving public safety and law enforcement. Our first presentation for today's meeting will be from Susan Baer, our Director of Aviation, who will provide an overview of the airports' preparedness plans for winter weather. Sue?

[Susan Baer] Good afternoon, Commissioners. Today I'm going to provide an overview of our preparations, response, and rapid recovery planning at the Port Authority's airports for winter weather events. So much relies on the Aviation Department's efforts during any storm given the number of flights and passengers who use our facilities. On an average day, LaGuardia handles about 1,000 flights and 70,000 passengers, JFK about 1,100 flights and 135,000 passengers, and Newark about 1,150 flights and 94,000 passengers. Our success during winter weather events is driven by the considerable experience we have at our facilities. Having operated airports since the first half of the last century, we face countless weather-related challenges over and over every year. We plan, train, and drill repeatedly. This pays off during snowstorms, and we are constantly challenged to keep all our runways, taxiways, and public roadways safe and clear. We also learn from our after-action critiques and incorporate lessons learned. Snow preparedness begins in the summer, and lately we've been tested early in each year. Each of the last 2 years has featured autumn snowstorms-- one in October of 2011 and one in the first week of this past November. Snow removal on the airfield is primarily done with multi-function snow equipment that combines the functionality of plows, brooms, and blowers in one single vehicle. The equipment can operate at speeds of 35 miles per hour, clearing runways and taxiways between regularly scheduled flights. These photos demonstrate the equipment in action during snow events last season. In addition to the multi-function units, our airports are also equipped with high-speed plows with sanders, snow blowers that can remove up to 6,500 tons of snow per hour, and liquid de-icer trucks. We also work behind the scenes to maintain aeronautical operations. Staff produce an online field conditions report which is made available to airlines and includes relevant information about delays, snow, runway configurations, and closures, among other items. Snowstorms require coordination with all airport stakeholders, whether internally among Port Authority staff such as operations and maintenance or with airlines, public transit agencies, and federal agencies. Staff have an operating procedure in place to intercede with airlines on behalf of customers when no gates are available. While this is a year-round practice, we're

especially vigilant during extreme weather conditions, working with airlines to help locate alternate airport locations to safely offload passengers in the event ground delays become excessive. If necessary, we deploy our own resources such as buses, stair trucks, and staff to aid our customers. Our service to customers is not limited to snow removal. Our intention is to make the airport experience as welcoming and trouble-free as possible. During any weather-related event, customer care representatives are available around the clock to assist customers with hotel and other travel arrangements. We also include clauses in all of our leases with concessions serving food and beverage that they must have enough inventory to operate for 48 hours in the event deliveries from the outside are hindered due to weather, and each terminal has a designated food and beverage vendor which must remain open 24 hours during severe weather. Staff keeps basic supplies on hand for stranded passengers, including blankets, pillows, cots, diapers, wipes, and water. Complimentary WiFi cards are distributed to customers during irregular operations to provide passengers with the tools to make alternate travel plans. For extreme cases, staff have meal and taxi vouchers to assist passengers in need. Airport closures are a last resort and are only contemplated during extreme weather occurrences. Our mission during any weather event is to do everything possible to keep our airports safe and to see that travel is disrupted to the minimum degree possible in an effort to provide great service to our customers. Our success during snowstorms hasn't happened by accident. I'm immensely proud of the professionalism, ingenuity, and dedication of our Aviation staff and congratulate them, along with all our partners, for the remarkable work they do when faced with winter weather adversity. Thank you, Commissioners.

[Chairman Samson] Thank you, Sue. Our next presentation will be by our Chief Financial Officer, Mike Fabiano, who will present the Port Authority's Proposed 2013 Operating Budget for consideration by the board. Mike?

[Mike Fabiano] Thank you. Good afternoon, Commissioners. I'm pleased to present to you the 2013 Operating Budget for your approval. The budget was publicly released on the Port Authority's website on November 30. We expect to seek authorization of a capital budget in early 2013 to allow sufficient time for the Board and executive staff to fully consider the recommendations resulting from the Authority-wide review by a special committee of the Board of Commissioners and the impacts of superstorm Sandy. Pending your adoption of the budgets for calendar year 2013, the agency will continue to make operating and capital expenditures, undertake contractual commitments, and continue planning, design, and construction consistent with applicable authorizations. I'd like to begin by reviewing the highlights of the 2013 operating budget. This budget is based on certain business assumptions discussed with Port Authority executive management and a forecast with respect to the regional economy. Regionally, the economy has seen improvement in terms of employment and economic growth. Activity levels, which I will discuss in more detail in a few moments, have started to slowly recover from their recession lows. However, trends among our different facilities are still mixed. As a result, we project modest growth in our revenues in the 2013 budget. Even in this uncertain economic environment in which we have been further challenged by superstorm Sandy, we remain committed and have developed a budget that provides resources to help meet our core mission to the public. First and foremost, we are ensuring the public safety by providing funds for policing needs at World Trade Center, airports, and facility patrols. We are also funding a new Chief Security Office that will centralize security and safety operations. Enhancing customer service is

another top priority. We will be adding 70 customer service representatives at our airports and making investments and planning for future demands in air and bus travel. Our policy of transparency will be improving with the establishment of a new Transparency Office charged with overseeing and managing improved access of agency information to the public. Also, we are going to continue investing in green initiatives, which include our ongoing efforts with the Port Clean Air Strategy, the Truck Replacement Program, and Ocean-Going Vessel Fuel-Switching Incentive. To be able to afford these initiatives, we have aggressively continued our cost containment efforts, including holding our authorized positions to 6,677 for the third straight year and modifying our compensation and benefit programs, resulting in a virtually flat budget for the fifth straight year. Our modest growth in revenues mirror the trends we see in our activity levels. Following 2012 trends, 2013 is expected to decrease at our tunnels and bridges and increase in PATH, aviation, and port commerce. The budget-to-budget decrease of 4.3 million vehicles in our tunnels and on our bridges is due to the slower economic recovery and the continued decline in activity related to the 2011 toll increases. Our airports are expected to see 3 million more passengers in 2013. This is partly due to the expected slow and steady growth of the US economy as a whole and to changes happening at our airports, including the entry of new low-cost carriers at Newark and LaGuardia as well as new markets coming online due to recent airline mergers and gate swaps. Our PATH system is expected to transport 3.5 million more customers in 2013, which mirrors the continued modest growth of jobs in Manhattan, steadily increasing levels of reverse commuters, and the effects of the higher gasoline prices. We can also expect to see 100,000 more containers coming into our ports. This increase is due to the lower exchange rate with the euro, resulting in more goods being sourced from Germany, Spain, France, and Italy. In addition, Indian imports are expected to grow in line with 2012 trends, with our ports serving as the preferred first call in the United States. The Port Authority has responded to the economic challenges of the last several years by targeting a zero growth operating budget. The 2013 budget is the fifth consecutive year of virtually flat operating expense growth. The 2013 budget maintains operating expenses in line with 2012 levels, with only a 0.6% increase. Debt service is increasing due to higher scheduled interest and principal payments on outstanding debt as a result of the Port Authority's ongoing commitments to capital investments in this region. Deferred and other expenses include the upfront marketing, leasing, and purchases of systems required to operate the World Trade Center site. We continue to make customer service the number one priority, and this budget continues to provide resources to keep our facilities and the public we serve safe, including the National 9/11 Memorial at the World Trade Center. We're making a significant investment in customer service at our airports, including the addition of 70 customer service representatives. We're funding studies to increase capacity at our bus terminals and airports, which will better position us to meet the future travel demands in the region. And we continue our efforts on the Port Clean Air Strategy, which include the Truck Replacement Program and offering incentives for ocean-going vessels to switch their fuel mechanisms to be green. Commissioners, this is a budget designed to address the immediate operational needs for the upcoming year. The Port Authority expects modest growth in revenues and is committed to allocating its resources to reinvesting in our core mission. At the same time, we will continue our cost containment strategies by scrutinizing budget forecasts to ensure that we make financially sound choices amidst heightened economic and business uncertainty. In closing, I believe this operating budget reflects the new fiscal realities of operating in the region and recognizes our responsibility to the public we serve by providing the best value for every dollar spent. As such, I request your approval of this 2013 operating budget as we continue to

make capital expenditures consistent with applicable authorizations until the capital budget is approved in early 2013. Thank you.

[Chairman Samson] Thanks, Mike. And on behalf of the Board, I want to thank you and your staff for all the work you've done in putting together this budget, this presentation, and the thoughtfulness behind it. [Mike Fabiano] Thank you. [Chairman Samson] Thank you very much for your professionalism. May I have a motion to move the budget resolution? [multiple Commissioners] So moved. [Chairman Samson] Second? All in favor? [all] Aye. [Chairman Samson] So moved. Our last presentation will be by Acting Director of Rail Transportation and General Manager of PATH, Steve Kingsberry, who will recognize a PATH employee for exceptional action in an attempt to minimize flooding and damage to PATH during Hurricane Sandy. Steve?

[Stephen Kingsberry] Good afternoon, Commissioners. In light of Hurricane Sandy, it was a cold day in November, a few days after the storm, that PATH realized we had significant problems at our Hoboken station. You saw pictures of some of the flooding. The tunnels were flooded in some areas to over 8 feet high. Mr Thomas O'Neill--stand up, Thomas--Pump Maintainer III for PATH, went out in a boat with other trackmen and the police into the depths of the water inside the tunnel to make necessary repairs to the pump station inside the tunnel to get the water pumped out. When they reached the pump location inside the boat, they realized that the valves were submerged underwater. And based on Tom's intricate knowledge of the pump system, he knew exactly where the valves were, and they couldn't be reached from within the boat. Tom dove into the water, the frigid waters, possibly contaminated waters, with no regard to his personal health and safety, reached the pump valves, made the necessary repairs, and got the pump system working. That prevented more damage to our system, took significant time off of our repair work in terms of getting the water out of the tunnels, and we were able to start the pumps and get the water pumped out. We're so proud and so happy of Tom for his efforts. In recognition of his extraordinary efforts in going above and beyond the call of duty without regard for his personal health and safety, I would like to present a certificate of distinguished service to Tom O'Neill. [applause]

[Chairman Samson] Thank you, Steve. Great story. And now we'll provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker is Murray Bodin.

[Murray Bodin] Good morning. I'm going to discuss the Traffic Engineering and the way they disregard the rule book. I can't get it off. I'm also going to walk around and change where I stand to illustrate that things have to change. Traffic Engineering is completely ignoring the Manual on Uniform Traffic Control devices. There are rules, and they're not following them. The signs that you're ordering, the arrows must point up and not down. I can't seem to make that point with anybody, and I don't know where to go next. This is pretty much what I said at the New Jersey Turnpike meeting last week. I said the same thing at the MTA meetings. Traffic engineers 10

years ago decided they didn't like the way they were asked, and this is an ego trip for traffic engineers. You stand here and you want to make it more friendly for people using your airports and facilities, and you permit Traffic Engineering to go off and do whatever they feel like. Now, in order to show that this is a changed place, this is a good place to start. The Police Department, police officers out of their cars should be wearing reflective safety vests. But because of the union, they don't. There is no union in Traffic Engineering, so that problem disappears. Last week the port people in the West Coast went on strike because they felt that their jobs were being computerized and so on and so forth. The competition for containers to New York Harbor is increased. Germany has a big problem because there are too many ships. They're on a hook because they financed it. Baltimore and other places are deepening their harbors, and when the Panama Canal opens, there will be enormous pressure to take the containers away from New York. This is the time to start planning how we move freight out. You own a barge system. You're not fully utilizing it. Those containers can be moved directly from Port Newark to Brooklyn to a lot of other places on the barges you already own. But because Traffic Engineering cannot understand that the arrows point up, that principle extends to a lot of other places. I sat in meetings this morning and I heard discussed about parking garage having a useful life of 30 years. That was decided 30 years ago. Today tractology has changed. We haven't changed the way we think. Changing Traffic Engineering and forcing them to obey the manual is a step that can be done, and I strongly urge you to do that because I will continue to go on the record so that my friends can check. I don't do this by myself. There are people that will see this, and I get information from many people. I apologize for not following your rules, but it was important to say we need to be flexible, we have to think differently. This is as good a place to start as any.

[Chairman Samson] Thank you. Our next speaker is Mandar Mirashi.

[Mandar Mirashi] Good afternoon, Commissioners. First of all, I want to thank-- My subject is about the PATH train system. I want to thank the Director and the good work he's done to begin with getting the World Trade Center site, and the Exchange Place in Hoboken is coming up soon. Thank you for that. I have two concerns though. One--and this is mainly my experience with the MTA and the PATH system, comparing the two. I'm a regular commuter of the PATH, and I work in the IT industry. I work 24/7 hours. Two things. Number one, as the response to Sandy went through, I got communication from the MTA as well as PATH as far as the restoration efforts go. The MTA was leaps and bounds better. They had a website, minute-by-minute updates on what they were doing, and how the map was changing for their transit system even though they have a much bigger complex rail system to deal with. That's my first concern. My bigger concern is the resumption of 24 by 7 service, which thousands of commuters are affected by. MTA went above and beyond, coming up with creative solutions. You guys might have heard about the Rockaways, where they airlifted a train over. I propose at least two solutions or alternatives to the PATH management, one being a bus shuttle service. I keep getting told that the Port Authority does not run buses, which is in conflict of what I heard from the Aviation Director, who just gave you a report about buses being run under the Aviation unit. That was my first recommendation. My second recommendation to them was at least have the trains run once an hour between 10 p.m. and 5 a.m. They said they couldn't do that either. So at this point I'm very frustrated as a commuter. I have no options. I keep getting told, "Go to NJ Transit." But NJ Transit stops. The last bus from Port Authority is 11:30. There are private buses that stop at 1 a.m., and there are thousands of us who work between the hours of 10:00 and 5:00. So I'm asking

the Commissioners and the Board to consider some sort of alternatives just like the MTA and other transit agencies have given commuters. Thank you.

[Chairman Samson] Thank you. Our next speaker is Richard Hughes.

[Richard Hughes] Good afternoon, Commissioners. I'd like to direct your attention to the latest issue of the City Journal. City Journal is probably the leading journal on urban studies in the United States. There are two articles in this latest issue of the City Journal that pertain to the Port Authority. In reference to what Murray said, the first would be the Third Coast, an article on the Gulf Coast and how the Gulf Coast is growing tremendously and how it's going to steal a lot of your business from the Port of New York and New Jersey. So I'd like you to look at that. If you don't want to buy a copy, you can certainly access it online. The second article, which is more pertinent and especially pertinent considering you just voted on an operating budget, is by Nicole Gelinas, who is a respected accountant who dissects your finances. Her article is titled "The Cloudy Future for the Port Authority." It certainly is cloudy. It looks a little like Hurricane Sandy on the radar. A couple things I'd like to point out since my time is very limited. I hope you will read the article. I hope any members of the press who are here will read the article. You'll have a much better understanding of the future of the Port Authority. You know we at the Twin Towers Alliance are perceived by you, I think, as an enemy. We're not. We certainly are critics of the Port Authority, but we are not your enemy. We realize that tremendous political pressures were brought to bear in the last 10, 11 years on the Port Authority that have hobbled you, and I don't think the public understands fully just how hobbled you are. But you 10 years ago in 2002 had no exposure at the World Trade Center site. Larry Silverstein, as we know, as we've tried to explain to the press and the public, was required to rebuild the Twin Towers. Unfortunately, Governor Pataki and other political figures stepped in and made a mess of everything. Your exposure at that time, you were $9.5 billion in debt. That debt was manageable. Today you're $19 billion in debt. You have revenue from tolls at the bridges and tunnels and the airport fees. You have revenues of $707 million a year. You lose, however, at the PATH, at the bus terminal, at the ferries, at the port operations $641 million a year. That gives you $66 million to play with. But you don't have that to play with because you have costs. You have approximately 7,000 workers who make, on average, salary and benefits $143,000 a year, which means your costs for those employees are over a billion dollars a year. So you're in the red and you're going to stay in the red. I'd like to know how you're going to do anything to repair anything, not to mention the bridges and the tunnels that need work: the Goethals Bridge that you want to replace, the Bayonne Bridge which you want to raise. Where is this money going to come from? I'm sorry I only have 3 minutes. I need about 3 hours to try to explain that. Maybe someday we'll dissect that. Thank you.

[Chairman Samson] Thank you. Our next speaker is Kalev Savi.

[Kalev Savi] Good afternoon, Commissioners. Last Thursday, the London-based Daily Telegraph ran a photo essay which was titled "The World's Most Stylish Airports," with the Telegraph selection of top 20 airport properties from around the world. Would you hazard a guess as to which terminal came in number one in the story? That's right, it was the old Pan Am flying saucer shaped terminal at John F. Kennedy, now known as John F. Kennedy Terminal 3. First out of 20 sites. That's quite amazing. Furthermore, who do you think was second in that

list? It was the TWA terminal that you guys recently renovated. To give you an idea of who the competition was, I want to just quickly round out the top 10 because these are formidable cities. Third place, Singapore; fourth, Dubai Terminal 3; Madrid Terminal 4; Koh Samui, Thailand; Marrakesh, Morocco; the Los Angeles futuristic Theme Building came in eighth; Denver International ninth; and the Mecca, Saudi Arabia came in tenth. I submit to you that the UK Daily Telegraph is not a fringe or a sensationalist publication. In 2010 it won the National Newspaper of the Year Award in the United Kingdom and currently has 1.7 million daily online viewers to its online news website. It's in the top 3 of London-based publications. The Port Authority should be honored for making this list not just once but twice. That's quite an accomplishment and I believe a great honor for New York City and the Port Authority. The editors of the Telegraph must feel really strongly about Terminal 3 because only yesterday they ran another story with the caption, "Fight to Save JFK's Terminal 3," which I'm holding a copy of in my hand. Funny how at the beginning of this year, Frommer's Guide gave Terminal 3 the gong for world's worst terminal and was salivating at the prospect of it being torn down. The Daily Telegraph could have easily skipped running this story, but I think these two articles are sending a clear message to the Port Authority and Delta Airlines and to the people of New York. I'd like to quote from a Port Authority press release dated May 19, 2005, by your former Executive Director, Kenneth J. Ringler Jr., and I quote, "At the Port Authority we take great pride in our history and go to great lengths to preserve and protect our past while also working hard to meet the transportation demands of the future. This was illustrated recently by a relocation and restoration of Newark Airport's original passenger terminal, which we incorporated into the airport's new administration building, and the restoration work on the Marine Air Terminal at LaGuardia, which was recently rededicated." I would hope that just a short 7 years later these same principles apply at today's Port Authority, and consequently, I'd ask again that the Port Authority revisit its decision to destroy Terminal 3, especially now it's been recognized by the London Telegraph as the most stylish terminal in the world. Thank you.

[Chairman Samson] Thank you. Our next speaker is Joseph Clift.

[Joseph Clift] Good afternoon, Commissioners. I'm a past Director of Planning for the Long Island Railroad, and believe it or not-- for me at least I think it's believe it or not--a 32-year resident of Manhattan. I'm speaking today as a rail advocate, and I'd like to talk about three issues. One is the railcar flooding and the Hoboken station PATH flooding from Sandy and transparency. Neither the cars that were flooded-- I wouldn't know this except Jeff Pillets from The Record reported it. It's never been reported that I know of by PATH. I don't think it was reported by Mr Foye today to Congress. But you had 50 cars that were damaged from flooding by Sandy. This was not an act of God; it was an act of human error. The cars roll; they can move. I'm an ex-railroader. You take them someplace else. You don't leave them in the flood plain of the river. Second, Hoboken Terminal. Twenty years ago--I have a friend that's been a commuter for a long time-- in December of '91 there was a great northeaster storm. It was not a hurricane; it was a nor'easter. The Hoboken Terminal flooded; the PATH station flooded. Subsequent to that, they flood-proofed it. They set up floodgates. Subsequent to that, an elevator was installed. The picture we see, the iconic picture--it's almost the most iconic picture of Sandy-- is the water spewing out from around the elevator shaft down at the PATH station level. And there's a simple question here. Once again, this is not an act of God; this is human error. Why did this station flood? It's still out of service. But it appears that 20 years ago there was a mitigation effort. It

needs to be looked at. Last, transparency. I really thought that you guys were going to make a difference in transparency. It sure sounded like it. But so far it's more in name than in fact. Go on the website to the FOIA page. You can't search it. If you're in one of those, your name is in one of those, you cannot search it. You have to know which one to go to, open it up, and search it. Secondly, when did the public know about this meeting today-- what time it was, where it was, and what the agenda was? Would you believe less than 24 hours ago? Neither New Jersey nor New York would accept that type of public notification. It's simply not acceptable to the two states. It should not be acceptable to the Port Authority. And last--and the previous speaker talked about it. He's a user; I'm an occasional user. He's a daily user of PATH. But you almost had a blackout on PATH information. The gentleman is correct. The MTA did a very good job of telling the public what was going on. We would literally not know anything about PATH problems except for the press, and I urge you, don't be a doormat Board, be an activist Board. Ask questions. Do not accept non-answers. Really get answers to these questions. Thank you.

[Chairman Samson] Thank you. Our next speaker is Mario Gomes.

[Mario Gomes] Good afternoon, Chairman Samson, Vice Chairman Rechler, and Commissioners. I serve as a member of the administrative Board of the Port Authority division of the International Brotherhood of Electrical Workers Local No. 3. We proudly represent approximately 200 electricians employed by the Port Authority of New York & New Jersey. First, we'd like to recognize the exemplary performance and dedication to duty exhibited by our members during the continuing recovery from the widespread damage to our facilities brought on by Hurricane Sandy. It would be remiss to not also mention the contributions of our maintenance staff and so many other employees, both represented and non-represented. We have witnessed a workforce that despite significant storm damage to many of their own homes were able to place duty above all else, a truly impressive but not surprising accomplishment. Having said that, we will respectfully remind the Board that all 4,700+ represented Port Authority and PATH employees belonging to 25 separate bargaining units are currently working with expired agreements. Of these 25 bargaining units, many have continued working with agreements that expired years ago, with our unit having gone the longest period without an agreement--6½ years now. While our membership understands the present political and economic realities, we also understand clearly that the Port Authority of New York & New Jersey, unlike state government agencies, is capable of negotiating fair and equitable agreements with its various employee groups. However, the political pressures and demands currently surrounding labor management negotiations will almost certainly exacerbate an already protracted collective bargaining process and compel the parties to adopt a positional approach. We feel strongly that the benchmarking of certain aspects of this agency against state government agencies and the private sector misses the mark and ignores unique technical and operational challenges and requirements our workforce is confronted with on a daily basis. Port Authority electricians, maintenance, and other employee groups, represented and non-represented alike, make up a well-qualified, versatile, and dedicated workforce that can be relied upon to perform their function regularly and during the agency's most vulnerable times, as we have often witnessed. Finally, we respectfully urge the Port Authority Board of Commissioners to consider these and other relevant aspects as we continue working together with executive and labor relations staff to achieve a fair and equitable resolution for the agency and its employees. Mr Chairman, Mr Vice Chairman, and Commissioners, I thank you for your time and consideration. Happy holidays.

[Chairman Samson] Thank you. Our next speaker is Margaret Donovan. Margaret Donovan is not here, so our last speaker-- Oh, Margaret Donovan is here.

[Margaret Donovan] Could you please pass this around to each of the Commissioners. Thank you. Good afternoon. No. Good afternoon. Can everybody hear me? Okay. Whenever I come across the bogus assertion, as I did again this week, that the Twin Towers were the result of arrogance and hubris, I make it a point to set the record straight. I tell them that when Yamasaki balked at building his twins higher than 80 stories, Guy Tozzoli simply explained that President Kennedy was taking us to the moon and Yamasaki was going to figure out how to build the tallest towers in the world. They were joined at the hip. If the towers were born of hubris, so was the moonshot. The PA had its program, and Kennedy had the Cold War, but their motivations were less important than their legacies. Both profoundly inspired the country and the world. The Twin Towers were the shorthand in the sky of a bold and visionary age, as exemplified by the 1996 ad for the Olympic pole vaulter jumping over the towers. I'm going to go a little bit beyond. And look where we are now with the Abuse of Power Tower in place of a bona fide wonder of the world. It is big, but few who are not on the WTC gravy train would ever call it great. Just the other day a Google alert notified me of a poll that went up on a music website that asked its subscribers which they preferred: the Twins of New York City--and then they put in parentheses "duh"-- or the Identity Crisis Towers, which I thought was priceless. The Twins won 59% to 41%. We do not come here to hear ourselves speak. We come here month after month to ask you to consider how things look from another perspective, outside the bubble of power. You are leaders in your respective fields, as were those who have come and gone before you, and yet all this Board ever does is make the rancid status quo more secure. Now Hudson Yards thinks their own generic skyline is going to be the greatest development in New York's history. Talk about hubris. But they can only make that boast because the Port Authority failed to capture the imagination of the world. The image I passed out was sent to us by a graphic artist in the UK who believes how important it still is for the whole world's morale to build Twin Towers at Ground Zero. He adapted the Park Avenue Tower that is going to soon surpass the Freedom Tower in height and put his skyline in place of Towers 2 and 3. And there are ways to make that happen. You will poo-poo the possibility and think that we don't know what we're talking about. If I can read my scribble. And I guess I don't have the rest of it. [chuckles] But there are ways to make it happen, and you won't think so; you won't even consider it because you think you know everything and the public knows nothing. That's-- Uh-huh, I will. That's why the Sphere is not at Ground Zero-- That is why the Sphere is not at Ground Zero; that is why you can't even fix a line on a highway. You just think we're worthless--a waste of time for you and a waste of time for us to come here and speak to you every week. And when we're talking about letting down the city, the country, and the whole world, that's what I call hubris. In fact, that's what I call a sin. Thank you.

[Chairman Samson] Thank you. Our last speaker is Francisco Espinal.

[Francisco Espinal] Good afternoon, Commissioners. My name is Francisco Espinal. I work at Terminal 4 in JFK as a baker for 7 years. I am a proud member of UNITE HERE, the union that represents 3,500 workers at Port Authority airports. I would like to thank the Port Authority for upholding its Labor Harmony Policy on companies' transition over the past year. And I ask you to continue to uphold this policy as concessions are replaced by Delta in JFK Terminal 3 and by

Westfield in Newark Terminal A and B next year. We are glad to know that this process was handled properly for our brothers and sisters at LaGuardia and are hoping the same will be true next year at both JFK and Newark. Additionally, I know you are aware that workers, including myself, have lost their sick days in the aftermath of Hurricane Sandy. Some companies working with the Port have understood that this is a time of crisis and have supported workers who could not get to work. Others have not. We urge you to support airport workers at Port Authority airports in retaining sick days. We look forward to continuing our work with you on both issues. Thank you, Commissioners.

[Chairman Samson] Thank you. May I have a motion to approve the consent calendar? [Commissioner] Motion. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. There being no further business, I move to adjourn the meeting. A second? [Commissioner] Second. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] The meeting is adjourned.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
December 7, 2010

[Chairman Coscia] The Board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special interim meeting of the Committee on Operations will be held to consider certain matters on today's agenda. Prior to today's meeting, the Committees on Operations and Construction and the World Trade Center Redevelopment Subcommittee met in public session, the Audit Committee met in executive session, and the Security Committee, Governance and Ethics Committee, and Committee on Finance met in both public and executive sessions. Their reports will be filed with the official Minutes of today's Board meeting. The Commissioners also met in executive session prior to today's Board meeting to discuss matters related to the purchase, sale, or lease of real property or securities where public disclosure would affect the value thereof or the public interest. Our first presentation today is by our Director of Port Commerce business, Richard Larabee, who will provide an update on a port improvement program which includes several proposed projects that will enhance roadway and intermodal rail capacity at our ports.

[Richard Larrabee] Mr. Chairman, Commissioners, good afternoon. The growth of international maritime trade over the past 10 years represents a significant opportunity for the New York/New Jersey region to create new jobs, generate higher incomes, to reduce the cost of doing business, and to raise the standard of living enjoyed by the region's people. Taking advantage of that opportunity has required major investments in the transportation infrastructure that supports international ocean trade. The port facilities that handle the region's cargo and the complex network of roads, railways, and waterways that connect the port to the communities throughout the metropolitan area, the northeast and the U.S. Today I'm pleased to have the opportunity to review our efforts over the past decade and request your approval of one critical railway and two roadway projects to ensure that we continue to provide the necessary infrastructure to allow sustainable port growth while remaining competitive with other major U.S. ports. Approximately 10 years ago, we set out with the challenge of a major redevelopment program to bring our port into the 21st Century. We developed a five-part strategy. We are accommodating larger ships, improving inland transportation, improving port productivity, increasing terminal capacity, and preserve the harbor. Doing all of this while trying to grow our business. We thought we understood the challenges, as well as the opportunities. Some things were not predicted. September 11, 2001, changed our world, and the deepest economic recession since The Great Depression had significant impacts on the activity at our port. Today we can look back over the past 10 years and see, unequivocally, that we've accomplished a great deal. Containerized volumes through the port have doubled since 1998 from approximately 2.5 million TEUs to 5.1 million TEUs in 2010. Despite the recent economic slowdown, the demand for international goods is expected to continue to grow over the long term. These statistics report both exports and imports, and I'm pleased to report that exports are up over 18 percent since last year. To date, most of our investments have focused on improving water, access, and increased rail and terminal capacity for our port. Investments are also underway and planned, relating to our international port roadway system. I'd now like to briefly review with you some of the most significant projects over the past 10 years. Because of the economy of scale, ships continue to get larger. The expansion of the Panama Canal in 2015 will allow those 8-12,000 TEU vessels to call at our port. In July of 2001, with a

collective eye on the future, this Board authorized the Port Authority to be the local sponsor of the $2.3 billion, 50-foot harbor-deepening project, which is being constructed by the Army Corps of Engineers, with the Port Authority's local sponsored share estimated at $1.1 billion. Work associated with the deepening of the harbor to 50 feet is on schedule and under budget. This map shows the progress to date, with the gray sections completed, the crosshatch sections illustrating contracts underway, and the white sections indicating work remaining. With the continued support of our congressional delegation, we anticipate completion of our 50-foot channel to Port Newark/ Elizabeth Port Authority Marine Terminal and the Port Jersey Port Authority Marine Terminal by the end of 2012 and the Howland Hook Marine Terminal by the end of 2014. Rail remains a very important element of our overall strategy for growing our ports. Since 2000, we've invested approximately $454 million to construct the Express Rail System in the port. Today, we're seeking authorization for the full build-out of the interim Express Rail Port Newark facility, which is currently operating at capacity. In addition, the Board recently authorized the planning of a new intermodal container facility, Express Rail Port Jersey, to support the recently acquired global container terminal at Bayonne and Jersey City. I'm pleased to report that rail volumes this year are up over 23 percent. Investing in our marine terminal roadway infrastructure is also essential due to the large regional market which we serve. One project currently underway is the construction of North Avenue East/McLester Street Curve Realignment Project at Port Authority Marine Terminal Elizabeth, which was authorized by the Board in January of 2009 at an estimated cost of $31.5 million. Work is approximately 65 percent complete, and we will finish this project by December of 2011. Our goal is to nearly double our roadway capacity on our marine terminal highways over the next 5-10 years. In 2010, we made two substantial investments in property, the acquisition of the 100-acre Global Container terminal and the purchase of 131 acres of former Military Ocean Terminal at Bayonne. With the acquisition of Global, came the lease of approximately 70 acres at the Port Jersey Port Authority Marine Terminal to Global, allowing the expansion of that facility to 170 acres. The purchase of 131 acres of the former Military Ocean Terminal at Bayonne was a strategic acquisition of scarce waterfront industrial property. We're now in the process of developing a long-term plan for that property. In the meantime, there is currently an active shipyard and a robust cruise operation in place. The Port Authority is working to address the current navigation clearance limitations of the Bayonne Bridge over the Kill Van Kull, which in anticipated to be limiting access of modern, large container ships to our marine terminal facilities in New York and New Jersey west of the bridge. A determination regarding the perfered alternative and next steps to address the Bayonne Bridge's navigational clearance limitation is expected to occur by the end of this month. A clean-air strategy for the port and various initiatives were developed to support our efforts to reduce emissions from all port-related sources, which include ships, cargo-handling equipment, trucks, and rail. To date, the Board has authorized a variety of emissions reduction initiatives, as shown on this slide. These programs have been made possible, in part, through grants and funds from federal and state agencies. Since September 11, 2001, the maritime industry has been faced with many challenges in order to keep our ports safe and secure. Port Authority staff assisted in the creation of new U.S. laws and regulations concerning port security. We've also initiated a variety of capital and operating improvements that have increased security for the port. Examples include surveillance of closed circuit television cameras, a 24-hour operation center control, improved security training, the installation of emergency notification systems for evacuation, and the implementation of the Transportation Workers Identification Credential, or TWIC. With the nation's focus on jobs and economic recovery, we're proud to say that the port is the catalyst for 269,000 direct and indirect jobs, $12 billion in annual wages, over $5 billion in federal, state, and local annual tax revenues, and $36

billion in business income. Commissioners, building upon our previous investments today, your authorization is requested for three projects that will continue to shape our marine terminal facilities into the 21st Century. These projects were reviewed in detail with the Committee on Construction this morning. I request your authorization of the project for the final design and construction of the full build-out of Express Rail Port Newark at a total estimated project cost of $97 million. Your authorization is also requested for two roadway projects that are necessary to meet roadway demand and capacity projections, improve traffic flow, and enhance safety. These are the $30 million project for the design and construction of the widening of McLester Street and the $34.5 million project for the construction of Phase II of the North Cargo Area and Port Street Improvement Program to provide for widening and realignment of those two roadways. Commissioners, the investments that we have made in our port under your leadership have improved the competitiveness of the port and the economic vitality of the New York/New Jersey region. Your authorization of these three projects would provide increased rail mobility, roadway capacity, and allow for greater ease and efficiency in the movement of containerized cargo, especially in light of the container traffic that is expected to call on the port as a result of the Panama Canal expansion. Commissioners, your approval of these items is requested today. Thank you.

[Chairman Coscia] Thank you, Rick. We are pleased to see the aggressive effort by staff to keep us competitive. It's something that's critically important. Is there a motion to approve this item? [multiple Commissioners] Motion. [Chairman Coscia]. All right, second? [Commissioner] Second. [Chairman Coscia] All right. Any questions or comments? All those in favor? [Board members] Aye. [Chairman Coscia] Okay, thank you.

[Chairman Coscia] Our next presentation will be by our Chief Financial Officer, Michael Fabiano, regarding our 2010 budget and capital plan. It reflects this agency's efforts to manage its financial plan in a challenged economy, still taking in mind many of the critical projects that we are very much dedicated to seeing through. Michael?

[Mike Fabiano] Good afternoon, Commissioners. I'm pleased to present for your approval the 2011 budget, which has previously been posted on the Port Authority website for comment. I'd like to begin by reviewing the highlights of the 2011 budget. The affects of the recession have dramatically impacted the Port Authority's financial conditions, leaving our revenues virtually flat. To help mitigate the financial effects of this recession, we have aggressively continued our ongoing cost containment efforts, including the reduction of 200 authorized positions down to 6,777 positions, the lowest level in 40 years. This reduction was achieved through the retirement incentive program, along with other efficiencies. Other measures to control operating costs include eliminating the helicopter program, generating savings of $5 million dollars per year, reducing external consultants to save an additional $14 million dollars per year, and phasing out our E-Z Pass benefit program for employees to save $1.5 million dollars per year. As a result, operating expenses reflect zero growth for the third consecutive year. This is important to consider because this is necessary to counter the effects of revenues which remain flat because of the economy. This budget provides $806 million dollars in security expenditures to provide safe and secure facilities, bringing the Authority's total investment in security to approximately $6 billion since September 11, 2001. It also provides $25 million in ongoing energy conservation and environmental programs. Lastly, our fiscal discipline on the operating side supports our capital capacity. In 2011, our Capital Plan calls for $3.9 billion in capital spending. This capital

budget continues to advance priority projects as they reach peak construction stages, including projects that are critical for maintaining our facilities in a state of good repair. The impact of the recession is expected to continue to depress traffic levels at our facilities in 2011 compared to what we originally forecasted in our estimates, in 2010, the last updated 10-year capital plan, when we forecasted in January of 2008. From this example, if you look at the first line of this slide, you can see that the loss of 10 million vehicles at our tunnels and bridges, with an average total of $8, translates to lost revenues of $80 million a year, which reduced our financial capacity required to deliver the capital plan. Traffic levels at these facilities are not projected to reach that $132 million level until 2020. To help mitigate the impact of this recession, for three consecutive years now, the Port Authority has maintained zero growth in its annual operating expense budget. Since 2009, the Port Authority has cut a total of $409 million dollars in spending to achieve this objective. We achieved zero growth in this year's budget by reducing the authorized positions by 200, down to 6,777 positions, cutting the use of external consultants by $14 million, or 17 percent, bringing the total reduction to $29 million of savings in the last two years, and also eliminating the Port Authority owned helicopters, with a cost savings of $5 million per year. This slide summarizes the total budget for 2011, specifically zero growth in operating expenses, $47 million in new special project bonds for the expansion of JFK's Terminal Four, $701 million in debt service, $47 million in deferred charges, and, once again, $3.9 billion dollars of capital investments in the region, 80 percent of which is in construction or advanced design as we speak. In 2011, we plan to spend $1.3 billion in capital at our facilities. This chart provides you with a categorical breakdown of how these funds will be spent. Forty-eight percent on state-of-good-repair projects. These projects ensure the agency's tunnels, bridges, and other facilities are maintained in safe working order. Twenty percent on revenue-producing projects, 12 percent on mandatory and security projects each, and 8 percent on system-enhancing projects. These projects specifically include investing $13 million to advance the GWB Upper Level Deck Rehabilitation Project in order to maintain the structural integrity of the bridge and maintain a state of good repair, providing $109 million for PATH Signal Replacement Program, and $52 million in PATH security initiatives in order to enhance PATH's overall operational safety and system capacity, $12 million in planning dollars for the Goethals Bridge modernization, and $4 million in planning for the Bayonne Bridge Modernization Program, $68 million to complete the Newark-Liberty International modernization of Terminal B and continued JFK Flight Delay Reduction Program initiatives, $81 million towards developing the Port Jersey Port Authority Marine Terminal, including $35 million for the Military Ocean Terminal at Bayonne and $21 million for improvements at the new Global Terminal. In addition to investing in our existing line facilities, this budget continues construction activities at the World Trade Center site, committing $1.9 billion to the One World Trade Center, the World Trade Center site infrastructure, transportation hub, retail, vehicular security center, bus parking facility, memorial, and museum activities at the site. Commissioners, this is a budget designed to address the immediate operational and capital needs for the upcoming year. The Port Authority will continue to take aggressive action to live within its means, both by controlling operating expenses and prioritizing spending. We look forward to engaging to board going forward and addressing the outgoing operational and capital challenges facing this agency and the region. Commissioners, I request your approval of the proposed 2011 Budget. Thank you.

[Chairman Coscia] Thank you, Michael. Any questions--excuse me, can I have a motion to approve? [Commissioner] So moved. [Chairman Coscia] Second? [Commissioner] Second. [Chairman Coscia] Any questions or comments? Michael, I know we're very pleased that the initiative to manage cost is

taken so seriously. I know that, along with you and others in the Finance Department and many of my colleagues here on the Board, we began a process in 2006 and 2007 of anticipating the need to be aggressive about cost management. I know that's been recognized by a great many parties outside of the agency. At a time when government entities have to be careful about what they spend, we seem to have gotten ahead of that curve and been comprehensive in how to do that. I applaud you and your staff for working so hard on that. Thank you very much. Any other questions or comments? All those in favor? [All Commissioners] Aye. [Chairman Coscia] Any opposed? Okay, thank you.

[Chairman Coscia] In the vein of recognizing individuals who have provided tremendous service to this agency, an award was established by the Port Authority in 1957, the Howard S. Cullman Award, which is provided to individuals who represent distinguished service to the Port Authority and to the region. This, in the very proud history of the Port Authority, is the highest honor that we bestow on our colleagues, and we've invited two individuals here who we would like to resolve to award this to today, Paul Blanco, our recently retired CFO, and Frank Lombardi, our recently retired Chief Engineer. I'd like to call them forward to present them with this award and to recognize them for their achievements. Paul, Frank. [Applause]

[Chairman Coscia] We have no other specific matters for the Board's consideration today. There are two individuals who have asked to address the Board on topics not related to specific approvals today. The first is Mr. Murray Bodin, regarding electronic technology, Mr. Bodin.

[Murray Bodin] At the Governance and Ethics Committee meeting this morning, the Chairman wanted to know how $3 billion in overruns appeared. I have the answer for you; it's not very difficult. It's a mindset. I was here a couple of months ago talking about one line on the George Washington Bridge. Nobody pays attention to that one line. They can't comprehend the world changed. You all got big books on your desk. I am recommending today that those books be put into e-format, electronic format, and distributed on an iPad, a Kindle. If you look at today's New York Times, a couple of articles have real interest. One, Google came out with their ibookstore yesterday, and, two, Barnes and Noble--well, Borders wants to buy Barnes and Noble because nobody's buying paper books anymore. So you should be moving in the direction of distributing all those materials electronically. And in that sense, this is called a Wizzy Wrap. It's a reusable Christmas wrap. You put it around something. Here's a quart of Monterey maple syrup from my friend Roger Trion. You put it in here, and you give it somebody as a Christmas gift or a Hanukah gift or whatever. I'm going to leave this with the board, and I don't want it back because I want you to use it for somebody else. This eliminates using that wrapping over and over again, and you've got a very nice gizmo here you can use again and again. It's called 'thinking ahead.' In the various meetings I went to this morning, somebody came up to me and I got into a discussion about the e-books. The good news is there are people in your organization that know exactly where we have to go. This is a time of change, enormous change. I'm suggesting that you move quickly into electronic distribution of your materials and contracts and all of that, because it's possible and it will send a message to everybody out there that you're changing and they have to change, too. I'm presenting the same information tomorrow morning at the New Jersey Transit board meeting with the same recommendation--that they move all of their documents, not the distribution of the documents, but the actual documents themselves, from paper into electronic book form. It's time.

[Chairman Coscia] Thank you. Ms. Margaret Donovan?

[Margaret Donovan] Good afternoon. My repeated presence here is not meant to be annoying and is certainly not frivolous. The one thing that my contact with the Port Authority has convinced me of is that you Commissioners seem to be very decent people, but you exist in an echo chamber that has made no allowance for the will of the people who are financing your misadventures. I wish I had realized much earlier that we had the option of sharing the public's opinion with you. The Twin Towers Alliance website is the repository of the candid and heartfelt comments from people all around the world who find their way to our site. Chairman Coscia begins every board meeting with the disclaimer that the reason you meet in executive session is only to protect the public's interests, but why should the public trust that you are working in our best interests when the evidence is so much to the contrary? You are using the public's money to erect, on public property, something that is no credit to this country, that only a handful of people ever supported, and that you admit will be marginally profitable on what is arguably the most valuable property on earth. We realize that you are not autonomists. You work for the governors, but the governors work for the people. What is there to be proud of in doing something that is so our of harmony with the will of the people paying for it that it is not a true reflection of the country that was attacked and that would never continue if the people were fully informed? Anyone who thinks we are running out of steam should think again, because just the opposite is true. What is going on at Ground Zero is an insult to everything this country stands for. Now Mr. Silverstein wants stimulus money for towers that will never stimulate the spirit of our nation; they will depress it. What is going forward at Ground Zero is the rancid proof of a rancid autocracy that thinks that honoring power is what matters most. But this country was founded on the principle that honoring people is what matters most. I intended to start reading to you some of the comments that have come into us from residents of New York and New Jersey over the years. I will, instead, close with a comment that was left on our petition in the last week that should give anyone whose mind and heart are open food for thought. Gary Sheridan expressed what those who sign our petition under the category "citizens of other nations" frequently express. "The Freedom Tower is great, but it could be in any city in the world. The Twin Towers are one of the icons of New York City. If terrorists knock down the Statue of Liberty, would you replace it with a giant Mickey Mouse? Of course not. Then why is the Freedom Tower even a consideration? Rebuild the Twin Towers and return this missing symbol of New York City to the people of the free world. It matters more than you seem to know." Thank you. Happy holidays and happy new year.

[Chairman Coscia] Can I have a motion to approve the consent calendar? [Commissioner] So moved. [Chairman Coscia] Is there a second? [Commissioners] Second. [Chairman Coscia] All right. Any questions or comments? Okay, all those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Okay, thank you very much. Can I have a motion to adjourn? [Commissioner Silverman] So moved. [Chairman Coscia] Second? Thank you. Happy Holidays, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
December 8, 2011

[Chairman Samson] The Board meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings a special meeting of the Operations Committee will be held to consider certain matters on today's agenda. Prior to today's meeting, the Audit and Security Committees, the Committees on Finance and Operations met in public session, and the Committees on Governance and Ethics, Construction, and the World Trade Center Redevelopment Subcommittee met in both public and executive session. In addition, the Audit Committee met in executive session on December 7, 2011, and their reports will be filed with the official Minutes of today's Board Meeting. The commissioners also met in executive session prior to today's Board Meeting to discuss matters related to the purchase, sale, or lease of real property or securities where public disclosure would affect the value thereof or the public interest. Today Mike Fabiano, our Chief Financial Officer, will present the Port Authority's proposed preliminary 2012 Budget. This preliminary budget will allow for continued investment in and operation of Port Authority facilities while spurring job growth and economic activity. It is subject to future Board action following the report of the ongoing agency-wide review and audit led by the Board's special committee at the direction of Governors Cuomo and Christie. Mike?

[Mike Fabiano] Thank you, Mr. Chairman. Good afternoon, Commissioners. I am pleased to present the preliminary 2012 budget for your approval. The preliminary budget presented today includes a $2.6 billion operating budget and a $3.66 billion 1-year capital budget that we believe are necessary to drive our programs and priority capital projects forward and maintain our facilities in a state of good repair. This preliminary budget is subject to the ongoing audit being conducted by the Board's special committee, which is performing a complete review of the agency. The preliminary report is due in January of 2012, and the final report is due in June of 2012. I'd like to begin by reviewing the highlights of the preliminary 2012 budget. We implemented a toll and fare increase on September 18. This preliminary budget includes the full year impact of that increase, giving the agency an additional $383 million in toll and fare revenues when compared to last year's budget. The preliminary operating budget increased 1.2% to accommodate incremental expenses for the accelerated payments for Brooklyn Bridge Park, an interim port operating agreement, and new World Trade Center policing needs. When excluding these items, agency core expenses are relatively flat even while providing an additional $36 million in increased municipal rent payments to the cities of New York and Newark. Even while aggressively managing costs, we have committed $828 million in security expenditures to provide safe and secure facilities, bringing the Authority's total investment in security to approximately $6.5 billion since September 11, 2001. And we have also provided an additional $26 million in energy conservation and environmental programs. Lastly, our fiscal discipline on the operating side supports our capital capacity. In 2012 our preliminary capital plan calls for $3.66 billion in capital spending. This preliminary capital budget allows for the forward progression of priority projects as they reach peak construction stages, including projects that are critical for maintaining our facilities in a state of good repair. As you can see from this slide, 2012 traffic is expected to be up across most of our core businesses, with the exception of a slight decline in TB&T traffic. Tunnel and bridges traffic is projected to decrease

900,000 vehicles, or 0.7% mainly due to the sluggish economy, higher fuel costs, and a predicted dip in patrons because of the toll increase that went into effect on September 18, 2011. Specifically, we project that auto traffic will be about $800,000 below 2011 levels. Truck traffic is expected to decrease by 119,000 movements, and bus traffic reflects a slight increase of about 43,000 movements. PATH passengers are expected to increase by 5.1 million, or 7%. The increase is expected to be mainly at the Grove and Harrison Stations due to the development that's going on in the surrounding areas. Aviation passengers are expected to increase by 1.2 million passengers, or 1.1%. Domestic passengers are anticipated to remain relatively flat, while international passenger activity is expected to increase. Port Commerce container volumes are expected to increase 500,000 containers, or 16.7%, which is a combination of the economic recovery that's on the way as we speak and also a slight increase in market share for our ports. In summary, the preliminary 2012 budgeted operating expenses are $31 million higher than the 2011 budget. As I previously mentioned, $34 million represent incremental costs related to the interim port operating agreement, the Brooklyn Bridge Park, and the new World Trade Center policing needs. Agency core expenses are relatively flat even while absorbing $36 million in city rent payments to New York City and Newark. The increase in debt service of $131 million, or 19%, is mainly due to higher outstanding debt and also the new World Trade Center Tower 4 obligations that we reflect on our financial statements. Deferred and other expenses of $45 million represent costs attributable to investments in technology systems and heavy automotive equipment. And lastly, total preliminary capital expenditures which continue to provide significant capital investment in the region will total $3.66 billion. As you can see from this chart, we will be investing approximately $1.8 billion of capital in our line departments to maintain and enhance capacity at all of our facilities. This preliminary capital budget also includes $2 billion for the continued reconstruction of the World Trade Center site, which includes One World Trade Center, site infrastructure, Transportation Hub, and retail and also includes $120 million for regional programs. The next slides will provide some examples of line spending in this preliminary budget. At our airports we are investing $134 million in runway and taxiway reconstruction improvements. Additionally, aviation capital spending includes $13 million for terminal development for Delta at JFK, $15 million for Terminal A at Newark Liberty International Airport, $18 million for a Central Terminal Building at LaGuardia Airport, $12 million for Stewart International Airport modernization, and $16 million in security improvements to protect terminal frontages. At PATH we are providing $107 million for the PATH Signal Replacement Program, $85 million for PATH safety and security projects, $23 million for station improvements, and $19 million for electrical substation rehabilitation. This preliminary capital plan also advances $26 million in planning dollars for the Goethals Bridge modernization and $10 million in planning for the Bayonne Bridge Modernization Programs. Additional tunnel and bridge and terminal department projects include $34 million for planning efforts at the George Washington Bridge Bus Station, $26 million for the George Washington Bridge rehabilitation, $14 million for the rehabilitation of the Lincoln Tunnel helix, and $343 million for various access infrastructure enhancement projects, including the Pulaski Skyway Project. At our port facilities we are continuing the dredging program work totaling $71 million, investing $68 million at the Port Jersey Marine Terminal, and providing $66 million for berth and wharf reconstruction projects. We will also continue to advance development of the World Trade Center site, including One World Trade Center, site-wide infrastructure work, the Transportation Hub, and World Trade Center Retail. Commissioners, over the last several years we have been proactive in responding to the economic challenges by holding the line on

expenses through leveraging technology, streamlining business practices, reducing consultant services, and focusing on our critical capital priority needs. While our previous cost containment and capital vetting efforts positioned us to respond to the economic downturn, we remain committed to incorporating and implementing operational efficiencies and process improvements that will be derived from the special Board committee's review. The special Board committee's initial report is due in January 2012, and its final report is due by the end of June 2012. In the meantime, this one-year preliminary budget is being presented for approval in anticipation of the special committee's reports and while we continue to assess the impact the changing economic environment may have on our future activity levels and therefore agency revenues and capital capacity. Commissioners, I request your approval of this preliminary 2012 budget, subject to the audit being conducted by the Board's special committee, which is performing a complete review of the Port Authority. Thank you.

[Chairman Samson] Thanks, Mike. May I have a motion to move this resolution? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [All] Aye. [Chairman Samson] So moved.

[Chairman Samson] We will now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker today is Margaret Donovan of the Twin Towers Alliance.

[Margaret Donovan] Good afternoon, Commissioners. You have been hearing me complain for over a year about the contracts that we haven't been able to examine, nor has any notice been sent to us since March 2011 that the matter was still being considered. For an agency whose By-Laws claim to be consistent with the two States, you tolerate some glaring inconsistencies. In the matter of the contracts, according to New York's Freedom of Information Law, the requests were constructively denied 9 or 10 months ago. But suddenly after we spent the money to bring an Article 78 proceeding against the Tax Appeals Tribunal, who also held the contracts and are more directly answerable to FOIL, and after we mentioned the contracts in our letter to the judge in the AAA suit, we were informed that they have been put in the mail. Is that the way an agency that has nothing to hide operates? We look forward to examining them, but I won't say more on that here, because at this last meeting of the year I will take this time to put our constant presence here into perspective. It didn't occur to us until a few weeks ago that we could offer the fruit of our experience to Judge Holwell as Friends of the Court in the AAA lawsuit, and no one I spoke with expected him to grant the permission which, as many of you know, is rare at the district court level. The fact that he approved our petition obviously establishes a credibility that cannot be denied. Our letter and brief bolster AAA's position because your lack of transparency is at the root of all of your troubles, and we have become experts on that. As we wrote to the court, "The blanket inference that PA executive sessions are closed to the public "so as to preserve a market advantage cannot possibly be justified." "There is no mechanism in place to protect the public from secrecy "borne of political, not financial, considerations, and there needs to be." Elsewhere we wrote, "Only a brutally honest audit can

save the Port Authority." "Unless the special committee in charge of the audit "is ready to recognize the destructive nature of the agency's penchant for secrecy, "there is very little point in analyzing the way the PA spends its money, "prioritizes its projects, or compensates its people." "That would be like allowing a lung cancer patient to keep smoking." It's not possible in 3-minute bites to make a truly coherent argument for how faulty your project at Ground Zero is, but it is not lost on people who live outside the bubble of power. So to close the year, I will read a comment that was left on our petition just yesterday. And it said, "I can't tell you how much it would mean to me to see those towers go back up." "I know so many people who did not make it, "and New York City has never been the same for me." "Every person I have talked to agrees with me "that those towers belong in New York City's skyline." "I will never forget what I saw that day, "and to have those towers back would mean the world." Commissioners, I wish you all happy holidays, and I hope that we will all enjoy a healthy and rewarding new year. Thank you.

[Chairman Samson] Thank you. Our next speaker is Richard Hughes of the Twin Towers Alliance.

[Richard Hughes] Good afternoon, Commissioners. I thought I'd read a few comments that have come in to the site recently. You may think our cause is dead, but it is shared by many people around the world. Brian Casey signed Citizens of Other Nations-- sounds like a good Irish name--writes, "I was 9 on 9/11." "I keep photos of the Twin Towers in various places, "like the cover of my college journal, a giant poster in my bedroom, etc," "to inspire me to always do and be my best, because to me, the World Trade Center signified, and still signifies, greatness "and also how short life can be and how we have to make the most of it." "I can only imagine how much more inspiring the Twin Towers would be "if they were back with all of us." Paul Davidson wrote, signing under 9/11 Families & Close Friends, "My sister was killed in the North Tower on that terrible day, "and I believe that the last thing that she and all the other victims would have wanted "is to completely change Manhattan's skyline, "showing the terrorists have succeeded in altering us forever." "No, they should rebuild the towers and bring back the perfect skyline "that was pre-9/11 New York City--not the Freedom Tower." Ruben Oliveira signs under Citizens of Other Nations. "I am from Portugal's countryside." "I've never gone to New York, not even America, "but still, I realize how important WTC Towers are." "Manhattan's skyline just doesn't look right without them." Conner McDonough signed under Our Armed Forces & Families. "Rebuild them. They're icons for New York, for America, and for the world." "To build anything else is absolutely disgraceful and disgusting "to all of us who remember that day." "The people want to return to the original, not some appalling design." "Rebuild them, rebuild them, rebuild them." And Christina Schrofl writes, "Hi. I'm writing from Germany." "Sorry for my not-so-good English." "I think the idea to rebuild the Twin Towers how it was before is fantastic." "When this would happen, I would visit America." "The Freedom Tower is ugly, and it would look stupid in the skyline." "New York is very beautiful and, I guess, old too." "The Freedom Tower looks like some building in Dubai." "So please rebuild the Twin Towers. Give New York the old skyline back." Nathan Faynzilberg signs under 9/11 Families & Close Friends. "My aunt died on 9/11 because she was in the South Tower, "and to put salt into open wounds, she was pregnant too, "so I would have had a nice baby cousin." "Building the 'free-dumb tower' is just a giant disgrace to my aunt "and to all other family members who were lost on that day." "Having the Twin Towers back would be greater

than ever." "It would be the perfect memorial for everyone that was lost." Thank you, Commissioners.

[Chairman Samson] Thank you. Our next and last speaker is Yvonne Garrett-Moore.

[Yvonne Garrett-Moore] Good afternoon. Thank you again, Commissioners, for allowing me to speak again today. A couple of months ago I came and appealed to you all to consider the Airport City development at Newark International Airport. I wrote a letter to former Executive Director Christopher Ward, and now I have an opportunity to address you again as well as address our new Executive Director Mr. Foye to encourage him to continue to look at Newark International Airport as a viable foundation to continue our growth and development in our region. This letter that I'm going to read today is directed to you, Commissioners, for further consideration. Dear Chairman Samson, I request the Port Authority of New York & New Jersey Board of Commissioners consideration for the development of Airport City at Newark Liberty International Airport. The feasibility of this type of project has been proven through the research that has been developed by Dr. John Kasarda through the Aerotropolis initiatives. The Airport City concept has proven itself as a viable economic investment from the public and private sector. The Atlanta, Georgia airport, Asia, Germany, South Africa have identified and have engaged this economic resource for the growth and sustainability for their regions. Airport City at Newark Liberty International is the economic engine that we need in our region that will engage the untapped resources and potential that lays dormant in our midst. The Board of Commissioners authorizing the development of Airport City will create economic opportunities, providing jobs and contributing to a safe, healthy, and more productive greater Newark and surrounding region. This can be accomplished through creating Newark International Airport as a renewed destination through providing anticipated amenities and services for world travelers, regional residents, and industry workers. The concentrated redevelopment is designed to upgrade Newark's airport service capacity through a strategic effort to build its economic capacity through infrastructure upgrades, through sophisticated and practical service amenities such as signature design stores, restaurants, shops, boutiques, health and beauty spas, embassy offices, as well as short-term and long-term stays, harnessing and directing the economic ability. I am requesting that the Board of Commissioners authorize an action plan and model that will demonstrate the commitment to maximize the economic potential of Newark Liberty International's community to better serve local residents and expand capacity for efficiency and quality of service for global trade. Thank you for your consideration and approval. We'll continue to lobby for this initiative. Newark really needs this. We are in dire need for economic growth and development in the greater Newark community, and we are hurting. And this project can speak volumes to our collective growth and development to our region. So thank you again for your consideration.

[Chairman Samson] Thank you. That was our last speaker. May I have a motion to move the consent calender for approval? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. There being no further business, I move to adjourn today's meeting. Second? [Commissioner] Second. [Chairman Samson] All in favor? [All] Aye. [Chairman Samson] The meeting is now adjourned. Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
February 3, 2010

Chairman Coscia: Good afternoon everyone. The Board meeting of the Port Authority of New York and New Jersey is now called to order. Prior to today's meeting, the World Trade Center Redevelopment Subcommittee met in both public and executive session. The Subcommittee's report will be filed with the official minutes of today's Board meeting. The Commissioner's also met in executive session prior to today's Board meeting to discuss matters involving public safety or law enforcement. Our first item of business will involve our Director of World Trade Center Construction, Steven Plate, who will provide a report on construction progress at One World Trade Center and a review of several proposed actions related to the continued progress at the World Trade Center redevelopment site. Steve.

Mr. Plate: Good afternoon Chair. Good afternoon Commissioners. As we kick-off a new year, I'm proud to say that our progress at the various World Trade Center site-wide projects has become increasingly evident. We're eager to report new critical progress specifically on One World Trade Center. In addition, I will request your authorization for several actions necessary to continue our rebuilding efforts. Commissioners, if you recall in November steel at One World Trade Center was at the fifth floor. I'm proud to report, that we have reached a major milestone, as steel erection has reached the twentieth floor. The building now rises 200 feet above street level. Construction of the remaining floors will now continue at an even quicker pace now that we are moving on to the more typical floors. Our steel contractor DCM has already erected nearly 8,000 tons of structural steel to date. This is 700 tons more than the total amount of steel in the Eiffel Tower. This past weekend installation also began on the large steel nodes. These structural members act as joints between the steel framing for the podium and the steel for the remainder of the building. In total, there are 16 nodes that wrap around the building, with some as large as 175 tons in weight and span as high as three floors. The nodes are significant, in that they facilitate the building's unique design and appearance. As the structural steel continues to rise, the building's concrete core and deck installation follows right behind. The building's core contains some of the highest strength concrete ever to be used in a commercial office building. Over 3,700 cubic yards of superstructure concrete has been poured, including recent placements on both the second and third floors. In total, over 60,000 cubic yards has been placed in both the substructure and superstructure -- almost as much concrete used in the entire Empire State Building. Currently the concrete contractor, Collavino, is installing form work and reinforcing bars for the next two levels of the building's core, scheduled for next week. And, as One World Trade Center stretches skyward, hundreds of contractors are busy at work installing mechanical, electrical, and plumbing equipment in the basement levels. In addition to the rising steel, there is a tremendous amount of work occuring in the floors below grade. As you can see from these photographs, the building's infrastructure is really taking shape. Commissioners, we are confident that this progress will continue and I look forward to reporting on our critical activities as we move ahead with construction. As discussed in this morning's World Trade Center Redevelopment Subcommittee meeting, we're seeking your authorization on the following items: A supplemental agreement with DCM for preparation of the existing PATH station for below grade structural steel at a negotiated amount of $17.9

million. Secondly, a supplemental agreement with Tutor Perini for additional work under the existing Greenwich Street corridor contract to support the Memorial Plaza opening on 9/11/2011 at a negotiated amount of $26 million. Third, increases in planning work for VSC and eastside tour bus parking facility for the total amount of $50 million. An increase in planning work for the World Trade Center site planning and redevelopment at an estimated amount of $4 million. We are seeking your authorization of various construction trade contracts necessary for the continued development of One World Trade and the World Trade Memorial, including: first award to Island International Industries, Inc. for the installation of spray-on fireproofing at One World Trade at a total amount of $30,915,000. Award to Fresh Metal Mechanical Corporation for steam utility service work at One World Trade at a total cost of $2,484,000. Award to American Architecture for the installation of cable-net walls and canopies that will serve as an entrance way on all four sides of One World Trade at a total cost of $16,632,000. Awarding these packages would bring us to over 96 percent of the One World Trade contracts awarded to date. As for the World Trade Center Memorial, award to DCM Erectors, Inc. for the furnishing and installation of bronze name parapets for the World Trade Center Memorial and Memorial museum at a total cost of $11,665,015. Awarding these packages would bring us to over 91 percent of the Memorial contracts awarded to date. Commissioners, I request your approval for these items. Thank you.

Chairman Cosia: Thank you Steve. Can I have a motion to approve the items? Commissioner: So moved. Commissioner: Second.

Chairman Coscia: OK, any other comments or questions? As Steve mentioned, these were also discussed in the Subcommittee meeting this morning. OK, all those in favor?

Commissioners: Aye.

Chairman Coscia: Any opposed? OK. Thank you. I understand that there are no individuals who have asked to speak and so I'll go right to the consent calendar. Can I have a motion to approve the consent calendar?

Commissioner: So moved.

Chairman Coscia: Second? Commissioners: Second. All right, all those in favor?
Commissioners: Aye

Chairman Coscia: Any opposed? OK, thank you very much. If I can have a motion to adjourn?

Commissioner: So moved.

Chairman Coscia: Thank you. Good afternoon.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
February 25, 2010

Chairman Coscia: Good afternoon, everyone. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committees on Security, Capital Programs/Agency Planning, Construction, Operations and the World Trade Center Redevelopment Subcommittee met in Public Session; the Audit Committee met in Executive Session; and the Committee on Finance met in both Public and Executive sessions. Their reports will be filed with the official Minutes of today's Board Meeting. The Commissioners also met in Executive Session prior to today's Board Meeting to discuss matters related to the purchase, sale or lease of real property or securities where the public disclosure would affect the value thereof or the public interest, and to act on matters related to proposed, pending or current litigation, or judicial or administrative proceedings. I'd first like to take a moment--and those who have been here know that this is something that is, despite the passage of time, very much on our mind-- to observe a moment of silence for the six victims of the first World Trade Center bombing on February 26, 1993. Thank you. Our first presentation concerns a project to implement a new toll collection system at our bridge and tunnel crossings. And to make that presentation, I'd like to ask Victoria Cross Kelly, our Director of Tunnels, Bridges and Terminals.

Victoria Cross Kelly: Thank you, Chairman, and good afternoon, Chairman and Commissioners. I'm here today to request your authorization for a project to deploy a new toll collection system with the capability for all electronic, or cashless tolling. The Port Authority's toll facilities are comprised of four bridges: The George Washington Bridge, Goethals, Bayonne Bridges, and the Outerbridge Crossing; and two tunnels: the Lincoln and Holland tunnels. The George Washington Bridge has three toll plazas, one on the upper level, one on the lower level, and one serving the Palisades Interstate Parkway. Each of the other facilities has one toll plaza, for a total of eight, throughout the system. These eight toll plazas include a total of 72 toll lanes, some of which accept only E-ZPass and some of which accept E-ZPass and cash. In 2009, 243 million vehicles used the Port Authority's tunnels and bridges, generating $967 million in revenue. As I noted, our toll collection system collects nearly $1 billion in revenues each year. It was installed in 1997 and is one of the oldest toll collections sytems in the northeastern United States. Many of its elements are obsolete. All other agencies in our region with systems as old as ours, have either upgraded or entirely replaced their systems by now. Our new toll collection system will address this obsolescence while also building for the future. The new system will be deployed in the current toll plazas. When installation of the new system is complete, we could continue to collect cash tolls as-- or we could begin cashless tolling, using E-Z-Pass and video tolling of license plates, either immediately or at some later date. In short, the system will be able to handle cashless tolling when we're ready to turn it on. By phasing the approach to cashless tolling, we have significantly reduced both cost and the risks associated with this project. The scope of effort for this project entails the replacement of all of the system's software and hardware. Among the items being replaced are all equipment in the toll lanes, including the cameras, E-ZPass readers and lane computers; software and the main system computer and back-up computer; and customer information signage and signals. As I noted a moment ago, these elements will provide a system that enables us to continue to collect cash, and will also

enable us to go cashless when we're ready. Included in today's authorization is an agreement with PBS&J for program management and technical services, to assist us in implementing the new toll collection system. The RFP was publicly advertised, and PBS&J's was the highest-rated proposal. The agreement will be effective through the end of 2013, with three one-year extension options, for a total cost of up to $10.5 million. The new system will offer several benefits to our customers. First of all, with new equipment, we can eliminate lane closures resulting from equipment problems. Secondly, there will be fewer customer billing questions resulting from inaccurate charges that are caused by equipment malfunctions. Third, signs over the toll lanes will be improved, to enable customers to more easily find the appropriate lane--cash or E-ZPass-- thus reducing weaving and merging. We anticipate contract award to a system integrator in mid-2011, following an RFP process. The new system would be deployed beginning in late 2012, with the final plaza completed in 2014. Commissioners, I request your approval today for a $175 million program, which includes final design and construction of a new toll collection system with the capability for cashless tolling, and an agreement with PBS&J for program management and technical services for the new toll collection system, at a total cost of $10.5 million. Thank you.

Chairman Coscia: Thank you, Vicky. Can I have a motion to approve? Commissioner: So moved. Chairman Coscia: Is there a second? Commissioner: Second. Chairman Coscia: Okay. Anyone have any questions? Comments? Okay, all those in favor? Multiple Commissioners: Aye. Chair A. Coscia: Aye, any opposed? Thank you. Next item, our Director of World Trade Center Construction, Steven Plate, will provide a report on construction progress at the Trade Center site; in particular, the Transportation Hub in review of proposed construction contract awards, in furtherance of these efforts. Steve?

Steve Plate: Thank you, chair. Good afternoon, Commissioners. Progress continues at the World Trade Center site across all Port Authority projects. Today I will update you on the progress that has been made at the World Trade Center Transportation Hub. I will also request your approval of a major contract for the construction of the PATH Hall, in support of the World Trade Center Hub project. As shown in this series of photos above, the World Trade Center Transportation Hub is made up of several projects that span the entire site. Starting in the west, the excavation under Route 9A--or West Street-- will allow pedestrians to walk from the World Financial Center, under West Street, to the World Trade Center Hub in a climate-controlled environment. The Transportation Hub will be the main downtown station for Port Authority's PATH Transit System with access points to 13 subway lines, including the 1, 2, 3, 4, 5, A, C, E, J, M, R, W and Z lines. The above picture illustrates the temporary steel bracing that is currently being utilized for stabilization while excavation continues under West Street. Over 10 thousand cubic yards has been removed to date, all while keeping the north and southbound lanes open to vehicular traffic. As the Port Authority continues work on the east, in zones 1 and 2, Brookfield Properties has begun work on the western portion, in zones 3 through 5. By utilizing the approach of having two contractors building simultaneously from each side, we will be able to provide for improvements to this schedule. Work is also continuing on the Greenwich Street Corridor project, spanning the entire site from north to south, a length of over one thousand feet. The contractor, Tutor Perini, is continuing with their excavation-- concrete and steelwork--in the area. As outlined in the October, 2008 report, the contractor is utilizing a top-down approach, in which concrete slabs will be constructed, starting at the top of the support

structure and working down to bedrock. This approach provided for cost and schedule savings. Work is continuing in several areas as the first level of concrete slabs and walls is nearing completion. In addition, excavation for the super-column footings is ongoing. These footings will support two columns for the major steel elements of the World Trade Center Transportation Hub. Adjacent to the Greenwich Street Corridor project, demolition of the temporary PATH Station structure, along Church Street, is nearing completion. The contractor's currently utilizing blasting to remove the hard rock that exists in Lower Manhattan. To date, over 65 thousand tons of soil and 11 thousand cubic yards of steel and concrete has been removed from this area. Once complete, the cleared area will be the site for the Transit Hall and the Oculus. Another component of the project is the PATH Hall Station. Progress is continuing on the platforms and footings. The installation of steel columns is underway. In 2010, many of the permanent elements in this area will be put into place. All of this work must be coordinated with the Port Authority's PATH division, as trains must be operational throughout the construction process. The station currently handles over 100,000 people each and every day. To support continued progress at the World Trade Center Transportation Hub, I recommend your authorization to award a construction contract for the PATH World Trade Center station to Skanska USA Civil Northeast, Inc., Granite Construction Northeast, Inc., Skanska USA Buildings, Inc., a joint venture of Skanska and Granite, the lowest bidder at an estimated cost of $542,325,000, excluding extra work. This item also includes additional funding to Downtown Design Partnership for related construction, architectural and engineering services, at a cost of $27 million. Skanska is an experienced firm that has a long-standing experience in the New York-New Jersey construction market. The cost of this work represents an approximate 5% savings from a engineer's estimate. The award of this contract is consistent with the schedule outlined in the October, 2008 report, and the timely delivery of the World Trade Center Memorial on September 11, 2011. This contract includes a deck-over solution for the construction of the PATH Hall roof that will serve as a platform for the Memorial Plaza, to make it possible to meet scheduled milestones. As you can see from the above renderings of steel for the PATH Hall construction, this area will require close coordination with the other site-wide projects. This staging and coordination will minimize impacts to PATH ridership. The scope of work will include such items as the construction of all four platforms, and installation of HVAC, mechanical, electrical and plumbing systems, and associated life-safety sytems such as smoke management and emergency ventilation systems. The award of this contract will keep us on track with the completion of the World Trade Center Transportation Hub project in coordination with the overall redevelopment at the site. Commissioners, before I ask your approval of this item, I would first like to show you a short time-lapsed video that illustrates our progress across all Port Authority managed projects at the World Trade Center site.

Chairman Coscia: Thank you, Steve. Can I have a motion to approve the item? Commissioner: So moved. Chairman Coscia: Is there a second? Commissioner: I second. Chairman Coscia: All right, any questions or comments on the item?

Commissioner Sartor: Yeah, I'd like to say something. I just want to commend staff for their efforts. We should recognize that the Port Authority got involved in this project in September of '06, and in 3½ years, I think there's been a tremendous progress on the site, and staff should be complemented for that, Mr. Chairman.

Chairman Coscia: Thank you, thank you. Any other questions? Comments? All those in favor? Multiple Commissioners: Aye. Chairman Coscia: Aye. Any opposed? Okay, thank you. There are no members of the public to have signed up to speak today, so I'll take a motion to approve the consent calendar. [Chairman Coscia] Second? Commissioner: Second. Chairman Coscia: All those in favor? Multiple Commissioners: Aye. Vice-Chairman Silverman: Motion to adjourn. Chairman Coscia: Aye. Okay, motion to adjourn. Thank you very much.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
February 3, 2011

[Chairman Coscia] Good afternoon, everyone. Or at least I think it's about to be good afternoon. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committee on Operations met in public and executive session, and the Nominating Committee met in executive session. Their reports will be filed with the official minutes of today's Board Meeting. The commissioners also met in executive session prior to today's Board Meeting to discuss and act upon matters related to the purchase, sale or lease of real property or securities where the public disclosure would affect the value thereof or the public's interest in matters involving ongoing negotiations or reviews of contracts or proposals. Let me begin, on behalf of the board of commissioners, welcoming our newest commissioner, David Samson and congratulating him on his recent appointment by Governor Chris Christie. Our first order of business is to call upon a report from our Nominating Committee. In accordance with the Bylaws of the Port Authority of New York and New Jersey, the Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation and the New York and New Jersey Railroad Corporation, the Nominating Committee met in executive session prior to today's meeting in connection with the election of Officers. And I'll ask Commissioner Sartor, who is the chair of the Nominating Committee, to provide a report. Commissioner?

[Commissioner Sartor] Thank you. On behalf of the Nominating Committee for the Port Authority of New York and New Jersey, Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation and the New York and New Jersey Railroad Corporation, I desire to report that at the meeting held earlier today, in accordance with provisions of Article 7 of the Bylaws, the committee by unanimous action submits the nomination of David Samson for election to the office of Chairman.

[Chairman Coscia] Thank you, Commissioner. MayI have a motion on this nomination? [multiple Commissioners] So moved. [Vice Chairman Grayson] Second. [Chairman Coscia] And I hear a second. Okay. All in favor? [all] Aye. [Chairman Coscia] Okay. I hereby certify that the votes are in order and Mr. Samson is elected our new Chairman. [applause]

[Chairman Samson] Thank you, Tony. I want to say a couple of things by way of introduction. First, I want to recognize Tony Coscia for his service to the Port Authority as well as to the State of New Jersey. His tenure here has been marked by outstanding service, excellence, as in everything he does, and I would be remiss if I didn't point out that our personal friendship has been extremely helpful to me over the last few months in trying to get ready for the responsibilities of this job. So Tony, thank you very much for that. And I also point out that his service has spanned several gubernatorial transitional periods, all of which made the responsibilities of the job that much more complicated. And of course I think we can all agree he's done an outstanding job. Secondly, I want to thank the Board for its confidence in this vote, particularly the Nominating Committee. I also want to thank Governor Christie for his confidence in this appointment. It's obviously an honor, and I recognize the responsibilities of this job, particularly now as the Port Authority is facing considerable challenges with increased public needs at the same time it has decreased revenues. I'm confident, however, that under the leadership of Chris Ward and Bill

Baroni and an absolutely outstanding staff--the best there is -- we'll do just fine. I also want to thank just as a personal matter the efforts of some people in particular, the senior staff level, but particularly Chris and Bill and Karen and Darrell for their help over the last several months in trying to make my transition in here as smooth as it could be. So now, having said that, next on the agenda is a matter of some solemnity. Recently the Port Authority lost a former Commissioner. Michael Chasanoff passed away in January. Commissioner Chasanoff served on this Board for more than 11 years, and I understand Commissioner Silverman has some words to express regarding Commissioner Chasanoff's service. Henry?

[Commissioner Silverman] Thank you, Mr. Chairman. Yes, I do. Before I do that, though, I would like to echo what the new Chairman said about our outgoing chairman. It's been my privilege to serve with Tony for the last eight years, first as a Commissioner, then as Vice-Chairman, now again as a Commissioner. And it's clear that our progress as an agency is significantly greater under Tony's chairmanship than it would have been otherwise. So Tony, thank you very much.

[Commissioner Coscia] Thank you.

[Commissioner Silverman] I would like to draw your attention to our website. On it there is a tribute to Mickey Chasanoff that is posted there. I urge each of you to read it. Rather than reading it now, I'd just like to say a few brief remarks about Mickey. When I was preparing them, I realized that Mickey was our longest serving New York Commissioner, and I was next, which kind of surprised me. Mickey, for some of you who don't know that, joined our Board in 1999. I followed two years later, immediately after 9/11, and I served on this Board with Mickey for nine years, as did many of us for some shorter period of time. Mickey was, in no particular order, brilliant, courageous, insightful and a tremendous pain in the butt. We all loved him for that. He challenged us. He challenged each of our decisions, each of our actions, and made sure that we were doing what was in the public's best interest. And for that, we thank him very much. As I said, he challenged many of our actions, most notably the sale of the World Trade Center to SPI and almost all of the subsequent transactions that followed that sale. And while no one, including Mickey, could have predicted 9/11, I wonder how the fate of the agency might have differed if we still owned the World Trade Center on that terrible day. So Mickey, we love you, we will miss you and God bless you in your final resting place.

[Chairman Samson] Thanks, Henry. We will now provide an opportunity for members of the public to comment on other Port Authority matters not on today's agenda. This public comment process provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department and contact information is provided on the Port Authority's website. I think the first speaker is Margaret Donovan.

[Margaret Donovan] Good afternoon. Reports that the Koenig "Sphere" may be put in storage is a chilling reminder that those in charge of planning the WTC's future have very different priorities than the rest of us. The notion that the triumphant relic has to be banished from Ground Zero in order to, quote, "protect the integrity of the memorial design," is evidence of an obnoxious agenda to sanitize the site. B-plus buildings that would be at home in China or Dubai are rising at Ground Zero, while the two majestic towers that were synonymous with New York's very identity have been consigned to the trash heap of history for reasons that no one has yet bothered to explain. Neither has anyone explained why a private

developer was handed rights he never paid for while the Twin Towers themselves, through the proceeds of their destruction, are funding Mr. Silverstein's opportunistic, taxpayer-enabled presence at the site. Because officials got away with it is not a rationale. The towers that symbolized the ultimate goalposts to people everywhere are being replaced with structures that stand for nothing. Those of you who dismiss our efforts as naive are out of touch with the vast majority of Americans who have always believed that the only way to recover our confidence and stature as a nation is to build better than ever Twin Towers. That hasn't changed. Even within the Port Authority--especially within the Port Authority -- the rank and file has always favored rebuilding the monumental towers that are the authentic World Trade Center in the eyes of the world. Of course people are proud to be rebuilding Ground Zero. But they would be jubilant if they were actually restoring the most fabulous skyline on earth. Why do I keep returning month after month? Why is Richard Hughes here whenever he can make it? Because we believe you really must not realize what a disservice you are doing to the country. Each one of you owes it to the people of New York, New Jersey and the entire nation to question your assumptions now -- nothing more or less. If we can prick the conscience of one or two of you, it's been worth the effort. Steve Strunsky of The Star-Ledger revealed last November that the PA commissioners had voted unanimously on 302 resolutions since January 2008. That there was only one dissent in all that time was a grave disservice to the public whose billions you disburse. We deserve better than just "for show" public board meetings. The chairman's sweeping disclaimer that the value of public property is being protected in your closed executive sessions was discredited last week when Moody's cut the PA's credit outlook from stable to negative. These are hard times, but that vote of no confidence was not inevitable. It was the result of caving in to a politically driven agenda. When Executive Director Ward recently remarked that the biggest mistake we could make right now would be to sell short, he got one thing right. It would be a mistake to sell One Trade Center short. But he was wrong to suggest that the World Trade Center does not hold the key to relieving the state's financial difficulties or the Port Authority's because it surely does. The World Trade Center is the most valuable asset the two states have at their disposal, and it's a tremendous strain on both economies. Selling the Freedom Tower is not the answer, but capping it before it inevitably starts looking like a tombstone and then selling the entire site to the people of the United States most certainly is, instead of selling America short. Thank you.

[Chairman Samson] Thank you. The next speaker is Murray Bodin.

[Murray Bodin] Good morning, Chairman Samson.

[Chairman Samson] Good morning.

[Murray Bodin] Since you're the only one who doesn't know me here, I'd like to tell you a little about myself. I started coming here because of one line on the George Washington Bridge on the upper level where the lane goes to the Palisades Parkway. Two weeks ago about this time, I was in Washington at the meeting of the national committee, the people who write the manual on traffic devices. I've been going there for 11 years. I've been working with the Federal Highway Administration for 15 years--maybe a little longer. In particular, I was involved with the writing of the dotted line section of it. And I've asked the Port Authority to correct the lines, and they haven't been able to. At the meeting right after the Port Authority's new representative was accepted as a member of the national committee, I spoke about dotted lines to 250 traffic engineers, lobbyists and the people from the Federal Highway Administration who actually write the laws. How come Murray Bodin got to speak to these 250 traffic engineers and

everybody else involved? Because I've been a proponent of using safety all over. And dotted lines make it easier for the driver to know where he's going. And the question I raised in Washington and the question I've raised here is why does the Chief Traffic Engineer absolutely refuse to correct the lines and to make it known that he will do it before 2016? One, it would save the Port Authority a significant amount of money. It would make traffic flow faster. And I can't get to talk to anybody there. I was watching in the lobby on my iPad connected to my phone live pictures of Cairo, what was actually going on on Arab TV via CNN. They brought tanks into the center of the city. It is absolutely impossible to have any logical reason to use a tank anymore. You can't shoot those people. The people rode around on them. It's an example of thinking that's outdated. You can't use tanks anymore. The airplanes that fly in Afghanistan are controlled by pilots living in Colorado--drones. And the Port Authority has a similar problem that some of the sections have to be brought into the 21st century. Chairman Samson, I had a problem with Chris Christie when he shot down the tunnel, and then I realized that he did the right thing. I'll be a second. At one of the meetings here last month, somebody said, "How could you not notice there was a $3 billion cost overrun?" Governor Christie noticed that there would probably be a cost overrun on the tunnel and he stopped it before the cost overrun. Yeah, the tunnel has to be built and it will be built but at a lower cost. And because he did it, we've learned something. Thank you.

[Chairman Samson] Thank you. Before we move on with the regular calendar, I want to take a brief detour and invite outgoing Chairman Coscia to make some remarks or share some thoughts with us.

[Commissioner Coscia] Thank you. I assure you that Chairman Samson asked me to say something a second ago and you're limited to what I can think of in the last 30 seconds, so the good news is it will be brief. [laughter] Let me say this, because it's really easy for me to speak about this: It's been a real honor to be part of the Port Authority family for the past eight years as its Chair. It's meant a lot to me on so many personal levels I couldn't possibly describe it. But what jumps out at me immediately is the gratitude I have to all those people along the way who were helpful to me and who I feel so close to as a result of all of that; first of all, my fellow Commissioners who have been an enormous source of support for me on so many difficult challenges that we've had. I feel that level of gratitude to all of them, in particular, the two Vice-Chairs who I served with most recently, Henry Silverman and Stan Grayson--two very dedicated people to public service who could come up with many, many ways to spend their time but dedicate their talent and their intelligence to trying to help the region become a better place. And Henry and Stan and all the Commissioners should be commended for that. I'm also very grateful to an unbelievably strong professional staff. I can name many, many people. I will point to their leadership and say that Chris Ward and Bill Baroni are the best in what public service has to offer, and I'm grateful to the region that we have them and I'm grateful to the Governors for recognizing that and putting them here to serve the rest of us. There have been a lot of things that have happened in the eight years that I've been here, and I'm very proud of what we've accomplished in terms of maintaining and enhancing our transportation infrastructure, what we've done in terms of making this agency strong financially, creating a level of accountability and transparency to what we do, a process that never stops and continues, the enormous contribution we've made to economic development in the region with nearly $20 billion invested during those 8 years. And I'm very, very proud of our efforts in bringing New York back from 9/11 and, in particular, what we did downtown, stepping up in 2006 and taking over a very difficult project that we knew would be difficult and knew would be contentious. I'm very proud of having been part of that effort, and I commend all of those who work with me. But the thing that actually makes me the most proud as I sit here today is the fact that this agency has come back, that there's a renewed sense

of purpose and mission, that people are very appropriately proud of what we've done during our 90-year history but what they're really proud of is what we're going to do, what they're really proud of is the projects we've now taken on, the fact that we are no longer resting on our laurels from the past but have become re-energized. There's a sense of rebirth at this agency that I think is very, very meaningful, and it's the best about what people are really all about. And I'm proud to have been part of causing that rebirth to happen because I know it will have a lasting impact for many years to come. And we need it now, as I think Commissioner Samson pointed out, more than ever. We need it now because we have so many challenges. So having an agency that has that kind of an ability is absolutely critical, which is why I'm very grateful to Governor Christie for giving me the past year to work with his administration but mostly for giving me someone who has been a friend and who I've admired for many years to succeed me--David Samson. So for all of those reasons, thank you very much for all that you've done for me. Thank you. [applause] [applause continues]

[Chairman Samson] On behalf of all of us, thanks, Tony. May I have a motion to approve the consent calendar? [Commissioner] So moved. [multiple Commissioners] Second. All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. And may I have a motion to adjourn the meeting? [Commissioner] So moved. [Chairman Samson] Second? All in favor? [all] Aye. [Chairman Samson] The meeting is now adjourned. Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
February 6, 2013

[Chairman Samson] The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. As part of today's proceedings, a special meeting of the Operations Committee may be held to consider certain matters on today's agenda. The Committees on Operations and Capital Planning, Execution & Asset Management met in executive session prior to today's meeting, and earlier today the Committees on Operations, Capital Planning, Execution & Asset Management and the World Trade Center Redevelopment Subcommittee met both in public and executive session, and the Committee on Finance met in executive session. Those committee reports will be filed with the official Minutes of today's Board Meeting. The Commissioners also met in executive session earlier today to discuss matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, matters in which the release of information could impair a right to receive funds from the United States or other grantors, matters related to proposed, pending, or current litigation or judicial or administrative proceedings, and matters involving public safety or law enforcement, and to discuss and act upon matters involving ongoing negotiations or reviews of contracts or proposals. Before we get to the agenda, I want to apologize to everyone for the late start. The Board was meeting in executive session on important matters, and our start date was delayed somewhat. As our first order of business, I want to welcome the newest member of the Port Authority's senior management team, Libby McCarthy, who is joining us as Chief Financial Officer. Mike Fabiano, who will be retiring in the spring, will be working closely with Libby over the next several months as part of her CFO transition. Libby, welcome aboard. We look forward to working with you. It's great having you. And now our Executive Director Pat Foye and Deputy Executive Director Bill Baroni will highlight some of the actions that are being advanced today. Pat?

[Pat. Foye] Thank you, Mr. Chairman. Thank you, General Counsel. Thank you, Mr. Chairman. Bill and I want to take some time to discuss several items that the Board of Commissioners has considered and recommended for approval today. I want to note that the Board today has considered, and I expect will approve, over $500 million of capital spending at our facilities. That includes JFK and Newark, the George Washington Bridge, World Trade Center, and PATH in addition to a significant private sector investment by Delta Airlines. So from the expansion of our region's airports moving forward, some much-needed capital improvements at our bridges and tunnels, we believe this is a good way to start 2013. In addition to maintaining a state of good repair of our facilities, we believe this will create jobs in both the short, medium, and long terms and also help stimulate our economy. Let me talk for a second about ratification of actions for the Port Authority's response to Hurricane Sandy. Today the Board will ratify all the emergency action and accompanying expenses necessary to secure and restore operations to Port Authority facilities in connection with Hurricane Sandy in October and November of 2012. That amount will exceed $200 million in aggregate. As we all know, Hurricane Sandy crippled the region's transportation network, and Port Authority staff worked around the clock to reopen our facilities as soon as safely possible. This ratification today includes all work performed in preparation for the storm as well as all emergency action to dewater facilities, repair electrical and mechanical equipment, remove large amounts of debris, provide for inspection services to

ensure safe restoration of PATH services, to name just a few. This emergency work utilized approximately 250 new or existing contracts, as I said, in an estimated aggregate amount of just over $200 million. Let me talk briefly about JFK. In the Committee on Operations, Commissioners discussed approval of Delta Airlines' $175 million additional investment at JFK for an 11-gate extension and lease amendments as part of Delta's overall $1.2 billion investment in JFK. This Phase II expansion of Terminal 4 continues to support Delta's plans for growth at JFK Airport. This initiative will expand Concourse B in Terminal 4 and relocate a portion of Delta's domestic regional jet operations from Terminal 2 to the expanded facility. Phase II is part of an overall program to modernize aging terminal facilities at JFK. With respect to the World Trade Center, let me note that the Board of Commissioners also discussed moving forward with a $210 million design and construction for Cortlandt Street Number 1 subway station at the World Trade Center, broken down into a $50 million initial piece. In 2009, the Port Authority committed to provide up to $150 million of the cost to rebuild the Cortlandt Street station which was destroyed on September 11, 2001. One additional project at JFK is the airport authorization to replace 5kV electric feeders serving the navigational aid system. Hurricane Sandy highlighted the criticality of ongoing state of good repair investments and the importance of reliable power sources for the safe operations of our airports. Today the Board of Commissioners and the Committee on Capital Planning, Execution & Asset Management discussed and approved the project to replace the three 5kV electric feeders that serve the navigational aid system at JFK Airport and install an additional feeder which would primarily serve as its own backup source of power in the event of a failure. The FAA's NAVAIDS provide vital information required for pilots to safely operate aircraft in the air and on the ground. Recently these feeders have experienced failures which forced the navigational aid equipment to operate on backup power sources. The 3 feeders that serve the NAVAIDS were all installed prior to 1960 and sustained substantial damage in Hurricane Sandy. This $47.5 million project is expected to result in 180 job years and over $66 million in economic activity. Lastly, I want to talk briefly about the New York State Construction Pre-Apprenticeship Training Program. Since 1995, the Port Authority has participated in the development of pre-apprenticeship programs related to the construction industry in New York and New Jersey. Participation in these types of programs fulfill several of the Port Authority's objectives, such as expanding the pool of minority and female apprenticeships and increasing the availability of skilled construction apprenticeship positions for New York City high school graduates. These are critically important programs and we will continue to support the Edward J. Malloy Initiative for Construction Skills which includes support of $100,000 per year for a 3-year period. I'm happy to report that since 2001, over 1800 students have completed the program, of which 1371 have been placed in apprenticeship programs. It's a 73% retention rate, something the Port Authority is quite proud of. Let me turn it over to Bill.

[Bill Baroni] Thanks, Pat. Earlier today, Mr. Chairman, the Board took two long-term visionary actions that will have profound impact on two of the Port Authority's most well-used and well-known facilities. First, Newark Liberty International Airport. In the Committee on Operations, Commissioners today discussed a supplemental agreement with Continental United Airlines to extend its Terminal C lease of C1 and C2 satellites for 20 years. In 2011 alone, Continental United operated approximately 380 total daily departures, which represents 70% of all departures from Newark Liberty, 24 million customers annually. This agreement secures a long-term commitment from Continental at higher rentals, which means increased revenues for the Port

Authority to reinvest in our facilities. The total aggregate guaranteed rental over the term of this lease extension is $1.69 billion plus approximately $226 million in variable rent. In addition, under this agreement Continental would make a minimum capital investment of an additional $150 million in the terminal, pay increased annual guaranteed rentals with escalations each year over the term of the extension. Second, the George Washington Bridge. To support a critical transportation link for residents of Bergen County, New Jersey, and Rockland County, New York, and others, the Commissioners today discussed the replacement of the 70-year-old Palisades Interstate Parkway Helix which carries to the George Washington Bridge 21,000 vehicles per day. This $77.5 million project will replace the helix ramp structure that connects the Palisades Interstate Parkway to the upper level eastbound roadway of the George Washington Bridge in New Jersey. An extensive alternatives analysis recommended replacement of the structure which was built in the 1940s and has exceeded its useful service life. It currently requires frequent repairs to maintain just a safe riding surface. This work is part of the Board's $350 million program to rehabilitate and replace key structural elements of the bridge and is an important element to maintaining this facility in a state of good repair. Just the replacement of the Palisades, the project approved by the Board today, will create 430 new construction jobs. And those construction jobs, to follow on what Pat was talking about a project in New York, the Port Authority participated in two apprenticeship programs in New Jersey: first, the Civil Construction Worker Training and Entrepreneurial Development Center for $500,000 a year for a 3-year period; and the New Jersey Construction Pre-Apprenticeship Training Program for $150,000 a year for that 3-year period. Several of our Port Authority facilities and future construction projects are located in Hudson County, New Jersey. The Civil Construction Worker Training Program with the Urban League of Hudson County will ensure that we have a skilled and diverse workforce to support these upcoming projects. Second, the New Jersey Construction Pre-Apprenticeship Training Program provides construction industry skilled trade training, including classroom and on-the-job instruction as well as job placement. Since 2001, approximately 1375 students have participated and 837 were placed in apprenticeship programs or related construction industry jobs. Mr. Chairman, thank you.

[Chairman Samson] Thanks, Bill, Pat. Today we are recognizing a number of Port Authority staff who have gone above and beyond the call of duty. Our first recognition will be from our Director of Tunnels, Bridges and Terminals, Cedrick Fulton, who will recognize four Tunnel and Bridge Agents who assisted in the safe delivery of a baby boy outside the Holland Tunnel. Cedrick?

[Cedrick Fulton] Chairman, Vice Chairman, Commissioners, today it's my pleasure to recognize the distinguished performance of some very dedicated Port Authority employees. At approximately 6:45 a.m. on Wednesday, December 26, 2012, a Holland Tunnel customer pulled over to a booth staffed by Tunnel and Bridge Agent Norman Williams. The customer informed TBA Williams that his wife was in labor. TBA Williams called the Holland Tunnel's communication desk and requested immediate medical assistance at the exit of the tunnel leading to New York. Soon after, Senior TBA George McCann and TBA Jean Bernard responded from the New York Emergency Garage to the customer's vehicle to find a woman in advanced stages of labor. Drawing on his training and 34 years of experience, Senior TBA McCann immediately requested additional support, in accordance with standard procedures, and began assisting with the childbirth. In a matter of minutes, TBA Paul Lizotte responded to the scene and positioned

his vehicle behind the husband and wife's vehicle to provide traffic protection. Once the child was born, TBA McCann cleared the infant's airway. With the miracle of childbirth, the baby boy soon opened his eyes and began to softly cry. TBA McCann covered the newborn with a blanket and placed him on the mother's chest for warmth. At that point, the newborn appeared to be blue in color, an indication that he was not getting enough oxygen to his lungs. Realizing this, Senior TBA McCann and TBA Bernard constructed a makeshift teepee type tent and opened up an oxygen cylinder to provide sufficient oxygen to the child until the paramedics arrived on the scene. TBA Lizotte then assisted putting the mother and the child into the ambulance. I am pleased to report that because of the TBAs' quick action, baby and mother were safely transported by paramedics to a local hospital and are doing well. Commissioners, please join me in recognizing Senior TBA George McCann, TBAs Jean Bernard, Norman Williams, and Paul Lizotte. Their decisiveness and professionalism ensured the health and safety of a mother and her newborn child and continued the great tradition of first-class customer service at the Port Authority. [applause]

[Chairman Samson] Thank you. Thanks, Cedrick. That's a great story. And as the Vice Chairman said, we should have had on the TV monitors photographs of the baby for purchase later in the gift shop. [laughter] Now Sue Baer, our Director of Aviation, will recognize certain airport operations staff for their efforts to restore operations at LaGuardia Airport following Hurricane Sandy. Sue?

[Sue Baer] Thank you so much. Hours before Hurricane Sandy merged with an astronomical high tide and overwhelmed the aeronautical area at LaGuardia Airport with an estimated 100 million gallons of water, we made a decision to shut down water pumps along the airport's shoreline at Flushing Bay. It was the right decision because if the pumps had been electrified when the airfield flooded, they would have been ruined and useless to us in our recovery. However, even before the tide ebbed, LaGuardia Airport looked like an extension of Flushing Bay. There was water everywhere, millions and millions of gallons of it, and it was anyone's guess when the airport would reopen. The problem was the pumps. They were under water and isolated, and we could not clear and reopen the airfield unless staff could get to them and re-energize them safely and quickly. Our professional staff met this challenge with their usual ingenuity, dedication, and sheer will. This was their airport, and they were going to make it whole again. And they did. Under the direction of LaGuardia Chief Electrical Supervisor Mike Hartin, Staff Electricians Steve Hutter, Steve Gardner, Joe Grassi, Robert Gudas, and Supervisor Phil O'Sullivan piled into Gardener Charlie Roush's payloader and were safely transported through 5-foot-deep waters to submerged Pump House 4. At the pump house they strung a 480-volt cable to individual motors, providing generator power to two 150-horsepower pumps. Those pumps, each capable of pumping 30,000 gallons of water a minute, cleared approximately 50 million gallons of flood waters by the next day. A day after that, at 7:01 a.m. on November 1 to be exact, commercial flights resumed at LaGuardia-- many, many days before most experts had predicted and all thanks to the remarkable efforts of our LaGuardia staff. In recognition of their extraordinary efforts in going above and beyond the call of duty that resulted in the protection of airport infrastructure and prevented further significant damage to LaGuardia's airport airfield, I would like to present Certificates of Exceptional Service to Chief Electrical Supervisor Mike Hartin, Supervisor Phil O'Sullivan, Staff Electrician Robert Godas and Gardener Charlie Roush. Staff Electricians Steve Hutter, Steve Gardner, and Joe Grassi could not be here today, but they

too will receive the recognition. I would also like to ask Tom Bosco, who is the General Manager of LaGuardia Airport who led this remarkable team and many, many others through all the stages of this recovery, to join us up here. [applause] Thank you. [applause]

[Chairman Samson] Thanks, Sue. More evidence that this agency has the best employees in the world. We'll now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes each. Our first speaker is Murray Bodin.

[Murray Bodin] Good morning. Good afternoon. Sorry. I get to talk about how the world changes and how we have to become more flexible. One of my friends who is approaching my older age has a wall of books in his house and he has to get rid of them, so he's given me the task of recycling them. You can't throw books into the paper because the bindings contaminate the paper. And so you have to cut the bindings off, which I did and I combined them into a small sculpture. Mr. Rubin, could you pass this to the Chairman so he can see it. I saved those bindings to create a sculpture. But the point was the paper can now be recycled. Up until now, we've had books. Now we have Kindles, now we have iPads. We're moving in a different direction. Book sales are down; electronics sales are up. So we have to create a new way of recycling books. This is to get you all thinking about what can change in the Port Authority to meet the new challenges. The way we did it before was good for the last century but not for this century. This is the Electronic Century, and this is symbolic to get you to think differently. We can't do it the way we used to. People of my age when we retire, our kids have to get rid of those books. If you have a trailer load of books, they can be sold. Individual books have to be thrown into the trash. This is developing a new system, a new way of thinking about them. And the challenge to you is to think about your jobs and doing them in a new way. So flexibility is in; the old way is out. And it's difficult for some of us to understand the change. It's really hard.

[Chairman Samson] Thank you. Our next speaker is Neile Weissman.

[Neile Weissman] Good afternoon, and thank you for the opportunity to speak. My name is Neile Weissman on behalf of the New York Cycle Club and a coalition of New York and New Jersey advocates, and I'm talking with regards to the George Washington Bridge. I'm expanding on comments of two colleagues who will actually follow me in the order. We call upon the Authority to make clear its plans to facilitate non-motorized transit during recabling to make permanent accommodations for significantly increased use and to re-envision the bridge as a linear park and as a tool for regional economic development. In addition to managing its own enterprises, the Port Authority sits on the advisory board of 2 MPOs--NJTPA and the NYMTC. Each has committed considerable resources to expanding access to non-motorized transportation-- NJTPA $402 million over 20 years, NYMTC $1.9 billion, including $1.6 million just within NYC, the city's area--and with good reason. New York cyclists regularly converge on the bridge from way out in the outer boroughs Just last week the New York Times detailed a group of 30 cyclists out of Ridgewood, New Jersey, who regularly commute 20 miles into Manhattan: "It really took off after New York City required landlords to accommodate bikes." As the bridge

occupies the literal nexus between the 2 MPOs, there can be no conceivable justification for the Authority to devalue the combined $2 billion worth of its constituents' states' infrastructure by failing to link these 2 networks up with its own first-class facilities. As concerns the environment, the Authority is committed to reducing greenhouse gas emissions 80% by 2050. If the Authority were to formally provide facilities for human transit, would not those trips be counted towards attracted travel, thereby realizing an immediate savings in carbon offsets as well as the long-term costs of complying with the 2050 requirements? As concerns valuing the bridge as a linear park, the Trust for Public Land has 7 valuation models, including hedonic, health, and direct use. Most relevant, I believe, is tourism. Using a San Diego study, which is a population comparable to Bergen and Washington Heights, it was determined that 5% of its overall tourism, or 1.3 million visitors, came specifically to visit the park and contributed a collective increase in wealth of $40 million in a single year. As concerns the logistics of facilitating the recabling and with the bicycle, I humbly submit as a possible working plan before commencing the cable work do whatever is necessary to create a permanent first-class 80-acre planned facility on the north path but make it strong and wide enough to accommodate the staging of vehicles, machinery, and materials. Once the north is done, do the south path. And in the end you have 2 paths. Savings will offset the cost. Thank you.

[Chairman Samson] Thank you. Our next speaker is Richard Hughes.

[Richard Hughes] Good afternoon, Commissioners. In less than a week, the New York City area has lost two giants. On Friday former mayor Ed Koch died, and on Monday Guy Tozzoli, formerly of the Port Authority, also died. Both were men of vision. Ed Koch had the vision to see how New York City could be saved when everybody else thought New York was lost. Guy Tozzoli was a man of multiple visions. He helped Robert Moses create the 1962 World's Fair, he created the legendary and iconic Twin Towers when he was here at the Port Authority, he made Battery Park City possible, and he went on to create the World Trade Center movement, which has grown to 100 members around the world. Guy Tozzoli's motto for the World Trade Center Association was, "Peace and Stability Through Trade." This has been changed, idiotically, by his successor simply to, "Prosperity Through Trade," which is a little like saying, "Pregnancy Through Sex." It's pretty obvious the two have a connection. Guy Tozzoli's point was much more profound. Of course world trade can produce prosperity, but, more importantly, it can also produce peace and stability. World Trade has done more for peace than all the world's diplomats put together. That's why there were Twin Towers in Guy Tozzoli's World Trade Center. Far from being the arrogant projection of power, they were symbols of fraternity as well as equality, of cooperation between equals. Both Ed Koch and Guy Tozzoli were supporters of our efforts at the Twin Towers Alliance. Both wanted to see the Twin Towers rebuilt. "Rebuild them exactly as they were," Ed Koch said. Guy Tozzoli even went so far as to display Ken Gardner's 10-foot-tall model of re-imagined and re-engineered Twin Towers outside his office. He invited your former Executive Director Christopher Ward to come have a look at it. This was at a time when Ground Zero was still pretty much a hole in the ground and we had demonstrated to Ward how Gardner's plan would save both time and money as well as be the popular thing to do. Ward said he would come see Guy Tozzoli and his model. On several occasions he said he would be right over. But he never went. Instead he put the construction of the ill-conceived and ridiculously expensive Freedom Tower on steroids. In the past 5 days we've lost 2 great leaders, 2 giant visionaries, who each in his own way helped save New York in its darkest days, restored its faith in itself, and put

it on the path to recovery and greatness. We have no great leaders anymore either in this agency or in City Hall. What a tragedy for all of us. Thank you.

[Chairman Samson] Thank you. Our next speaker is Kalev Savi.

[Kalev Savi] Good afternoon, Commissioners. Last Friday, the 1st of February, New Yorkers proudly celebrated the 100th birthday of Grand Central Terminal. When opened 100 years ago, the building symbolized the might and power of America's railroads through the early part of the 20th century. Did the owners of railroad companies realize how much their business was going to change through the first flight of the Wright Brothers that had only taken place 10 years earlier? Long story short, railroad companies went into a long, gradual decline. Grand Central suffered greatly and as a result of this was in serious danger of demolition until a community action group sprung to action to save this iconic building. I find there to be uncanny parallels between the Grand Central story and what's going on with JFK Terminal 3. Terminal 3 was built in the late 1950s by Pan Am, symbolizing a fundamental shift in how people were going to travel. It marked the beginning of the Jet Age, and it was shortly thereafter the commercial birthplace of the Boeing 747 Jumbo Jet. Fifty-two years later we are faced with a similar dilemma that confronted Grand Central: what to do with a worn-out building that has served its purpose. And the only thing standing in the way of demolition is the concern of a spirited group of citizens who see more value by reinvesting in this building for what we believe makes sense for business, historic, and architectural preservation purposes. I've stood before you on many occasions and sometimes feel the Port Authority thinks there are only a few concerned people about the planned demolition of Terminal 3. People ask me constantly why do I continue to come to these meetings. "No one at the Port Authority nor Delta Airlines is providing any response." "They don't care. Why don't you just give up?" Let me tell you what drives me. It is the letters, comments, and instant chat sessions through social media where I get to interact with people, young and old, from New York City as well as 50+ countries around the world encouraging me to keep coming to these Board meetings and try to convince you surely that this building deserves a better future than to be simply replaced by a concrete parking lot for airplanes. In fact, several of the thousands of members of the Facebook community action campaign we run have taken the time and trouble out of their daily lives to be here today to demonstrate their support of this preservation effort. I ask these people to stand up for a moment. Thank you for the support, ideas, and comments you all have been giving me. It's thanks to people like you as well as the rest of our online community that makes me come here month after month to talk about our proposal, and I believe that our ideas are sound and worthy of consideration by the Port Authority and Delta Airlines. Thank you. I wish time would permit me to read the reasons why people are signing the online petition. It's one thing just to sign a petition, but it's a whole other thing for people to put pen to paper and write why they are signing. I've got more than 600 write-in comments and not just 1-liners but long paragraphs. Obviously I can't read them all to you, but I'd just like to close off with one. "This is not only an icon for aviation and architectural history but for New York as a whole. It represents an era in aviation and an airline which made commercial aviation what it became, Pan Am, and we owe all of those things the respect not to tear this down but save it as a monument to the memories of those that made each of those things possible, just as it was done with TWA JetBlue Terminal, another architectural treasure. Don't make the same mistake that was made with the American

Airlines stained glass window." That was from Jorge Rivas in Miami, Florida. Thank you for your time.

[Chairman Samson] Thank you. Our next speaker is Steven Vaccaro.

[Steven Vaccaro] Good afternoon and thank you for the chance to be here. My name is Steve Vaccaro. I'm representing Transportation Alternatives. It is New York City's leading advocate for cyclists and pedestrians since 1972. I'm a member of its advisory council and also the Chair of its East Side Committee. I'm also the advocacy coordinator for the Five Borough Bicycle Club. The members of both organizations use the George Washington Bridge every week in large numbers. We were concerned when we read in the New York Times and elsewhere that there was this cabling project that was coming. Obviously it was necessary, but what would the impact be for those of us who use the bridge for recreational and commuter purposes day in and day out or week in and week out? On their behalf and in coalition with a group of organizations representing the many users and stakeholders, we are urging the Port Authority to plan and provide for the following: continued access for pedestrians, including the disabled and cyclists, on the George Washington Bridge during the 8 years of recabling. We heard a proposal from my colleague, Neil Weissman, just a moment ago about doing the north path first and improving it and then the south path. I hope you'll consider it seriously. And also permanent improvements that will serve the significantly expanded needs on the bridge for non-motorized users over the second 80 years of the bridge's life span; re-envisioning the bridge not only as a world-class human transit facility but also as a linear park serving both as an amenity to neighboring communities as well as a magnet for tourists from the city and all over the world; and to accomplish these goals, the convening of a Community Advisory Committee that will include representatives of the community and stakeholders so that there can be a back and forth and exchange of information and transparency as the recabling project goes on. I was very involved with the improvements to 1st and 2nd Avenue involving the partnership between New York's MTA and the Department of Transportation in the City. They used the structure of community advisory councils. It's a way for the community to voice their concerns and for them to be registered and people can know what's going to happen and how the infrastructure they use daily is going to change. It's a very good approach, and I hope that Port Authority will consider it in this situation. Just to give some examples about this idea of developing the bridge as a tourist attraction, the Walkway Over the Hudson, this is a purely recreational facility in Poughkeepsie. It cost $39 million. It's been a tremendous success. It attracts ¾ million visitors each year up in Poughkeepsie. The Brooklyn Bridge attracts over a million users annually, and Brooklyn Bridge Park received $316 million in funding to upgrade it, $85 million of which came from Port Authority, as I understand. We can no longer view the bridge simply as a link in the movement of motor vehicles. It's critical that other constituencies--the disabled, pedestrians and cyclists, commuter and recreational users--all have the opportunity to use this facility to its full potential, and we need to consider how the bridge could be an economic development engine for the adjacent communities of Fort Lee and of Washington Heights. Thanks for your consideration.

[Chairman Samson] Thank you. Our next speaker is Cyndi Steiner.

[Cyndi Steiner] Good afternoon. I'm Cyndi Steiner. I'm the Executive Director of the New Jersey Bike & Walk Coalition, a statewide advocate for the rights of pedestrians and cyclists. I join my

New York counterparts today to petition the Port Authority to disclose its plans to maintain handicap, pedestrian, and cyclist access to the George Washington Bridge during the 8-year projected cable replacement as well as its plans to handle significantly greater human use during the second 80 years of the bridge's life span. The Bike & Walk Coalition advises and assists municipalities on how best to comply with New Jersey's Complete Streets Policy which requires addressing the needs of all road users on new infrastructure projects, also safe routes to transit, safe routes to school, livable communities, and bike share-- case in point being the proposed River Road Corridor which starts in Hudson County, extends 4 miles along Route 505 through Edgewater and into Fort Lee. Developed to improve mobility, accessibility, safety, and quality of life for pedestrians, cyclists, and transit riders, its value would be greatly diminished, if not its entire viability jeopardized, by the Authority's failure to provide visibility on its short- and long-term plans to link up its infrastructure so as to provide seamless human travel into and out of New York City. The coalition works diligently to create optimal conditions for human-powered transport to thrive, thereby reducing congestion, pollution, and greenhouse gas emissions. In this regard, the NJTPA calls for $400 million in new walking and biking facilities through 2035. Its Regional Capital Investment Strategy calls for 1.25% of every transit dollar to be spent on bike/ped projects. If the Port Authority, who sits on the NJTPA advisory Board, applied the North Jersey percentage to the $1.3 billion recabling, it would have already set aside $16 million for the job. Current annual bridge pedestrian/cycling traffic is estimated at half a million. This is with less than 1% of all trips in the region by bicycle. With both sides of the Hudson building out human-powered transit, how will the bridge accommodate the 4 million users if the region achieves 6%, comparable to Portland, Oregon, or double digits in Europe? In addition to my New Jersey role as an advocate, I am also a cycling instructor for Bike New York. To get to work, I drive to Fort Lee, park my car, and pedal my bike across the George Washington Bridge to one of the organization's 9 centers in the 5 boroughs. This is my only option, as driving into New York City would incur excessive parking charges. Peter Zipf, your Chief Engineer, told the New York Times, "We don't want to let the ropes get to a point where you would have to take out a lane." One lane out of 14 is an inconvenience; 1 out of 1 is a wrecking ball. And shouldering a bike up and down 171 steps on a cold, rainy day is no fun either. Thank you for your time.

[Chairman Samson] Thank you. Our last speaker is Yvonne Garrett-Moore.

[Yvonne Garrett-Moore] Well, good afternoon. It's a pleasure again to be before you, and I thank you again for the opportunity to be allowed to encourage what we can actually accomplish. It seems like with everything that has been stated today, maximizing potential seems to be the common thread here. And I'm here again to represent the concept of Newark Airport City or what can be referred to as Newark Aerotropolis. I had the good fortune of meeting with the Real Estate & Development division under the leadership of Mr. Michael Francois, and he was very encouraging; however, he said, "Yvonne, very candidly, we're just not in a place where we can look at this project without getting the support of the state or without the support of the City of Newark." However, he said the project was intriguing, and I thought that was very interesting that a leader of your department would make such a comment because it is an intriguing project. Not only is it intriguing, it's practical. We have a great opportunity with looking at Newark International Airport as a new global hub, a new global destination, which we absolutely need. We have 24,000 industry workers at Newark International Airport. We need residential facilities

for those industry workers, a school even, playgrounds, cleaners, restaurants. There are services and amenities that we need to put at Newark International Airport that would address the industry workers alone. And we expand that and look at the neighborhood community, looking at the Newark International Airport being a destination for restaurants and great department stores even, looking at it as a destination place. Also looking at it from a global capacity, when we think about coming into Newark or coming into our region, Newark International Airport, or all of our airports, have to be prepared to meet the global interest and taste and practicality of our travelers. And we can do a better job in addressing those needs by working more cohesively with the public interest. So I'm asking of the Board again to consider having a public discussion. I went as far as meeting with Governor Christie very briefly and I said, "Governor Christie, we want to see the potential of Newark International Airport maximized," and I asked if he would agree to a public discussion inviting stakeholders to come in so that we can have a more cohesive development, and he agreed. So Mr. Francois, I would like to declare to the Board today and to the administrators that we have gotten a nod from our Governor saying that he thinks it's practical to have a public discussion, and I want our Board members to also endorse having a public discussion. We're better when we come together and talk about our future collectively. Thank you for the opportunity again.

[Chairman Samson] Thank you. That's our last speaker. So may I have a motion to move the consent calendar for approval? [multiple Commissioners] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. There being no further business, I move to adjourn. May I have a second? [multiple comm.] Second. [Chairman Samson] All in favor? [all Commissioners] Aye. [Chairman Samson] The meeting is now adjourned. Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
February 9, 2012

[Chairman Samson] The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee will be held to consider certain matters on today's agenda. Prior to today's meeting, the Committees on Operation and Construction met in public session, and the World Trade Center Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official Minutes of today's Board Meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss matters related to the purchase, sale, or lease of real property or securities where public disclosure would affect the value thereof or the public interest and matters involving ongoing negotiations or reviews of contracts or proposals. One of the things that is sometimes taken for granted is the professionalism and dedication of our police and operations staff in response to emergencies at Port Authority facilities. Today I'm pleased to report that our Director of Rail Transportation, Michael DePallo, will be recognizing certain PATH operations staff and PAPD officers who recently assisted in the comfort and safe passage of a new mother and dad along with their very newborn baby, who is clearly the youngest rider to date. [laughter] Michael? Michael?

[Mike DePallo] Okay. Thank you. Will the following individuals please step forward. Teresa Whitehead, Jason Englese, Timothy Harrington, Officer Atiba Joseph-Cumberbatch, Police Officer Krzysztof Kutarnia. On January 16, 2012, shortly after leaving PATH's Newport Station, at approximately 9:49 a.m., engineer Jason Englese received a passenger alert indication and notified conductor Teresa Whitehead, who responded to investigate. Ms. Whitehead responded to the fifth car and found a mother had just given birth on the PATH car. She advised Trainmaster Harrington, who in turn notified the Port Authority of PATH police desk. Trainmaster Harrington directed the train crew to operate express to 33rd Street. Ms. Whitehead kept passengers informed and encouraged them to remain calm. Mr. Englese proceeded directly to 33rd Street, bypassing all other stations. PATH police met the train as it arrived at 33rd Street. When the PATH police desk received the radio call that a passenger had given birth on a PATH train headed into 33rd Street Station, they notified New York City EMS, and Port Authority Police Officers Atiba Joseph-Cumberbatch and Krzysztof Kutarnia responded to the platform. When the train doors opened, they saw a newborn baby surrounded by stunned parents and passengers. The Officers knew the importance of keeping the baby warm and clearing the airway, and they went right to work. They secured the location by clearing everyone out of the train car and rendered aid to the mother and baby. Police Officer Joseph-Cumberbatch swaddled the baby to maintain the baby's core temperature while Police Officer Kutarnia stabilized the mother and kept her calm. Port Authority Sergeant Michael Barry provided support and direction, escorted the New York City EMS to the scene, and accompanied the family to Roosevelt Hospital with a PAPD escort. As a result of the quick response and coordinated effort between the Port Authority police and PATH operations, mother and baby are happy and healthy. In recognition of their exceptional service in providing critical assistance and ensuring the safety of the traveling public, please join me in applauding them. [applause] [A. Hicks] Okay, smile everybody. Over here. [applause]

[Chairman Samson] Thanks, Michael. We'll now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the board but does not provide for dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker today is Richard Hughes of the Twin Towers Alliance.

[Richard Hughes] Good afternoon, Commissioners. First of all, that's a wonderful story, and that's the bright side of the Port Authority, and that's the side we all applaud. Unfortunately, as you know, I'm not here to discuss the bright side but the dark side, something I regret having to do. The New York Times recently published a long article on Penn Station-- actually, on both Penn Stations, the magnificent edifice destroyed in 1963 and its replacement, the modernist mediocrity we all know and loathe. In 1963, the Times called the destruction of the old Penn Station a monumental act of vandalism. But in fact, it was even worse than that. It was an act of economic terrorism because the real estate interests involved were allowed to prevail against what was so obviously the public good. Comparing the 2 Penn Stations, the recent article in the Times states, "What is the value of architecture?" And it answers, "It can be measured culturally, humanely, and historically "in the gulf between the 2 places," meaning between the 2 Penn Stations. I think the same can be said about what is happening at Ground Zero. The gulf between what was there, the Twin Towers, and what you are trying to build is as great as the gulf between the magnificent old Penn Station and the current rat's maze that goes by the same name. And now we learn, thanks to an audit which the Twin Towers Alliance has been calling for for many years, that the cost to the Port Authority for its mess at Ground Zero is close to $8 billion, at least $7 billion more than you were actually required to spend if you'd simply enforced your original contract with Larry Silverstein. So you keep sinking money into a bottomless pit while sticking it to the commuters of New York and New Jersey as well as to all travelers unfortunate enough to be forced to use the airports you run. As you may be aware, the Post recently reported JFK, LaGuardia, and Newark terminals are among the worst in the world, with Kennedy's Terminal 3 being, quote, "The most miserable layover location on the planet," unquote. And what is your solution? You're going to institute value engineering at Ground Zero. For those who don't know what value engineering is, it means cutting costs and cheapening everything you can. The current World Trade Center project was disastrously misconceived from the start, just like the current Penn Station. And just like the current Penn Station, all we can expect now is another flimsy mediocrity. No, not even a flimsy mediocrity but a cheap and dismal mess squatting on hallowed ground. The solution, Commissioners, is to stop work on the site immediately and transfer it to the American people. Let us build there what we want to build there and have always wanted to build there, and that way you'll get out of your mess. Thank you.

[Chairman Samson] Thank you. The next speaker is Murray Bodin.

[Murray Bodin] Good morning. This is a book that my wife made up on Shutterfly of our trip to France last summer with our grandson with Elderhostel, intergenerational trip. It was fantastic. We spent 2 weeks there. We went to Normandy first and stayed there a couple days so we had a chance to walk around and a couple days with my friend from 1956 in Versailles, and then we went around. That's Daniel. I used to come here with an iPad. I gave my iPad to Daniel because I

bought a Xoom because I wanted to see if it was any different. This is a Xoom. It's a tablet. And I'm recommending that you make this available to all of the staff out here as a transition to the next generation, how we have to do business. If you can see it, I can make this smaller and larger by my fingers. When you do a PowerPoint presentation up there, fellas, we only see 1 thing, and we can't see it. When we come to a meeting like this, you have the technology. You have the best group back there for photography. I'm the only one that goes to all of the meetings: Port Authority, New Jersey Transit yesterday, I was in Albany yesterday and met with the Executive Director of the Thruway, I go to the MTA meetings. I'm the only one that goes to all these meetings, and I can compare you on sight. This place has the best of a lot of things-- video, for one--and you're moving in the right direction faster than anybody else. Thank you, sir. Some of the people on your Board are phenomenal. I went to the Thruway Board Meeting, and the chairman said, "Mr. Bodin, good to see you." I had been on TV the month before from Suffern. How did he know who I was? He knew. Which means there are a number of really good people working on these projects. What's happened and what this whole craziness this morning was about--back there. I'm not concerned with back there; I'm concerned with going forward. I'm concerned with you guys out there when you do a presentation you do it this way because then we can see it. This came up because Tuesday night there was a Greenburgh Board Meeting about internal review. I was on it, but they threw me off because I'm an electrical engineer. You don't want somebody competent on the Board. But anyhow, they did these slides up there which we couldn't see. Had they done it on an iPad, we could have made it larger and gone to the street that they were questioning. They could have slid it back and forth. This is to encourage you to change the culture, to think about the future. How do you need to reorganize this organization to use all of the best available tools? Some of you older people, hire a young kid to help you. You don't have to do it yourself. Get a kid to help you, like my grandson. Thank you.

[Chair D. Samson] Thank you. The next speaker is Jack Coughlin.

[Jack Coughlin] Good afternoon, Chairman Samson and honorable Commissioners. I'm here this afternoon to address the Bayonne Bridge replacement. I hope that I'm done before the lightman is. I realize that beginning in November of 2010 and a number of times since then the Commissioners decided to replace the Bayonne Bridge. The original cost estimates for that bridge were between $500 million and a billion dollars, depending on which method was chosen. Since then, the Army Corps of Engineers released a $1.5 billion estimate, and I recently read where the estimate is $2 billion. I don't know if the cost benefit analysis has been updated since then. Also, and probably my major issue, is that all the information on the prior cost benefit analyses compare leaving the clearance as is or increasing it. There is no discussion or comparison about the cost of removal versus replacing it. MapQuest and I agree that if you go from one end of the Bayonne Bridge to the other without using the bridge, it'll take you 20 minutes. So we're saving, at most, 20 minutes by replacing the bridge at a cost of I'm not even sure what. By removal, all of the benefits still inure, including the-- I don't know how they came up with--$3.3 billion national benefit. If the ships don't go to Newark, they're going to go to the Gulf anyway, so that's the national benefits there. But that aside, my concern is a true analysis allocating value to the cost of the 20 minutes, as you do in your airport valuing passenger time when you show that it is a beneficial expense. Anyway, just Monday New Jersey Transportation Commissioner Simpson said that we can no longer afford all of the transportation projects that we want. I think it's timely to review again the cost benefit analyses of the Bayonne Bridge

comparing it to removal as well as replacement. I'm not naive. Politically, I realize that the chances of stopping the Bayonne Bridge are less than the chances of stopping the tunnel that was stopped. But the other concern that I have is the people who use the bridge now are very happy with it at its current elevation. Therefore, I think that if it is replaced, the recovery of that cost should come from the Port which benefits it, not from the users of the tunnels and bridges. I would be interested in finding out that information. I would be happy to do as you suggested and contact staff to see if I can get that information. Thank you very much.

[Chairman Samson] Thank you. Our next speaker is Ken Paskar.

[Ken Paskar] Good afternoon, Commissioners. Friends of LaGuardia Airport has been raising objections about the North Shore Marine Transfer Station for some time now and welcome the new perspective this new leadership will provide to this long, ongoing controversy. I have addressed many and obvious safety problems that a 10-story tall garbage dump at the foot of LaGuardia's primary runway, Runway 31, presents before, particularly as it relates to the increased likelihood of bird strikes. We all remember the horrifying and ultimately heroic events of the Miracle on the Hudson. Today, however, I will speak about the negative impact this facility will have on the economic recovery of our region. Governor Cuomo recently announced plans for a world-class convention center, the largest in our country, to be built in Queens, featuring casinos and hotels that will attract millions of tourists annually. This would employ thousands of local residents and bring tens of millions of dollars of revenue for our area. According to the Governor, most of these tourists will come by way of our airports. In December, Delta Airlines announced greatly expanded service at LaGuardia Airport. Delta estimates that the new service will result directly in 700 new hires and indirectly as 6,000 jobs in the region. This is welcoming news to all of us who want to see our local economy improve in these lean times. But while the Governor's optimistic plans are being heralded, the Port Authority has permitted the construction of a garbage dump that will render those goals unreachable. LaGuardia has historically been one of the most congested airports in the country. Last year, only Chicago's O'Hare Airport suffered more delays than LaGuardia. The primary reason for these delays is the lack of a low visibility instrument landing system for Runway 31. The Port Authority has been aware of this for decades and has a well-designed solution for it. Ten years ago, the Port Authority asked the FAA for this low visibility precision approach, and it was able to persuade the United States Congress to appropriate funds for it in 2003. Instead we got a garbage dump. When this garbage dump was proposed, the Port Authority, in a strongly worded letter to the FAA, opposed the garbage dump because--and I quote-- "It will have a significant impact to the operations at LaGuardia Airport," unquote. The letter goes on to say--quoting again--"The construction of this building will not only decrease air safety and restrict LaGuardia arrivals and departures but also may adversely impact the New York City economy and affect air traffic nationwide. For these reasons the FAA must declare this building a hazard to air navigation," unquote. When the FAA did nothing, the Port Authority filed a federal lawsuit to stop construction of this garbage dump. But for reasons that remain anything but transparent, the former leadership of the Port Authority reversed course and dropped its opposition to this facility. New convention center or not, New York City's population is expected to grow by a million residents in the coming 20 years and we'll need the infrastructure to accommodate them, including world-class airports. The reasons you opposed the facility in the first place are still

valid. I ask that you have the strength of your original convictions and reaffirm your opposition to this garbage dump. Thank you very much for your time.

[Chairman Samson] Thank you. Our next speaker is Margaret Donovan.

[Margaret Donovan] Good afternoon, Commissioners. The debacle at Ground Zero is a casebook study in how to short-circuit the democratic process. The agency's troubles are the inevitable result of shutting the public out of the process as if we know nothing and the government functionaries know it all. Now we are all seeing where that conceit has led. But judging from the preliminary audit findings in the statements released this week, you are in deep denial. At the year-end Board Meeting, I stated that unless you are ready to recognize the destructive nature of the agency's penchant for secrecy, there is very little point in analyzing the way the PA spends its money, prioritizes its projects, or compensates its people. Nothing I read in the interim report or the press release suggests that you are ready to face facts. Dissecting the agency will kill it, not save it. The people who are lucky to have good jobs no doubt give value in return and are not the problem. But the secrets you think are too sensitive for public ears are a dead weight that will sink the Port Authority unless you stop talking about transparency and start delivering. This is what transparency looks like. This is what the public deserves. Having to focus on the redevelopment of the World Trade Center is not what created your mission drift. It was the way it was done in hundreds of improper executive sessions. When public bodies meet in executive session, it is to protect the value of an imminent transaction, not to cover up political contamination. You dot your reports and policies with pledges of transparency and no doubt think I'm a pest who doesn't live in the real world. But I do. And the real-world damage that has come from the Board's refusal to take what the public thinks seriously is staggering. It goes far beyond the outlandish waste of public money. We were finally given the Silverstein contracts we had to fight so hard for and waited 2 years to access. We are making our way through the hundreds of pages, but what jumps out immediately is the redactions in the so-called public version. A public version? You really don't get it. Before you do the top-to-bottom review you promised, why don't you tackle the 500-pound gorilla this Board is feeding? It is the leadership, not the agency, that is dysfunctional. We are not pointing fingers and asking who; we are asking how. You can get the agency shipshape, but until you explain the bizarre accommodations at the site, there will be no progress and no health. Why was Mr. Silverstein given squatter's rights on public property? What was the advantage of keeping him there once it was clear he could not perform? It would have been far less expensive if he had been released from his obligations. He would have forfeited the insurance proceeds to the Port Authority instead of paying his rent with it. Why did the people assume the costs of building a $3.4+ tower instead? Take $1 billion in exchange and throw in $2 billion in liberty bonds for his trouble. The Port could have delivered a spectacular World Trade Center for a fraction of the cost. We were robbed. It's not too late to do the right thing. Thank you.

[Chairman Samson] Thank you. Our next speaker is Yvonne Garrett-Moore.

[Yvonne Garrett-Moore] Good afternoon, Commissioners. It's a pleasure to be before you again. I want to thank you so much for continuing to take interest in Airport City development at Newark International Airport. I was afforded the opportunity to meet with Huntley Lawrence as well as with Mr. Ralph Tragale, and we have all of the pieces. You know, it's not easy rebuilding

a nation. You all have had an incredible job to rebuild not only our region but our nation, and you are doing a good job. You've been given the pieces to deal with, and you've been doing the best job you possibly can. We are embarking on a new era now. You all are aware of it. That's why new leadership has been ushered in. And I want to encourage you today that we have everything that we need to do the job that we're expected to do in our region and for our nation. All of the pieces are on the table. Our job and opportunity now is how we work cohesively to get the job done. The answers are with us. We have great staff with Port Authority, great leadership. I want to refer back to Mr. Foye's comments back in November the 15th, I believe it was, when he came on board. He laid out a very clear leadership vision for this agency. He talked about the origin of this agency, what it's committed to, what it's responsible to, and what it's going to take for us to advance us going forward. All we need to do is listen and respond effectively. Let's hang on those words, because that's the reason why we have his leadership in our midst, so that he can help bring us to the place that we need to be. So I want to thank him for recognizing it is about economic development, it is about efficiency and effectiveness, it's about divesting the resources that we have and using the resources more effectively. So that's why I'm here today. I'm asking that we look at Airport City for Newark International Airport-- not only for Newark; for LaGuardia, for Kennedy. But I live in the City of Newark. I had a break-in in my home at Christmastime, and there are going to be more break-ins because there are no jobs, there are no opportunities. You have home invasion. It's dangerous. People are frantic. People need opportunity. And we are sitting on the resources to give them that opportunity. So I'm coming after Mr. Foye's words today and reiterating those words before our commission and before our administrators. It's about economic development, it's about empowerment, it's about using the resources that we have to be effective. So I'm asking the Board today to consider Airport City as a planned development effort and that it be done in a collaborative effort-- that we work with our leadership but we also work with our administrators and the community stakeholders to get a comprehensive plan that works best for who we are currently. So I just want to reiterate that. Listen again to Mr. Foye's words from the November 15th meeting and continue to hang on those words and let us bear fruit as a result. Thank you again. Thank you again.

[Chairman Samson] Thank you. Our next speaker is Richard Clift.

[Joseph Clift] I registered as Joseph Clift. Do you have a copy of what I gave for you all to see today?

[Chairman Samson] Yes, we have it.

[Joseph Clift] Do you have that report in front of you there?

[Chairman Samson] It's in the record, but I don't know that we have it here.

[Joseph Clift] I'd like it if you actually had it to see it. I'm here today--I'm a past Director of Planning for the Long Island Rail Road, currently a rail advocate. This is what happens when you have an MIS report done by the MTA. This is what you have when you have an MIS report done by the Port Authority. This is a 31-page summary report of the Access to the Region's Core study released in 2003. For the last--what is it?--8 years, 9 years now, rail advocates and legislators and administrative folks in New Jersey have been trying to get the backup reports to

this. The answers from the Port Authority staff have been they are draft reports. Well, this is a summary report, so clearly draft reports-- I'm sorry. A summary report has reports behind it. Those can't be drafts. Another argument: they disappeared on 9/11. The report was issued in the fall of 2003, 2 years later. And in my testimony there's a quote from you, Mr. Chair, by Larry Higgs in the Asbury Park Press regarding looking at the FOIA process. To me this is a litmus test. This project is done, it's over. We'd like these reports released because there's a lot of valuable information in terms of access to Penn Station and from Penn Station over to Grand Central. So my simple request today is, do we have to file a FOIL? Fine. This should just be public information, like I said. Actually, all the backup reports to the MTA's report would fill up 8 feet of space, probably. This is what you have from the MTA; this is all we got from the Port Authority. Two other comments: one, it would be useful-- I assume this is being videotaped. It would be useful to have that information on the monitors, that display on the monitors. I'm sitting where you can't see because of the pillar here. And the other is I wish you the best in trying to unscramble the problems at the Port. It's so critical to the region's transportation--rail, road, air, marine. You're not a real estate company; you're a transportation company. So please, I wish you the best of effort. It's going to take a lot of work, but we've got to get back to basics. Thank you.

[Chairman Samson] Thank you. And our last speaker is James Raleigh.

[James Raleigh] I'm James Raleigh. I live in New Jersey. I'm a rail advocate for a number of years and a number of different projects. I want to expand on what Mr. Clift has said about getting back to being a bi-state transportation-oriented organization. Your performance has been kind of mixed in terms of interstate cooperation. If you look at Hurricane Irene, you closed down before New Jersey Transit did so people were stranded in New York. On the other hand, after Irene you opened up a day ahead of New Jersey, and the stock market proceeded without New Jersey. Yesterday was another good test of your interstate cooperation. Everybody was in a hurry to get to the parade, but when you got back to New Jersey-- I'm not sure how it really worked because a lot of people who came to New York wanted to go to the Meadowlands, and they weren't provided the information on how to get there by public transportation. It's just an example of how we ought to become more interstate cooperative in communicating between our operating systems. And the final point in terms of improving Trans-Hudson mobility, I think there's a lot of things to be done in the Penn Station area and particularly Moynihan to increase the capacity without the new tunnel, particularly Platforms 1 and 2 in the Moynihan Station area. Thank you.

[Chairman Samson] Thank you. Before we move to the consent calendar, I want to make a comment, and I know the Vice Chairman wants to also make a statement. I want to report that prior to this public meeting, Commissioners met in executive session to consider, among other things, the Navigant report--its findings and recommendations-- and to discuss with the special committee of the Board some of the details of its work to date. In particular, at that executive session we asked senior management to provide specific proposals on specific issues, some of which are covered in the Navigant report, and I'm confident that we'll see progress in the near future on those issues. One issue of great importance to the Board and which we've heard something about today is the issue of transparency. We are all as a Board--all of us--committed to increasing the level of transparency in the way this agency operates. And one of the first

proposals that we are expecting to receive from senior management will be a revision of our FOIA policy, a decisive and clear step toward increased transparency. I've said earlier that the Navigant report is just an initial report, the first phase of our review. We've already started the second phase of that review which will focus on long-term capital planning and the financing of our capital projects, with a final report on those subjects targeted for June. This review is a diagnostic process. Frankly, it started earlier last year, but it gained momentum in September when our Governors requested the Board to review the organization of the Authority in order to reduce costs and improve efficiencies and to minimize tolls and fares to our customers, a goal which we of course as a Board share. With our new leadership in place, we all need to understand the challenges the Authority now faces as we complete the World Trade Center Redevelopment Project and as we move forward with our other major projects in the face of difficult national and worldwide economic conditions. One of the basic points of the Navigant report is the Authority cannot continue to do business as it has in the past. For instance, in our capital planning process we need to do a better and, frankly, smarter job in determining how we prioritize and finance projects. We need to refocus on our core missions and to make smart choices. In addition, and as our Governors have demonstrated in dealing with their respective state governments, we need to better align our compensation and benefits packages to appropriate public employee standards, and we as a Board will be addressing those issues in the near future as well. Having said that, I want to recognize and underscore that the Port Authority remains the best professional planning and engineering public authority in the world. Its history speaks for itself, and its professionals remain unquestionably outstanding. And even with the Navigant report's findings about organization and process and prior senior management, there never has been, nor could there be, any question about the quality of the people who work at and make up the Port Authority. So we have started and we will continue to reform the Port Authority organization and processes. We've asked senior management, as I said, to provide us with specific proposals for us to begin action within the next month. As a Board we will continue with the work we started last year, and we will do it with a new level of transparency so the public will be able to understand and measure our progress. The Navigant report is not going on a shelf to gather dust. It's a starting point for action by the Board to improve the Port Authority building on its existing strengths. Mr. Vice Chairman?

[Vice Chairman Rechler] As the Chairman said, the full Board had a pretty engaging and robust dialogue about the findings of the Phase 1 report, the ongoing review process, and what the special committee has found and intends to find. [microphone off - inaudible] [off-camera female speaker] Microphone.

[Vice Chairman Rechler] This is what I have from my chairman. Thank you. Can everyone hear me now? I'm okay. I'm on. I'm on.

[Commissioner Steiner] I don't think so.

[Vice Chairman Rechler] I am. Trust me. In any case--I apologize for that.

[Commissioner Steiner] Well, you're new here. I want to make sure you understood--

[Vice Chairman Rechler] I'm a newcomer, so I'm being treated that way. In any case, as I was saying, we had an engaging conversation, and one of the things that I just wanted to take a moment and reflect on is that the comments that even some of the people made here today are consistent comments with how we feel as a Board. It's clear, and as Murray said, you don't like to look backwards, you like to look forward. I think there is a point we have to look backwards. You have to look backwards to sort of reset the deck and understand what is the reality that we face today, and from that reality we can produce change. You have to look backwards and focus on transparency because transparency is the first step in ongoing accountability. And so I think the comments today about transparency and the report that we have-- and I encourage everyone to read that report. And we've encouraged every member of the Port Authority staff to read that report and live by those guidelines and understand what our goals and targets are because that's how we're going to be held accountable to. And that's a very important point here. There's new leadership in town. And when you have new leadership, you have new perspective. We have 2 new governors, Governor Cuomo and Governor Christie, who are who like-minded Governors, who are very focused on ensuring efficient government and government that produces the most for the public for the least amount of cost to the public. We have new leadership here with the Chairman, myself, new Commissioners. We have new leadership with the Executive Director Pat Foye, who I have listened to his November 15th speech and take to heart, and the Executive Director on a regular basis. And they are here today to produce change. This has been a tough 10 years for the Port Authority, starting with the 9/11 situation and the loss of lives of many of our peers and then having to recoil and focus on trying to figure out how we're going to rebuild the World Trade Center site, only to be made more challenging by ensuring that we have the security in place to protect all of our other assets--the airports, the ports, the tunnels, the bridges-- and then to have to live through actually having 7 different directors over a 10-year period. I echo the Chairman's comments about the quality of the professionals that work at the Port Authority. But you need leadership, you need consistent leadership, and that leadership is here today with the 2 Governors and the Executive Director and the Deputy Executive Director. And the leadership of this Board is committed to move forward on the findings of the Navigant report, to continue to go through Phase 2 of those reports, and to continue to look at ourselves critically and determine what is the best way to ensure that the Port Authority carries out its mission of providing the infrastructure and be the backbone for economic growth for this region. So thank you. Back to you.

[Chairman Samson] Thanks. May I have a motion to move the consent calendar for approval? [Commissioner] So moved.

[Chair D. Samson] Second?

[multiple Commissioners]

[Chairman Samson] All in favor?

[multiple Commissioners] Aye.

[Chairman Samson] So moved. There being no further business, I move to adjourn the meeting. May I have a second?

[Commissioner Steiner] Second.

[Chairman Samson] All in favor? [all] Aye.

[Chairman Samson] The meeting is adjourned. Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
March 20, 2013

[Chairman Samson] The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee may be held to consider matters on today's agenda. The Committee on Governance and Ethics met in public session and the Committees on Security, Audit, Operations, Capital Planning, Execution and Asset Management and Finance, including its Insurance Working Group, met in executive session prior to today's meetings. In addition, earlier today, the Committees on Operations, Capital Planning, Execution and Asset Management, and the World Trade Center Redevelopment Subcommittee met both in public and executive sessions, and the Committee on Finance met in executive session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, matters in which the release of information could impair a right to receive funds from the United States or other grantor, and matters involving public safety or law enforcement and to discuss and act upon matters involving ongoing negotiations or reviews of contracts or proposals. The first item of business is a sad one, and I am deeply saddened to inform you that we lost one of our Port Authority Police Department supervisors-- Lieutenant Kevin Murphy-- on Sunday night in a traffic accident while he was on his way to work at Newark Liberty International Airport. As many of you know, Lieutenant Murphy was a decorated 28-year veteran of the Port Authority police force, a critical member of the rescue and recovery team following the September 11 attacks. During his career, he received 6 meritorious medals, 2 excellent police duty medals, a gold 9/11 memorial recognition breast bar and 2 group citations. Lieutenant Murphy was also awarded the WTC group valor medal in 1993. Will you please rise with us for a moment of silence in memory of Lieutenant Kevin Murphy. Thank you. The next matter on the agenda today is a proposal for the Board's consideration concerning the lease of space by Legends Hospitality, LLC for the development and operation of the observation deck at One World Trade Center. The matter will be presented by our Executive Director and our Deputy Executive Director. Pat, Bill.

[Pat Foye] Commissioners, ladies and gentlemen, we are thrilled to provide you with a recommendation for a developer and operator for the observation deck at the top of One World Trade Center, which will be a spectacular destination for visitors from around the region and around the world. This is another great milestone for the site, building on the momentum from the landmark Conde Nast lease, amazing construction progress under way, and the soon to be finished spire atop One World Trade Center. After a highly competitive RFP process that attracted proposals from 6 world-class teams, careful consideration and evaluation by PA staff and our joint venture partner, the Durst Organization, Bill Baroni and I are pleased to follow up on the announcement yesterday by Governors Cuomo and Christie about this project. We enthusiastically recommend to the Board the selection of Legends Hospitality as the developer and operator of this premier venue. Legends' proposal was a superior one for a variety of reasons. First, they are experienced in developing, operating, and managing large-scale, high-profile attractions in New York City and across the United States, including Yankee Stadium and

Cowboys Stadium. They have proposed an exciting design concept that will provide guests with a unique and dynamic experience, and they've also provided a compelling financial proposal. The project accomplishes exactly what the Port Authority set out to do: attract significant private sector capital, expertise, and creativity to the World Trade Center site without additional Port Authority investment, thereby allowing the Port Authority to continue recouping its investment in the overall rebuilding of the site. Revenue projections are anticipated to be approximately $875 million over the term of the 15-year lease. One World Observatory will be a one-of-a-kind experience at what will be the top of the tallest structure in the Western Hemisphere for an expected 3.8 million annual visitors from around the globe. The observatory experience will focus on the themes of rebuilding and renewal and will be respectful of the 9/11 tragedy while looking ahead to a new era of hope and rebirth. All along, our objective for the development of this attraction was threefold: first, to develop and operate the world's premier observation deck; second, to maximize revenue to One World Trade Center; and third, to create a world-class attraction. We believe we have achieved all 3 goals. The process has been a collaboration of PA staff across several departments who worked closely with our partners at the Durst Organization as well as with our consultant, AECOM's entertainment group. In particular, I want to point out Erik Horvat, Philippe Visser, Beth Wolfowitz, Steve Plate, and Lillian Valenti. A word about Legends. Legends is a premier developer, operator, and manager of major sports and entertainment facilities across the U.S. Run by Dave Checketts, Chairman and CEO, who joins us today, they welcome millions of guests annually and have strong expertise in customer management, sales, and sponsorships. For the observation deck project, they've assembled a premier design team including the Hettema Group, who will produce their dramatic shows and interactive exhibits; Montroy Andersen, who will design the fit-out; and JRM as the construction manager. Now I'll turn it over to Bill, who will describe the overall observation concept.

[Bill Baroni] Thanks, Pat. Naturally, the observation deck has 1 main attraction from people all over the world: unmatched, spectacular views from 1250 feet, the highest vantage point in New York City and the region. To get to the top of what Legends has named One World Observatory, guests will enter through 2 separate lobbies on the ground and concourse levels and take 1 of 5 dedicated elevators to ascend to the top of the 102nd floor in approximately 60 seconds. 102 stories in 60 seconds--some of the world's fastest elevators. They will reach the dynamic double-height spaces on floors 100 and 102 where the theme will be your ability to "see forever." The facility is anticipated to open in early 2015. This observation deck will be about so much more than just the view, offering an immersive, state-of-the-art visitor experience created by Legends in what will be the largest and most high-tech observation deck in the country. The key concept of the deck focuses on storytelling and renewal. And in addition to pure viewing opportunities on levels 100 to 102, visitors will experience a unique time-lapse elevator ride showing the history and development of New York City and, on the 102nd level, a theater where guests can learn about the construction of the building. We think these features will make this truly a unique place to visit and spend time and one that befits the special history of this site. In addition, the entire experience will feature cutting-edge multimedia exhibits and interactive displays where the visitors will really become part of the story, and the venue will offer a full range of visitor amenities including dining options, a gift shop, and special event space, making that space the most sought after in all of New York. The following 2 images give you a taste of what is to come. The first image shows one of the multiple pre-shows planned for the concourse level, and this exhibit in particular will focus on the construction of the building and the foundations upon

which it stands. This image takes you to level 100 which, in addition to magnificent views, showcases some of the many interactive displays that will be placed throughout the venue. And with that, I'd like to turn it back to Pat to walk through some of the transaction highlights.

[Pat Foye] Thanks, Bill. This is truly a seminal transaction for the building, the World Trade Center site, and Lower Manhattan. I'd like to highlight some key components of the transaction. First, this is a 15-year lease with Legends making a significant capital investment of nearly $63 million for the development and construction of the project. Second, no additional Port Authority investment is required. From a revenue standpoint, there is both a fixed rent and a variable rent component. And as I mentioned earlier, revenue is projected to be approximately $875 million over the 15-year term of the lease. Legends will provide a significant financial guarantee that will stay in place for the duration of the lease. Legends will also direct 2% of annual gross revenues into a capital reserve account to fund upgrades to ensure the destination stays fresh, innovative, and current every year. With regards to admissions and ticketing, general pricing will be comparable to other similar world-class attractions and of course will provide for discounted rates for local schools and community groups. In closing, we are excited that Legends will work with the Port Authority to create an observation deck that, from the moment a guest arrives to the time he or she leaves, is designed to create a seamless, memorable experience befitting what will be one of the world's great destinations atop the world's most iconic building. Before I introduce Legends chairman and CEO Dave Checketts, I want to acknowledge the tremendous effort by the entire Port Authority team that got us to this point. This includes Philippe Visser, Erik Horvat, Beth Wolfowitz from World Trade Center Redevelopment, Steve Plate and his team from World Trade Center Construction, Lillian Valenti from Procurement, as well as Douglas and Jonathan Durst and their team members at our joint venture partner, the Durst Organization. And now Dave Checketts will say a few words.

[Dave Checketts] Thank you very much, Pat and Bill. Thank you for that recommendation. Members of the Board, Mr. Chairman, it's wonderful to be here and to meet with you on this project this day. Having moved my office to New York about 23 years ago, I have been privileged to enjoy a number of rebirths: the rebirth originally of Madison Square Garden after a renovation in 1991 and then Radio City Music Hall a little bit later on when we took Radio City and renovated that and reopened it in 1997. We love this city. We are dedicated to this city. And Legends, though we do business across the world, we are headquartered in New York and New Jersey. We have offices in New Jersey and our headquarters in New York. And so it is with all of this that, understanding what this opportunity was and what it could mean, we set out to come up with a concept that would represent a win-win for us and for the Port and your partners at Durst. And we're privileged to present this concept and to have negotiated it with your team, as Pat acknowledged, during the past several months. They have been sensational, and I just want you to know even though we have negotiated with your team and with Erik and his team specifically and it's all gone very well, we've been tough on each other, we've come to a place where it truly is a win-win for everyone. And even though it's a terrific business opportunity for us, it is much more than that for Legends. We see it as a matter of trust. We see it as a matter of strength, of perseverance, and of rebirth. It means a great deal to us emotionally as well as from a business standpoint. So we're thrilled to be your partner and looking forward to working closely with you to make the One World Observatory the most successful attraction of its kind in the most iconic building of its kind in the world. Thank you very much.

[Chairman Samson] Thanks very much, Dave. On behalf of the Board, I want to thank you for coming here today, speaking to us, and, to reiterate what Pat and Bill have said, how excited we all are about this opportunity. We all think it's going to be a terrific success. So thank you for your help and participation and partnership.

[Dave Checketts] Thank you very much.

[Chairman Samson] Can I get a motion to move this item forward for approval? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye.

[Chairman Samson] So moved. And now Pat and Bill, you have some additional items of discussion for the Board concerning items that are being moved forward today for approval.

[Pat Foye] Yes, sir, Chairman. In addition to the Port Authority moving forward on an exciting initiative, the observation deck that we just described, in Lower Manhattan, Bill and I wanted to take a few moments to discuss other important items that the Board has considered for today's agenda. These actions reflect the continued commitment of Port Authority to our facilities that serve the public and bolster our economy. With respect to LaGuardia Airport, the Board today approved a critical step to begin the modernization of LaGuardia: a new garage at the airport. This new East End parking garage at LaGuardia Airport will be located on the current site of Parking Lot 4, which is opposite Terminal C. This garage, which has a project cost estimate of $82.9 million, will have approximately 1100 parking spaces with added customer service features which will accommodate the increasing volume of passengers using Terminals C and D. The project will ensure there is sufficient parking to address our projections for substantial growth in air travel at this vital aviation facility in the decades to come. In addition, the design and construction of a new parking garage will also facilitate our moving forward with the replacement of the Central Terminal Building in the coming years. We estimate the project will directly and indirectly create 500 jobs, generate $33 million in wages and fully $140 million in economic activity. Currently there are 7 parking lots consisting of 6800 public spaces at LaGuardia producing over $40 million in annual gross revenues and over $20 million in net revenues annually. At the World Trade Center, the Board also today approved authorization of $60 million in spending to repair and restore World Trade Center facilities and equipment impacted by Hurricane Sandy. The storm surge from Superstorm Sandy created significant flooding in Lower Manhattan, affecting the World Trade Center Transportation Hub, Vehicular Security Center, 9/11 World Trade Center Memorial Museum, and of course One World Trade Center. Although the dewatering at the World Trade Center site was completed in November and construction resumed quickly thereafter, recovering efforts are ongoing to continue permanent repair of damaged equipment. Now I'll hand it over to Bill.

[Bill Baroni] Thank you, Pat. Today Governor Christie approved Atlantic City International Airport as an additional air terminal in New Jersey outside the Port District that the Port Authority could establish. Today the Board discussed next steps to negotiate an operating agreement for the Port Authority to operate Atlantic City International Airport, which is currently owned and operated by the South Jersey Transportation Authority. As you recall, in

September 2012 the Board authorized the Port Authority to embark on a feasibility study to study the incorporation of ACY into an alternative airport to support the growing demand of our region's airports. With 1.4 million passengers in 2012, the airport averages about 27 flights per day. The airport features 2 runways, a 10-gate passenger terminal, a 6-level parking garage, as well as additional surface lots for parking. The studies show that there are growth opportunities for this airport with additional airside capacity to handle many more passengers. This operating agreement would commence on July 1, 2013. At the end of that agreement, the Port Authority would have at its option an option to purchase the SJTA's interest in Atlantic City Airport. Incorporating this airport into the Port Authority will create a more integrated airport system, exploring an expansion of the Port Authority's network of airports, and may create additional capacity in the region. Mr. Chairman, subsequent to the Board Meeting-- forgive me for reading from my iPhone-- I received this from Derek Vanstone, Air Canada's Vice President, Corporate Strategy, Industry and Government Affairs. It's brief and I'll read it briefly. "The news that the Port Authority is adding the Atlantic City Airport to its operations "is very positive from Air Canada's point of view." "As you know, Air Canada does not currently operate to Atlantic City, "but we do have longstanding operations at JFK, LaGuardia, and Newark, "all of which are operated by the Port Authority." "In our experience, the Port Authority has been excellent to work with "and we welcome any and all opportunities to deepen this relationship." "I have discussed this news with our network planning people, "and on the basis of the Port Authority's operating experience "and our long relationship, I can confirm that Air Canada is absolutely prepared "to consider operations to the Atlantic City Airport, "and we are prepared to undertake these discussions." And with that, Mr. Chairman, it wraps up my report.

[Chairman Samson] Thank you, Pat, Bill, and especially that late-breaking news, Bill. That's really exciting and is consistent with all our thoughts on where we're going with this exciting operation agreement. As most of you know, our CFO, Chief Financial Officer, Mike Fabiano will be retiring at the end of this month after nearly 37 years of service. I personally want to thank Mike for the advice, the wise counsel that he's given me in making my adjustment only 2½ years ago to the Port Authority. He's been an invaluable counselor and just a terrific friend. And I also want to thank him for his continuing and constant loyalty to the Port Authority and our family here. Given his approaching departure, we have a tribute for consideration by the Board, which will be presented by Commissioner Lynford. Jeff?

[Commissioner Lynford] Mr. Chairman and fellow Commissioners, [no audio] It is my distinct personal privilege to offer the following resolution for our consideration. Whereas, from the time he joined The Port Authority of New York & New Jersey in April 1976 as a Principal Accounting Clerk, Michael Fabiano has been a dedicated public servant and has served in numerous key roles in his distinguished career including Debt Manager, Assistant Comptroller, Comptroller/Deputy Chief Financial Officer, Acting Chief Technology Officer, and since June 2010 as Chief Financial Officer; and Whereas, as Chief Financial Officer, Michael Fabiano committed himself to the highest standards of financial management, reporting, performance, and achievement where he was responsible for the oversight of the agency's financial accounting and reporting activities, insurance matters, as well as the agency's multi-billion dollar Capital and Budget Plan; and Whereas, Michael Fabiano has played an instrumental role in the identification of cost-effective budget strategies and procedures and organizational effectiveness and change management during a period of significant economic downturn and uncertainty and has ensured

that the agency's financial condition remained sound through various cost cutting measures and zero growth budgets, maintaining the reputation of the Port Authority to the financial community; and Whereas, Michael Fabiano has been a driving force and leader in the development and implementation of an agency-wide Enterprise Risk Management initiative to ensure the Port Authority's resilience and sustainability into the future; and Whereas, as Chief Financial Officer, Michael Fabiano oversaw the continued development of various innovative financing techniques and complex financing plans to enable the advancement of critical regional projects including the redevelopment of the World Trade Center site and the effectuation of major regional transportation projects including PATH's modernization program; the Goethals Bridge modernization program; and various airport terminal and port facility projects; and Whereas, as Chief Financial Officer, Michael Fabiano has continued to ensure that the Port Authority maintains an exceptional record by receiving the Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report, which is the highest form of recognition in governmental accounting and financial reporting, for which the agency has been a recipient for the past 28 years and for Distinguished Budget Presentation for its Annual Budget Book for the past 4 years; and Whereas, during his 37 years of distinguished service, Michael Fabiano has given the full measure of his time and talent to provide sound guidance and advice to staff and to encourage the development of staff throughout the agency; and Whereas, in keeping with the agency's continued tradition of excellence and achievement in public service to the region, Michael Fabiano was awarded the Civilian Commendation Medal in 2002 for assisting in the evacuation of a colleague from One World Trade Center on September 11, 2001, and was also a recipient of the Exceptional Service Team Awards for Payroll and Restoration of Technology Systems and Vendor Payments in 2002 in response to the tragic events of September 11, 2001; and Whereas, by resolution adopted by the Board on March 2, 1944, and as amended on May 14, 1992, the Robert F. Wagner Distinguished Public Service Medal was established to award those individuals who have rendered outstanding distinguished public service in their fields of endeavor or in the community, demonstrating an exceptional degree of dedication, good judgment, initiative, and competence and who have sustained this record of service over a number of years; and Whereas, it is recommended that the Robert F. Wagner Distinguished Public Service Medal be awarded to Michael G. Fabiano for his nearly 37 years of outstanding distinguished service to this agency and his dedication to a career in public service which has not only benefited the Port Authority but also the entire region it serves; Now, therefore, be it Resolved, that the Commissioners of the Port Authority of New York & New Jersey do express to Michael G. Fabiano their sincere appreciation for his service to the agency and the region it serves; and Resolved, that the Robert F. Wagner Distinguished Public Service Medal be awarded to Michael G. Fabiano for outstanding distinguished service; and it is further Resolved, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Michael G. Fabiano as a token of the highest esteem in which he is held by the Board and staff alike. Therefore, Mr. Chairman, I present this resolution for our approval, then ask you to join me in the presentation of the Wagner Medal to Michael.

[Chairman Samson] May I have a motion to approve this resolution. [multiple Commissioners] So moved. [Chairman Samson] Second. [multiple Commissioners] Second. [Chairman Samson] All in favor. [all Commisisoners] Aye.

[Chairman Samson] So moved. Mike, on behalf of the Board, thank you for your service. [applause] [applause] All right. Not a dry eye in the house, Mike. We will now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker today is Kalev Savi.

[Kalev Savi] Good afternoon, commissioners. How are you? Once again, I appreciate the opportunity to address you today. I am no stranger to you guys, so you know what I'm here to talk about. Better? Sorry. Okay. As you know, I'm no stranger to you guys. I'm here to talk about JFK Terminal 3. You know that I've been coming here for about 6 months presenting various ideas for adaptive reuse and why it's important that you reconsider the decision to demolish the building. Most interesting, what I'd like to share with you is a letter we just received from Delta Airlines. It's from Holden Shannon, who reports directly to Delta's CEO, Mr. Richard Anderson. It's a full page letter. I'm just going to read a few excerpts from it. Mr. Shannon says, "We also understand your concerns "with regard to the demolition of Terminal 3." "Your suggestions for repurposing the northern section of the terminal "are creative and thoughtful." "The entire Terminal 3 site is required to support Delta's network "and operational requirements as well as ensure "the most efficient passenger connections between Terminals 2 and 4." "Maintaining sufficient aircraft parking space in close proximity to our terminals "will achieve that goal." The letter goes on, but while this letter didn't support our point of view, what I really found most interesting is what one would expect what this letter didn't say, and that is nowhere does this letter say that the decision to not demolish had anything to do with money, nothing to do with cost, and nothing to do with structural integrity of the building. So I still think there is a glimmer of hope here. The Delta letter comes back to the "we need the space for aircraft parking" argument. So I've done a little research using your website and Google Earth, and I found that the building we're asking you to save has a footprint of 4 acres. The total area of the Central Terminal area of JFK is 880 acres. These are all statistics from your website. So we're talking about reclaiming less than ½ of 1% of tarmac. Or, to put it into another perspective, it's the space taken up in parking by 2 Airbus A380 superjumbo jets. So the question I'd like to pose to the Port Authority is, is it really going to improve the airport's operational efficiency by that much if these 2 jets are towed in from other remote parking areas around the airport? Hal Hayes is a name the Port Authority will recognize, for he was the lead architect who designed the original Terminal 4 over a decade ago and followed up this with the innovative design, incorporating the old TWA terminal with JetBlue's Terminal 5. I have a quote here from Hal Hayes about the terminal in question. "Terminal 3 is easily the most important of all at JFK, "especially in terms of aviation architecture." "Terminal 3 had an unparalleled design that allowed for passenger loading "and maintenance to take place all under its unique canopy." "This is really the place that established the paradigm for airport architecture "intended to be corporate icons." In closing, I hope the T3 demolition decision is not a done deal. The Port Authority has a great track record on balancing new development versus preservation. I believe you have a great opportunity to redevelop this building and build it into a showcase--something that you will all be remembered for. Thank you.

[Chairman Samson] Thank you. Our next speaker is Margaret Donovan.

[Margaret Donovan] Of the Twin Towers Alliance. Good afternoon. Earlier this week, after suggesting the WTC as "perhaps the most important construction project we've ever done," Mr. Baroni concluded, "It is a moral imperative that we get it right." We certainly agree on that much, which is why we are here month after month to remind you that the Port Authority is not living up to its obligations. At every level of government, elected officials are required to go on the record before they spend the public's money. But at the Port Authority, 12 political appointees get to make all their decisions in secret, rubber stamp them at so-called open meetings, and then present the public with the unconscionable tab. That doesn't sound moral to me. 12 unelected commissioners who never show the least independence refuse to answer questions from a public that is required to support their agenda. Even the President of the United States has to hold a press conference now and then, and the White House Press Secretary holds daily briefings, but you stopped holding even the informal Q&A sessions at the back of the room. That doesn't sound moral to me. For 10 years, commissioners have come and gone while the agency's debt doubled because no one had to answer questions. You paid over $2 million for forensic audits that never asked the key questions, among them: Why did the agency take responsibility for a tower that Silverstein was obliged to build? How has he used his insurance money? What is his investment in Ground Zero? Meanwhile, for going on 2 years we get serial notices that our Freedom of Information inquiry into the Silverstein finances requires additional time. If you can't answer in 20 months, then your claims of a newfound respect for transparency are bunk. It's just the same old, same old when you spend enormous amounts of time and money to post thousands of documents online that no one will ever ask to see while you are as recalcitrant as ever about producing what you don't want to release. That doesn't sound moral to me. Now everyone is taking a vow because $4 billion later you have built a giant obelisk as a tombstone for the fallen Twin Towers and the innumerable dreams that died with them and in them. $4 billion for a building you were never authorized to build. That was finally established last fall when we examined the pathetic collection of cardboard boxes that the LMDC finally reluctantly produced. That does not sound moral to me. George Pataki's public process hoax is still doing its damage while, according to published reports on the New Jersey Assembly's activities, people in the Port Authority are still more worried about what could embarrass the governors than about what they owe the people. That doesn't sound moral to me. Officials made a good bet when they figured that if they just did as they pleased, the people in the media would be too preoccupied to object. But do you think that if they really understood how the public has been ripped off behind closed doors they wouldn't care? If you think that none of this matters, that does not sound moral to me. Thank you.

[Chairman Samson] Thank you. Our next speaker is Richard Hughes.

[Richard Hughes] Of the Twin Towers Alliance. This week's Crain's New York Business has an editorial regarding the rebuilding effort after Hurricane Sandy. The editorial is headlined, "Don't Let Sandy Become the WTC." You can see that the World Trade Center has become shorthand in the public mind for screw-up, for incompetence, for all that could go wrong in government. But the mention of Hurricane Sandy brings up an important question, which I have not heard addressed at any of these meetings since the hurricane struck, and that is, what are you going to do when the next big hurricane comes? We all saw the pictures of the flood waters cascading

into the World Trade Center site. Do you think they won't do that during the next big storm surge? What's going to happen to the underground mall when it's built, not to mention the museum and the memorial and the subways and the PATH trains? How many hundreds of millions or even billions of dollars of damage can we expect in the next big storm? I know you don't think we have a right to know, but we do. We the public are going to be on the hook for either the massive insurance premiums going forward or else the damages, just as we're on the hook for the $7.5 billion you've committed us to pay at Ground Zero, which we shouldn't have to pay. It's going to come out of our wallets, not yours, and yet we can't get an answer from you on anything, can we? You continue to make all major decisions behind closed doors and then you have the audacity to claim it's "to protect the public." Protect the public from what? From knowing about your incompetence? From knowing about the billions we're going to be paying in the future to rectify your colossal mistakes? Please, stop protecting us. Give us the bad news now. Stop hiding it. And stop trying to sell the Freedom Tower to the public as some big patriotic symbol. It's a deeply, deeply cynical thing to do. The Freedom Tower is anything but. We keep hearing about how it's going to rise to 1776 feet, and now we hear there's going to be a beacon on it that will mimic the Statue of Liberty's famous torch. You might want to remember that the American Revolution was fought in 1776 against what you currently represent so well: the arrogance and unaccountability of those in power. And the Statue of Liberty was built to welcome the poor immigrants who were fleeing countries that dismissed what they believed in, just as you dismiss the concern of the public today. Thank you.

[Chairman Samson] Thank you. Our next speaker is Paul Stipkovich.

[Paul Stipkovich] Good afternoon. My name is Paul Stipkovich. I am an artist from Queens, New York, and I have a deep love and pride for the city and borough in which I was born and raised, and this is why I am here today. As an artist, I am more accustomed to letting my paintings, rather than my words, do the work of conveying my idea of beauty to others. Making speeches or speaking in public places is not something I particularly enjoy doing. I am doing it now solely on the behalf of New York City and on behalf of architecture. If Terminal 3 at JFK International Airport is torn down, it would truly be a crime against both. Architecture is to a city what art is to a museum. The array of permanent pieces in a museum's collection is what defines it and makes it stand out from other cultural institutions around the world. A city, big or small, needs and uses architecture in much the same way: to proudly set itself apart from other cities in a special way. John F. Kennedy International Airport is the main entranceway to the greatest city in America, New York. It is what visitors to our city see first. It is, in essence, the walkway and front door that guests see from the curb when coming to visit our house. If New York City is not careful about what it destroys, it will eventually become nothing but the largest Anywhere, USA, in the country. We're not taking about saving a Costco big box warehouse store or a Walmart strip mall or even a cargo building at JFK; we're talking about a very significant example of Jet Age architecture, a building that successfully epitomizes not only the optimism and excitement of international travel but also man's desire to reach new places by defying gravity. As JFK has grown and changed to meet the demands of the traveling public, fountains, chapels, and promenades have cleared way to make room for roadways, parking structures, and expanding terminals. We all understand that sometimes in order to function properly and most effectively, the aesthetics must be compromised or even eliminated. However, in the case of T3, Delta Airlines and the Port Authority have a choice. They can either repurpose T3, which is a very

small footprint and huge curb appeal, or they can pave it over and forever deprive New York City and the world of a very unique, historic, and useful building. In today's greener 21st century, solar panels can be placed atop the huge saucer-shaped roof while allotting acres of ramp space under and around it. I would just like to leave everyone here with 1 reminder. Once a building is gone, it's gone forever. We just celebrated the 100th anniversary of a New York City icon that almost didn't survive to see its 60th anniversary, Grand Central Terminal. Today New Yorkers cannot imagine the city without it. It is important not to lull ourselves into thinking that once the public's mourning phase is over that all is okay. The demolition of key examples of historic architecture is an erosion of civic and national pride, and that lasts forever. To quote an excerpt from Ada Louise Huxtable's New York Times editorial about another demolished New York City building, "We will probably be judged not by the monuments we build "but by those we have destroyed." Thank you.

[Chairman Samson] Thank you. Our next speaker is Murray Bodin.

[Murray Bodin] When you come to a meeting here, you've got to have an open mind because it turns out to be exciting sometimes. I just made a reservation for my 42nd wedding anniversary Memorial Day at that new restaurant. Who knew that I would be able to see the chairman of the corporation and personally make a reservation? Thank you. That's exciting! I mean, 42 years ain't bad. That doesn't count the 2 years before. Susan, I texted my son. I spoke to Susan this morning. I said my son, who is a bicycle racer and snowboarder, went out to Colorado snowboarding with his wife. They were at the Delta terminal. My son is a very picky eater, and he thought the food was wonderful. And you all should know that that happens. Those of you who don't understand, this is an economic environment we're in. These people have to make difficult economic choices. What brings people to New York City? Do they come here to go on a taxi--? They come here to experience the things that you're building. You're making difficult economic choices. Which one will provide the best economic incentive for my grandchildren? Are we building something that will be exciting and have people come here? Yes. Wait a minute. You're talking about a mistake. I made a massive mistake this morning, for which I apologized. Somebody I work with here, I apologized that I misunderstood what he said, and we're going forward. What you're talking about is things that happened not with these people but with other people. And I know we disagree, and you're entitled to yours, and I spoke about yours before too, but we have to move forward. And there are difficult decisions. I've worked with a lot of people here, and I can't thank you individually, but they listen and they work with me and they're moving-- Look, I don't want to hear anybody say, "I'm trying" anymore because trying produces no action. These people are actually moving forward. They're not trying, they're doing it. Is everything perfect? No. But we're working through those issues that need to be worked through. And I want you to know that the staff I've worked with listen, actually produce results, sometimes they have to be refined, but they're moving forward. And I've stood up here a number of times over the years and said, "Hey, why don't we fix these?" These things are getting fixed now. They'll do it-- [R. Hughes- inaudible] [M. Bodin] I know you disagree. I didn't interrupt you when you were talking. [R. Hughes] But you're turning to us and talking to us. [M. Bodin] I can't win. Thank you.

[Chairman Samson] Thank you. Our last speaker is Anthony Stramaglia.

[Anthony Stramaglia] Thank you, Mr. Chairman. Good afternoon, commissioners, directors, and members of the public. For the past several months you've been hearing Kalev Savi speak about our campaign to save the historic JFK Terminal 3 flying saucer. At times it appeared that he was just a lone voice in what seems to be a futile effort to save an obsolete relic of a long forgotten era. But I can tell you that it's far from the truth. Our recent press coverage and strong presence here today will hopefully dispel that notion. I would like to share my thoughts around saving and restoring this historic JFK and New York City landmark. Terminal 3 is hated by most travelers because it is cramped, confusing, and the once magnificent rotunda has been made to look like it's ready to demolish itself with all the drainage tarps and nets suspended from the ceiling. But it wasn't always this way. The Jet Age brainchild of master airport planner Walther Prokosch and prolific New York architect Emanuel Turano, the Pan Am terminal was once the crown jewel of New York International Airport and later JFK and was the embodiment of functional innovation fused with a dazzling design that is still the only one of its kind in the world. Many modern airport terminal features we take for granted today are owed to the forward-thinking ideas built into this terminal over 50 years ago. Now the once proud Worldport Umbrella is a shell of its former self, sadly neglected and surreptitiously left in disrepair in the hope of a speedy demise. And with the trepidation of long delays and security pat-downs, the days of exciting, butterfly-inducing anticipation of a trip to the airport are long gone. Heck, even trying to photograph this Jet Age marvel today might land you in hot water with airport security. But it doesn't have to stay this way. The iconic flying saucer and the TWA Flight Center have tremendous curb appeal, which makes JFK Airport stand out in these times of generic steel and glass warehouse terminals. JFK has already lost many of its unique original attributes over the years, so if you destroy the saucer, you're destroying what little is left of the original fabric that has made JFK unique and memorable for the past half century. We strongly believe this Jet Age marvel can and should be spared. Its small footprint and close proximity to landside show that it can be left intact and effectively restored and repurposed, and this effort alone will create a significant number of new jobs. Demolition of the south concourse expansion will liberate over 15 acres of space, enough to park 8 to 10 wide-body aircraft or more, and still provide ample space to run bus shuttles between T2 and T4, though we still feel the saucer would make an excellent midway attraction as part of the T2 to T4 connector. Finally, we have recently submitted a new nomination to the New York State Historic Preservation Office for the terminal, and should the SHIPO deem the building once again eligible, we urge the Board to vote in favor to approve the nomination so that this historic treasure can obtain state and national historic status as well and be enjoyed for generations to come. Thank you.

[Chairman Samson] Thank you. That's our last speaker. May I have a motion to move the consent calendar for approval. [Commissioner] So moved. [Chairman Samson] Second. [Commissioner] Second. [Chairman Samson] All in favor. [multiple Commissioners] Aye. [Chairman Samson] There being no further business, I move to adjourn. May I get a second. [Commissioner] Second. [Chairman Samson] All in favor. [All] Aye.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
March 29, 2011

[Chairman Samson] The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special interim meeting of the Committee on Operations will be held to consider certain matters on today's agenda. Prior to today's meeting, the Committee on Capital Programs and Agency Planning met in public session, the Security Committee met in executive session, and the Committee on Operations met in both public and executive session. In addition, the World Trade Center Redevelopment Subcommittee met in executive session on March 23. Their reports will be filed with the official minutes of today's Board Meeting. The commissioners also met in executive session prior to today's Board Meeting to discuss and act upon certain matters related to the purchase, sale, and lease of real property or securities where disclosure would affect the value thereof or the public interest and matters involving ongoing negotiations or reviews of contracts or proposals. Our Director of Aviation, Susan Baer, will provide an update on improvements at Newark Liberty International Airport including two lease transactions for consideration today. Sue?

[Susan Baer] Thank you. Commissioners, I am pleased to report that staff continues to pursue private sector investment in Newark Liberty International Airport in order to provide for improvements to the airport and to ensure that the airport continues to be an economic generator by providing jobs to the region. Today we're seeking authorization for two additional agreements providing for private investment, one for fixed base operator improvements with Signature Flight Support and a new lease with Virgin Atlantic Airways for a lounge in Terminal B. Today we seek board approval for a 10-year lease extension with Signature Flight Support at Newark. In anticipation of the Super Bowl being held in the New Jersey Meadowlands in 2014, Signature is interested in making additional investments in its facility to accommodate the future demand. Under this agreement Signature would invest a minimum of $11 million in facility upgrades prior to the Super Bowl, as shown here in the renderings of the new terminal building. They will also perform ramp renovations. This project represents significant economic benefits for the region. The total economic impact of project upgrades is estimated to include 80 jobs, $4 million in wages, and $19.5 million in economic activity over the life of the project, including indirect effects such as construction employment and materials purchases. Thirty of the jobs will be in construction and will amount to $2 million in direct payroll wages. Currently Signature employs 23 people and purchases approximately $1 million in goods and services each year from other firms in New Jersey for its Newark location. As outlined to the board at this morning's Operations Committee, the proposed agreement will provide increased revenues to the Port Authority, guarantee an additional investment in the facility, and ensure associated jobs at Newark. Last year the Terminal B Modernization Program was reauthorized. One of the objectives was to provide lounge space post security, and as a result, three additional lounge spaces have been constructed in Terminal B. For your approval today is a 7-year lease with Virgin Atlantic Airways for a new lounge space for customers. Virgin Atlantic will invest an estimated $3.5 million to fit out the approximate 5,000 square foot space with its signature design. Before you are renderings of other Virgin Atlantic lounges at both Gatwick and Logan. The Port Authority will receive a total aggregate fixed rental of $4.4 million over the lease term. I will now highlight some of the recent private investment that has or is occurring at Newark. As you

will recall, similar to the Signature lease, the Marriott lease supplement was driven by the need to prepare for demand expected from the 2014 Super Bowl. This represents a second investment this year driven by the Super Bowl. Last month you approved an agreement with Host Hotels & Resorts for its continued operation of the Marriott Hotel at Newark whereby Host is committing approximately $164 million in facility upgrades and building renovations over the term of the lease. This investment includes $30 million for the construction of a 10,000 square foot ballroom, an additional $4 million to reconfigure and upgrade the food and beverage offerings, and all of this to be completed prior to the Super Bowl. The renderings you see show the expected renovations. It also includes a minimum of $30 million investment by Host in ongoing infrastructure and improvements and approximately $100 million in furniture, fixtures, and equipment over the term of the lease. This project represents significant economic benefits for the region. The total economic impact of the pre-Super Bowl project upgrades is estimated to include 250 jobs, $14 million in wages, and $60 million in economic activity over the life of the project. 110 of the jobs will be in construction and will amount to $7 million in direct payroll wages. Currently Host employs over 300 people and purchases approximately $6 million in goods and services each year from other firms in New Jersey. Another momentous lease agreement is with Southwest. Commencing last Sunday, Southwest began serving Newark Liberty with eight daily nonstop flights--six to Chicago Midway and two to St. Louis. On June 5, 2011, they will expand their service from Newark with an additional ten daily nonstop flights--three to Baltimore, three to Denver, two to Houston Hobby, and two to Phoenix. These destinations contain some of Southwest's largest operations, therefore offering a multitude of connecting options to other destinations. This new service provides an additional airline choice for travel and additional airline competition at Newark Liberty with the potential for boosting passenger growth. Southwest is investing approximately $2.2 million to improve and brand its space at Newark for their use. Shown above is a rendering of the gate and ticketing area improvements proposed by Southwest. Southwest will also employ approximately 70 full-time positions at the airport. In addition, in 2010 you approved 19 lease agreements at Newark Liberty, each of which included lessee investment in the airport. There were 16 new leases related to the concessions program, which added jobs to the airport. You also approved a supplemental agreement with Continental for the installation of an in-line baggage screening system in Terminal C. There was also the letting of cargo buildings to FedEx, which provides 2,000 on-airport jobs and over $750 million in wages. Finally, you will also recall approving the British Airways lounge lease agreement. By securing these leases in 2010, the Port Authority ensured $137.4 million in private investment and generated over $2.4 billion in economic activity. Cumulatively these leases generate $380.6 million in total guaranteed rent to the Port Authority. As you can see, recent investments at Newark are significant. From the leases I have highlighted, Newark Liberty has received a total of over $300 million in investments by private sector lessees in 2010 and 2011. These investments not only enhance our airport facility but generate significant economic activity and job creation. Together these leases generate $606.5 million in total rent to the Port Authority. Staff will continue to work hard to attract new tenants to Newark and seek additional investments in the airport. Commissioners, I request your approval today for the supplemental lease agreement with Signature Flight Support and the new lease agreement with Virgin Atlantic. Thank you.

[Chairman Samson] Thanks, Sue. That was great. May I have a motion to approve these items? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. And now, on behalf of the

board, I'd like to call upon Commissioner David Steiner to pay tribute to Frank DiMola, our Director of Real Estate Services, as he retires from the Port Authority after 35 years of dedicated service.

[Commissioner Steiner] I want to shake your hand. I hate to see you go. I have this resolution I'd like to give to you, and I'm going to make a few comments on that. You can have that. Does that mean it's on? Okay. I'm going to sit down if you don't mind. The Board of Commissioners upon the impending retirement of Francis A. DiMola, known to me as Frank, unanimously adopted the following resolution. Whereas from the time he joined the Port Authority in July 1976 as a Facility Operations Agent and since his appointment as Director of the agency's Real Estate Department in February 2005, Frank has served with great distinction and provided critical services to support the agency's core transportation mission and business needs. Frank, I've had a chance--because I work directly with Frank in kind of overseeing the real estate transaction. It's a pleasure to work with you. I respect your talent and dedication. And in your 35 years you've contributed so much to so many areas, I couldn't even begin to list them. You're a man for all seasons. You led the Aviation Department's participation in the negotiations with New York City for renewing the airport lease for LaGuardia and Kennedy, you chaired our negotiating team that implemented the Freedom Agreement for LaGuardia and Kennedy and Newark and all the other airports, and you played a prominent role in the successful negotiation of numerous agreements with our airport tenants, including the recent long-term lease agreement with JetBlue Airlines for the letting and development of Terminal 5 at JFK. And you were instrumental in developing strong working relationships with all the airlines and terminal operation. We're really going to miss you--the work you've done with the Waterfront and Harbor Estuary. I don't know how we're going to-- We'll probably need two or three people to replace you. But I know as Director of Real Estate you really brought to fruition efficient and environmentally sensitive agency-wide office space and operations initiatives, including the acquisition of our new offices in Jersey City and the design of our offices in the World Trade Center site. You have been awarded the Port Authority Police Meritorious Medal, the Commendation Medal, and following the terrorist acts on the World Trade Center, you received the Civilian Commendation Award for your acts of bravery that not many people know about on September 11th, and you have been awarded the James G. Hellmuth Unit Citation Award in 2006 as part of the JFK International JetBlue Terminal Redevelopment. So we've resolved that the Commissioners of The Port Authority hereby express to Frank DiMola their sincere appreciation for his service to the agency and the region it serves, and we have engraved this token of our high esteem in which you are held. Thank you very much. [applause]

[Chairman Samson] Thanks, Dave. Thanks, Frank. We will now provide an opportunity for members of the public to comment on other Port Authority matters not on the agenda. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Contact information is provided on the Port Authority's website. Speakers are asked to comply with the fixed time limit of three minutes. Our first speaker is Margaret Donovan.

[Margaret Donovan] Thank you. Good afternoon. This is the eighth time I have represented the Twin Towers Alliance at a Port Authority Board Meeting since last September. It isn't easy to address people who find what I say irrelevant, and you probably wonder why I bother, because people, you should know the people are depressed by the World Trade Center you are concocting. Mr. Ward says you want the

WTC to be a place where people will make their own narrative, where they will run to get out of the rain. But if officials get their way, it is more likely the people will be talking about what isn't there than what is. As Nicole Gelinas warned in a 2005 New York Post column, "To build anything that is not as good or better "will always mean that the thousands who work around, "and eventually within, the complex will always recall the original with longing." "To fail would be the saddest memorial to all that was destroyed." It doesn't have to be. The agenda at the WTC has always depended upon limiting what the public knows about the project. But the American people deserve to decide if it is legitimate or not. If you are proud of what you are doing, let people ask the tough questions and then defend your project. When officials spend their time ducking questions and lying when they can't duck, what does that say for your Trade Center? The Freedom of Information Law is your ally. It gives officials a chance to correct their mistakes instead of covering them up. It protects everyone when it is allowed to operate and injures everyone when it is defeated. But we have been sandbagged for over a year merely trying to get to the bottom of why, among other puzzles, a man who took back even his initial $114 million investment gets to live off the towers' insurance money while the public picks up the bulk of the rebuilding tab for buildings that virtually nobody wants, two of which may never be built. There is a narrative, all right. And given the bogus way our FOIL requests are being handled by this agency and others, the WTC is looking more and more like "Zerogate" every day. Not one of you would pass a woman who was being raped or cross the street to get away from her cries. But the American people are being raped at Ground Zero while officials insist that the people really asked for it and we actually like it. That is not true. We may be the butt of some of your jokes, but what we are doing at the Twin Towers Alliance is as important for you and your families as it is for us, because if the best we could do at Ground Zero, of all places, is to pay lip service to democracy and to let officials mock the people, then what do we stand for? How can we give the bin Ladens of this world the satisfaction of thinking that what the American people really want doesn't matter? America is above all an ideal, one that those who died on 9/11 believed in, and our only real security depends on being true to our founding values or there will be nowhere to run to get out of the rain. That is why we bother. Thank you.

[Chairman Samson] Thank you. The next speaker is Paul Nunziato.

[Paul Nunziato] Good afternoon, Chairman Samson, Board of Commissioners. The Port Authority Police PBA has spoken to you on several occasions. We have tried to talk to the Executive Director, Deputy Executive Director on security issues in private, not to bring it to the public's attention. I have spoken to the board about the AirTrain at Kennedy Airport. Today I provided a security assessment study of the AirTrain to be distributed to the Commissioners. It has everything you need to know about the AirTrain, what the recommended staffing is on the AirTrain. And at this time if we cover the AirTrain with one Police Officer 40 times a year, it's a lot. It's way below the study. I'm not going to put what the study is on the public record. These issues need to get addressed. Executive Director Ward last year in April in this very room said the Port Authority spent $3 billion to enhance its security. We spent $3 billion, but we don't have seamless security here. The police department doesn't work with your private security. It doesn't work with your technology that you're paying for. Sooner or later, something bad is going to happen. I don't want to stand here before you. We need to work together to properly protect the Port Authority. That's all we're looking to do. There's another handout I have from 2004 from the Inspector of the Port Authority Bus Terminal. It's actually April 28, 2003. It's a study, and it tells that you need to properly secure the vehicle access points of the Bus Terminal. Today after this meeting you could all get in your cars, drive up to the bus terminal, and drive throughout the bus terminal, and you will

not be stopped. It's mind-boggling. It is the biggest bus terminal in the world. We have an obligation to the public. I am looking to just protect the public, and I know you want to protect the public. We need to work together, and that's not going on right now. The Superintendent of Police used to answer directly to the Executive Director. That does not happen today. Unless you change what's going on, we're going to have a Mumbai style attack here, we're going to have a terrorist incident here, and we're not going to be the best prepared we can be. We have an ESU, emergency services unit. Half of their ballistic vests are expired. They've been waiting two years to send out to bid the contract. We had a shooting in Jersey City. Our ESU officer was shot. He killed the suspect. We're going to send him out in the street with an expired vest now. Why aren't these issues being addressed? I'm just asking for your help at this time. Thank you.

[Chairman Samson] Thank you. The next speaker is John McAusland.

[John McAusland] Good afternoon, Chairman Samson. My name is John McAusland. I'm General Counsel of the Port Authority PBA. You may have noticed that the PBA has not spoken at a commissioners meeting in a number of months. We would prefer to resolve our concerns, especially security concerns, out of the public eye. We are back because we see no improvement in security, and we're getting no answers from Public Safety or Park Avenue as to our concerns. Maybe our concerns are not significant, maybe they are addressed by other layers of security of which we are unaware, but what we do see is finger-pointing--Public Safety to Park Avenue, Park Avenue to Public Safety. Someone is responsible for security at this agency, and I'm afraid at the end of the day it is you, members of this board. Over and over again we present our concerns to Public Safety: day by day understaffing or no staffing at key posts, no staffing at all key security locations like underneath the bus terminal Mr. Nunziato just mentioned, the AirTrain which has not been staffed on more than 90 percent of the tours in the past 6 months, the airport perimeter where no one patrols and supposed electronic defenses are not functional and nonintegrated with police response. You will hear in a moment from Mr. Paulson, who reported the fact that a quarter mile of the airport perimeter fence was down at JFK Airport. The response, from what we understand, inside Public Safety was not, "How did this happen, and how can we fix it?" "How can we get a patrol out there to provide better security?" Instead it was, "What was Paulson doing out there?" and "Somebody investigate how the leak got to the press that notified them "that this security concern was out there." Public Safety's response to our concerns is to state that resources are thin, that Park Avenue will not let us do that. "Who on Park Avenue?" we ask. "Mr. Butcher and Mr. LaCapra." We then meet with Mr. Butcher and Mr. LaCapra, who graciously take time out of their schedule to sit with us and explain to us that, "We do not tell Public Safety what to cover." "They cover whatever they need to cover." So I return to you, this board, and I ask you who do I go to to get a resolution? These folks all work for you. At the end of the day, who will tell the Governors when the next attack comes why it came? What will you tell the people of New York and New Jersey when the next attack comes? Thank you.

[Chairman Samson] Thank you. The next speaker is Robert Paulson.

[Robert Paulson] Good afternoon. I've been a Port Authority Police Officer for eight years now, assigned at Kennedy for about the past six years. This was a memo that I have been asked to read. It is dated February 28th. "It has come to my attention that there is a section of fence "approximately 500 feet long at the end of runway 4-Left at JFK Airport "that is down due to weather." "This fence is the only

physical barrier that would prevent a vessel or person "access to the AOA from Jamaica Bay." "Since there is no police presence or security guard at this location, "there is nothing to prevent a vessel or person from entering the AOA at this location." "Furthermore, PA73 James Cicador, who was assigned to the GATOCC, "advised that the PIDS system on the permanent fence line is not operational." "He further advised that the only video surveillance for that area "is activated by the PIDS motion sensors only when something or someone "is approaching the outside fence line." "When I asked him to show me live video at the end of runway 4-Left "where the fence was down, his technician was unable to do so." "The technician attempted with several different cameras for approximately 20 minutes "but could not get any video coverage of the end of runway 4-Left." "As of now, there is no fence and apparently no video coverage "at the end of runway 4-Left." "Furthermore, there is no police or security presence." "This is a severe security risk at the airport to the traveling public "and all who work at JFK." "It would be a huge liability to ignore the situation." I submitted this to my Captain at JFK Airport, and it was forwarded to headquarters. And just as John had said earlier, I was almost threatened with discipline for doing what I thought was a good job, bringing to the attention of the Port Authority that we had a problem. In all honesty, I'm not a good speaker. I don't understand the budget constraints and the problems you have to deal with on an everyday basis. But I'm a cop. I work the street. And I know what happens at the street. And the one thing I do know is there are not enough Police Officers out there. Our facilities--they're not protected. Our commercials are great. The public thinks they are, but they're not. And I just wish you would take that into consideration, because I don't know how you can put a price tag on public safety. Thank you.

[Chairman Samson] Thank you. The next and last speaker is Richard Hughes.

[Richard Hughes] Thank you, Commissioners. As usual, I'm here to speak about the World Trade Center site. And what I just heard from the PBA just seems to me to be part of a whole syndrome of is anybody in charge, is anybody paying attention? Three billion dollars. Where did it go? For security? And we have 500 feet of fence down at JFK and nobody cares except these good gentlemen? As I say, I'm here to speak about the World Trade Center site. We recently learned Chris Ward's vision for the new WTC. As Margaret Donovan mentioned, it will be a place, as Chris says, for people to eat, to meet, a day to get out of the rain. In other words, it will be like anywhere else in Manhattan. But the WTC wasn't like anywhere else in Manhattan or in the world, for that matter. The WTC with its trademark Twin Towers was special, a real destination. Now it won't even have a restaurant overlooking the city. No more Windows on the World. Chris said, "Well, it wasn't a moneymaker," he said. It was only one of the highest grossing restaurants in the country. The project just keeps getting smaller and smaller and mingier and mingier. More and more money is being wasted with less and less to show for it. And yet the Port Authority once knew how to build greatly. This was a great agency once. Building the original World Trade Center was the opposite of this disaster. The original World Trade Center didn't get smaller; the Twin Towers got taller and taller. The original Trade Center didn't become less and less exciting; it became more and more exciting with each passing day. It became the talk of the town, the talk of the country. It was the talk of the world. Chris Ward, as usual, has it all wrong. People will not care about what is currently being built. The press is letting Ward and Silverstein get away with it because we no longer have anybody with any integrity and guts in the press. But history will remember what a mess they are making of things. But there still is time. I urge the Port Authority to return to its roots. This was once a great agency that knew how to build greatly. You can still build greatly if you want to. Start by getting rid of Chris Ward. Then get rid of Larry Silverstein. How did a man with so little skin in the

game get so much control of things? And then build new Twin Towers, better than the ones that were destroyed. Show the world what we're made of. Show the world what you're made of before it really is too late. Thank you, commissioners.

[Chairman Samson] Thank you. May I have a motion to approve the consent calendar? [Vice-Chairman Grayson] So moved. [Chairman Samson] Second? [Commisioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. And may I now have a motion to adjourn the meeting? [Commissioner Sartor] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] The meeting is now adjourned. Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
March 29, 2012

[Chairman Samson] The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee will be held to consider the matters on today's agenda. The Audit Committee met in executive session on February 22, 2012, and prior to today's meeting, the committees on Construction and Operations met in public session, and the World Trade Center Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official minutes of today's Board Meeting. The commissioners also met in executive session prior to today's Board Meeting to discuss matters involving public safety or law enforcement and matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest and to discuss and act upon matters involving ongoing negotiations or reviews of contracts or proposals. Our first issue on the agenda is a presentation by the executive director and the deputy executive director on compensation and benefits. Those of you who were present during this morning's Operations Committee, the public session, heard a preview of it, but Executive Director, Deputy Executive Director, do you want to proceed?

[Pat Foye] Thank you, Mr. Chairman. Bill Baroni and I have been working closely on this, so we're going to jointly present. Let me start with 4 observations. One is the changes to compensation and benefits that the committee approved today align the Port Authority's compensation and benefits with prevailing practice in both the private sector and the public sector, especially with respect to governmental entities in New York and New Jersey. Second, we believe that in making these changes the Port Authority is fulfilling its responsibilities to be accountable to the public we serve. Three, I want to note that the changes discussed today are the result of careful analysis, both internally, led by the HR Department--Mary Lee Hannell and her team, others at the Port Authority--as well as work done by Navigant in the Phase 1 report and since then. Fourth, to be clear, these changes are painful and will represent pay cuts for many Port Authority employees. Having said that, we recognize that the strength of the Port Authority over the last 90 years is the talents and experience of the Port Authority workforce, 1. 2, we also believe that even after these compensation and benefit adjustments that Port Authority employees will be paid at the upper levels of government employees in the region, especially with respect to New York and New Jersey. The compensation and benefit adjustments and reforms made today are a follow-up to the Special Committee of the Board's work and Navigant's interim report dated January 31, '12, which was done at the direction of the governors of New York and New Jersey. The Phase I audit recommendations, as you know, benchmarked compensation and benefits with similar New York and New Jersey governmental entities and other entities outside the region. As a first step, the majority of reforms will initially impact non-represented employees. 4 areas of reform: 1) healthcare; 2) vacation programs; 3) compensation programs; and 4) additional anticipated savings. Let me size for the board and the public the scope of the savings. In the second half of 2012, the compensation and benefit adjustments will realize savings of over $14 million--6 months of 2012. For the full year of 2013, the savings will total more than $26.5 million, for grand total savings of over $41 million in the next 18 months, to be followed by tens of millions of dollars of savings each year thereafter. Let me review

briefly the healthcare area. One is to implement a healthcare contribution system which will be done on a 4-year phased implementation basis. Contribution rates will be based on salary and type of coverage. Employees at the highest salary levels will contribute 35% of their premium in year 4. This phased in approach is similar to what was done with government employees in both New York and New Jersey. As you know, currently non-represented employees hired after July 1, 2005, contribute to the cost of health and dental benefits. Effective April 29, 2012, all non-represented management employees will contribute to the cost of their group health and dental benefits. In addition in the healthcare area, we have taken steps to maximize financial discounts of healthcare plans at estimated 2012 savings of nearly $6 million, capitalize on federal benefit reimbursements, introduce alternative lower healthcare plans-- that's an estimated savings in 2013 of approximately $13 million-- and revise the Port Authority Labor Relations Instruction to exclude healthcare as a subject of negotiations for represented staff. On this point it's important to note that this will apply only to collective bargaining agreements entered into between the Port Authority and unions after the date of today. Second, vacation programs. A phase in revised vacation schedule will be put in place, and there will be elimination of the executive management excused program. On a total basis, that will represent nearly $500,000 of 2012 savings, annual basis full year 2013 over $4 million. In addition, the vacation exchange program will be eliminated starting January 1 of next year, estimated 2013 savings of about $3.7 million. Vacation payout upon separation will be reduced to 1 year, estimated 2013 savings of $4 million. Effective January 1, 2013, the extra year of allowance that pre-9/11 employees were eligible to cash out will be discontinued, and the maximum will be 1 year of vacation carryover for all non-represented employees. At this point, let me turn it over to Bill Baroni.

[Bill Baroni] Thanks, Pat. Throughout the course of the last number of months starting with the direction from Governors Christie and Cuomo to the board to create a special committee and retention of the Navigant Consulting group, a review of the Navigant report issued to the board last month showed a significant number of add-on compensation programs. We are recommending to the board that those compensation programs be eliminated. These add-on compensation programs--there are 6 of them-- they would be discontinued effective July 8 of this year. The combination of everything that Pat has just gone through plus healthcare contributions plus the elimination of these add-on compensation average reduction of total compensation per employee ranges from 1.8% up to 8%, the highest at 12%, a savings in 2012 of $1.1 million and in 2013 an additional $2.1 million. These add-on compensation benefits include a FICA benefit, a group term life insurance benefit, a retention program, a career service plan, a police superior longevity for captain and above, and a police superior cumulative retirement days for captain and above. In addition, under the leadership of the board 2 meetings ago, the entire compensation of the Port Authority was placed online with the commitment to update it quarterly. We are happy to come to the board today and in addition to our next presentation as well that that total compensation will be placed online for 2008, 2009, and 2010 in addition to prospectively continuing to update it quarterly that will show all of the total compensation, not just salary. Continuing, we are recommending to the board the elimination of the PATH Passes for Free Travel Program for all non work-related travel for: non-represented PATH active employees; Port Authority management staff holding PATH Passes; all retired non-represented PATH employees; and spouses and partners and eligible family members of active, retired, or deceased non-represented PATH employees. The savings this year, commissioners, will be $170,000 and in 2013, $256,000. Additionally, commissioners, we are recommending a redirection of

management of our authorized headcount that will save $3.5 million this year, $2.4 million next year. Collectively, when we look at the various compensation changes and elimination, that will, in addition to saving actual dollars, also save the agency on pension payments, estimated 2012 savings of $728,000 and in 2013, $1.3 million in pension payments that we've had to make that we will no longer need to make. Pat?

[Pat Foye] And again, commissioners, in summary, grand total savings in 2012 of over $14 million for the last half of the year, $26.7 million in 2013, grand total of $41 million and change in the 18 months, and then tens of millions of dollars--these that are recurring--annual sustainable savings. Thank you.

[Chairman Samson] Thank you. These proposals take the form of resolutions, so may I have a motion to approve the resolutions?

[Commissioner] I make the motion.

[Chairman Samson] Second?

[Commissioner] Second.

[Chairman Samson] All in favor?

[all] Aye.

[Chairman Samson] So moved. The next presentation by Pat and Bill will also cover a subject that was discussed in the Operations Committee this morning, and that is the issue of a proposed Freedom of Information Code in order to enhance transparency for the agency. Pat?

[Pat Foye] Chairman, Bill and I again will present jointly. I would begin by characterizing the steps the board is about to take today with respect to the Freedom of Information Code as literally unprecedented with respect to governments in this region and perhaps across the nation. What the board is adopting today is a new Freedom of Information Code for the Port Authority. It addresses criticisms--some well-placed--of delays and non-responsiveness of the Port Authority in the past to certain FOIL requests. Specifically, the proposed Freedom of Information Code that the board will consider today provides a broader, more extensive, and clearer definition of what constitutes a record, a document requested in a FOIA request; provides for the posting on the Port Authority's website of fulfilled requests, past fulfilled requests, so that requesters do not have to request and do not have to trod the ground that's been walked by prior requesters, with the exception, of course, of police accident and investigation report; combines several of the exemptions from disclosure that are permissible and restates the exemptions for greater clarity; and provides specific examples of the types of materials that would be exempt and would be available under several of the exemptions to avoid giving the appearance of ad hoc determinations; and lastly, clarifies the nature of materials exempt from disclosure as inter-agency and intra-agency materials and communications. Bill.

[Bill Baroni] Thanks, Pat. In addition, commissioners, the proposed code will first streamline the procedure so that those who are requesting documents will be able to obtain impartial judicial review of those decisions under the code more quickly. Some examples: There will no longer be a requirement to submit a formal legal appeal to the Port Authority's Office of General Counsel; there will no longer be further internal delays in obtaining that final agency decision on the availability of materials; there will no longer be a need to exhaust those administrative remedies within the confines of the Port Authority, and therefore, a requester could immediately seek judicial relief in a court in either New York or New Jersey. And in addition, there will be more clear instructions on how these documents can be gotten, including those where the document request is extraordinary. In addition, commissioners, we are proposing something that we cannot find has been done anywhere before. We are asking the commissioners to allow us to try an experimental program where requests for information from the Port Authority would be free. As we studied some of our sister organizations and other public agencies not just in the region but around the country, we saw different prices. We would like to propose that when you request a traditional document from the Port Authority that that document be provided to you without the cost of copying and search fees, and we'd like a 1-year trial to see the cost of that. Pat and I firmly believe this is a public agency, these are public documents, and they should be free to the public. In addition, we have created, at the direction of the chairman and vice chairman, the Port Authority Transparency Project, a new part of our website that will produce thousands of documents previously unavailable to the public. With the approval of the Board of Commissioners, tomorrow morning at 9:00 we will turn on this site that will have posted more than 22,000 pages of documents that have not yet previously been available, including filled FOIA requests from 2011 to the present, more than 500 pages of public board and committee presentations, more than 300 pages of toll and fare public hearing transcripts. Going forward, prospectively, we will post all fulfilled FOIA requests immediately upon completion, meaning someone applies for a document, not only will that person receive the document for free in our trial period, but we will also post that document online. And we're building a staff dedicated specifically to the Port Authority Transparency Project, so both prospectively as requests come in and retrospectively as we go through this agency's documents, to go back in time to find and put as many documents as we possibly can online for the public. We believe that this code and the Port Authority Transparency Project will allow the Port Authority to become the nation's leading agency when it comes to openness and transparency. And Mr. Chairman, we request the commissioners' approval for this item.

[Chairman Samson] May I have a motion to approve this resolution?

[Commissioner] So moved.

[Chairman Samson] Second?

[Commissioner] Second.

[Chairman Samson] All in favor?

[all] Aye.

[Chairman Samson] So moved. We will now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker today is George Miranda of the Teamsters. Mr. Miranda?

[George Miranda] Thank you. Thank you, Chairman David Samson, Vice Chairman Scott Rechler, and Board of Commissioners for the opportunity to speak today. I would like to thank Governors Andrew Cuomo and Chris Christie for their steadfast leadership on this important issue. Thank you also to the Port Authority Executive Director Patrick Foye, Deputy Executive Director Bill Baroni for their hard work and tremendous insight. Finally, thank you to Brian Simon for his professionalism and tireless efforts. As president of Teamsters Joint Council 16 and an international vice president, I represent over 30 Teamster Locals and 120,000 members across a wide range of industries. I want to thank our local unions who are here today while I make this presentation on their behalf for their tireless efforts in supporting this initiative. Many of our members operate commercial vehicles in many of New York State's blue collar industries in the liquor, soft drink, bakery, carting, fuel, construction, long haul trucking industries. Teamster members work long hours for their shot at the American dream. This volume discount program before you today will encourage trucks to travel off-peak hours, which will decrease traffic congestion and promote a healthier environment. It would also promote a business-friendly environment while ensuring that our regional infrastructure is properly maintained and will also go a long way to alleviate the burden on New York and New York's hardworking men and women in the commercial truck driving industry. I want to thank both the governors for their demonstration of their willingness to put this program and initiative in place. It goes a long way to helping our members as well as the employers who make the regional commercial industry here a viable economy. Again, thank you for listening to me and my remarks.

[Chairman Samson] Thank you. Our next speaker is Margaret Donovan of the Twin Towers Alliance.

[Richard Hughes] She just stepped out.

[Chairman Samson] All right. Let's move to our next speaker, Richard Hughes, also of the Twin Towers Alliance.

[Richard Hughes] Good afternoon, Board members. How did it all go so wrong? After the attacks of 9/11, most New Yorkers and most Americans wanted the Twin Towers rebuilt. We had the will and we had the way. One 21st century twin would have cost far less than the Freedom Tower; the other much less than the Calatrava Hub. All 10 million square feet could be standing today for less than what the Port Authority has already spent and without kowtowing to Larry Silverstein. Even if the upper floors had been left empty for a decade and the lights were turned on each night, as they are with the Freedom Tower, we would still be way ahead of where we are now. If you think this is simplistic, you're welcome to counter it. No one has ever tried. The only official reason we've ever heard for ignoring the popular will and banishing the

incomparable and much more cost-effective Twin Towers was that restoring the street grid was, quote, "an imperative," unquote. So now the entire neighborhood around the WTC is going into permanent lockdown because the invulnerable super block was cut up and brought down to street level. Another thoughtless conceit gave us the 1,776-foot spire, depriving the public of the celebrated rooftop deck, and gave us the decision to scrap a world-class restaurant even though it would bring in far more than the $10 million in annual broadcast revenue from the antenna. And what about Mr. Silverstein, who is now cashing out of 7 WTC? What measures are in place to introduce a portion of his $577 million back into the site? Or is he going to be allowed to continue to invest in Poland, China, and Disney World while the public picks up his Trade Center tab? This used to be the "if you build it, they will come" nation. Now Twin Towers are rising all over the world, even in Paris, where two 93-story towers--designed by Norman Foster, by the way-- will be built for the price of just 1 Freedom Tower. This country and this agency once did amazing things. The Twin Towers were conceived at a time when we sent men to the moon. I'm sorry for the workers that the Freedom Tower will never be the 8th Wonder of the World that your publicity machine claims it will be. But it certainly is iconic, because now, 40 years after the World Trade Center was launched, it is the symbol of a country that can only get halfway to the moon. Thank you.

[Chairman Samson] Thank you. Our next speaker is Joseph DiDomizio of the Hudson Group.

[Joseph DiDomizio] Chairman Samson, members of the Port Authority Board, thank you and good afternoon. Thank you for letting me present today. I'm Joseph DiDomizio. I'm CEO-President of Hudson Group. We are a partner with the Port Authority of New York & New Jersey. We serve many of the transportation facilities that you own. The purpose of my presentation today is one of good will on behalf of my company. Hudson Group--you probably know us best for the Hudson News stores. We're one of the largest travel retailers in North America-- 650 stores--we serve 70 airports and transportation terminals spanning the 4 corners of North America. Our partnership with the Port Authority spans 11 transportation centers and over 100 stores. This year we are celebrating our 25th year in serving customers, and in fact, it all started right here at LaGuardia. The first Hudson News store ever appeared at LaGuardia in 1987. So we owe the Port Authority a real debt of gratitude, and I just wanted to come before you and say thank you. You've been a real trusted partner of ours every step of the way, and we never would have gotten where we have without your support. My observation of the Port Authority staff and employees over many years of working with them is that they are a true example of giving back to the community within so many organizations and institutions that they work with within their communities. Our philanthropic efforts began in 2005 in response to Hurricane Katrina. This disaster had affected many of the markets we serve, so we placed ad hoc collection boxes in our stores for those in need. We did this in partnership with the Red Cross Disaster Relief Fund. In a matter of weeks, we had collected $150,000 for that effort. We moved to Haiti relief, Pakistan flood relief, the Japan tsunami relief, and, recently, Hurricane Irene, and since 2005, we've been able to collect over a million dollars thanks to the generosity of our customers, obviously, the commitment of our operations team, and the support of all of our landlords. During the last 3 months of 2011, we collected lots of change--nickels and dimes--within the Port Authority facilities, so I'm here today to inform the board that we are sending a check to the Red Cross Disaster Relief Fund in the name of the Port Authority of New York &

New Jersey for $40,000. So on behalf of [no audio] for giving us this opportunity [no audio]. Thank you.

[Chairman Samson] Thank you. Our next speaker is Joseph Clift of the New Jersey Association of Railroad Passengers.

[Joseph Clift] Good afternoon, Mr. Chair, Mr. Vice Chair, and Commissioners. I want to thank you for this opportunity to talk to you today. I actually was going to talk about the FOIA code changes before you voted, but I was in favor of them, so congratulations. Let me just highlight--I was here this morning at the committee meeting-- some things that were said I think are really work repeating by the commissioners. One was the public has to [no audio] change the code of the Port Authority [no audio] need to one of an assumption of disclosure. That's a huge shift from being almost an obsession of secrecy to being open. Second, the need to clearly define exceptions and to take out elasticity that would restrict access. That's very important. And third and most important, the goal of becoming the best in class in providing unprecedented access. All of this is music to an advocate's ears. Also for a year free, which could make a difference if you're asking for a lot that you didn't get before. The hard part, of course, is executing this. We're talking about deeds to prove the words. Last month I came before you and asked for the release of the reports behind this 31-page ARC MIS summary report. This is not just a historic curiosity; it's important today as we look to what replace ARC with. That information was done at significant cost, and it has significant utility today. I want to thank the chairman. I was contacted by a member of his staff after the last Board Meeting, and I was told that the reports in the thousands of pages are safe in the archives of the Planning Department [no audio] even though that before this call and will be following up, and that is really appreciated. And last, if you have a copy of what I passed out you'll see there's a curious--in terms of responses before to requests for release of documentation, this is a response to an OPRA-- that's New Jersey's version of FOIA--request that came back in December of 2010 to Al Papp, who at that time was the director and is now president of New Jersey Association of Railroad Passengers. It says--it's from the New Jersey AG's office-- "I write in response to the above referenced OPRA request you submitted--blah, blah, blah." "New Jersey Transit is unable to locate "government records responsive to your request." "Therefore, your request is closed effective today." Then they go on to state--and this is the curious part--[no audio] "...maintained records pertaining to the ARC MIS summary report." "However, we understand that the Port Authority's file was destroyed "as a result of the terror attacks on September 11, 2001." [no audio] ...9/11. Thank you very much.

[Chairman Samson] Thank you. Our next speaker is Yvonne Garrett Moore.

[Yvonne Garrett-Moore] Chairman Samson, it's a pleasure to see you again. Board of Directors, it's also an honor to be before you again. I'm here to continue to encourage your interest. I'm a biblical student, and the word says, "Seek and you shall find." "Knock and the door shall be opened. Ask and it shall be given." I am here not for myself but for my community, for my region, and for our ability, our full potential. Airport City at Newark International Airport is still begging to be birthed and developed. We have such an incredible opportunity to serve our region in such an exceptional way, and we don't want to miss the opportunity. We want to secure our position as a global leader in aviation. Historically, we have always held that distinction. We want to maintain that. We want to be the place that the world wants to come, and we need to set

the table and set the stage to best do that. We have to put the right emphasis on that. And so I'm asking again for you all to continue your interest and support for the development of Airport City at Newark International Airport. Our Executive Director Mr. Foye clearly stated that we have to look at growth and development for our region--that the Port Authority's primary ability is to stimulate that growth. And Newark International Airport needs the focus and the attention. We have private development community that is saying, "Yes, we see this, "yes, we need to invest in it." Let's give them the opportunity. I am requesting for a stakeholder meeting allowing for interested parties to come together so that we can determine the feasibility of this and once and for all determine that feasibility so that we know what is possible. It's already been determined that it's feasible. These airport Aerotropolis developments are being done around the world, and they've proven themselves viable. Dr. John Kasarda has been very successful. He's from New Jersey, so he's a homeboy, so he understands what we need. But in addition to that, he has traveled all around the world being invited by a number of countries to establish Aerotropolises globally. So we need to take advantage of his investment of research and awareness and glean from that and establish what we know can be the next stage for aviation development, commercial development at Newark International Airport. Thank you again for your consideration. I will continue to reach out to the board as well as to the administrative [no audio] to sit, dialogue, discuss, and come up with a plan that's going to best represent the future of Newark International. Thank you again.

[Chairman Samson] Thank you. I see that Mrs. Donovan has returned, so she's our last speaker.

[Margaret Donovan] Good afternoon. The microphone seems to be lower than it usually is. Is there any way to adjust it? Because I had trouble hearing Yvonne. Okay. All right. Thank you. Oh. Back to 3. Thank you. Good afternoon, commissioners. When I read today what was on the agenda, I scrapped what I had planned to say and started over. But that wasn't a problem because I could have written this statement in my sleep. Thank you for the lengths your senior people have recently gone to in response to our inquiries. We at the Twin Towers Alliance are auditors too and, as a federal judge recently recognized, bona fide observers of the Port Authority's practices. And frankly, while your Freedom of Information reforms are a positive first step, your transparency deficit goes much deeper. You still insist that the current mess is the inevitable result of bad luck and bad markets, not bad choices and bad policies-- policies that never would have been affected if the board's deliberations had been public. Public interest at the World Trade Center was bargained away in 10 years of unwarranted executive sessions. A matter of such compelling public interest [no audio] and the public's options were carefully misrepresented. Revealing documents postmortem will not give the public a chance to ward off secret agendas, and that's the problem. All of the new disclosures still seem to be strategic. You don't want to hear what we think or you would not limit the comments of people who take the time to come here, often experts in their fields, to 3 minutes, with buzzers going off and the hook coming out at the stroke of 3. You would hear them out and ask them questions if you had any real respect for their knowledge or their constituencies. What's more, you don't seem to want the governors to know what we think or you would include the transcripts of the public statements when you send the minutes to the governors for review. At the last meeting, the press conference was held prior to the meeting, so now we have even one more filter between us and the facts. Why? Even the President holds televised press conferences. I do not think this agency will survive unless you overhaul your open meetings practices. Now that the legislatures are belatedly tackling common

legislation, you will sooner or later be subject to the state's [no audio] and both states' laws already give any private citizen the right to challenge the reasons for a public agency to retreat behind closed doors, with the actions the result from an unwarranted executive session being subject to being ruled null and void. If only that legislation had passed last year or the year before, the Triple A wouldn't have had to challenge the tolls in federal court. Public-private partnerships are all the rage, but the best idea would be a public-public partnership where you do your job and let us do ours. We're smarter together than at odds. It's a radical idea, but it could work. It's not too late to do the right thing. Thank you.

[Chairman Samson] Thank you. And that's our last speaker. Before we entertain a motion on the consent calendar, I'd like to make a few comments, and I know the vice chairman has an interest in saying a few things as well, and it is to focus on the significance of today. In the life of any public agency, certain times are marked as critical junctures, and I think today is one of those significant times at which the agency takes action and pivots. Over the past 7 months, at the directions of Governors Christie and Cuomo, the board has conducted a review of this agency to reevaluate how the agency does business, how we relate with the public, and how we operate under today's security circumstances. As a result of this review that started last fall, the board today has taken actions to achieve major course corrections for the Port Authority. For one, our ongoing review has led us to conclude that Port Authority employee compensation and benefits were not in line with the standards set by our governors in New Jersey and New York. Over the years, compensation has been allowed to balloon out of proportion to public employee standards. It has become out of alignment. This is not to criticize our employees, who still are the finest professionals I've ever worked with, but our compensation structure is out of whack. It's unacceptable, and we need to move forward and make certain adjustments to conform to current standards. So today's board action follows the lead of Governors Christie and Cuomo in seeing that all employees contribute for their health insurance. In addition, the Port Authority will no longer grant benefits and compensation add-ons that no other private or public sector employee ever gets to see. In sum, what we're seeking is to maintain and focus on a culture of meritocracy, not one of tenure. On another front, the board's reevaluation--again, started last fall-- concluded that the agency's actions have not always complied with the highest expectations of transportation and openness in public dealings. We've consistently heard that people thought of the Port Authority as a closed, unresponsive, and often insular agency where production of information was slow and communication was often unresponsive, if not nonexistent. That too has to change. So today, by today's board action, we have changed the way we do business. We've adopted a new and more user-friendly Freedom of Information Code, and we've created the Port Authority Transparency Project-- both models for public and media openness. Finally, our review of the agency over the past 7 months demonstrated we need to make changes in our security, organizational, and operational structure. By working with former Homeland Security Secretary Michael Chertoff, the board has examined our entire security apparatus. And while it is clear that the billions of dollars we've invested in our infrastructure have kept and continue to keep our facilities safe, we have concluded that we can improve on our security organization by requiring greater centralization and clearer reporting responsibilities. So again, by today's board action we will create a freestanding security department within the Port Authority, and it will be headed by the position of a chief security officer for the Port Authority. We will undertake a national and immediate search to select the person who will work with our senior management team to build a unified, centralized security organization within the Port Authority. This will

improve communications, supervision, and accountability so we may continue to ensure the safety of our facilities and the customers and passengers who use them. These steps, I want to emphasize, are just the beginning of this board's commitment to continue to reevaluate the agency and its operations. As we continue with our review, we are also continuing our efforts to improve the agency and to bring it in line with the performance standards and objectives laid out by our governors. Vice Chairman?

[Vice Chairman Rechler] Thank you, Mr. Chairman. For those who sat through the committee meetings, heard the chairman's remarks, and saw these reports today, I think it's pretty clear that the days of doing business as usual at the Port Authority are over. I think this board is fully committed to ensure that the Port Authority is a best in class agency with best in class practices and transparency and accountability. Going back to when we actually initiated the Navigant report, when we actually went to go and do that audit and review, it was not only to identify issues and challenges but, frankly, it was to serve as a change agent for the team members of the Port Authority-- the professionals that are out there--so that we can actually operate more effectively, more efficiently, and ensure that the Port Authority is a sustainable agency that can carry out its mission and responsibility to the public that it represents. I've got to tell you I was really pleased today with the committee meetings and the work that has been done in the last month between our last Board Meeting between the executive director, deputy executive director, and your teams embracing using this report as an ability to have milestones for change. And the initiatives we saw today on the compensation and benefits, the Freedom of Information Act, the security initiatives are great steps forward along the way. I also want to comment that from watching your team in the field you've seen a change. You've seen a change of people being accountable to where numbers are and where the expectations are and trying to actually be more focused on value engineering, things, for example, down at the Trade Center, having that sense of transparency and communication. And so it's a very productive, effective approach that we're taking as an agency, and I think it's going to be something that will continue to be self-reinforcing and enable this agency to climb to new heights and meet the best in class standards that we hope to achieve. So great job, and please keep it up.

[Chairman Samson] Thanks, Scott. May I have a motion to move the consent calendar for approval?

[multiple Commissioners] So moved.

[Chairman Samson] Second?

[Commissioner] Second.

[Chairman Samson] All in favor?

[multiple Commissioners] Aye.

[Chairman Samson] So moved. There being no further business, I move to adjourn the meeting. May I have a second?

[Commissioner] Second.

[Chairman Samson] All in favor?

[all] Aye.

[Chairman Samson] So moved. Thank you. The meeting is adjourned.

The Port Authority of NY and NJ
Public Board Meeting Transcripts
April 16, 2009

Chairman Coscia: The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the World Trade Center Redevelopment Subcommittee met in both Executive and Public Session. The Subcommittee's report will be filed with the official Minutes of today's Board Meeting.

Our first order of business involves a presentation by our Director of World Trade Center Construction, Steven Plate, who will provide an update on the progress and advancement of construction activities at the World Trade Center Site and review several proposed actions related to continued redevelopment at the site. Steve?

Steve Plate: Thank you, Chair. Good morning, Commissioners. Today I am pleased to report that we continue to meet significant milestones at the World Trade Center site. I would like to provide you with an update of current construction activity at that site.

As you know, there are a number of significant projects being constructed simultaneously which necessitates close coordination on a very active site. Since June of last year we have made significant progress at the memorial. The memorial foundations are under construction and taking shape, and contracts for the Fountain plumbing have been awarded.

Structural steel erection for the memorial's proceeding at or slightly ahead of schedule; over half of the structural steel pieces have been placed to date. Steel sections of the museum's north foundation area have been turned over to the concrete contractor who has begun reinforced steel installation and concrete placement. A personnel and equipment hoist has been installed which will facilitate worker and equipment movement within the site.

Steel rises over 105 feet above street level at One World Trade Center and procurement is at approximately 98 percent. Work continues to complete the concrete core and sub-surface basement floors where you are using exceptionally high strength concrete -- the highest used in any commercial high rise building in the world. Approximately 45,000 tons of structural steel will be used in building One World Trade Center, or in honor of today's opening at Yankee's Stadium, or equivalent to over three Yankee Stadiums in steel.

Work also continues at the World Trade Center Transportation Hub. The contract for the remaining steel to finish the hub to street level has been awarded. The steel package will consist of over 22,000 tons of steel. By comparison, the steel for New York Yankee Stadium was about 13,000 tons. Metal decking over the Calatrava east/west corridor arches is complete and concrete is being placed. This will enable us to bring Fulton Street up to grade.

In addition, we have received final design drawings for the top-down construction plans that we will use to support the number 1 subway line which runs through the center of the site.

Work has commenced in earnest on the vehicular security center at the southwestern corner of the site. All guide walls have been constructed and excavation for installation of the slurry wall panels along West Street has begun. The first panel is expected to be placed within the week.

This concludes the construction update. I will now provide you with an overview of the recommended authorizations for this month's Board's approval.

Today, as discussed and reviewed with you at this morning's meeting of the World Trade Center Subcommittee, we are seeking your approval of the following items -- assignment of the elevator trade contract to Thyssen Krupp for the fabrication and installation of seven elevators and five escalators for the memorial museum and museum pavilion at an estimated cost of $5,834,596.

Secondly, an increase to the existing contract with Owen Steel Company for structural steel for the memorial at a contract cost increase of $20,451,864. Carpentry trade contracts, next on the list, for One World Trade Center to Curtis Partition Corporation, a PA-certified MBE for package A, which covers floors B-3 through B-4, and Component Assembly Systems, Inc., for packages B, C, D, and E, covering floors B-2 to the roof, at a combined lump-sum cost totaling $89,155,080.

The next contract involves contract for reinforced waterproof flooring at One World Trade Center to MFG Corporation at a total estimated cost of $1,798,200. Lastly, a reimbursement of work performed on behalf of the Port Authority in the east bathtub to Silverstein Properties, Inc., in an amount of $28,957,210.

Commissioners, I request your approval of these items, and thank you for your continued support.

Chairman Coscia: Thank you, Steve. Is there a motion to approve? Commissioner: So moved. Chairman Anthony Coscia: Second? Okay. Commissioner: Second. Chairman Anthony Coscia: Second? Any questions or comments? Okay, all those in favor? Commissioners (Group): Aye. Chairman Coscia: Any opposed? Okay, thank you very much. That is all the business we have for today, so I'll ask for a motion to adjourn. Commissioner: So moved. Chairman Coscia: Is there a second? Commissioners (Group): Second. Chairman Coscia: All those in favor? Thank you. Thanks, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
April 24, 2013

[Chairman D. Samson] The Annual Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee may be held to consider certain matters on today's agenda. Earlier today, the Committee on Governance and Ethics met in public session, the Committees on Operations, Capital Planning, Execution and Asset Management, the World Trade Center Redevelopment Subcommittee, and a joint meeting of the Committees of Operations and Finance met in both public and executive session, and the Committees on Security, Finance, and the Nominating Committee met in executive session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest, matters in which the release of information could impair a right to receive funds from the United States or other grantor, and to discuss and act upon matters involving public safety and law enforcement. Before we start, I'd like to ask everyone's indulgence for a brief moment of silence to acknowledge the recent tragic events in Boston, Massachusetts, and particularly for those who lost their lives due to this horrible act of terrorism. Thank you.

I'd also like to note, in connection with that tragedy and the events there, that 9 members of our Port Authority Police Department have traveled to Boston to provide support to the first responders there in the immediate aftermath of the attack. They were unable to attend today's meetings as they will be attending funeral services for one of the victims of the attack. Our next order of business is the election of officers. David Steiner, the Chairman of the Audit Committee of the Board, will provide the Audit Committee's annual report. Commissioner Steiner?

[Commissioner Steiner] As Chair of the Audit Committee, I wish to submit the following report. In accordance with the By-Laws and its Charter, the Chair of the Audit Committee periodically reports on the activities of the Audit Committee. Currently the Audit Committee is comprised of me as Chair, Commissioner Moerdler as Vice-Chair, and Commissioners Lynford and Bagger. Since last April, the Audit Committee met 4 times. Senior Port Authority financial, audit, investigative, governance, and legal staff as well as representatives of the Audit Committee's outside counsel and our independent auditors regularly attend the Audit Committee meetings. Consistent with the Audit Committee's policy that the independent auditors and members of the Audit Committee have direct and unrestricted access to each other, a portion of each meeting is conducted with only outside counsel and the independent auditors present. In September 2012, the Audit Committee reviewed its Charter, and a revised Charter was adopted and subsequently approved by the Board of Commissioners later that month. The Charter provides guidelines that the Audit Committee shall follow in connection with carrying out its responsibilities under the By-Laws of the Port Authority. For your information, the Audit Committee is responsible for the annual retention of the Authority's independent auditors. In December 2011, the Audit Committee, after due deliberation, determined that the auditor rotation was appropriate, and to that end, the Audit

Committee retained KPMG LLP as the Authority's independent auditors for the year ending December 31, 2012. The Committee has reviewed and determined KPMG LLP's performance with respect to 2012 to be satisfactory. The Committee would like to take this opportunity to thank senior staff and its leadership in transitioning to the new independent auditors. Our Committee reviews in detail the Authority's audited financial statements prior to their release to external stakeholders and inclusion in the Comprehensive Annual Financial Report and makes such other inquiries in connection with the audited financial statements as it considers appropriate. The independent auditors have advised the Committee that they encountered no difficulties during the course of their audit, including restrictions on the scope of work or access to required information, and that there were no disagreements with staff in connection with the 2012 statements. In addition, the Committee was pleased to learn that for the 28th consecutive year, the Port Authority was recognized by the Government Finance Officers Association (GFOA) for excellence in governmental accounting and financial reporting in connection with the Port Authority's 2011 Comprehensive Annual Financial Report. The Audit Committee continues to be actively engaged with staff concerning the Port Authority's agency-wide Enterprise Risk Management, known as ERM, which identifies, quantifies, and mitigates various business risks. While there's much more to do to achieve our goals as they relate to ERM, the Committee is pleased with the continuing progress to date and appreciates the efforts of staff in proactively integrating ERM into the agency's business processes. The Audit Committee also oversees the Internal Audit function within the Port Authority. In addition to maintaining Internal Audit's role and reviewing internal controls and ensuring that vendors are not overcharging the Port Authority and that amounts due the Port Authority are properly collected, Internal Audit has focused on business process improvement and identifying savings within the Port Authority. Under the leadership of Robert Sudman, these additional efforts are bearing fruit and resulting in improved efficiencies and the installation of best practices. Bob and his talented team are to be commended on embracing these added responsibilities and the professional manner in which they are executing them. The Audit Committee also worked with the Special Committee of the Board of Commissioners that was formed to conduct a full review of the Authority's past and current governance, management, and financial practices and their advisors to help identify inefficiencies and establish best practices. The Audit Committee continues to work to identify areas for improvement. The Audit Committee also reviews reports prepared by the Office of Inspector General and accounts receivable reports prepared by the Treasury Department. In addition, as Chair of the Audit Committee, I review the expense accounts of the Executive Director and the members of the Board of Commissioners for conformance with established agency expenditure and reimbursement guidelines. The Committee believes that reasonable processes and controls are in place to mitigate business risk, and there is reasonable basis for the Board to have a high level of confidence in the professional and ethical conduct of Port Authority personnel. Lastly, the Committee would like to recognize the talent and commitment of our financial and investigative professionals who, through their hard work and dedication, facilitate the Audit Committee's oversight responsibilities as they relate to the quality and integrity of the Port Authority's framework of internal controls, compliance systems, and accounting, auditing, and financial processes. We welcome the new leadership of Chief Financial Officer Elizabeth McCarthy, who has already become an integral part of the team and contributed to our work, and we look forward to continuing to work with her. As a closing matter, both on behalf of the Audit Committee and personally, I would like to take this opportunity to acknowledge and thank Mike Fabiano for his over 36 years of

service to this Authority. Mike has served the Authority well, and in his years of direct service to the Audit Committee as Comptroller and Chief Financial Officer, Mike has embraced the initiative of this Committee and has been an invaluable partner in our work. His sound judgment, personal integrity, and can-do attitude have been greatly appreciated. We will miss him, and we wish him all the best in his retirement. Thank you, Mr. Chairman.

[Chairman Samson] Thanks, Commissioner Steiner. Our next order of business is the annual report of the Governance and Ethics Committee. It will be read by its Chairman, Commissioner Schuber.

[Commissioner Schuber] Thank you, Mr. Chairman. As Chair of the Governance and Ethics Committee, I wish to submit the following report. The Governance and Ethics Committee reports periodically on the activities of the Committee. At the present time, the Committee consists of Commissioners Moerdler, Rosado, Sartor, in addition to myself. Pursuant to Section VIII of the Port Authority's By-Laws and the Governance and Ethics Committee Charter, the Committee has oversight in questions relating to the development of, and compliance with, governance and ethics principles of the Port Authority. The Committee ensures that the Board and staff are familiar with and committed to the ethics principles and programs that have been adopted by the Port Authority and assist the Board in fulfilling its oversight responsibility relating to the Port Authority's compliance with legal and regulatory requirements. During 2012, the Governance and Ethics Committee met 4 times. The Committee reviewed and modified its charter, which is consistent with best corporate practices approaches for governance committees and translates the Committee's responsibilities into an action plan for committee activities that is divided into three broad areas of oversight, including governance, ethics, and compliance. Consistent with the By-Laws and its Charter requirements, the Committee reviewed and discussed ethics policies for commissioners. The Committee discussed matters that included review of legal and regulatory requirements, a discussion on bi-state and corporate trends in governance and ethics, and a discussion of various methods for the review and evaluation of the Board and its committees. The Committee has been kept apprised of the agency's Enterprise Risk Management Program in addition. The Committee also received a report from Inspector General Robert Van Etten and is confident that the Office of Inspector General continues to be independent and free from interference in the conduct of its responsibilities. In accordance with its Charter, the Committee conducted a number of annual reviews, including the review and evaluation of the performance of the Board and its members, the effectiveness of the Board's committees and the Executive Director's performance, as well as a review of the independence and objectivity of the members of the Board and its committees. The Committee is confident that the Board and its committees are operating in an efficient and independent manner and that the Executive Director is effectively managing the operations of the Port Authority consistent with policies established by this Board. The Governance and Ethics Committee is dedicated to working with the Audit Committee to ensure that matters and trends identified in audit reports and the Office of Investigations are addressed in a way that fosters compliance with all legal and regulatory requirements. The Committee believes that reasonable processes and controls are in place to ensure the integrity of staff and the Board, that there is reasonable basis for the Board to have a high level of confidence in the professional and ethical conduct of Port Authority personnel, and that the Port Authority is conducting its business in a manner that ensures public confidence. And that is so submitted, Mr. Chairman.

[Chairman Samson] Thank you, Commissioner Schuber. Our next order of business pertains to the election of officers, and in accordance with the By-Laws of the Port Authority of New York and New Jersey, Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation, the Nominating Committee met in executive session prior to today's meeting in connection with the annual election of officers. Commissioner Sartor is Chair of the Nominating Committee. May we have your report?

[Commissioner Sartor] Certainly, Mr. Chairman. I just want to preface my remarks by saying after a contentious half hour meeting— or maybe it was 2 minutes—on behalf of the Nominating Committee for the Port Authority of New York and New Jersey, Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation, I desire to report that at its meeting held earlier today, in accordance with the revision of Article VII of the By-Laws of the Committee, by unanimous action submits the nomination of David Samson for election to the office of Chairman and Scott H. Rechler to the office of Vice-Chairman. For the Port Authority of New York and New Jersey, by unanimous action, the Committee also submits the nominations of Patrick J. Foye as Executive Director, William Baroni as Deputy Executive Director, and Darrell Buchbinder as General Counsel. By unanimous action, the Committee also submits the nomination of Karen E. Eastman as Secretary, Elizabeth M. McCarthy as Chief Financial Officer, Daniel G. McCarron as Comptroller, and Anne Marie Mulligan as Treasurer. In addition, the Committee by unanimous action also submits the nominations of Patrick J. Foye as President and William Baroni as Vice-President and Secretary of the Port Authority Trans-Hudson Corporation. In addition, the Committee by unanimous action submits the nominations of Patrick J. Foye as President and William Baroni as Vice-President and Secretary of the Newark Legal and Communications Center Urban Renewal Corporation. Lastly, the Committee by unanimous action submits the nominations of Patrick J. Foye as President and William Baroni as Vice-President and Secretary of the New York and New Jersey Railroad Corporation. Mr. Chairman, that concludes my report.

[Chairman Samson] Thanks, Commissioner Sartor. May I get a motion to move these nominations for approval? [Commissioner] So moved. [Commissioner Steiner] Second. [Chairman Samson] All in favor? [All] Aye. [Chairman Samson] So moved.

The next matter on the agenda is a proposal for the Board's consideration concerning several actions which would collectively result in a capital investment in excess of $2 billion at our three bridges that connect Staten Island to New Jersey. The matter will be presented by both the Executive Director and the Deputy Executive Director. But before I turn it over to them for their comments and presentation, I just want to make a note on behalf of the Board that these actions coming today constitute a historic, perhaps a transformational, day for the Port Authority as we announce action on three of our major facilities. As these projects will now be outlined by the Executive Director and the Deputy Executive Director, they are examples of new ways that the Port Authority is doing business. With the Bayonne Bridge project, the Port Authority has designed an innovative structure to save money and to reduce environmental and local impacts. Equally important, the project team has worked with federal and state regulatory agencies to achieve approvals for this complicated project in record time and has targeted its

completion in advance of the opening of the expanded Panama Canal. With the Goethals Bridge, our project team has created an innovative financing arrangement, the first time in the history of the Port Authority on this scale, with private partners allowing us to leverage our capital resources. With strong leadership, the Port Authority is doing business differently, smarter and better. And with that, I would like to turn the presentation over to Bill and Pat.

[Pat Foye] Commissioners, ladies and gentlemen, while to many today is Wednesday, at the Port Authority today is Bridge Day. Bill and I will discuss a major construction program for the three bridges that link Staten Island and New Jersey and include significant investment, $2.8 billion in aggregate for these facilities. Today we seek approval of three major initiatives: first, a new Goethals Bridge to be built by means of an innovative financing approach using a public-private partnership; second, a Bayonne Bridge with a higher roadway by means of an innovative engineering approach; and third, a $24 million investment at the Outerbridge Crossing. All three projects will begin construction this year. The combined projects will create approximately five thousand jobs, more than $600 million in wages, and more than $2.5 billion in regional economic activity. This Staten Island-New Jersey Bridges Construction Program represents new ways we are pursuing construction projects at the Port Authority, with engineering ingenuity and speed as well as leveraging expertise and capital from the private sector. We are refocusing the agency on our core mission, investing in regional transportation infrastructure. As we approach the 85th anniversary of the Goethals Bridge and the Outerbridge Crossing, these projects represent an unprecedented and, as the Chairman said, historic investment in our three Staten Island bridges. Two of the three projects, Goethals and Bayonne, are large-scale bridge-building projects. The $1.5 billion Goethals Bridge Replacement Program is the first true surface transportation public-private partnership in the Northeast. The Bayonne Bridge "Raise the Roadway" Program is a $1.29 billion engineering feat to increase the bridge's navigational clearance to allow for larger and more efficient and environmentally friendly post-Panamax container ships that pass through the channel. And last but not least, a much-needed pavement replacement project to maintain the Outerbridge Crossing in a state of good repair at a $24 million total project cost. Let's start with Goethals. Opened in 1928, the Goethals Bridge serves more than 28 million vehicles a year. Located at the center of one of the largest cargo gateways in the nation, the bridge is essential to moving cargo between airports and seaports and regional markets in the New York-New Jersey metropolitan area. This is due to the bridge's many intermodal connections from the region's highways, Newark Airport, railroads and facilities such as the New York Container Terminal on Staten Island. Nearly 85 years old, the bridge is functionally obsolete. With only four narrow lanes, no shoulders or pedestrian walkway, the bridge no longer fits the demands of our region. A replacement bridge increases the capacity of the Goethals and is a far more cost-effective solution than continued spending for repairs to the existing bridge. The public-private partnership approach we are taking, also unique, is something I'll describe further in a moment. Here you see a rendering of the winning design for the Goethals Replacement Program. Since Goethals was one of the first facilities constructed by the Port Authority back in 1928, it seems fitting that we are working to replace this bridge with a state-of-the-art design and innovative bridge technology. The new bridge will be located directly south of the existing bridge, which will be taken down once the replacement bridge is completed. A cable-stayed design is proposed. That involves towers from which cables support the bridge deck without the use of anchorages. The proposed bridge would increase the number of lanes available from four narrow lanes to six wider travel lanes, which will ease congestion

and better accommodate the region's traffic volumes. This design also allows for a future mass transit corridor and restores a pedestrian walkway with access for bicycles. A replacement bridge also allows for new technologies, such as a structural monitoring system to monitor long-term serviceability of the bridge deck, a weight in motion system for tracking overload vehicles, and an intelligent transportation system for traffic monitoring as well as temperature sensors for winter maintenance. More than $33 billion of regional goods pass over the bridge each year, so it is crucial to provide the greatest infrastructure technology available for the project. Let me talk briefly about the public-private partnership. As stated previously, this is a public-private partnership, PPP or P3, the first true P3 for surface transportation in the Northeast. This P3 involves a 40-year agreement between the selected private sector entity and the Port Authority to design, build, finance, and maintain the bridge. Importantly, the Port Authority will continue to operate the Goethals Bridge and maintain control of the asset and the revenue stream, yet we are able to leverage expertise from the private sector as to how to more cost-effectively construct and maintain the bridge. This P3 approach will save the Port Authority an estimated 10 percent in combined construction and maintenance costs over the life of the agreement when compared with the Port Authority's internal estimate. This approach minimizes public investment as the private developer must put in significant equity and will benefit from low-cost financing from the United States Department of Transportation TIFIA (Transportation Infrastructure Finance and Innovation Act) loan program, as well as tax-exempt Private Activity Bonds. We believe there are appropriate incentives and allocation of risk in this agreement. The Port Authority has ensured that no payments on the construction of the bridge will be made until more than a majority of the construction is completed. The selected developer's proposal also shows a schedule saving of six months when compared to the Port Authority's internal estimate if this project were done in-house. After careful scrutiny and selection, the Port Authority proposes award of a design-build-finance-maintain contract to the NYNJ Link Partnership for the design, construction, financing, and maintenance of the Goethals Bridge along with the approval of various support functions to ensure the Port Authority's implementation of this contract. NYNJ Link is a partnership between two leading infrastructure firms. Macquarie Infrastructure is a global leader in infrastructure and investment. Kiewit is one of the largest construction firms in the world. As we move forward with continued constraints on our resources, we are financing necessary infrastructure and at the same time minimizing the use of public funds and public debt capacity, yet we continue to maintain control of the asset to ensure that operations continue for the good of the region, with the public and our customers continually in mind. It's great that there are children in the Boardroom today because these investments are about the future prosperity of our region. We're leveraging the best of private sector construction expertise and using significant private capital, which will free up PA debt capacity. Construction and related service activities required for the completion of the Goethals Bridge replacement are estimated themselves to result in 5,600 total job years, $220 million in wages, and $870 million in economic activity. This means thousands of men and women will be part of this project and can be proud of what they are doing to contribute to the economy of the region. Lastly, let me give thanks, first to Governor Andrew Cuomo and Governor Chris Christie for their leadership on Goethals, Bayonne, and Outerbridge, to the Port Authority team here, from Tunnels and Bridges, Cedrick Fulton, Mike Valletta, Jim Blackmore, Libby McCarthy, our CFO, as well as Jerry Stoughton and Charles Huang in the Office of Financial Analysis, Lillian Valenti in Procurement and her colleagues Laurie Spencer, Tim Pullen, and Mitch Yonkler. Additional thanks goes to Peter Zipf, our Chief Engineer, and our Chief Structural Engineer, Bernie

Yostpille. Now I'll turn it over to Bill to discuss the other important projects to be approved today.

[Bill Baroni] Thanks, Pat. I'd like to continue and build on that great Goethals project and present another great large-scale bridge-building Board action today, which includes an award of a contract for the $1.29 billion Bayonne Bridge Program. As we presented to you and to the public on prior occasions, the "Raise the Roadway" concept for the Bayonne Bridge will increase the bridge's navigational clearance to allow the larger, more efficient, and environmentally friendly post-Panamax container ships through the channel. This will raise the existing clearance to 215 feet from the current 151 feet while preserving the iconic arch. This Bayonne Bridge Program also seeks to maximize opportunities for environmental efficiency. When we have raised this roadway, our ports will be able to welcome the largest, newest, and cleanest ships in the world. Moving forward, the Port of New York and New Jersey will be able to take advantage of the most modern technologies for a cleaner, greener port. The new roadway also allows for wider travel lanes, a full-length 12-foot shared use path for bikes and pedestrians, shoulders on the approaches and main span, and a median. I am pleased to report the Planning phase of the program is complete and final design was completed in less than 18 months, with an estimated soft cost of less than 5 percent of the total project cost. Now I will show you what this innovative construction will look like. The first scene. The Bayonne Bridge existing roadway deck will be replaced at an elevation 64 feet higher to provide an increased air draft. The existing approach structures will be completely replaced. Precast segmental concrete construction will be utilized, with use of a launching gantry for installation efficiency, and the new higher main span roadway deck will be constructed above the existing roadway, utilizing the arch as the gantry crane, meaning we're going to build a new roadway above a roadway that people are using. It is an extraordinary engineering feat for any agency. Members of the Board, this work will commence immediately after the completion of the environmental review process and once the Port Authority obtains the proper permits. In addition, the Port Authority is voluntarily entering into an agreement with the New Jersey Department of Environmental Protection in order to address environmental concerns that have been raised by the federal Environmental Protection Agency and members of the community. Future construction and related service activities required for the completion of this project are estimated to create 2,500 construction jobs, 6,300 total job years, $380 million in wages, and more than $1.6 billion in economic activity. This is another extraordinary win for our region, more jobs and renewed infrastructure to maintain the competitiveness of the New York-New Jersey Harbor. This is what the Port Authority does best. Combined with our expedited schedules and low soft costs, this project exemplifies the new ways in which the Port Authority is speeding up necessary infrastructure investment in our region. It is with excitement that I present to you our selected construction firm to raise the Bayonne Bridge Roadway, a joint venture between Skanska Koch Incorporated and Kiewit Construction Company. This firm was the lowest priced bidder. Construction will commence immediately once the environmental review process is complete, which is scheduled for mid-2013. We expect to have the navigational obstruction, the lower roadway, removed by late 2015 and all construction activities complete by mid-2017. And much as my colleague and friend Pat Foye thanked an extraordinary group of people here at the Port Authority for their work on Goethals, much of it shared on Bayonne, I must take a moment to thank Joann Papageorgis, who has been the project manager on this project for the past three years who has done extraordinary work, Mark Chertok, our outside counsel, who has provided

legal advice with our Law Department, Peter Zipf, Cedrick Fulton, Rick Larrrabee, and Lillian Valenti and all of their teams for getting us today to this point. And if I might, Mr. Chairman and the Board, this point that we talk about with speed, three years ago there was significant doubt as to whether or not the Port Authority would or could do something about the obstruction at the Bayonne Bridge. Because of the leadership of Governor Christie and Governor Cuomo, we are here today. Governor Christie repeatedly would say we are going to raise the bridge, and today we are going to be able to raise the roadway of the bridge. This is a project, because of its complexity, because of the levels of government that were required, I would be remiss if I did not thank some of our partners in government. Certainly here in New York Senators Schumer and Gillibrand have taken great interest in this project, Senator Bob Menendez, who has essentially become part of the Bayonne team, a day-to-day focus on this project, from construction to focusing on the permitting process, Senator Frank Lautenberg, who has spent years focused on making our port the most competitive, I want to thank him for his tireless efforts, Congressman Albio Sires, Mayor Mark Smith of Bayonne, Assemblyman Alberto Coutinho of Newark have focused their attention on the Bayonne Bridge since the earliest days. And without all of their help, Republicans and Democrats from all across New York and New Jersey, this project, which three years ago people doubted whether or not the Port Authority cared enough to focus on, is now on the verge of being completed. Finally, and certainly not least, in keeping with our commitment to the third bridge linking New Jersey and Staten Island, I want to present a project that is crucial given the future initiatives of the Staten Island Bridges. We must continue to ensure that all of our facilities are in a state of good repair, and the Outerbridge Crossing, named after our first Chairman, Eugenius Outerbridge, constructed in the late 1920s, is in serious need of major pavement replacement. The spans were last repaved in the early 2000s with asphalt pavement, and the toll plaza concrete slabs have not received major rehabilitation since their initial installation. This project at the Outerbridge Crossing provides for the replacement of paved surfaces for the east and westbound spans, toll plaza, and approach roadways. We must work to mitigate any traffic concerns due to construction at the Goethals and Bayonne, and as a precaution to that, it is critical that we move forward with the Outerbridge project at this time. Construction, which will begin this year, as Pat mentioned, with Goethals and Bayonne, which will take up to 30 months, is anticipated to begin this year, concluded by the end of 2015 at a total cost of $23.5 million. Today we'd like to award a contract to the Crisdel Group for this scope of work for $15.3 with extra work. Future construction and related service activities required for this project are estimated to result in 120 job years, $3 million in wages, and $39 million in economic activity. These three projects represent crucial investments in our region that demands it. We are working expeditiously to replace or upgrade facilities, some of which are more than 80 years old. And for the millions of commuters and billions of dollars in goods that flow through the Staten Island bridges, we hope that this experience will be better, increased capacity, innovative technologies, and innovative financing solutions. For an agency that has done extraordinary things, these projects will help our commuters, our port, and our neighborhoods. Thank you, Chairman.

[Chairman Samson] Thanks, Bill. As I said before, this is what we all consider a historic day for the agency. These three projects, individually and taken as a whole, present vivid examples of how the agency can and must work in the future. In the past, the Port Authority has been criticized for being stuck in time in old ways of doing business and being too insular and uncooperative on significant projects. Sometimes those criticisms were justified. But as I've said

repeatedly, this Authority is the finest planning and engineering agency in the world, and these three projects demonstrate what can be accomplished with strong leadership, as Bill and Pat said, in this case through Governors Christie and Cuomo, and through cooperative efforts with other public agencies and the private sector. These projects, moreover, are examples of the Port Authority's return to our core mission, investment in transportation infrastructure and driving economic development and job creation. Obviously, as both Bill and Pat have indicated, these projects will create employment, new jobs, in and of themselves. But more importantly, they allow the Port Authority, or our ports in particular, to remain competitive and to increase the efficiency of moving goods across the rivers. I want to thank in particular Joann Papageorgis and her team on the Bayonne Bridge project for amazing work on a complicated project in working with federal and state agencies for all the necessary approvals. I want to recognize the project team on the Goethals Bridge Replacement project in developing a creative financing model, which will be followed, hopefully, on future projects by this Authority. And at the end, these projects demonstrate what all of us here know, and that is the Port Authority is moving forward. And now I understand we have some speakers on this item, the first of whom is Jerry Keenan of the New Jersey Alliance.

[Jerry Keenan] Good afternoon, everyone. I want to say thank you for the opportunity to speak here. This is really a fantastic day in the history of the New York-New Jersey region and, frankly, for the entire East Coast. I want to congratulate everyone here on the Board for moving forward on this. This is a day that our children and someone mentioned the children will read about this in history books one day. I've always looked at this as this is something when back in the early 1900s when they built the George Washington Bridge and the Lincoln Tunnel and the Holland Tunnel and all of these bridges, when are we going to do what we need to do for our grandchildren and our children? So this is a great step toward that. I want to congratulate everyone from not only the Board but the Engineering Department staff, Peter Zipf, everyone involved all the way through for a great job. This is something that not only is going to be a great short-term investment for the region but is going to make the entire region much stronger for many, many years to come. Anyone who has driven along those bridges, there's no doubt that this is something that has been a long time in coming, although it's not always easy to do that. So once again I want to say congratulations to everyone in this room, and we're looking forward to seeing construction begin, and I'd just like to say bravo. [applauds]

[Chairman Samson] Thank you. Our next speaker is Richard Anderson of the New York Building Congress.

[Richard Anderson] Mr. Chairman, Mr. Vice-Chairman, members of the Board, you would expect a building organization to be pleased with an action like this one and indeed we are. This is momentous, but it's particularly important for two reasons that I wanted to emphasize. One is the bi-state economy is the largest metropolitan economy in the world, and these kinds of investments, as you've pointed out, leverage this economy so effectively. And we can't make light of that. It's not just the direct construction jobs; it's what it means for the economic future. We need more bi-state investment, not less. And the second is the precedent you're taking with the Goethals Bridge. You're launching a public-private partnership, the first in the Northeast, and this needs to be emulated. Mr. Chairman, you mentioned the landmark work the Port Authority has done over the years. This is another landmark step, and we congratulate you

for that and hope that your colleagues in the other organization and particularly in the two state legislatures will authorize public-private partnerships going forward. Thank you very much.

[Chairman Samson] Thank you. Our next speaker is Joseph Curto of the New York Shipping Association.

[Joseph Curto] Good afternoon, Mr. Chairman, Commissioners, Mr. Foye, Mr. Baroni, Admiral Larrabee, assembled staff, guests, and members of the press. My name is Joseph Curto. I'm currently the president of the New York Shipping Association. First I'd like to publicly applaud the effort and extraordinary work that the Port Authority has performed on the Bayonne Bridge project. I'm not an engineer, but I can appreciate the complications and enormity of a project of this nature. Also I'd like to thank the Port Authority for recognizing there was a critical time element involved for completing this project or at least having it well under way to coincide with the widening of the canal. I was pleased to hear today that that would be the case. We believe the raised bridge will be a key element in keeping our port competitive when the widened canal will permit larger ships to travel to the East Coast of the United States from Asia. We would very much like to see those ships here. As you heard earlier from Mr. Foye and Mr. Baroni, the larger, more modern post-Panamax ships represent a more efficient and environmentally friendly way to move cargo along the supply chain from the point of origin to the point of destination. During the past decade, billions of dollars have been invested in this port to prepare it for the future. Public-private cooperation and investment has led to modernized and reconstructed facilities, new equipment, new technology, and deep water channels and berths. Recently the New York Shipping Association completed negotiations on a new 6-year labor contract with the International Longshoremen's Association. We believe history will view this agreement as a turning point in the port's evolution because it provides the will and the means to address many of the issues which have negatively affected the port's competitiveness and efficiency. The last piece of the puzzle is the Bayonne Bridge. Once this project is complete, we will have in place all the tools necessary to guarantee the continued success of this thing that we call the Port of New York. A healthy port is the key to a prosperous regional economy. Thank you for allowing me to make these remarks.

[Chairman Samson] Thank you. Our next speaker is John Nardi of the New York Shipping Association.

[John Nardi] Mr. Chairman, Mr. Foye, Admiral Larrabee, Mr. Baroni, I come from the private sector, joining the New York Shipping Association, and I can tell you that around the world the Port of New York by shipping companies and companies who look at their infrastructure chains, they sort of look down at the Port of New York because of the Bayonne Bridge and some of the comments that were made that the port was stuck in a rut of the past. I just wanted to come up and say that this will tell the rest of the world that New York is back in business, that New York is going to be the most efficient, most competitive port there is, and that everybody in this room will benefit in the future. Thank you.

[Chairman Samson] Thank you very much. Our last speaker on this issue is Phil Beachem of the New Jersey Alliance for Action.

[Phil Beachem] Good afternoon, Mr. Chairman, members of the Board. I'm Phil Beachem, president of the Alliance for Action. For 39 years this organization has acted as an infrastructure advocacy group within the New Jersey state and within the region, both nonprofit and nonpartisan. I've been with the alliance 25 years. This action that you are taking here today, in my opinion, is the most transformational and historic action that any agency in the region has taken. Anyone driving over any of these bridges knows firsthand how bad they are. Knowing how bad they are and implementing a solution is sometimes few and far between. I want to commend Governor Christie and Governor Cuomo, I want to commend this Board, and I particularly want to commend the excellent staff of the Port Authority. I've been in public meetings on discussions on each of these issues over many, many years, and I know how dedicated your staff has been at trying to work on a solution, and I want to commend all involved on behalf of the New Jersey Alliance for Action. Thank you.

[Chairman Samson] Thanks very much. May I have a motion to move these three projects forward for approval? [Commissioner] So moved. [multiple Commissioners] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. [applause]

[Chairman Samson] Now, after that happy and joyous vote, on a somber note it's with great sadness, personal and professional sadness, that I report on the recent loss of Port Authority Commissioner Sidney Holmes III, who passed away last week. I know that my colleagues on the Board will agree when I say that Commissioner Holmes will be sorely missed. He was a fine attorney who served on this Board with grace and passion, and, more importantly, he was a fine man. I want to offer a memorial tribute for the Board's consideration in recognition of Sid's service to the agency and the bi-state region. Sid's fiancé, MaryAnn Liberatore, is present today, and on behalf of the Board and personally, I want to extend our condolences and our great sympathy. Memorial tribute to the Honorable H. Sidney Holmes III. It is with profound sadness that we mark the recent passing of our colleague, H. Sidney Holmes III, on April 15, 2013. And the resolution reads this way: Whereas, from his appointment by New York Governor David Paterson in 2008 through his current service on the Board of Commissioners of the Port Authority of New York and New Jersey, the Honorable H. Sidney Holmes III gave tirelessly of his time, talent, and experience in furtherance of the agency's mission; and Whereas, during his tenure on the Board, H. Sidney Holmes brought to bear the full breadth of his vast experience and expertise in public finance and economic development in furtherance of the goals and mission of the Port Authority; Whereas, Sid Holmes served with great pride as a member of the Board of Commissioners during one of the most ambitious periods in the agency's history, with major capital construction projects undertaken at the airports, seaports, PATH, and the World Trade Center site; and Whereas, during his years on the Board, Sid Holmes served with great distinction as a member of the Committees on Finance, Operations, Audit, Security, Governance and Ethics, and the World Trade Center Redevelopment Subcommittee and as Chairman of the former Committee on Capital Programs/Agency Planning; and Whereas, as Chairman of the Committee on Capital Programs/Agency Planning, Sid Holmes was dedicated to the agency's capital planning process, whereby he contributed to stimulating and guiding an ambitious long-term transportation investment plan to maximize the region's economic opportunities, productivity, and quality of life and provide for further security enhancements, modernization of the PATH system, and the continued redevelopment of the World Trade Center site;

and Whereas, Sid Holmes was an advocate for the agency's minority, women, and small business enterprise programs that provide for an increase in recruitment of certified firms, the funding of training and development programs and creative loan and technical assistance programs, thereby ensuring that the Port Authority maintains its position as a leader in providing business and job opportunity to minority, women, and small business firms; and Whereas, Sid Holmes was committed to the agency's mission of building and maintaining transportation infrastructure for the region and was instrumental in the advancement of numerous security initiatives to ensure the safety and security of the agency's facilities so that the public and commerce may have the benefit of dependable, trustworthy passage throughout the region; Now, therefore be it Resolved, that the Commissioners of the Port Authority of New York and New Jersey express their deepest sorrow at the passing of Sid Holmes; and it is further Resolved, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to the family of Sid Holmes as a token of the high esteem in which he was held by his colleagues on the Board and by the staff of the Port Authority of New York and New Jersey.

May I have a motion to move this item? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [all Commissioners] Aye. [Chairman Samson] So moved. MaryAnn?

[Maryann Liberatore] Thank you so much. Can I just say one thing? It's my opinion that the Port Authority was Sid's favorite Board. And you have no idea how much this means to me. I really, truly thank you. Thank you. [applause]

[Chairman Samson] I'd like to now call on Commissioner Rubin to pay tribute to John Drobny, the former Director of our Security Transition Office and Acting Director of Security for the World Trade Center. John recently retired from the Port Authority after nearly 45 years of service. Commissioner Rubin?

[Commissioner Rubin] Yes. I'd like to offer the following resolution for the Board's consideration. Whereas, from the time he joined the Port Authority in 1969 as a Professional Trainee until the time of his retirement as Director of the Security Transition Office and Acting Director of Security for the World Trade Center, John J. Drobny has served with great distinction for nearly 45 years as Assistant General Superintendent of PATH, Assistant Director of the Interstate Transportation Department, Acting Director of Technology Services, among others; Whereas, John Drobny has been a strong leader, bringing thoughtful and innovative solutions to complex business issues, including the management of the agency's Capital Security Program and various security initiatives for the redevelopment of the World Trade Center; and Whereas, John J. Drobny was responsible for oversight of the development and execution of the innovative Intelligent Transportation System at the agency's tunnels, bridges, and terminal facilities and management of a multimillion dollar Bridge Painting Program which rehabilitated the iconic George Washington Bridge; and Whereas, in keeping with the agency's continuing tradition of excellence and achievement, John Drobny was awarded the Individual Exceptional Service Award for his extraordinary level of service following the events of September 11, the Robert F. Wagner Distinguished Public Service Award in 2004 for his service to the agency, and the James G. Hellmuth Unit Citation Award in 2004 for the Tunnels, Bridges and Terminals Hazard Mitigation FEMA Grant Project which secured more than $100 million of federal

funding for the agency; and Now, therefore, be it Resolved, that the Commissioners of the Port Authority of New York and New Jersey hereby express to John J. Drobny their sincere appreciation for his service to the agency and the region it serves; and it is further Resolved, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to John J. Drobny as a token of the high esteem in which he is held by the Board and staff alike.

[Chairman Samson] John, thank you so much. [applause] John, thank you for your dedicated service. Thank you for your personal assistance for my entry here and all your focus on security, and best of luck in retirement.

[John Drobny] Thank you very much.

[Chairman Samson] Thank you. Can I have— [applause] Can I have a motion to move this? [Commissioner] So moved. [Commissioner] Second. [Chairman Samson] All in favor? [all Commissioners] Aye. [Chairman Samson] So moved.

We will now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of three minutes. The first speaker is Margaret Donovan.

[Margaret Donovan] Good afternoon. We were startled last month when the incorrigible Murray suddenly turned and started lecturing us. But his remarks served a purpose beyond bringing a smile to Chairman Samson's face because it showed us that someone can sit here month after month and not understand a word we say. But isn't that the point of giving speakers only three minutes to shed light on complex issues? Over and over we have heard well prepared statements delivered minutes before you vote on a matter that represents millions of the public's dollars, but your minds are made up before you hear a word, and you don't even pretend to take the statements into consideration. How is that for a best practice with other people's time and money? Those who fight corruption and claim to champion public integrity should note that public hearings that are an exercise in futility do far more damage to the public good than some loser bribing his way into a mayoral primary ever could. Murray thinks that we are making too much of past mistakes and that, anyway, you are not the ones who made them. But abuses of power are not mistakes, and as long as you are using the same old playbook, hiding behind closed doors, pandering to a political agenda, the public should expect no better results. And neither should you. And neither should the governors. Murray believes you are making difficult economic choices, but you could never get away with developing the new Hudson Yards the way you are developing Ground Zero, stacking the buildings with government workers, leasing a million square feet for 50 cents on the dollar after giving Durst the same bargain, and most recently giving away eight acres of this precious public holding in exchange for a $200 million plot that the public already owns. But the biggest mistake our friend Murray made was in what he thinks brings people to New York. The last thing they are looking for at our generation's Lexington and Concord is another theme park. But that is what they will get, from the glitzy

observation deck where people would pay double for a chance to stand on the roof to the so-called campus that has no place for something as powerfully honest and noble as the Koenig Sphere and its eternal flame. Minoru Yamasaki famously said that, "The World Trade Center buildings "had a bigger purpose than just to provide room for tenants." But not anymore. Now it's all about providing room for tenants. And still they don't come because people are attracted by authenticity, not hype. You take pains to assure that the base of the spire be plumb because of how everything will rest upon it but ignore how that same principle applies to life. You may think that there is plenty of room under the 16-acre rug to keep sweeping the dirt and all will be well, but it doesn't work that way, and you should be smart enough to know it. Thank you. [Chair D. Samson] Thank you. Our next speaker is Michael O'Brien.

[Michael O'Brien] Good afternoon, members of the Board and Mr. Foye. I am Police Officer Michael O'Brien. I have presently been suspended for the last four years, and I've come in front of the Board to simply ask when myself and my fellow officers who have been suspended, some of them up to seven years, are going to get an arbitration. I thank the Board for their time.

[Chairman Samson] Thank you. Our next speaker is Deborah O'Brien.

[Deborah O'Brien] Good afternoon. My name is Deborah O'Brien. I am the wife of Port Authority Police Officer Michael O'Brien, who has been suspended without pay for the past four years. The Port Authority is contractually obligated to give him an arbitration hearing, and I'd like to know when.

[Chairman Samson] Our next speaker is Jackson Scott.

[Jackson Scott] Good afternoon, members of the Board. I am Jackson Scott, an aviation enthusiast in middle school who would like to help save the former Pan Am Worldport, now simply known as Terminal 3, at JFK International Airport. This matter is important to me because this building means a lot to me. It is where I first flew without an adult, and it is where I go every February. It once cradled America's premier international air carrier. It helped harvest my love for aviation. When it was first completed in 1960, it was widely positive. Photo spreads in Life and Vogue magazines and enthusiastic write-ups in Time and local newspapers added to the general excitement. The building's functional innovations like the doorless air current entrance and mechanized baggage system echoed the envelope-pushing new aircraft it would serve. It was revolutionary for its time, but now we have let it hit an all-time low. Tarps hang from the ceiling like diapers to help eliminate leaks. How could we let this iconic building, which was the cradle of a once proud, strong, and important US carrier, fall in such a state of disrepair? Sadly, many people, including the Port Authority and Delta Airlines, fail to see the beauty and opportunity that lies within this building. They only see the bad things. To think we would get back only a minimal space of tarmac and pave over one of the symbols of Kennedy International Airport is extremely saddening. This terminal has too much historical value to become a parking lot. It symbolizes the Golden Age of air travel. Restoring and renovating the terminal can draw a huge crowd to the terminal, making revenue for Delta and the Port Authority. There can be many uses for the terminal. If we demolish the rear fan extension added in 1970 and keep the rotunda or umbrella terminal building, we'll call it the UTB for short, we can gain tarmac space while keeping an iconic building. There are many possible uses for the

UTB. A connector between the UTB and T4 can be built, making the UTB a connector midpoint between T2 and T4. The UTB can also be turned into a premium Delta Sky Club. Another use for the UTB can be to make it into a museum. It can showcase Pan Am, JFK, and Delta Airlines history if it is used as a connector midpoint. It can be turned into an observation area, with an observation deck set up on the roof. We can turn this terminal into a great thing for the public. When JetBlue Airways built its Terminal 5, they encircled and preserved the iconic Terminal 5/TWA Flight Center head house. Why can't the same be done with the Worldport? Grand Central Station managed to be saved when it was to be torn down, but preservationists managed to save it. Why not the same with the Worldport? It may be worth remembering the fate of New York's original McKim, Meade, and White designed Penn Station, which was torn down just three years after Pan Am's Worldport was opened. New Yorkers realized after the fact that once gone, an architectural treasure would not be coming back.

[applause]

[Chairman Samson] Thank you. Our next speaker is Neile Weissman.

[Neile Weissman] I hate to follow that one.

[laughter]

[Neile Weissman] Chairman Samson, Board members, first I want to commend the Authority for the attention and resources you have committed to improving bicycle and pedestrian access across the George Washington Bridge. It is no small gesture, and it is very much appreciated. So thank you. Second, I wish to comment on best current thinking on implementation. With the south path closing to facilitate recabling next year, the plan is to make immediate improvements to the north, replacing steps with ramps and widening access around the towers. Three years later, a refurbished south path will be pressed into service while the north gets done. Thereafter, keep both sides open, one for pedestrians, the other for cyclists. But for the upcoming decade, we would continue to share a single 8-foot path. Problem, respectfully: Per guidance from American Association of State Highway and Transportation Officials, the minimum for a 2-way shared use path is 10 feet, with up to 14 applicable for areas of high use. In very rare circumstances, 8 feet may be used where bike traffic will be low, pedestrian use occasional and/or if limited to short distances around physical constraints. Then in 2022 and for the rest of the century when both paths come online, the GWB will functionally twin the Manhattan Bridge, which hosts a million bike trips per year, that capacity supplemented by the Williamsburg and Brooklyn. Problem: With less than 1 percent of the area trips done by bike, the GWB already hosts half a million bike trips a year, and by Port Authority's own count, that use is on track to double in five years, meaning by 2018 we will already achieve Manhattan Bridge levels. And while it won't compound forever, if we stabilize at six percent as in Portland, that's six million annual trips; if we hit Berlin at 13 percent, that's 13 million; Copenhagen, 36 million. Understanding that the Authority receives no tax dollars, it nonetheless partners with states on projects of mutual interest. And since the MPOs are projecting $2 billion in new bike/ped infrastructure through 2035, including a major facility linking Hudson, Edgewater, and Fort Lee, it is incumbent we ask you to leverage your investment, recognizing the bridge is a linchpin in constituent

infrastructure and its role in whether those investments will succeed in their aspirations. Point of reference: The new Tappan Zee connecting 1.3 million residents in Rockland and Westchester will include a 16-foot path costing $300 million. When the Authority assumed control of region airports in the '40s, air traffic was three percent what it is today. When the GWB opened in '31, five and a half million cars came over. Today it is 20 times that. In each case the Authority had the vision to provide infrastructure that would beacon exponential growth. In cyclists you have a fast-growing constituency fully motivated to lobby for just such a vision, and over the next decade when the paths are torn out and rebuilt, there will never be a better, more convenient, timely, or less expensive opportunity. Thank you. [Chair D. Samson] Thank you. Our next speaker is Richard Hughes.

[Richard Hughes] Good afternoon, Commissioners. It's wonderful to hear about your new projects, about the bridges. This is great. They're needed. They're necessary. This is what the Port Authority does best. It's what you're supposed to do. And we at the Twin Towers Alliance are all for it because we're citizens of the region, and you help make this region better when you do these things. But here's my question, and perhaps at some point you'll be willing to answer it for us. How are you going to pay for all of this? How are you going to pay for all of these projects? Where is the money going to come from? We know, for instance, that you've gone through $7.5 billion at the World Trade Center site, money that you didn't have to spend. And now you're going to spend billions of dollars for the bridges, and you're going to spend $700 million to repair the George Washington Bridge? And you have to do something with the airports. JFK and LaGuardia are a disgrace. They're among the worst airports in the world. And this is supposed to be the greatest city in the world. So where is the money going to come from? We've asked for nearly two years. We've been asking for Larry Silverstein's investment financials at Ground Zero from the Port Authority. Every month we ask and every month we get the same reply: "Well, you'll have to wait." How long does the public have to wait to know how its money has been spent and wasted and how we are going to pay for things that we really need, like the bridges you've talked about and like the airport renovations? Where is the money going to come from? That's the big question. And I hope some of the press will finally ask the question, ask the question and force you to answer it. Where is the money going to come from? Larry Silverstein was paid $4.5 billion by the insurance companies. How much money does he have at stake at Ground Zero? As far as we can tell, little or nothing. Yet he has $10 billion in projects in the pipeline all over the world, from Warsaw to Disney World to China. But where is his money where it should be, at Ground Zero? Why isn't it there? And why isn't the Port Authority forcing him to put his money there so that the Port Authority can put its money where it needs to be, in the bridges, in the tunnels, in the airports? Why? We keep asking and asking and asking. We keep stating the obvious. Larry Silverstein was obligated under his contract with you to rebuild the Twin Towers on his own dime and to pay for the cleanup on his own dime, yet New Yorkers spent $700 million for the cleanup, and you've gone through $7.5 billion to try to develop the site. Where is the money going to come from? That question is going to have to be answered sooner than later. Thank you.

[Chairman Samson] Thank you. Our next speaker is Assefash Makonnen.

[Assefash Makonnen] Good afternoon. My name is Assefash Makonnen. I'm here on behalf of Transportation Alternatives. I'm here today in support of the Port Authority's efforts to improve

bike and pedestrian access and safety on its main assets. I'm speaking on behalf of our Executive Director Paul Steely White. In the past, we have worked with the Port Authority to improve cycling and walking conditions on the George Washington and Bayonne Bridges, key networks for many commuters between New York and New Jersey, Manhattan's Hudson River Greenway being the most heavily used bike path in the country. Furthermore, Palisades, Piermont, Nyack, and Bear Mountain State have become increasingly sought out destinations for cyclists due to the convenience of Route 9 West and River Road, which are accessed via the George Washington Bridge. A 2013 New Jersey Department of Transportation study found that bicyclists accounted for about 50 percent of weekend traffic on parts of the 9 West highway. On the Bayonne Bridge, TA's work has been spearheaded primarily by the volunteer-driven Harbor Ring Committee, from whom I also have testimony. We are hoping to continue to work with the Port Authority to identify ideal routes and propose improved connections for cyclists from the Staten Island Ferry to the bridge and on the New Jersey side from the bridge to the southern end of the Hudson River Walkway. With help from our colleagues at the Port Authority, we have been able to mobilize community associations, municipal officials, businesses, and other parties to invest their time and interest in improved bike and pedestrian access to the George Washington and Bayonne Bridges, and we at Transportation Alternatives hope to continue the progress that we've made. We continue to appreciate and thank the Port Authority for its dedication to a safe and accessible New York and New Jersey for all, and thank you to the Board for the opportunity to testify on behalf of Paul Steely White and Transportation Alternatives. And I would like to submit these as well. Thank you.

[Chairman Samson] Thank you. Our next speaker is Anthony Stramaglia.

[Anthony Stramaglia] Thank you, Mr. Chairman. Good afternoon, Commissioners, Directors, and members of the staff and public. I would also like to thank Jackson Scott, whom you just heard, and his family for taking some time off from school and work to come here in support of something he really believes in. We were thrilled when he approached us about speaking before you in support of saving the historic JFK Terminal 3, but we weren't surprised. You see, the admiration for this historic and iconic symbol of air travel knows no boundaries. Our campaign has inspired thousands of people of all ages from 59 countries across the globe so far. So many of them are young people like Jackson who understand and value the history, the culture, and the artistry this iconic terminal embodies. Actually, I would be wrong if I said our campaign took all the credit. I believe the very history, culture, and artistry this terminal embodies, these qualities themselves speak volumes. How appropriate that the very countries this terminal once served and continues to serve now come to its rescue. Many people from these countries are surprised to learn that here in the US we tear down so many historically important buildings simply to make room for something so much more mundane. They're even more upset when they hear that in the case of Terminal 3 we're making room for, well, a parking lot. Imagine Rome without the Colosseum, Greece without the Acropolis, or Egypt without the pyramids. It is just as difficult to imagine John F. Kennedy International without that magnificent umbrella adorning the southern corner of the airfield. The famous flying saucer has character. I think about how many kids must turn to their moms or dads as the car rounds past that soaring roof and they cry out in wonder, "Whoa, what is that?" I can tell you I remember it well because that was my reaction seeing that massive roof back in 1981, and I could never forget it. We've noticed a strange thing has been happening as May 24th draws closer. Folks have been writing us to tell us they're

desperately trying to squeeze in that last trip flying into or out of Terminal 3 just so they can take another look at it. They're asking us if we know if it will be open past June or July or if there's any chance at all to save it so that their kids can see it someday because it meant so much to them when they were kids. If there's this much interest in visiting the terminal now in its waning days, imagine the interest it will create if word spreads that it has been saved and will be restored and open once again to the public. And speaking of interest, I understand we have quite a few of our campaign supporters here. I'd like those folks to please stand up and show your support. Thank you. We once again ask you to please consider saving this important historic landmark so that young people like Jackson can continue to learn from its history, study its architecture and workmanship, and simply enjoy it as a work of art. And perhaps he can someday take his kids to see it and proudly say to them, "Look. Can you believe they wanted to tear this down?" "But we helped save it." Thank you.

[Chairman Samson] Thank you. [applause] Our next speaker is Patricia A. Lewis.

[Patricia Lewis] Hello. My name is Patricia Lewis. I have been a crew member with Delta Airlines and Pan American World Airways for more than 25 years, and I thank you very much for giving all of us the opportunity to speak with you today. I just learned of this hearing this morning while reading my email, so I will not be as eloquent a speaker as Jackson Scott here, who I just think is absolutely adorable, and the last gentleman who just spoke. We really appreciate your support in this effort. Thirty-five years ago, the United States airline industry was deregulated, which was one of the most admired and best run industries in the United States of America and the entire world. In 1978, over the objections of nearly every airline CEO in the United States, who were predicting a financial bloodbath, a small group of lobbyists and deregulation zealots managed to deregulate the United States airline industry. One of the best quotes of the day came from American Airlines Chairman Robert Crandall, who was the Senior Vice President of Marketing at the time. And because Jackson is here, I'm not going to quote him exactly [laughter], but he said, "You f-ing academic pinheads." "You don't know—" expletive deleted. "You cannot regulate this industry. You are going to wreck it." They did, and in the 35 years since then, every major airline in the United States has filed Chapter 11 bankruptcy. I'm not going to bore you with how much joy they've sucked out of the industry; I'm just going to tell you about the condition of the airport. There were problems with regulation, but at least it was transparent and there was accountability for the flying public and for people who worked in the airline industry. The deregulation of the airline industry was the equivalent of using a hand grenade to clean an oven, and the reason I'm here today is to beg you not to let some of these same lobbyists use a hand grenade to destroy the Pan Am Worldport. There was a great deal of intelligent design that went into the JFK Worldport. Charles Lindbergh and Juan Trippe were involved in the design of this terminal. It's a very beautiful terminal. If you would like an expert opinion on the design of the terminal, David Rockwell, who has been involved with the JetBlue Terminal and several airports in Asia as well as the W Hotels, said that the Pan Am Worldport is as deserving as the Grand Central Terminal and the TWA Terminal of preservation. And he said if we destroy it, 50 years from now people will say, "What were we thinking?" Terminal 4 is worse than most Third World airports, and here is just one last picture of the beauty of the terminal. But it's a beautiful rotunda, it's very, very spacious, and what's most intelligent about it is from a security point of view. I drew a diagram. I hope I have it. Dark. Right here. This is where you go through at Terminal 3. There's 6 points of entry. So if you have a terrorist attack

here, here, or here, you can still go through the beginning of the rotunda, you can go through here, go through here, go through here, go through here. At Terminal 4 you all get railroaded like a bunch of mice into one big area that looks like Ellis Island, then you go downstairs through one security checkpoint and you've got five lines of people, a thousand people, hundreds of people all jammed into one small space. It is not intelligent design, and my question is, would someone from the Port Authority be willing to speak with our smart 6th grader here and a delegation of Pan Am preservationists as well as an engineer from the Port Authority? Thank you so much.

[Chairman Samson] Thank you. Our next speaker is Michael Frost.

[Patricia Lewis] Is that a yes, that there would be somebody from the Port Authority?

[Chairman Samson] It was a thank you.

[Patricia Lewis] Oh. [applause]

[Michael Frost] Good afternoon, Chairman Samson and distinguished members of the Board. Let me first thank you for the opportunity to be heard today. Less than a month from now, as you've been hearing from several other people here today, the Pan Am Worldport will stand empty. If Delta has their way, not long after that we're going to lose an important piece of aviation and architectural history. We've been here before, okay? The tale of two train stations, as Jackson Scott pointed out to you. Three years after the Worldport is built, we lost Penn Station. We learned our lesson, and a few years later we saved Grand Central Terminal. And those of us that commute via the Long Island Railroad and Metro-North can tell you the differences in the two experiences coming into New York City. Prior to this, we had the Tribune Building, we had the Singer Building. After the loss of the Singer Building in 1967, we have not lost a single skyscraper of first ranked significance in this city. Why? Because in 1967 we learned our lesson. In 1992, Greater Pittsburgh International Airport built a brand new, modern terminal. Their original art deco terminal, state-of-the-art from the 1950s, was demolished. To this day, if you go to Pittsburgh you'll hear from Allegheny County, from the city of Pittsburgh, you'll hear from the preservationists what a sad loss that was. They couldn't preserve it even as a museum. I'm not here today only as an employee of an airline but also as a user of Kennedy Airport and a self-proclaimed aviation buff who grew up in that airport and for much of my life grew up in that terminal. I was going to go over a lot of the glory of the terminal, why it's significant, but I think Jackson covered that for me. Thank you, Jackson. [applauds] We lost the original National Airlines Sundrome designed by IM Pei, who also designed the Louvre. We lost the Robert Sowers designed stained glass mural in the original American Airlines Terminal that was the largest in the world when it was unveiled. And we almost lost the Eero Saarinen designed TWA Terminal. The Port Authority had the vision to work with JetBlue and save that piece of aviation history. Please show that same vision today. Modern, efficient terminals are good, they're important. I work for an airline. We need these things. But history must be preserved. The rest of the world, the great cities preserve their history. Why in the greatest city in the world do we not do this? Delta by its own drawings has said they're going to replace this magnificent piece of history with a parking area that will contain less hardstands than they currently have gates in the terminal. This is efficient? The only reason this terminal is not being preserved by Delta is they do not want to spend the money. Shame on a company who made $8.5

billion last quarter for not wanting to spend the money to save this terminal, and shame on you if you let this happen. Thank you. [applause]

[Chairman Samson] Thank you. And our last speaker is Murray Bodin.

[Murray Bodin] My presentation today was going to be directed primarily to Margaret and Richard. They know about it because I spoke to them about it before. I ask if you've seen this on a construction site. This is the red flag that those flaggers all wave. It's been illegal for 10 years. For 10 years they have not been permitted to use it, but they still use it, and the question is why? Because nobody can stop them. What they're supposed to use: Stop/Slow paddles. That's what's required. And it's often used but not all the time. But what's interesting about this Stop/Slow paddle is the letters. This is the only sign in the United States where the letters are distorted. They're longer than they should be. Why? Because somebody made a mistake and it was never corrected. What they should look like: this is what we have now. This is what has been adopted by the European Union, a standard size letter. There are no more local Alto or Halt or any of the strange letters. They all have standard letters. Why can't we do it? A mistake was made and we haven't figured out to correct it. I've asked— I've asked you to help me. You have organizations. Rich told me this morning just before we spoke that he has trouble following where the signs go. The same errors that you see over there are being repeated here. People are being confused unnecessarily. I need your help and your help and the help of your organizations to avoid 10,000-20,000 accidents across the United States, to save 3,000 or more lives across the United States by just making these things clearer. I need your help, Jackson needs your help because it's for him and my grandson and that generation that's going to have less accidents. Peter, that's you, right? I'd like to meet with you and sit down and figure out how the Port Authority can be as much of a leader as they have with these three bridges, which are excellent, in beginning the transition and showing the rest of the country the right way to do it. We don't need any new laws. There's a couple mistakes that have to be corrected, but correcting mistakes is quite easy. All it takes—thank you—all it takes is your decision, and the cost is minimal. You can avoid tens of thousands of accidents, you can save thousands of lives, and you can save a lot of money. Thank you.

[Chairman Samson] Thank you. May I have a motion to approve the consent calendar? [Commissioner] So moved. [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. There being no further business, I will move to adjourn the meeting. May I have a second? [Commissioner] Second. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] The meeting is adjourned.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
April 26, 2012

[Chairman Samson:] The annual Board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a Special Meeting of the Operations Committee will be held to consider certain matters on today's agenda. Prior to today's meeting, the Governance and Ethics Committee and the Committee on Construction met in public session, the Committee on Operations and the World Trade Center Redevelopment Subcommittee met in both public and executive session, and the Nominating Committee met in executive session. Their reports will be filed with the official minutes of today's Board meeting. The Commissioners also met in executive session prior to today's Board meeting to discuss matters involving public safety, law enforcement matters involving ongoing negotiations of reviews of contracts or proposals and matters related to personnel and personnel procedures. Our first order of business today is the election of officers. In accordance with the By-Laws of the Port Authority of New York and New Jersey, Port Authority Trans-Hudson Corporation, Newark Legal and Communication Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation, the Nominating Committee met in executive session prior to today's meeting in connection with the annual election of officers. Commissioner Anthony Sartor as Chair of the Nominating Committee, may we have your report?

[Commissioner Sartor:] Yes, sir, Mr. Chairman. On behalf of the Nominating Committee for the Port Authority of New York and New Jersey, Port Authority Trans-Hudson Corporation, Newark Legal and Communication Center Urban Renewal Development Corporation, and the New York and New Jersey Railroad Corporation, I desire to report that at its meeting held earlier today, in accordance with the provision of Article Seven of the By-Laws, the Committee, by unanimous actions, submits the nomination of David Samson for election to the office of Chairman and Scott H. Rechler to the office of Vice Chairman. The Port Authority of New York and New Jersey, by unanimous action, the Committee also submits the nominations of Patrick J. Foye as Executive Director, William Baroni as Deputy Executive Director and Darrell Buchbinder as General Counsel. By unanimous action, the Committee also submits the nominations of Karen E. Eastman as Secretary, Michael G. Fabiano as Chief Financial Officer, Daniel G. McCarron as Controller, and Anne Marie Mulligan as Treasurer. In addition, the Committee, by unanimous action, also submits the nominations of Patrick J. Foye as President and William Baroni as Vice-President and Secretary of the Port Authority Trans-Hudson Corporation. In addition, the Committee, by unanimous action, submits the nominations of Patrick J. Foye as President and William Baroni as Vice-President and Secretary of the Newark Legal and Communications Center Urban Renewal Corporation. Lastly, the Committee, by unanimous action, submits the nominations of Patrick J. Foye as President and William Baroni as Vice-President and Secretary of the New York and New Jersey Railroad Corporation.

[Chairman Samson:] Thank you, Tony. May I get a motion to move these nominations? [Commissioner] So moved. [Chairman Samson:] Second? [Commissioner:] Second. [Chairman Samson:] All in favor? [all:] Aye. >>

[Chairman Samson:] So moved. Next the Chairman of our Audit Committee, David Steiner, will now provide a report. Commissioner Steiner?

[Commissioner Steiner:] Yes. As Chair of the Audit Committee, I wish to file a report. In accordance with the By-Laws, the Chair of the Audit Committee periodically reports on the activities of the Audit Committee. The Committee consists of Commissioners Moerdler, Lynford and Sartor, in addition to myself. Since last April, the Audit Committee met five times. Senior Port Authority financial, audit,--[Mic cuts out] investigative, governance and legal staff, as well as representatives of the Audit Committee's outside counsel and our independent auditors, regularly attend these meetings. Consistent with the Audit Committee's policy that the independent auditors and members of the Audit Committee have direct and unrestricted access to each other, a portion of each meeting is held with only outside counsel and the independent auditors present. Our Committee reviews, in detail, the Authority's audited financial statements prior to their release and makes such other inquiries in connection with the audited financial statements, as it considers appropriate. The Committee has reviewed and determined to be satisfactory Deloitte & Touche's performance with respect to the 2011 audit process. The independent auditors have advised us that they encountered no difficulties during the course of their audit, including restrictions on the scope of work or access to required information, and that there were no disagreements with staff in connection with the preparation of the 2011 consolidated financial statements. We appreciate the leadership efforts in this context provided by Chief Financial Officer Michael Fabiano, and Comptroller Daniel McCarron. The Audit Committee is also responsible for the retention of the Authority's independent auditors. Last year, the Committee directed a publicly advertised solicitation process and, after due deliberation, which focused heavily on the pros and cons of auditor rotation, the Committee determined that KPMG LLP should be retained as independent auditors for the year ending December 31, 2012. On behalf of the Audit Committee, I would like to take this opportunity to acknowledge and thank Deloitte and Touche for its many years of service as the Port Authority's external auditor during which time they have been a valued and trusted advisor to the Audit Committee. I would also like to take a personal privilege and thank one individual in particular. David Jones has served in various capacities on the Deloitte team over the years and his professionalism, dedication and personal integrity have been appreciated by all those with whom he has worked, and I am personally grateful for his unfailing commitment and sage advice. We are pleased to learn that, for the 27th consecutive year, the Port Authority has been awarded the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association for its 2010 Comprehensive Annual Financial Report, which is the highest form of recognition in governmental accounting and financial reporting. The Audit Committee continues to be actively engaged with staff in the ongoing implementation of an agency-wide enterprise risk management program to identify, address and mitigate various business risks. Recognizing the importance of enterprise risk management to effective and efficient management, the Committee convened a special meeting in July 2011 to evaluate the program in detail. We are pleased with the progress to date, and commend the staff for the proactive manner in which enterprise risk management is being integrated into the agency's business processes and business risks are being identified and managed. It is imperative to the continued success of this effort that staff and the Board continue to work together on moving this program forward. The Audit Committee also oversees the internal audit function within the Port Authority. The Institute of Internal Auditors prepared a peer review of the Internal Audit function and the Port

Authority's Internal Audit department received the highest rating. The Chief Audit Executive was singled out for the proactive role he has played in the progress Internal Audit has made. Attributable, in part, to the increased coordination between the Audit Committee and the Internal Audit function, the report is positive and noted that the "IA activity is well-structured and progressive." In particular the draft report notes that "recent efforts to implement an Enterprise Risk Management process throughout the [Port Authority], and direction to the Internal Audit activity to implement a program focused on business process improvement by very positive steps in providing good governance." One area in which Internal Audit devoted resources was the overall effectiveness of the Port Authority's real estate and leasing function and, as a result, significant changes designed to increase the efficiencies and produce savings are underway in that area. The Audit Committee also reviewed reports of audit results prepared by the Audit Department, reports prepared by the Office of Inspector General and accounts receivable reports prepared by the Treasury Department. In addition, as Chair of the Audit Committee, I review the expense reports of the Executive Director and members of the Board for conformance with established agency expenditure and reimbursement guidelines. The Committee recognizes the strengths, talent and commitment of our financial and investigative professionals, who facilitate the Audit Committee's oversight of the quality and integrity of the Port Authority's framework of internal controls, compliance systems and accounting, auditing, and financial reporting processes. The Committee believes that reasonable processes and controls are in place to mitigate business risk, and there is reasonable basis for the Board to have a high level of confidence in the professional and ethical conduct of Port Authority personnel. Thank you.

[Chairman Samson:] Thank you, Commission Steiner. Next we have a report from the Governance and Ethics Committee, which will be provided by Commissioner Sartor.

[Commissioner Sartor:] Thank you, Mr. Chairman. As a member of the Governance and Ethics Committee I wish to submit the following report: The Governance and Ethics Committee reports periodically on the activities of the Committee. At the present time, the Committee consists of Commissioners Bauer, Schuber and Silverman, in addition to myself. Pursuant to the actions of Section VIII (G) of the Port Authority's By-Laws, the Governance and Ethics Committee has oversight of questions related to the development of, and compliance with, governance and ethics principles of the Port Authority. The Committee ensures that the Board and staff are familiar with and committed to the ethics principles and programs that have been adopted by the Port Authority and assist the Board in fulfilling its oversight responsibility relating to the Port Authority's compliance with legal and regulatory requirements. The Committee continues to work under its Charter that was established in 2008, which is consistent with best corporate practices approaches for governance committees, which translates the Committee's By-Law responsibilities into an action plan for Committee activities that are divided into three broad areas of oversight, including governance, ethics, and compliance. During 2011, the Governance and Ethics Committee met three times. Consistent with By-Law requirements, the Committee reviewed and discussed ethics policies for staff and Commissioners. The Committee discussed matters that included review of legal and regulatory requirements at a discussion on corporate trends in governments. The Committee has been keep apprised on the agency's Enterprise Risk Management Program. The Committee also receives a report from Inspector General Robert Van Etten, and is confident that the Office of Inspector General continues to be independent and free from interference in the conduct of its responsibility. In accordance with the By-Laws, the

Committee conducted a number of annual reviews including the review and evaluation of the performance of the Board and its members, the effectiveness of the Board's Committees, and the Executive Director's performance, as well as the review of independence and objectivity of the members of the Board and its Committees. The Committee is confident that the Board and its Committees are operating in an efficient and independent manner and that the Executive Director is effectively managing the operations of the Port Authority consistent with policies established by the Board. The Governance and Ethics Committee is dedicated to working with the Audit Committee to ensure the matters and trends identified in audit reports and the Office of Investigations are addressed in a way that forces compliance with legal and regulatory requirements. The Committee believes that reasonable processes and controls are in place to ensure the integrity of staff and the Board, that there is a reasonable basis for the Board to have a high level of confidence in the professional and ethical conduct of Port Authority personnel, and that the Port Authority is conducting its business in a manner that ensures public confidence. Mr. Chairman, that concludes my report.

[Chairman Samson:] Thanks, Commissioner Sartor. The actions of members of the Port Authority Police Department consistently exemplify the best in public service, so it is with great pleasure that over the past year the Board has been able to highlight numerous instances where members of the PAPD force have distinguished themselves and, by extension, the Port Authority. Today, I'm pleased to report that our Director of Public Safety, Mike Fedorko, will be recognizing a public officer who, while off-duty, recently assisted an individual in distress. Mike?

[Mike Fedorko:] Thank you, Mr. Chairman. Good afternoon. Our Port Authority police officers are trained in CPR and defibrillation resuscitation. Today we have an example of how important this is as they police our facilities and even as they engage in community life while off-duty. On January 11, 2012, Port Authority police officer Robert Joseph was off-duty and at the Bethpage Sportime Multi-Sport facility where he was refereeing a hockey game. At approximately 11:00 p.m. he as approached by a man who called out, "Help, my friend is having a seizure." Without hesitation Officer Joseph responded to the facility manager and found the 21-year-old male unconscious and unresponsive. Officer Joseph's initial assessment found that the subject had a pulse and was breathing. He immediately advised bystanders to call 911, and he began monitoring the victim's breathing and position the victim to keep his airway unobstructed. After a few minutes the subject lay lifeless, not breathing, and without a pulse. Office Joseph knew that immediate action was necessary to increase the subject's chances of survival. He instinctively began using first aid training and experience to administer CPR. Officer Joseph directed bystanders to advise the responding EMS that an off-duty police officer was on the scene and was conducting CPR. Fortunately, the sport facility was equipped with a defibrillator, which Officer Joseph instantly put to use. Officer Joseph administered three defibrillator-directed shocks and conducted CPR until the arrival of the EMS personnel. The subject was rushed to St Joseph's Hospital where he made a full recovery. There is no doubt that Officer Joseph's quick and decisive response was responsible for saving the life of a 21-year-old. We commend the calm, take-control actions and recognize that it reflects greatly upon the Port Authority Police Department. Please join me as we acknowledge Officer Joseph who is currently assigned to the Port Authority Bus Terminal, and on behalf of Chairman Samson, Vice Chair Rechler, and the

Board of Commissioners, I present Police Officer Joseph with this certificate of recognition for exceptional service. [Applause] [Applause]

[Commissioner Samson:] Okay. We will now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides and an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with a fixed time limit of three minutes. Our first speaker is Marc Matsil of the Trust for Public Land.

[Marc Matsil:] Thank you, Commissioners. Good afternoon. My name is Marc Matsil, the New York State Director for the Trust for Public Land. I'd like to thank the Board and the New York Boy Scout Leadership for attending. I would also like to introduce--I've got a quick, hefty list of names-- David Tate, who is the Chief Financial Officer of the Greater New York Councils of Boy Scouts of America; Christina Jean-Baptiste, who is a district executive; Greg Musto, who is a district executive; Moira Determann, who is the Director of Development; Rob Christie, a district executive; Rich Rico, who is the Staten Island District Commissioner; Julio Garcia, who is the Camping Director at Pouch Camp; Christopher Coscia, who is the Director of Field Service; Louisa Barry, Scout Master of Troup 664; Joe Schlitz, the Field Director; John Restrepo, who is the Camping Director; Gary Delgado, Committee Chair for Troop 414; Gary Ireland is Scout Master of Troop 414; David Cook, who is a communicate member of Troop 414; Tom Zablocki, who is the Staten Island District Advancement Chair; Martin Isenburg, who is the Pouch Camp Day Camp Director; and Yarias Miksan, who is an explorer. Mayor Bloomberg, a former Eagle Scout, sends his regrets. The Trust for Public Land, a national organization that's conserved more than 125,000 acres in New York State, applauds Governor Cuomo, Port Authority Board, and Executive Director Foye, and the community for consideration of protecting this regional gem, Pouch Camp. The Trust for Public Land has been working to protect permanently from development the 94-acre property on Staten Island. In July 2011, TPL executed an option with the Boy Scouts of America the Greater New York Councils who own and operate the site to preserve the property in three phases via the purchase of the conservation easement. Pouch Camp has long been a community priority for protection. It's on the New York State Open Space Plan as a priority and also a New York-New Jersey Harbor Estuary Program priority. It's a priority by youth organizations from New York, New Jersey, and beyond. The camp's 100 acres is in the heart of a 3000 acre protected greenbelt ecosystem, which is largely in New York state, DEC, and New York City Parkland jurisdiction. The glacial knob-and-kettle typography and the moraines support diverse ecological assemblages from the magnificent Warbeck lake, oak, hickory, maple, and beech forests, and fresh water wetlands. The camp attracts community members and youth from throughout Staten Island. Birders from throughout the region come to Pouch Camp to scope golden-crowned kinglets, eastern phoebe, yellow-bellied sapsucker, glossy ibis, osprey, red-tailed hawks. They spend money and they eat in Staten Island's sumptuous delis. Did I mention the scouts? They're a thriving species with endangered habitat. You're supposed to laugh at that. As important, Pouch Camp is host to more than 25,000 Boy Scouts from the New York-New Jersey area, the YMCA, the Kaufman Camp youth that visit the camp annually, and for many of the region's most under-served households, and there's a lot of co-ed activity that goes on-- a lot of women and girls are also using the site.

The Boy Scouts also host co-ed learning programs at Pouch. These youth are exposed to life skills, wilderness survival, fishing, boating, camping, many for the first time. It's really a veritable Adirondacks in New York City. The Port has long understood the need to strike a balance. The Pouch Camp property fits well within the goals of the Port Authority's Hudson-Rariton Estuary Resources Program to reclaim public access to the waterfront and protect one of the last remaining natural areas and natural lands in the city. The site drains into Fresh Kills and eventually the Arthur Kill, which as you know the two water bodies that have been identified as a key resource area for the health of the estuary and maritime commerce. The property provides habitat to migrating birds and terrestrial species as well as ecological services such as storm water management. These services are important to protect water quality downstream and prevent the runoff of soil and pollutants into the Fresh Kill environment. Protection will permanently buffer this portion of the greenbelt ensuring that the natural landscape is enjoyed by campers, hikers, and birders through the greenbelt remains. Significantly the easement will allow expanded public access to the community onto Pouch Camp. In the 10 years since the Port Authority's Hudson-Rariton Estuary Resources Program was launched the Trust for Public Land has joined forces with the Port Authority to protect eight properties totaling more than--another 3 seconds?-- totaling more than 100 acres within New York City. These include on Staten Island the North Shore Marina, Great Kills Crescent Beach Park, Butler Manor, North Mount Loretto State Park, and others, including Depot Place on the Harlem River. The program has also protected 253 acres in the New Jersey Harbor. These projects have created additional access to the region's waterways for public enjoyment, help to reduce non-point source sediment loads into the New York and New Jersey waterways and protected important wildlife habitats that people enjoy and boost the local economy. These projects have also provided flood abatement services as many of the acquired properties are within New York City's coastal flood zones. Bravo to Governor Cuomo, Port Authority Executive Director Foye, and its extraordinary staff, Chris Zeppie and Rosalie Siegel, Mayor Bloomberg, Borough President Molinaro, who has kicked in $500,000 to the project, as well as council members Otto and Ignazio, who also are earmarking $500,000 for the project for their desire to protect the Staten Island and regional gem. Thank you.

[Chairman Samson:] Thank you. Our next speaker is David Tate of the Boy Scouts of America.

[David Tate:] Thank you, Mr. Chairman and Commissioners. I'm a transplanted New Yorker. I came here from California. I guess I apologize for that. The first time I ever heard of Camp Pouch was 10 years ago. When my wife was hired as a new faculty member at a community college in California we went to a reception and met the president of the community college, who in the middle of this reception line, when he found out I worked for the Boy Scouts, stopped and said, "I've got to tell you about this place where I went scouting as a kid." He grew up in the Bronx, talked about the Catholic church where he met in the basement, and when they had the opportunity to go camping he would ride the subway to a thing called the Staten Island ferry, take the Staten Island ferry across the harbor, and then a bus ride and a hike in order to go to this place called Camp Pouch. He talked about this with great love and affection that for a boy who grew up in the Bronx it was a place where he could go camping and feel like he was outdoors and in the middle of the wilderness. For a Californian, that seemed like a really strange story, but now that I've lived here for 4 years and have an appreciation for what life is like when you grow up living in the City of New York, I understand why Camp Pouch was so special to him. There

are probably now over 17,000 kids a year that get an opportunity to come to Camp Pouch. I'm not sure that all of them come via subway, the Staten Island ferry, and a bus, but I'm sure a lot of them still do, because a lot of our families just don't have the kind of resources like a lot of suburban kids do where Mom and Dad through everything in their big Suburbans, and they keep all of their camping equipment in a garage. Camp Pouch is truly a unique and special place for the Scouts and the community citizens of Staten Island. As somebody who lives on Staten Island, I know and appreciate how wonderful the greenbelt is and what an important part of the island that it is. We appreciate the fact that the Port Authority is willing to support this project to help make sure that we can maintain the greenbelt and maintain Camp Pouch as an open space so that 50 years from now somebody else will get to hear great stories about how important Camp Pouch was to them when they were a kid. Thank you very much for your time.

[Chairman Samson:] Thank you. Our next speaker is Murray Bodin.

[Murray Bodin:] If you do a search on my last name and MUTCD, the Manuel on Uniform Traffic Control Devices, you'll probably find over the last 15 years 100 citations using my name. I was part of the committee that did the revision of the marking section in the 2003 and the 2009 manual. I know it quite well. I recently met with your Chief Traffic Engineer and a few other people about the toll markings at the lower level of the George Washington Bridge. I went out there to see in person what was going on. I wore this vest and glove so that when in a line of traffic you could see me. There are at least three ramps that should have been closed 10 years ago that are used for shortcuts by aggressive drivers to beat the traffic. How do you deal with that? You placed a police car there every morning-- because he was there the day I was there-- to keep people from going around the traffic. That is a waste of money. If you correctly--according to the manual--and legally line the roads correctly, on the lower level you can eliminate the two cash lanes on the left. Period. And you could eliminate most of the E-ZPass lanes. Take all the signs down, and you would have two E-ZPass lanes, separated from the cash lanes by a double-white line, because if you cross the double-white line you get a traffic ticket. Nothing else is legal. I mean, whatever's there and you cross--it's okay. But if you use a double-white line, you stop the cross traffic. You separate the cash traffic from 46 on the upper level. You have to build no new roads. Just line it correctly. If you go to the JFK Airport, and you apply the same principles of correct linage, where you separate traffics that are going in two directions by a dotted line so that you warn the driver early. Using the broken line you're using now, there is no advance warning to the driver who is out there texting. Before I run out of time, I want to say a few words about the safety vest. The law says that anybody working in a right-of-way must wear it. When I drove back from where I parked the car, I passed maybe half a dozen school guards all with safety vests and a stop sign directing traffic. The Port Authority had three police officers--who had my card, because I made sure I identified myself--with no safety vests. Why don't police officers wear safety vests when directing traffic? It's against the law not to. Now, if they choose to break the law, I choose to break the law too. I was thinking very seriously of creating an incident here and having a police officer come up and remove me and asking him, "Did you wear a safety vest when you were out at the car?" And the answer is "No, I don't." Why should I obey a police officer who chooses to break the law? I choose to speak over time here. Look, if you get to break your laws, I get to break mine. Fair and square. You follow the law. I'll follow the law. It's fair. It's easy. But I do have one request if I may take an extra-- I can't see you guys over there. Either move this back this way or move it that way. Because I like to talk to you

directly. There are thing that I would have addressed to you personally, but I can't because I can't see you. The Port Authority has some of the best commissioners of any of the meetings I go to, and they have some of the most humane people working for you-- more than any other agency, so I'm here because I'm not hiking in Switzerland. I had surgery on my leg two weeks ago, and I'm very upset, but the consideration that your staff has given me has been extraordinary, and you should know that you have a wonderful staff. Some of them I have problems with, but for the most part they're first rate. Thank you.

[Chairman Samson:] Thank you. Our next speaker is Margaret Donovan of the Twin Towers Alliance.

[Margaret Donovan:] Good afternoon. The Twin Towers Alliance was founded to promote the will of the American people for the World Trade Center, to support new Twin Towers, because that is what the people wanted-- what most people wanted. There were other compelling economic and strategic reasons, but the one that really mattered under the circumstances was to make a full recovery by honoring the will of the people. The reason that did not happen is locked inside 10 years of executive sessions. I would assume that the secretary has sealed verbatim recordings of each one, but have written today to her office to confirm. In a democracy, what the people think and want is supposed to matter more than what officials think and want, so why are we stuck with the World Trade Center George Pataki and Michael Bloomberg fashioned for us. If they had good reasons for dismissing the will of the people, where is the letter or transcript or report detailing the reasons for their decision? Those two individuals who, along with Christopher Ward, are most responsible for blighting the chances of a real recovery, rarely speak of the site without extolling the democratic process as if it actually produced the current project. They must know that this not true. The dedicated idealistic workers who built the tower under the terrific leadership of Steve Plate have done a superb job, but anyone who thinks that topping out one World Trade Center will heal the city and nation is mistaken, because truth matters particularly at Ground Zero. The only possible way to recover from our darkest hour is with more light, and this tower is the antithesis of that remedy. It is a monument to closed doors, drawn shades, and the arrogance of power. The president of a foundation that did a scholarly study on the aftermath of 9-11 explained after the veneer of public participation wore off the decision process revealed itself as a strikingly undemocratic contest among the governor, the mayor, the Port Authority, and the lease holder. In the book Sixteen Acres, a participant at one of the Listening to the City forums remembered it as the story of 1,000 people drinking Shirley Temples and smoking candy cigarettes, and they all think they're in the back room with their scotch and cigars. A 2005 review of the book concludes, "Nobel's book, together with other recent examinations, reveals the degree to which the process was manipulated by big-money interests and a powerful governor on an election-year timetable who dealt from a stacked deck." Now that the Freedom Tower is ready to top out, did we fail? No, the only failure has been on the part of officials to be straight with the public. As you have been building a tower, we have been building a record, and we are ready to top out too. Truth matters. It can't be owned, it can't be sold, and it can't be corrupted. It is not too late to do the right thing. Thank you.

[Chairman Samson:] Thank you. Our last speaker today is Richard Hughes of the Twin Towers Alliance.

[Richard Hughes:] Thank you, Chairman Samson. Good afternoon, commissioners. I'm sure after all these meetings, after being here so many times you must look at us and think, or there are those poor, delusional, deluded people from the Twin Towers Alliance here to talk about rebuilding the Twin Towers-- better, 21st-century Twin Towers that could inspire the city, inspire the nation, inspire the world, and yes, we probably are deluded. But I think there are other people in this room who are deluded too. I think people who keep thinking you can pour billions of dollars into a money pit downtown and think that everything is going to go right when everything has gone wrong for 10 years now and that we're somehow going to have a first-class World Trade Center are deeply, terribly deluded. Ours is probably a harmless idealistic delusion, but yours is a deeply pernicious delusion, and you're using our money to foster it. You're using the money of the tax payers and the commuters of New York and New Jersey to fill this money pit and to just keep filling with billions and billions of dollars. You have two--only two--subsidized--subsized--tenants for this tower you're building, which nobody wants. I don't think even you want it. You're just stuck with it. You thought you were going to get Viacom. Viacom isn't coming. They're staying in midtown. You can't even get George Pataki's law firm to sign a lease there. Chadbourne & Parke--they're not coming. George Pataki--who created this whole mess we're stuck with-- he can't even persuade his own fellow lawyers to take a lease in your tower. It's never going to pay for itself. It will take billions and billions of dollars of your money and our money to keep it going. Meanwhile, you have projects you've got to finish. By your own testimony, these are important projects, and you have no way of paying for them except by raising the tolls on the commuters. So we're at $12.00 and climbing. You're going to $15.00 in a few years. Well, it was just a dozen years--not even a dozen years--ago it was $4.00. A few years before that it was $2.00. Do you know for most of your agency's history you didn't even charge a toll at all? Where does it end? Where is it going to stop? I mean, you don't have any answers. You can't even tell us where the money is being spent. You don't know. You can talk about audits all you want, but you don't know. It's time we got some answers. It's time we got some answers before you keep digging this pit even deeper. Thank you.

[Chairman Samson:] Thank you. Before we address the consent calender, Vice-Chairman Scott Rechler has a comment.

[Vice-Chairman Rechler:] Thank you. I just wanted to recognize and encourage the executive director and deputy executive director and their staff for the efforts they made over this last month, and particularly having a focus on a progressive and, I think, commercially-minded approaches to getting things done. I think as you see some of the activities over this past month and coming out of the committee meetings and this board meeting here. I think they will serve to ensure that the Port Authority moves forward in a way that best benefits the public and the region. From particularly the PA Pulse where you've collected the economic data, and we're sharing that with the region which I think is a great tool for people having a better sense as to what's happening in our region economically. Today in some of the committee meetings in terms of how we've looked at some of our real estate that is non-core real estate that was originally utilized to be an economic engine but now taking a very serious look at disposing of that and being able to redeploy that capital to again serve as an economic engine for new initiatives that we have going forward. Also in terms of how we're approaching mitigating other exposures that we may have so that we can actually redeploy capital as effectively as possible. I think we've seen a continual positive transformation of approach that you have made a part of the culture and

continue to make part of the culture here, so I just want to encourage that and recognize the efforts of yourselves and your staff for taking that.

[Chairman Samson:] Thank you, Scott. May I have a motion to move the consent calender for approval? [Commissioner] So moved. Second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved that there being no further business for the Board, I move to adjourn the meeting. May I have a second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] Meeting is adjourned.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
April 29, 2010

[Chairman Coscia] If I can have your attention, and we'll get started.

The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, immediately following the public comment period on the items being presented today, the Committee on Operations will meet to consider these and other matters. Prior to today's meeting, the Committee on Operations met in public session, the Committee on Finance met in executive session, and the Committee on Construction and the World Trade Center Redevelopment Subcommittee met in both public and executive sessions. Their reports will be filed with the official minutes of today's meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss matters related to the purchase, sale, or lease of real property or securities where public disclosure would affect the value thereof or the public interest and to act on matters related to the proposed, pending, or current litigation or judicial or administrative proceedings. I'd like to start today by welcoming our newest Commissioner. Governor Paterson has appointed and the Senate has confirmed and he has joined us--Commissioner Jeffrey A. Moerdler. Commissioner Moerdler comes to us with a wealth of experience in the real estate telecom industry as well as a great deal of public service in many other agencies throughout the State of New York. He is a very insightful person, and we're very pleased, Jeff, to have you with us. Welcome to the Port Authority.

[Commissioner Moerdler] Thank you. [applause]

[Chairman Coscia] Our first presentation today will be an update on the PATH Modernization Program, and it will be presented by our Director of Rail Transit, Michael DePallo. Mike?

[Mike DePallo] Good afternoon, Commissioners. I'm here today to give you an update on the PATH Modernization Program. PATH is in the midst of a 10-year, multibillion dollar modernization program that will turn PATH from one of the oldest mass transit systems in the country into one of the most modern. PATH served nearly 72.6 million passengers in 2009. In 2009, the Port Authority adopted a $6.3 billion budget for 2010, including $3.1 billion for capital spending. The PATH budget includes $357 million in capital spending and $245 million for operations. As you know, the Port Authority's financial capacity has been negatively impacted by the economic downturn. But we've continued to move forward with key system-wide projects in the PATH Modernization Program, which will be discussed here today. They include the acquisition of new railcars, the replacement of the PATH signal system, PATH regional fare collection system improvements, and an update of the PATH Station Modernization Program. The key element of the PATH Modernization Program is the PATH Railcar and Signal System Replacement Program. This integrated program will ensure the long-term viability of PATH by bringing it into the 21st century using the latest technology and providing customers with reliable and safe service. The Board authorized program consists of the purchase of 340 new railcars, renovations to the PATH maintenance facility to accommodate new vehicle technology, and the replacement of the entire PATH signal system with a modern

Automatic Train Control System using communication-based train control technology. The total authorized cost for these programs is $1.38 billion. Some of the more advanced features of the PA-5 railcars include AC propulsion in place of DC propulsion, full ADA compliance, advanced diagnostic capability, which will help us to significantly improve vehicle reliability, automated on-board train announcements for better audio quality and clarity, light emitting diode destination signs that will provide clearer, more energy-efficient signage. A new safety and security feature includes on-board video recording, and the new cars have an integrated design to be able to accept new automatic train control technology in the future. The railcar manufacturer, Kawasaki Rail Car in Yonkers, New York, initially delivered the first eight pilot cars to PATH in June of 2008. After an extensive testing and initial acceptance program, production of car delivery was initiated in July of 2009. As of April 23, 2010, of the 340 cars ordered, 119 cars have been delivered, of which 102 have been accepted and are in service right now. The remaining 17 cars are undergoing acceptance testing. Approximately 91 additional vehicles are scheduled to be delivered in 2010, and the remaining cars are scheduled for delivery in 2011. One of the newest features that sets the PA-5 trains apart from the old is the PATH Passenger Video Infotainment System that are located inside of each car. There are four sets of Infotainment System monitors in each car. Each set contains two, 11-inch diagonal screens that are located in the cove area directly below the ceiling. These screens provide news, weather, sports, and advertising as well as PATH-specific information and public service bulletins. Content is provided by NBC under the agency-wide contract of JCDecaux. The Infotainment System works in conjunction with the PATHvision System that has been installed throughout all the stations in the PATH system. Currently, there are 236 monitors system-wide. Two content updates are done daily. In addition to NBC News, continuous PATH service content is provided in the form of a crawl at the bottom of the monitor. Now I'd like to talk about the signal system replacement portion of this program. This program is designed to replace the PATH's antiquated fixed block signal system with a state-of-the-art Automatic Train Control System using communications-based train control technology. The goals of the program are to ensure long-term system viability, reliability, and help us to avoid obsolescence, enhance safety by providing continuous overspeed protection which will allow us to meet the FRA Positive Train Control requirements by their imposed deadline of December 2015. We will continue to improve customer service by providing real-time train information and smoother train operation for our customers. The system is designed to reduce headways and increase throughput and system capacity by up to 20%. The Railcar Project will be completed in 2011. The Signal System Replacement Project, Phase I, has been completed, and Phase II is under way. The entire Signal System Replacement Project is scheduled to be completed by the end of 2015. Another system-wide modernization project that PATH is advancing is the PATH Automated Fare Collection System, or AFC System. PATH upgraded its AFC system in 2003 from an obsolete and limited fare collection system to one that accepts new fare media technology. The fare media that PATH currently accepts include the PATH QuickCard, The New York City Transit Pay-Per-Ride MetroCard, and the PATH SmartLink Card, which is now the preferred form of payment. The PATH SmartLink Card is a state-of-the-art contactless smart card. This durable plastic card has an embedded computer chip that stores and tracks the number of PATH train trips available on the card or, in the case of an unlimited pass, the number of days remaining. Like E-ZPass, the card can be automatically replenished when the number of trips on the card reaches a predetermined value. PATH's SmartLink Card is easy to use, and there is no need to insert or swipe at a PATH turnstile. Simply tap and go. The card never leaves your

hand and gets you through the turnstile quicker than the older style magnetic strip card. Over the last few years, customers' fare media usage has dramatically changed, as demonstrated from this graph, from MetroCard and QuickCard to the PATH SmartLink Card. During the first quarter of 2008, combined MetroCard and QuickCard sales were over 80% of the market. Since that time, SmartLink sales have over tripled from 15% to a high of over 50% market share. Some of the key initiatives PATH is working on include the introduction of a limited use contactless SmartLink Card in 2010 and the phase-out of the QuickCard. The limited use SmartCard will be an inexpensive, paper-based, nonrefillable, ride-based card. The limited use SmartLink Card, which like the QuickCard today, will only be available for purchase at newsstands. The limited card will enable customers who use prepaid transit benefit vouchers, like transit checks, to continue to enjoy PATH discount prices. Also, to improve customer service, PATH is installing additional dispensing machines to limit customer wait time for purchasing fare media. Finally, PATH is involved in a joint demonstration pilot with New Jersey Transit and New York City Transit to introduce a contactless bank card that can be used on portions of all three transit systems later this year. The PATH Station Modernization has seen significant progress. PATH has completed the installation of new bench seating at all the stations. The photo murals featuring local landmarks have been installed at all stations. The new public address system will improve sound quality of announcements. A digital recorder, microphones, and professional recording of standard announcements have been implemented. The project continues to move forward, with the installation of conduits and wires and new speakers, with completion of all stations by the year end 2012. As mentioned before, we have updated the PATHvision System at all stations with installation of new monitors that provide news and customer information. Screens on the new PATH trains can now be updated daily wirelessly. The content is provided by NBC. New variable and static directional signs will make stations easier to navigate by allowing timely messages, such as train operational changes, to be displayed. Installation of new signs is expected to begin around the end of 2010, and the project is scheduled for completion in the second quarter of 2011. In conclusion, all these key system-wide projects are being implemented so we can transform PATH from one of the oldest systems in the country to one of the most modern. These improvements will increase capacity, improve system reliability and safety, and ultimately provide our customers with an overall enhanced experience. Thank you.

[Chairman Coscia] Thank you, Michael. It is encouraging, and as we all know, this represents not just a significant upgrade in the system but by all measures, the most significant and material upgrade in the system since the Port Authority acquired it in 1960. So we're grateful for your work and the work of your team on bringing this all together. Thank you very much. Our next presentation will be by our Director of Aviation, Susan Baer, who will review a program for the demolition of certain outdated buildings for redevelopment at John F. Kennedy International Airport as well as two leases to reuse several of these properties in our continual effort to maximize the use and value of that facility. Susan?

[Sue Baer] Thank you. Commissioners, I'm here today to discuss a program that will provide for both near- and long-term needs for JFK International Airport. For over 60 years, the airport has served as the region's gateway to the world. Under your guidance, the airport was able to welcome this milestone anniversary with new terminals--Terminals 1, 4, 5, and 8-- reconfigured and more efficient roadways, additional parking garages, and AirTrain JFK. These are critical

projects in the airport's remarkable history which allow it to serve our customers with modern terminals and infrastructure. Today I am seeking your approval to continue in this vision by adopting a program to demolish obsolete structures to make way for continued improvements and capacity expansion. JFK Airport was developed in a time when airlines sought independent operations-- building their own cargo buildings, flight kitchens, and maintenance hangars. With more than one-third of the airport's property designated as cargo area, the airport is a testament to this era. Today the airport has very different needs than those of 60 years ago. Airlines are divesting themselves of real estate and opting for more cost-effective, consolidated operations. This shift has left the airport with 29 vacant and largely obsolete buildings. These vacant buildings represent an opportunity to rethink how the airport can best serve future needs. Cargo processing solutions are a very present need at JFK. This past quarter, JFK has experienced an overall increase of 19% in cargo volumes over the same period last year. We're seeing passenger carriers continuing to add cargo service, and freight carriers are incrementally returning to previous volumes. This growth is a reminder of how the airport must accommodate cargo operations with solutions that will expand and contract with cargo market demands and meet the need for more stringent security screening. Other operational needs must also be met. These include additional aircraft staging during irregular operations and centralized and more efficient aircraft de-icing. In addition, the airport needs to better accommodate the vehicle traffic coming through the airport, which requires ample space for fueling and truck parking. Illustrated on this map of JFK are the 29 buildings which are currently vacant. In a recent assessment of these buildings, a total of 12 structures were identified as priority for demolition for their condition and potential for reuse. I will start with Terminal 6 in green and the three smaller buildings in red at the top center of your screen. As discussed in this morning's Committee on Operations meeting, JetBlue would undertake the demolition of Terminal 6. Under a 5-year lease supplement, JetBlue would clear the site of this 40-year-old terminal and begin planning for the expansion of international operations at Terminal 5, which opened to the public in 2008. JetBlue recently selected New York as its headquarters, and consistent with this commitment, the expansion of Terminal 5 would allow the airline to consolidate the international arrivals, which are currently handled from Terminal 4, and meet the forecasted growth, which is expected to be driven by international travel. Also discussed this morning is an agreement with GAZ Realty. Under a new 20-year lease, GAZ Realty would demolish Buildings 124, 125, and 204. After clearing these 60-year-old structures, GAZ Realty would construct a state-of-the-art fuel service station with a convenience store, dining options, and an automatic car wash. In addition, a truck parking facility would be built. I'd like to point out that plans for the facility include sustainable design elements such as LED lighting, solar panel power, a zero discharge car wash that will recycle used water, and the sale of compressed natural gas, CNG, fuel. Once the new fuel station is operational, the existing small station near Federal Circle will be demolished. GAZ Realty would demolish this 60-year-old structure, making this small parcel of land ready for landscaping so that passengers are not greeted with a boarded up fuel station as they enter the airport. Returning to this map, I'd like to review the remaining buildings. The larger red building to the center left of your screen is Building 123. American Airlines is in the process of clearing the 50-year-old obsolete cargo building to allow for future commercial development. In blue are the buildings that the Port Authority would demolish. At the top center is Building 260, which was constructed 40 years ago, and Hangars 3, 4, and 5, which were built 60 years ago. All structures would be cleared for a future consolidated cargo facility for which staff will initiate a Request for Proposals process later this year. Hangars 7 at

the top right and 12 at the bottom were built over 50 years ago and will be demolished to serve as aircraft staging during severe weather and potentially as centralized de-icing pads. The remaining 17 buildings which you see here in beige will be evaluated as part of the subsequent phases of this program. To advance these next phases, staff will continue identifying redevelopment opportunities for those sites. Similar to Phase I, the future phases that will be brought for your consideration would include hotel development projects, additional consolidated cargo campuses, and possibly sites for airport support service and foreign trade businesses. Commissioners, the program authorization before you sets the stage for a larger vision that will ensure the best use of airport property and the highest possible service to the airport community. Phase I program cost, estimated at $42.3 million, would be fully recovered through revenues from the proposed JetBlue lease supplement and GAZ Realty lease and from maintenance cost savings of the vacant buildings to be demolished. In addition, demolition costs for Hangars 7 and 12 are anticipated to be recoverable through passenger facility charges. We anticipate the demolition work to be completed in the third quarter of 2012. Phase I of this program will ensure that these properties are cleared for future revenue-generating activities related to cargo and other airport uses. This program will join the major Central Terminal area improvements and airport capacity projects, like the ongoing Bay Runway replacement, in a comprehensive vision for the continued modernization of the whole airport. Efforts under Phase I and future phases of this program will ensure that the airport can accommodate future growth while at the same time, activities stemming from this program will provide incremental revenue to the agency and generate economic activity for the region. Commissioners, I request your approval of these items.

[Chairman Coscia] Thank you, Susan. Can I have a motion to approve? [Commissioner] So moved. [Commissioner] Second. [Chairman Coscia] Okay. Anyone have any questions, comments? Okay. All those in favor. [multiple Commissioners] Aye. [Chair A. Coscia] Any opposed? [silence] Okay, thank you. Thank you, Susan.

[Chairman Coscia] There are no members of the public who have asked to speak on any of the matters that were currently before us, so we'll move to general comments. Christine Berthet? Thank you.

[Christine Berthet] Thank you, Commissioners. I would like to read to you a letter from Community Board 4 to Steve Napolitano, who is the executive director of the bus terminal. Community Board 4 is writing to express its gratitude for his effort and accomplishment in improving the quality and life in our neighborhood. Over two years ago, the executive team of CB4 met with you to highlight a number of longstanding issues that had reached crisis proportions: unsafe condition on the west side of 9th Avenue as well as the right side for pedestrians, and poor lighting under the bridge, and overwhelming tunnel-bound traffic. Shortly thereafter, Mr. Napolitano improved the temporary lighting under the bridge. Last year, we were all delighted to turn on the official switch of an artistic illumination that completed the Triple Bridge renovation, a system that truly enhances the neighborhood. A few months ago, the truck traffic at Lincoln Tunnel was significantly reduced thanks to the reopening of the Holland Tunnel, which will again carry its fair share of trucks. At Dyer Avenue, his team has experimented with alternate traffic flows that have proven very beneficial to the residents. And in October, three ADA compliant pedestrian ramps were installed as part of the repaving of

Dyer Avenue, a project that was completed ahead of time-- I'm sure you're not hearing that often--and now the west side of 9th Avenue has been cleaned up of its constant crowds that attracted unwanted crime and made walking on the west side generally unpleasant, scary, and sometimes downright dangerous. We look forward to continuing working with you to enhance the neighborhood, plant trees on 9th Avenue, add trees and pedestrian lighting on 40th Street where three new hotels have opened, and green various areas of Dyer Avenue while calming the tunnel-bound traffic to improve pedestrian safety and air quality. I want to say it is a real milestone for 9th Avenue. Pedestrians can now use the west side sidewalk without fear of being attacked, the businesses should see an uptake in customers, and the residents can go home safely. We cannot praise him enough for the immense effort that such a change probably entailed. So thank you again for your commitment to be a good neighbor and make a difference in our lives.

[Chairman Coscia] Thank you for your input. I assure you that Mr. Napolitano's coworkers, Victoria Cross Kelly, our Deputy Executive Director Bill Baroni, and our Executive Director Chris Ward all welcomed your comments and I'm sure will discuss them further with Steve. Thank you. Our next speaker is Ken Paskar. Mr. Paskar?

[Ken Paskar] Good afternoon, Commissioners, and thank you for this opportunity to address this Board. My name is Ken Paskar, and I'm a resident of the City of New York. I've been in the aviation industry for about 35 years. And while in this industry, I have done quite a bit of volunteer work within our community. I am on the legislative Committee for the New York Aviation Management Association, I am on the membership Committee for the Wings Club, I am the Aircraft Owner and Pilots Association Airport Support Network volunteer formerly for LaGuardia Airport and currently at Westchester County Airport, and I am also a volunteer to the FAA as their safety team lead representative. First and foremost, I want to make it very clear that I appear here today as an individual, and I do not represent any of the organizations which I've mentioned. All of my comments here today are mine and mine alone and not any of those organizations which I've mentioned before. The first item is Port Authority Director, Chris Ward, told business leaders at a breakfast meeting yesterday that LaGuardia should fundamentally be torn down and rebuilt again. I don't believe that's what Mr. Ward said or meant, and I understood Mr. Ward's comments to mean that he was referring to LaGuardia's main terminal area and the parking areas. Now, I could be wrong, but that's how I understood it, and I think that he was misquoted and misunderstood with regard to that. And because of that, I strongly support Mr. Ward's vision to improve LaGuardia Airport. It will increase safety, capacity, and customer experience. In keeping with Mr. Ward's vision, the Port Authority should immediately urge the City of New York Department of Sanitation to cease building the North Shore Marine Transfer Station in College Point, Queens. Due to Mr. Ward's announcement yesterday, the Port Authority should conduct new studies to assure that the transfer center, which is located approximately 1,800 feet from the approach end of Runway 31, does not impact the Port Authority's ability to increase runway capacity by preventing precision approaches to that runway. Because of new technology since the last studies that were done, those studies do not take into consideration newer technology such as local area augmentation systems, which is quickly developing. The technology allows for satellite-based as opposed to ground-based precision approaches. If the North Shore Marine Transfer Station is allowed to be built, it will forever prevent any future precision approaches, which would greatly increase

capacity at LaGuardia's Runway 31. I'd like to thank Mr. Ward for his vision and commitment to the future of LaGuardia Airport. Thank you very much.

[Chairman Coscia] Thank you, Mr. Paskar. Our next speaker is Mike DeFilippis.

[Mike DeFilippis] Good afternoon, Commissioners. My name is Mike DeFilippis. I've been a police officer for 32 years-- 30 years with the Port Authority Police. I am currently the Second Vice President of the Port Authority Police PBA. I am here today to advise you about the dangerous police staffing levels at our facilities. Today I will be speaking on behalf of the George Washington Bridge, which is considered to be one of the most major terrorist targets. After the 1993 World Trade Center bombing, Port Authority spent millions of dollars on security studies. One study designated certain areas of the George Washington Bridge as security risks. Several steps were implemented. A sector patrol car was added to check these areas deemed possible security threats. Walkway patrols were beefed up, along with bicycle patrols, to check the bridge's walkways for suspicious activities. The patrol officers are the first line of defense. On August 14, 2007, at an improper practice hearing, Mr. Butcher gave testimony in regards to the Defense in Depth concept. He stated there were three major parts: one, the deterrence--our ability to deter any threat; two, protection--protection of any action; and three, response to any action. Mr. Butcher stated that the police played the most critical role due to their training and ability. The police would respond. They were also there to detect--they were the eyes and ears-- and as a deterrent due to their uniformed presence. Police manpower studies were conducted by Port Authority civilians in this room who have no law enforcement experience. Doesn't this shock you? I hope that no one of this personnel involved in these studies thinks that the terrorists are done with us. We are being watched every day. Three of the 9/11 hijackers stayed in a south Hackensack hotel for several months, approximately 200 yards from our Teterboro Airport. In my 30 years of being a Port Authority police officer, I never witnessed such drastic cuts to such essential police posts while we remain a major terrorist target. We hear on a daily basis that Park Avenue has to make these cuts to fund the World Trade Center project. At whose expense? The public's safety? We have fewer patrol officers on patrol at the George Washington Bridge than prior to the 1993 bombing. Roll calls don't lie. The security patrol car at the George Washington Bridge was eliminated. The walkway posts are down 70% of our tours. The GWB truck check teams as well as the bike patrols are not being covered. We patrol one of the largest terrorist targets with two patrol cars on the road. A third car is only manned when you have extra police officers working a tour on straight time. We have a heavy volume of traffic, numerous motor vehicle accidents, and arrests. This leaves the bridge with no patrol coverage a good majority of the time. Just one DWI arrest can tie up two patrol officers for numerous hours. Once again, the Port Authority has ignored its own studies on security as well as Mr. Butcher's testimony on the Defense in Depth concept. It sounds like the result of the 1993 World Trade Center bombing investigation all over again--negligence. Thank you for your time and consideration in this matter.

[Chairman Coscia] Thank you. Thank you. Our next speaker is RJ White. Mr. White?

[R.J. White] Good afternoon. My name is Robert White. I've been a Port Authority police officer for over 24½ years. Currently I hold the position of treasurer of the Port Authority Police Benevolent Association. I'm here today to report the Port Authority is not fulfilling its policing

and security responsibilities at its facilities. Here are some examples why I say this: The AirTrain, a critical rail link to JFK, which has far exceeded the Port Authority's expectations in terms of ridership, lacks regular police coverage. This railway is commonly referred to by law enforcement as a weapons delivery device. The George Washington Bridge, a high value target of America's enemies, has seen certain police patrols replaced by contract security guards. The guards have been observed by many sleeping on post. Port Newark has seen an increase in automobile thefts, but the public has not seen a dedicated police presence to stem the losses. The Lincoln Tunnel command, as a result of cost-cutting, has experienced some midnight tours with no police radio patrols. I can provide particulars about this at your request. The PAPD's JFK emergency aircraft response has been severely compromised, again as a result of budget concerns. Cuts have frequently reduced the number of responders to below the National Fire Protection Association's standard for aircraft rescue and firefighting services at airports. A recent situation occurred when an airport commanding officer, because he was angry with a police officer for making a lawful arrest, left a vital patrol sector unmanned for 24 hours. This sector has an integral part in the airport's emergency response plan. Once again, particulars can be provided at your request. At LaGuardia Airport, the police boat has an indispensable part in that airport's emergency plan. Since three-quarters of the LaGuardia Airport is surrounded by water, it is easy to see why that boat is so important. The boat has been out of service since November of 2009. At some commands, police officers are instructed to report lost needs as lost property. Yes, this is a very serious statement, and yes, evidence can be provided upon your request. These are just a few examples of the lack of commitment by the Port Authority in properly securing its facilities. The PBA is more than willing to discuss these issues further with you. But make no mistake, the responsibility to make sure the Port Authority is providing the policing and security the people and businesses of the Port District expect and deserve rests with each member of this Board. Please do not forget the failure of the Port Authority prior to 1993, when it ignored its own security assessment regarding the World Trade Center. A federal court found the Port Authority more liable than the terrorists who perpetrated the actual attack of 1993. Think about that. Whether this was ignorance or arrogance on the Port Authority's part, I don't know, but please know that failure of this Board to take action on current warnings and recommendations could be considered negligent behavior on your part. Thank you very much.

[Chairman Coscia] Thank you, Mr. White. Mr. Richard Gonzalo.

[Richard Gonzalo] Good afternoon, Commissioners. My name is Rich Gonzalo. I am the chairman of the Port Authority division of Local 3. I represent Port Authority electricians, radio men, electronics specialists, controllers, and helpers. First I'd like to say today thank you for the opportunity to speak. I'm here today to ask you for your help in breaking our negotiation stalemate. With the Port Authority, we've had over four years of talks, 16 negotiating sessions, 2 mediation sessions, and 23 fact-finding hearings. So 23 hearing dates. That's a total of 41 times that we've met with the Port Authority Labor to try and get a settlement. Our attempts have gone to no avail, and we are still without a contract. This is going to be our fifth year where we've had no rate increase. The Port Authority Labor Department is not negotiating in good faith, and we believe that they are engaging in union busting. We have followed the Port Authority's own internal procedures, and we have been patient, persistent, and diligent in our efforts, but it has been made clear to us that the Port Authority is unwilling to reach an agreement with the electricians' union. The Labor Department has disregarded the fact-finders

report, which we have sent to you guys in advance of this speech today. I don't know if you've received it. At our March meeting with Labor Relations, they've made additional demands outside of the fact-finding report and additional demands from where we started years ago, and it seems that we're going backwards and we're not going forward to a settlement. The Port Authority's own Employment Relations Labor Panel, which is like the NLRB, has asked the parties to participate in the post fact-finding mediation. We agreed, but the Port Authority refused at first, and then they accepted as long as they don't have to agree to anything. We're being told that the IBEW sets the bar for the other trades. But the recommendation is actually less than the TWU and Automotive contract settlements for the electricians in the fact-finders report. The PA electricians are being discriminated against. We do not receive equal pay for equal work. Any electrician who works at a Port Authority facility is paid the prevailing rate except for the Port Authority electricians. We're the only ones that don't get prevailing rate that do the work that everyone else does. We've been underpaid at the hand of the Labor Department using their pattern bargaining. As a result of that pattern bargaining, they underpay skilled workers and overpay unskilled workers. We're looking for the same degree of parity with the City of New York for the prevailing rate. We realize that these are tough economic times with the Port Authority. But the Port Authority has continually stated their ability to pay. For four years they've stated an ability to pay. They just don't want to. The Labor Department continues to stamp their feet and say no. When asked why, they say, "Just because." In closing, my members--your employees-- are upset and want us to take whatever steps are necessary to reach a fair agreement. And we're asking for your cooperation, understanding, and support to make your Labor Relations Department negotiate in good faith so that we can get to an agreement. Thank you.

[Chairman Coscia] Thank you, Mr. Gonzalo. [applause] Can I have a motion to approve the consent calendar? [Commissioner] So moved. [Commissioner] Second. [Chairman Coscia] Anyone have any questions or comments? All those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Okay. Can I have a motion to adjourn? [Commissioner] So moved. [Commissioner] Second. [Chairman Coscia] Thank you. Good afternoon, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
May 18, 2010

[Chairman Coscia] Sorry for keeping you waiting. The Annual Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committees on Governance and Ethics, Finance, and Construction met in Public Session. The Committees on Audit, Operations, and The World Trade Center Redevelopment Subcommittee met in both Public and Executive Session. And the Security and the Nominating Committees met in Executive Session. Their reports will be filed with the Official Minutes of today's Board Meeting. The Commissioners also met in Executive Session prior to today's Board Meeting to discuss matters related to the purchase, sale, or lease of real property or securities, where public disclosure would affect the value thereof or the public interest. Our first order of business today is the election of Officers. In accordance with the Bylaws of the Port Authority of New York and New Jersey, Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation, the Nominating Committee met in Executive Session prior to today's meeting in connection with the annual election of Officers. Commissioner Sartor, who is the Chair of the Nominating Committee, will now provide his report-- Commissioner.

[Commissioner Sartor] On behalf of the Nominating Committee for the Port Authority of New York and New Jersey, Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, and The New York and New Jersey Railroad Corporation, I desire to report that at its meeting held earlier today, in accordance with the revision of Bylaw VII of the Bylaws--article VII of the Bylaws-- Committee by unanimous action submits the nomination of Anthony R. Coscia for election to the Office of Chairman and Stanley E. Grayson to the Office of Vice-Chairman, The Port Authority of New York and New Jersey. By unanimous action, the Committee also submits the nominations of Christopher O. Ward as Executive Director of The Port Authority of New York and New Jersey, William Baroni as Deputy Executive Director, and Darrell Buchbinder as General Counsel. By unanimous action, the Committee also submits the nominations of Karen E. Eastman as Secretary, A. Paul Blanco as Chief Financial Officer, Michael G. Fabiano as Comptroller, and Anne Marie Mulligan as Treasurer. The Committee by unanimous action also submits the nominations of Christopher O. Ward as President and Ernesto L. Butcher as Vice-President and Secretary of The Port Authority Trans-Hudson Corporation. In addition, the Committee by unanimous actions submits the nominations of Christopher O. Ward as President and Michael B. Francois as Vice-President and Secretary of the Newark Legal and Communications Center Urban Renewal Corporation. Lastly, the Committee, by unanimous action, submits the nominations of Christopher O. Ward as President and Ernesto L. Butcher as Vice-President and Secretary of the New Jersey and New York Railroad Corporation. Those are the nominations Mr. Chairman.

[Chairman Coscia] Okay, I guess we need to vote on that. That would make sense. Okay, can I have a motion to approve? [multiple Commissioners] So moved. [Chairman Coscia] Is there a second? [multiple Commissioners] Second. [Chairman Coscia] Okay, all those in favor? [All] Aye. [Chairman Coscia] Any opposed? [Chairman Coscia] Okay, thank you, thank you very much.

[Chairman Coscia] As we've spoken of many times in the past, in 2007 we undertook a pretty substantial revision to the Port Authority's By-Laws. One component of that was the creation of a Governance and Ethics Committee, and today we'll provide that Committee's annual report. The Chair and/or the Vice-Chair of the Governance and Ethics Committee is required to report periodically on the activities of that Committee. At present the Committee consists of Commissioners Silverman, Bauer, Sartor, in addition to myself. Pursuant to Article VIII-G of the Port Authority's revised By-Laws, the Governance and Ethics Committee has oversight of questions relating to the development of and compliance with Governance and Ethics principles of the Port Authority. The Committee ensures that the Board and the staff are familiar with and committed to the ethics, principles, and programs that have been adopted by the Port Authority and assists the Board in fulfilling its oversight responsibilities relating to the Port Authority's compliance with legal and regulatory requirements. Since establishment of the Committee in late 2007, the Governance and Ethics Committee has met six times. Since it's inception, the Committee has established a Committee Charter consistent with the Best Practices approaches for governance committees, which translates the Committee's By-Law responsibilities into action plans for Committee activities and is divided into three broad areas of oversight, including governance, ethics, and compliance. Consistent with the Bylaw requirements, the Committee reviewed and discussed ethics policies for Commissioners and made recommendations to the Board which resulted in the adoption of a Code of Ethics replacing the 1988 Board Ethics Policy. The Committee reviewed financial disclosure compliance of the staff during the year and found the Agency to be fully compliant. The Committee also conducted a review of the statutory provisions pertaining to service as a Commissioner. The Committee also received a report from the Inspector General, Robert Van Etten, and is confident that the Office of the Inspector General continues to be independent and free from interference in the conduct of its responsibility. In accordance with the By-Laws, the Committee conducted a number of reviews, including a review and evaluation of the performance of the Board and its members, the effectiveness of the Board's Committees, and the Executive Director's performance, the review of ethical standards in the two States, as well as a review of independence and objectivity of the members of the Board and its Committees. The Committee is confident that the Board and its Committees are operating in an efficient and independent manner, and that the Executive Director is effectively managing the operations of the Port Authority consistent with policies established by the Board. The Committee is pleased to report that the Port Authority is operating efficiently and has programs in place that promote integrity and effectively identify and take immediate actions to remediate instances of wrongdoing, fraud, waste, or abuse by staff, Commissioners, or those with whom we do business. The Governance and Ethics Committee is dedicated to working with the Audit Committee to ensure that the matters and trends identified in the audit reports in the Office of Investigations are addressed in a way that fosters compliance with legal and regulatory requirements. The Committee believes that reasonable processes and controls are in place to ensure the integrity of the staff and the Board and that there is a reasonable basis for the Board to have a high level of confidence in the professional and ethical conduct of Port Authority personnel and that the Port Authority is conducting its business in a manner that ensures public confidence. And that, fellow Commissioners, represents our Committee's report. No action is necessary on that report, and we will now move to our first item of business.

[Commissioner Sartor] The Audit Committee.

[Chairman Coscia] Excuse me, the Audit Committee, I'm sorry. I'm sorry. I'll revert back to Commissioner Steiner for the Audit Committee.

[Commissioner Steiner] In accordance with the By-Laws --(inaudible) --reports periodically on the activities of the Audit Committee. At the present time the Committee consists of Commissioners Grayson, Holmes, Pocino, in addition to myself. Since last April, the Audit Committee has met five times with Senior Port Authority, Financial, Investigative, Governance, and Legal staff, as well as representatives of the Audit Committee's outside counsel and our independent auditors. They regularly attend these meetings. Consistent with our policy that the independent auditors and members of the Audit Committee have direct and unrestricted access to each other, a portion of each meeting is held with only outside counsel and the independent auditors present. The Audit Committee is responsible for the retention of the Authority's independent auditors, and consistent with Best Practices, the Committee has reviewed and determined to be satisfactory Deloitte and Touche's performance with respect to the 2009 audit process. The Audit Committee also reviews reports of audit results prepared by the Audit Committee, as well as reports prepared by the Inspector General's office and accounts receivable reports prepared by the Treasury Department. Our Committee reviews in detail the Authority's audited financial statements prior to their release and makes such other inquiries in connection with the audited financial statements as it considers appropriate. Our independent auditors have advised that they encountered no difficulties during the course of their audit, including restrictions on a scope of work or access required information, and that there were no disagreements with staff in connection with preparation of the 2009 consolidated financial statements. We appreciate the leadership efforts in this context provided by the Chief Financial Officer, Paul Blanco, and Deputy Chief Financial Officer/Comptroller, Michael Fabiano. We're also pleased to learn that for the twenty-fifth consecutive year, the Port Authority has been awarded the Certificate of Achievement for Excellence in Financial Reporting for its 2008 comprehensive annual financial report. This is the highest form of recognition in governmental accounting and financial reporting. The Committee continues to be actively engaged with staff in ongoing development and implementation of a formal agency-wide enterprise risk managment program to identify and address various business risks. We have been very pleased with the progress to date and commend the staff for the proactive manner in which enterprise risk managment is being implemented and business risks are being identified and managed. In addition, as the Chair of the Audit Committee, I've reviewed the expense reports of the Executive Director and members of the Board for conformance with established Agency expenditure and reimbursement guidelines. The Committee recognizes the strengths, talent, and commitment of our financial investigative professionals who facilitate the Audit Committee's oversight of the quality and integrity of the Port Authority's framework of internal controls, compliance systems, and accounting, auditing, and financial reporting processes. The Committee believes that reasonable processes and controls are in place to mitigate business risk and there is a reasonable basis for the Board to have a high level of confidence in the professional and ethical conduct of the Port Authority personnel. Thank you, Mr. Chairman.

[Chairman Coscia] Thank you, Mr. Steiner. And I apologize for switching our order. Our first order of business will be our Director of World Trade, Steven Plate, will discuss the status of an innovative safety system being installed at the World Trade Center site, as well as other matters as part of our continuing redevelopment--Steve.

[Steve Plate] Thank you, Chair. Good afternoon, Commissioners. Last month, the Board authorized the installation of a state-of-the-art perimeter protection system, more commonly known as a Cocoon, at One World Trade Center to be constructed and installed by DCM Erectors. Today, I am here to update you on the installation of that system. The Cocoon is the first of its kind to be used on a steel superstructure in New York City. Worker's safety and the protection of the general public has and continues to be our primary objective. The One World Trade Center Cocoon System provides protection to the men and women working on the tower and to the general public traveling around the perimeter of this site. The Cocoon encapsulates the tower and will move up as the building construction progresses. Last week, the Commissioner of New York City's Department of Buildings visited One World Trade Center and commented that our Agency has raised the bar for New York City steel and concrete superstructures' construction safety. The Tower One Cocoon System encapsulates 20 floors in total. At the top of the Cocoon, steel frame surrounds the work area where iron workers erect and connect steel members. This protection around the uppermost two floors provides secure perimeter work platforms for the iron workers. Below the two floors of steel frame, protective netting is draped and spans an area of 18 floors. This tight weave, fire resistant fabric mesh is designed to capture materials, equipment, or worker's tools. The mesh is tapered at the bottom and is securely fastened back into the building. As Tower One rises, the Cocoon will be lifted by the tower cranes and protective fabric mesh resecured. These images provide you with an overview of the Cocoon component installation and the finished steel frame. Work is now ongoing to install the mesh below the steel frame. The primary role of the One World Trade Center Cocoon is to protect our workers and the general public in the proximity of the site. As One World Trade Center rapidly rises above the World Financial Center, Seven World Trade Center, and the skyline of lower Manhattan, the Cocoon will present a unique communications opportunity. One World Trade Center will be clearly visible from communities in both New York and in New Jersey. Placement of an informational banner on the Cocoon system would take advantage of this strategic platform. In this rendering, the Cocoon was used as a platform to highlight the Port Authority logo and the World Trade Center site progress website. The opportunity exists for banners on all four sides of the Cocoon system. Commissioners, thank you for your unwavering support of the efforts of the men and women redeveloping the World Trade Center, and your guidance in moving all of our projects forward. Lastly, as discussed in this morning's World Trade Center Redevelopment Subcommittee meeting, we are seeking your approval on the following items. Award to Skyline Steel Corporation for aluminum lining work at One World Trade at a total cost of 3.4 million dollars, including extra work. Secondly, a Memorandum of Understanding providing for reimbursement to the MTA Capitol Construction Corporation for certain remediation work needed at the R-Line Courtland Street Station as a result of work performed by the Port Authority on the east side of the World Trade Center site an amount of 10.5 million dollars. A supplemental agreement to the existing PATH Hall contract with Skanska Granite for performance of work in the southeast corner of the West Bathtub in support of the scheduled opening of The World Trade Center Memorial on 9/11/11, at a total cost of 5.5 million dollars, including extra work. And lastly, authorization to reimburse Silverstein Properties for early action design and construction at World Trade Center Tower Two, an amount up to 2.8 million dollars. This amount represents initial costs incurred by SPI to move forward with foundation work in accordance with The World Trade Center Hub project schedule pending finalization of The World Trade Center framework agreement. Commissioners, I request your approval of these items. Thank you.

[Chairman Coscia] Thank you, Steve. Can I have a motion to approve? [Commissioner] Moved. [Chairman Coscia] Is there a second? [multiple Commissioners] Second. [Chairman Coscia] Second, all right, anyone have any questions or comments? Okay, all those in favor? [multiple Commissioners] Aye. Any opposed? Thank you. Okay, there being no speakers on specific matters on the agenda, we will now provide an opportunity for members of the public in attendance at today's meeting to present their views on matters pertaining to the Port Authority. It should be noted as part of this process that Commissioners will not engage in dialog with any of the presenters. Our first presenter is Paul Nunziato from the Port Authority PBA--Mr. Nunziato.

[Paul Nunziato] Good afternoon, Chairman Coscia and Board of Commissioners. The PBA has addressed this Board in March and April warning you of glaring safety issues at various Port Authority facilities, and yet we have received not one phone call from anyone on the Board of Commissioners. I can only assume that you are being told by Executive Director Ward the same things he told the press in the back of this room after last month's meeting. I would like to address some of those comments. Executive Ward stated, "Let me be clear. We have spent 4 billion dollars, 3 billion dollars to bring enhanced security to all our facilities." Well, I am the only a Police Officer here, and I know of at least three quarters of a billion dollars spent on security that does not work. I guess this is the same enhanced security that allowed a lost motorist to drive deep into a restricted area of The Port Authority Bus Terminal undetected by surveillance cameras and drive by unmanned police posts that haven't been covered in over a year. This incident occuring only a week after the bomb was placed in Times Square, on a Friday morning, when the terminal is filled with thousands of commuters. The Executive Director went on to state, "We have the largest number of Police Officers, at any time, historically." I know of a little history, too, because on May 1, 2010, the same day the bomb was placed in Times Square, the Port Authority had no police coverage at the Bayonne Bridge for 16 hours. This is the first time in the history of the Bayonne Bridge that this has happened. The Executive Director has constantly stated to the media that we have enough Police Officers. Then why were there no police officers assigned to patrol the Bayonne Bridge? If the Bayonne Bridge is destroyed and we lose the waterway below the Bayonne Bridge, this will be a devastating impact to the region and our nation. I ask the PA for their impact study. Last Thursday, the 18-year-old daughter of a recently retired Port Authority employee stopped her car at mid-span of the George Washington Bridge, got out and walked over two separate railings, climbed them, and then jumped to her death. I don't know if having the two Police Officers patrolling the walkway would have prevented this tragedy, but we will never know. We do know that we used to patrol there and now we do not. On Saturday, a Police Officer on motor patrol at the George Washington Bridge came across a vehicle parked mid-span with a suicide note. Both vehicles stopped mid-span on the bridge. The occupants exited their vehicles. This went undetected by the Port Authority's surveillance equipment. Since the bomb was placed in Times Square, we are not beefing up our patrols as reported to the press. We are actually cutting more patrol posts. Once again, the Port Authority is jeopardizing the public's safety, along with the men and women who proudly serve as Port Authority Police Officers. This Board of Commissioners needs to start looking at safety studies and demand the Port Authority properly staff its police patrols. The Executive Director's statements to the press--I'll be right down. The Executive Director's statements to the press, "We are in, obviously, contract negotiations with the police union and we will bring a contract forward." Let me be clear, I will never stand before this Board or the media and alarm the public to the glaring failures of the Port Authority to properly protect its patrons and Police Officers as a negotiations ploy. The Port Authority

has successfully silenced Chiefs, Captains, and Inspectors of our department by removing the last Chief of the Department for documenting the cuts that Park Avenue was making. They, along with facility managers, complained to the PBA about the lack of police patrols. The Port Authority always presents a glossy image for the Commissioners at these meetings, as I witnessed last month with 850 million dollars spent on brand new PATH train cars. Weren't you told, as of today, 20 percent of those cars are out of service with defects, and the manufacturer has taken over a large portion of the PATH repair yard tying to fix brand new train cars that don't work? I urge you to look deeper into the facts and protect the public and the Police that serve for the Port Authority, thank you.

[Chairman Coscia] Thank you. Mr. Ken Pashkar?

[Ken Pashkar] Good afternoon, Commissioners. At the last board meeting, I stood before you and thanked Chris Ward and the Port Authority for your vision to reconstruct La Guardia's main terminal. I'm here today to thank the Port Authority again for being the only organization that has opposed the Northshore Marine Transfer Station, a facility which the New York City Department of Sanitation plans to dump thousands of tons of garbage on the final approach path to La Guardia's Runway 31. The Federal Aviation Administration and the U.S.D.A. have commissioned several studies which suggest the transfer station would not attract birds. In light of U.S. Airways 1542, and several other bird strikes affecting La Guardia flights, it's incomprehensible that the City of New York would build such a facility which would be an actual bird magnet and create such a hazard to aviation. Although the FAA and the U.S.D.A. studies suggest that the risk could be mitigated, these hazards cannot be eliminated. I agree with the experts that this facility should not be constructed and then mitigated when hazards to flight can be eliminated altogether. I met earlier today with representatives of the Port Authority to brief them on a new study which I commissioned by one of the Country's leading experts on bird strikes. The study concludes that this facility is a hazard and should not be built. I applaud the Port Authority's opposition to the transfer station, and urge you to help stop this facility from being built. Thank you, Commissioners.

[Chairman Coscia] Thank you. There are several items on the consent calendar. Can I have a motion to approve the consent calendar? [Commissioners] Moved. [Chairman Coscia] Is there a second? [multiple Commissioners] Second. [Chairman Coscia] Okay, all those in favor? [multiple Commissioners] Aye. Okay, can I have a motion to adjourn? [Commissioners] So moved. [Chairman Coscia] Thank you. Good afternoon, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
May 25, 2011

[Chairman Samson] The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special interim meeting of the Committee on Operations will be held to consider certain matters on today's agenda. Prior to today's meeting, the committees on Capital Programs and Agency Planning, Finance, and Construction met in public session, and the Audit Committee and the World Trade Center Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss and act upon matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest, matters involving ongoing negotiations or reviews of contracts or proposals, and matters involving public safety or law enforcement. As our first order of business, our Executive Director, Christopher Ward, will review two significant transactions associated with One World Trade Center which clearly demonstrate the Port Authority's ongoing commitment to the revitalization of Lower Manhattan. Chris?

[Chris Ward] Thank you very much. Good Afternoon, Commissioners. Over the past three years, the Port Authority has built a new reality at the World Trade Center. Today that exclamation point on that turnaround has arrived. With your approval of the Conde Nast lease at One World Trade Center, the entire landscape for Lower Manhattan changes forever. The bustling streets of downtown will soon be home to one of the world's most influential media empires, a trendsetter. As we like to say, where Conde Nast leads, others follow. One World Trade Center has captured the largest tenant lease downtown in 25 years, signaling to the entire real estate market that One World Trade Center is New York's first address for premier corporate tenants. From travel to fashion to cultural critiques, the Conde Nast imprint lends authority on every subject. The same can now be said with real estate. When Conde Nast moved to 4 Times Square in 1999, it triggered a renaissance of that neighborhood, driving an explosion of high-end retail and commercial development. In that same way, Conde Nast's decision to relocate its world headquarters to the World Trade Center site signals to the world that downtown is the new center of the greatest city on earth, New York City. Already the announcement has generated new buzz and interest in One World Trade from a variety of enterprises, including many that are located in Midtown as well as internationally. The terms of this lease are extremely beneficial to the Port Authority and put One World Trade Center on firm economic footing going forward. The lease is for an initial term of 25 years with renewal options. It includes more than 1 million square feet on floors 20 through 41, and it will generate nearly $2 billion in rent revenue in the first 25 years. Conde Nast plans to take possession of that space on January 1, 2014, to begin its office fit-out, with the first occupancy projected to be later that year. Conde Nast is the second corporate tenant lease signed to date at the 3 million square foot One World Trade Center. In 2009 the Port Authority and China Center New York, a division of Vantone Industrial Company, signed a 191,000 square foot lease which covers the portions of floors 64 and the entire 65th and 69th floors. In addition to the Conde Nast lease, we are requesting approval today for the submission to the Board for approval of a finalized joint venture partnership with The Durst Organization for One World Trade Center. Under the partnership, The Durst Organization will make a $100 million equity investment for its membership interest in One World Trade Center and bring

its private market expertise to the development, taking on primary responsibility for tenant fit-out, leasing, and property management. The Durst Organization is a world-class developer of green, Class A office space, and we believe this public-private partnership will maximize the Port Authority's interest in One World Trade Center for years to come. Commissioners, Conde Nast is a game changer, and it comes at a time of tremendous construction progress at the World Trade Center site. And nowhere is this progress more visible than actually in that building, One World Trade, that you see before you today. The tower has reached the 66th floor and is rising one floor every week. We anticipate topping out the building in early 2012 and are on track to complete the building by the end of 2013. With the steel at the 66th floor, curtain wall is following quickly behind at the 38th floor, and you can begin to see the beautiful chamfered corners, one of the signature design elements of the building. As the building rises one floor per week, One World Trade Center has taken its place on the New York City skyline and will soon become the nation's tallest skyscraper. Commissioners, with your leadership, construction progress is accelerating on every acre of the World Trade Center site. We are on track, most importantly, to meet our commitment to open the Memorial on September 11th, in time for the 10-year anniversary. Hub construction is ramping up, with the first super columns for the main PATH hall being installed over this past week. And on the east side of the site, Larry Silverstein's tower is rising swiftly, with the rest of the East Bathtub coming to grade to fully restore the site. From construction progress to today's landmark lease agreement, the Port Authority is building a new downtown. This deal adds an exclamation point to the progress we have made these past years and represents a tremendous accomplishment and a harbinger for future success. I would like to end by thanking the Port Authority staff who have worked tirelessly on these two transactions and all the work that made--literally--these deals possible. They have done a remarkable job on behalf of the public, and I commend them for a job well done. Commissioners, I request your approval of the Conde Nast lease agreement and the finalized joint venture agreement with The Durst Organization for One World Trade Center.

[Chairman Samson] Thank you, Chris.

[Chris Ward] Thank you.

[Chairman Samson] I want to compliment you and congratulate you and your entire staff for bringing these agreements to the Board. You've done an outstanding job. We all appreciate your dedication and interest in serving the Authority. Thank you. May I have a motion to approve these items? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved.

[Chairman Samson] The Port Authority has a longstanding history of honoring distinguished and exceptional service by its employees. In March 1944 the Board established one such award, the Port Authority Medal of Honor, which is awarded to a Port Authority employee who, in performing a specific act, demonstrated extraordinary bravery. I'm pleased to report that our Director of Public Safety will be recommending one such award to a member of the Port Authority Police Department who is with us today. Mike?

[Mike Fedorko] Thank you, Mr. Chairman, Commissioners. The Port Authority Medal of Honor, established by the board on March 2, 1944, is to be awarded to an individual who, in performing a specific act, demonstrated extraordinary bravery in the face of circumstances which would surely have led to grave personal injury or his or her own death should the slightest miscalculation have occurred.

Today I would like to recommend that the Medal of Honor be awarded to Police Officer Dennis Mitchell in recognition of his act of extraordinary bravery that he exhibited while serving as a Port Authority police officer. On the morning of July 16, 2009, the Port Authority Police Department's Emergency Services Unit responded to a call for assistance from the Jersey City Police Department. An armed suspect and his accomplice had fled into a multilevel apartment house after they had shot a Jersey City police detective. The suspect was reported as armed with a shotgun. Police Officer Dennis Mitchell, along with 10 other members of the Port Authority's Emergency Services Unit, responded to the scene. A joint agency tactical team was formed, and Officer Mitchell was assigned the position of lead bunker for his group. Within moments, what appeared to be a controlled situation took a violent turn, and without warning, a combat scenario erupted and repeated gunfire came from within the apartment. As the Port Authority Police Emergency Services Unit moved in support from an adjacent apartment, the most feared call for help was heard: "Officer down, officer down!" Officer Mitchell moved forward toward the gunfight and tactically positioned himself with a bunker shield outside the doorway. His actions allowed his fellow team members to extract two gravely wounded officers lying in the hallway. Although he was struck several times in the bunker shield and suffered a gunshot wound to his arm, Officer Mitchell continued to push the fight forward, which ultimately led to terminating the actions of a violent felon and his accomplice. Had it not been for Officer Michell's swift response and determination, the incident would likely have escalated into additional criminality and injury. Commissioners, I request your approval to award the Medal of Honor today to Police Officer Dennis Mitchell.

[Chairman Samson] Thank you, Mike. May I have a motion to approve this item? [Commissioner Holmes] So moved. [Chairman Samson] Second? [Commissioner Sartor] Second. [Chairman Samson] All in favor? [all] Aye. [applause] [applause] [Chairman Samson] That was terrific, absolutely terrific.

[Chairman Samson] We will now provide an opportunity for members of the public to comment on other Port Authority matters not on today's agenda. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our public affairs department, and speakers are asked to comply with the fixed time limit of three minutes. I believe we have four speakers today. The first is John McAusland from the Port Authority PBA.

[John McAusland] Good afternoon, Board. My name is John McAusland, general counsel of the PBA. I thank you once again for your attention to our concerns. On May 8, 2011, an unauthorized individual entered the rail tunnel at the World Trade Center station leading towards the New Jersey side. This is one of the areas that the Port Authority supposedly hardened with the presence of security guards and security cameras. Nevertheless, this individual was able to gain access to one of the most important pieces of infrastructure in the New York-New Jersey metropolitan region, which happens to terminate in our highest profile terrorist target, the World Trade Center. The civilian managers in this agency are making security determinations without proper qualifications and relying on cut-rate subcontracted security guards and unreliable high-tech gadgetry to secure your facilities. As a rule, the civilian designed and operated security systems of the Port Authority do not communicate with, are not designed to be monitored by, or even notify your police department. This is true at all of your facilities. The portals from the World Trade Center stations supposedly are guarded by a combination of security cameras and contracted security guards. The security system was established by your civilian management, and there

is no oversight by the police department or their operations. Prior to this incident, police personnel assigned to the World Trade Center station were not even informed when guards would be assigned or when they would be taking breaks. Police personnel are also not granted access to the security cameras monitoring these portals unless an incident requires a criminal investigation. The bottom line is that although two police officers were patrolling in the station, no one informed them that an incursion had occurred in the portal until a contracted construction worker reported seeing the man in New Jersey. The man claimed to have left a bomb in the tunnel, and you, the members of this Board, are very lucky that he was lying. Whatever you may have been told regarding this incident, the investigation has revealed the following facts: Contract civilian security guards were deployed in the World Trade Center station, but, for whatever reason, were not stationed at the south portal entrance for the tunnel to New Jersey. The security camera trained on the south portal was not operational that night, and that fact was not reported to anyone in public safety. It's unclear how long the camera was not functional. The suspect was arrested, and a search of his home found that he was in possession of an illegal assault rifle. Mr. Ward is fond of touting that the Port Authority spent $6 billion on enhancing security at our facilities, yet over and over again instances of this nature occur in which high-tech systems fail to warn anyone of approaching threats and fail to actually stop the threat as it occurs. Yes, this Board has spent $6 billion in security, but what have you bought? Ask your civilian managers, who tell you that your facilities are secure and safe, how an emotionally disturbed man evaded their high-tech security system. Ask why your police department is not notified in real time of threats and not notified when your technology is out of service and vital targets are left compromised. When your security systems don't work and the next terrorist act occurs, that will be the reason. Thank you very much for your time.

[Chairman Samson] Thank you. The next speaker is Michael DeFilippis, also from the Port Authority PBA.

[Michael DeFilippis] Chairman Samson, good afternoon, and Board of Commissioners. Thank you for giving me this opportunity to speak to you today. My name is Michael DeFilippis. I'm a 31-year veteran in the Port Authority Police Department and currently hold the position of second vice president of PBA. I appeared before the Board last April approximately two days prior to a foiled terrorist attack in Times Square. I made mention back then that you have individuals in this room involved in police security studies with no law enforcement background whatsoever. These individuals are the ones that are staffing our posts today. I also made mention that these same individuals are sadly kidding themselves if they think the terrorists are done with us. The PBA has come before this Board almost all last year to raise our concerns about vital security posts left uncovered at our command. Recently, since the death of Osama bin Laden, the Port Authority has ramped up its coverage of police posts dramatically, including placing police officers at many locations that the PBA has identified in our discussions with this Board. As a Port Authority police officer, I am familiar with the concept of key to key post reliefs. These are posts that are so vital to facility security that they cannot go down for even one minute. Therefore, officers assigned to these posts must remain until properly relieved by another police officer. There are only a very limited number of these posts that are designated as key to key on this job. The reason why I give you this background is in the past month at locations identified by the PBA as vital protection for the Port Authority's infrastructure, the Port Authority has created new key to key posts to protect these vital areas at our commands. For example, the AirTrain, which has essentially remained uncovered for the past year, is now so vitally important to the Port Authority that it became a key to key post. Similar posts are at the Port Authority 42nd Street bus terminal. They have created entrance posts and exit posts on the

taxi roadway which are now also designated key to key posts. As you receive your advice from your civilian management and those managers presumably tell you that the PBA's concerns about security are without merit, remember this: These are the same managers that told you that the AirTrain did not need to be covered at all. They told you that the 42nd Street bus terminal access roadways did not need to be covered at all. Now all of a sudden these same posts have to be covered 24 hours a day, 7 days a week, in the most secure way possible, key to key. Although we are pleased that the Port Authority has increased facility security in areas which we have repeatedly pointed out a security risk to this Board, can you really rely on the advice of Mr. Butcher and Mr. Ward, who told you that these facilities were secure when no one was assigned to these posts prior? Thank you very much for your time in this matter.

[Chairman Samson] Thank you. The next speaker is James Hall, affiliated with Friends of LaGuardia Airport.

[James Hall] Commissioners, New York City is presently constructing a waste transfer station known as the North Shore Marine Transfer Station less than 2,200 feet from the end of LaGuardia Airport Runway 31, with the consent of this Authority. The transfer station is a bird attractant and a hazard to navigation and public safety. During my tenure as chairman of the National Transportation Safety Board, I have witnessed firsthand the tragedy associated with aviation disasters. In my long experience in public service, I have never seen the FAA allow the creation of a safety hazard near an airport where none previously existed. But that is exactly what is now happening. LaGuardia is among the busiest airports in the nation, and all of its runways are equipped with precision approach technology that allow aircraft to land when visibility to the runway falls below ¾ of a mile-- all the runways except Runway 31. This advanced instrument approach is less risky than the existing technology still in use on Runway 31 by a factor of 5. It will allow the airport to land aircraft in poor weather on Runway 31, particularly in winter months when landing Runway 31 is essential to the efficient operation of the airport. In 2003 the Congress allocated $800,000 to fund the purchase and installation of an instrument approach for Runway 31, but the Port Authority has failed to purchase and install this technology. Why? Because the Port Authority consented to the construction of the transfer station, which will stand more than 100 feet above Flushing Bay and block a poor weather approach to the runway. The Miracle on the Hudson vividly illustrated that bird strikes can bring down an airliner. Not surprisingly, Captain Sullenberger and First Officer Skiles have publicly opposed the construction of the transfer station. Even the FAA's technical staff objected to the transfer station's construction because it is a hazard to aviation. The Port Authority is authorized by federal law and the terms of its lease to block the construction of the transfer station and twice voted its objections to the transfer station as a hazard to aviation. But the Port Authority has withdrawn its objections and allowed construction of this hazard to continue. There is no possible safety rationale for this action. I have reason to believe that the Port Authority withdrew its objection based upon political considerations. The Port Authority's unexplained switch in position is troubling, especially insofar as it reflects a horse trade that compromises the safe and efficient operation of the airport and the individuals who depend on you all for their safety flying in and out of LaGuardia Airport.

[Chairman Samson] Thank you. Our last speaker is Murray Bodin.

[Murray Bodin] My name is Murray Bodin. This morning I spoke at the MTA Board Meeting, and I contrasted the MTA board with this board. By the time I left, I left with a summons for disorderly conduct--completely unwarranted. And I take this opportunity because it's now on the public record that I

improperly got a summons for disorderly conduct. They didn't like the fact I described the reality of that board as having holdovers who are no longer servants of the people. They didn't like the fact that the vice chair had parked his car in front of the board while I was sitting there waiting for the board meeting to start and sat there on his telephone in the bus lane. You're not supposed to say that kind of stuff. In contrast with this board, I requested a meeting with their chief traffic engineer, and I've met with him twice and he's excellent. I've asked for some help about designing a system where truck trailers are put on rail without being put on flatcars, and they were very apologetic that they couldn't have a meeting for me at this time because the notice was so short. I've worked with a lot of people around here. For the most part, they know what they're doing. They think, they want to do a good job, and they need to be complimented for that. I've stood up and complained about a lot of things in a lot of places. The other side of that is when you're doing it right, I've got to tell you that too. And so to the staff, I thank you all for the assistance you've given me. I thank you all for listening to me. You certainly don't have to agree with me, but I appreciate the fact that you listen to me. Thank you.

[Chairman Samson] Thank you. May I have a motion to approve the consent calendar? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. And may I have a motion to adjourn this meeting? [Commissioner] So moved. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] The meeting is adjourned.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
May 29, 2013

[Chairman Samson] I'm sorry for the delay. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition as part of today's proceedings a special meeting of the Operations Committee may be held to consider certain matters on today's agenda. The committee on Finance, including its Insurance Working Group, met in executive session prior to today's meetings. In addition earlier today the Committee on Operations and the World Trade Center Redevelopment Subcommittee met in both public and executive session, and the committees on Finance and Security met in executive session. Their reports will be filed with the official minutes of today's board meeting. The commissioners also met in executive session earlier today to discuss and act upon matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest, and matters in which the release of information could impair a right to receive funds from the United States or other grantor, and to discuss and act upon matters involving public safety or law enforcement and matters involving ongoing negotiations or reviews of contracts or proposals. Our first order of business is a report from the Executive Director and Deputy Executive Director who will highlight certain hurricane preparedness measures which are being taken in 2013 in order to better protect the agency's facilities against future severe storms. Pat, Bill?

[Pat Foye] Thank you, Chairman. As none of us will ever forget on October 29, our region came to a full stop when Superstorm Sandy struck the metropolitan area. The storm resulted in lost lives and inflicted tens of billions of dollars of damage and was the worst public transit disaster in U.S. history. Port Authority staff responded in an extraordinary way, and since that storm, we have aimed to do even more to limit disruptions to our transportation network during a major weather event. So Bill and I want to take a few minutes to discuss how we are preparing for the upcoming hurricane season. First the Port Authority Board since the storm has authorized the expenditure of $450 million in Sandy recovery and mitigation. You'll remember these photos, which only hint at the damage our facilities suffered last fall. Most impacted was PATH, the photo on the left--the Hoboken Station. PATH was hit with overwhelming flood waters that resulted in extensive damage, destroying or compromising critical electrical signal and communications equipment. The photo on the right is of flooding near LaGuardia Airport's Delta shuttle ramps, where an estimated 100 million gallons flooded the aeronautical area. As we know, Sandy affected the majority of our facilities. Aside from the severe blow to PATH, the Holland Tunnel, our airports ports, and the World Trade Center experienced a historic storm surge in flooding, power outages, and service disruptions. We've now completed detailed damage assessments with the FTA and FEMA as part of the recovery process and made critical repairs necessary for us to resume safe operations. We're taking this a step further by ensuring that additional protective measures are in place to prepare for the 2013 hurricane season. Critical and immediate repairs performed by dedicated Port Authority staff have helped us return to our pre-Sandy service levels. Here are some examples. On the top left, our instrument landing system, Pier at LaGuardia, was severely damaged when debris struck the pier. This pier, which supports critical precision guidance to landing aircrafts has been repaired and has been back in

service since February. On the top right, older lift bridges that supported the Cross Harbor Freight Operation were destroyed. Today they've been replaced with an interim pontoon bridge needed to keep service operating. The picture at the bottom is one of PATH's Caisson 3 lower signal room. The majority of the parts in this room were replaced. This room sits at the intersection of our tunnels under the Hudson and contain critical signaling and switching equipment for the PATH network, which had been completely flooding during Sandy. Like all transportation agencies with facilities hit by Sandy, we have taken stock of lessons learned. With greater weather volatility and higher storm surges predicted to be the norm, we must protect certain low-lying electrical infrastructure. And although we may be able to control power distribution at our facilities, we are invariably dependent on and vulnerable to regional power networks, and as result need alternative power from generators to ensure continuity of operations at our facilities. Also as the operator of PATH whose system dates back to the early 1900's, certain spare parts were quickly depleted that are no longer manufactured. In some cases they were specifically designed for our system decades ago. So another lesson learned is that it is critical to maintain much larger stockpiles of replacement parts, especially the hard-to-find or no longer manufactured items. Finally as we work to restore service to our critical PATH system, we saw limited transit alternatives. With rail transit down, ferries and buses played critical roles in the region but could not serve all of the demand. Given these lessons learned we are building on our existing preparedness program to prepare for the 2013 storm season. We've developed a series of short-term protective measures that will be completed in the weeks ahead while ongoing repairs and longer term mitigation projects continue. This is based on the National Hurricane Center's guidance that the northeastern United States should look for potential impacts from hurricanes, specifically from September 1 to November 30. These measures protect our assets and allow our facilities to weather another storm with minimal interruption or damage. Our flood protection projects will utilize metal panels, temporary concrete barriers, and water-filled Jersey barriers to protect doorways and buildings and station entrances. We also plan to employ the use of additional permanent and mobile pumps so that we can quickly pump water and keep critical assets dry and functional. Our operational continuity projects include portable and permanent generators, as well as purchase of additional fuel supplies. In the longer term, we plan to relocate or elevate electrical or mechanical equipment. Our goal here is to limit interruptions to our facility operations and to place our assets back in service as soon as possible. Now I'll hand it over to Bill, who will discuss specific examples.

[Bill Baroni] These priority measures that I'm about to describe supplement the program already in place. All of our facilities have and have had emergency and business continuity plans, which ensure that operations continue to the extent possible. This includes the opening of our agency's Emergency Operations Center when appropriate. Our Office of Emergency Management conducts full training, including full-scale exercises-- one of which we held last week-- in coordination with other regional partners and first responders to prepare for any type of emergency situation. We also coordinate with the National Weather Service and the National Hurricane Center when we are advised of a weather event. In fact, Pat and I are going to be meeting with the National Hurricane Center to be briefed on their expectations in the coming months, and that meeting will be taking place within the next 10 days. As always, we have stocked materials and equipment necessary to continue our operations; however, we will now stockpile to levels higher than ever before. Standard hurricane protection measures are already in place for June 1, the start of the Atlantic hurricane season. With our facilities and the Office of

Emergency Management focused on repairing or restoring essential infrastructure and supplies. This includes stockpiling sandbags, portable generators, and updating certain standard operating procedures. As part of our September 1 protective measures, we have procured even more portable generators, light towers, heaters, turbo fan ventilators, and pumps as you can see in the photos in front of you. All in all, these new protective measures are expected to cost $59 million, which is inclusive of our work at the World Trade Center. Other permanent repairs and mitigation projects are also being advanced that will provide future storm-related resiliency. As we have updated you in the past, the Port Authority plans to seek grant funding or reimbursement for these crucial longer term projects. Now I'm going to give you some examples of how these measures will protect our facilities. PATH has taken an aggressive approach in light of the magnitude of impact due to Sandy. For example, the eastern entrances of Hoboken Station will be protected with numerous metal panels, as will the Hoboken passenger elevator pictured earlier, which became one of the most iconic pictures of the storm as the water blew through the walls of the elevator. Over 1,000 metal panels will be made available and when stacked on top of each other are designed to reach at the minimum Sandy levels and higher, if necessary. Other projects include availability of over 40 portable electric pumps, temporary concrete barriers for our Harrison Car Maintenance facility and more. Here's the Marine Terminal. Installation of floor barriers were practical as also an important component of the port itself protection measures. For example, we plan to protect vulnerable areas of key buildings, like the New Jersey Marine Terminal Fire Pump Building with metal panels. The port is also focused on enhancing operational measures including the relocation of sensitive equipment, procuring spare electrical equipment for vulnerable assets in areas prone to flooding, expanded use of generators, and enhanced shore line protection in areas damaged by Sandy from wave action. This is a picture of new pump control cabinets at one of the Holland Tunnel's vent buildings. These cabinets were completely gutted and refurbished with all new parts. While this is a repair to existing infrastructure, it was necessary to re-establish sump pumping capabilities to return to pre-Sandy functionality. With new flood barriers and additional emergency generators in case of power failures, these cabinets will be protected during a storm. Other projects include metal panel barriers and seal work around the tunnel ventilation buildings, pipes, conduits, and other areas with potential water infiltration. Pat?

[Pat Foye] At LaGuardia Airport, a large generator connected to one of our pump houses-- that's pump house 4 in the picture before you-- will ensure that water can be quickly removed as a result of a tidal surge, even if there is loss of commercial power. This further reduces our reliance on regional power networks so that operations can be more quickly restored. LaGuardia is also moving electrical equipment above the flood plane to be protected against future flooding. The airports--all of them will also use mobile pumps to facilitate pumping of flood water. Additional flood protection will be installed with metal panels to protect doorways. At the World Trade Center-- given the impacts to the World Trade Center below grade, we've identified locations for pre-positioning materials and equipment. First the entire site has been surveyed for vulnerabilities during construction, and we've created a plan to protect these areas. Any openings that are 3½ feet or less below elevation of 312 feet which is above the elevation level flooded during Sandy will be protected by sandbags. Openings that are more than 3½ feet below elevation of 312 feet will be protected with flood barriers. World Trade Center is approximately 40,000 sandbags and 2,400 tons of sand available to prepare for storms. World Trade Center construction has also augmented the existing sump pumps. In addition, pumps as well as

emergency generators will be positioned on hand. In addition, today's investment approved by the Board of $59 million, last week we were notified of our receipt of an additional $287 million in funding for resiliency efforts from the FTA. Total FTA grants to the Port Authority for PATH and World Trade Center Hub is a result of Sandy now total $1.36 billion. These measures and these Port Authority and federal investment serve to keep the region moving, including its $1 trillion economy. From freight to air passengers to commuters to residents, our staff will work quickly to implement the variety of projects discussed today and ready ourselves for this upcoming hurricane season. Thank you, Chairman.

[Chairman Samson] Thank you, and thank you for the description of these important and prudent steps for future storms. As many of you may know, Commissioner Jamie Rubin is retiring from the Board, and today is his last meeting. We're obviously going to miss him, and Vice Chairman Scott Rechler has a tribute for Commissioner Rubin. Scott?

[Vice Chairman Rechler] Thank you. Commissioner Rubin, I'd like to offer the following resolution for consideration to express the appreciation of the members of the Board of Commissioners of the Port Authority of New York and New Jersey to Commissioner James P. Rubin upon his retirement from the Board. Whereas , since his appointment to the Board by New York Governor Andrew Cuomo in June 2012, James P. Rubin has given tirelessly of his time, talent and experience to further the mission and goals of the Port Authority; and whereas as Chairman of the Committee on Security, since August 2012, James Rubin has provided leadership in the formation of the Office of the Chief Security Officer, to centralize and improve coordination of security and public safety across the entire Agency, and has been instrumental in the advancement of numerous security initiatives, to ensure the safety and security of the agency’s facilities, so that the public and commerce may have the benefit of dependable, trustworthy passage throughout the region, including in response to the aftermath of Hurricane Sandy; and whereas James Rubin has provided guidance in the advancement of the agency’s Capital Plan and the Port Authority’s mission to improve regional mobility of people and goods, as well as fostering economic growth and opportunity in the region through projects that will serve the region for decades to come, including various projects for the rehabilitation of various airport runways and taxiways, planning for the redevelopment of LaGuardia Airport and planning and development for the Goethals and Bayonne Bridges; and whereas as a Commissioner of the Port Authority James P. Rubin has supported various initiatives to build on the agency’s commitment to the highest standards of accountability and transparency to the public and to promote transparent, efficient and ethical corporate governance practices and to adopt measures to adhere to the highest government accountability standards of the States of New York and New Jersey; and whereas, during his tenure on the Board, James P. Rubin also served with great pride and distinction as a member of the Committee on Operations and a member of the agency’s World Trade Center Redevelopment Subcommittee. Now therefore be it resolved that the Commissioners of The Port Authority of New York and New Jersey hereby express to the Honorable James P. Rubin their sincere appreciation for his leadership and service to the agency and the region it serves; and it is further resolved that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to the Honorable James P. Rubin as a token of the high esteem in which he is held by the Board and staff alike. On a personal note, I'd like to thank you for your tireless dedication and partnership and all you've done for the Board, at the agency, and the region. Thank you very much.

[Chairman Samson] May I have a motion to move this? Second? All in favor? [all] Aye. [Chairman Samson] So moved. Jamie? [applause]

[Chairman Samson] And this is a follow-up on a personal note, when Jamie joined the Board, he agreed to serve in the extremely demanding role of Chairman of the Board Security Committee. He's done an absolutely terrific job, and I thank you personally and professionally for your focus, your energy, and of course your great service Good luck in London. So now, we will provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker today is Jackson Scott.

[Jackson Scott] Good afternoon members of the Board. Again I am here on the matter of PanAm airport, if you can't tell. I'd like to start off by mentioning that CBS 2 News recently featured a segment on the Worldport. One passenger commented as saying, "Starship enterprise--it looks like a spaceship getting ready to take off." When CBS reached out to the Port Authority for comment, they said, "The land-constrained nature of Kennedy Airport and the Worldport's location make preservation difficult." You are basically telling us that one terminal can be saved and put to no use and that terminal is right next to terminal 4, one of the busiest terminals at JFK, but you won't save the Worldport, which we only want the iconic rotunda section saved. May I propose many ideas of what can be done? The flight center has been vacant since 2001 and over the course of 12 years, you have done nothing with it. The only time people are inside the building is in October when Open House New York has its annual open house of the terminal. The reason I took off time from school for this is simple: It's too important to be turned into a parking lot, has way too much value to become asphalt and concrete, but I and all the other members of Save the Worldport may sound like a broken record to you, but you have saved other buildings that have the same amount of historical significance as the Worldport. Why can you save the TWA Flight Center and the original terminal of Newark Airport and not the Worldport? When Delta moved out on May 24, 2013, their logo was taken down from the terminal. I was clapping when I saw the photos. Once Delta got their malicious little hands on the terminal, it deteriorated way faster than it would have in the hands of PanAm. The only reason Delta wants this terminal is so that they can have preferential access to the hardstands on the site, but you will only lose 3 hardstands if you only keep the rotunda. If the expansion at the end of T4 for Delta's RJ operations is completed early, they can terminate the lease early on T2 and then they could demolish that and use it for partially hardstands or expansion of T1, which is another idea by Anthony. So I will end on this note: Why save a terminal that is sitting vacant with no real purpose and not save a terminal that has many possible uses and much historical value? I just want to add one thing. You managed to save the Marine Air Terminal at LaGuardia, which only sees an average 20 or 30 flights a day with maybe 5 gates. That flight is not nearly-- that terminal is not nearly as important as the Worldport. Yes, it launched international flights from LaGuardia, but it only saw commercial service for maybe 10 years in the 40's and late 30's, and then it started up again. Why save that but not save the Worldport, which was another home of PanAm but way more historically significant? Thank you. [applause]

[Chairman Samson] Thank you. Our next speaker is Lisa Turano-Wojcik.

[Lisa Turano-Wojcik] Good afternoon, Commissioners. Thank you for this opportunity. Although I come a long way from Fort Lauderdale, Florida to speak to you today, I grew up minutes from Kennedy Airport and have many memories of involvement with Worldport terminal. I first learned the word, “cantilever”, when I could count my birthdays on 1 hand. That's because I'm the daughter of Emanuel Turano, one of the principal architects of that iconic saucer-shaped wonder. I recently read an article stating that Worldport was not valuable enough to preserve because it was designed by a no-named architect. I strongly disagree. My late father was not a no-name architect; he was, in fact, an architect of distinction for his innovative and award-winning projects. Mr. Turano graduated with a master's from Harvard Graduate School of Design in 1945 under the tutelage of one of the foremost pioneers of the modernist architectural movement, Walter Gropius. Among his other mentors were Mies van der Rohe, Le Corbusier, Philip Johnson, and Eero Saarinen. The pioneering Lever House-- my father had a major role in the design of it at his time in SOM. He revolutionized industry standards in public housing, designed projects for schools such as New York University and John Jay College and Sterling Forest International, an award winning research facility, and more. In addition to my dad's numerous awards, he had a Fulbright Fellowship, Fellowship in the AIA, an honorary PhD, and a membership in the Golden Legion of Cooper Union for lifetime achievements and contributions to the field of architecture. He also served on the faculties of Columbia University and Pratt Institute. Most notably concerning Worldport, my father was given both a design citation of excellence from the NYSAA, an architectural award of excellence from the American Institute of Steel Construction for that famous flying saucer cantilevered roof. But if my father's achievements are not enough, consider this: Mid-century modern is an architectural design form of worldwide significance, a recognized and celebrated art form. Worldport exemplifies the epitome of inventiveness characterized by this Post-World War II movement when our nation was at its height of innovation and a booming economy. The 50's and 60's were times of great change in culture, art, architecture, and engineering. Back then, Americans did some pretty amazing things, and Worldport was one of them. We wowed the world with our accomplishments and our inventive American way, and that's the real reason why Worldport must be preserved. Worldport's a wonderful example of that wow factor, and as Americans, we need to preserve Worldport as a reminder of who we are and what made us great. So on behalf of thousands of Worldport supporters, I implore you and Delta Airlines to reconsider that course. You won't know what a gem you had until it's lost. Thank you. [applause]

[Chairman Samson] Thank you. Our next speaker is Robert Genna.

[Robert Genna] Thank you, Mr. Chairman. Good afternoon, Commissioners and staff. My name is Robert Genna. I'm the independent curator for the Milton Hebald Zodiac Sculptures. I'd like to read 2 letters. The first one is from Chris Prokosch, the son of the architect of the Worldport-- formerly the PanAm Terminal 3, and the second one is from the PanAm Historical Foundation president, Peter Runnette. "Dear Port Authority of New York and New Jersey, "Future generations may well regard "the demolition of the Pan Am Worldport "an act of cultural vandalism "on par with the destruction of Penn Station. "Both buildings were temples "celebrating the drama of transportation. "Both were sacrificed to changing lifestyles "and

replaced by boring pragmatism. "The Worldport was an expression of great optimism, built post-war and pre-Beatles. "At the dawn of the gen age, "it was a time when we dressed up to travel "and had menu choices for in-flight meals. "Fast, Trans-Atlantic flight was new and exciting, "and Pan Am commissioned my father's firm "to design the world's first true jet terminal "to showcase the fleet of jet clippers. "The design received recognition, "including the gold medal of the Architectural League of New York "and the Queens Chamber of Commerce prize "for Most Outstanding Structure in any category. "The design, construction, and dedication "received a blizzard of press attention. "The New York Daily Mirror announced "Pan Am to do something about rain. "After reviewing the drawings and model, "Port Authority Executive Director Austin Tobin's verdict was "don't change a thing. "In fact the Worldport did much more than fix the rain. "Beyond the sweeping car ramps under the vast roof "past the huge Zodiac sculptures, "through the 100-foot air curtain "was an interior designed around clarity of circulation "and pleasure of experience. "For the first time, "baggage handling, refueling, and food services "were performed below level and out of sight. "Passenger boarding was announced by changing lighting levels "visible from the 6 lounges and the upstairs Clipper Club and restuarant. "Passengers seated around the perimeter "were treated to the unforgettable thrill of big jets nosing up to the tall glass wall "before boarding via the revolutionary loading bridges. "The Worldport was built for $12 million. "This is probably less than the cost of demolition and disposal. "One wonders what a similar sum would accomplish if put towards restoration. "There are so many potential functions for the restored building "from retail and restaurants to an aviation museum. "Unquestionably the restored building would be of far more value than a parking space. "Restored, the Worldport would once more be the jewel of Kennedy Airport. "Torn down, it would be with Penn Station, "just another example of the sacrifice of important monuments of one age "by the short-sightedness of another. Sincerely, Chris Prokosch." The second letter I'd like to read is from the Pan Am Historical Foundation president Pete Runnette. "Dear sirs, "This is a request to stave the planned demolition "of Terminal 3 at Kennedy Airport, "the Pan American Worldport in its original or elliptical parasol form. Although admittedly in poor repair--" One thing I'd like to say in closing--I'm sorry I couldn't get through the whole letter of Pete Runnette, but I'm sure he'll understand-- is that what's at stake here is the legacy of the Worldport and of a great building. How would the Port Authority and Delta Airlines like to be remembered: By those who saved and restored the Pan Am terminal, or by those who took it down and created a void in the history of great architectural monuments to aviation. Thank you. [applause]

[Chairman Samson] Thank you. Our next speaker is Neile Weissman.

[Neile Weissman] Yes, sir. Thank you. Chairman Samson, Board members, thank you for the opportunity to speak with regards to bicycle pedestrian access on the George Washington Bridge. This month I sent you a proposal for USDOT TIGER grant proposal to bring the North Path out to 16 feet and into AASHTO compliance. Budget $60 million, minimum award $10 million. Detailed notes can be found on the web site, CompleteGeorge.org. Key TIGER criteria are readiness, good repair, economic benefit, livability, sustainability, and safety plus having a significant impact on Nation, metropolitan area or region. On readiness: Environmental approvals and right-of-way do not appear to be at issue. Detailing feasibility, risk mitigation and schedule within Agency competence. And since the North Path is going to be ripped up anyway for re-cabling, the sole project focus should be its restoration; build out to 16 feet or restore it at

8. On state of good repair. Re-cabling should extend the bridge life by 80 years and cost $1.3 billion. As bike travel places no wear on bridge structure, stabilization of use at 6%, comparable to Portland, Oregon would add 5 years to Bridge life and will itself cover the cost of construction. Economic benefit. Six percent use would save New York-New Jersey commuters $20 million a year in gasoline alone and afford cheap access to job opportunities to high unemployment areas of North Manhattan. It would facilitate growth in cyclo-tourism already half a billion just in New Jersey. Further, upgrading the North for bike travel frees up the South to become a destination amenity, which could precipitate millions in tourist spending, tax revenues, and hundreds of local jobs and likely attract a better mix of commercial tenant to the bus terminal. As a local amenity, the South walkway would link runners, hikers, and the disabled to Palisade Interstate, Inwood Hill, and Fort Tryon Parks. On sustainability, facilitated travel would immediately reduce peak congestion on the bridge, offset a 20% increase in car travel by 2050, and reduce CO2 emissions by hundreds of thousands of tons through the rest of the century. And besides user safety, a robust, non-motorized, bi-state connector would prove critical to moving human assets following an extreme weather event. Overall the benefits easily outstrip those of comparable projects awarded TIGER grants in 2012. Finally, the George Washington Bridge is linchpin of a bicycle network spanning 2 states connecting 10 million residents. It occupies a singular, iconic presence in our nation's transport firmament. Completing it with a centennial facility would comprise a post-Sandy milestone in our necessary transition to a balanced transport infrastructure and evidence the Authority's resolve to lead the charge. Thank you. [applause]

[Chairman Samson] Thank you. Our next speaker is Marcus Babzien.

[Marcus Babzien] Mr. Chairman, members of the Board. In most of the world, it is well recognized that there is an intrinsic value in integrating structures of the past as well as the present into our surroundings. Significant buildings might capture the imagination, teach us lessons, or inspire us. When a truly great place reminds us where we come from, it enriches us and makes its own value clear. If we also learn more about the way we stand on the shoulders of our forbearers and their accomplishments, we are richer for the experience. I allude, of course, to the structure built over 50 years ago at Idlewild Airport by Pan American World Airways to serve as its gateway to the rest of the globe. The Worldport, now known as Terminal 3. Future generations deserve the right to experience this part of our past and to see firsthand how air transport system is built upon the progress of the past. Passenger aviation moved from the jet age-- moved into the jet age from Terminal 3, and this building showcased the audacity of the US aircraft industry with the first passenger flight of the jumbo jet in 1970. The history of this gateway still conveys the excitement and adventure to be had when world travel was becoming a widespread experience. The Worldport has seen families, movie stars and entertainers, politicians and dignitaries, and Nobel Laureates such as Martin Luther King, Jr. and Archbishop Desmond Tutu on their travels around the world. For decades and to many people around the globe, the Worldport was the way to arrive in New York and into the nation. Obviously the current tenant of Terminal 3 has made their desires clear, and we would expect that they strive to improve their customer service, profitability, and value to shareholders; however, this tenant, this building, and this country are much more than the sum of the last several years of corporate earnings reports. In the long run, we will all suffer a loss if the Worldport disappears. As for preservation, 2 other historic structures at JFK tell a mixed story. The former TWA Flight

Center has been preserved and integrated into the new Jetblue Terminal 5. Having received historic place status, this facility shines as a guide to the balance to be struck between art and utility and beautifully enhances Kennedy Airport. However, the former National Airlines Sundrome at Terminal 6 was hastily demolished. That building--the creation of the famous American architect I. M. Pei was architecturally notable for its interior views. With the demolition of Terminal 6, the Worldport is the remaining architectural jewel to be saved at JFK. In closing, I urge the Port Authority to abandon the current plan for demolition and to enact an alternative, enabling immediate protection of this cultural icon in a way that serves not just corporate stakeholders but also the public at large. The responsibility lies with us here and now to preserve our cultural heritage for the benefit of future generations. Thank you. [applause]

[Chairman Samson] Thank you. Our next speaker is Richard Hughes.

[Richard Hughes] As a New Yorker, I'd like to say save the Worldport would be a good idea. [applause]

[Richard Hughes] Unfortunately, I'm not here to speak on that. I am also--I'm here to speak on something equally as serious. Monday was Memorial Day, and Memorial Day should bring us all back to some of the basics about what America stands for. I've been to some of the cemeteries abroad where American soldiers are buried. Anybody who's been to Omaha Beach to the cemetery above Omaha Beach can't help but be impressed by the sacrifice so many Americans have made for our country, and we might ask what they fought for. I knew a lot of those men who came back and grew up with some of those ideals, and they were about freedom and democracy and open government. And here I am just a couple of days later talking to an agency, which I have great respect for in some areas but not in others, and 1 of those areas I don't have respect for is that you don't believe in open government. You don't believe in being open to the people. You talk about it. You talk a good game, but you're not open. For 2 years the Twin Towers Alliance has asked for documents relating to Larry Silverstein's financials. For 2 years you have stonewalled us. You refuse to release those documents. The new and open Port Authority-- I don't think so. So what are you hiding? I don't like to bring this up, but Chairman Samson, you were a lobbyist for Larry Silverstein for 6 years, I believe, from 2004 to 2009. Deals were cut that favor Larry Silverstein, and I'm not saying that you did anything wrong. I'm just saying Larry has a sweetheart deal with the Port Authority, and we, the public, do not. We, the public, are picking up the tab for the billions of dollars in cost overruns, for the billions of dollars that Larry was let out of. We ask for the documents. We'd like to know what happened, and we don't get them. Larry's come out smelling like a rose. He's used the money that should have gone into the World Trade Center, and he's financing deals all over the world. We, the public, have to pick up the tab for the mess at Ground Zero. It's going to be in the billions of dollars. And meanwhile the cost overruns are monumental. Release the documents. Let's be certain there wasn't any hanky panky, and maybe the press--I know in your closed meetings aren't open to the public. I mean even the president has to speak to the public, but evidently, you gentlemen do not. But maybe the press will get to the bottom of this. Certainly you don't want to release the documents to us, but maybe you'll release them to the press. Thank you.

[Chairman Samson] Thank you. Our next speaker is Kalev Savi.

[Kalev Savi] Good afternoon, Commissioners. Well after a performance from my fellow supporters here, I'm just going to throw my script away and say that-- just break it down to 2 or 3 points. First of all, I stand today for the seventh time in front of you, and I just want to say that I think that this is a great forum to make members of the community's opinions known, and I've always felt on each occasion, because I do look each of you in the eye that you've always been very attentive, jot down notes, and I want to thank you for your professional courtesy in that respect. Secondly, I just want to thank the supporters, because I haven't paid anybody here or begged them to come. This movement has really grown through the power of social media. Prior to really today, I haven't known really anybody in this room, but we've all networked and communicated over social media, and I get letters daily from kids as young as 16 from Malaysia to an 80-year-old gentleman in Moscow, and that's what drives me and makes me want to keep coming back here and plead the case for you. Now look. I realize that sentimentality and aviation history and architecture isn't just going to cut the mustard. You guys have a business to run. You need a business case. Somebody has to pay for all of this, and what's the return going to be? One of the problems that obviously a community action group like we have is we don't have access to the site, so we can't commission an engineering study to see what state it is in, what's it going to cost to refurbish. We've kicked around 6 or 7 ideas on what can be done with this and consequently what possible returns could be in it for an investor now. I personally believe-- Murray and I have had various discussions about, "The Port Authority is broke. Taxpayers don't want to pay for it. Who's going to pay for all this?" Well there's an Australian mining magnate by the name of Clive Palmer who made his money out of digging holes in the ground, and he's now investing in relaunching the Titanic. Now if a private investor like that can be found to fund a venture like that, I am sure through a proper cost of business case a private venture can be found to save the Worldport. So in closing, I want to thank the Executive Chairman's office for agreeing to a subsequent meeting to talk about these issues and to thank you for your time and attention. [applause]

[Chairman Samson] Thank you. Our next speaker is Margaret Donovan.

[Margaret Donovan] Good afternoon. For almost a dozen years now, we have been hearing, "If you see something, say something." Sadly authorities will respond with urgency to an unattended bag in the subway but won't listen when the public is being robbed by our own officials. But there seems to have been a shift in how far out on a limb the media will go to advance the myth that your World Trade Center is viable. The Financial Times just published an article entitled, "The World Trade Center Struggles to Find Tenants." Cranes wrote 2 weeks ago World Trade Center site sits empty as rivals lease up. It should come as no surprise that something so banal and incoherent is a turn off, but when you had a chance a year ago to bring true character and authenticity to the sterile "campus," you fumbled. Director Foye made national news last June when he agreed that the Koenig’s Sphere belongs at the site, and then never mentioned it again. That does not inspire confidence. Shouldn't the public know why he ducked the issue? Who is calling the shots if not the executive director? The sphere would give the entire project the integrity it lacks and still could. Why isn't the PA using its leverage over the memorial? Oh, I forgot. It's because you gave the public's land away. Path to Ruin: The Story of the World's Most Expensive Train Station appeared in May in the Observer, another paper that isn't widely read. Does anyone see a pattern? The people can't know what the mass media doesn't broadcast. Our perennial presence here is all about the public's right to know, which brings us to our freedom of

information requests. The most important--our inquiry into the Silverstein financials has dragged on for almost 2 years, while we keep reading about how Mr. Silverstein is investing here, there, and everywhere else while the public pays his way at the site. The Observer piece revealed that Silverstein "played hardball with the government from 2004 to 2006." "His lobbyists were the best of the best" and included "David Samson, who would go on to become the Chairman of the Port Authority." Chairman Samson said before he took office in 2011 that there was no conflict of interest, but why have we been waiting for almost 2 years for information that would shed light on what would have led the PA to release Silverstein of the Freedom Tower and subsidize 2 others and place such an incredible burden on the public instead. If what we are saying is easily refuted, it should be refuted; not in secret press briefings but in public. Why would the public trust a Board that assumed almost $10 billion in public debt that should have been debated in public but was decided behind closed doors so that the bond rating agencies could go along with it. The site that epitomizes selfless sacrifice has been infested with giant ego trips and infected with cowards who oppose them, but our history assures us giant egos trip and fall. Thank you. [applause]

[Chairman Samson] Our next speaker is Michael Prokosch.

[Michael Prokosch] Good afternoon, Commissioners. I'm here to plead for the Worldport, which my father, Walter Prokosch had a hand in designing. Both as an icon at Kennedy Airport and as a solution to air transportation problems, it was a turning point in aviation history 50 years ago. At that point, air travel was a frequent nightmare. You could lug your bags down corridors, wait in improvised waiting rooms. When your time came to board the plane, you'd go out on the tarmac in any weather, and a team of architects and engineers set out to design a solution that would be comprehensive and would put the public passenger at the center. Driving up to the Worldport once completed, you went past the world's largest sculpture, went straight to the doorway--only it wasn't a door. There was 100-foot air curtain that separated the outside climate from the inside and allowed you to walk straight in without putting down your bags before the days of electric eyes. You walked straight to the reservation desk. You dropped your bags, and then you were free to go to your gate or wander around the outside of the building and watch air traffic, planes landing, planes nosing up to the terminal, and when the time came to board your flight, you--for the first time went directly onto your plane in a telescoping walkway originally called the Prokosch Bridge. This is a piece of aviation and transportation history on a par with Penn Station, and future generations will wonder why we let it be torn down if it is torn down. We appeal to you to work with us to give this building a respite, to find a use for it, a profitable use, either restoring it to use as a terminal or some other use. The cost of demolition will probably exceed any revenue that will be gained from parking three jets on the site. Thank you very much.

[Chairman Samson] Thank you. Our last speaker is Murray Bodin.

[Murray Bodin] Richard—who's getting in trouble, me or you? Richard and I had lunch a few days ago, a week or so ago, and I asked him to stand up here with me because I want to change the way people think. Richard and I do not look at the world the same way. He looks at it in one direction, and I look at it in a different direction. But we sat and talked, and we discussed. That's the important part, that unless you talk about problems, you can't solve them. There are issues

here that Richard has with the Board and with whatever— Let me just change a little. Board member Pocino was at the New Jersey Transit board meeting yesterday. I apologized to the Board for any of those things that I've said over the years that may have been out of line, because I have to move forward. What happened yesterday and last week is old news. What do we have to do to go forward. I've suggested to Richard that his organization look at your charge. Where do you want to be in the future? Is what you said in the past or can you somehow integrate that with going forward? You have problems. I have problems with this place, too. But we're working on solving it. You and I happen to be working better than some of the other stuff is. But the message to the Board is times have changed. We have to do things differently. We have to look to the future and what the legacy is that we leave. There are many things I wish I had done differently. But I did them. I apologized yesterday. I apologize to anyone here who I have said something that may not have been in the best of interest of everybody. Tomorrow is my 40th wedding anniversary. In 2 weeks, I'll be 80 years old. Hey, guys, this is the end of the line for me. I'm going down doing what I can do to leave a better organization, a better society for my grandchildren and yours and everybody else's. I was outside. I had some good news this morning. I was just emotionally caught up and couldn't go out to lunch with somebody, and I walked around, and I saw those new Citi Bikes downstairs. I watched—you can turn it off. You don't have to come up behind me. [laughter]

[Richard Hughes] I remember when you used to jump around and scream. [laughter]

[Murray Bodin] I mean, it was—I couldn't sit down with somebody. I had a little stuff. I walked around the green market out there. I watched some young lady come with the bicycle and put it away. That's it. I'm here. I know you're coming. [laughter]

But the whole tenor of what was going on in that green market was incredible. The activity is so different. When I started coming here, there was none of that stuff. I'm telling you about that because of the enormous positive change in the city of New York. How do we build on that? How do we go back and say, "Yeah, there were some mistakes made here, and we have to correct those one way—" Have a good time in London. I'm sure you're going in for your family. [laughter]

[Richard Hughes] Come on, buddy. [applause]

[Chairman Samson] May I have a motion to move the consent calendar? [Commissioner] So moved. [Commissioner] Second. [Chairman Samson] Second. All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. There's no further business. I move to adjourn the meeting. May I have a second? [Commissioner] Thank you, sir. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] The meeting is adjourned.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
May 31, 2012

[Chairman Samson] The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committees on Finance, Capital Programs/ Agency Planning, and Construction met in public session, and the Committee on Operations and the World Trade Center Redevelopment Subcommittee met in both public and executive session. In addition, the Audit Committee met in executive session on May 22. Their reports will be filed with the official Minutes of today's Board meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss and act upon matters involving ongoing negotiations or reviews of contracts or proposals and matters related to proposed, pending, or current litigation or judicial or administrative proceedings, and to discuss matters involving public safety or law enforcement, and matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest. The first order of business is a recognition by this Board of the importance of the Port Authority Police Department. We all recognize that Port Authority police officers take an oath to serve, honor, and protect. Today as we recognize several of the PAPD's finest, it's evident that these values continue. I'm pleased to report that Mike Fedorko, our Director of Public Safety, will now recognize several members of our police department who have distinguished themselves through their actions and heroism. Mike?

[Mike Fedorko] Mr. Chairman, Mr. Vice Chairman, Commissioners, good afternoon. On behalf of the Port Authority of New York & New Jersey, the Board of Commissioners and our objective leaders, it gives me great pleasure to share this moment as Chairman Samson will present former Lieutenant John Ryan with his chief shield and credentials. This badge is both a reflection of the outstanding career of John Ryan as well as the added responsibility he is assuming as Chief of the Port Authority Police Department. The New York & New Jersey Port Authority entrusts him with the command of the police department's most critical and sensitive operations. He will now proceed in the development and control of the program implementation of our police department. Our force will be looking to Chief Ryan for leadership as we endeavor to effectively deliver police services in the community that we protect and serve. Chief Ryan, we are confident in your abilities to perform these duties. You have demonstrated qualifications of the highest caliber during your more than 30 years of service to the department. You have overseen highly sensitive operations that require swift and sound decision making along with the extensive coordination among multiple external stakeholders. Your substantial management experience, extraordinary leadership skills, and rogue field work make you uniquely qualified to assume the position of Chief of the department. Your exceptional work ethic will serve you well in supervising the highly commendable work of the men and women of the Port Authority Police Department. The Port Authority Police Department protects some of the nation's most valued facilities as well as millions of people daily. This promotion reflects the Port Authority's commitment to this mission and the way the agency does business. As the Port Authority reshapes its security structure, leaders like Chief Ryan will play a pivotal role in enhancing the innovative Port Authority Police Department. Mr. Chairman, I present to you the newly appointed Chief of the Port Authority Police Department, John Ryan. [applause]

[John Ryan] Thank you.

[Commissioner Pocino] Congratulations. Good luck.

[John Ryan] Thank you.

[Vice Chairman Rechler] Congratulations.

[Commissioner Silverman] Congratulations again.

[John Ryan] Thank you.

[Commissioner Bauer] Congratulations.

[John Ryan] Thank you.

[Commissioner Holmes] Congratulations.

[John Ryan] Thank you.

[Commissioner Schuber] Congratulations.

[John Ryan] Thank you.

[Chairman Samson] I just want to add, on behalf of the Board, to the comments by Mike Fedorko that John Ryan's appointment is a critical step in enhancing the leadership of the Public Safety Department. It's consistent with this Board's longstanding commitment to security. Congratulations. Welcome aboard. We look forward to working with you, Chief. Thank you.

[Mike Fedorko] Mr. Chairman, Commissioners, this involves an attempted carjacking. The officers involved were Officer Shawn Murphy, Officer Edwardo Gonzalez, Officer Rocco Rufrano and Sergeant Scott Kelliher. April the 1st, 2012, Officer Frank Conti, a member of the Port Authority Police Department's Special Operations Unit, was patrolling the New Jersey Marine Terminal in his K-9 patrol vehicle. Officer Conti was approached by a woman who stated she had just been the victim of an attempted carjacking in the parking lot of Jersey Gardens Mall. She described the suspect and said he had approached the driver’s side window of her vehicle as she pulled into a parking space. She advised that one of the suspects had pointed a silver handgun at her and yelled for her to get out of the vehicle while pulling on the driver door handle and banging on the window. She further advised that she abruptly backed out of the parking space and fled the area and that while doing so heard what she believed to be at least one gunshot as she fled. After hearing the account of the incident, Conti broadcast the event to dispatch and area supervisor Sgt Scott Kelliher. Sgt Kelliher immediately notified Elizabeth PD and contacted all Port Authority Police Department port units to take up positions effectively closing off the area surrounding Jersey Gardens Mall. Officer Murphy was the first backup to arrive at the scene. After briefly speaking with Officer Conti, Officer Murphy remained with the victim’s vehicle and two children, while Officer Conti and the victim returned to the mall to canvass the

area for the suspect. As Officer Conti and the victim continued to canvass the mall, he was advised that Port Authority Police Officer Edwardo Gonzalez and Elizabeth police had stopped a vehicle at the intersection of North Avenue and Kapkowski Road with possible suspects in the car. Office Conti and the victim responded to the location and the victim made an immediate positive identification of the suspects. After the suspects were taken into custody without incident, K-9 Officer Rocco Rufrano and Sgt Scott Kelliher acquired a consent to search the car. Their search recovered a loaded .22 caliber semiautomatic pistol from the glove compartment as well as clothing originally identified by the victim. The suspects were subsequently charged with carjacking, aggravated assault, possession of a weapon for unlawful purpose, unlawful possession of a handgun, and terroristic threats. The proactive, coordinated response of these officers and the Elizabeth Police Department reflects textbook policing. Swiftly cutting off the avenues of escape and quickly taking control over the suspects and the vehicles, once located, brought about the suspects' apprehension with no harm to the police or the civilians. Officers Conti, Murphy, Rufrano, Gonzalez, and Sergeant Kelliher are hereby recognized for their overall performance and response to the above event. The efforts resulted in the apprehension of three dangerous suspects who preyed upon innocent victims. Their professional actions continue the tradition of excellence expected by all members of the Port Authority Police Department. Please join me as we acknowledge their actions. [applause] This event is with Officer Michael McCann, Officer Michael Angerhauser, and Officer Thomas Lynch. It involves at JFK Terminal 4 an individual in distress. On March 20, 2012, JFK Police Officers Mike McCann and Michael Angerhauser were on patrol outside Terminal 4, where they observed a man lying in the roadway unconscious and unresponsive. The officers rushed to the aid of a 49-year-old Queens man who arrived alone at the airport to pick up a relative. The gentleman was in full cardiac arrest and had no pulse. Officer McCann and Officer Angerhauser immediately began CPR. They were quickly joined by Police Officers Kenneth Gill and Thomas Lynch, who took turns administering CPR with Officers McCann and Angerhauser. These actions are critical in supplying blood to the heart and oxygen to the brain in order to increase the victim's chances of recovery. Police Officers Alfonso Rapisarda and Ernest Bohringer arrived at the location in a Port Authority ambulance. They administered one shock with the defibrillator to the individual, and it immediately restarted his heart. He was rushed to Jamaica Hospital, where he was in stable condition and recovering. There's no doubt that our officers' quick response and decisive action were responsible for saving a life. We commend the calm, take-control actions and recognize that it reflects greatly upon the Port Authority Police Department. And I might add that the individual is recovered and is now back to work. Please join me as we acknowledge these officers. Thank you. [applause] [applause]

[Chairman Samson] Thank you, Mike. We'll now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker is Margaret Donovan of the Twin Towers Alliance.

[Margaret Donovan] Good afternoon. Nicole Gelinas observed in a 2004-- This really doesn't-- Can you hear me? It doesn't-- It's, like, not been very good lately. Okay. Can you all hear me?

Okay. Nicole Gelinas observed in a 2004 New York Post op-ed entitled World Trade Sellouts that Osama bin Laden gave the order to destroy the World Trade Center, but Governor Pataki and Co. are paying for the funeral. Now we know it is the taxpayers who have paid and paid and paid and paid for it. But Governor Pataki, Mayor Bloomberg, and others didn't have to be such eager pallbearers. That is not water under the bridge, because all we have to show for billions of public dollars is a Mutt and Jeff skyline with twin stumps in between. Richard Hughes has referred to us as twin bores, but there is nothing boring about asking public officials to account for their actions and choices. Answers give citizens the power to avoid the avoidable. Isn't that a basic civil right-- avoiding the mistakes unaccountable officials make before we have to pay for them? And so is the right to learn from them after the mistakes have been made. The Port Authority Commissioners have a fiduciary responsibility to the people, not the governors. Don't you think the public deserves to know what went wrong? What good is an audit that doesn't address how a man who was responsible for clearing the site and rebuilding the 10 million square feet at his own expense became such a public charge and why he was given so much control over the site? The mess at Ground Zero isn't primarily George Pataki's doing. It is Boss Ward's legacy. Or is it? If this is really a new era at the Port Authority, why can't we get a simple answer to the question of whether Ward briefed the Commissioners in 2008-- six of whom are still on the Board--on a fully designed plan to transition to a far more economical and popular plan for re-engineered Twin Towers? If it was determined not to be credible, where is the analysis to support that? The Commissioners and the Executive Director and even the governors did not have the authority or prerogative to spend thousands of millions of dollars that did not need to be spent. Port Authority officials keep saying all the right things. But until you will answer questions that the public has every right to know, it is still business as usual. I am starting to feel like a member of a Greek chorus, because, as we wrote in our recent op-ed, this agency is steaming to its destruction unless it comes clean. As we have all heard, knowledge is power. But so is the knowledge that comes when simple questions go unanswered. Mr. Baroni insisted that the New York legislature did not need subpoena power over this agency. But our experience has been one of climbing over one stone wall after another. As we concluded in our recent op-ed, none of this had to happen. The public has been ignored and has been lied to. Where and when will it stop? Thank you.

[Chairman Samson] Thank you. Our next speaker is Richard Hughes of the Twin Towers Alliance.

[Richard Hughes] Good afternoon, Commissioners. Margaret Donovan just referred to an op-ed piece which was in the Star-Ledger about 3 weeks ago that the Twin Towers Alliance wrote. It was called The Twin Towers' Disgraceful Replacement. We didn't choose that title. That's not the way we submitted it. The editors of the Star-Ledger, which is the largest newspaper in New Jersey-- the editors chose that title, The Twin Towers' Disgraceful Replacement, which obviously refers to the Freedom Tower and the project at Ground Zero. But there are other disgraceful things that are part of that project, starting 10 years ago, much of which you had nothing to do with and for which you are not to blame. But you are to blame for not changing course. And it's even things like the sphere, the wonderful sphere which was the only artifact which survived 9/11 intact, more or less, and was an inspiration to so many of us after 9/11. We all know it belongs at the heart of that project. It's a sign of endurance, it's a sign of rebirth, it's a symbol of what men like these did on 9/11 and in the weeks after. And yet we're arguing about

where it belongs? There should be no argument at all. It's like this whole project. There should be no argument about it. We know what needed to be done. It wasn't done. But at least you can put the sphere back where it belongs. Last meeting, afterwards a friend came up and he said, "You know, Richard, you spoke very well, but you didn't show them a way out of this mess." "You've got to show them a way out of this mess." We're going to try in the meetings ahead-- since we only get a couple of minutes-- to try to show you a way out of this mess. But the first thing you have to do: you've got to rethink the whole project. You've got to really turn it around and really think imaginatively. And you say, "Well, how are we going to do that? It's so late in the game." No, it isn't. I want you to just cross West Street from those 16 acres. I want you to just go across West Street to Battery Park City. There's a great example and a great inspiration of what can be done. That was built on the landfill from the Twin Towers. The earth was dug out of the foundation, was put in the Hudson River. Nobody knew what they were going to do with it. But now we have one of the jewels of this city sitting on that landfill from the Twin Towers. Cross that street and you'll see some buildings there that look like East Berlin worker housing from the communist era. But then you'll see some of the most beautiful buildings in the city. What happened? A complete change. A complete change of vision. Somebody got vision again. It took vision to build the Twin Towers; it's going to take vision to turn this project around. And when you turn it around, you will finally start to make some money and stop socking the taxpayers for your mistakes. Thank you so much.

[Chairman Samson] Thank you. Our next speaker is Murray Bodin.

[Murray Bodin] Good morning. I want to be able to see Pat and the rest of you. After this morning's meeting--I was here earlier, at 9:00-- I went out for a walk in the area. It's phenomenally different. It's a whole different ball-- I went to a restaurant called Beecher's and I had a sandwich. It was delicious. And then I come around, and all the traffic engineers are using rules of 20 years ago. And so I'm using that to show that there's a culture that needs to be changed. I was made aware that the best way to get you to change is to create a liability. To fix the lines, I'm going to suggest it very simple. But if you don't correct them, you're going to create a liability where in an accident they can sue you. This is to inform your organization, the Port Authority, that hazardous and dangerous conditions exist at various roadways that can cause driver confusion and lead to accidents. I understand that if your organization does not correct these conditions, there may be a liability created by the failure to correct these conditions. I have attached a picture of the exit ramp. The white line that's at the exit has to stop where a driver can no longer cross it into another lane of traffic going in the same direction. Traffic engineers have been making that mistake for nigh on 20 years, and they all think it's okay. Well, this is an era of texting. Drivers are not paying attention anymore. We have to give them clear and unambiguous instructions. You cannot have a white line on the left unless you can cross it. There are fire lanes all over on the right painted yellow. How is a driver to know which direction to go in? If it's on the right, it should be white so that a driver instinctively knows that this is the one way I'm going in. This is the same presentation I did at the New Jersey Turnpike yesterday. You were there. You saw it. This is essentially the same. Yesterday afternoon I did it at the New York State Thruway. They're on notice that they may create a liability if they don't-- It's a simple fix. You only have to send a truck out there and paint yellow from the point where you can't turn into another lane of traffic. So I want to thank you all. I'm dressed this way because my son is getting

married on Father's Day. My first wife is going to be there, and yesterday was my 39th wedding anniversary. And really, this is practice to speak quietly and don't get excited. Thank you for this.

[Chairman Samson] Congratulations. And thank you. Our next speaker is Yvonne Garrett Moore.

[Yvonne Garrett-Moore] Commissioners, thank you again for allowing me to come before you. You can blame this on my grandmother. She said failure to request is cowardice. So I'm here to request of you to continue to look very clearly at the potential of the Newark Airport City. I am also very thankful to the leadership of Port Authority, and I'm very thankful for the confidence that you have in our executive administrator, Mr. Foye. I really believe that the Airport City initiative had practical potential. I did research before I came before you to understand what it could possibly yield for our region. And so I did my research. But it was when Mr. Foye came into office in the fall of last year and he cast a vision for this agency, it allowed me to stand here today with confidence because the leadership clearly understands what its potential is and what we must do to cultivate that potential. I come from Newark, New Jersey, and great things come out of Newark. One great thing was a young lady by the name of Whitney Houston. She had great potential, and no one understood that potential. But cultivated, she became a world-renown artist. I had the good fortune of being exposed to Whitney Houston's mother. She also mentored me a little. And so I watched this cultivation of this young girl in the heart of our inner city community become a world-class artist. Newark is full of this potential. Our region is full of this potential. We're not lacking anything. What we're lacking is the ability to recognize the potential and cultivate the potential. And we have the ability with this administration to advance that effort. So I'm here to appeal to you today for an authorization for a study for the development of a Newark Airport City initiative. These aerotropolises are being built all around the world, and they're being proven successful. We need to create job opportunities. We need to create business opportunities. We need to really invest in our potential that will allow the world to come and participate in our culturalness. We have great potential, and we need to be able to share that potential. And so expanding the capacity of Newark International Airport by creating this Airport City initiative is going to do a great thing to say that, first of all, we recognize ourselves. We recognize our potential and our capability and being a leader in that recognition as well as to establish some practical infrastructure that is going to contribute to our growth and development. It is a win-win situation for us. So I thank you again for your sensitivity, for your consciousness. I also want to continue to encourage you all to build solid relations, because our welfare and well-being depends on your relations to be cultivated. Thank you, Mr. Foye, and thank you, Commissioners, for working diligently together to accomplish what we need. Thank you so much.

[Chairman Samson] Thank you. Our next speaker is James Raleigh.

[James Raleigh] I'm James Raleigh. I'm a resident of Monmouth County, New Jersey, and I've been watching with interest the efforts of several organizations to improve their transparency and public image. A couple of months ago, you made major strides in transparency by deciding that you would post the handouts from all of the committee meetings. I'm here to say I hope you can do more in the future in terms of announcing the agenda of these committee meetings so that you have the appearance of letting the Commissioners and the public know what you're going to be

discussing. I attended the Committee on Construction meeting today. I presume the handouts will be put up on the Web shortly. It would have helped me a great deal to come prepared if I had been able to find a working link to the agenda last night at 10:00. In Trenton, we work on a 3-day notice basis. In New Jersey Transit, we work at least on 24 hours to include the financial information. I do not feel comfortable coming to a meeting today and seeing millions of dollars being committed by this Board or by these committees without the appearance of extended public awareness. In particular, I saw a couple of projects presented as being presented as state of good repair. In particular, there was the Holland Tunnel Project, which showed the real-life chaos in the existing system. What I really saw was a telephone cross-connect, and they were explaining how a new fiber optics system will replace all this antiquated copper. It may be a state of good repair, but I think you've just demonstrated there are serious problems with single point failures. Good luck.

[Chairman Samson] Thank you. Our last speaker is Joseph Clift.

[Joseph Clift] Could you give it to them, please? Thank you. I'm trying to get information to you before I talk to you because it's helpful. Good afternoon. My name is Joe Clift. One quick comment. The monitors here are not on, and these are not transparent pillars. It would be nice if we could see all of you. Second quick comment on the Silverstein being paid for the R Train connection. In the City of New York, by code a building is required to put an access point to the subway into their building when they build a new building. They do it at their expense. I don't know what this is. There's no details. But if this building were in New York City rather than on World Trade Center property, my guess is that some of the money you're going to pay to Silverstein he would have to do as of right. I don't know. I don't have the details. But specifically, what-- Do they have the copies of what I-- Did you give them-- Excuse me? Okay. Do you have in front of you the picture? Please. It's the normal process at other Board meetings. You might call this a little bit of transparency. Thank you. Recently, early May, there was an announcement of Moynihan Phase 1 as a great improvement. There were articles in the paper; there were squibs on TV. I'm here to tell you that that's a 75% plus failure because of the failure to connect the new West End Concourse, which is the major improvement in this project, to Tracks 1 through 4. There will be no one that's able to leave on a New Jersey Transit train from the West End Concourse. They're not going to post a single train because most of the trains off peak. 40% of the trains peak, leave from those platforms, and the result is you're going to have less than 25% coverage. The reason this happened, I believe, is a failure, first of all, of Moynihan, and then--when the Port Authority took it over at Governor Cuomo's request-- the Port Authority to look at this comprehensively. The cost might be greater, but the benefit would be incredibly greater. You're also putting elevators onto this concourse, and I do not understand that. They're redundant. Every platform in Penn Station has a relatively new elevator. Both New Jersey Transit and the Long Island Railroad put them in. Cost of those elevators could be saved by not doing them and that money spent to make this connection. So I ask basically for a change. It could have been done ahead of time. Now it's a change order to change this project so it really works. If you don't do that, I don't see how you can claim to be the mobility folks for the region. Thank you very much for your time.

[Chairman Samson] Thank you. May I now have a motion to move the consent calendar for approval?

[Commissioner] So moved.

[Chairman Samson] Second?

[Commissioner] Second.

[Chairman Samson] All in favor?

[multiple Commissioners] Aye.

[Chairman Samson] So moved. There being no further business, I move to adjourn the meeting. May I have a second?

[multiple Commissioners] Second.

[Chairman Samson] All in favor?

[all] Aye.

[Chairman Samson] The meeting is adjourned. Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
June 14, 2011

Chairman Samson: A special meeting of the Port Authority of New York and New Jersey is now called to order. In addition, as part of today's proceedings, a special interim meeting of the Committee on Operations will be held to consider the matter on today's agenda. Prior to today's Board Meeting, the Commissioners met in Executive Session to discuss matters related to the purchase, sale, or lease of real property or securities where public disclosure would affect the value thereof or the public interest. Today our Director of Port Commerce, Rick Larrabee, will present an item concerning a lease covering the expansion of the Port Newark Container Terminal that will accommodate growth at our Port Marine Terminals and result in significant regional economic activity in the private sector investment. Rick.

Richard Larrabee: Mr. Chairman, Commissioners, Good Morning. Today I'm pleased to bring to you an item that provides for the restructuring of the Port Newark Container Terminal Lease. In order to expand the terminal and secure a long-term strategic commitment from the world's second largest shipping company, Mediterranean Shipping. The benefits of improving this item include a $500 million private capital investment in PCNT, additional financial benefit to the Port Authority from increased throughput, regional economic benefits, and the generation of nearly 1450 jobs. Port Newark Container Terminal currently leases approximately180 acres at Port Newark as shown in this slide in red. Under the restructured lease PNCT would invest $500 million to improve and expand its leasehold in four phases as shown here in the colored areas north of this terminal. This will create a 287-acre state of the art container terminal with dramatically increased capacity and efficiency. The proposed term of this amended and restated lease is from March 1, 2011 through November 30, 2030. Port Newark Container Terminal would invest $500 million to expand its 180-acre terminal to 287 acres which would secure a 20-year lease extension until November 30, 2050. The proposed agreement would allow for the restructuring the lease to encourage investment and cargo growth. In addition to a terminal throughput guarantee, we've also negotiated a port wide throughput guarantee with Mediterranean Shipping which provides for guaranteed volumes of containers through our Port escalating to over 1.1 million containers by 2030. The Port Authority will consider providing PNCT with up to $150 million in tenant construction improvement funding. Commissioners, the restructuring of the PNCT Leasehold provides significant benefits to the Port Authority including $500 million of private capital investment, the expansion of our presently undersized Marine Terminal into a state-of-the-art highly efficient facility, the generation of approximately 1,450 jobs including 350 construction jobs and nearly 800 new jobs resulting in $88 million in wages, $630 million in regional economic activity through the life of the lease, the guarantee of increased cargo volumes port-wide from the number one ocean carrier in our Port, Mediterranean Shipping, reduced operational expenses by eliminating operating and maintenance costs associated with outdated infrastructure, and the achievement of the highest and best use of approximately 100 acres of prime marine terminal real estate in the creation of a nearly 300-acre state-of-the-art container terminal would dramatically increase capacity and efficiency. Commissioners, your approval of this item is requested today. Thank you.

Chairman Samson: Thanks Rick. May I have a motion to approve this item? Commissioner Pocino: I make that motion Mr. Chairman. Chairman Samson: Second? Vice-Chairman Grayson: Second. Chairman Samson: All in favor? Multiple Commissioners: Aye. Chairman Samson: So moved. And may I have a motion to adjourn this meeting? Commissioner Steiner: So moved. Chairman Samson: Second? Vice-Chairman Grayson: Second. Chairman Samson: All in favor? All: Aye. Chairman Samson: So moved. Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
June 22, 2010

[Chairman Coscia] Good afternoon everyone and thank you for being here. The Board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, immediately following the public comment period in each of the items being presented today, the Committee on Operations will meet to consider these and other matters. Prior to today's meeting the Committees on Finance and Capital Programs/ Agency Planning, met in Public Session and the Committees on Operations, Construction, and WTC Redevelopment Subcommittee met in both Public and Executive Sessions. Their reports will be filed with the Official Minutes of today's Board meeting. The Commissioners also met in Executive Session on June 7 and June 10, and prior to today's Board meeting to discuss matters involving ongoing negotiations or reviews of contracts or proposals and to act on matters related to the purchase, sale, or lease of real property or securities where the disclosure would affect the value thereof or the public interest. Our first presentation today is an update on the World Trade Center redevelopment, including significant strides that have been made in advancing the WTC Transportation Hub, which will be presented by our Director of World Trade, Steven Plate.

[Steve Plate] Thank you, Chair. Good afternoon, Commissioners. I'm pleased to let you know of the important progress that continues across all Port Authority projects at the World Trade Center site. Currently, there are almost 2,000 workers on the site daily. Today I will update you on the specific projects and progress that has been made at the World Trade Center Transportation Hub. Since our last update, the Port Authority contractor, Phoenix, as part of their remaining work, has substantially completed both the excavation and mini-pile installation of the Route 9A underpass in zones 1 and 2, while Brookfield has begun excavation and caisson installation. In zones 3-5, Brookfield properties has begun work in the western portion of the connector. This dual approach in constructing the underpass is proving to be very fruitful as a partnership and enabling the project to progress very significantly. These areas will form the east-west connector providing the vital underpass from the World Financial Center to the transportation hub. Work on the Greenwich Street corridor project has progressed as well with several significant activities since our last update. Tutor Perini continues excavation and concrete placement in all areas beneath the number one subway line. Excavation in the areas north and south of the underpass has reached elevation 254, over 60 feet below street level with concrete slabs and walls also being placed to support the top-down construction. Excavation of rock in the critical underpass section is also proceeding well with three of the four super column footings fully excavated with concrete placement of those footings ongoing. All four of the massive hub columns, as shown in the lower-left photo, were installed since our last update, and will provide permanent support for the PATH Hall roof. These columns are approximately 55 tons each and will provide the structural supports for both the north and south plate girders. The orange-colored south plate girder will support the sweeping Calatrava steel arches that will form the roof of the new transit hall. The remaining Calatrava steel is currently in fabrication with critical sections already beginning to be shipped from Europe this month. Several large precast ductwork sections have been erected for the PATH station's new permanent mezzanine level. Installation of these pieces must be carefully coordinated with PATH operations as work occurs in close proximity to the tracks with some of the work being conducted during track outages. These sections form the roof of the platform area and the floor of the mezzanine. Just this past

week, the joint venture of KSW and Five Star Electric reached an exciting milestone and began delivery of the five massive chillers for the central chiller plant. Each chiller has the capacity of 2500 tons. When fully operational, the plant will have a total capacity of 12,500 tons and will circulate 30,000 gallons per minute. The chiller plant is a key component for the World Trade Center site, as it will provide for the conditioned air for the hub, the memorial, and retail. In the east bathtub, great progress is also being made. The Manotowoc 18000 crane with a maximizer has been assembled and is in operation in the east bathtub. This crane, one of the largest free-standing cranes is being used to erect critical structural steel members associated with the World Trade Center Transportation Hub. It is able to handle a load of 800 tons in one pick. Tutor Perini has begun excavation on the footings for the hub. Over 70 percent of these footings have been excavated to date. This marks the beginning of the construction for the iconic transit hall and oculus designed by our own Santiago Calatrava. Today we are seeking your authorization of two construction trade contracts necessary for the continued development of the hub. These are the first contracts for major work supporting what will become the iconic Calatrava transit hall and oculus. These contracts include an award to EIC Associates, the lowest responsive bidder, for the transit hall foundations at a total cost of $19.2 million dollars. Authorization is also requested to increase compensation to DDP for related architectural and engineering services in the amount of $900,000 dollars. A second award to Sorbara Construction Corporation, the lowest responsive bidder, for transit hall concrete structures to-grade at a total cost of $86.6 million dollars. Authorization is also requested to increase compensation to DDP for related architectural and engineering services in the amount of $4.9 million dollars. The transit hall and oculus will ultimately provide significant seemless connections to mass transit, subway, ferry, bus systems, and office towers servicing over 250,000 people each and every day. Your authorization is also requested for an agreement with New York City to reimburse the Port Authority up to $44.02 million dollars in cost for Early Action Design and Construction of below-grade foundations and common infrastructure for the Performing Arts Center. Commisioners, I request your approval of these items. Thank you very much.

[Chairman Coscia] Thank you Steve. Can I have a motion to approve the items? [Commissioner] So moved. [Commissioner] Second. [Chairman Coscia] Okay, does anyone have any questions or comments? All those in favor? [Board] Aye.

[Chairman Coscia] Okay, thank you. Our next presentation--Victoria Kelly, our Director of Tunnels, Bridges, and Terminals will provide an update on the status of the long-term planning initiative to address air draft limitations at the Bayonne Bridge, along with some short-term planning that is required to maintain the bridge in a state of good repair.

[Vicky Cross-Kelly] Thank you, Chairman. Good afternoon, Commissioners. Commissioners, last August you approved funds for the planning and engineering services for an evaluation of alternatives to address the navigational clearance limitations posed by the Bayonne Bridge. Today, I'd like to update you on our progress and review our next steps. As you know, the current clearance under the Bayonne Bridge is approximately 151 feet depending on tides. The clearance has been adequate for ships that now travel to and from our marine container terminals just west of the bridge. However, we expect larger ships to call on our port once the Panama Canal expansion is completed in 2014. and many of these larger ships may not have sufficient clearance to reach our terminals. Left unaddressed, this clearance restriction poses a risk to our ports competitiveness and to our region's economy. In 2008 the

Army Corps of Engineers took a close look at the bridge clearance issue, and last year they released a study that found that the clearance restriction would have a major impact on future port trade and on our economy. Before the Army Corps report was even released, this Board took proactive action last August to take the next step and authorized $10 million dollars to study and explore every possible option for dealing with the bridge clearance issue so that we could move forward expeditiously with a solution. I'd like to take a few minutes to review the several work efforts underway and provide a brief overview of objectives and preliminary findings. We began the study by first developing a very comprehensive list of alternatives to be analyzed in the study, and some of them are shown on the slide. These alternatives are being addressed, assessed at a high level to evaluate structural and constructability issues, project duration, costs, potential property impacts, levels of vehicular capacity, and architectural and visual issues, among other criteria. We are looking at the widest range of options possible recognizing that some of these will be eliminated early-on. With the list of alternatives identified, we then began to look at the regional costs and benefits and began traffic modeling for each of the options that have been identified. The Regional Cost Benefit Analysis is looking at the regional economic benefits of improving the Bayonne Bridge by each of the alternatives I described in the prior slide. This effort considers transportation cost savings, impacts on air quality and environmental concerns, employment, and any changes in truck trips and cargo delivery patterns. Traffic modeling looks at the surface transportation side of the bridge options, including capacity, congestion and delay, transit potential, and the potential for future capacity expansion. The Enviromental Alternatives Analysis compares the various benefits and impacts of each alternative analyzed. Comparative criteria include construction and economic costs, environmental impacts, surface transportation system effects, marine and navigational impacts and improvements, and the environmental and regulatory process. This environmental and regulatory process is a critical factor in our ability to expeditiously advance this project, and today I'm pleased to advise you that we're taking the next important step in moving the Bayonne Bridge project forward. We're releasing an RFP on our website that seeks nationally recognized, qualified consultant teams to provide technical guidance and support on environmental best practices for expedited bridge programs, regulatory requirements, the National Environmental Policy Act, cost, schedule, and procurement issues. This scope of work is the last piece of the puzzle in identifying the next steps to address this critical issue. As we continue our efforts to evaluate the options for the future of the Bayonne Bridge, we must also continue our ongoing inspection and repair program to maintain the existing bridge in a state of good repair. Today, we are seeking authorization for $1.7 million dollars in planning funds for a project to evaluate the need for the rehabilitation of the structural steel on the Bayonne Bridge. The scope of work under this planning authorization is to evaluate the extent of the rehabilitation needed for the bridge, evaluate the paint conditions on the viaducts, and to do preliminary engineering design. Following a publicly advertised request for proposals, staff is also recommending the retention of Hardesty and Hanover to perform related engineering design work as part of this planning initiative. Commissioners, we understand the need to address the navigational clearance problem in a timely fashion. That's why, in the past months, we've held numerous meetings with the maritime community and with state and local elected officials and other stakeholders. And in the coming months, we'll continue to work closely with all of them to advance our Bayonne Bridge program as quickly as possible. As we move forward, we have a specific, attainable time table for reaching conclusions and announcing a plan for addressing this problem. By the end of this year, we'll have completed our evaluation and we'll be able to discuss it with you soon afterwards. Between now and the end of the year, we'll continue our evaluation of alternatives to narrow

down the list of options for solving the bridge clearance problem and we'll make sure that the most promising alternatives we identify are the least disruptive to the community and to the environment and are ones that can be implemented quickly. We'll also continue to pursue funding opportunities from federal, state, and private sector sources. Today, as I previously mentioned, we're taking an important step in releasing an RFP that will provide us with the critical environmental and regulatory information that we need to complete the analysis of the various options. Until we have a long-term solution identified, we also need to maintain the existing bridge in a state of good repair. Commissioners, I request your approval today for $1.7 million dollars to evaluate the condition of the bridge's structural steel. And as we move forward, Commissioners, we'll continue to keep you updated on our progress. Thank you.

[Chairman Coscia] Thank you, Vicky. Can I have a motion to approve? [Commissioner] So moved. [Chairman Cosia] Is there a second? [Commissioner] Second. [Chairman Coscia] Any questions? Comments? Okay, all those in favor? [Board] Aye. [Chairman Coscia] Okay. There are no speakers on any specific matters, but three individuals have asked to address the Board on matters unrelated to our agenda today. And I'd ask Mr. John McAusland from the Port Authority PBA.

[John McAusland] Chairman Coscia and other members of the Board of Commissioners. Thank you for granting me this opportunity to speak with you again. As you are aware, I'm the general counsel of the Port Authority Police Benevolent Association. In recent months, members of our organization, including me, have stood at this podium and addressed the great variety of security issues confronting the Port Authority of New York and New Jersey. We have pointed out the many deficiencies in your staffing to address these security problems. In that time, no one from this Board, no one from senior staff for the Port Authority, and no one from the Public Safety Department has contacted our organization to address the concerns we have raised. More importantly, for the most part, no one has taken any steps to address them. Mr. Ward has stood in this room and publicly suggested that we were merely grandstanding to pressure the Port Authority for a new contract. Rather than our contract, we are trying to bring the Board's attention to the blatant failures in our police coverage in various areas of the Agency. You, the members of this Board, must provide oversight to the Agency's staff. It will be you who will be liable if one of the situations we have pointed out to you month by month leads to the next security incident. Earlier this year I addressed this Board and informed you of the utter failure of the Port Authority to provide security in its air train system at John F. Kennedy Airport. As you are aware, the AirTrain system is an 8-mile system and has more than 5 million passengers annually. That's almost 15,000 passengers a day. By way of comparison, the air train system is slightly less than two-thirds of the size of the PATH system by track size. It has multiple stations and travels, at times, inside of the air terminals at John F. Kennedy, and also inside the secure air side area of John F. Kennedy Airport. I noted for you in my initial remarks that the AirTrain system has no staffing. Pursuant to our department protocols, this 8-mile system with 18,000 daily passengers is supposed to be patrolled by two police officers per tour of duty. If that number were not shocking enough, these two police posts are straight time only and they're not even covered. In the last month, since May 2010 to the present, we have been able to get 156 daily tours of duty covering that period, three tours a day, 52 days. We've been able to locate 72 of those tours, and on those 72 tours of duty, 2-man patrol was done twice. Twice, two days, two tours of duty in that entire period--over a more than a month and a half period. And we're aware, by anecdotal evidence, that's just the documentary evidence that I can provide to you. We're aware by anecdotal evidence that that's the only two times that it has occurred during this period. It's the

responsibility of this Board to ask the proper questions. I hope you're doing so. We remain available to communicate with you at any time. So pick up the phone and call us. Thank you.

[Chairman Coscia] Thank you. The next speaker is Robert Morris, also from the Port Authority PBA.

[Robert Morris] Good afternoon. My name is Robert Morris. I'm the first Vice-President of the PBA. I've been a Police Officer for 28 years. When I was asked to speak here at this meeting and discuss the lack of management on the management's part to protect and serve, I thought, "Where will I begin?" Then yesterday, driving to work, I heard a radio advertisement. And, in part, it said that the Port Authority Police are working hard to protect you and need your help. If you see something, say something. I'm aware of the protocol here--that I can't ask any questions, but there is one question that so needs to be asked. What are you people thinking? For the last 3 months the police union has stood here. We have seen something and said something right here and addressed the Board of Commissioners. Yet the problems seem to remain, which leads me to another question. Do you even care about security? On May 1, a Saturday night, the Bayonne Bridge had no Police Officer present for 16 of 24 hours of that day. I came to find out the day before there was a memo posted that stated Post Two, the Goethels Bridge, on all tours will continue to be straight-time coverage only and Post Three, the Bayonne Bridge post, will now also be shown as a straight-time only Post. That Saturday afternoon I drove to the Goethals from home just to view this memo. I saw the memo hanging in the reserve room. I made a copy and continued on to Manhattan to visit another command which I often do. That night happened to be the night that Faisal Shahzad had parked his SUV with propane tanks in Times Square. Thank God there was a Police Officer available that night. Since that night, Post Two, the Goethals, has not been covered 24 times, and Post Three, the Bayonne Bridge, was left with no Police coverage for an entire tour 7 times. I was in Albany a couple of weeks ago, and I had the opportunity to meet with two assembly men and two senators who's constituents are those of Staten Island. They were appalled at the fact that the Bayonne Bridge goes uncovered for 8 hours at a clip with no Police Officers. In this day and age, this is at the very least malfeasance, but it's definitely incompetence. June 2--some more quick facts--June 2, 12:30 AM, Bayonne Bridge, pedestrian walkway. A male was robbed at gunpoint. When he was ordered to jump into the roadway into traffic, he refused. The suspect fired some shots in the air. June 16, 3:30 AM, the Bayonne Bridge. A male who stated he was going to jump off the bridge was subdued by our Officer, NYPD and NYFD. The bridge was closed for an hour, traffic both ways. This past Saturday night, June 19, starting at 10:00 PM, through Sunday morning at 6:00 AM, the Bayonne Bridge, again, had no Police coverage. And I ask again, what are you people thinking? Thank you.

[Chairman Coscia] Thank you. Our next speaker is James Harper from Local 25 Sheet Metal Workers.

[James Harper] Good afternoon, Chairman, members of the Board. My name is Jim Harper. I represent Sheet Metal Workers Local 25 of Carlstadt, New Jersey. All topics are in regards to the Journal Square HVAC project. I will start with the FOIA obstruction. Dear Ms.Bincoletto please be advised that this office, O'Brien, Balland, and Bushinsky represents Sheet Metal Workers Local 25. As you know, James Harper of Local 25 has made numerous FOIA requests for information regarding contract number PAT 914501. To date, your office has denied the existence of and have failed to disclose the following: log-ins, sign-in books, wages, certified payroll records, documents identifying the funding sources. The members of Sheet Metal Workers Local 25 do not wish to engage in protractive litigation regarding this project. However, the Port Authority has been less than forthcoming with the requested information.

For example, no certified payroll records exist for this project or documentation is provided to the Port Authority, or either the contractors and/or the project manager, in order to receive payment for work that has been performed. Furthermore, in respect to number 3 above, you state that on March 15, 2010, a letter to Mr. Harper, you cannot identify records responsive to this request for information for this funding. However, on March 30, 2010, in a letter to Mr. Harper, you state that this contract is not federally funded. How is this project paid for? Pursuant to requirements under FOIA, please provide the following: the log-in and sign-in books, wages, certified payroll records, any and all documents detailing the source of all funds, including but not limited to federal, state, local, or any combination thereof. That was from Kevin Jarvis of O'Brien, Belland, and Bushinsky. On May 11, we sent a letter to the Port Authority, therefore a response was due Monday, May 10, 2010 and is now past due. The lawyers informed me they received FOIA information, and their terminology was, "It was bogus." On the subject of the contractors integrity provision, the Port Authority treats primary contractors as one entity, but when I presented documentation to the OIG that Correct Construction had state and federal tax claims and is a chronic New Jersey Department of Labor, Wage, and Hour violator, they remained on the project. My question is why? You asked us to provide apprentice training, you endorse pre-apprentice programs, you ask us to keep a garrison of trained, intelligent workforce available to you, and you turn around-- those facets create an impact on our total package and our wages, but when the bottom line comes down to a bid, you don't look past the initial award and you get all bottom-feeders. That's why they can't get the units inside the building up at Journal Square. We ask for a level playing field. That's all we ask for, and a correct consideration to the building trades that you say you do support. Thank you.

[Chairman Coscia] Thank you, Mr. Harper. Okay, the only final piece of business is I need a motion to approve our consent calendar. [Commissioners] So moved. [Chairman Coscia] Any second? [Commissioners] Second. [Chairman Coscia] Okay. All those in favor? [Board] Aye. [Chairman Coscia] Okay, motion to adjourn. Thank you. Good afternoon, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
June 28, 2012

[Chairman Samson] Good afternoon. The Board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee will be held to consider certain matters on today's agenda. Prior to today's meeting, the Committee on Operations met in public session, and the Committees on Finance and Construction and the World Trade Center Redevelopment subcommittee met in both public and executive session. Their reports will be filed with the official minutes of today's Board meeting. The Commissioners also met in executive session prior to today's Board meeting to discuss matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest, matters involving ongoing negotiations or reviews of contracts or proposals, and matters related to personnel and personnel procedures, and to act upon matters related to proposed, pending, or current litigation or judicial or administrative proceedings. Before getting to any of the formal issues before the Board, I want to welcome Commissioners Rossana Rosado and Jamie Rubin. Welcome. We know that working with you-- we've already seen working with both of you will add great energy and experience and expertise to the Board, and it's a personal pleasure for all of us to be working with you. So welcome, and thank you for agreeing to serve. Today is Commissioner Ginny Bauer's last Board meeting, and on behalf of the Board, I want to offer our thanks for her dedicated service to the Board and to the Port Authority. Commissioner Bauer has served on our Board for five years, and she will be personally and professionally, sorely missed. I want to recommend that the following resolution be adopted to express the Board's appreciation to Commissioner Bauer: Whereas, since her appointment by New Jersey Governor Jon Corzine in June 2007, Virginia Bauer has given tirelessly of her time, talent, and experience to further the mission and goals of the Port Authority; and whereas, during her tenure on the Board Virginia Bauer served with great distinction as Vice Chairman of the Committee on Capital Programs and Agency Planning, Vice Chairman of the Governance and Ethics Committee, and as a member of the Committee on Operations and World Trade Center Redevelopment Subcommittee; and whereas, throughout her tenure on the Board Virginia Bauer has been a strong proponent of the agency's redevelopment of the World Trade Center site; and whereas, she has contributed to the advancement of numerous security initiatives to ensure the safety and security of the agency's facilities so that the public and commerce may have the benefit of dependable, trustworthy passage throughout the region; and whereas, as Vice Chairman of the Governance and Ethics Committee, Virginia Bauer has been instrumental in the implementation of numerous government initiatives to ensure the agency continues to meet the highest levels of honesty, integrity, and responsibility and that it conducts its business solely in the public interest to ensure continued public confidence in the agency; and whereas, as Vice Chair of the Committee on Capital Programs and Agency Planning, Virginia Bauer has provided support and guidance in the advancement of the agency's capital program to ensure that the agency's mission to improve regional mobility of people and goods, and to foster economic growth and opportunity in the region, continues through projects that will serve the region for decades to come, including the modernization of airport terminals, such as Newark Liberty International Airport's Terminal B and the JetBlue terminal at JFK International Airport; the acceleration of the Port Intermodal Rail Development Program; PATH Modernization Program, and planning for the development

of the future effectiveness of the Bayonne and Goethals Bridges; and now, therefore, be it resolved, that the Commissioners of The Port Authority of New York and New Jersey hereby express to the Honorable Virginia S. Bauer their sincere appreciation for her leadership and service to the agency and the region it serves; and it is further resolved, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to the Honorable Virginia S. Bauer as a token of the high esteem in which she is held by the Board and staff alike. May I have a motion to approve this? [Commissioners] So approved.

[Chairman Samson] A second? [multiple Commissioners] Seconded. [Chairman Samson] All in favor? [all] Aye.

[Chairman Samson] Ginny, thank you. There you are! [applause] Ginny, it's a great personal loss for all of us, but I know you're going to be back with us and enjoying some of those special lunches.

[Commissioner Bauer] I will. Mr. Chairman, I just would like to say thank you. I've had many blessings in my life, and one of them is serving with all of you. Truly, to stand with all you Commissioners who are icons in your industries and to learn from you has been a pleasure, but most importantly to the staff-- You are amazingly dedicated and skilled, and I've enjoyed every moment. Thank you. [applause]

[Chairman Samson] And while we're on the subject of recognizing Commissioners for their past service, the Vice Chairman will present a tribute for Commissioner Henry Silverman who recently retired from the Board. Scott?

[Vice Chairman Rechler] Thank you. Ginny, I'd also just like to add how much I'm going to miss your perspective, and thank you for your commitment and dedication; it's been terrific. And as the Chairman said, we also-- Henry Silverman has left the Board, and he served for ten years on the Board, so we want to take this moment to recognize his service. I only worked with Henry Silverman for a year or so, but it was clear his focus on the good of this agency and dedication and high standards that he set and willingness to speak his mind for what he thought was right in that year showed me, I think, the right way that we should be thinking about a progressive agency like the Port Authority and meeting the highest standards possible. So I'd like to also offer this resolution for adoption to express the appreciation of the members of the Board of Commissioners of The Port Authority of New York and New Jersey to Commissioner Henry R. Silverman for his dedicated service as a member of the Board from June 2002 through June 2012. Whereas, from his appointment by New York Governor George E. Pataki in June 2002, Henry R. Silverman has given tirelessly of his time, talent and experience to further the mission and goals of the Port Authority; and whereas, during the tenure on the Board, Henry R. Silverman served with great distinction as Vice Chairman of the Port Authority, Chairman of the Committee on Finance, Chairman of the Governance and Ethics Committee, Vice Chairman of the Committee on Operations, Vice Chairman of the Committee on Construction, Vice Chairman of the Audit Committee, and as a member of the Committee on Capital Programs, Agency Planning and World Trade Center Redevelopment subcommittee; and whereas, as Chairman of the Governance and Ethics Committee from January 2008 to March 2011, Henry R. Silverman encouraged the implementation of numerous governance initiatives to ensure the agency

continues to meet the highest levels of honesty, integrity and responsibility and that it conducts its business solely in the public interest to ensure continued public confidence in the agency; and whereas, as Chair of the Committee on Finance from March 2005 until his departure from the Board, Henry R. Silverman has provided the full measure of his time and expertise to assist staff in all financial and insurance matters of the agency, as well as the development of innovative financing techniques and complex financing plans to enable the advancement of critical regional projects while ensuring that the agency's financial condition remains sound during a period of economic downturn and uncertainty; and whereas, as Vice Chairman for the Port Authority from April 2007 to May 2010, Henry R. Silverman was a driving force in the advancement of the agency's capital program to ensure the agency's mission to improve regional mobility of people and goods, as well as to foster economic growth and opportunity in the region, continues through projects that will serve the region for decades to come, including the modernization of airport terminals, such as the new JetBlue Terminal at John F. Kennedy International Airport and Newark Liberty International Airport's Terminal B; the acceleration of the Port Intermodal Rail Development Program; PATH Modernization Program, and planning for the development of the future effectiveness of the Bayonne and Goethals Bridges; and whereas, through his ten-year tenure on the Board Henry R. Silverman has been instrumental in the agency's recovery following a period of profound grief after the tragic events of September 11, 2001, and ensuring that the agency continued to focus on its mission to meet the critical transportation infrastructure needs of the region within its bi-state mandate; and whereas, Henry R. Silverman has contributed to the advancement of numerous security initiatives to ensure the safety and security of the agency's facilities so that the public and commerce may have the benefit of dependable, trustworthy passage throughout the region, now, therefore, be it resolved, that the Commissioners of The Port Authority of New York and New Jersey hereby express to the Honorable Henry R. Silverman their sincere appreciation for his leadership and service to the agency and the region it serves; and it is further resolved, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to the Honorable Henry R. Silverman as a token of the high esteem in which he is held by the Board and staff alike.

[Chairman Samson] Can I get a motion for this? [Commissioners] So moved.

[Chairman Samson] Second? [multiple Commissioners] Seconded. [Chairman Samson] All in favor? [all] Aye.

[Chairman Samson] So moved. Thanks, Scott. We'll now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for member of the public to present their views directly to the Board, but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs department. Speakers are asked to comply with a fixed time limit of three minutes. Our first speaker today is Michael Burke.

[Michael Burke] Hi. Good afternoon. I'm Michael Burke, and my brother was captain of Engine Company 21 who gave his life on 9/11. I represent an effort by thousands, really, to return the Koenig Sphere to the World Trade Center Plaza. Thirty years it stood as a symbol of world peace. At lunchtime every nice day, office workers of every race, language, and dress gathered

around it. Tourists from across the U.S.A. and from around the globe posed for photographs, as they surely would have done on September 11. Instead after the dust cleared, the sphere, though badly damaged, emerged from the rubble of the towers as the only remaining intact artifact of the World Trade Center. It was thus embraced, as Mayor Bloomberg put it, as a stirring tribute to the courage of those we lost and a symbol of the resiliency of the American spirit. On March 11, 2002, it was installed in Battery Park as a temporary memorial, as the sign posted before it states, It was the full intent and promise then that it be returned home to the World Trade Center site as the centerpiece of the future 9/11 memorial. Now, Joe Daniels, president of the Memorial Foundation, has told city residents and community board 1 the sphere cannot be returned in order to preserve the integrity of the memorial. There is no precedent for this. At Gettysburg, Normandy, Hiroshima, and Auschwitz, past generations preserved the authentic artifacts at their place in order to faithfully convey the history of each. It's by that we best honor the memory of those who perished. In public forums on the memorial conducted by the Municipal Art Society over 2500 participants called for the return of the sphere, which was sitting down at Battery Park, they complained, when it belongs here. Thousands have signed my petition calling for the return of the sphere including hundreds of 9/11 loving family members, survivors, and hundreds of downtown residents. The most common sentiment expressed is, "Do the right thing "It's a no-brainer." Visitors to the memorial complain while it's pretty, crisp, and neat, it is also antiseptic. It fails to speak to our memories of the day. Children too young to remember learn nothing. Our suggestion is to see the sphere returned to the northeast corner of the memorial plaza just outside the visitors' center. Here, it would not only be around the corner from most of Arad's memorial, thus preserving its integrity, it would virtually be where it stood for three decades. At the entrance to the museum, it would serve as the cornerstone of the museum, and an above-ground, welcoming icon for the museum and 9/11 learning experience. It would be the very first public step in completing the vast 9/11 museum and education process, which my brother's rig, Engine No. 21, will be a part of. Its rededication home at the World Trade Center and a relighting of the eternal flame could be the centerpiece of this year's anniversary commemoration. There would be another symbol of our rebirth and commitment to the values for which so many perished. Thank you.

[Chairman Samson] Thank you. Our next speaker is Richard Hughes of the Twin Towers Alliance.

[Richard Hughes] Good afternoon, Commissioners. What can you say after that? It is a no-brainer. I wasn't going to comment on that, but I have to comment on it. I spoke on it last meeting; it needs to be reiterated. We need to keep talking about that. Nothing has gone right at the World Trade Center site for 10 years. We're not here to blame you. Most of you weren't involved then, but let's face it. Nothing has gone right, and it's time that something did go right. Replacing the Koenig Sphere to where it belongs at Ground Zero would be a step in the right direction. We get one thing right--we get one thing right, and if we can get one thing right, maybe we could get two things right and maybe three, and maybe we could reverse this terrible, terrible downward spiral we are in. Again, I'm not here to blame you; I'm not here to blame the Port Authority. I don't think the Port Authority is doing what it really wants to do. I think it was forced into a situation it couldn't control, but I am here to ask you to change course. I'm here to ask you to rethink this project. I'm here to ask you to bring some vision to it. It has no vision, and if we could just get one thing right-- if we could just bring that sphere back, that might turn the

corner. That might get us thinking about what we really owe the people who were lost on 9/11 and what we owe America, which wants to see something great built there-- not just an ordinary tower which is now topping out and which is no more remarkable than any other tower in the city except because of its location. We can do something. We can build something greater, and you are part of that. You have the capacity to do that. All of you, as it's been said, are leaders in your various fields. You all have expertise that you can bring to this. We haven't had leadership. We haven't had any leadership for ten years, and it's time for leadership-- real leadership, real vision--and you can do it. Chairman Samson, you can do it. All of you working together can do it. The Port Authority can do it. They built the Twin Towers. They were the icons of their time. They were recognized all over the world. Everybody knew you. They knew those buildings. They were New York. They were the United States. That's why they were targeted, and your agency built them. Your agency built them on-- Where do we want to be today? We don't want to be in here; we want to be outside, and for me, before 9/11, I wanted to be on that observation deck looking out on the world. For 50 miles--you could see almost into Pennsylvania. You built that. You should be proud of that. But you aren't doing anything you can be proud of now. Let's start doing something we can be proud of again. We're falling apart as a city. We're falling apart as a nation, and you can turn this around. You have the capacity. I hope and pray you will. Thank you.

[Chairman Samson] Thank you. Our next speaker is Margaret Donovan from the Twin Towers Alliance.

[Margaret Donovan] Good afternoon. Chairman Samson was recently quoted saying that the World Trade Center is the most iconic, the most important piece of construction ever done. I have to agree. In 2002, the LMDC issued its principles for development and blueprint for renewal for the World Trade Center site, and the first of the 11 principles was, quote: "Make decisions based on an inclusive and open public process." Eighteen months after we filed our Freedom of Information request asking for documents that prove that public opinion influence public policy at the WTC, the LMDC hasn't produced a single document to substantiate the claim that underpins the entire project. So we are going to pursue the documents or the admission that they do not exist in New York's Supreme Court. Why? What's the big deal? It appears that billions of tax and toll dollars were misappropriated to frustrate the will of the people and continue to be. That's a big deal. Telling the public one thing and doing another is not only contemptuous, but it puts the legitimacy of all of the money that was funneled through the LMDC into question, and a cloud over every aspect of the project. On the spot where we witnessed the mass murder of thousands of our fellow citizens, who died believing in what this country stands for, authoritarians and bureaucrats seem to have colluded to deprive the American people of the facts and substituted their own bogus narrative. It does hurt me to say that, knowing how proud workers are of the job they have done, but we're not the ones who lied to them or the ones who are keeping up the fiction. At every meeting the Chairman invites the public to contact the Public Affairs department to speak with staff about a specific matter, but it is never that simple. We asked weeks ago for the Chairman's advisor Patrick O'Reilly to ask the five Commissioners who were on the Board in 2008 whether or not Chris Ward told them of the far more popular plan for fully designed, state-of-the-art, re-engineered Twin Towers that claimed in 2008 it could have saved billions of dollars-- billions of public dollars and years of time. If it was handled properly, why the silence? If it was not, ignoring it only complicates the

issue. It is a material breech of trust. We are not willing to accept that if you have enough power and enough money, any end can justify foul means or that if you lie enough and steal enough or cover up for those who did, you are more likely to get away with it. What would happen if a president took office with only ten percent of the vote? Would we all say, "Oh well," and move on? It is the most iconic, the most important piece of construction ever done where we are going to find out which force is stronger: naked truth or raw power. We owe it to the 9/11 victims and the fallen heroes who died, simply because they were Americans, to be the kind of country we say we are. Thank you.

[Chairman Samson] Thank you. Our last speaker is Murray Bodin.

[Murray Bodin] They make it kind of difficult for me. Jamie, Rossana--oh, she's not here. I've been a fan of yours for many years. I watch you. I stand up here because I can see Pat from here. I can't see him from over there. I'd like to tell you a little about how I see the Port Authority, and how it's different than it used to be. Last month I stood here and I talked about the fact that I was going-- my son got married a week ago Sunday, and I was very nervous about it because it was his second marriage, and I'm married for 39 years, this was an Italian-Jewish wedding where this side was the first marriages and this side was the second marriages. And what it did was show me how much the world has changed. I may talk to her father, who is on my side. We have the same problems. He can't deal with some of his children; I can't deal with some of mine. It was a wonderful wedding. I had a great time, and I behaved myself because-- when I come here they've told me I have to behave myself. I can't act the way I used to act, and so I've changed. Last Thursday I was in Orlando, Florida, with the traffic engineers because I work with road lines a lot, and I've known these guys for 11 years. They remember the day I was there the first time because it was the first day they were there. Half of the committee chairmen are my friends. The world is changing. Now, I've had some problems here, and I've made some recommendations about the Port Authority Police Department, in particular one area of the George Washington Bridge, and I thought it could be done a little bit differently. Well, I went to the New Jersey Turnpike Board meeting on Tuesday, and I stopped to see what it was. It was entirely different. They had changed the traffic pattern. The officers who were directing traffic in the past weren't there anymore. People knew what they were doing, and it was wonderful! And why I'm telling you this is because Michael has changed-- he hires the people that run his department. He only is the boss. The people that he hires actually run it, and they do a good job. They listen. And something that's been going on for 20 years was changed. This organization that you've become a member of has changed from 2 years ago. Pat knows what he's doing, and I had to change because making trouble isn't effective today. I need to support him. I need to support this Board. I welcome you because I know who you are. I know what you've done in the past, and I know what skills you bring to this Board. Just what we need today. You have a broad sense of the world. You know where we need to be 20 years from now, and that's what's so good. So if I couldn't get this mic off, I was going to use your microphone, and if I may shake your hand and welcome you-- is that permissible? Welcome.

[Chairman Samson] Thank you. That concludes our public comments. May I have a motion to move the consent calendar for approval? [Commissioner] So moved. [Chairman Samson] A second? [Commissioners] Seconded. [Chair D. Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. There being no further business, I move

to adjourn the meeting. May I have a second? All in favor? [all] Aye. [Chairman Samson] The meeting's adjourned. Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
June 30, 2011

[Chairman Samson] The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committees on Capital Programs/Agency Planning and Construction met in public session, the Committee on Operations met in executive session, and the WTC Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss matters involving ongoing negotiations or reviews of contracts, proposals, and matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest. First, before we get to the agenda, I want to welcome on behalf of the Board Commissioners Jeff Lynford and Scott Rechler. They're going to be great additions. They're already great additions to the Board. I personally look forward to working with them, and I know I reflect all the other Commissioners' views that we're going to have a terrific benefit from their participation and active engagement on behalf of the Board. So welcome and thank you for your efforts already. Our first presenter is Lash Green, Director of the Office of Diversity and Civil Rights, who will review the Port Authority's Minority, Women-Owned, and Small Business Enterprise participation results for 2010. Lash?

[Lash Green] Good afternoon, Commissioners. Today I'm pleased to report on the Port Authority's performance in not only meeting but exceeding last year's goals and objectives for Minority, Women-Owned, and Small Business Enterprise participation in construction, procurement of goods and services, and other business activities. With the board's support, the Port Authority continues to be a regional leader in maintaining comprehensive and effective programs to support M/W/SBE participation. The result is that in 2010 the agency, including the efforts of our tenants and the construction programs at the World Trade Center site, posted over $470 million in contracts awarded to M/W/SBEs. While exceeding our goals for the program at a growing rate, these contract awards supported thousands of jobs and close to $200 million in wages. I would now like to share with you the details of those results. The 2010 total of $470 million represents 22 percent of all contract awards, which is above the annual agency goal of 17 percent. These results compare favorably with the prior three-year average of $424 million, which represents almost 16 percent of M/WBE participation. The 2010 total was made up of awards from three sources: Port Authority direct contracts and subcontracts, World Trade Center Redevelopment projects, and Aviation Tenant work. Notably, World Trade Center Redevelopment projects generated $258 million in awards to M/WBE firms. I would like to emphasize the importance of the M/W/SBE spending in the region and its contribution to jobs and economic growth. The regional impact estimates of the $470 million contract awards supported nearly 3,500 jobs, including both new and existing jobs, generated more than $188 million in wages and approximately $601 million in economic activity. The Port Authority continues to play a leading role in developing and participating in programs to assist M/WBEs. Our Mentor-Protege Program matches M/WBEs with some of the region's leading construction companies to increase their capacity and ability to bid successfully on larger contracts. In 2010 there were 16 participants in the program. A total of 37 firms have participated since its inception in 2002. An additional eight firms participated in a training segment as part of a pilot initiative which is designed for firms grossing under $500,000 annually. Seven proteges were awarded eight Port Authority contracts totaling $4.7 million. And a relatively new company, Deborah Bradley Construction and

Management Services, won its first Port Authority contract at almost $300,000. Earlier this year, the Board approved the renewal of our contract with the Regional Alliance for Small Contractors. Through this contract we developed and offered 20 software, construction management, and OSHA safety courses and a mentor-protege training seminar. Over 440 small businesses or their staff participated in these courses. As part of our effort to ensure a pipeline of skilled workers, we renewed our participation in construction pre-apprenticeship training programs offered by the Edward J. Malloy Initiative for Construction Skills in New York and in New Jersey by the Newark Essex Construction Careers Consortium and the New Jersey Pathways. These programs continue to be among the most successful in the region. Since their creation in 2001, close to 1,900 New York and New Jersey residents completed the training curriculum and prepared for acceptance into union apprenticeship programs in New York and New Jersey. Throughout 2010, we continued to hold bimonthly progress meetings with the M/WBE liaisons and construction managers for World Trade Redevelopment projects to monitor progress and discuss issues related to M/WBE participation. These meetings were held at our World Trade Center Resource Center, which was established to support M/WBEs working on WTC projects. Over 240 meetings were held with the firms at the center to assist these firms in accessing opportunities. Besides meeting with individual firms, we promoted and hosted capacity-building events, including four orientation workshops to assist construction, A&E, and IT firms as well as prospective certification applicants. 2010 was an excellent year for minority and women-owned firms working with the Port Authority. Going forward, we are continuing to maximize their performance in all areas as well as expand their capacity to participate in more Port Authority opportunities. Thank you.

[Chairman Samson] Thanks very much. Our next presentation will be by Michael Francois, our Chief of Real Estate and Development, who will provide an update on the Authority's efforts to redevelop the George Washington Bridge Bus Station and improve its appearance and effectiveness, both of which involve significant private sector involvement. Mike?

[Michael Francois] Thank you. Good afternoon, Commissioners. Today I would like to update you on redevelopment efforts at George Washington Bridge Bus Station and seek authorization that supports the agency's objective to provide facilities that meet the metropolitan area's near- and long-term transportation needs. This initiative will create new construction and permanent jobs and bring new national retailers to Washington Heights by quadrupling the amount of retail space in the bus station. This public-private partnership with George Washington Bridge Development Venture will produce a modern 21st century facility by using private and public investments of over $180 million to enhance the physical plant and improve efficiency of George Washington Bridge Bus Station operations and customer service. This initiative also allows the Authority to substantially reduce the future capital and operating costs associated with the bus station. I will also update you on installation and operation of a new state-of-the-art advertising at the Port Authority Bus Terminal. These initiatives are examples of the Port Authority partnering with the private sector to improve the region's infrastructure and drive economic growth. The George Washington Bridge Bus Station is a major transportation hub servicing bus, rail, and autos. It is the focal point of Washington Heights, which is undergoing a major economic, commercial, and residential transformation. The bus station serves 20,000 commuters per day as well as the local Washington Heights community through retail and professional services and parking facilities. This 47-year-old facility consists of two 3-level structures on both sides of Broadway. Currently, the West Building and part of the East Building support the bus station operations. Approximately 30,000 square feet of the facility is currently dedicated to retail space, which primarily serves commuters and

long distance bus carriers. The improvements to the bus station will provide a state-of-the-art transportation facility with new bus loading areas and passenger facilities, improved right-of-way signage, as well as new and improved light safety systems. This will be accomplished through the consolidation of all bus operations and a reconfigured rooftop bus concourse that offers an improved fully air-conditioned waiting area, new escalators and ADA elevators from the subway and street levels to the bus station level on the top. In December 2006, the Board authorized an exclusivity agreement with George Washington Bridge Development Venture, LLC. The authorization followed a request for proposal process for the redevelopment of the bus station, which includes redevelopment, leasing, operation of the bus station, as well as the creation of approximately 120,000 square feet of first-class retail space. As part of this effort, Development Venture will redevelop and construct a new consolidated transit facility on behalf of the Port Authority, including spaces for bus, passenger, and support operations. This project will bring new construction and permanent jobs to the community as well as bring new retail to the Washington Heights area. The plan changes will maximize the economic impact of the redevelopment by vastly improving and quadrupling retail space from 30,000 square feet to 120,000, which will include a range of food and service options for passengers and the community. The redevelopment project will totally overhaul the existing facility, streamline operations, and create a 21st century transportation center. It is estimated that a total of 746 permanent new jobs will be created, including a combination of indirect and induced jobs from construction and additional retail space. In anticipation of entering into a final net lease agreement, Development Venture has negotiated and finalized subleases for over 50 percent of the space with major national retailers, secured equity partners who have been approved by the Port Authority, finalized financing, and, together with the Authority, advanced design drawings and developed a more detailed design development construction budget for bus station improvements. During the interim period, the scope of work required for improvements was better defined than from the initial concept. Based on further analysis by staff and refinement of design, the Port Authority's capital commitment to the bus station improvements has been increased from $49.5 to $52.7 million. Some of the items that have been revised based on actual Stage I design are necessary environmental remediation work, higher than originally estimated costs for electrical power distribution and heating, ventilation, and air conditioning, and costs for emergency generator support systems required to provide emergency power for the operation of life safety systems. Based on further due diligence conducted by staff, today I am recommending an increase in the Port Authority's capital commitment for the redevelopment and construction of the George Washington Bridge Bus Station from $49.5 to $52.7 million. I am also recommending an increase in the amount of Port Authority financial expense, program management, design and construction review, and cost control from $28.7 to $30.5 million. This project will result in investments in the bus station by Development Ventures and its sublessors of $100 million in private capital, making the total public and private investment over $180 million. The bus station should be completely renovated by the end of 2013. This redeveloped bus station will significantly enhance the efficiency of bus operations and the level of service provided to bus passengers using the station. The project has been endorsed by elected and community leaders who have been interested in the Port Authority's commitment to maintain this important facility in the Washington Heights neighborhood. Commissioners, your approval of this action is requested.

[Chairman Samson] Thank you, Mike. May I have a motion to approve this item? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. Thank you.

[Michael Francois] Thank you. I'm also pleased to report that Media Mesh has been fully installed and is now operational at the Port Authority Bus Terminal. This advertising initiative was recently undertaken by Real Estate Services as part of the Port Authority's broad goal to improve the appearance and operation of our bus facilities while increasing revenues. This new mesh will provide a vibrant, modernized look for the bus terminal's facade, which is part of the Port Authority's continued efforts to better serve our customers. In addition to a modernized exterior, this public-private partnership will also generate much-needed ad revenue for transportation projects throughout the region. In April 2010, the Board approved an extension of the Port Authority's agreement with CBS Outdoor to allow for the installation and operation of a new LED advertising display known as Media Mesh on the exterior grid of the Port Authority Bus Terminal. Media Mesh is a state-of-the-art electronic signage system using a sleek mesh fabric with interwoven LED lights that will cover 6,000 square feet of the bus terminal's exterior grid surface facing 8th Avenue and 42nd Street. With additional improvements being made in the coming months, including new exterior paint and dynamic lighting, the bus terminal will continue to improve its image. This new technology is operational, and it's currently displaying messages from first advertisers including FOX 5's X Factor, Paramount Pictures' Transformers 3, Fidelity Investment, Peter Pan Bus Lines, A2a Media, Macquarie Equipment Financing, and the Cystic Fibrosis Foundation. Media Mesh will also allow the Port Authority to broadcast public service advertisements as well as emergency messages to the public. This is another positive example of the Port Authority developing public-private partnerships by working with private developers as well as local communities and municipal and state governments to enhance and improve our facilities. Thank you.

[Chairman Samson] Thank you, Michael.

[Chairman Samson] We all know that the Port Authority police force has a long and distinguished history ensuring the day-to-day safety and security of the agency's facilities, its tenants, its customers and employees who use them while remaining ready to respond in the event of an emergency. Today our Director of Public Safety, Mike Fedorko, will be recognizing several police officers for their conduct and responses in two recent significant incidents at our facilities. Mike?

[Mike Fedorko] Thank you, Mr. Chairman, Commissioners. The first incident involved Police Officer Shaun Kehoe, Port Authority Bus Terminal. On March 16, 2011, while assigned to the Port Authority Bus Terminal, Police Officer Shaun Kehoe responded to a disturbance on the main concourse of the south wing. Upon arrival, Officer Kehoe observed a man screaming in the direction of the ladies' room, where a juvenile female had been hiding for over an hour and refused to come out. According to a bus terminal employee, an investigation revealed the juvenile was a runaway from Allentown, Pennsylvania. The investigation also revealed the subject was a registered sex offender. This case was presented to the Manhattan District Attorney's office and resulted in the indictment of the suspect, charging him with multiple counts of rape, two counts of sexual abuse, and one count of sexual misconduct and endangering the welfare of a minor. The suspect has since plead guilty and received a conviction of seven years. The sound judgment and quick action and dedication to duty exhibited by Police Officer Shaun Kehoe resulted in the felony arrest of this sexual predator and helped remove this felon from the streets of our cities and in keeping with the tradition of pride, service, and distinction. [applause] The next incident occurred at the Holland Tunnel. Police Officer David R. Nevarez, Police Officer Fernando Garcia, Police Officer Michael Miller, Police Officer Christopher Quinlan, and Police Officer John DeFilippo. On April 29, 2011, while assigned to the Holland Tunnel, Police Officer David Nevarez

attempted to stop a Jeep Cherokee for improper lane change. The vehicle was occupied by two males, and the driver refused to stop and proceeded to drive the vehicle recklessly in an attempt to pin the officer against a bus. Officer Nevarez fired four rounds at the suspect's vehicle to prevent from being crushed. The vehicle entered the tunnel, traffic was halted in and out of the Holland Tunnel, and Police Officers David Nevarez, Fernando Garcia, Michael Miller, Christopher Quinlan, and John DeFilippo proceeded to chase the vehicle on foot into the tunnel. Upon the suspects realizing that all traffic entering and exiting the tunnel had been ceased by the Port Authority Police, they exited the vehicle and attempted to enter a patron vehicle that was in the tunnel. The first suspect was apprehended within the tunnel by Police Officers Nevarez and DeFilippo. The second suspect was ordered out of another passenger's vehicle in the tunnel and was apprehended by Police Officers Miller and Quinlan. Both suspects were transported to Bellevue Hospital. Investigation of the suspect's vehicle discovered a large quantity of pharmaceutical products. Jersey City Police were contacted, and it was confirmed that a theft occurred earlier at a Walgreens in Jersey City, where the suspects who fit the same description had threatened a store employee. The suspect's vehicle was also involved in a hit-and-run collision, fleeing the scene. The suspects were issued multiple summonses including reckless driving, leaving the scene of an accident, unlicensed driver, and uninsured motor vehicle. The subjects were also charged with a New Jersey criminal code with attempted murder of a police officer, aggravated assault on a police officer, possession of a weapon for unlawful purpose, carjacking, eluding a police officer, and obstructing administration of justice and resisting arrest. Because of the keen action and dedicated service of Police Officers David Nevarez, Fernando Garcia, Michael Miller, Christopher Quinlan, and John DeFilippo, the Holland Tunnel was secured and the suspects apprehended. The suspects remain in custody today. [applause]

[Chairman Samson] We have another tribute today, which is the last day of the term of Commissioner Tony Coscia. Tony has led the Port Authority for the last eight years in a thoroughly professional manner. He's been a good friend of mine for the last 20 years, and over the last year or so has been extraordinarily helpful and supportive in my learning process and my transition here. He is now moving on to other, but not necessarily greener, pastures, and I know he's going to do a similarly great job down at Amtrak. And along those lines I'd like to recommend the following resolution for adoption by the Commissioners to express our appreciation of the Port Authority to him as he retires from the Board. Whereas, from his appointment in 2003, Commissioner Coscia has tirelessly given of his time, talent, and experience to further the mission and goals of the Port Authority; and Whereas, as Chairman of the Port Authority from April 2003 to February 2011, Anthony Coscia has served with pride and distinction in leading the agency; Whereas, he has been an advocate for and leader in the implementation of numerous governance reforms to ensure the agency's commitment to the highest levels of honesty and integrity and the agency's responsibility to conduct its business in the public interest; Whereas, he has led the agency to the adoption of its first multi-billion dollar ten-year Capital and Strategic Plans in 2006 to ensure the Authority's mission to improve regional mobility of people and goods as well as to foster economic growth and opportunity in the region, continuing through projects that will serve the region for decades to come; Whereas, he has played a significant leadership role in the implementation of numerous security initiatives, including the creation of a regional Port Security Task Force and the investment of nearly $6 billion since 2001 to ensure the safety and security of the agency's facilities; Whereas, he has provided vision and support in leading the agency to find innovative approaches to expand capacity for future airport passenger growth and to provide solutions to air travel delays

throughout the region; Whereas, he has been instrumental in moving the agency forward and has encouraged and admired the resiliency of staff during a period of profound grief following the tragic events of September 11, 2001; and Whereas, during his years on the Board he has served with great distinction as Chairman of the Board, Chairman of the Committee on Operations, Vice Chairman of the Governance and Ethics Committee, Vice Chairman of the Committee on Finance, and as a member of the Committee on Construction and WTC Redevelopment Subcommittee; Now, therefore, be it Resolved, that the Commissioners of the Port Authority of New York and New Jersey hereby express to Anthony Coscia their sincere appreciation for his leadership and service to the agency and the region it serves. May I have a motion to approve this resolution? [multiple Commissioners] So moved. [Chairman Samson] Second? [All] Second. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] Okay, Tony. [applause]

[Commissioner Coscia] Mr. Chairman, my parting gift to the Port Authority is I will not make a speech. [laughter] I've made many in this room. Thank you all very much. [applause]

[Chairman Samson] We will now provide an opportunity for members of the public to comment on other Port Authority matters not on today's agenda. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of three minutes each. Our first speaker today is Margaret Donovan of the Twin Towers Alliance.

[Margaret Donovan] Good afternoon. It was recently reported that one of the main reasons behind Governor Cuomo's plans to relieve Christopher Ward of his duties is that he is a quote-unquote "Bloomberg guy." That charge is dramatically backed up by the way the City's Department of Investigation and the Conflict of Interest Board quashed a 69-page report by Bronx Assemblyman Dinowitz in September 2007 that requested an investigation into Ward's performance as head of the City's Department of Environmental Protection. The handout reveals parallels that are hard to miss. It's too bad that we can't just put on 3D glasses and see what Ground Zero would look like today if only the Executive Director had done the due diligence required by his position of trust instead of pumping a feeble project full of performance-enhancing drugs at the public's expense. And it's too bad that the media lapdogs couldn't be bothered to turn over some rocks at the site, leaving it to private citizens instead to document why all the so-called progress is as bogus as Barry Bonds' stats. But it doesn't really take magic glasses to see behind the curtain because of the Freedom of Information Law, which has made us experts on the anatomy of this swindle. And believe me, the record of how the Port Authority, the LMDC, and City Hall have responded to our FOIL requests over the past 18 months shows that swindle is much too nice a word for it. In 2008 it really could have gone either way, except that Ward is a Bloomberg guy, and the evidently top secret Master Development Agreement is a Bloomberg instrument. Even so, neither man is a match for the Freedom of Information Law when it is faithfully applied--and even when it is not. The Port Authority is not bound by New York's or New Jersey's Freedom of Information Laws; it is bound by both because that is what its bylaws mandate. But the General Counsel and the Board Secretary, whose loyalty should belong to the public, not to the Executive Director, and who between them collect almost half a million public dollars a year, felt free to obstruct the public's right to know, with staggering consequences. It is ironic that Tammany Hall stands just a few blocks from here

because the notorious Boss Tweed didn't do a fraction of the damage inflicted by those who hijacked Ground Zero, and he died in prison. Darrell Buchbinder and Karen Eastman, both officers of the Port Authority, have flagrantly contravened its bylaws, which should lead to their dismissal without a public pension. As for Boss Ward, he shouldn't only lose his job and his pension but should be required to make some meaningful restitution, even though he can't ever make up for the harm he has done. It is time to cap the Freedom Tower and for an investigation to be opened into what is not a mere disagreement or difference of opinion but an actionable matter of far-reaching corruption, fraud, and collusion. It is time to give the public answers under oath. Thank you.

[Chairman Samson] Thank you. The next speaker is Kristin Clark.

[Kristin Clark] Good afternoon, gentlemen. I am a resident of Ground Zero. I live at 90 West Street, which is a building located between Albany and Liberty Street. It neighbors the construction. It's a building that sustained significant damage during 9/11. I am here today to express my grave concerns about the construction noise that goes on at very unreasonable hours throughout the day every single day of the week. I am a mother of a 6-year-old boy, and this construction noise has impacted us significantly. I appreciate the very important work that's happening on the site to rebuild the site in time for the 10th anniversary, but it's my understanding that there are New York City noise ordinances that limit construction activity to 7am and 6pm on weekdays and 10am and 4pm on weekends. The construction noise that happens feet away from my window begins at 6am every single day of the week and goes routinely until 1:00, 1:30 in the morning every single night. My son has not been able to sleep, I have been unable to sleep, it's impacted his performance in school, it's impacted our emotional health and well-being, and I am here today to implore you to better regulate the construction activity that's happening at this site. I am talking about bulldozing, demolition activity, jackhammer, earth moving. I'm not talking about the kind of cleaning of the site, reasonable construction that might go on late in the evening if necessary to keep the construction on pace to be completed by the 10th anniversary. It's the loudest possible construction that makes it impossible to sleep, to live, and to at all enjoy my home. I have double insulated windows in my apartment. I don't know what efforts are being made to minimize the noise of the equipment that is used at the site. Sometimes during the afternoon at around 5pm it seems that maybe the workers are off for dinner. I don't know if there's a way to double staff the site so that more construction activity can happen during reasonable periods of time. But I am here to urge you all to immediately take steps to make my building a livable place. There are kids. I have a kid, and it's impacted us significantly. I've made repeated reports to the Environmental Protection Agency to no avail. I went through great efforts to get this moment to come before you today. I don't know if this is the appropriate time for me to make a motion, but I move for you all to consider immediately revising the construction hour and activity that happens right next to my building at 90 West Street. Thank you.

[Chairman Samson] Thank you. The next speaker is Meredith Otten.

[Meredith Otten] Gentlemen, my name is Meredith Otten. I too live at 90 West Street with my partner and our 8-year-old daughter. I have had to put earplugs and earphones on her so she can get to sleep at night. We've been living there for about two years, and it has been bearable, and I don't mind. Usually the construction stopped at 6:00 in the evening; occasionally it went till 10:00, and that was tolerable. I understood what was going on. We have a great view, it's very pretty, and I get to see everything that goes on all day long because I work from home. So every hour that everyone works in that pit outside 90

West Street I see what they're doing. It's become frustrating in the last couple of weeks because we renewed our lease, and it seems that the Board is under some sort of time deadline down there that they've now ramped up to 20-hour days. They do start at 6:00, they do go well past midnight, and I cannot tell you how insane it is to try and sleep with five industrial-size jackhammers outside your window. And if you don't believe me, I will welcome you. Please come and stay the night. I'll make you dinner, you can have our bedroom, and you try and get a good night's sleep. It would be one thing if we knew ahead of time this was going to happen on Monday and Tuesday. We would plan something else, go to the in-laws, but it's completely unreasonable. I have contacted every officer, every commissioner, every board, every authority, 311 twice a week, called the mayor's office. We don't have anyone else to complain to. Our building manager says that meeting with your people and their advocates is useless and nothing gets accomplished, that his complaints about the noise go unheard and unresponded to. It has taken at least two of us now to show up and say to you, "Look, this is unreasonable." And we do implore you to try and do something different about it. Thank you.

[Chairman Samson] Thank you. The next speaker is Jim Laing from Tutor Perini Corporation.

[Jim Laing] Good afternoon, members of the Board. My name is Jim Laing, and I'm the president of the local New York division of Tutor Perini Corporation. I'm here before you to make you aware that Tutor Perini Corporation is in a joint venture partnership on a proposal on the Goethals Bridge P3 project. We have participated in both competitive bid and RFP procurements for the Port Authority. We are currently completing the large JFK Runway and the Greenwich Street Corridor project at the World Trade Center site. Our competitive bids on each of these projects was 16 percent below the second bidder, and we have successfully achieved interim milestones on these very difficult projects. Our company was also involved in joint ventures on the Jamaica Station reconstruction, a $380 million project, and the billion dollar AirTrain project, which were both procured through the RFP process. On the Goethals RFP program, we were not included as one of the three short-listed firms. According to the procurement procedures, we requested a debrief to understand why our team was not included on the short list. During the debrief we were made aware of the areas that our team was scored lower than the highest three ranking teams. The areas of relative strengths identified as evaluating the other teams as superior were not specifically identified as part of the evaluation criteria. Specifically, it was noted that our financial team did not have experience on P3 financing in the United States, and they did not have experience securing TIFIA loans. While this may be true, it was not identified as criteria by which we would be scored. And if the evaluation was to be based on relative strengths of our team versus others, it should have been clearly identified in the process. Tutor Perini Company does not take filing a protest lightly. But during the debrief we were not afforded a transparent evaluation of the scoring of the RFP. We were told we would need to file a request for Freedom of Information to try and evaluate the scoring criteria and how we were scored relative to the others. We have done that. I just wanted to make sure you were aware of what was going on. Thank you.

[Chairman Samson] Thank you. Our next speaker is Fred Immendorfer

[Fred Immendorfer] Good evening, Commissioners. In a 2009 financial report, it shows the Port Authority's gross revenue was $3.5 billion and the operating expense was $2.3 billion. It also showed a profit of $1.1 billion for 2009. These numbers are pretty much the same throughout the years, so the Port Authority is actually bringing in a lot of money. The Port Authority used 40 percent of its budget, or $1.3

billion, in 2009 for the rebuilding of the World Trade Center project. It looks like the Port Authority has been spending about a billion dollars for the last eight years for the World Trade project, and it seems that that would be a total of $7 to $8 billion, and that money will never be recovered by the rent coming back from the Trade Tower that's being made. So it's like, why are you making this tower, because you're spending a lot of money into it. Governor Christie said he wants to raise the tolls to $10, so that impacts a lot of people. So there's a lot of money and a lot of burden that's been falling on the commuters. According to the financial reports, most of the revenue comes from tolls and parking fees, which we pay. The Port Authority has gotten $3.5 billion for Liberty Bonds, which are earmarked for the Freedom Tower. Then out of the $8 billion from the Liberty Bonds, another--I'm not sure; I believe it's another $3 billion-- is going for the Hub. And so then there was money that came in from insurance that MTA got for 9/11 for the destruction of the subways. And then the Port Authority, I'm assuming, also got money from the insurance companies for the destruction of the PATH trains, so there's additional money coming in, large amounts of money. Silverstein Properties got $4.5 billion, Goldman and Sachs received $1.6 billion, and that's a lot of money being poured into the project, but we're being asked to pay for it as commuters. So the Port Authority also has a billion dollars in Treasury Notes. I'm suggesting that the Port Authority sell its Treasury Notes so that the tolls won't go up and also property that the Port Authority has that's not commuter-based, like the Newark Legal buildings and office buildings that the Port Authority has. Thank you. Sorry.

[Chairman Samson] Thank you. Our next speaker is Deborah Sutton.

[Deborah Sutton] Good afternoon, commissioners. My question is going to be regarding bonds. Basically, looking at that CAFR from 2009, it shows $1.1 billion in surplus after you pay off your expenses with what you've taken in in revenues. And almost half of it is needed to service the bond debt. We do a lot of refunding and swapping of bonds, which is nothing more than refinancing of your home mortgage. You have closing costs that get built into it. The insurance ends up starting all over. It keeps us perpetually in debt. And what I'm trying to say is that basically, that is also having a great deal of impact on our tolls because we have to pay for this. However, it is just really keeping Wall Street bankers in business, it's keeping the insurance companies in business. The three insurance companies that back or insure these bonds-- AmBank, FGIC, MBIA--they're all bankrupt. This will come back, falling onto the citizens of New Jersey and New York, who will ultimately have to pay the price. I respectfully ask you to repudiate all those bonds since none of the citizens of New York or New Jersey ever allowed you to authorize the sale of them and selling us into this kind of bondage. Thank you.

[Chairman Samson] Thank you. Our next and last speaker is Charles F. Kenny, Esquire, from Peckar and Abramson, PC.

[Charles Kenny] Thank you, Mr. Chairman. Good afternoon, gentlemen. I'm here on behalf of the Goethals Bridge Partnership, and this is also about the Goethals Bridge replacement project. The Goethals Bridge Partnership was not selected to submit a proposal, and with your indulgence I would like to point out to you some reasons why I think it would be in the best interest of the Port Authority as well as the citizens of New York and New Jersey to have additional contenders. We're not saying we're the best, we're not saying we're the only ones, but I think the competition of having more rather than just three would be better. The RFQ did allow up to four proposers to be selected. However, only three of the eight that submitted the statements of qualifications were allowed to participate in the RFP. So in

addition to what the Goethals Bridge Partnership can bring to the table, which I will get to in a minute, having four or more than four rather than only three proposers adds a higher level of security and competitiveness to the selection process. In large, complex projects such as this it is very likely that with the time frames involved one or more of the participants could drop out. One or more of the participants in the various consortiums-- [cell phone ringing] I'll ask for a couple more seconds. I don't think I'll need it. One of the participants in one of the consortiums could likely have a business setback or whatever, and that could lead to the whole proposer dropping out. It's feasible or possible that even the proposal would not be acceptable to the Port Authority, which would then leave you with two or possibly even one. So I think having four or more gives you a whole lot more security. This is a mammoth project. It would decrease the odds of having only one or two to select from. The two main partners that are part of Goethals Bridge Partnership, China Construction America and Conti Enterprises, they possess really distinctive qualities that would add to the whole process here. China Construction America has excellent access to financing and has unique experience with cable-stayed bridges. The Conti name is well known in both New York and New Jersey with subcontractors, suppliers, and the unions that would be supplying the labor. Gentlemen, this is a signature project for the Port Authority, for the Northeast, for the people of New York and New Jersey, and the entire world is watching. I understand the cost will be approximately $1.5 billion. This will be a model for public-private partnerships in the future and pave the way for similar projects in the area. The Goethals Bridge Partnership is anxious to have the opportunity to participate and show the Port Authority how they can work successfully and bring this project to fruition. So I'd urge you to reconsider and allow them to participate in the project. Thank you. And Tony, congratulations.

[Chairman Samson] Thank you. That's our last speaker. May I have a motion to approve the consent calendar? [Commisioner] So moved. [Commissioner] Second. [Chairman Samson] Second. All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. May I have a motion to adjourn the meeting? [multiple Commissioners] So moved. [Chairman Samson] Second? [Commissioner Rechler] Second. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] The meeting is adjourned.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
July 28, 2011

[Chairman Samson] The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Governance and Ethics Committee and the Committee on Construction met in public session, the World Trade Center Redevelopment Subcommittee met in both public and executive session, and the Committee on Operations met in executive session. In addition, the Audit Committee met in executive session on July 26th. All committee reports will be filed with the official Minutes of today's Board Meeting. The commissioners also met in executive session on July 19th and prior to today's Board Meeting to discuss and act upon matters related to the purchase, sale, and lease of real property or securities where disclosure would affect the value thereof or the public interest and matters involving ongoing negotiations or reviews of contracts or proposals. First, and on behalf of the board and personally, I want to welcome our newest commissioner, Pat Schuber. We all look forward to working with you, Pat, in the coming years, and we know that your contributions are going to continue to be valuable. So welcome aboard. Since this is the last scheduled Board Meeting prior to the 10th anniversary of the terrorist attacks on the World Trade Center, I want to note several ways in which the Port Authority will be honoring the memory of those we lost on September 11, 2001, which included 84 colleagues from the Port Authority as well as those lost in the 1993 bombing of the World Trade Center. To mark this year's solemn anniversary, at 2pm on September 11, the Port Authority will hold an interfaith remembrance service at St. Peter's Church in Lower Manhattan. In addition, all Port Authority staff members will be asked to observe moments of silence at 8:46am and 9:03am, the times that each tower was struck. Also, flags at all Port Authority facilities will be flown at half-staff in memory of those who were lost. The first order of business, our Executive Director Chris Ward will provide an update on the progress in preparing the World Trade Center site for the 10th anniversary and on other Port Authority managed projects at the World Trade Center site. Chris?

[Chris Ward] Chairman. Good afternoon, Commissioners. In less than two months, the world will gather downtown to remember and commemorate the nearly 3,000 people who were lost on September 11, 2001. It will be 10 years. Three years ago, the Port Authority published a comprehensive assessment on the project, and as part of that assessment, the Port Authority made a promise to deliver the 9/11 Memorial Plaza in time for the 10th anniversary. At the time the assessment was released, the site was still defined by the family ramp down to the pit, and the memorial was not scheduled to be opened until 2013. But we made a commitment three years ago to pull that date back and open the memorial on the 10-year anniversary. The entire site is now a beehive of activity with over 3,400 workers pouring over it each and every day. And today I can proudly say that the Port Authority will deliver on its commitment to open the Memorial Plaza on September 11, 2011. [applause] When the family members gather alongside President Obama, Governor Cuomo, and Governor Christie and Mayor Bloomberg and all the other elected officials on that day, they will be able to place their hands on the bronze parapets with the names of those who were lost. They will be able to see the fountains rushing into the voids of the original World Trade Center site. They will walk among the American White Swamp Oaks planted on the plaza, trees that are just beginning to show a tinge of what will be their dazzling fall foliage. Today we have hundreds of construction workers putting the finishing touches on the Memorial Plaza. Between

now and the 10th anniversary, we will add an additional 25 trees to the plaza. We are even using a specially designed piece of equipment that allows the trees to be moved into place and planted without the use of a crane, which greatly speeds up the planting process. Both of the memorial pools are being tested daily and will be ready for full operation by September 11th. All of the bronze parapets containing the names of the 9/11 victims have been installed and are ready for their unveiling. A perimeter fence is also being installed that will allow the Memorial Plaza to open to the general public beginning on day two, September 12th. Commissioners, opening the Memorial Plaza in time for the 10th anniversary did not just happen on its own. As you know, it was tied to a series of key decisions made by the Port Authority. First, recognizing that dates are important, the Port Authority prioritized the completion of the memorial knowing that it was simply unacceptable for the 10th anniversary to pass without a place for the family members to gather. Then over a long, hot summer, Port Authority engineers devised a way to build the roof of the World Trade Center Transportation Hub first. Instead of building the Transportation Hub from the bottom up, we switched the design to build from the top down. This way, the Hub's roof, which doubles as the Memorial Plaza floor, would be finished in time for this anniversary. This diagram shows how it works. Then that team went out and built it. Here you see the "build the roof first" concept as it today actually looks. This innovative idea has shaved off nearly two years of the memorial's schedule, allowing us to make that commitment. This is the result of the "build the roof first" concept. Not only are we opening the memorial on the 10th anniversary, the pavilion which you see here, which will serve as the entrance to the 9/11 Museum, is significantly ahead of schedule. Commissioners, the assessment anticipated the completion of that beautiful pavilion in the second quarter of 2013. Today that pavilion is nearly complete. Commissioners, as the Memorial Plaza nears completion, many of us are looking back at that terrible day. The construction project at One World Trade Center gives New York a glimpse of a bright new future. One World Trade is now up to the 76th floor, with concrete deck poured to the 68th floor and glass curtain wall installed to the 49th floor. By the 10th anniversary, One World Trade will rise above the 80th floor on its way to the topping out of 104 stories in early 2012. As One World Trade Center rises, the building is now part of that New York City skyline, and it is changing the way that people think about the World Trade Center site. The lease we signed with Conde Nast will be the exclamation point on that remarkable turnaround. Extensive progress is also being made to build the World Trade Center Transportation Hub. The erection of the 1,900 tons of the East Box girder is nearing completion and all of the Hub super columns are now in place. And significantly, we have transferred the load of the Number 1 Subway Box onto its permanent support structure along the southern half of the rail line. Commissioners, with your leadership we are set to open the Memorial Plaza this anniversary, but our work is far from over. The World Trade Center site is one of the largest and remains one of the most complex construction projects in the world. And on a project of this size, managing that risk will be our ultimate task. But by reaching this critical milestone, I believe the Port Authority is well equipped, as it always has been, to tackle the next set of challenges on the site on our way to delivering literally a new downtown. And I must conclude--I must conclude--by thanking all of the Port Authority staff who worked tirelessly--truly tirelessly--to get the Memorial Plaza open in time. Without their doggedness and without their perseverance to this remarkable agency, the people of this region would not have had a place to gather on September 11th, and I think congratulations should go out to all of them as well. [applause] Commissioners, thank you very much.

[Chairman Samson] Chris, thank you. It's great progress and, as you pointed out, a terrific team effort for everybody involved. We will now provide an opportunity for members of the public to comment on other Port Authority matters not on today's agenda. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our public affairs department. Speakers are asked to comply with the fixed time limit of three minutes. The first speaker today is Murray Bodin, private citizen.

[Murray Bodin] While I was waiting to come and speak to you today, the gentleman in the pink and blue T-shirt wanted to know why I was here. Well, for a couple of reasons: one, to talk about the speedometer on your car, and the second is to thank you and tell you that of all the public agencies I speak before, and there must be 10 or 20 of them, this is about the best one that I've come across. The people, from the people who record this on the Internet to the people in traffic and the people I meet with in the Harbor Tunnel and everywhere else, we don't always agree, but they listen. The most important thing is to have a dialogue. If you don't have a dialogue, you're nowhere. And the question I wanted to raise to you today is about the speedometer on your car. You all have speedometers, right? That little needle that goes back and forth? The only thing you really need to know is the actual speed of your car. You don't have to look whether it's between 50 and 60 or 60 and 70. You need to see a number that's big. And so I'm here to suggest that all of your contracts for all equipment be revised to require that the driver see the actual speed as a digital number and only that. Most of you drive automatic transmissions and you've got a tachometer, which is about as useless as-- There's an old joke about that. Why do we have a tachometer? We can't get rid of it. You can't get rid of the analog speedometer. And if you go look at the cockpit of the 380, which was discussed this morning, it has these flat panel displays in it of analog gauges. You want to know the engine RPMs? It should give it to you in a number and not have to interpret a gauge. And you have the opportunity to change the thinking of a lot of people by requiring that that information come to you as a number and not as an analog. It's being driven by a computer. It's on a flat panel display as a computer display. Gauges. In 1955 when I graduated RPI, my first job was at Curtiss-Wright working on a cockpit of a C-118 DC-6. The analog gauges that they had there are virtually the same as the analog gauges that we have now. Most of you have digital telephones, iPads, which each of you should have in front of you, by the way. We have to make that transition-- I know. I'm going to take an extra couple minutes--seconds. We have to make that transition from the age of some of us who are going out to my grandson's age. My granddaughter walks around with a telephone in her hand. It's a transition, people. Let's give up the analog and go digital.

[Chairman Samson] Thank you. The next speaker is Margaret Donovan from the Twin Towers Alliance.

[Margaret Donovan] Good afternoon. My statements over the past year are mild when compared to the Port Authority's own record, which speaks so much louder than words. Dodging legitimate public inquiry, as the two PA officers who oversee the Freedom of Information policy routinely do, amounts to a startling admission of wrongdoing. It is hard to believe they are acting on their own initiative in making such a mockery of your bylaws. The reason we haven't invested our resources in the court challenge is because we know who has the power. The court of public opinion is a much more fitting tribunal, and the failure to produce contracts that belong in the public domain without any pretense that

they are exempt from Freedom of Information disclosure leads to the inevitable question, "What are you hiding?" As a bi-state agency, you may exist in a gray enforcement area, but you are not above the law. The PA bylaws requiring you to follow Freedom of Information and open meetings policies that are, quote "consistent with the laws of the two states" bind your actions to being viewed through that lens. But you are even in violation of your own watered down versions of both laws. Why? If you are so proud of what you are doing, why haven't you long since put our concerns to rest? If you are confident that you are acting in the public's best interest, why hide behind closed doors? Your own bylaws recognize only limited exceptions where meeting in executive session overrides the public's vital interest in monitoring your decision making. And the standard prescribed is when disclosure would not merely affect but clearly endanger the public interest. My handout today is a copy of our latest Freedom of Information request, which is yet another good faith attempt to get to the bottom of the bizarre public-private partnership that amounts to the public gives and Silverstein takes. In refusing to let the public examine the contracts we have been asking to see since the Freedom Tower was only a few stories high, you have deprived the public of the chance to fulfill its proper role when it could have saved billions of misspent public dollars. What kind of protection is that? Port Authority officials seem to be following the confused logic that the ends justify the means and that an ignorant public needs to be protected from itself. The grotesque truth is that what has clearly endangered the public's best interest is the Port Authority's refusal to abide by not only the state's laws but even your own internal law. We are not loose cannons. We stand on very solid ground. We are not conducting a vendetta. Our questions and our statements are consistent with the enormity of the matter and the impropriety of the ever-expanding record of contempt on the part of Port Authority officials. The Ward regime apparently decided that over a year of ducking and delaying while you build one story a week gave you the advantage. But he does not have an H-O-N before his name. It may yet prove to be a very bad bet. Thank you.

[Chairman Samson] Thank you. Our next speaker is Richard Hughes from the Twin Towers Alliance.

[Richard Hughes] Good afternoon. I am sure you are tired of seeing me at these meetings, and I am certainly tired of standing here before you, believe me. But I intend to come here as long as the madness you are engaged in continues. This is the last time we'll meet before the 10th anniversary of the September 11th attacks on the World Trade Center. On that terrible day and in the days after, like most New Yorkers and most Americans, it never occurred to me that we wouldn't rebuild the Twin Towers. It was the logical, sensible, and right thing to do. We expected that we would build them better, safer, stronger, and taller, but we expected that they would be rebuilt. The only reason not to rebuild them would have been because we were going to replace them with something even more spectacular and meaningful. But of course that didn't happen. Everything that could have gone wrong these past 10 years has gone wrong. The Port Authority has compounded a terrible tragedy with a terrible mistake or rather, a long series of terrible mistakes. On September 11, 2001, we as a nation witnessed heroism in action not once but over and over and over again. We suffered a tragic blow. But the extraordinary heroism of so many of our fellow Americans made us proud of who we are. Do you remember the idealism of those days? Do you? Who would ever have dreamed then that 10 years later we would be looking down at Ground Zero and seeing not heroism, not vision, not greatness, but instead incompetence, ineptitude, malfeasance, and corruption. Nothing that is happening at Ground Zero is in any way commensurate with what we the American people expected of this agency. The Port Authority has failed on all fronts. We deserved a great new World Trade Center. Instead we are getting not a new Rockefeller Center, as the oleaginous Mr. Silverstein likes to proclaim, but a "Rookafeller" Center, a monument to chicanery

and mediocrity. The Port Authority refuses to allow the public to see the details of the sweetheart deal Silverstein made with it. It refuses to comply with legitimate Freedom of Information requests. It refuses to allow the public to know how it is spending the public's money. But most of all, it refuses to respect the sacred trust that was placed in its hands. Ten years ago this September 11th, Americans could hold their heads high thanks to the heroic manner in which so many firefighters, police officers, and Port Authority personnel conducted themselves. Today we hang our heads in shame at the conduct of this agency, which has spit in the eye of that priceless legacy. Thank you.

[Chairman Samson] Thank you. The next and final speaker is John McNeese, Jr.

[John McNeese, Jr.] Members of the board, I speak to you today not as a politician or a member of the media, for that matter, but as a normal concerned citizen of this fair state and country. The problems that I'm here to address today involve the current happenings down at Ground Zero, that the public is being robbed of a true World Trade Center and 9/11 Memorial due to a few in power who think they can decide our fate for us. How can you honestly say that this so-called grand master plan that has had a strong opposition rather than support from 9/11 families and the people from New York since the very beginning and still continue to use public funds to build it? How in your right mind can you have a plan that is so hated by the general public and yet continues to be built on public property and funded by billions of dollars of public taxes from the citizens of New York and New Jersey? I just don't get how that makes any real sense at all. The people want the true World Trade Center back. Since the very moment those two towers fell on that horrific day 10 years ago, the people of New York, America, and even from all around the globe have wanted to see those two towers--symbolic of our freedom, our power, our wealth, and our very values of life as Americans-- to rise again from the ashes of Ground Zero and to once again dominate the New York City skyline. New Twin Towers would have been a great first step in rebuilding America, finally truly healing the psychological effects of 9/11 completely. It would have shown the world that no matter what happens, we always come out of a crisis or disaster even stronger and more powerful than before, that no one can truly defeat us. But sadly, this amazing proposal was pushed aside for another one that does the complete opposite of what I just described. The Freedom Tower and the rest of the current plan will never truly heal the psychological wounds of 9/11, and the only real reason people are excited about it now isn't because they like the plan; they just honestly don't want to-- They just honestly want to see something finally being built there for once in 10 years. They are only excited about the progress, not really about the structures being built there. But I honestly know that the public would rather see two new 21st century Twin Towers loom once again over Lower Manhattan than a glorified tombstone that resembles tyranny rather than freedom. I mean, if there was enough media coverage about the alternate solution of a proper, less costly World Trade Center as they did with the Ground Zero mosque, we would have had our Twin Towers back in the skyline years ago. And what's the point for boycotting the Ground Zero mosque anyway? Why resist? The terrorists have already won with us building the current planned memorial rather than rebuilding the Twin Towers. They permanently altered our skyline. They have changed the way we live forever. And if you ask me, that's all the victory al-Qaeda really needs. But always remember, we still have time to alter this outcome. We can still cap off the Freedom Tower now and rename it World Trade Center Building Number 6 and build two new 21st century Twin Towers alongside the 9/11 Memorial. There is still enough time to make Ground Zero into Ground Hero. Thank you.

[Chairman Samson] Thank you. Before we move the consent calendar, I'd like to recognize Commissioner Bauer, who has some remarks to make.

[Commissioner Bauer] Thank you, Chairman, and thank you, fellow Commissioners. I just wanted to take this opportunity as a family member and on behalf of the 9/11 families because I feel as though that's a responsibility I have serving on this Board is to publicly thank the staff of the Port Authority for the outstanding job they've done in fulfilling the mission of having the memorial ready for the September 11th 10th anniversary. I can personally tell you on behalf of the family members we are so grateful for this opportunity to visit the memorial. And having personally been down there many times with Steve Plate and his staff, I have recognized not just outstanding work but an enormous heart and gratitude. And I know that there was personal devotion in getting that done, and I just feel remiss that if I did not mention this publicly it would make me sad. So I just wanted to personally thank you, and I know I am thanking you on behalf of many, many family members. Thank you.

[Chairman Samson] Thanks, Ginny. On behalf of the entire Board, we join in your comments and thoughts. Now may have I motion to approve the consent calendar? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] So moved. And may I have a motion to adjourn the meeting? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] The meeting is now adjourned.

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Public Board Meeting Transcripts
August 1, 2012

[Chairman Samson] The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee may be held to consider certain matters on today's agenda. Prior to today's meeting, the Committees on Governance and Ethics, Finance, Capital Programs and Agency Planning, Construction, and Operations met in public session, the World Trade Center Redevelopment Subcommittee met in both public and executive session, and the Security Committee met in executive session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss matters involving public safety or law enforcement and matters related to personnel and personnel procedures and to discuss and act upon matters involving ongoing negotiations, reviews of contracts and proposals. Before we start with the business of the Board, I want to welcome Commissioner Richard Bagger. I've had the personal pleasure and professional honor of working with Rich Bagger in the past, and there's nobody I know more qualified or more experienced in both the public sector and the private world who can assist this Board in moving forward with its agenda and its plans for transformation. So Rich, thank you for being here. I look forward to continuing to work with you, and I know the rest of the members of the Board feel the same way.

[Commissioner Bagger] Thank you, Mr Chairman. I'm honored to have been nominated by Governor Christie, confirmed by the New Jersey State Senate, and now to have the opportunity to work with you and this Board and the professional staff of the Port Authority to help advance its important mission for the economy of the bi-state region. Thank you.

[Chairman Samson] Thanks. Our first order of business, Michael Francois, our Chief of Real Estate and Development, will provide us with an update on ongoing improvements at the Port Authority Bus Terminal. Michael.

[Michael Francois] Thank you, Chairman, and Good Afternoon, Commissioners. The Port Authority has begun a number of initiatives that will provide amenities and services to the Port Authority Bus Terminal patrons, area residents, visitors to the region, as well as improve the bus terminal's physical plant and increase revenues. These exciting initiatives include an enhanced merchandising and leasing strategy for the retail space with a private partner, refreshing the exterior of the building, and executing an exciting and unique advertising technology. These initiatives are positive examples of the Port Authority using public-private partnerships to improve our facilities and increase revenues. Today I will ask you to authorize 2 new leases as well as update you on some of the ongoing initiatives at the Port Authority Bus Terminal. Point of background, the Port Authority Bus Terminal is located in the Midtown West area of Manhattan, which is currently undergoing a renaissance of new office, residential, and retail development. The adoption of the Hudson Yards Zoning District and the development of the Number 7 Subway Extension has generated increased development interest in the West Side of Manhattan. The Port Authority Bus Terminal opened in 1950 and was operating at full capacity by 1966 when more than 2.5 million buses and nearly 69 million passengers used the facility. In

the 1970s, the 5-story North Wing was added with bus gates at the third floor and basement and retail spaces on the first and second floors. The facility provides public parking for approximately 1,250 cars. The bus terminal is comprised of 1.4 million gross square feet and has been in continuous operation for 62 years. It is the busiest bus terminal in the world, and it serves as the region's primary ground transportation facility. Today more than 200,000 passengers and 7,000 buses travel through America's largest bus terminal daily. Recently, the area around the bus terminal has experienced a resurgence with new high end office buildings, hotels, and improved street lighting. In view of these changes and concerns raised by neighbors regarding the appearance of the exterior of the facility, the Port Authority has been implementing a series of improvements which include entrance canopies, exterior soffits, and lobby ceiling rehabilitation. To address community concerns and as part of our facelift for the building's exterior, a contract was authorized in December 2010 that provided for the complete restoration of the exterior steel trusses. The contract included removal of the existing paint to bare steel and the application of a new paint system to all steel components of the exterior trusses, parapet walls, and railings. Removal of the existing paint allowed the use of a new 4-coat paint system which has a life expectancy of approximately 25 years. Work on this project has been completed at a contract cost of approximately $4 million. The completion of this project and the improved appearance of the facade set the background for the next step in the Port Authority's Bus Terminal improvements: outdoor advertising via a new technology. Previously, the Board authorized the installation and operation of a new, state-of-the-art LED advertising display known as Media Mesh on the exterior grid of the bus terminal. The Media Mesh Advertising Initiative was undertaken as part of the Authority's goal to improve the appearance and operation of our bus facilities as well as increase revenues. This new advertising and public service media has been operational for slightly over a year. Media Mesh is a constructive response to requests from the local community and Times Square Business Improvement District for exterior improvements. Media Mesh is a state-of-the-art electronic signage system using a system of mesh materials with LED pipes comprising 6,000 square feet that is suspended from the bus terminal's exterior grid structure facing 8th Avenue and 42nd Street. This unique LED display, currently the largest in the United States, successfully addresses the challenges of both accommodating the bus exhaust ventilation while enabling advertising messages to be broadcast in a digital format. Some of the advertisers include Fox 5, Paramount Pictures, Burberry, East Mountain Sports, the NFL, the MTA, DSW, Coke, Acura, and Clark Fashion. Media Mesh allows the Port Authority to broadcast public service announcements and messages to the public. During the last year, we have realized revenues of approximately $515,000 and expect these revenues to significantly increase in the future. In May 2010 the Board authorized a Retail Management Agreement with 20XSquare, a development venture of Vornado Realty. This agreement provides for the management and operation of retail space in the North and South Wings of the bus terminal. The area surrounding the bus terminal has undergone a transition with almost 48,000 new residential units, 21 million square feet of new office space, and approximately 14,000 hotel rooms with increased retail activity. The Retail Management Agreement with 20XSquare will reposition the retail program to capture this new market for the short and the long term. Vornado is using their extensive retail experience to enhance the marketability of the facility and raise the level of services for our bus patrons as well as for the general public. These services include performing market analyses, preparing a leasing plan and developing marketing materials, actively pursuing select retail prospects and negotiating terms of agreements, reviewing offers by other potential tenants, preparation of annual retail operating

and capital reports as well as future forecasts. T he staff estimates that over the 5-year term of the Retail Management Agreement the Port Authority will receive approximately $54.3 million in retail revenues. The Board recently authorized some new and exciting leases that will enhance the overall image of the bus terminal. In March of this year, a new 20-year lease was authorized with Duane Reade for retail space and storage area totaling approximately 12,615 square feet located on the ground floor of the terminal. Duane Reade is one of the most highly recognized drugstores in the New York area, and its continued presence provides valuable service to our customers and to the general public. Currently, 23 workers are employed at this store. Duane Reade plans to invest approximately $2.6 million to upgrade to their new corporate standard. In June the Board authorized a 3-year, 7-month lease with Discovery Retail Cafes, LLC, which will operate under the name Cake Boss. This retail space totals approximately 2,774 square feet and is located on the ground floor of the North Wing. Cake Boss is named after one of television station TLC's most popular shows, a reality television series set in Carlo's Bakery in Hoboken, New Jersey. Cake Boss will primarily be a coffee shop and bakery, will sell espresso, coffee, tea-based drinks, spices, accessories, and assorted food items. Cake Boss plans to invest approximately $2 million in the fit-out of a brand new store. These renovated spaces are expected to attract additional customers, improve the image, and also increase sales throughout the facility. Commissioners, today I am seeking authorization for a 10-year lease with Starbucks Corporation for retail space consisting of approximately 2,164 square feet located on the ground floor of the South Wing. Starbucks would sell coffee and tea beverages, tenant-branded merchandise, and assorted food. It would also sell related equipment, accessories, and incidental music merchandise. Starbucks plans to employ 35 workers at this location and would invest approximately $1 million in the build-out of a new store. Starbucks would pay a total base rent of approximately $4.9 million. In addition, the Port Authority would receive a percentage rent of 8% of gross sales in excess of $5.8 million. In addition, I am also seeking authorization for a lease with PNC Bank for retail space totaling 4,910 square feet on the ground floor and second floor of the bus terminal's North Wing and for approximately 150 square feet in the bus terminal's South Wing for a 10-year term. We anticipate total aggregate rental of these spaces to be $20 million. PNC is one of the leading financial services organizations in the country. It is a publicly traded company with more than $263 billion in assets. PNC provides deposit, lending, cash management, and investment services to more than 5 million consumer and small business customers across 19 states and the District of Columbia. It is estimated that PNC will employ up to 14 workers at this proposed branch. PNC would also invest approximately $3 million in the build-out of the space, including removal of the existing mezzanine, finishing a concrete floor in accordance with ADA requirements, completing the main sprinkler connection, providing a 400-amp electric service, and storefront improvements. Commissioners, I request that you approve these actions at this time.

[Chairman Samson] Thanks, Mike. May I have a motion to approve these items? [Commissioner] So moved. [Chairman Samson] Second? [Commissioners] Second. All in favor? [multiple Commissioners] Aye.

[Chairman Samson] So moved. Thank you, Mike. We'll now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the board but does not provide for a dialogue. Members of the

public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker today is Richard Hughes of the Twin Towers Alliance.

[Richard Hughes] Good Afternoon, Commissioners. Thank you, Chairman Samson. At the last meeting, I'm sure we were all deeply moved by Michael Burke's talk about his brother, Captain Billy Burke, of Ladder 21 who died on 9/11 very heroically and what it would mean to Michael Burke and other family members to see the Koenig Sphere returned where it belongs: at the heart of the new World Trade Center. Michael couldn't be here today. He asked me to speak to you on his behalf and thank you, and especially Pat, for coming out after the last meeting and coming out in favor of returning the Koenig Sphere to the World Trade Center site. It's a great decision, he's most appreciative, and he would also urge you, since you have come out in favor of doing that, to do it expeditiously, do it quickly, maybe even in time for the 11th anniversary of 9/11. It would be such a positive thing to do. I know time is short, but the Port Authority has excelled in the past at getting things done quickly when they put their mind to it, and it would be a tremendous boon for the city, for the families, for the Port Authority to see this done. He also asked me to convey to Pat Foye--I can't see over there, Pat-- one, his personal gratitude for your statement, and also, he has a letter in the mail to you addressed through the Port Authority with a proposal which--I don't want to steal his thunder, but having seen the proposal, it would be I think really a great boon to the Port Authority. It would bring a tremendous amount of positive publicity to the Port Authority and international positive publicity. So I hope he will be here next time to talk on that, but please be on the lookout for that letter from Michael Burke. You hear me time after time talk in a negative way about Port Authority matters, but I want to add my gratitude as well from the Twin Towers Alliance. I think this decision on the Sphere was the right decision, it was a great decision, it's a positive decision. I said if we could get that right, I think a lot of other things would follow. I think you're on the right track if you do that, and I said I hope you will follow through on that quickly, and I think a lot of good things could come with that. I think you're turning the corner. Thank you very much. [applause]

[Chairman Samson] Thank you. Our next speaker is Theodore Moore.

[Theodore Moore] Hello. Thank you for the opportunity to testify. My name is Theo Moore, and I'm from ALIGN, the Alliance for a Greater New York. I'm here to voice my concerns with the Port Authority of New York & New Jersey's Clean Truck Program. In March 2010 the Port Authority launched the Clean Truck Program, describing it as an aggressive program to replace up to 636 of the oldest, most polluting trucks serving the ports of New York and New Jersey with cleaner models. Indeed, a program that rids the ports of hundreds of dangerously polluting trucks was long overdue. An effort to take dirty trucks off the road was welcome. However, the design of the program raises serious concerns. The program places the onus of truck replacement on individual drivers rather than the companies they serve. The program design is unfair and a recipe for failure. The Port Authority has stonewalled numerous members of the Coalition for Healthy Ports and our allies seeking information on the progress of the Clean Truck Program. Several FOIA requests submitted to the Port Authority regarding the program remain unanswered. Lack of response prompted the coalition to approach the EPA, a funder of the Clean Truck Program, for information of the program. Documents provided by the EPA revealed that the Clean Truck Program has only reached 20% of its goal within 2 years after its

launch. Last month, dozens of members of the New York and New Jersey community and labor organizations conducted a series of observational surveys in the New York and New Jersey container ports. Armed with clipboards and cameras, survey teams positioned near truck entrances in Port Newark, Elizabeth, Global Terminal, Howland Hook, and the Red Hook Container Terminal in New York to survey trucks from the Drayage Truck Registry stickers. The coalition surveyed approximately 3,000 trucks and found that more than a third of all of the trucks surveyed were dirty trucks. On the other hand, less than 5% of all of the trucks surveyed had the green stickers, which are the cleanest trucks entering the ports. Clearly, the Clean Truck Program is ineffective in its current form. The consequences of the program's failure for the health, both physical and financial, of the port drivers and the port communities are troubling. The Coalition for Healthy Ports has called for a redesign of the Clean Truck Program that ensures that trucking companies, rather than low-income drivers, bear the cost of truck replacement. The coalition also strongly supports legislation that addresses the rampant practice of misclassifying truck drivers as independent contractors and urges the Port Authority of New York & New Jersey to both strongly support and advocate for their passage and create policy within the organization that will address the problem of misclassification within its facilities. Thank you very much.

[Chairman Samson] Thank you. [applause] The next speaker is Glenn Corbett.

[Glenn Corbett] Good afternoon. My name is Glenn Corbett. I'm the chief technical advisor to 9/11 Parents and Families of Firefighters and World Trade Center Victims. You'll be hearing, hopefully shortly, from Sally Regenhard, who is on her way over right now. She's caught in traffic. She's going to deal with some specific issues at Ground Zero that have been really difficult and painful for a lot of particularly the firefighter families as well as the civilian families. Today I'd like to deal specifically with a proposal that we would like to put before you for consideration. Reportedly, the cost of the 9/11 Memorial Museum is now pegged at a staggering $1.3 billion, making it the most expensive memorial museum ever built. The projected $60 million annual operating cost is also in a league of its own. It's time to bring professionalism, respect, and transparency to Ground Zero. Currently, a pair of congressional 9/11 Memorial Museum bills are sitting in two different congressional committees. These bills propose that the federal government be given title to the memorial and the museum and that the federal government provide a $20 million annual funding stream to the 9/11 Memorial Foundation. In essence, these bills would have the National Park Service own the site but have no control over it and would give the 9/11 Foundation a no questions asked annual check for $20 million. The National Park Service has stated that there is no other arrangement like this in any other national park in the United States. The bottom line is that these bills as written don't make any sense. It's also clear that the existing 9/11 Memorial Foundation does not want any person or organization having any kind of supervisory control, as the Port Authority has proposed, in the form of a special oversight board. Since the Port Authority is of course the titleholder to the World Trade Center site, it is the Port Authority that is in fact in the driver's seat in this situation. Given this fact, we ask you to give careful consideration to the following proposal. We propose that you immediately open negotiations with the National Park Service to assume management and operational control over the memorial museum in January 2014 when the lease with the existing 9/11 Memorial Foundation expires. We further propose that the existing 9/11 Foundation assume the role of a national park friends fundraising group, as is the case with over

175 other national parks across the country. We also suggest that you meet with the New York and New Jersey congressional delegations to amend the bills in Congress as they are currently written to reflect this proposal. Putting the National Park Service in charge and operating the 9/11 Memorial Museum will bring long-term fiscal control, oversight, and proper management to the site. We don't believe that the Port Authority wants to be in the position of being a permanent referee at Ground Zero. Going forward, hard decisions about the memorial museum will have to be made in the years to come. The National Park Service is the only organization that can make the long-term commitment that is needed. We don't need any more quick fixes at Ground Zero. We need a permanent solution to the problem. What's the alternative? Decades of funding uncertainty? The bottom line is this: It's obvious that we need the management expertise of the Park Service at Ground Zero. The Park Service successfully operates memorials and museums at most or all of our cherished national historic sites. It's time they bring respect, patriotism, and, most importantly, professionalism to one of our nation's most sacred sites. Thank you very much.

[Chairman Samson] Thank you. Our next speaker is Margaret Donovan.

[Margaret Donovan] Good afternoon. During a stump speech in 1948, a fan of President Truman's bluntly honest style called out, "Give 'em hell, Harry!" to which he famously replied, "I don't give 'em hell." "I just tell the truth about them and they think it's hell." If you are sick of hearing the same questions, then give us real answers. Your Community Affairs office no longer tries, and the Freedom of Information policy is just as flagrantly mishandled now as it always was. For those who may feel our monthly statements are negative, I would like to explain. Refusing to answer reasonable questions--that's negative. Pretending to respect the public's right to know--that's negative. A skyline that is obviously a shadow of its former self--that's negative. Robbing the American people of their heritage--that's negative. Subverting the will of the people by manipulating the media--that's negative. There may be people here who think the Port Authority is doing the right thing, especially people who came along years after the Pataki scam who don't know how Governor Pataki rigged the rebuilding process to frustrate the popular will while the Board of Commissioners went along with it. But if they are honest with themselves, they will want to know as much as we do, how did Larry Silverstein gain power that he didn't have on 9/11/2001? Who gave it to him? Why was it given to him? And what did he pay for it? And then they will ask, "Did the executive director inform the commissioners in 2008 "of a fully designed plan that would give the people the majestic new Twin Towers "they always wanted and that even with transition costs would save billions of dollars "and years of time?" How can independent auditors possibly get to the bottom of what went wrong at the Port Authority without demanding answers to those fundamental questions? The second part of the audit may be conveniently put off to a month with no meetings, but it is hard to miss the writing on the wall. Be advised: Driving down expectations in order to start selling off pieces of the site as a cure for mishandling this most public of public properties would be an alienation of the public's property rights and an egregious mistake. Strip the site of that useless, extravagant, ugly Oculus before you think of stripping the public of any of its holdings. And whatever you do, bar Larry Silverstein from swooping in to buy at bargain basement prices any part of what he has been living off for a decade. Silverstein Properties has spent the last 10 years cashing in on its cache while plundering the public purse. He was a second tier developer at best who is now riding high thanks to his status at Ground Zero. While he just bought two historic office buildings in

Poland as part of a $666 million joint venture and develops towers in China, the metro commuters are paying his toll at the World Trade Center. Why? If you really believe you have done the best you can at Ground Zero, that's delusional. It's not too late to do the right thing. Thank you.

[Chairman Samson] Thank you. Our next speaker is Cynthia Mellon of the Ironbound Community Corporation.

[Cynthia Mellon] Good afternoon. I live and work in the Ironbound neighborhood of Newark, New Jersey, one of the residential areas located closest to Port Newark. The neighborhood of over 55,000 people is recognized by the EPA for the intense level of environmental pollution it experiences, generated by many years of poorly controlled industrial activity. Every year for the past 4 years, Ironbound residents have held a truck count in which people stand at intersections and literally count the number of trucks passing by or parked and idling. All of the counting sites intersect with residential streets. We count trucks for 2 hours at approximately 6 intersections at the times of day when children are going to and from school. In each of these 2-hour counts we have never counted fewer than 2,000 trucks. We differentiate among the types of trucks, so we know which are the port trucks. We've seen no difference in the age of the trucks since the Port Authority began its Truck Replacement Program. We know how few of the trucks carry the sticker showing that they are clean. The Ironbound is one of only six communities in the country to receive a STAR grant from the US EPA. STAR stands for Science To Achieve Results. In the 5-year research project that is currently under way, scientists from Rutgers University are studying the effects of diesel and stress on children with asthma. In Newark, more than 1 in 4 people have asthma, compared to the statewide average of 1 in 12. This is unacceptable. In June of this year, diesel exhaust was recognized as a human carcinogen by the International Agency for Research on Cancer, the cancer arm of the World Health Organization, placing diesel on a level with cigarette smoke and asbestos. We know that diesel causes respiratory disease and premature heart attacks and has an aggravating effect on asthma. Residents of port-adjacent communities like ours and the men and women who drive the port trucks cannot continue to be put at risk, paying for the growth with their lives and their health. Like other Newarkers, our community wants growth and the jobs it will generate but not at the cost of our health. We call for a full review of the public health impacts of raising the Bayonne Bridge. This review must take into account the long-term effects of increased truck traffic that will result from the substantial growth in cargo volume. There must be public input in this process. It must include analysis of the impacts on the communities surrounding the Bayonne Bridge, including Newark, Kearney, Jersey City, Elizabeth, Bayonne, and Staten Island. Anything less will further increase the public health crisis we are already experiencing. Thank you.

[Chairman Samson] Thank you. [applause] Our next speaker is Murray Bodin.

[Murray Bodin] Two weeks ago I was in Italy with our granddaughter-- 12 grandchildren, 14 grandparents on an intergenerational trip-- and I'm wearing this shirt from Venice because Venice is a city where transportation is on the water. And I recommend that you send a delegation to Venice to spend a couple of days on the water so they can experience how people and freight are moved without roads. I saw in the paper not too long ago where you have a new

barge from New Jersey to 63rd Street, I think, in Brooklyn transporting freight cars. That's a step in the right direction. I looked it up and I saw an engine on YouTube going through the streets and I said, "Why should we think that's unusual?" because in New Jersey they have something called light rail-- we used to call them trolley cars-- that look just like that train going in Brooklyn pulling freight cars, and we need to get used to the fact that a small train pulling freight cars in Brooklyn is a better way of getting the rail cars and the freight off the roads, off the George Washington Bridge. I listened to the committees this morning and the ethics committees and the principles of risk. I listened to the questions of various commissioners. Some of them were excellent. I looked at the plans for the interchange at Goethals Bridge. And I'm embarrassed to say yesterday I went to the New Jersey Turnpike Board Meeting over the George Washington Bridge, and they had repaved the right lane and they put in broken lines where dotted lines had been before. Illegal. Unfortunately, unless somebody goes and looks at why it is permitted to use an outdated--by at least 3 years--lines with no inspector saying, "This has to be removed," and if I hadn't brought it up because I happened to go to the Turnpike meeting yesterday, it would never get changed. There's a management failure in the Traffic Engineering Department. No inspector should have permitted that to be painted, it should have been removed, and it took a half a dozen emails from me last night to find out that they're going to take it out on Friday. Your secretary has a copy of all the emails I sent because I don't send anything without a copy. You have a major problem because those tollbooths are not being designed properly because the rule book isn't being followed. And you're wasting hundreds of millions of dollars on a design of roadway because one traffic engineer doesn't get it. That's my money, that's your money, and you have a major problem. You cannot get the road straight. I go to the airports. There is no information. It's not helpful. Who takes responsibility for getting those lines? I work with a lot of people here. They're excellent. There's one person screwing it up.

[Chairman Samson] Thank you. [applause] Our next speaker is Joyce James.

[Joyce James] Good afternoon, everyone. My name is Joyce James. I am here to speak on behalf of my fellow workers at Terminal 3 and LaGuardia Airport. I have a position as a sales associate. And as you know, Terminal 3 will be replaced by a new terminal next year. A new company will replace LS Travel, and we do not know what will happen to our jobs. A similar transition has already taken place in Terminal C at LaGuardia Airport. My coworkers at Terminal 3 and I are here in support of workers at LaGuardia as well. Just like them, we don't know what will happen to us after the upcoming transitions. In 2007, the Port Authority passed a policy to protect workers during these company transitions. All of us need to know that our careers are secure. Please ensure that all incoming companies respect workers and their jobs. Thank you. [applause]

[Chairman Samson] Thank you. Our next speaker is Amy Goldsmith of the Coalition for Healthy Ports.

[Amy Goldsmith] Good afternoon. My name is Amy Goldsmith. I chair the Coalition for Healthy Ports. I'm also the state director of the New Jersey Environmental Federation. Welcome, Commissioner Bagger, to your new post here. We've talked about this issue many times in the past. Diesel exhaust for port trucks has created a major health hazard for the

families, particularly the children, who live near them-- as has been mentioned, asthma, lung cancer, cardiovascular disease. While the Port Authority has been aware of this for years, it has so far failed to effectively solve the problem. This raises the obvious question in the minds of the community, why should anyone trust the Port Authority to do right by surrounding neighborhoods and our health with the expansion of the marine terminals and raising of the Bayonne Bridge on a fast track basis? Why should taxpayer money be spent and work begun before the proper study of the anticipated public health problems are identified and commitment to practical solutions are made? The Port Authority, in our view, has been callous, irresponsible, and incompetent in the management of its Clean Trucks Program. It does not take a rocket scientist to understand the problem. It's in plain sight for anyone who cares to look: thousands of dirty diesel trucks at the port in violation of the Authority's current program. If a truck doesn't have a sticker, it shouldn't be allowed in the gate, yet we counted thousands of trucks going in the gate every day. The Coalition for Healthy Ports demands a full review of the public health impacts of raising the Bayonne Bridge, not a proposed fast track environmental assessment. We want the impacts of construction as well as the long-term usage and traffic volumes to be evaluated and mitigated. We know at Global Terminal construction was the only thing considered, not the long-term impact of its expansion. We call for full disclosure, easy access to information, and optimal public input throughout the process as well as the implementation of effective public health remedies for residents surrounding the port, making the air easier and healthier, not harder and more harmful to breathe. We filed another FOIA request just about two weeks ago. We've gotten no response. We filed a FOIA request over a year ago, and we were given a $3,000 bill. And we don't have $3,000, so we didn't get the information. As was mentioned, we got it from the EPA instead. The Coalition for Healthy Ports is reviewing all options available for turning the public health crisis around, including legal avenues as well as the potential to sue and delay the raising of the Bayonne Bridge. Our ultimate goal is clean air to breathe for local residents and drivers while growing the port. If the commissioners are not aware, the Port Authority and the Coalition for Healthy Ports both have the same written policy supporting growth of the port while simultaneously achieving a net reduction of pollution. We want the port and the Port Authority, and we want the benefits of the port expansion but not the health burden to the community and the drivers, causing asthma, death, premature heart attacks, and cancer. We don't want to pay for jobs and economic development with the health of our citizens. We want the jobs. We want clean air. Thank you. [applause]

[Chairman Samson] Thank you. Our next speaker is Jacinto Diaz.

[Jacinto Diaz] [speaking in Spanish]

[Translator] Yes. Good afternoon, Commissioners. In consideration of time, I will continue Mr. Diaz's statement. I currently work for CrossGlobe Transportation as an owner/operator. I am here today because the Port Authority's Truck Replacement Program has caused me great financial harm. In addition to the $21,295 loan that I owe the Port Authority, the replacement program has cost me another $39,000 in repairs and lost time from work. I am fed up and want to give back the truck to the Port Authority. I joined the Port Authority's Truck Replacement Program in November 2011, turned in my 1989 Kenworth truck, and replaced it with a 2005 Columbia Freightliner. The total cost of this replacement was $28,394. The Port Authority granted me $7,098.50 for the purchase, and I had to take a loan from the Port Authority for the

remainder, $21,295.50. Since getting back my truck in December 2011, it has been nothing but problems. First I had a coolant leak that led to having to put at least 2 gallons of coolant in the truck each day. On March 12, 2012, I brought the truck to Atlantic Detroit Diesel, who determined the cylinder head was cracked. Atlantic Detroit Diesel performed a series of repairs on the truck totaling $8,763.72. I paid for these repairs with a $2,000 cash advance from my employer, CrossGlobe Transportation, $5,000 on my personal Mastercard, and $1,763.72 on my American Express card. To date I have spent over $18,000 of my own money in repairs on this truck. When I entered into the Port Authority's Truck Replacement Program, they directed me to go to American Commercial Equipment and Leasing to purchase my truck. I paid $3,440 for a warranty. American Commercial Equipment and Leasing says these repairs are not covered by the warranty, and the Port Authority has said there is nothing they can do. It makes me mad to know that the Port Authority is not enforcing their truck program. I made the financial decision to comply with the Port Authority's rules, and now I am nearing financial ruin while 1 in 3 of my coworkers pass through the gates in older trucks. Also I worry about what will happen in 2017 when this truck, which has now cost me over $60,000, will be obsolete. I am very frustrated that I followed the Port Authority's program to replace my truck and purchased a vehicle from the Port Authority's designated seller, and the truck is a dirty clunker that's putting me into debt. Thank you for the opportunity to share these concerns with you today.

[Chairman Samson] Thank you. [applause] Our next speaker is Yvonne Garrett-Moore.

[Yvonne Garrett-Moore] Some victories and some sorrows. However, we're still going to go for the gold. We've got the winning edge, and we're going to keep the winning edge. You all are doing a really good job in listening, and you're doing a good job in responding because you know that's what it takes. I'm here to encourage you today. I'm Yvonne Garrett Moore, and I've been before you many times over the past months to encourage you for dialogue for the redevelopment of Newark International Airport and the surrounding areas. You have been very gracious, very supportive, your administrators have reached out to me and have had dialogue and discussions with me, but we are still pressing toward the mark to accomplish our goal, which is to see us reach our full potential at Newark International Airport. I want to encourage you today and give you a little analogy. There was a man named Jesus, and he was at a wedding feast. And at that wedding feast there was no wine. The mother came to him and said, "There's no wine." And Jesus was the authority. He had all power and he had all ability. And his mother knew that he had the power and the authority and the ability, and so she came to him because she understood his potential, although he had never done any miracles before. But she knew that he had the ability to do what she asked of him. And I'm here today before you because I know you have the ability to do what I ask you to do today, which is to provide jobs and opportunity for a community that needs it the most. I'm not here for myself; I'm here for my community because we need these opportunities. We have the potential and we need to see that potential fully realized. I thank you for your sensitivity, I thank you for continuing to dialogue with me, but we will be successful when we sit down and have a comprehensive dialogue with the residents as well as with the stakeholders of the greater Newark Airport community and come up with a comprehensive plan that speaks to who we are as a community of people, not just one agency, not just one entity, not just one special interest but for the collective good. And as we do this, we're going to set a stage and opportunity to be able to invite the world, because that's what we do best is invite the world, so they can participate in an effective way in our community and our

greater area and do greater business and do it more effectively as well as create jobs and opportunity locally. We have 24,000 industry workers in and around the Newark Airport area. We're not even addressing their particular needs more efficiently and effectively-- cleaners and restaurants and movie theaters and playgrounds for children of industry workers. They're basic comprehensive services that we need to be more sensitized to address more effectively and therefore have a healthier community not only for ourselves but for the sake of the global community. So thank you so much. I'll continue to request for this dialogue and this meeting. Thank you again.

[Chairman Samson] Thank you. Our last speaker is Sally Regenhard.

[Sally Regenhard] Hello. My name is Sally Regenhard. Today I'm representing Chief Jim Riches, FDNY -Retired, who chairs our organization, 9/11 Parents and Families of Firefighters and World Trade Center Victims. I'm here today to comment on the ongoing problems with enormous overspending at the 9/11 Memorial & Museum. I would like to say that this memorial and museum was nothing that the families ever wanted. We had no role in it. We never would have condoned an enormously expensive design and construction, and we certainly do not now condone multi 6-figure salaries of those people in the foundation who are running this memorial and museum. Recently, the governors of New York and New Jersey both commented on the out of control costs that are being experienced there. The families feel that this ongoing conflict will not be resolved as long as we have a private foundation in charge of what is supposed to be America's memorial. If this is indeed a national memorial, then we should-- and I'd like to ask the Port Authority to strongly consider sitting down with both governors of New York and New Jersey as well as the National Park Service. I know that our technical advisor has spoken previously on this matter. We have looked into this; the families have discussed it. We feel that we will never have the type of respectful, patriotic memorial, which the world, and certainly this country, deserves at Ground Zero. We feel that if the Park Service would be brought in to help that we would have a transparent type of foundation that would involve the families as well as the Port Authority in decision-making processes. Right now there is no answer to the enormous problems. There's a lack of patriotism. We were promised an enormous American flag and signage that would inform the public of what happened at this site. Now we have a lonely little American flag that's perched on top of a type of construction-related building, and I'm sure that the construction workers put it there. We don't see what is necessary down there. Thank God that the construction workers are patriotic because the people in charge of this memorial and museum are not. So I'd like to finish by saying please consider this. Sit down, talk to the National Park Service, end this constant conflict. We only are going down the road of a bigger and bigger money pit in the future if we don't take control right now. Thank you very much. [applause]

[Chairman Samson] Thank you. Before we move the consent calendar, the Executive Director Pat Foye and the Deputy Executive Director Bill Baroni are going to highlight some of the actions that are being advanced today. Pat? Bill?

[Pat Foye] Chairman, thank you. Let me start. I'd like to touch on first, a brief point on operations, second, how the Port Authority finances itself, and then third, point out one of the projects that the board considered and approved today. The operating point I want to make is the

board and management's focus on overtime, which is substantial. While there is much to do, I'm happy to report that our overall overtime hours through the first 6 months year over year are down approximately 15% versus the same 6-month period in 2011. And while we've clearly benefited from a mild winter, which helped in the first quarter, even excluding snow and ice, overtime in 2012 is down compared to the first period in 2011. Beyond that, Port Authority PD overtime is down in the second quarter over 25,000 hours compared to the first quarter. Lastly, in the second quarter of 2012, total overtime from an agency point of view from each of the line departments, including Public Safety and others, is down, each of those segments comparing historical second quarter of 2012 to the prior quarter. That's good news but, as I said, much remains to be done.

Second, I want to talk briefly about a financing that the board considered and approved today, which is approval of a plan of finance for taxable debt, required by the federal government, approved by the board earlier, and a preliminary approval of financing of up to $2 billion, including a $500 million refunding and $1.5 billion of refunding (sic) for the World Trade Center. I'll note that even with this approval of $2 billion of funding today, the aggregate estimated cost to complete the World Trade Center project, as will be disclosed in the Phase II Navigant report, is consistent with the amounts in early February disclosed in the Phase I report. That's good news. I'll also note that at last month's Board Meeting the board approved a group of senior underwriters selected through a competitive RFP. Each of those underwriters agreed to underwrite at 175 basis points, a very good result for the Port Authority, and each of those underwritings will include, as has been Port Authority practice in the past, M/WBE firms. All of the funds raised in this financing-- and obviously, we continue to enjoy a very low interest rate environment-- will be dedicated to the World Trade Center project.

Lastly, the Committee on Construction and then the board discussed and recommended and approved a project to provide much-needed replacement electrical power at LaGuardia. Right now LaGuardia has two electric substations built in the 1960s that can no longer efficiently handle the airport's current electrical loads. The project the board approved today, $100 million project, will double from 12 megawatts to 24 the power at the East End Substation. I'll note that that facility, which generates 12 megawatts today, on peak summer days already exceeds capacity and some days is required to churn out 13 megawatts. The committee discussed acceleration of design and construction of a new electrical substation to provide power to LaGuardia Airport. I think it's important to note that the East End Substation approved by the board today is something that's needed today, an important infrastructure investment, but it also lays the groundwork for a timely, much-needed redevelopment of the Central Terminal Building in the future, which will be considered by this board down the road. So in sum, the new East End Substation at LaGuardia will double electric capacity at the airport and significantly ease the strain on related electric infrastructure. The project is estimated to produce 330 job years with nearly $140 million in economic activity and, as I said, will have an estimated project cost of about $107 million. Bill?

[Bill Baroni] Thanks, Pat. Mr. Chairman, Vice Chairman, members of the board, I'd like to very briefly mention 3 projects that were discussed today in committee that fundamentally improve the quality of life of our commuters, our travelers, and our neighbors. The first, as Mike Francois mentioned a few minutes ago, was the continuing fundamental change in the Port

Authority Bus Terminal. Last year, 65 million people moved through the Port Authority Bus Terminal. And as we just heard Mike say, they will soon be encountering a bus terminal that has extraordinary quality retail, including Cake Boss, an improved Duane Reade, a PNC Bank, and Starbucks in addition to the building looking better. Not only does it improve the retail, it's better shopping, it's better looks, and it's being a better neighbor.

Second, earlier today in the Committee on Operations, the committee advanced an item to the full board as a way to help pursue a Clean Vessel Initiative Program within the Port of New York and New Jersey as part of the port's comprehensive Clean Air and Environmental Strategy and this larger focus that you, Mr Chairman, have focused on our environment here at the Port Authority. This program will establish a $4.8 million Clean Vessel Program to provide financial incentives to ships who achieve a score of 20 points or higher based on the World Port Climate Initiative's Environmental Ship Index. The PA anticipates approximately 600 vessels a year will participate in this program. This would make the Port Authority only the second United States port after the Port of LA to adopt this, and this program follows other important environmental initiatives at the Port Authority, including last month's shore power approval, the preservation programs we've done through the Harbor Estuary, including in Staten Island at the Pouch Camp and in Hazlet and the Clean Truck Replacement Program.

Finally, the Goethals Bridge Interstate 278 corridor access improvements. Earlier today, the Committee on Capital Programs and Agency Planning advanced 2 projects that will fundamentally change the way people drive in and around the Goethals Bridge: first, planning authorization to fix the missing link on the interchange ramps of US 1 and 9 and I-278, which will provide direct connection from southbound 1 and 9 and eastbound I-278 and from westbound I-278 and 1 and 9 in Linden and Elizabeth. This ramp will deter vehicular traffic from local roads and create better connections to the Goethals Bridge and make the residents of Linden and Elizabeth's lives much better in the absence of this traffic that goes through their local streets. In addition, the committee recommended planning authorization for access improvements at the Howland Hook Marine Terminal necessary to improve traffic flow between I-278 and Howland Hook. This is anticipated to improve regional freight delivery, as 85% of truck traffic at the facility later uses the Goethals Bridge. Thank you.

[Chairman Samson] Thanks, Bill, Pat. Let me ride your coat tails for a minute and add a comment on behalf of the board about another item that the board considered and approved today, and that was a revision of the board's bylaws as it applies to board committees and the operation of those committees. The board's action today in revising its bylaws has created new and revamped board committees, which will be more robust and more muscular in the way they go about their business. It reflects the philosophy of this board to be proactive. We expect with this new board structure that board committee meetings will take place more frequently. They probably will take place on non-board day meetings so there will be more time to consider agenda items. We expect that we will be working through the committees with staff to initiate new projects and new programs. And most importantly, from a philosophical point of view, we expect that the operation of these new board committees and the new operational structure will lead to greater transparency. I personally, and the board generally, are aware of frequent criticism that the Port Authority does not act with the requisite transparency and accountability. I can tell you that it is the policy and philosophy of Governor Cuomo and Governor Christie that

we do so. We've heard this criticism, we intend to act in an appropriate way, and I can tell you that the board is undertaking transformational change in the culture and the operational attitudes of the Port Authority to increase transparency and to increase and improve accountability. We will operate more collaboratively with our neighbors and the public that we serve. We're all working to change these perceptions. I think in many instances they're justified; I think in more instances they're unjustified. But nevertheless, it's the perception, and we're working to not only change that perception but to change the way the Port Authority operates. The bottom line is we're committed to continuing the professionalism of this great organization, but to do it with greater accountability. So having said that, I'd like to receive a motion to move the consent calendar forward for approval.

[Commissioner] So moved. [Chairman Samson] Second? [Commissioners] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] There being no further business, I move to adjourn. May I get a second? [Commissioners] Second. [Chairman Samson] All in favor? [multiple Commissioners] Aye. [Chairman Samson] The meeting is adjourned. Thank you.

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY
August 19, 2011 Board Meeting Transcripts

Chairman Samson: The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. The Commissioners met in Executive Session prior to today's Board Meeting to discuss matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest. Today's presentation on proposed changes to our toll and fare structure for the Port Authority's vehicular crossings and the PATH system will be presented by our Chief Financial Officer, Michael Fabiano. Mike.

Michael Fabiano: Good Morning, Commissioners. I appreciate the opportunity to present for your approval a new toll and fare structure for our tunnels, bridges, and PATH system. But before I begin, I would just like to take a second to thank Jim Mackey, who worked closely with me and the executive staff of both States in helping to craft this plan. So thank you, Jim. Okay. The historic economic recession has had a dramatic effect on the Port Authority, and we have lost $2.6 billion in net revenue from what was projected when we last set the 10-year Capital Plan in 2007. Since 9/11, our annual capital and security costs have nearly tripled, and we have spent approximately $6 billion in security for our facilities. Finally, we are investing over $11 billion to rebuild the World Trade Center site. At the same time, there is a need to overhaul our aging facilities, some of which are over 100-years old, and to build modern facilities for the future needs. Like everybody else, we've been managing in an economic downturn, and the Port Authority started cost-cutting management measures going back to 2004. Since 2004, the Agency reduced non-public safety staffing levels by more than 700 positions or approximately 12 percent. In addition, we have delivered three consecutive years of zero growth operating budgets. To achieve these zero growth budgets, we restructured functions, we leveraged technology, and we streamlined business processes and significantly reduced consultant services. But this constrained operating environment also required us to reprioritize and defer millions of dollars in capital program spending that we had in the pipeline. In order to maintain and grow the critical transportation infrastructure that serves the bi-state region, the toll and fare increases are essential if the Port Authority is to have the financial capabilities necessary to drive this region forward. As you can see, under this proposal developed in consultation with Governors Cuomo and Christie, and as can be seen on the screen, car tolls would be raised $1.50 in September and 75 cents each December through 2015. Truck tolls would increase $2 per axle in September and again each December through 2015. Cars and trucks not using E-ZPass would pay a penalty of $2 per car and $3 per truck axle. We believe this cash penalty will encourage drivers to move to E-ZPass, which in turn will reduce congestion on our bridges and tunnels. Finally, PATH fares would increase 25 cents in September and again in each October of 2012, '13, and '14. Taken together, these increases, modified from the initial proposal put forward to the Board and public, will assure our continued financial stability, create tens of thousands of jobs, and improve our infrastructure. As you know, we held a record number of public hearings with record turnout at nine locations, including one on-line. In addition, we received comments via mail and our website. A public meeting was also added in Staten Island at the request of the Staten Island community. We heard many compelling stories from a broad spectrum of individuals across the region. We heard from those who oppose the plan, and we heard from those who support the plan, including over 60 organizations representing business, labor, and environmental groups. Finally, our Governors provided guidance that we used to reach today's proposal. Again, these increases are imperative if we are to accomplish the much-needed projects to advance the Agency's infrastructure and economic growth mission. This toll and fare increase will allow the Port Authority to invest

$25.1 billion in critical infrastructure projects that will provide an efficient, safe, and secure transportation network for our customers who rely on this Agency every day. This will also allow the Agency to access the capital markets while maintaining our strong credit ratings and meeting all of our statutory bond covenants. This Capital Plan will also benefit the region by generating 131,000 new jobs, $7.6 billion in wages, and over $30 billion in sales. At our tunnel and bridge facilities, massive investments are planned to modernize existing vehicular and bus facilities, some over 85 years old, which are presently used by 120 million vehicles and 3 million bus movements each year. As you can see in the side-by-side photos, one of the key projects supported by the tolls increase is raising the roadway at the Bayonne Bridge, which will accommodate the largest ships expected to call on the Port with the opening of the expanded Panama Canal. It is investment in the competitiveness of our ports as well as the 230,000 jobs and $25 billion in sales they generate. Other key tunnel and bridge needs include replacing the Goethals Bridge, replacing the suspender ropes at the George Washington Bridge, reconstructing the Lincoln Tunnel helix, and rehabilitating roads, decks, and vital ventilation systems such as those at the Lincoln Tunnel. On the PATH system, PATH, as do most rapid transit systems, operates at a deficit. Unlike other systems, taxes or federal funds do not subsidize PATH. This toll and fare increase will allow us to invest $3 billion to rebuild and add capacity to a system, which is over 100 years old, serves nearly 74 million passengers, and is a key transit system linking New Jersey and New York. Here we see a photo of the Exchange Place platform, which has already been extended to accommodate 10 cars and is an example of what we plan to do at other station platforms along the World Trade Center-Newark line. Other major projects at PATH include completing the New Car Purchase Program, the Signal System Replacement Program, upgrading and replacing the power systems, and enhancing security systems such as a water management system, new electrical duct banks, structural improvements, and tunnel erosion protection. At Aviation, we will upgrade one of the busiest airport networks in the world which serves over 100 million passengers, transports more than 2 million tons of cargo, and supports 455,000 jobs in the region annually. Combined, this inter-regional airport system has 285 miles of roadways, runways, and taxiways. The runways and taxiways require regular rehabilitation to ensure FAA compliance. Replacement and rehabilitation of runways and taxiways represents a significant portion of the projects to be undertaken at our airports. Other priority Aviation projects include the rehabilitation and overhaul of AirTrain, upgrading utilities and power systems, improving airside access controls for increased facility security, and installing hardened barriers to protect terminals and other airport properties. Port Commerce division, to ensure optimal throughput of goods and to maintain our competitive position among other ports, we need to provide passage for megaships of the future and direct links from docks to rails to exceed the current 3 million containers that we handle annually. The importance of our ports is evidenced by the handling of over $175 billion in cargo and approximately 31 percent of all East Coast cargo in 2010. Some 4,800 ship calls came in from all over the world. This photo shows an example of our investment in dock to rail through the ExpressRail facilities. Other projects that will help maintain the Ports' competitiveness include terminal redevelopment, replacement and rehabilitation of piers, berths, and wharfs, expanding and enhancing capacity on roadways, and ensuring only authorized individuals can access secure areas of the port. And finally, the World Trade Center. We are going to complete the rebuilding of the World Trade Center site, including the secure state-of-the-art office and retail complex, a multi-connection Transportation Hub for commuters, infrastructure for the 9/11 Memorial, the Vehicle Security Center, and all the remaining site infrastructure. Commissioners, we recognize the difficulty of deciding to raise tolls and fares at this time. However, it is required to meet critical facility needs now as well as into the future. The region depends on the Port Authority for moving goods and people safely and reliably. Over the next four years, the Port Authority needs

to fund approximately $15 billion in capital spending. Over the next 10 years, 131,000 new jobs will be created, $7.6 billion in wages will be generated, and over $30 billion in sales will be created by our capital investments. Commissioners, I request your approval of these items. Thank you.

Chairman Samson: Thank you, Mike. We have several members of the public who have registered to comment on Port Authority matters today. The first speaker is Gary La Barbera, President of the Building and Construction Trade Council of Greater New York.

Gary. La Barbera: Thank you. Good morning, Commissioners. First of all, let me say it's a pleasure for me to be here and have an opportunity to make some comments. I actually had prepared comments that I was going to read. Many of those comments have just been covered about the virtues of this plan and the importance of a strong, robust capital plan. So I'm going to defer from that and just talk to you for two moments from my heart and on behalf of the 100,000 members of the Building Trades Council in New York City. And these are the faces of some of the members that are here in this room today. These are the people and the lives behind all of those numbers that you hear about unemployment. Two very important points to this plan. One is the Port Authority has always been and should continue to be an economic engine in this region. And economic growth is reliant upon a sustainable and very, very strong infrastructure system. You need to have progress if you're going to have economic development. And transportation is one of the most important things that leads to economic development. We hear every day in the news, on the television about the unemployment in the City, unemployment in the Country, and it is encumbered upon us to take very, very courageous steps to address two issues here today. One is the needs of the infrastructure that need to be met so that we can have a robust economy and we can have continued economic growth in this region. Second is an opportunity for job creation. You've heard this is 131,000 jobs over the next 10 years. Sixty-six percent of this capital plan will be started and spent in the next four years. These are shovel-ready projects that will create employment now, and that's what we need. It's so important that you support this and vote yes for this plan. So, on behalf of the 100,000 members in the building construction trades and their families, we urge you to vote yes on this plan. And finally, I'd just like to thank both Governors for their courage and their support and their cooperation with the Commissioners on this plan. Thank you very much.

Chairman Samson: Thank you. The next speaker is Philip Beacham of the New Jersey Alliance for Action.

Philip. Beacham: Good morning, Mr. Chairman, members of the Board. I'm Phil Beacham, President of the New Jersey Alliance for Action. We are a non-profit, non-partisan organization representing business, labor, academic, professional, and governmental organizations in New Jersey. For the past 37 years, the Alliance has worked to support economic growth in the region through investments in the region's infrastructure. Those investments, whether they are on roads, bridges, ports, or airports, are the fundamental foundation for the region's economy. Since the inception of this Agency, the Port Authority of New York and New Jersey has been a major player and catalyst of that economic growth. That is why I am here today to register our strong support for your actions in approving toll hikes to support your continued investment in maintaining and expanding the region's economic growth. To be sure, these are difficult economic times for everyone. Difficult times require tough choices. But these times also represent opportunities to build projects at significant savings, as bids on most capital projects are coming in substantially below engineering estimates. Perhaps more importantly and most importantly, this proposal will put people to work,

generating much-needed incremental tax revenues for both States. In the end, the projects to be funded by these increases will ultimately directly benefit the users of the system and will enable the Authority to complete these necessary improvements at the lowest competitive cost. Thank you for the opportunity to present our views to you today on this important issue.

Chairman Samson: Thank you. Our next speaker is Robert Yaro, President of the Regional Plan Association.

Robert Yaro: Hi, I'm Bob Yaro. I apologize for my cold and hoarse voice, but I want to strongly support the action that's before you today. We know how difficult it is for you and for the Governors to propose toll and fare increases in these difficult economic times, but we also recognize just how important these investments are, this $25 billion in new investments in infrastructure that will be made as a result of these toll and fare increases will be for the metropolitan area. I believe that these investments are more important than ever. The Port Authority celebrates its 90th anniversary this year. For 90 years the Port essentially has been one of the engines of the economy of the New York-New Jersey metropolitan region. It's made this place the successful place that it is, and we need to continue to do it. The reality is that there are a growing number of emerging world cities in Asia and Latin America, as well as in Europe that are investing in similar facilities. Their goal is to clean our clocks. And unless we make these investments, we really place the long-term economic success of this region at risk. So again, I applaud the courage behind the decision to move ahead with this, applaud the Governors for getting behind this very important investment that we're talking about today, and urge you to move ahead with this action today. Thank you very much.

Chairman Samson: Thank you. The next speaker is Richard Anderson, the President of the New York Building Congress.

Richard Anderson: Good morning, Chairman Samson, Vice-Chairman Grayson, members of the Commission. I'm pleased to be here representing the common interests of the building industry in New York City. We're a $25 billion a year business. And for the last 90 years, as Bob Yaro said, the Port Authority has been a key growth stimulus behind the metropolitan region surrounding the Port of New York and New Jersey. And what an economic engine it has been. From port facilities to Trans-Hudson bridges and tunnels to a global leader in aviation, the Port Authority has done as much as any single organization to create the world's largest metropolitan economy. And we have to remember that this metropolitan economy is larger than almost any country in the world except the top five or six. Now it is time for another era of Port Authority investment, and never has it been more needed. The $25 billion 10-year Capital Plan before this Board addresses a host of critical needs which should not be delayed. The New York-New Jersey metropolitan region will continue to be a world leader with this capital infusion, or it will fall behind without it. In New York City alone, construction jobs have declined by more than 30,000 in the past two years. Skilled trades people in the building industry need this work, and the economy needs this infrastructure maintenance and expansion. The revised fare and toll increases recommended jointly by Governors Andrew Cuomo and Chris Christie deserve the unanimous support of the Board of Commissioners. This financing represents fees paid directly by users of the regional transportation system, all beneficiaries of the metropolitan economy. The New York Building Congress urges your approval of the Governors' five-year financial plan which assures increased funding for the PA through 2015. And we think this is a very important step, that you've got an assured five-year financial plan. Thank you very much.

Chairman Samson: Thank you. The next speaker is Brad Hoylman, Executive Vice President and General Counsel of the Partnership for New York City.

Brad Hoylman: Good morning Mr. Chairman and Commissioners. I'm here on behalf of Kathryn Wylde, the President and CEO of the Partnership for New York City. The Partnership for New York City represents the leadership of New York's international business community. Our mission is to promote economic growth, quality, infrastructure and educational excellence. First, the partnership thanks Governor Cuomo and Governor Christie and the Commissioners for coming up with alternative toll and fare increases. Toll increases are never welcome and are particularly tough on business during a slow economy. We always think that government agencies should look first at how to restructure and reframe their expenses in capital plans before pushing for new revenues. In the current situation, however, it's clear that the Port Authority has incurred tremendous expenses over the past decade that were clearly beyond its control. The repercussions on the attack on the World Trade Center resulted in a series of major, unpredictable capital and operating expenses. It's therefore not surprising that an increase in user fees is required. The public works infrastructure that are owned and managed by the Port Authority are integral to the nation and region's economic health and necessary to virtually every business that is located here. Equally essential for the region and the Country is that the World Trade Center be rebuilt as one of the nation's most important commercial centers as a tribute to those we lost on 9/11 and as a symbol of our resilience and endurance. Improved facilities and the proposed new incentives to use E-ZPass and travel in off-peak hours will also lead to reduction in regional traffic congestion. According to a study conducted by the partnership, the New York metropolitan region's economy loses more than $13 billion each year due to traffic congestion. Some of the additional costs of increased tolls will certainly be offset by savings resulting from reduced congestion. Projects funded by the toll increases will also help with retention of industry in the metropolitan area. For example, the Bayonne Bridge must be elevated by some 64 feet to accommodate large cargo ships. The regional economy depends heavily on the shipping industry, which supports $36 billion in economic activity and nearly some 300,000 jobs. Already some New York businesses are choosing to locate their freight distribution hubs in other parts of the country due to how difficult it is to move goods in and out of the region. Forgoing this project will result in our Ports losing even more cargo businesses to competitors along the Eastern Seaboard. The partnership doesn't believe that higher tolls, higher fees or higher taxes are generally good for economic growth, but we urge the Board to carefully review this budget, consider where efficiencies can be achieved, and then proceed with the assessments necessary to keep the region strong. We strongly support the increases as reviewed. Thank you.

Chairman Samson: Thank you. The next speaker is Margaret Donovan from the Twin Towers Alliance.

Margaret Donovan: Good Morning, Commissioners. By proposing this one toll hike, the Port Authority confirms that officials cannot be trusted to make politically difficult choices if the public is not looking over their shoulders. What good is having an open meetings policy in your By-Laws if it is just blah-blah? None of the past 10 years' mistakes could have happened if the Board had faithfully observed that one policy. If a private corporation were run the way this Authority has been, it would have had the Attorney General breathing down its neck, its stiff neck, years ago. The World Trade Center is not just one of your facilities. When it is said that the Port Authority owns the site, what does that mean? Does the Executive Director own the site? Do the Commissioners own the site? Do the Agency's bureaucrats or rank and file own the site? Do the two Governors

own the site? Of course not. So, where does this Authority get its authority? From the people who pay the bills and get nothing but lip service in return. From the people who are locked out of your deliberations and denied access to contracts that are not your contracts, but the public's contracts, contracts that created a monster at Ground Zero. The only conceivable reason why your General Counsel and Board Secretary would be willing to tarnish their records by denying us the access to contracts that the public has every right to see under the law is that they are shielding those who buckle to political pressure and fail to protect a premier public asset from the wolves. Don't blame Pataki. Don't blame Ward. Blame everyone who has warmed a chair at that table over the last 10 years. In late 2009, Mayor Bloomberg made the bizarre comment that Silverstein's lease and agreement with the Port Authority cannot be challenged. Larry has everybody by the proverbials. He really does. Nobody likes it, but that's the truth, the Mayor said. Really? How did a man who was simply our tenant on 9/11/2001 gain all this great power that he never paid for? Who gave it to him and why? There is no time to say more here, but there is a detailed account of the anatomy of a swindle at the Twin Towers Alliance website. We are all for investment, the right kind. Nowhere in private industry would something so troubled be allowed to proceed, no matter what stage it had reached, without the findings of an expedited, independent, transparent cost-benefit analysis. It could have and should have been done years ago. It must be done now because you are not spending your own money. As the acclaimed architect Renzo Piano once said "If a writer makes a bad book, eh, people don't read it. But if you make bad architecture, you impose ugliness on a place for a hundred years." We can still put our heads together and build a legendary World Trade Center instead of the glorified office park we are all now settling for. It's not too late to do the right thing. Thank you.

Chairman Samson: Thank you. The next speaker is Richard Hughes of the Twin Towers Alliance.

Richard Hughes: Good Morning. Here's what the public really needs to know about the proposed toll increases. None of this ever needed to happen. The only reason for these proposed increases is to cover up the utter incompetence of the Port Authority at Ground Zero. The fact is this. After 9/11, Larry Silverstein was legally obligated by the terms of his contract with the Port Authority to rebuild the Twin Towers using his own money. Furthermore, he was obligated to clear the site. Again, using his own money. And he had billions of dollars in insurance proceeds coming his way with which to do so. But for reasons that have never been adequately explained to the public, despite repeated Freedom of Information requests by the Twin Towers Alliance, Larry Silverstein was let out of his contract. Nevertheless, he still controls the agenda at Ground Zero, even though he has none of his own money at risk. Let me repeat. If the Port Authority had simply done its civic duty after 9/11, today we would have gleaming new twin towers soaring above lower Manhattan, and they would have been up for years, at no expense to the people of New York and New Jersey. Not only were new twin towers what the American people wanted all along, not only was building them the right thing to do morally and politically, it was the financially and economically responsible thing to do as well. Even just 3 years ago, when we sat in Christopher Ward's office, as Ken Gardner presented his Twin Towers II plan, it was obvious the Port Authority could still save billions of dollars if it embraced the Gardner plan instead of the current disastrous one. Remember, at that point, Ground Zero was little more than a hole in the ground. But instead of adopting a plan that would save billions of dollars and which according to an MSNBC poll 90% of the American people preferred to the Freedom Tower design, Ward put the unpopular, costly current plan on steroids with the predictable result that the public is now being asked to foot the bill for the Port Authority's arrogance, extravagance and incompetence. Here's what needs to be done. The site

needs to be transferred immediately to the American people. It was the American people who were attacked on 9/11, not just the Port Authority. The current plan should be converted to the Twin Towers II plan. All those workers on the site would be retained and hundreds more hired as well. Finally, a thorough investigation needs to be launched to find out how Silverstein got out of his contract and where all the money went. One thing is certain. The Port Authority made this mess, and the Port Authority needs to pay for this mess, not the commuters of New York and New Jersey. Thank you.

Chairman Samson: Thank you. The next speaker is Ricardo Kolesar.

Ricardo Kolesar: Good Morning, Commissioners. My name is Ricardo Kolesar. I live in Jersey City, and I take the PATH train to my job 5 days a week, and I'm going to say no fare hikes. And while I'm understanding of the challenges the Port Authority has, people talk about this was a courageous decision. This was not. This is a decision born out of cowardice, cowardice because when I look back on the Port Authority's website, I look at something as simple as the 2011 budget, which the document itself, the first page says December 7th, 2010. You mean to tell me that you guys didn't think about talking about this, making any announcement that "Hey, we may have a problem?" "We may need to raise toll hikes or we may even need to discuss the issue in December." But no, instead, you impose this in August, and you decide to do a two-week turnaround. That's cowardice. That's not courage. And I appreciate the people from the Twin Towers Alliance pointing out one of the major reasons why this charade is happening. I would like to stick around for this, sit through this meeting, but you know what? I'm so disheartened because I know what's coming. And also, I have to go to the job that I took time out of, the same job I take the PATH to. I'm really ashamed of you folks, and you know what? I hope that you will be able to explain to the people that work in your companies, because some of you do run major investment firms, some of you are lawyers, and you have people that work for you that take the PATH every day, either to their jobs or their families. I hope you explain to them this fare hike. This presentation is nice, but you know what? Try to explain the realities to them when they have to go back and forth every day. Governor Cuomo and Governor Christie, what they did is not courageous. It's cowardice, and with you guys voting on it, it's not courageous, it's cowardice. Thank you very much.

Chairman Samson: Thank you. The next speaker is Michael McGuinness of NAIOP Commercial Real Estate Development Association.

Michael McGuinness: Good Morning, Mr. Chairman and members of the Commission. New Jersey chapter of NAIOP, the Commercial and Real Estate Development Association represents owners, developers, investors of commercial real estate properties, office, industrial, mixed use. We strongly support the Port Authority's efforts to fund priority port-related infrastructure projects and the jobs that it secures. The logistics industry is a major component of private sector employment. Nearly 1 out of every 10 payroll jobs in New Jersey is directly in a logistics sector. It accounts for about 11% of the state's GDP. Prior to the great recession, it accounted for about $50 billion of our GDP according to a Rutgers study. New Jersey offers access to more than 100 million consumers within a 24-hour drive. Our transportation resources link companies to the global economy via air, water, land and rail. Expansion Management magazine recently ranked New Jersey number one in the U.S. in terms of transportation, warehousing and highway connectivity, and number two for railroad service. These are advantages we must capitalize on and invest in as we compete for jobs. It is critical that we support economic development and create new jobs by funding priority port-related

infrastructure projects such as raising the Bayonne Bridge and other projects to speed the movement of goods and people. Our Port is the Nation's third largest and is the gateway for foreign investment in New Jersey. NAIOP New Jersey supports integrated and aggressive efforts by all parties, private and public to improve the infrastructure and growth of New Jersey's international ports to expand our State's access to and competitiveness in the global marketplace. Again, we fully support these priority projects in the capital plan that benefit the region's transportation and logistics industry. Thank you.

Chairman Samson: Thank you. The next speaker is Eric Anders-Nilsson, the Director of the Jersey City Peace Movement.
Eric Anders-Nilsson: Good Morning, Commissioners. Good Morning everyone. My name is Erik Anders-Nilsson. I'm from the Jersey City Peace Movement. I'm also a commuter. I use the PATH, and I come through the tunnels. First of all, I'd like to say thank you for the service that you provide, clean, fast and get us to our jobs safely every day. I'm here to express my deep regret in the one day of hearings that were held. Many people felt that they were a sham. They were at odd times and the most bizarre locations. The next time something like this happens, we recommend you put posters in all the facilities, in the tunnels and in the PATH in the languages of the people that use your service. Posters in Spanish and Tagalog and Hindi and Arabic. There were no posters in the PATH trains at all. We are here demanding that there's no increase. I can't believe, as thousands of people cannot believe, that these upgrades have not been budgeted through the decades. I can't believe that you woke up on August 4th and said "Oh, my God. We have to increase security, raise the bridge and change the cables on the George Washington Bridge." And then on August 5th you announce this, and two weeks later you're going to vote on it. I'm a union member myself. I belong to two unions, and sometimes my job brings me home at 4 in the morning and I come home safely on the PATH train, and we're here to support our union sisters and brothers here. This is not a wedge that's going to be driven between the working class people. These jobs and upgrades must continue, but with the funds that were already budgeted and not on the backs of the working class and the poor. I mean, you're calling this economic terrorism and what a shame that this is being done on the 10th anniversary, on the horrific attacks of 9/11. An unprecedented increase you had asked for, shocking the people in the tri-state area on the 10th anniversary, September. What a shame. Allegedly, Commissioner Mr. Ray Pocino is also connected to LiUNA. We're calling for him to recuse himself from this vote and at least abstain. We're calling for an audit. Again, we want no increase, and we'd like a guarantee in writing that whatever plan goes through, that all the union brothers and sisters here that came out to all the meetings are guaranteed jobs in whatever plan is coming. Thank you.

Chairman Samson: Thank you. Our last speaker is Denise Richardson, the Managing Director of the General Contractors Association of New York.

Denise Richardson: Good Morning. Thank you for the opportunity to speak today. I'm Denise Richardson, the Managing Director of the General Contractors Association of New York. The need to increase the fares and tolls today is the result of decisions made years earlier by previous administrations, and it is too late to second guess the decision to have the Port Authority finance the reconstruction of downtown, and it is too late to change the scope of the projects to yield the cost savings that would prevent this toll and fare increase. Generations ago, the founding members of the General Contractors Association built the Port Authority's transportation network, and we understand the importance that it plays in the regional economy, and we have seen the impact of years of deferred capital investment on that infrastructure. And we urge you to support the proposed

toll and fare increase that alleviates the sticker shock to the commuters but will preserve the Port Authority's financial plan for years going forward. We cannot continue to defer critical projects like the George Washington Bridge, the Lincoln Tunnel Helix and other needed improvements. The region's economy is too fragile to recover from additional deferred capital investments. So, we urge you to support this plan. Thank you.

Chairman Samson: Thank you. That is our last speaker. Would any of the Commissioners like to make any comments? Commissioner Lynford.

Commissioner Lynford: Chairman. Excuse me, and fellow Commissioners. Good Morning. When Governor Andrew Cuomo appointed Commissioner Scott Rechler and me to serve on the Board of the Port Authority of New York and New Jersey, we knew this to be an organization with an extraordinary historic mission and a fine record of accomplishment. We knew of its pioneering leadership in the construction operation of complex transportation system and its reputation as "an engine of economic growth" for the bi-state metropolitan region. You can imagine our surprise when we found that we had arrived just in time to participate in complex deliberations for controversial Trans-Hudson toll and fare increases. On September 11 2001, the destruction of the World Trade Center dealt a crippling blow to the economic strength of the Authority. As the landlord of what has become a national symbol of pride and patriotism, the Authority has undertaken a Herculean effort to lead the rebuilding of a project which now has an estimated cost in excess of $11 billion. Further, as our Chief Financial Officer mentioned, over the last 10 years $6 billion has been spent to safeguard our airports, tunnels, bridges, rail lines and marine terminals from further acts of indiscriminate acts of terrorism. Unfortunately, no incremental revenue has been generated by these major and costly initiatives. As Commissioners, and listening to the comments today and reading the transcripts over the last several days, we are faced with several simultaneous dilemmas. The Authority has proposed significant increases in order to address a potentially destabilizing capital capacity issue. Without additional revenue to support incremental borrowings, the Authority will be unable to complete current projects, execute its long-term capital plan, and maintain satisfying jobs for the people of New York and New Jersey. At the same time, with the substantial current softness and difficulties in our economy, many citizens would prefer no increases. Commissioner Rechler and I take our fiduciary responsibilities very seriously, and Governors Cuomo and Christie would expect nothing less. Thus, we have concluded, after significant review and analysis of a multitude of business, legal, financial, environmental, recreational and congestion pricing considerations, as well as issues impacting the lives of individual commuters and small business owners that the Board of Commissioners should authorize the proposed $4.50 toll and fare increase as revised and announced here today. In this economic climate, a toll and fare increase should go forward only if it is coupled with the enactment of significant austerity measures to contain and rescind some of the previous business decisions and fiscal practices. As a condition for the Governors not vetoing the proposed fare and toll hike, the Commissioners are commencing a comprehensive financial and operating review of the Authority. It will focus on the Authority's 10-year Capital Plan to reduce its scope and costs along with bottom up management review to define and influence ways to lower costs as well as increase efficiencies. Taken together, and Mr. Chairman, I'm about to wrap up, these initiatives should ensure the completion of the World Trade Center as well as hundreds of capital projects. This, in turn, will reinforce the safety and economic viability of the region's transportation system, which millions of New York-New Jersey residents have come to rely on and will improve the likelihood that the Authority will retain its current AA-investment grade rating, thereby reducing its costs now and for the next decade. In conclusion,

Commissioner Rechler and I recognize the Authority must maintain its financial strength and reputation to be able to access today's volatile financial markets on the most cost-effective basis. Nevertheless, many families in the States of New York and New Jersey are themselves dealing daily and directly with financial stress. It is the Commissioners' responsibility to balance these competing equities and I want to thank them, my colleagues, and management for working together closely and successfully on this challenging effort. Thank you Mr. Chairman.

Chairman Samson: Thanks Jeff. Would any other Commissioners like to make a comment? Commissioner Pocino.

Commissioner Pocino: First, let me say that, Mr. Chairman, your leadership has been impressive, decisive, and I believe will prove greatly effective as we move into the future. I've been around government agencies for more than 50 years. I've been around countless governors and presidents for the same duration. Today, though, is both unique and gratifying. I can count on one hand how many elected officials have shown the courage to do what is right. Governors Cuomo and Christie are a unique leader. They have developed a proposal which encourages economic and infrastructure development while recognizing the burdens this recession places on all of us. But of all the governors I have known, these two men impress me greatly. This is a tough time to make decisions of this kind, yet these two leaders understand that we may have overreached with our original proposal and developed their own plan. This plan erases the burden of working New Yorkers and New Jerseyans while protecting the most vital projects in our region. I applaud Governors Cuomo and Christie for having the courage to create a new and bipartisan model in a world of political inaction and dysfunction. All of us have watched the budget debate unfold in Washington with great frustration and anxiety, yet in this region, we are lucky. We don't have a lack of leadership - quite the contrary. Governors Cuomo and Christie are remarkable public servants who are not afraid to be honest with the public and make the tough decisions. We at the Port have a great burden on us to reform our culture and position this Agency as the most effective economic development engine in the world. We must do that as the Governors have requested. In addition, we will renovate, build and create the best infrastructure in the world to enhance our economic position. On behalf of my friends, Gary La Barbera, Bill Mullen and the tradesmen and woman in New York and New Jersey and especially the men and woman of LiUNA, of which I am very proud, I will be glad to cast my vote today. Governors Christie and Governors Cuomo have made a remarkable commitment to job creation. After 50 years of advocating for economic development, I have never been as impressed with any elected officials as I am today with the Governors Cuomo and Christie. Today they balance the needs of our commuters with the needs of our northeast economic development. It may not be politically popular, but it was honest, straightforward, and the right thing to do. Our Governors will prove to be a national model of success. It is now incumbent upon us at the Port Authority to execute and reform this Agency. Thank you Mr. Chairman.

Chairman Samson: Thank you Ray. Would any other Commissioners like to make comments? Okay. I'd like to say something. A few months ago, the Port Authority marked the 90th anniversary of its start when a group of business and government leaders from New York and New Jersey signed the enabling compact that created the Port Authority, the first of its kind in American history. The agreement between our two States was an extraordinary one. Never before in American history had two States in this Country agreed to join together to strengthen the commerce and industry of a single region. This Authority, that was then created, was meant to stand on its own without relying on tax dollars from either state and to build great public works projects-- think of the George

Washington Bridge and the Lincoln Tunnel for two-- for the benefit of the region in a way that would create jobs and promote economic growth. The vision of those first leaders and those who came after them was profound, resulting in the growth of the greatest public authority in the nation's history. Not only in its building of today's monumental infrastructure, but also establishing this Port Authority as the primary driver of economic growth in the region, which it is today. Over the past 90 years, the Port Authority has faced many challenges: the Great Depression, World War II, two terrorist attacks on our nation and on the Authority's own home just a few blocks from here. Those past challenges made some question the Port Authority's vision, but those difficult times never weakened the Authority's resolve, nor did the Authority stray from its primary mission of stimulating economic growth and job creation. As a result, today our combined facilities support over 500,000 jobs and $80 billion in economic activity, and today that mission, economic growth and job creation, continues and has never been more important. At the same time, today, once again, the Authority, just like the federal government and state governments everywhere, faces significant challenges. The Port Authority's annual net revenues in the last several years have not kept pace with the Agency's projected level of capital spending and the mix of projects required to meet regional, economic and transportation needs. This has been the result of several factors. First, the severe impact of the world economic recession on Agency revenues over the past few years resulting in lost revenues as you have heard of $2.6 billion. Second, the size and makeup of the Authority's capital plan. Third, a disproportionate investment in non-revenue producing projects. Fourth, the increased subsidization of our deficit-run facilities and operations which are not being offset by other revenues at the same level as in the past; and fifth, past dependence on various one-shot revenue sources that by their very definition do not sustain future capital capacity. All these factors, all five of those factors, have contributed to our revenue losses and our financial outlook. Indeed, it was these very factors which caused Moody's to issue a negative outlook on the Authority's financial status in January of this year. In addition, the Authority's current financial constraints are not limited just to the magnitude of revenue losses. The attacks on the World Trade Center in 2001, the 10th anniversary of which we will commemorate in just three weeks, showed us that we need to strengthen our security at all port facilities to ensure that our passengers, our employees and the public are safe from terrorist attacks. Those improvements in security for our facilities alone have added costs of more than $6 billion over the past 10 years. We are also rebuilding the World Trade Center site as a symbol of our nation's strength and resilience and as an economic force for the New York-New Jersey region. Of course, it is our moral obligation to the families of the victims lost that day that we rebuild, and we have committed more than $11 billion for that project. So, it is the impact of these factors, a slowed economy, the commitment to rebuild the World Trade Center site and our other infrastructure investments and our responsibility to provide security for our travelers, our customers and our commuters, all three factors have placed us in today's financial situation. It must be said that recognizing these trends over the last several years, the Port Authority initiated an aggressive program to efficiently manage its resources. For instance, over the past 2 years, the Authority deferred $3.5 billion in capital projects. In addition, the Authority held operating expenses at zero growth for the past 3 consecutive years and in addition, it reduced the number of employees to the lowest level in the past 40 years. These efforts have helped, but they have not been enough. More needs to be done. On a going-forward basis, this Board will direct and closely oversee the Authority's management to review all aspects of our operations, including a comprehensive review of compensation and benefits and a reevaluation of the Port Authority's capital projects. So, given the Authority's current financial situation, we are facing very difficult choices. Business as usual is not an option because if nothing were to be done, hundreds of construction projects already underway would stop and our financial standing in the market would

surely suffer. At the very moment when our Authority should be creating jobs, we would be stopping projects and losing jobs. At the very moment as a nation and as a region we should be moving forward by investing in infrastructure, we would be shutting down. And at the very moment when the economy of New Jersey and New York needs the Port Authority the most, we would be abandoning our historic mission of economic leadership. It is therefore the judgment of this Board and the Governors we serve that we cannot allow this to happen. Let me identify several projects that must continue. We are investing $6 billion to complete the World Trade Center, which will include a world class transportation hub to serve a quarter of a million commuters each day, the iconic One World Trade Center that will house hundreds of new tenants, and most importantly, the National 9/11 Memorial. We are investing $1 billion in raising the roadway of the Bayonne Bridge in anticipation of the widening of the Panama Canal. Every port on the East Coast of the United States is upgrading its ability to accommodate larger ships. We must do the same if we are to maitain the competitive leadership of our ports and the hundreds of thousands of jobs they support in this region. We are investing, along with the private sector, $1.5 billion in rebuilding the Goethals Bridge, a vital connector of people and goods to and from Staten Island, which is plagued with traffic congestion that costs travelers and businesses unacceptable amounts of time and money. We are investing more than $100 million in rehabilitating the helix at the Lincoln Tunnel, which serves 40 million vehicles a year. The Helix, which was constructed in 1937, if not soon replaced, will require costly emergency repairs and result in more delays. And we are investing $700 million to replace suspension cables on the 80 year old George Washington Bridge, the world's busiest crossing. It is essential that these cables be replaced. None of these projects is small, nor are they inexpensive, but we are called to continue our economic leadership and these billions in project investments translate to hundreds of thousands of jobs and billions in sales and wages throughout the Port region. When the Port Authority began looking at both our mission and our challenges, we knew an increase in revenue for tolls and fares had to happen. So, as is the usual process at the Port Authority, the staff developed a proposal that would meet the challenge of fulfilling our financial needs and continue our vision. That proposal was then offered to the public for its comments, and we listened to the people of New York and New Jersey and thousands of them told us what they thought. More than 1,500 people attended the 9 public hearings and one meeting on the proposed toll and fare increase. A complete report including verbatim transcripts was provided to each Commissioner. Every comment has been reviewed and considered by this Board. As a result, we are mindful of the real genuine concerns over the amount of the proposal and the commuters ability to pay for such toll and fare increases. We recognize the proposed increases come at a time when other economic pressures are being felt by our commuters. In addition, hundreds of workers told us of the need for the Port Authority to continue to create good paying construction jobs on both sides of the Hudson. It was a message of overwhelming support for the proposed increase because they know these Port Authority projects drive jobs and economic growth and that a failure to invest in infrastructure today will only cost us more in the long-term. And we listened to Governors Christie and Cuomo. The Governors yesterday directed us to approve a toll and fare increase that is no greater than $4.50 over 5 years and to commence a comprehensive audit of the Port Authority's 10-year capital plan, finances and operations to find ways to lower costs and increase efficiencies. Because of the leadership of our Governors, I believe we have reached the right balance by prioritizing our infrastructure needs while heeding the concerns of our toll and fare payers. We also now have the direction to ensure that our future finances and operations are prudently managed and efficient. By our action today, we demonstrate we're getting back to our original mission and continuing our more than 90-year tradition of being the economic engine and transportation

infrastructure leader of New York and New Jersey. Therefore, I would like to move these items forward for approval. May I have a second?

Board of Commissioners: Second.

Chairman Samson: All in favor?

Board of Commissioners: Aye.

Chairman Samson: So moved. And may I have a motion to adjourn the meeting?

Board of Commissioners: So moved.

Chairman Samson: A second? All in favor?

Board of Commissioners: Aye.

Chairman Samson: The meeting is adjourned.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
August 26, 2010

[Chairman Coscia] Good afternoon, everyone. Thank you for waiting. The special Board meeting of the Port Authority of New York and New Jersey is now called to order. Prior to today's meeting, the Commissioners met in Executive Session to discuss matters involving ongoing negotiations or reviews of contracts or proposals. Today Philippe Visser, our Assistant Director of WTC Redevelopment will present an item concerning agreements for the east side site development plan at the World Trade Center site. The development plan is the result of discussions among Silverstein Properties, the Port Authority of New York and New Jersey, the City of New York, the State of New York, the State of New Jersey, and provides for continued progress over time at the site. Mr. Visser?

[Philippe Visser] Good morning, Commissioners. It's a pleasure to be here to present to you a summary of the new Development Plan for the east side of the World Trade Center site. This agreement builds on significant progress at the World Trade Center site. All of the steel to build the 911 Memorial has been installed, with the two signature reflecting pools fully formed on the Memorial plaza. The plaza remains on schedule to open on the 10th anniversary of the 9/11 attacks. As you know, the Durst Organization recently committed to invest $100 million of equity into One World Trade Center to become the Agency's private sector partner. The Port Authority recently signed a Letter of Intent with Condé Nast for one million square feet of office space in One World Trade Center. In addition, construction of One World Trade Center has reached the 36th floor and is scheduled to be completed in 2013. The World Trade Center Transportation Hub is also progressing with all 54 signature Calatrava design arches for the Hub connector installed, and with additional arches and giant plate girders being installed on the Hub's mezzanine level. This new Development Plan between the Port Authority and Silverstein Properties, the State of New York, the State of New Jersey, and the City of New York brings new certainty to the east side of the site. It closely reflects the March 25, 2010 framework, developed by Silverstein Properties and the public parties. It provides for the immediate restoration of the east side of the site, while phasing in the office development as follows. Completion of Tower 4 by 2013, Tower 3 built to at least podium level, and the Tower 2 site built to grade, and a "cash trap" to insure that the public gets paid back before cash flows to Silverstein Properties, and the 911, Memorial One World Trade Center and public infrastructure will continue to progress on their current schedules. Now, I'll give you a brief building-by-building summary of the transaction. On Tower 4, construction will continue on the 2 million square foot tower, with completion expected by 2013. Financing will be primarily be supported by the Port Authority with a $1.8 billion project funded by $1.36 billion of Liberty Bonds and $450 million of insurance proceeds. The building is 60% pre-leased to the Port Authority's headquarters and the City of New York, which helps protect the Port Authority's backstop. On Tower 3, podium construction will commence immediately, funded by insurance proceeds, and will provide required infrastructure for the World Trade Center Transportation Hub. Should SPI meet certain private market triggers, tower construction will continue to expected completion in 2015. The tower's financing will be private-market driven with the following conditions: A 400,000 square feet pre-lease at a minimum rent of $60 a square foot, with CPI adjustment starting in 2012. A requirement to raise $300 million of additional equity and/or unsupported subordinated mezzanine debt dependent on the tower's economics. And securing $1.3+ billion of Liberty Bonds or taxable debt. Should these triggers be met, capped public support for

the tower will be established of $200 million each from the Port Authority, New York City, and New York State. Regarding Tower 2, immediate construction will commence to bring the site to street level, which will meet the infrastructure needs of the World Trade Center Transportation Hub, and also preserve flexibility for future development of the office tower, which will be based solely on market demand without any public support. A key aspect of this plan is the cash trap. All building profits--net cash flow and net capital event proceeds from T3 and T4-- are "trapped", as well as certain fees until all public sector support is repaid. The cash trap terminates only when the T3 public sector backstop is terminated and all amounts advanced thereunder are repaid, all Port Authority support payments have been repaid, and, in respect of T4 only, so long as a 1.25 debt service coverage ratio is achieved for T4. This cash trap ensures that the public is paid back before SPI can pull any profit from these buildings. The development plan represents a modest improvement to the capital capacity impact on the Port, discussed with the Board in March 2010. The impact is now projected to be $1.1 billion to $1.3 billion through 2016, with the higher amount of this range based on a worse-case assumption that the entire $200 million Port Authority Tower 3 backstop would be drawn should the tower be built. The full impact of the Development Plan has already been accounted for in the Agency's capital plan efforts and will not result in any further deferment of Agency projects. The Development Plan avoids billions of dollars in potential Port Authority losses due to expensive World Trade Center Hub workarounds and the lack of future ground rent and retail revenue. In summary, this plan provides a renewed level of certainty over the development of the World Trade Center site and makes certain it will be rebuilt while sharing risk amongst all the stakeholders while limiting the Port Authority's risk. Commissioners, I request your approval of this Development Plan for the redevelopment of the east side of the World Trade Center site. Thank you.

[Chairman Coscia] Thank you, Philippe. Thank you, and the whole team, for such a thorough review. We have one speaker on this topic, Catherine McVay Hughes from Community Board 1. Catherine?

[Catherine McVay Hughes] Good morning. I'm Catherine McVay Hughes, Chair of the World Trade Center Redevelopment Committee for Community Board 1. Last March I stood here sharing with you our Resolution that was unanimously passed calling for ending the impasse at the World Trade Center on the eastern portion of the World Trade Center site, and to put in place a rational financing mechanism. Six months later, I am here to share with you our July Resolution, strongly encouraging that the Port Authority and Silverstein Properties to work together in good faith to resolve any open issues, so that a definitive agreement can be approved and executed, thereby ensuring that the collective vision for developing the World Trade Center is realized as soon as possible. Now that a rational financial mechanism is in place for the eastern portion of the World Trade Center site, a plan for these 4 city blocks can be realized, including construction of the Calatrava PATH transit hub, and restoration of retail and commercial space lost on September 11. Prompt realization of the World Trade Center redevelopment plan will have significant community and commercial benefits, while making the World Trade Center site the largest green building complex in New York City, while using environmental performance credits in the process of doing so. We look forward to continue working with both parties, the Port Authority and Silverstein Properties, and respectfully submit our July Resolution. Thank you very much.

[Chairman Coscia] Thank you. Can I have a motion to approve the item? [Commissioner] So moved. [Chairman Coscia] Second? [multiple Commissioners] Second. [Chairman Coscia] Thank you. Any

questions or comments? Okay, all of those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Any opposed? Okay, thank you very much. Can I have a motion to adjourn? [Commissioners] Aye. [Chairman Coscia] Second? All those in favor? [Commissioners] Aye. [Chairman Coscia] Okay, thank you, everyone. Good afternoon.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
August 5, 2010

[Chairman Coscia] I apologize for running behind schedule today. We had a, even for the Port Authority, unusually full agenda. The Board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special interim meeting of the Committee on Operations will be held to consider certain matters included in today's agenda. Prior to today's meeting, the Committee on Finance met in Public Session, and the Committee on Operations and Construction and World Trade Center Redevelopment Subcommittee met in both Public and Executive Session. Their reports will be filed with the official Minutes of today's Board meeting. The Commissioners also met in Executive Session on July 7, and prior to today's board meeting to discuss matters related to the purchase, sale, or lease of real property or securities where the public disclosure would affect the value thereof or the public interest and matters involving ongoing negotiations or reviews of contracts or proposals and to act on matters related to propose pending your current litigation or judicial or administrative proceedings. Our first presenter today is Sue Baer, our Director of Aviation, who will provide an update on the terminal redevelopment activity at John F. Kennedy International Airport, including the proposed agreement concerning the expansion of Terminal 4. Sue?

[Sue Baer] Thank you. Commissioners, the capacity and service levels of our airports are not only a function of runways and taxiways, but also the other airport infrastructures such as roadways and terminals. In just over a decade and under your guidance, JFK has replaced older terminals with new ones and others have been expanded and extensively modernized to provide today's passengers with greater accessibility, service, and convenience. In April of this year, you advanced the latest major terminal redevelopment project by approving the demolition of obsolete and vacant Terminal 6 and planning funds for the next phase of the Terminal 5 expansion. Today I'm here to present a project to accommodate Delta Airlines' future terminal operations at JFK. Delta currently handles nearly 25 percent of JFK's operations from Terminals 2 and 3. These terminals, however, are the last to be replaced or substantially renovated at JFK. The item for your consideration would expand Terminal 4 to accommodate the relocation of Delta's Terminal 3 operations and demolish Terminal 3 to create an aircraft parking and operations area that will support the operation of the expanded terminal, including Delta. Let me first provide the historical background on the development of JFK's terminals. Not long after the Port Authority took over the airport in 1948, the Agency began creating plans for its future development. The early 1950s marked the beginning of an air travel boom in the United States. JFK quickly became the U.S. gateway to the World, and in 1955 a master plan was unveiled for the expansion of the airport, including the creation of the Terminal City, as the central terminal area came to be called. The International Arrivals building was the first to open in 1957 when JFK handled 5 million passengers. This slide is a nod to the late beloved Bill DeCota and his words, "like jewels on a necklace." Other terminals quickly began to be developed. These terminals were considered leading examples of modern design and passenger convenience, and they surrounded a landscaped area of parks and fountains. By the time the last of the first generation of terminals was built by British Airways in 1970, the airport was handling 20 million passengers. By the mid 1990s, JFK was handling 30 million passengers,

and the terminal city had exceeded its capacity to handle the volume of vehicular and passenger traffic, the increased size of modern generation of aircraft, and the service and security demands of a new generation. Under this Board's guidance, a vision for the future of the historic JFK airport began to take shape. Over the last 12 years, nearly all of the terminals at JFK have undergone major redevelopment. Work started with Terminal 1, which was completed in 1998. Terminal 4 followed with a major redevelopment effort of the old International Arrivals building in 2001. That project was quickly followed by significant expansion of Terminal 7 in 2003. American completed it replacement of Terminals 8 and 9 in 2007. And finally, JetBlue replaced Terminal 5 in 2008, leaving Terminals 2 and 3 as the only remaining terminals to be renovated and replaced. In May of 2008, however, the Board approved planning funds to advance Delta's terminal redevelopment efforts. Terminal 2, in the left of this aerial, currently houses Delta's domestic traffic, while Terminal 3 on the right houses its international traffic. Both terminals were constructed and opened in 1960. Terminal 3 was later expanded in the early '70s as the Pan Am World Port. The facility, however, has long since become outmoded. Designed for a pre-jumbo jet age, the terminal is unable to meet the expectations of the modern traveler and the post 9-11 security demands. The functionally obsolete terminal is undersized and has a problematic configuration causing way finding and other logistical issues for travelers. In addition, it's age and condition make it difficult to keep in a state of good repair. The air side ramp capacity is also inadequate to support current flight operations requiring Delta to lease airport parking positions from Terminal 4. In 2002, Terminals 2 and 3 handled 5 million passengers. That number grew to 9 million passengers by 2007. And just last year the number of passengers was over 11 million, or approximately a quarter of JFK's current passenger market. This aerial shows the full redevelopment site. As you can see, the Terminal 4 site was integrated into the redevelopment plans for Delta's operation at JFK because of the significant space available on the Terminal 4 lease hold to accommodate future activity. The areas in red in this rendering depict the proposed redevelopment. Delta intends to become an anchor tenant of JFK IAT, the leasee of Terminal 4, and construct a 3-level extension of Terminal 4's Concourse B, adding nine new international gates, hold rooms, and retail facilities. In addition, Delta would renovate seven existing gates in the concourse for its operations and modify the terminal's head house, the part in the front, to expand the passenger and baggage processing capacity, including the installation of an in line baggage screening system for the entire terminal. Upon completion, Delta would occupy 16 of the expanded building's 25 gates, while JFK IAT would continue as the management and operating entity for Terminal 4, leasing the remaining nine gates to other airlines as they do today. In addition, Delta will continue to lease Terminal 2 as the base for its domestic operations and demolish Terminal 3 to construct an aircraft parking area to support scheduled operations at the expanded Terminal 4 complex. A secure side elevator connector would also be constructed to facilitate the transfer of passengers between Terminals 2 and 4. Together, the terminals would function as a hub for Delta. The estimated cost of this project is $1.2 billion. Approximately $950 million will be used on the Terminal 4 construction. Another $252 million would be used for the Terminal 3 site work and to construct the passenger connector. Completion of this work is anticipated within 5 years. The Terminal 4 expansion is expected to be completed in the Spring of 2013. Work on the Terminal 3 site, as well as the construction of the passenger connector will be completed by the Summer of 2015. Commissioners, the project I just described is a major undertaking that when complete will deliver a number of benefits to the Agency and passengers. For the Agency, these include

increased revenue, an approximate investment of $1.2 billion to expand Terminal 4, the demolition of the functionally obsolete Terminal 3, and construction of an aircraft parking area. The project's funding is anticipated to include a combination of special project bonds, which are not part of the Agency's general obligation bonds, passenger facility charges, direct investments from Delta and the Port Authority, as well as TSA grants. To the direct benefit of passengers, Delta will be able to relocate its international operations in a more efficient and modern space to substantially improve the customer experience for millions of passengers. In addition, the project's 5-year construction period alone is expected to generate direct and indirect economic benefits, including 6,400 jobs, $360 million in wages, and $1.8 billion in economic activity. Commissioners, I request your approval for this $1.2 billion terminal redevelopment. Thank you.

[Chairman Coscia] Thank you. Can I have a motion to approve? [Commissioner] So moved. [Chairman Coscia] Is there a second? [multiple Commissioners] Second.

[Chairman Coscia] Okay. Sue, thank you. Congratulations to you and your staff. This is another great chapter in our multibillion dollar effort to bring our airports to the condition that we would like to see them in. This is a really spectacular effort to do all of that. Does anyone have any questions or comments for Sue? All those in favor? [Board] Aye. [Chairman Coscia] Any opposed? Thank you very much.

[Sue Baer] Thank you.

[Chairman Coscia] Okay. Our next presentation will be by Michael Francois, Chief of Real Estate and Development, to review the proposed equity partnership agreement for One World Trade Center. Michael?

[Michael Francois] Thank you. Good afternoon, Commissioners. In December 2009, you authorized staff to initiate a search for an equity partner for the One World Trade Center project. In April of this year, I reported on a progress of the partner solicitation. In July, after a rigorous solicitation process, the Board designated the Durst Organization as the preferred partner and authorized staff to proceed with finalizing terms of a joint venture subject to the Board's final approval. Today I am pleased to announce that staff has finalized terms of a proposed agreement with the Durst Organization for an equity membership interest in One World Trade. The agreement follows an intensely competitive 6-month process involving some of New York City's and the nation's most prominent private real estate firms all vying for a stake in One World Trade Center. As you are aware, recently significant progress has been made in the development of the World Trade Center site. The Memorial's reflecting pools are being completed, and trees will begin to be planted later this month, so the plaza will be ready for September 11, 2011. Construction of One World Trade has risen to the 32nd floor, and there is increasing tenant interest in the lead goal tower, which will contain over 2.6 million square feet of world-class office space. Silverstein Properties is proceeding with work in the East Bathtub. The timing is right to joint venture with an experienced private real estate firm at this critical stage of the project. We believe that establishing a joint venture with a recognized world-class real estate firm with experience in developing large-scale commercial office space will reposition One World Trade Center in the market, and private sector involvement with equity participation will increase its economic competitiveness. This partnership will bring in best-in-class private sector expertise in development, construction, leasing, and management in

a manner which economic interests are aligned with the Port Authority, as well as limit the Port Authority's long-term financial risk by partnering with a private real estate firm with a proven track record for developing large, class-A office buildings. At the Board's direction, we engaged in a rigorous solicitation process that began with proposal offerings to a select list of experienced real estate and development firms. The initial solicitation list included firms that had constructed large New York City projects, offered a full line of real estate services, and had readily available equity to invest. With Cushman & Wakefield and Jones Lang LaSalle, serving as our financial advisors, the solicitation process began in December 2009. We recieved six quality proposals, which were eventually narrowed down to two finalists based on each firm's experience, stated approach on the One World Trade Center Project, as well as a financial terms and conditions. The key criteria in appraising the proposals included qualifications and experience, the track record and reputation of a partner, financial returns, structure, and alignment of interests. In July, the Board selected the Durst Organization as a preferred partner subject to finalization of acceptable terms. The private family-oriented Durst Organization controls over 10 million square feet of commercial office space with a current occupancy rate of 97 percent. They have a proven track record in large, green office buildings. The Durst construction team remains fully assembled after recently completing One Bryant Park, a similar office product to One World Trade Center, and can immediately engage with the Port Authority's construction and development teams. The principles, Douglas and Jody Durst, have a high degree of day-to-day involvement in all aspects of the Durst business. The organization maintains an excellent track record with New York-based, large-block tenants. Durst has made a concerted effort to align its financial interests with the Port Authority through a shared return structure based on outperforming the market. The joint venture with the Durst Organization combines the best elements of each organization in a dynamic and unique public/private partnership. Under this agreement, each party will be responsible for focusing on elements of the development project in which they have experience, expertise, and available resources. Under a partnership agreement, the Port Authority would remain in control of most major decisions. It would focus on and remain responsible for such key elements as project financing, insurance, all capital expenditures, the project budget, as well as the design and construction of the building's core and shell. The Durst Organization has a long focus on value creation, which is the best way for the Port Authority to maximize the value of its own investment in the project. With a significant investment of at least $100 million, the Durst Organization would contribute meaningful capital to the project. It would also be responsible for managing a comprehensive leasing and marketing plan for the tower, provide an array of property management services needed to operate a first-class, trophy office building, and coordinate all tenant improvements and move-ins. This partnership with the nationally renowned real estate firm increases the momentum of the development of the overall site. The participation of Durst is expected to add significant value to the World Trade Center for the Port Authority, further spur the revitalization of Lower Manhattan, and contribute to the economic growth of the region. Thank you, Commissioners.

[Chairman Cosia] Thank you, Michael. There's no action on this item required. Although, actions taken by the Authority on this issue, there are, as you would expect in a matter of this significance, are extremely detailed. We are putting on our website the detailed Minutes of our discussion on this so that those in the public that are interested in this subject, we will be able to provide that to you. I also understand that we've made arrangements for further discussion on this later with members of our professional team so that we could adequately review questions

that people have. Michael, thank you for the overall summary. I know there are those who will have questions about a great deal of the detail, and as I mentioned, all of that will be put online and made available this afternoon. And we'll also make our experts available to answer additional questions, as well as executive staff. Thank you. Okay, that concludes the only items on our agenda today. There are no speakers on any specific items today. However, at this point in our agenda, as you know, we do provide an opportunity for members of the public who have an interest in bringing up a topic to do so. Three individuals have signed up to do that today. I remind everyone that this opportunity is what we hope is an opportunity for the public to come and publicly raise issues that the Port Authority Board, in their reviews, should be aware of, but it is not a dialog, and I would encourage those who come here to speak and are looking to have an exchange of information to contact Port Authority staff directly to do that. Again, we're grateful that you've taken the time out of your schedule to come here and share your thoughts with us and raise concerns that you feel this Board should know about. Our first speaker is Murray Rodin regarding the roadway markings on TB&T facilities. Excuse me, Mr. Bodin. I'm sorry. Thank you.

[Murray Bodin] I'm concerned. I represent concerned grandparents, which are your grandchildren, mine, and the future. I'm concerned about safety. These are the safety gloves that people in the roadways should be wearing so that we can see their hand signals. You do everything else to promote safety. If you gave each of your people out there, we could see what they wanted us to do. This came up because I looked at the line markings on the George Washington Bridge going westbound-- the exit for the Palisades Parkway. The 2009 traffic manual required that at that exit only lane drops that a dotted line be used. The dotted line would give the driver advanced information as to what's going to happen. People get caught in that lane, trapped, and then they cut across and they cause accidents. Every accident has to cost you thousands of dollars, lost time, $10,000, police, fire, ambulance, traffic backed up. I asked about it, and I got an email from somebody and it said, "We know about it. We've changed the plans. Here are our new plans. The next time we repave the bridge, we'll do it. or at least before 2016." There's a crucial mass of those correct lines-- a critical mass of those correct lines out there now. New York City has used them for a few years. This Spring the thruway went through and changed all of their exits. This week, New York State Department of Transportation Region 8 is changing all of their exits. The results are spectacular. It is clear which is the lane that goes through. You have a line on your left and on your right. And the confusion is reduced. There is early warning to the driver, if he doesn't see the sign, that something is going to happen to this lane. Now I went to the Freedom of Information to get a copy and find out. As you suggested, I contacted your staff. They gave me the name of the engineer. They gave me two sheets of paper-- the engineer's name and a plan. Well, I emailed the engineer on Monday and he wasn't there. and he said, "Email somebody else." So I did. He wasn't there either. So what you've told me is that the engineer doesn't care enough about his job to find out who his replacement is. And then for those two sheets of Foil paper, they said they want 50 cents cash or certified check. Well, the price of getting a certified check and mailing it here and the paperwork has got to be $20, so I brought the 50 cents in pennies. But what it tells me is somebody's not paying attention, and somebody should have said that if there is a charge for less than $20, waive it. This is time to pay attention to the small stuff. I watched what you did, I watched your last meeting about the Board and about the World Trade Center, but you're missing the little stuff. You have to pay attention to the little stuff, and I

know about him. I've been to the MTA Board last Tuesday. I was at Turnpike. Hey, people, wake up--the small stuff. Pay attention. Thank you.

[Chairman Coscia] Thank you. Mr. Greg Mgrditchian.

[Susan Storey] Is it possible for me to go before Greg does? Susan Storey.

[Chair A.Coscia] Susan Storey, yes, that would be fine.

[Susan Storey] Thank you very much. Hi. Thank you for your time and your attention. I'm Susan Storey, and I'm from Jersey City. I know it's not on the agenda, it was on the agenda, but we have some concern about the proposed trash transfer site in the Greenville section of Jersey City. I'm not here to say that we're opposed to this. Getting trucks off the road in Jersey City is a great idea, but I would like to remind you that this is a facility that you're building in Jersey City, which is to handle New York City trash exclusively. We've been trying to get as much information about the proposed site as possible and we haven't really-- we haven't been able to get that information. So we went to a couple of places, and the EPA puts out a wonderful manual for decision making for waste transfer stations. One of the things that they say is the siting process and public involvement. A siting process that includes continuous public participation is integral to developing a transfer station. The public must be a legitimate partner in the facility siting process to integrate community needs and concerns and to influence the decision making process. And it goes on. So our request today is that you would really include the Jersey City community, who will be impacted by this. And again, I really want to emphasize that we're not a community that's just out and out opposed to it, but there are some things that are important to the local residents that we hope you will take into consideration. We've put together a list of questions that we really feel need to be answered, and I'll run through some of them and Greg will run through some. What is the current status of the Greenville Yard's transfer station? Are there any agreements in place that are signed regarding the transfer station? Who are the parties to these agreements? Has the Port Authority already applied for permits at the state, federal, and local level? Who will own the transfer station and be responsible for the comfort and safety of Jersey City residents? Are you already taking bids for construction of the transfer station? How many acres are being bought in Jersey City? How many acres do you think the transfer station will require? Right now we understand that the trash is to be in water-sealed containers. Will it be taken out of containers in Jersey City? How many rail cars do you expect to enter and exit Greenville daily? Are you planning that there will be a designated train for this purpose? Are you planning on addressing the current congestion associated with the Lehigh Valley Bridge, which is the only track that goes in and out of Jersey City and is already a long wait on a daily basis for trains? Are you aware that New Jersey law does not allow for-- is that it? Okay. Thank you.

[Greg Mgrditchian] Hi. Thank you for your time. I'm also a concerned citizen with Susan, and I'm just going to run through some more questions. Regarding the trash transfer station that's going to be built in Jersey City, we just want to know if you are aware that New Jersey law does not allow trash to be stored overnight. Who is going to own the facility, and why is the Port Authority managing New York City Trash that's going to be in a facility in New Jersey? Also-- how much is Jersey City going to get from the Port Authority or from any private entity either in real estate taxes or payments in lieu of taxes? Currently, all the information we've been able to find and all the information we got back was zero dollars, so as far as we know right

now there's no benefit to Jersey City. That's really what we want to know. What is the benefit of this trash transfer site to the citizens of Jersey City? Are we going to be compensated as a host? Is there going to be an annual fee that Jersey City gets? Is there going to be a tipping fee that is associated with the amount of trash that's being brought through Jersey City? Also, if there is such a fee, who is determining this amount, and how are they determining this amount? What factors are going into Jersey City's compensation? Also, we want to know if there are trash trucks currently going through the tunnels to New Jersey, how many are there? Are they going to New Jersey landfills or are they going to the incinerator in Newark? What is going on with regards to these trucks being eliminated from the roads, and environmentally, how many miles are going to be eliminated--how many vehicles are going to be eliminated daily with this trash transfer station? Like Susan said, we would like to involve a committee of Jersey City residents who provide some sort of interaction with the Port or any sort of private entity that runs the facility, and get them involved so that we do have a say in the matter. We don't want to be sitting idly by as trash is potentially sitting in Jersey City for days, and the residents have no control. If there are prevailing winds that carry odors from this transfer station, that's going to affect the citizens. If there's gusts of wind that take the garbage and scatters it all over the streets, then there's going to be a problem. We just want to be able to sort of have a say, and have some sort of oversight so that we can get involved and we can interact. Also, things like we want to know what type of material is being brought over. Is it municipal waste? Is it construction? What are we getting, here? We've searched, we've emailed, we've called, and we just keep getting pointed in every which direction. We just want to know what are we getting and what can we do and what are the benefits? Thank you.

[Chairman Coscia] Thank you. Okay, those are all our speakers for today. The only other piece of business is I need a motion for the consent calendar that includes the One World Trade Center Item that we mentioned before. Do I have a motion to approve? [Commissioner] Moved. [Chairman Coscia] Second? [Commissioners] Second. [Chairman Coscia] Okay. Any questions or comments? All those in favor? [Board] Aye. [Chairman Coscia] Any opposed? Okay. Can I have a motion to adjourn? Thank you. Good afternoon, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
September 14, 2010

[Chairman Coscia] Can I have your attention and we'll get started. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the World Trade Center Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official minutes of today's Board Meeting. Before we get to business, as everyone knows, on Saturday we took time to reflect and commemorate the events of September 11, 2001. I know I don't need to explain to anyone in this agency or those who have dealt with us just how important it is to us that we take the time to remember and reflect on what occurred that day and those that we've lost as well as those who were affected by the bombing on February 26th of 1993. So I'd like to begin the meeting today by having a moment of silence in all of their memory. Thank you.

[Chairman Coscia] Our first presentation today is a project that is, I know, very critical to this agency, and I'll ask that our Chief Operating Officer, Ernesto Butcher, provide an update on our efforts to address the air draft limitation issues at the Bayonne Bridge. Ernesto?

[Ernesto Butcher] Thank you, Mr. Chairman. Good morning, Commissioners. Today I'd like to take this opportunity to update you on our progress in pursuing the Bayonne Bridge Navigational Clearance Program. As we have discussed with you previously, the current clearance under the Bayonne Bridge is approximately 151 feet depending on tides. The clearance has been adequate for ships that now travel to and from our port container terminals just west of the bridge. However, we expect much larger ships to call on the port once the Panama Canal expansion is completed in 2014, and many of these larger ships may not have sufficient clearance to reach these same terminals. Left unaddressed, this clearance restriction poses a risk to our port's competitiveness and our region's economy. Back in 2008 the Army Corps of Engineers took a close look at the bridge clearance issue and concluded in a study released in 2009 that the bridge clearance would have a major impact on future port trade and the region's economy. In August of 2009 this Board proactively authorized $10 million in planning to study and explore every possible option for dealing with the bridge clearance issue so we could move forward expeditiously with a possible solution. Included in this planning effort was an expedited comprehensive alternatives assessment to identify the best solutions for all stakeholders. In June of this year we presented to the Board an overview of the work to date. Today I'd like to update you on the progress of this expedited work effort and to request that the Board authorize the Port Authority's capital planning process to provide for $1 billion of capital capacity to support this important effort. We began this study by first developing a comprehensive list of alternatives to be analyzed, and some of them are shown on this slide. These alternatives are being assessed at a high level with the aid of a team of consultants to evaluate structural and constructability issues, project duration, cost, potential property impacts, levels of vehicular capacity, architectural and visual issues, regional cost benefits, and traffic modeling. Preliminary results from these efforts are currently under review, and we will have a prioritized ranking of project alternatives and be prepared to expedite the next steps by the end of this year. The next steps in this process are to prioritize the solutions that are likely to

advance to the Environmental Review Process and to begin to plan for that phase. The work with our consultant team will provide a road map to this complex federal, state, and local Environmental Review Process. In view of the importance of the economic benefit of port trade to the region, the Port Authority has repeatedly affirmed its commitment to overcoming the bridge's navigational clearance limitations. In furtherance of these continuing efforts, it is requested that the Port Authority's capital planning process provide for $1 billion of capital capacity for a project to address the Bayonne Bridge's navigational clearance limitations. Thank you so much, Commissioners.

[Chairman Coscia] Thank you, Ernesto. Can I have a motion to approve? [Commissioner] So moved. [Chairman Coscia] Is there a second? [Commisioner] Second. [Chairman Coscia] Any questions or comments? [silence] Okay. All those in favor? [multiple Commissioners] Aye. [Chair A. Coscia] Any opposed? [silence] Thank you very much. Our next presentation will be by Steven Plate, the Director of the World Trade Center construction, who will provide a report on construction progress at the Trade Center site. Steve?

[Steve Plate] Good morning, Commissioners. As reported throughout the media over the past several weeks, we continue to make significant strides in the overall project construction at the World Trade Center site. Today I will update you on several of these major projects. In our last One World Trade Center update in early February, steel erection had just reached the 20th floor. Steel installation has now risen to the 38th floor. Over 17,000 tons of building steel has been erected, which is rapidly approaching the total amount of steel in the Chrysler Building. Following closely behind the erection of the steel is the placement of the concrete core which forms the backbone of this landmark building. Over 22,000 cubic yards of concrete has been placed in the building since March. A large portion of concrete is of the highest strength concrete ever used in a commercial office tower. I'm proud to report that we are continuing to meet our goal of one floor per week as this structure quickly rises to become a prominent icon in the New York City skyline. Progress continues in all areas of the Memorial with tremendous achievements realized in the last few months. We have made great progress on both the north and south fountains with all of the 2,000 granite pavers now in place. Plumbing installation continues in both pump rooms in anticipation of each fountain circulating nearly 600,000 gallons of water in the near future. The most significant and highly visible achievement includes the planting of the first 16 white swamp oak trees on the Plaza, bringing life to the site. Just days after the tree installation, workers completed the final placement of two steel trident columns that were originally on the eastern facade of the North Tower. These 70-foot tall, 50-ton columns were placed inside the Pavilion and will soon be enclosed by the Pavilion's steel which is already over 35 percent complete. We continue to make major progress each and every day as we remain on target to meet our 9/11/11 commitments. The Hub structure is starting to take shape as well. Fifteen major Calatrava backspan arches have been erected in the area below the Memorial Pavilion. These backspan pieces have been placed on massive plate girders and columns that span the temporary PATH station and will form the iconic steel roof in the Calatrava designed Transit Hall. As we enter into the fourth quarter, major strides will be made in the Hub as tons of steel and hundreds of cubic yards of concrete are placed each week. Five 2,500-ton chillers were delivered to the Central Chiller Plant in late June, and an additional thousand-ton chiller was brought to the site just this week. These units are in place, and the installation of the piping and electrical connections continue on schedule for this important

facility. This 12,500-ton capacity plant will provide conditioned air to over 2 million square feet of space within the Memorial, Hub, and high-end retail areas within the site. Massive excavation totaling 60,000 tons has been completed in the western portion of the Vehicular Security Center site. This excavation, coupled with the installation of nearly 100 tiebacks, is making way for the placement of foundation and building structure. One exciting and unexpected event occurred during the VSC excavation as workers uncovered the remains of an 18th century brigantine merchant ship which transported goods to and from the New York Harbor. Commissioners, as you can see, we are not only creating history with this tremendous project but also uncovering the rich history that this City has to offer. In closing, I request your approval to award six construction trade contracts as listed above and related agreements for the World Trade Center Memorial and Transportation Hub as discussed in the public session of today's subcommittee. Commissioners, we remain confident that this progress will continue, and I look forward to reporting on our critical activities as we move forward with this signature program.

[Chairman Coscia] Thank you, Steven, and thanks for all your efforts. Can I have a-- Oh, before we do that there is one speaker who has asked to address the Board on World Trade Center related items, and that is Margaret Donovan from the Twin Towers Alliance. Ms. Donovan?

[Margaret Donovan] Thank you. Good afternoon. I'm going to have to race through my remarks because there's a lot to say. Everyone knows the flood of relief that comes when we open our eyes and awaken from a bad dream. But if you get your way, Americans will not wake from the bad dream at Ground Zero because you are setting it in steel and stone. When he was tirelessly building support for the Trade Center, the great Austin Tobin used to close all his speeches with the advice "to dream no small dreams" because, as Goethe explained, they have no power to move the hearts of men. You may be happy with your small dreams, but they will never be good enough for the rest of us because most of us know instinctively that we live in dangerous times and that we need above all to move the hearts of men. Mr. Ward assured the public after the August 26th vote that your agreement caps a two-year effort to restructure, rationalize, and above all provide a renewed level of certainty over the development of the World Trade Center site. Mission accomplished if in the sense that rationalize means to provide plausible but untrue reasons for conduct. There is indeed a new level of certainty over the development, one that practically guarantees that the hopes of an American recovery from the darkest day of our lifetimes will be stunted and no credit to the American people-- the 9/11 family. But there is still a chance that someone with influence who knows how wrong this is will take a stand. There is always a chance perhaps the new governor will seize the opportunity to turn a disgrace into a triumph. The basis for our assertions has nothing to do with sentimentality. The fundamentals are complex and far-reaching, but we can back up all our claims. Can you? The numbers aren't as rewarding as they were when we sat with Director Ward two years ago and he assured us he was going to look into it and would give us a quick answer that never came. We can no longer save the billions of dollars that have been squandered since that time, but we can still save time and money by capping the depressing Freedom Tower and building state-of-the-art Twin Towers in place of Towers Two, Three, and Four. And you can take our word for it, your Transit Hub is a zero with Americans and New Yorkers when compared to the imperative of returning the profile of the Twin Towers to America's skyline. Only then what we will have

is a far more valuable, truly world-class property instead of a consolation prize. There is no time to go into more specifics, but they will soon be posted on our website. [sighs] Where do we go from here? This was never a matter for city or state or Community Board 1 to decide because the matter so transcends their narrow interests. Robert F. Kennedy said that the problem of power is how to achieve its responsible use rather than its irresponsible and indulgent use, how to get men of power to live for the public rather than off the public. Abraham Lincoln gave us another measure, a good rule you might want to consider. Nearly all men can stand adversity, but if you want to test a man's character, give him power. Thank you for your attention.

[Chairman Coscia] Thank you. Do we need a motion on the table for the items Mr. Plate outlined? [Vice Chairman Grayson] So moved. [Chairman Coscia] Okay. Is there a second? [Commissioner Silverman] Second. [Chairman Coscia] All right. Anyone have any questions or comments? [silence] All those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Okay. Any opposed? [silence] Okay. Finally, we have two speakers who have asked to address the Board on matters that are not on our agenda. The first is Murray Bodin, a private citizen, regarding the GW Bridge.

[Margaret Donovan] Excuse me. There was another private citizen that requested a hearing and got a confirmation yesterday. [Chairman Coscia] Excuse me. On the World Trade Center item? [Margaret Donovan] Yes. [Chairman Coscia] I was told that the person was either not here or declined to speak. We're certainly happy to-- [Richard Hughes] Is Richard Hughes listed? [Chairman Coscia] Yes. [Richard Hughes] I want to speak. [Chairman Coscia] Okay. Mr. Hughes, I apologize. Your name is on this list, and I was told that you did not want to speak. So you may address the podium, please. Mr. Hughes, before you begin, I understand that for some reason I guess since you didn't sign in when you came in, they were under the impression you did not attend. We apologize. [Richard Hughes] I'm sorry. I did sign in-- [Chairman Coscia] No harm, no foul. [Richard Hughes] No harm done. [Chairman Coscia] Please proceed.

[Richard Hughes] Good morning. I am a longtime observer of the machinations of the Port Authority regarding Ground Zero. We the public are being stuck with a project that has been corrupt, inept, and dishonest from the beginning. You and Governor Pataki pretended to listen to the public about a matter that affected us all--not just New York and New Jersey but the whole country--and then did exactly what you wanted to do. Rebuilding the Twin Towers, which is what the majority of the public has wanted all along, was never even considered. It was swept off the table at the very start. Now, nine years after 9/11, we have no WTC, a tower going up that nobody wants, chaos at the site, billions of dollars wasted, and a future that none of us can look forward to. The original World Trade Center with its iconic Twin Towers was a project built by giants. Now we are expected to applaud a mediocre mishmash being erected by arrogant and incompetent pygmies. The writer Jessica Mitford, who exposed the corruption of the American funeral industry in her book, "The American Way of Death" once wrote, "You may not be able to change the world, but you can embarrass the guilty." I wish she was right. You are certainly guilty of egregious sins against the American people and our democracy, but evidently you're beyond embarrassment or you wouldn't continue with a plan at Ground Zero that the public has nothing but contempt for, upwards of 90 percent, according to a MSNBC poll done last year. But, like the corrupt funeral industry Mitford exposed, you are in the burial

business. You're intent on burying the noble ideals that the original WTC with its magnificent Twin Towers once so gloriously represented. You are not only intent on burying our ideals but on raising a giant tombstone over them as well, a tombstone we don't want, didn't ask for, can't stand but which you're determined to stick us with and make us pay for. As to Towers Two, Three, and Four in an interview only last month, "New Yorker" architecture critic Paul Goldberger referred to them as "better than the average piece of junk on Third Avenue, that's true, but that's not a very ringing endorsement for this site that is so critical to the eyes of the world." In the days after 9/11, there was great hope that somehow we could take a terrible tragedy and learn from it and make something great and worthy rise among the ruins. Nine years later that hope has been dashed. Instead we have created something utterly unworthy of the sacrifices made on 9/11 and you are shoving it down our throats. You ought to be ashamed but, unfortunately, you seem to be beyond shame. And that is part of the continuing tragedy. Thank you.

[Chairman Coscia] Thank you. Okay. Our next speaker is related to the GW Bridge. Mr. Bodin?

[Murray Bodin] Good morning. I have to stand here so I can see Chris Ward. Some months ago I asked that the markings on the George Washington Bridge where the exit is for the Palisades Parkway be changed to the dotted lines as required by the 2009 manual as the New York State Thruway has done and various others. I presume Jose Rivera, Jr, Chief Traffic Engineer, reports to Chris Ward. And as such, you are responsible for his inaction. Because they have not used these dotted lines, which the City of New York has used for years, the Thruway has, New York State DOT has just put in, and when I went and got a cup of coffee downstairs, the gentleman said, "I know those lines. They are excellent." But Jose Rivera, with no supervision, has decided you don't have to do that. I've been talking to Lou for a year. Nothing happens. Chris, it's your responsibility to see that Mr. Rivera has some supervision and follows not the 2003 manual, which his letter says to me you're up to date on. There's a 2009 manual, which I sent you an email from Scott Wainwright, Federal Highway Administration, that he wrote me last week saying that should be in there now. I sent a copy to be sent to the Board. Now, I don't know what it takes for Chris to supervise Jose or you to supervise Chris. This is a simple-- It comes out to a million incidents a day that people are inconvenienced because you haven't changed the lines. And with construction the way it is today, changing lines is a piece of cake. They do it all the time. Every time they move the lines over, they've erased the lines and put new ones down. It's a no brainer. But I can't get past this guy, Rivera. I met with the New Jersey Turnpike people last Friday. We sat in the office and we talked about it. They understand The Thruway did it a year ago this spring. All of the markings are there. Now, what does it take to make it possible for drivers not to be confused on all of those areas that you're responsible for? I watched the meeting inside, I watched the meeting here. You're spending all of this money. It costs nothing compared to what you're spending to correct something that a million people a day have a problem with. Each instance where it's not put down adds up to a million-- a day! How can you not let this be corrected? And by the way-- I understand that. I told you. You want to carry me out? I was carried out at the MTA Board Meeting. They arrested me and put me in jail, and I went before the judge a week ago, and he said, "Mr. Bodin, ride on. Case dismissed. We need more people like you." So when a judge tells me on an MTA summons for disorderly conduct that he wants me to continue, I'll stand here. And if you want to carry me

out, I sent them an email yesterday saying, "I'm deliberately going to speak more than three minutes, and if you want to carry me out and arrest me, my grandchildren will see it this time because last time they couldn't." "And I will show this to my grandchildren as a way to stand up when something is wrong." This is how you do it. You stand up and be counted.

[Chairman Coscia] Thank you. Our next speaker is Robert Moore from the Communication Workers of America. Mr. Moore?

[Robert Moore] Good morning. How is everyone? My name is Bobby Moore. I am a former employee of New York E-ZPass, which is now owned by the Xerox Corporation. The reason why I'm here today is because of the continued employee labor violations that are being conducted by Xerox. The problem is that back in May 28, 2009, we had an election to bring CWA, the Communication Workers of America, in to be our union representative. Xerox / ACS Affiliated Computer Systems, they chose to dispute the results of the elections based on the fact that they said that outside political forces came in and actually influenced the election. So as we sat back knowing that we had won the right to unionize and pretty much their lawyers came in, trying to sort out exactly were the elections properly conducted, Xerox has had their campaign going on on the inside where they have been targeting certain union supporters. I don't know if the Board is familiar or not, but there was an incident that involved the Tags Department at the facilities where the entire Tag Department was forced out because they were all union supporters. There was pressure that was brought down on Xerox, and they did hire back some of the workers, but the majority of the workers are still unemployed. So my point--I guess what I'm trying to make as far as showing up here today-- is that Xerox, who owns the E-ZPass system here, they are continuously targeting people because they want to have a union. I feel, and I have been instructed, that this is the place that I need to come and talk to really get somebody to look at what's going on as far as Xerox is concerned and as far as, us, the workers at E-ZPass are trying to unionize. I don't know if this board is capable of bringing in pressure on Xerox to allow us to have the union that we want to have so that we can get the proper recognition. So I really don't know a better way of putting this except that we are just average workers, and we're trying to pay our bills just like everyone else. But you have this corporation that will not allow this. They come in on a daily basis, they're firing people, they're pushing people out, they're intimidating people just because they want to improve their working conditions. So I throw myself on the Board. Please, help us out here. Thank you.

[Chairman Coscia] Thank you. That concludes our public speakers. I would like to have a motion to approve the consent calendar. [Commissioner] So moved. [Chairman Coscia] All right. Second? Okay. Anyone have any questions or comments? [silence] All those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Any opposed? [silence] Okay. Can I have a motion to adjourn? [Commissioner Holmes] So moved. [Chairman Coscia] Second? Thank you. Good afternoon, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
September 20, 2012

[Chairman Samson] Good afternoon. The Board Meeting of the Port Authority of New York & New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee may be held to consider certain matters on today's agenda. The Governance and Ethics, Security, and Audit Committees met in executive session prior to today's meeting, and earlier today the Committees on Operations, Security, Capital Planning, Execution and Asset Management and the World Trade Center Redevelopment Subcommittee met in both public and executive session, and the Finance Committee met in executive session. Their reports will be filed with the official Minutes of today's Board meeting. The Commissioners also met in executive session prior to today's Board meeting to discuss and act upon matters involving ongoing negotiations or reviews of contracts or proposals, matters involving public safety or law enforcement, and matters related to the purchase, sale, or lease of real property, or securities where disclosure would affect the value thereof or the public interest. Before we get to the formal calendar, I want to just make a couple of remarks. I'm sure as everyone knows by now, the Board received yesterday the Navigant and Rothschild reports, Phase II of the Navigant report and the Rothschild report, which was the result of direction by Governors Christie and Cuomo last September, which arose out of the toll and fare increase. I want to publicly thank all the Commissioners but particularly focus on Vice Chairman Rechler, Commissioner Pat Schuber, and Commissioner Jeff Lynford, who worked with me on the Special Committee, supervised the day-to-day work of both Navigant and Rothschild for their continued effort, good judgment, and professionalism on those reports. Without getting into the details of the report by both Navigant and Rothschild, I think it's clear that both firms provided a full-throated endorsement of our work at the Board of Commissioner level and the senior management level. The principal conclusions that were reached by those firms included the fact that last year's toll and fare increases were necessary, that our debt capacity remains strong, that our facilities--all of them, including those that are more than 80 years old-- are in need of continuing maintenance, investment, and state of good repair work, that we need as an agency and as a Board to continue to address cash flow constraints, meet the agency's operations, and the recognition that we as an agency have made great improvements but we need to continue to act wisely in how we manage costs and how we fund and prioritize capital projects. Those conclusions are self-evident from the report themselves, but I want to also move from those reports to some action that the Board took today and which the Board has been working on over the last several months, which really go to the heart of our governance responsibilities. We have today revised the by-laws of the Port Authority to reconstitute board committees. What we've done is create new committees to reflect the focus of the Board and the interests on a going forward basis of the Authority and to terminate old committees that were no longer effective. These will provide a critical component of the Board's oversight of Port Authority's operations and finances. These new Board committees will, among other things, meet more regularly, often on non-board days. It will provide the Board of Commissioners more time to study, review, and comment upon staff proposals. Perhaps more importantly, it will provide greater opportunity for the Board of Commissioners to initiate proposals on their own and to discuss them with staff on a collaborative basis. In that regard, the committees will utilize staff, management, consultants, and other resources so that we can continue to work collaboratively with management. Each of

the committees will establish and has, as of today, their own charters which will define with specificity the jurisdiction of each of the committees and the specific areas of oversight for the Board. The meetings of these committees will be conducted in public, except for the usual exceptions, and the meetings of these committees will improve, in our opinion, the transparency of the Port Authority and its operations. We are committed to a principle that the public should know what we as an agency and particularly what we as a Board are doing. And I think it can be said in conclusion that the creation of this new regime of board committees, while it has a certain inside baseball feel, is of critical importance because it will provide a deeper involvement by the Board of Commissioners in the running of this agency and the oversight of its operations and finances. The governors of both states did not send the members of this Board here to be passive or acquiescent. Rather, we're here to run or supervise the running of this agency in a businesslike way, keeping in mind that we are a public agency. We have continued faith in the professionalism of our staff. I've said repeatedly in public and in private that this is the finest professional planning and engineering agency in the world. But a proactive and involved Board of Commissioners is the best way to bring this agency in line with 21st century norms. And I think as time goes by you'll see evidence of this commitment by the Board of Commissioners, and we look forward to continuing to work with senior management. Our first order of business is to recognize our Director of Rail Transit and the General Manager of PATH, Michael DePallo, who will be departing early next month to head up Metrolink in Southern California. Commissioner Pat Schuber, who is a frequent user and big fan of the PATH system, will present the tribute to Mike. Pat?

[Commissioner Schuber] Thank you, Mr. Chairman, and members of the Board and the public here at large. It's my honor to present a Certificate of Commendation for Mike DePallo today. Let me just indicate very briefly with some words before the Resolution, simply this: As Commissioners, often we are faced with a number of programs, policies, and other enactments that deal with the many infrastructures that are part of the jurisdiction of the Port Authority. Sometimes we can forget the fact that behind that are the many dedicated professionals that are the lifeblood of the Port Authority family. One of those individuals is Mike DePallo, who after 16 years is departing his service here at the Port Authority, and we would like to recognize that service with an official Certificate of Commendation which indicates his many years of service here and how important that has been for the lifeblood of transportation here in this New York-New Jersey region. And so if you'll allow me to read this, it says, Whereas, from the time he joined the Port Authority in April of 1996 as Director of Rail Transit and General Manager of Port Authority Trans-Hudson Corporation PATH, Mike DePallo has served with great pride and distinction and has given the full measure of his talent, his skill and ability to further the mission and goals of the Port Authority and the region it serves; and Whereas, over the past 16 years as General Manager of PATH, Mike DePallo has demonstrated an exceptional commitment to effectively operating and maintaining the PATH rail system as a vital element of the regional transportation system, providing a high level of customer service to the approximately 250,000 daily weekday passengers utilizing 13 PATH stations in New Jersey and in New York each day; and Whereas, under his leadership, PATH implemented numerous customer service initiatives, including an in-station broadcast system known as PATH Vision in 1998, the introduction of the SmartLink fare card in 2007, and the implementation of PATH alerts that provide customers with real-time information regarding rail service in 2006, each of which provides for an enhanced customer experience through the use of the latest technology; and Whereas, Michael

has overseen the planning and development of PATH's ongoing multi-billion dollar Modernization Program which has provided for the purchase of a new fleet of PATH rail cars, effectively making PATH's fleet the newest in the country, the planning and design of a new signal system which will ensure the long-term viability of PATH by bringing it into the 21st century using the latest technology while continuing to provide customers with reliable and safe service and infrastructure improvements to stations throughout the PATH system while preparing to accommodate forecast future capacity requirements through planning for the expansion of certain platforms to accommodate 10-car trains and the expansion and modernization of the Harrison Street Station; and Whereas, Michael DePallo has played an instrumental role in the initiation, planning, and completion of infrastructure strengthening projects at the agency's PATH facilities which have led to enhanced security at all PATH facilities to ensure safer, more secure facilities that benefit our customers, our employees, and the region at large; and Whereas, Mike DePallo has served with great pride and distinction as a member of the Board of Directors of the American Public Transportation Association and the Chair of its Security Affairs Steering Committee whose mission is to guide, coordinate, and help develop security initiatives and resources to strengthen the security of public transportation systems and environments and to increase the visibility and the awareness of public transportation security needs and priorities; and Whereas, following the terrorist attacks of September the 11th, 2001, Michael DePallo played a prominent role in the oversight of a massive project for the restoration of PATH service to the Exchange Place Station at Lower Manhattan which was completed ahead of schedule, thereby returning this vital service to the people of the region; and Whereas, in keeping with the agency's continuing tradition of excellence and achievement in public service to the region, Michael P. DePallo was a recipient of the James G. Hellmuth Unit Citation in 2004 for the restoration of PATH service to Exchange Place Station at Lower Manhattan; and Whereas, under the direction of Michael DePallo, PATH was the recipient of the American Public Transportation Association's Outstanding Public Transportation System Award in 1998, '99, and 2000; now, therefore, be it Resolved, that the Board of Commissioners do hereby express to Michael P. DePallo their sincere appreciation for his service to the Port Authority and the Port Authority Trans-Hudson Corporation and the region they serve; and it is further Resolved, that the Board of Commissioners hereby directs that this resolution be suitably engraved and presented to Michael P. Depallo as a token of our high esteem and all of our high esteem in which he is held by all alike. Congratulations, Mike. [applause]

[Mike DePallo] Thank you. [applause]

[Chairman Samson] Mike, I think we can all agree that we're pleased with your new appointment. You're going to love Southern California. It's going to be fabulous, great weather and all that, but we're going to miss you. You've done a great job here. Thank you. Can I get a motion to move this resolution, please? [Commissioner] So moved. [Chairman Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] So moved. The Executive Director and the Deputy Executive Director are going to highlight some of the actions that are being advanced today on the public calendar.

[Pat Foye] Thank you. Bill Baroni and I wanted to take a few minutes to discuss certain of the important actions of the Board of Commissioners as considered today. From continuing

construction progress at the World Trade Center, including the 9/11 Museum, to securing capital investment in our critical transportation facilities, the Port Authority is carrying out its commitment to the New York-New Jersey region and its role as a key engine of economic development and to carry out its projects in a fiscally responsible and disciplined manner. The Board today approved a 10-year lease extension and related support of New York Container Terminal in Howland Hook, Staten Island, which will ensure the preservation of 500 jobs and allow for future job growth at the largest private sector employer on Staten Island. The 9/11 Memorial and Museum will be discussed briefly by Vice Chairman Rechler, although I will note that the total third party World Trade Center exposure has been cut by over 50%--and that's compared to the number that Navigant reported to the Board in February-- and that total World Trade Center third party exposure has been reduced by about $400 million alone from action that the board has taken today with respect to the Museum and the Campus Security projects. The board considered and approved a lease at JFK Airport for an animal handling facility today. Port Authority continues its work to attract state-of-the-art facilities and services to the airports. The Commissioners earlier discussed plans that would establish a 21st century animal handling facility at JFK Airport. It will be larger than similar facilities in Los Angeles and Miami. And this facility, if approved by the board, will provide animal daycare and kenneling services, more efficient animal transport services, a full-service veterinary hospital, and the facility is expected to serve approximately 70,000 domestic and wild animals each year. The proposal represents a $32 million private sector investment to build the facility, and the Port Authority expects to receive over $100 million in revenue from this lease over the term of the lease. ARK, the animal facility handling company, will lease over 170,000 square feet of space in a former vacant building and over 14 acres of ground area for functions such as ramp parking, warehouse space, and employee parking. The facility is expected to have an impact on the region's economy with the addition of 190 jobs and $50.5 million in economic activity during the life of the lease. I'll note that the lease will contain a provision prohibiting any experimentation on animals. The Committee on Operations was briefed on the Port Authority's many environmental initiatives today. From our innovative ground management system at JFK during the construction of the Bay Runway, which reduced CO2 emissions by 48,000 metric tons, to sustainability at the World Trade Center site, the Port Authority has continued its commitment to reducing the environmental impact of our facilities. One World Trade Center, which has been designed and is being built to LEED gold standards, sets the global standard in sustainability. Today, 12 fuel cells have already been installed in One World Trade. These fuel cells will provide a source of clean energy and, when combined in full, the systems will rank as one of the largest fuel cell installations in the world. More programs such as the Oceangoing Vessel Program, Truck Replacement Program, and the Pilot Green Roof Program at the Holland Tunnel Administrative Building continue the Port Authority's commitment to the environment. And we'll be reporting regularly to the Board and the public on these subjects. Let me turn it over to Bill.

[Bill Baroni] Thanks, Pat. First, the Board of Commissioners today also discussed an important security initiative that will bring Radio Frequency Identification Technology, RFID, to our region's ports. The PA will partner with Sustainable Terminal Services to put in place this $6.5 million system which will provide for the identification of each vehicle that serves our port facilities through their VIN number. This initiative will be supported by a federal grant, and the cost to the Port Authority is $808,000. The RFID system will supplement other security initiatives at the ports such as the Transportation Worker Identification Credential and the Sea

Link truck identification card. RFID will provide real-time information on truck movements at the ports. Moreover, this system has the added benefit of ensuring 100% compliance with our Truck Replacement Program, an environmental initiative that removes older and less environmentally-friendly trucks from the road. Next, the Committee on Capital Planning, Execution and Asset Management discussed capital investment at Newark Liberty International Airport, an $8.9 million project to enhance electrical service to increase operational efficiencies and provide greater redundancy in case of an emergency. This project will upgrade and construct a 27-kilowatt loop closure which will allow for more reliable electrical service. The Port Authority is committed to improve the existing electrical service which was built in the 1960s. This project is part of a comprehensive infrastructure renewal of the utility services at Newark Airport. Next, the Board of Commissioners has authorized staff to conduct a study on the feasibility of assuming operations of Atlantic City International Airport as part of our mission to expand flight capacity for the region. This review, which will include a review of legal, financial, environmental, and business issues, will begin immediately. The Board authorized spending up to $3 million on this process. Consideration of adding Atlantic City International Airport to the Port Authority's aviation network stems from 2007 bi-state legislation that provided for the addition of 2 new airports, 1 in New York and other in New Jersey, to relieve air traffic congestion in the coming decades. In November of 2007, the Port Authority acquired Stewart International Airport near Newburgh, New York. In 2011, about 106 million passengers flew through the Port Authority's 4 commercial airports. We expect that number to increase dramatically over the next 20 years. A thorough review of the region's growing travel needs is a responsible step towards the Port Authority's commitment to our core mission of meeting the region's transportation and economic development needs. Finally, the Port Authority is announcing today the expediting of the completion of our study to extend our PATH system to Newark Liberty International Airport, which would create a 1-seat ride to Manhattan along the World Trade Center-Newark PATH rail line. The PATH to Newark Airport project has been under consideration by this agency on and off for more than 50 years. This review will look at extending the current terminus of the PATH line at Newark Penn Station to the existing Northeast Corridor Rail Link Station, where travelers can pick up AirTrain Newark to connect to airport terminals and parking lots. This process and study will include updating cost estimates, a thorough review of anticipated ridership, construction time frames, property acquisition, and a cost-benefit analysis in moving forward. Commuters and visitors from North, South Central, and Western New Jersey could gain easier access to jobs and destinations in New York; travelers from Lower Manhattan could simplify their access to Newark Liberty International Airport. If the Port Authority pursues this project, potential benefits to the region would include a significant number of construction jobs followed by adding permanent jobs for the operation of the line. Thank you.

[Chairman Samson] Thank you, Bill. Thank you, Pat. We'll now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of 3 minutes. Our first speaker today is Kalev Savi.

[Kalev Savi] Good afternoon. My name is Kalev Savi. Thank you for the opportunity to speak to you about the ongoing redevelopment of JFK, specifically the announced plan to demolish the entire T3 complex. I represent an active online community of over 3,000 people of all ages representing 33 countries of the world who have united in support of this cause. We ask for the Port Authority and Delta Airlines to reconsider their decision to entirely demolish the T3 site and instead demolish only the 1970s addition but save the original umbrella structure. We understand with the state of T3 the easiest thing is to tear it down. That might make sense if we had heard a new 21st century mega-terminal was going to be constructed in its place, but we didn't. T2 will be linked to T4 by a quarter-mile walkway; T3 will be paved over for a net loss of 7 jetway-equipped gates. This just does not make economic sense for an airport. The TWA Flight Center and the umbrella building, originally known as the Pan Am Worldport, are iconic symbols of JFK and aviation history. The umbrella terminal heralded the birth of the jet age, boarded the historic first commercial flight of the Boeing 747 and the Beatles' first visit to the USA. We were very grateful when Saarinen's TWA Flight Center was designated as a historic landmark and renovated. Yes, it is beautiful, but I am sad seeing it there empty, unused, no one being able to enter and appreciate it. It should be open to the public and not just one day of the year. I do not want to see the same mistake being made with the T3 umbrella building. We feel the umbrella has even greater reuse potential. Of course any preservation plan has to take into account JFK’s growth needs. But being able to nostalgically recall this site’s aviation and architectural significance is just icing on the cake. So the real thrust of our campaign is to not only restore the umbrella but to keep it functional and, most importantly, revenue-generating. That’s why our group has come up with several plans we believe make sense. Our motto: From Eyesore to Icon. In a nutshell, we propose preserving and restoring only the umbrella structure and allowing the demolition of the 1970’s Worldport extension as planned. The space reclaimed by the demolition of this section would still provide ample parking area. One idea is to make the umbrella building a halfway point as part of the connector between T2 and T4 as a unique retail and entertainment area for connecting passengers. Another idea is possibly moving all regional jet operations to this restored facility. That’s how those lost gates can be reclaimed. Security would no longer be an issue, as all passengers would clear TSA in T4 and T2. Then make the building the icon it once was by clearing it of all the roadways, clutter and other band-aid solutions that have been added to it over time. We understand there are costs and many other considerations involved in rehabilitating a structure. Details like this will require expert input, and this is why we seek permission of the Board to open up discussions with us. In closing I’d like to borrow a famous quote by Ada Louise Huxtable regarding Penn Station. "Even when we had the T3 umbrella, we couldn’t afford to keep it clean." "We want and deserve tin-can mega-terminals in a tinhorn culture." "And we will probably be judged not by the monuments we build but those we have destroyed." Thank you very much.

[Chairman Samson] Thank you. Our next speaker is Cassandra Dock.

[Cassandra Dock] Good afternoon. My name is Cassandra Dock, and I'm from Newark, New Jersey. I come before this Board today since this is the Port Authority of New York & New Jersey. I'm not sure what the proper procedure would be, the proper process would be, but to ask this Board to have some of these Board meetings over in Newark, New Jersey. I think you guys meet at least 12 times a year, perhaps, again, because this is the Port Authority of New York & New Jersey. And we are interested in Newark. We are interested in what's going on over here

with the Port Authority. I heard moments ago you mentioned about a lot of projects that are going on. It seems like there's a lot of job growth going on with your projects. We'd like to be a part of that. We have residents in Newark that would like to work on some of those projects. But if we don't know and we always have to spend the $4 to come over here-- and I think it's just a little unfair that sometimes the New Yorkers don't have to spend that $4 because you guys are right here. I'm not sure which Board members represent New Jersey. Sometimes at our state meetings, the Republicans sit on one side, the Democrats sit on one side, so I can identify who is who. You guys are sitting together, so I don't know who is New York, I don't know who is New Jersey. But I believe back in March, I think I attended a meeting where-- Are you the President, sir, Mr-- [Vice Chair S. Rechler] Vice Chairman. [C. Dock] Vice Chairman Rechler. Vice Chairman Rechler. I think it was you who said, "It's no more business as usual here." So we're doing things a little different, and I'm glad to hear that. So I'd like you to take that into consideration. Let me know what I need to do to make that happen. Do I need to do petitions in Newark? That's not a problem. I'm very active in my community. I know we have residents that came over back in March that were talking about a project in the city of Newark. I had no idea. As a matter of fact, none of us had no idea. So we need to be involved in that. So again, I thank you. Tell me what I need to do. And I guess I'll see you guys next time. Thanks.

[Chairman Samson] Thank you. Thank you. Our next speaker is Donna Jackson.

[Donna Jackson] Good afternoon, Board members, members of the public. As you can see, we're two regular citizens that are going to engage ourselves in the process. I want to echo my co-worker, my partner, and keeping people honest in terms of demanding that you guys have meetings in New Jersey-- not asking, demanding--because as residents of New Jersey, not just Newark, there needs to be an equal opportunity for us to be here. Every time we come here--we came last month--we were late, could not get upstairs. So there is a difficulty in the process for regular people. I'm not going to stand up here and talk about the projects because we don't know. So in your beginning to be transparent, that stuff needs to be transparent because we are monitors of things that go on all across the State of New Jersey, and now we're going to have to get involved in New York since, to this point, you guys don't want to come over there. However, you did have a meeting at Shore University. Was it Shore? There was a hearing that was supposed to happen with the Port Authority with some of the elected officials from New York and New Jersey, and it was canceled. And I spent my $13 to go through that toll. I was not happy as a regular citizen to have spent that $13 that's not reimbursed. I called some of the officers, I called our elected officials to let them know that. I don't know if that meeting has been rescheduled, but the concern is this for those of us, particularly in Newark: The Port Authority is not paying its fair share. Our mayor is probably not asking you for it, so we're not going to worry about Mayor Booker today. We're going to worry about the average Joe in Newark, New Jersey. You guys wash those runways, you wash those airplanes and other maintenance that you do, and you don't receive a water bill from us. So Donna Jackson, citizen extraordinaire, is going to stand here today and say you owe me some money. I'm not worrying about the deficit. I'm telling you that you guys only give the city of Newark $70 million a year. And I know how many people go through Newark Airport because my grandson, who lives in Texas, is one of those who travels that Newark Airport four times a year. So in asking that you do your fair share, I want you guys to look at how much water from the city of Newark that you use to keep that airport clean--not only clean on the outside but clean on the inside when you fill up those maintenance buckets,

when you guys are mopping those floors inside, because it is a very serious problem for us in Newark that we are not thriving as the other cities that you are in are doing because you guys are paying your fair share. I know we made some agreements--previous mayor, this one here. Nobody is making demands. Donna Jackson, ordinary citizen, I'm making demands. And I'm not insisting today, but when I come back next month I will be because I will have the opportunity to look at some things to demand that. And the last thing I'm going to say is you're very unfair in only allowing the agenda for these meetings to be published at 3:00 the day prior. I'm very involved. I would like to see the agenda at least 48 hours so I could read it and come here and speak more intelligently to what you're doing. Thank you.

[Chairman Samson] Thank you. Our next speaker is Ross Baraka. Mr Baraka? Not here? Next speaker is Sally Regenhard.

[Sally Regenhard] After nearly a decade of strife and contention, I recently felt that the Port Authority was finally standing up for fiscal responsibility, along with the representatives of the Governors of New York and New Jersey. However, in light of the current MOU concerning the 9/11 Memorial and Museum, our hopes have been dashed. I'm very, very disappointed with this MOU, and I totally oppose it. All the issues that the families of the victims have raised, including removing the human remains from the basement of the future 9/11 Museum, also our suggestion regarding the National Park Service taking over the site--all of our suggestions have been roundly ignored. Giving away the land of the-- I'm sorry. Giving land away to the 9/11 Memorial and Museum, which is funded by the American taxpayer, is not only inappropriate and unethical, I feel it's illegal. The World Trade Center redevelopment project, including the 9/11 Memorial and Museum, has received hundreds of millions of dollars in federal, state, and local monies, and now you plan to give away publicly funded land to a private, so-called nonprofit corporation. That is an outrage. By doing this, you are just kicking the financial can down the road. You are trying to get rid of the financial burden of the 9/11 Memorial and Museum by ignoring financial issues. The only responsible plan is for the National Park Service to take over the 9/11 Memorial and Museum management and operation. They're the only group that will operate this in a fiscally responsible manner. If this MOU is approved as is, the 9/11 family groups will call for a federal investigation of all the monies that have been provided to this project. We are calling for it to be a bipartisan investigation run by Senator Tom Coburn of Oklahoma, a Republican, and Senator Frank Lautenberg of New Jersey, who is a Democrat. Finally, the Port Authority can't play a financial shell game with the goodwill of the American taxpayers and with the memories of the 9/11 victims. Do not approve this MOU until we can have full public disclosure involving the 9/11 families as well as the community.

[Chairman Samson] Thank you. Our next speaker is Jim Riches.

[Jim Riches] I'm Deputy Chief Jim Riches, retired from New York City Fire Department. I served down at Ground Zero picking up the body parts for nine months. I lost my son Jimmy on 9/11, a firefighter, and I'm appalled, basically, at what's going on down there. You have a nonprofit 9/11 Memorial and Museum, $60 million annual budget--way bloated. Gettysburg is $3 million; Pearl Harbor is $2 million. They greet people, they tell you what's going on when you come in, they show you a short video. Down there these people never ran anything, and the people are running amok. You have people throwing garbage down there, sitting all over it.

These people need help. And like I said with Sally, the National Park Service should come in and help them-- not take it over but at least give some oversight. We have them making high 6-figure salaries. The National Park Service makes $170,000. Joe Daniels makes $400,000. Something is wrong with the picture here. We don't want somebody to get rich off 9/11, but that seems what's going on. And Mayor Bloomberg goes along with it. They pay lobbyists money to go down to Washington to lobby. Here we are, kids are collecting money for 9/11 memorials and stuff, sending it to 9/11 Memorial, and they are paying lobbyists to lobby in Washington so they can get $20 million in federal taxpayer money annually, no strings attached, every year. That's taxpayer money. Governor Cuomo, Governor Christie, that's our money, and it's being wasted down there by these people making big, big salaries. Cut it back, get it under control. They need some fiscal oversight. We ask for somebody to come in and help and give some fiscal oversight because they've gone wild down there. They shouldn't be making this kind of money, and I think it's a shame. They're talking about a $20 admission fee. What is this? Just a museum for the rich? If $10 does it and they can cut their salaries down from $400,000 to $200,000, I don't think that's so bad, and then maybe all the families can go see it, not just the rich. We had Mayor Bloomberg and we had a ceremony at 9/11. What did Mayor Bloomberg and Joe Daniels do? They didn't ask the families if we didn't want the politicians. The same politicians that helped us with the Victim Compensation Fund, that helped us with the Zadroga Act were down there every year-- presidents-- and the ceremonies were beautiful. What did they do? They had an argument with Governor Cuomo and Governor Christie. They said, "You know what? No politicians allowed." That's wrong. It's vindictive. Who are they? Who is Joe Daniels? He's a private citizen working for a private nonprofit. And that's why we're outraged. Poll the families. Find out what we want. The biggest concern that we have-- I picked up 25,000 body parts down there. There's 9,000 that are still unidentified. They're on 30th Street in Manhattan. They're going to be removed and put down in the basement of a museum on the say-so of Mayor Bloomberg and Joe Daniels. They never talked to the families. We said separate and distinct from any museum, and that's what we were told. We ask for a vote. We ask that the Port Authority have the families vote, one vote per family, and see if they want them below grade in the museum or above grade in the Tomb of the Unknown where the DNA can continue testing and we can go in a Memorial Plaza where it's with some respect and dignity there. Thank you.

[Chairman Samson] Thank you. Our next speaker is Norman Siegel.

[Norman Siegel] Good afternoon. We have four major concerns regarding the MOU that's before you. I will address three of them and my colleague, Cal Snyder, will address the fourth. Concern #1: The proposed MOU creates 3 entities-- a site-wide coordination task force, a major event planning group, and a master operating advisory committee-- yet the makeup of these three entities does not explicitly mandate the inclusion of a single 9/11 family member. The MOU needs to be amended to require the inclusion of at least one 9/11 family member on each entity. The 9/11 families should select the family members to sit on these entities on a rotating basis. 9/11 family members should be involved in the planning process, management, and the direction of the memorial and museum. Concern #2: You heard it from Jimmy. That's the 9/11 human remains. This decision was made without any meaningful consultation with 9/11 families. No MOU regarding the future of the 9/11 Memorial and Museum should be signed without the condition that a letter be sent to all next of kin of the people who died on 9/11 asking them whether or not they agree with the placing of the human remains some 70 feet below in the

museum. 9/11 family input regarding this fundamental issue is needed. Concern #3: Very crucial--the proposed land swap. The 2006 MOU between the Port and the memorial provides for a land swap in which, quote, an appropriate real property interest in 8 acres of the 9/11 Memorial and the 9/11 Museum would be transferred from your control to that of the National September 11 Memorial & Museum. We have a major concern about this aspect of the MOU and so should you. It's called privatization of public property. Such privatization seems to be a trend in New York, but the correctness and/or long-term efficiency for the public interest has not been established. There is an additional concern, and that's the involvement of Mayor Michael Bloomberg. He is both the mayor of the City of New York and he's a Chair of the 9/11 Memorial and Museum. This creates, in our opinion, the possibility of at least the appearance of a conflict of interest when a significant part of the site of Ground Zero, now owned by you and widely regarded as a public trust, were transferred to the private control of a private not-for-profit corporation where the Chair is a public official. This aspect of the land swap should be given careful and deliberate consideration by you and all appearances of a conflict of interest should receive a full public hearing before any public property rights or interests are transferred to private hands. What I'm suggesting is that you do not approve today the current plan or you delay it until you look into these issues. One personal observation. It's the first time I've ever been here. I'm shocked. I look at the Board. I think it's Mississippi in 1950. I can't believe it. There's not a single woman on the Board there. I look at the Board, and you're all white men except one African American. Where are the Asians? Where are the Latinos? Where are the women? I look at the staff. Your staff reflects exactly what's up there. I see 3 women, 2 African Americans, no Latinos. Governor Cuomo, Christie, shame on you. To all of you, you talk about a change. Change your Board. The ratio and gender makeup is unacceptable. Thank you. [applause]

[Chairman Samson] Thank you. Our next speaker is Cal Snyder.

[Cal Snyder] Good afternoon. I want to thank the Commissioners for giving me the opportunity to speak. I want to follow up on some of the previous remarks about the MOU at Ground Zero and focus in on the financials. The provisions for oversight in the MOU are much improved over the 2011 license agreement thanks to some very hard lessons that the Port Authority has learned there. Sustainability, another term used in the MOU, is key to protecting the public interest financially, and I don't think anyone would disagree. But the successful transfer of the property rights in the 8-acre parcel will not be accomplished by an MOU. It will only be accomplished if the Memorial and the Museum achieve a long-term capacity to meet their financial responsibility, their fiduciary responsibility. It's well enough for the Port to declare, as you do in the MOU, that your financial responsibility for the Memorial and the Museum ends now. But after all, I can't blame you, but the stakes are too high to create a stipulation that would accept financial failure implicitly by the Memorial and the Museum. That's why the public interest requires more than a 6-month period of additional construction before this property interest is conveyed. Think about what you're suggesting to do here. Let's wait until the site is fully operational. That ought to be the minimum standard for determining whether the Memorial and Museum can pay its own way. And then let's wait another year before concluding that the Memorial and Museum is able to meet its overall financial obligations and become the custodian of Ground Zero that many of us have always hoped that it would be. Withholding the promised property interest is the most important leverage that you have. Think about it. If you relinquish

the property interest prematurely, this is a very unwise thing to do. It is the only leverage you have left. You may well foster an outcome that serves neither the public nor the Port nor the legacy of the suffering that occurred there. So I encourage you to rethink these aspects of the MOU, to look very, very closely at your fiduciary responsibility to the public interest as well as your own. Thank you very much.

[Chairman Samson] Thank you. Our next speaker is Margaret Donovan.

[Margaret Donovan] Good afternoon. In one of the LMDC's earliest planning documents, the pledge to make decisions based upon the findings of an inclusive and open public process topped the list. Richard Hughes and I spent last Friday at the LMDC poring over reams of evidence that showed how much people thought their input mattered, but after almost 2 years, the agency could not produce a single report that had converted the raw data into a form on which officials could have based their decisions. A connection between the so-called public process and the official plan doesn't exist. The pretext for the entire project was a lie. Billions of the grieving public's dollars were misappropriated and squandered by the officials we trusted to guide our recovery. The root of the problem is political, not financial. We don't need a whistleblower to come forward to know the result of the hundreds of closed-door sessions. Only politics can account for the botched skyline, the ridiculously extravagant Transit Hub, the decaying infrastructure, and the abusive toll hikes. You didn't need to spend $2 million to figure out that your executives were overcompensated and that you needed more transparency, which, by the way, hasn't improved in any meaningful way. And public-private partnerships may be the way to go, but your anchor tenant was not worth selling 10% of a $4 billion building for 50 cents on the dollar. A truly forensic audit would have told you that all of the agency's problems are the result of political backroom deals, the kind that privatized the Trade Center to begin with. In September 2001, Silverstein was fully responsible for clearing the site and rebuilding the towers at his own expense, while the Port Authority was only required to repair infrastructure and restore the PATH. How did we get where we are today? He looted the insurance proceeds to pay his rent while the public took on more and more of his costs. Where is that audit? We have been asking for it for years. It's impossible to expose a complex abuse of power in 3 minutes once a month, but of one thing I am certain: None of this insanity would have succeeded if your meetings had been open to the public in accordance with the Open Meeting Laws of New York and New Jersey instead of your own rejiggered version. Lying to and cheating the American people at Ground Zero to satisfy a political agenda is as awful as it gets. Many of you who are new to the Board may think it is all in the past. The way our Freedom of Information requests have been and continue to be handled tells a different story. CNN reported that Bin Laden boasted in October 2001, "The values of this western civilization under the leadership of America have been destroyed. Those awesome symbolic towers that speak of liberty, human rights and humanity have been destroyed. They have gone up in smoke." Do you honestly think we have restored what we lost? Do you honestly think we ever will? Do you really think it doesn't matter? Do you really think we shouldn't care? From the Sphere to the remains to the towers, it is never too late to do the right thing. Thank you. [applause]

[Chairman Samson] Thank you. Our next speaker is Richard Hughes.

[Richard Hughes] Thank you, Board members, Chairman Samson. We at the Twin Towers Alliance are deeply troubled by this proposed swap you are contemplating. We think it's irresponsible. We think it's a disservice to the public. We also think it's a disservice to the Port Authority. We think it's ill considered in every way. You have 8 acres of prime, important downtown real estate, a site that is sacred to all of us, and you are giving it away or swapping it--but it's really giving it away--without public debate behind closed doors. Some would say, "Those 8 acres, they should be part of the memorial. It's only proper and fitting." But the Memorial and the Museum, as we've heard, are even more opaque and less open to public input than the Port Authority is, and they are controlled by one man, Michael Bloomberg, who will use his power, his billions, to do whatever he pleases, and the public be damned. But still you say it's the Memorial. Really? Well, not according to what most of us would consider a memorial. In fact, it's no memorial. That's by the very definition of the designer who created it. Remember what it's called? Reflecting Absence, as in absence of everything a memorial should have. They didn't even want the names of the dead above ground. It was only because Dr Rosaleen Tallon slept outside her brother Sean's firehouse for weeks on end in the dead of winter to draw attention to this injustice that the names of the dead were finally inscribed above ground. The Memorial committee is adamant that they won't even let the Koenig Sphere return to Ground Zero. And they want to bury the remains of the dead down there in the basement of the museum, and they won't even poll the family members to decide if that's what they want? The family members have no say in this? What we have is 8 acres that belong to the public, which were paid for by the public, and you're giving them away in exchange for the Deutsche Bank site. Meanwhile, those 8 acres slip out of the public's hands and into Michael Bloomberg's hands, and you lose control and the public loses control of half the World Trade Center site forever. It's your moral duty to retain control of those 16 acres. You have an obligation to properly honor the dead of 9/11--your dead, as you well know. 84 of your people died there on 9/11. [exhales deeply] Where does the public come in? Oh, I forgot. We don't come in. We're just there to keep paying through the nose. Thank you very much. [applause]

[Chairman Samson] Thank you. Our next speaker is Leonard Ramroop.

[Leonard Ramroop] Good afternoon. My name is Leonard Ramroop. I work as a bartender at JFK Airport for 5 years. We would like to thank the Port Authority for upholding its labor harmony policy on concession transitions. Retail workers at LaGuardia Terminal C were facing a difficult situation because a new company is taking over the current retail operation at Terminal C in LaGuardia Airport, and they were unsure what would happen to their jobs. Since the last Port Authority meeting, the new company, OTG, has been working with us to ensure a smooth transition for the workers at LaGuardia Airport. We are glad that this process has been handled properly for our brothers and sisters at LaGuardia and hope the same will be true for the changes at JFK Delta Terminal next year. Thank you. [applause]

[Chairman Samson] Thank you. Our next speaker is Tiffany Mercer. Not here? Next speaker is Murray Bodin.

[Murray Bodin] Good afternoon. A couple of days ago, The Wall Street Journal referred to me as a gadfly. I went to Wikipedia so you would know what a gadfly is. A gadfly is a person who upsets the status quo by posing upsetting or novel questions. Guess I'm guilty. The term gadfly

was used by Plato to describe Socrates' relationship of uncomfortable goad of the Athenian political scene. I guess being compared to Socrates isn't so bad. I rather like it. I read the information about the independent report. In particular, they conclude the agency's leadership has moved quickly and aggressively to implement meaningful reforms. And I agree absolutely. I find that this is not the agency it was last year. It operates completely differently. It's not that I don't have my problems. I spent the last 2 weeks writing a report on traffic engineering which was gone over by every excellent traffic engineer in the United States. They all know me; they all know I'm here and if there's a problem with traffic engineering. I was going to refer to that report today, but after reading the assessment last night about the change here, you need time. I'm willing to give you that time, and I know it will be fixed. Every traffic engineer in the United States is watching to see what you do here with this problem. They all have a problem. Culturally, it can't get changed. Well, I'm going to work with you until it's changed because it's going to save lives all over the United States and it's going to save money. The latest thing they're doing is putting iPads on the dashboard of your car. You'll have instantaneous communication with not only texting but the Internet. You want to change the radio? You've got to look down and touch the touchscreen. That's about as idiotic as it comes. [applause] But until somebody says it has to be done correctly, they're going to get away with it. You have the opportunity to start correcting traffic engineering problems throughout the United States, and I look to work with you, with your cooperation, and I expect I will get it because this is a different agency. It's working the way the future agencies should work. Thank you for the opportunity to say here, and I particularly like to do this because you have the best system here. And when I go home tonight, I'm going to send a copy of this report to my grandchildren because they have to know that this is the way you do things to get the world changed. [applause]

[Chairman Samson] Thank you. Our next speaker is Yvonne Garrett-Moore.

[Yvonne Garrett-Moore] Good afternoon, Commissioners. It's again a pleasure to be before you again. I'm Yvonne Garrett-Moore, a resident of Newark, New Jersey. I have been coming before the Board since October of last year. I am here in respect of those disenfranchised in the city of Newark. I live in the heart of the center city of Newark. I'm a resident. I'm a single mother raising a 13-year-old son in the heart of Newark. And I am concerned about opportunities for the residents of Newark and the greater area in respect to the Newark Airport. I have been before you on many occasions talking about looking at best use practices to be applied for the redevelopment of Newark International Airport. Chairman Samson, you brought up a very key point at the beginning of the meeting today about true collaboration. Of these new committees that you're proposing, I would suggest a community engagement committee be established with those advocates that are very passionate about the quality of life for this region and engaging these citizens so that we can really see the changes that are needed to be made in the best interests of the residents of our region. I had the good fortune of speaking with Governor Christie on Tuesday at Elmwood Park. I expressed to him my confidence in your leadership and the Commissioners' leadership as well as Mr. Patrick Foye's leadership. We know that you have the capacity and the ability to be able to respond to the needs of our community in the way that it should be, and we're expecting that expectation to be carried out. The other challenge that we have is to have the executive administration staff to respond to your leadership, to give you and come back with best practices and recommendations and services that reflect your leadership and reflect the concerns of the citizens of this region. These concerns are valid. They should be

responded to. I had the good fortune of meeting with Governor Christie, and I asked Governor Christie if he would authorize a dialogue and discussion for the future of Newark International Airport allowing average citizens like myself to engage in meaningful discussions about the future development of the airport. We need jobs. I am looking at my community that's ravaged with drugs, and we need to provide opportunities and training for the young men and women who have not been afforded those opportunities and using the resources within our midst to give them that opportunity. Creating a new destination, a world-class destination at Newark International Airport is in our best interest. We are not meeting our full potential at Newark International Airport because we have not engaged the full consciousness of the members of the community that can add to that profile-- the educational community, the development community, the private developers. So again, I'm asking the Board to consider this dialogue and discussion for the future development of Newark International for the sake of jobs in our community. Thank you.

[Chairman Samson] Thank you. [applause] Our last speaker is Roopnarine Singh.

[Roopnarine Singh] Good afternoon. I am the President of MSN Air Service, a Port Authority certified minority business, since 2007, a cargo ground and ramp handling company and a cargo terminal operator since 2005. I am here today to appeal to the august body for your intervention and assistance. Since its inception, MSN Air Service has been conducting business in Building 86 at JFK Airport. MSN Air Service is operating in an outdated, woefully inadequate facility. We have communicated this to the Port Authority property representative at JFK throughout the years. The building limitations have placed our company at an economic disadvantage in the marketplace. Despite repeated requests since 2006 for available alternate buildings, MSN Air Service is still awaiting an alternate leasing option. MSN Air Service has outgrown its current facility since 2007. During 2012, our business has grown from 5.5 million kg annually to more than 8.6 million kg annually, a 73% in cargo handling capacity. Coupled with our employee base increase from 30 full-time jobs to more than 70 full-time jobs, we cannot sustain this growth in our current building. We have approached the Port Authority property manager and staff at JFK Airport again to lease Building 78. Building 78 has been vacant for more than 10 years and needs approximately $2.5 million in capital investment, as we proposed to the Port Authority in 2011. We have repeatedly asked property managers at JFK to lease one of the 6 vacant facilities in JFK. This has been a fruitless venture for the last 7 years, as only in 2011 Building 260, 83, and 84 was put out of commission. We solicited the assistance of Richmond Hill Economic Development Corporation, Queens Economic Development Corporation, and NYC Economic Development Corporation. After more than one year of futile emails and proposal, we solicited the intervention of Gregory Meeks' congressional office and Jim Sanders, NYC councilman, for a meeting with the Board. During a meeting on February 2011 in James Sanders' City Council Office, a proposed solution was submitted by Ralph Tragale, Assistant Director, Aviation Public Affairs, and Michael Ferrigno, Manager, New York Airports Property and Commercial Development, and agreed upon by congressional office of Gregory Meeks, Councilman Sanders, QEDC, RHEDC, and MSN Air Service. This was reneged upon by the Port without explanation. This is the depth of the resistance we have encountered. This seems to be no respect for viable business proposal despite for elected official and complete disagree for certified MBE. I'm asking for intervention on Building 78. I need your help. I'm the only minority business in JFK as a cargo terminal operator, and I need help. Thank you.

[Chairman Samson] Thank you. Before we move on with our final formal action, Vice Chairman Scott Rechler has some comments.

[Vice Chairman Rechler] First I'd like to also thank Chairman Samson for his leadership as relates to the Navigant reporting and setting up the special committee and the perseverance and focus that you placed on this for all of us, so thank you for that. I'd also like to thank the Port Authority professionals, because what the team had gone through over the last 6 months in terms of having to be self-critical and looking at how we've operated in the past and how we're going to operate in the future has been a tremendous amount of work, and rather than deflecting it these professionals embraced it, and they embraced it within enthusiasm with the goal of trying to reposition and restructure the Port Authority so that it can be the proud agency that it was in the past and actually a model of what a public agency should be in the future. And so I want to thank all the Port Authority team members for making that effort. As the Chairman said, the Navigant report provides us a road map to lead the Port Authority to be that model agency, to go out and carry out our mission in the most effective and efficient way possible. But that's what it is. It's a plan, and it's a first step in a plan. And we have a number of challenges ahead of us that we're going to be needing to face over the next two or three years as we go through and execute this plan. So, while we're really pleased with the process, the progress we've made to date we want to make sure expectations are clear that this is going to need to be continued to be pursued with the same vigor and discipline that we have over the last six months if we're going to be successful. There are significant challenges. We're an 80-year-old agency. We have a transportation system and other assets that require a significant amount of investment just for the upkeep and in the modernization of those assets. We released in the report yesterday a capital plan of $26.9 billion just to get through 2020 and an overall plan of identified projects of $44 billion. That's a lot of money, and that's not something we can just do in the ways we've done business in the past. We have to find more creative ways to be able to get more done with less dollars. I think, as we go forward, a key for us is to recognize that we're going to have to be disciplined and accountable as we go forward. And there's no periods where there's just blank checks that can be written, because we want to get something done or because it's got a lot of political momentum to get something done. And there's been already a change in attitude and a change in culture at this agency. And maybe to point to one example that was noted in the report is what's happening down at the World Trade Center site. For those who've been down there, there's been terrific progress. In the interim report that Navigant put out, they've put out a rough estimate for a cost of completion of about $14.8 billion, and then after spending these last 6 months working with Steve Plate and his team as well as collaborating with other third parties and stakeholders down there, all agreeing that that $14.8 billion is the number that we will be able to complete that World Trade Center project with in totality, and that's something that has clarity and visibility to it. So, after digging through it, it was something that was actually something that was actually something that was reaffirmed in that report. If you look at now the tools that are in place that Steve Plate, again, and the team all the way up throughout the agency has to be able to monitor and evaluate the cost and timeline to complete the World Trade Center, it's night and day as to what it was 6 months ago. It gives all of us and should give all of you a sense of confidence that we will be successful, and it's, again, a good model of how we can go forward and be accountable and be responsible moving forward. The other good example in my mind is the settlement with the 9/11 Memorial Museum. That, again, was a very challenging and obviously very emotional discussion with a lot of different views and interests. The Port Authority under a

lot of pressure stepped back and said, "We need to make sure this is done right." Done right, not just in terms of being responsible fiscally, but being responsible to the public that we're here to defend. And so we slowed down a process, again, under a lot of pressure and developed a plan that we think achieves that in terms of going out and having fiscal oversight in terms of having a coordinated effort between the Memorial and the Port Authority on an ongoing basis, having an advisory committee in place to ensure that if there are disputes in oversight that the best interests of the public are looked out for as well as going to the federal government to seek support from the National Park Service in terms of both the financial support and operating support. We didn't do this also by ourselves. Again, in the model of being disciplined and focused we went out and retained a third party advisor to go look at their financials, to go look at their future plans and also to offer them guidance and support to make sure how they can be sustainable going forward as well as setting up metrics, financial metrics, that they've got to be accountable in terms of maintaining the sustainability to ensure it's something that is successful, and if not, how we can react to it as we go forward. So, these are just a couple of the initial examples, but I think that if you look throughout the Port Authority's activities and in our discussions today and in our different Board meetings and committees, you've heard example over example of how we're taking that focus, that accountability, that responsibility to everything that we're pursuing with our Commissioners and all the members, team members, of the Port Authority. So, I want to thank the team members, and I look forward to that same level of vigor as we move forward. Thank you, Mr. Chairman.

[Chairman Samson] Thanks, Scott. Have a motion to move the consent calendar for approval. [Commissioner] So moved. [Chair D. Samson] Second? [Commissioner] Second. [Chairman Samson] All in favor? >> [multiple Commissioners] Aye. [Chair D. Samson] And I'll move, there be no further action, for an adjournment. Can I get a second? [Commissioner] Second. [Chairman Samson] All in favor? [All Commissioners] Aye. [Chairman Samson] Meeting is adjourned.

The Port Authority of New York and New Jersey
Board Meeting – Public Session
September 22, 2011

[Chairman Samson] The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings, a special meeting of the Operations Committee will be held to consider certain matters on today's agenda. Prior to today's meeting, the Committees on Capital Programs/Agency Planning and Operations met in public session, the World Trade Center Redevelopment Subcommittee met in executive session, and the World Trade Center Redevelopment Subcommittee met in executive session on September 7, 2011, and the Audit Committee met in executive session on September 8, 2011. Their reports will be filed with the official minutes of today's Board Meeting. The commissioners also met in executive session prior to today's Board Meeting to discuss matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest and matters involving ongoing negotiations, reviews of contracts or proposals. In accordance with the Bylaws of the Port Authority of New York and New Jersey, Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation, the Nominating Committee of the Board met in executive session prior to today's meeting in connection with the election of Officers. Commissioner Sartor, as Chair of the Nominating Committee, may we have your report?

[Commissioner Sartor] Yes, Mr. Chairman. On behalf of the Nominating Committee for the Port Authority of New York and New Jersey, Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation, it is our report that at its meeting held earlier today, in accordance with the revisions of Article 7 of the Bylaws, the committee by unanimous action submits the nomination of Scott H. Rechler for the office of Vice-Chair.

[Chairman Samson] Thank you. I'd like to move this nomination forward for approval. [Commissioner Sartor] Second. [Chairman Samson] May I have a second? [multiple Commissioners] Second. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] So moved. Congratulations, Scott. [Vice Chairman Rechler] Thank you. [Chairman Samson] Welcome aboard.

[Chairman Samson] I ought to say two things about this. Over the last several months in working with Scott Rechler, I have come to appreciate his leadership and his expertise in the kinds of matters that the Board regularly deals with. Personally, it's a pleasure for me to deal with him, and professionally, I compliment him on behalf of the entire board. We all look forward to working with you. Thank you. I also want to make a comment today about the--and we'll probably deal with it in more detail at a future Board Meeting--on the resignation of Vice Chairman Stanley Grayson. Stan was a sound and prudent voice for the Board. He gave us wise counsel. We all enjoyed working with him personally and professionally, and we all wish him good luck. We continue to wish him the best in his professional and personal life, and we all look forward to continuing to see him personally. But more on that at a future Board Meeting.

[Chairman Samson] Will the Port Authority Police Department World Trade Center Command please step forward. On behalf of the Board of Commissioners, I'd like to recognize members of the Port

Authority Police Department World Trade Center Command, whose devotion to duty since the September 11 terrorist attacks has been a recurring source of pride and reassurance for our agency. The Port Authority lost 84 members of its family that terrible day ten years ago, 37 of them from our police department. Honoring their colleagues' memories, our Port Authority police force has remained dedicated to safeguarding the World Trade Center site as we rebuild. We salute them for their service in the past and for the future. The World Trade Center Command is accepting this recognition on behalf of the entire Port Authority Police Department. Our law enforcement officers' performance during the recent heightened security threat served as yet another reminder of their enduring professionalism and the continued vigilance we know we can expect from them in the future. Please join me in applauding them. [applause]

[Chairman Samson] Will Steve Plate please step forward. Steve. In October 2008 the Port Authority made a commitment to this region and to the world that upon the 10th anniversary of the September 11, 2001, terrorist attacks, construction of the National September 11 Memorial Plaza would be completed. On September 11, 2011, the National September Memorial, "Reflecting Absence," was delivered. The memorial, which features two massive reflecting pools over the footprints of the original Twin Towers, with waterfalls cascading down their sides, the names of the 2,983 who perished on September 11, 2001, and February 26, 1993, at the World Trade Center inscribed around the edges of the memorial waterfalls, and 225 swamp oak trees planted around a 170,000 square foot plaza is now in place, signifying a proper memorial to the victims and an iconic symbol that we will never forget. In recognition of outstanding achievement in not only meeting but surpassing the expectations of this challenging schedule, it is with great pride on behalf of the entire Board of Commissioners that I ask Steve Plate, Deputy Chief of Capital Programs and Director of World Trade Center Construction, to accept this certificate of exceptional service to the World Trade Center construction team. It's because of the hard work and dedication of this extraordinary team that the family members and visitors from around the world now have a place of solace to reflect and pay tribute to those who were lost on September 11, 2001, and February 26, 1993. Steve? [applause] Thanks, Steve.

[Chairman Samson] It's probably a good opportunity for me just to add some personal comments on behalf of the entire board about last week's September 11, 2001, 10-year anniversary. Both Steve Plate and his construction team, as well as the entire Port Authority management and all its employees, deserve enormous appreciation for a job well done. As I said in these remarks about the World Trade Center construction team, the entire staff, from Chris Ward and Bill Baroni all the way down, did a magnificent job in presenting a very challenging moment with absolute good taste, extraordinary security, and provided an experience for all of us that was very powerful and moving. So I thank you, Chris, I thank you, Bill, your entire team. You did a great job. Thank you. [applause]

[Chairman Samson] We will now provide an opportunity for members of the public to comment on other Port Authority matters not on today's agenda. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs Department. Speakers are asked to comply with the fixed time limit of three minutes. The first speaker is Margaret Donovan of the Twin Towers Alliance.

[Margaret Donovan] Good afternoon. In September 2010 the Times quoted the PA's project manager, who insisted that commuters would never have to support One World Trade Center. Eleven months later, Chairman Samson tried to justify the unforeseen hikes on the grounds that they had to happen. He then gave the underlying reasons why they had to happen. But not one of those reasons had materially changed since ace business analyst Joe Nocera's column. There was no reason to suddenly discover that they had to happen and hurriedly vote on the hikes in the middle of August, unless it was to take advantage of the distractions of summer and brazenly ride the September 11th wave. The incompetence is staggering and so is the deception. No one is sadder than we are to watch a venerable institution deteriorate. But without credibility, the once proud PA is nothing but a shell. Why would anyone buy the bonds of an agency that either doesn't know what it is talking about or can't be trusted? And how can the federal government avoid a top to bottom audit of this agency, not just your books but the process that gave us the distressed project? The titanic spirit of Austin Tobin must be thundering in heaven over the incompetence and weeping over the deception. Why did you get 1,500 people out to wait their turn to make a comment with not a single commissioner present to look them in the eye, knowing that the comments would be reviewed but the hikes had to happen? And why wasn't our Freedom of Information request for the transcript of those comments sent to us after the 9/11 anniversary had passed? Why do you always behave as if you have something to hide? Those who would defend your performance need to first ask themselves why all the real decision making has been done in secret. If they are honest, they will come up with the only plausible answer, because the public would never have approved of what was going on. That is what makes it a swindle. If the public had been allowed to observe the process, we would not be looking at two unfinished towers with only two deeply subsidized tenants today, and I guarantee you Larry the freeholder would never have been given squatter's rights to the public's precious property. There is so much more to say, but you don't want to hear it or you wouldn't cling to the arbitrary three-minute limit. But the executive director of New York Department of State's highly regarded Committee on Open Government said it all when he recently copied you in on the advisory opinion we'd requested. It may be nonbinding, but his conclusion, which encouraged you and the LMDC and various city agencies to "reconsider your actions and transparency" carries a lot of weight. And it is great advice, because your chickens are certainly coming home to roost. But it's not too late to do the right thing. Thank you.

[Chairman Samson] Thank you. The next speaker is Richard Hughes of the Twin Towers Alliance.

[Richard Hughes] Good afternoon. At the last Board Meeting we heard the Port Authority claim that it is the engine of growth and prosperity for the New York metropolitan region. Of course, not only is this a direct contradiction of Economics 101, it was a particularly tone deaf thing to say since at the last meeting you rammed through the most punitive, confiscatory, and extortionate toll increase in your history. It's true that you're an engine of growth for your friends in the construction unions, but you are no engine of growth for the region. Far from it. In fact, you're a giant wet blanket over the economy of New York and New Jersey. We are in the worst recession in more than 70 years, yet you raise tolls 50 percent. It now costs an exorbitant and extortionate $12 to get into Manhattan, and yet you think people will pay that and keeping paying that? No, of course not. They'll stay in New Jersey if they can, and your receipts will continue to decline. By raising truck tolls $20, you've just increased the cost of virtually everything coming into New York City and added to the burdens of the average New Yorker during very tough times. Recently the Port Authority celebrated its 90th birthday. Ninety years is a long time--a long life for any organization. In fact, it makes you an old--a very old--agency. And indeed, you're really showing

your years. I was thinking back the other night to when this agency had the vision and the audacity to build the Twin Towers. Those were your glory years. You were what? Forty-five, 50 years old? You were in the prime of life, and you knew what to do and how to do it. Now as an agency you're old and doddering and senile. You're drooling at the mouth. You're gaga. You're talking nonsense and, worse, doing foolish, irresponsible things. And like the elderly, who know they are losing it but refuse to accept the fact of their decline, you're doing everything in secret. You won't let the public see what's going on even as you spend the public's money. That's why the Port Authority needs to be sent to a nursing home for aging bureaucracies. This agency needs to be retired. It needs to be broken up, its assets sold, its bureaucrats sent packing. You no longer have what it takes. You have shown you are not competent to handle the public's money anymore, and the public needs to take charge of your affairs, which, by the way, are our affairs as well, and put them back in order before you make things even worse than they already are. Thank you.

[Chairman Samson] Thank you. Our next speaker is Yvonne Moore.

[Yvonne Moore] Good afternoon. It's a pleasure to be before you today. My name is Yvonne Garrett-Moore, and I have submitted and prepared a letter to Mr. Christopher Ward as well as to the Board regarding some concerns in Newark. I'll read the letter to you, if I may. Excuse my broken glasses. My name is Yvonne Garrett Moore, and I am a public relations and planning consultant living and working in Newark, New Jersey. I have proposed an economic and service redevelopment plan for Newark International Airport that I would like to formally propose to Port Authority of New York and New Jersey for consideration as a public-private initiative. This letter, and my presence here today, is to introduce myself and to request consideration for the redevelopment of a feasibility study for the proposed plan. The plan is simply called Airport City at Newark International Airport. Airport City would be designed as a new global welcome center with carefully planned amenities and services, expanding and upgrading a section of Newark International Airport's existing infrastructure to maximize serviceability and economic growth. Airport City would be distinguished by its high caliber, unique design as a mixed use commercial and residential facility which would attract and provide anticipated services for travelers, industry agents, and regional residents, ultimately providing a gratifying, quality service experience and harnessing the existing and future economic potential of Newark Liberty International Airport. My passion as a Newark resident and homeowner is to see the dormant and untapped creative potential and resources that exist in our citizens and in the infrastructure cultivated and realized. I had the good fortune to brush the elbow of the late Maynard Jackson, former mayor of Atlanta, Georgia. He imparted a few words to me, yet a valuable lesson. He said, "Yvonne, the airport," referring to growth and the vitality of Atlanta. We don't have to reinvent the wheel, just build on the successes. I see this proposed plan as a vital link contributing to the growth and stability of our great city, our region, as a new international destination. I know you will agree, without a vision the people perish. This vision and plan can contribute a practical solution to our region's economic growth need and sustainability, offering jobs, building services and business opportunities. It is my hope that the leadership of Port Authority recognize this potential innovative plan and gives consideration to develop the requested feasibility study to prove the merit of this proposed initiative. Honoring this request will help to empower our collective ability to emerge, our region to flourish in these challenging times. I am a passionate resident of Newark. Newark is bleeding, Newark is hurting. We have so many people who need the help of innovation to help bring this city back to its glory. It has the potential and the infrastructure to continue to serve our world in a very special way. So we thank you for considering

this. This innovation will help to stimulate great growth and potential for our city. And as a mother of a 12-year-old, raising a son in Newark, it's needed to provide the type of oversight to assure our success in the future. Thank you very much.

[Chairman Samson] Thank you. Our next and last speaker is Murray Bodin.

[Murray Bodin] Commissioner Steiner set the tone this morning at the first meeting. They proposed some project, and it would take three years to get it started. And he said, "We can't wait three years. We need it done now." "Go back and rethink it. Come up with another idea." It's a time of change. We can't do it the old way. For ten years I opposed the Tappan Zee Bridge replacement. About a month ago I looked at it again and I said, "In these circumstances, it's time we did something." I stood before you some months ago, and I questioned about Mr. Ward, and I now want to tell you I support Chris Ward. I've watched him very closely for the last couple of months. He deserves my support. Tuesday I was 40 minutes in front of a New Jersey judge. The New Jersey Turnpike Authority took me to court with a restraining order because I want to correct the lines on the Turnpike that have been wrong for some years. I also went to the Westchester County Airport the week before to pick up somebody for a funeral, and I saw the lines were wrong. I asked Westchester to work with me, and some traffic engineer came out, we reviewed them, he said, "You're right. We missed this." Not many of them, but they're going to be fixed. So here I am talking to you about change. About two weeks ago I went to the New Jersey Transit meeting. They're buying 380 new buses. The one thing you need to know when you're a bus driver is how fast the bus is going. That's a number. It's not an analog gauge which was connected to the transmission 50 years ago. Most of you have tachometers on the front of your car. Por que? Why? You've got an automatic transmission. The tachometer tells you zero. The inability of our society to stop putting tachometers on dashboards and to start putting a number as is on the Prius-- Every bus driver I talk to says, "The only thing I need to know when I look down is the number." At the New Jersey Transit meeting I demanded that those 380 new buses come in with the speed indicated as a number and not as an analog. This is about looking at what has to be done today differently. And symbolically, it's that number on a bus. Commissioner Steiner was right this morning. We have to look at things differently. It's about time. And I will stand up and tell you change is here. This is what's going on. My grandson and my granddaughter walk around with this in their hand, they get the information. I don't even have the iPad anymore. My emails come here, not there. With your permission, I'd like to read an email I got while I was waiting outside from a legislator in Westchester. "I'm glad to hear the Westchester experience is working in New Jersey "and that you are not in the slammer." "Remember Lincoln's words: 'Persuasion, kind unassuming persuasion, "'should be adopted to influence the conduct of men.'" Especially when you're dealing with a judge.

[Chairman Samson] Thank you. May I have a motion to move the consent calendar for approval? [unidentified Commissioner] So moved. [Chairman Samson] Second? [unidentified Commissioner] Second. [Chairman Samson] All in favor? [multiple Commisisoners] Aye. [Chairman Samson] So moved. There being no further business, I move to adjourn the meeting. May I have a second? [Commissioner] Second. [Chairman Samson] All in favor? [all] Aye. [Chairman Samson] Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
September 30, 2010

[Chair A. Coscia] Good afternoon, everyone. If we can get started. The Board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committee on Capital Programs/ Agency Planning, and WTC Redevelopment Subcommittee met in public session. the Committees on Security and Construction met in executive session, and the Committee on Operations met in both public and executive session. Their reports will be filed with the official Minutes of today's board meeting. The commissioners also met in executive session prior to today's board meeting to act upon matters related to the purchase, sale, or lease of real property or securities where the public disclosure would affect the value thereof or the public interest and matters related to proposed, pending, or current litigation or judicial or administrative proceedings. Our first item will be presented by our Director of Aviation, Susan Baer, who will provide an update on the Port Authority's efforts to expand service at Stewart International Airport. Sue?

[Sue Baer] Thank you. Commissioners, next month we will conclude our third year since the Port Authority took over operations at Stewart International Airport. In January of 2007, the Board took the important first step of approving the acquisition of a lease to operate Stewart Airport. Later that year we began operations at the airport with a vision that it could serve the region's air transportation needs better than it had in the past. As we look forward to our fourth year at Stewart, I'd like to update you on our major accomplishments, challenges, and opportunities for taking the airport forward as an integral part of the region's air transportation system. As described on the screen, each of our airports has been developed as a distinct product. We have developed a vision that is unique to the strengths of each airport. The role of each airport has largely been determined by geography-- the size of that airport, its location in the region, and its access to ground transportation. Stewart has a natural catchment area in the mid-Hudson Valley. It can be operated at a lower cost than the other airports and without the delay problems. Therefore, capitalizing on its unique and inherent advantages, we are developing Stewart as the region's hassle-free, efficient, and economical gateway for travelers and cargo. Notwithstanding the economic slowdown, which has been especially acute at smaller airports, Stewart remains a promising facility. With its supportive community, convenient location, and a market that includes New York, Upper New Jersey, Connecticut, and Northeastern Pennsylvania, it has the building blocks needed to grow over the long term. I'd like to review our accomplishments to date. As you may recall, one of our first priorities at Stewart was to ensure safe and sound operations in conformance with federal regulations. To that end, we secured the services of AvPORTs initially for the interim operation of Stewart, and now, under a 10-year agreement approved by the Board February of 2009. Together with AvPORTS, we had to quickly develop new winter snow plans and a plan to deal with the indadequacy of parking. We also assessed the security at the airport and enhanced the existing security system. In February of this year, the Board approved a 10-year agreement with the New York State police for its continued law enforcement services at Stewart in exchange for Port Authority Capital Investment to construct a new, on-airport regional crime lab facility. The agreement is now in place, and when constructed, the crime lab will serve as a resource for local law enforcement and retain approximately 20 high-skilled jobs in the mid-Hudson Valley. Infrastructure was our next priority. In addition to ensuring uninterrupted operations, we also focused on our energy and dollars on maintaining a state of

good repair, as the years of disinvestment in the airport were evident. In the past 3 years, we have designed and awarded 20 contracts valued at nearly $50 million. Projects associated with these contracts include the realignment and rehabilitation of roadways, roof replacements, and improvements to the taxiway edge lighting system. We also rehabilitated the airport's sanitary system. Although these projects may not sound terribly exciting, you can appreciate how critical they are to keeping the airport operational. They've also created and supported hundreds of jobs in the Hudson Valley. Some projects are more visible to our customers. As I mentioned earlier, parking was severely inadequate, so we expanded our remote parking lot by 400 spaces and are now putting the final touches on the 800-space main parking lot expansion in preparation for its opening next month. Other customer service improvements include new way-finding signage, the introduction of customer care representatives to assist passengers, adding baggage carts for the first time, and 200 new seats for passengers in the baggage claim and gate areas. We also worked with New York State Department of Transportation to expand bus service to the Beacon Train Station on holidays and weekends. A large part of our success will come from pounding the pavement to develop ties to the local community. Long before we even took over Stewart, we began tapping into Stewart's very close-knit community in order to build strong relationships in support of the airport. We are active participants of the Stewart Airport Commission, and we created the citizen's advisory panel, which convenes quarterly to solicit input on the airport's role in the region. In order to create opportunities for local businesses, we expanded our highly successful airport service development office to the Stewart Airport community. We also conducted workshops on how to do business with the Port Authority and worked with local contractor associations to advertise the opportunities. We've also made progress on environmental sustainability. The Stewart sustainability plan was just completed to ensure environmental stewardship of the airport. In addition to long-term measures, the plan includes approximately 60 short-term measures to reduce the airport's environmental footprint. An overall implementation strategy will be developed with input from the citizen's advisory panel. As for ongoing efforts, Stewart Airport is among other Port Authority facilities that will have an energy service company install certain energy-efficient building systems. We also instituted a project with grants from the FAA and a cautionary agreement with the New York State Power Authority to allow aircraft parked at the terminal gates to plug in and power their air conditioning, lighting, and other electrical systems without using a jet-fuel burning auxiliary power unit or a diesel-burning ground power unit. This will reduce priority air pollutants and greenhouse gases, including 18,000 pounds of carbon monoxide and 5,000 pounds of nitrogen oxides each year. And just this month, we helped advance the agency's sustainability policy and support state energy targets by entering into an agreement to purchase environmental attributes from the Taylor Biomass Energy Montgomery Project. This procurement will be made on behalf of the Port Authority by New York Power Authority as a result of a competitive solicitation. The project will construct and operate a renewable energy generation facility in Orange County near Stewart Airport. The agency's participation in the project will support the generation of both clean energy and several hundred green jobs in the Stewart area. As we look to the future of the airport, there are two areas which are fundamental to our work and ultimate success. Adding more flights that people want and paving a clear path for the airport's redevelopment. And now, as discussed in this morning's Committee on Operations, we're recommending a program to attract new passenger service to Stewart. We propose a 2-year air service incentive program to provide passenger airlines and charter tour operators with financial and marketing incentives to initiate new nonstop service at Stewart. The program is expected to provide air travelers with sustainable and competitively priced airline service to new domestic and international markets. For carriers, the program is designed to

mitigate start-up risks during the critical first-year service, providing a credit of $525 per aircraft turn for ground handling services and marketing support valued at $3 per outbound passenger, up to $150,000 per destination. For the Port Authority, the program will help Stewart compete with similar airports and provide net-positive revenues generated from additional fuel and flight fees, parking, concessions, and PFCs. Commissioners, we're excited to have an additional tool as we meet with our airline partners to grow the airport. In fact, a few weeks ago you were informed of an early success with the proposed program. Staff finalized negotiations with Apple Vacations, a leading tour operator to provide nonstop service from Stewart to Cancun for 10 weeks beginning in February. It will be the first new air service at Stewart in 2 years, and we're working hard to capitalize on the momentum created by this success. We've had some encouraging comments from airlines and hope to make more announcements about new service in the future. With regard to airport development, staff is preparing a Stewart redevelopment plan, which will map out our specific needs against major passenger demand milestones. In order to achieve our goals for the airport, the plan will identify phased infrastructure and capital development programs aligned with passenger growth benchmarks, highlight strategic acquisitions to support future development, and align our capital planning efforts to phased facility requirements. For example, we would evaluate the need to lengthen runway 1634 to provide operational flexibility when the airport demand is between 3 and 5 million annual air passengers. In the near term, we know we have to begin planning for the passenger terminal's capacity to handle international flights. To that end, today we are requesting planning authorization for a terminal expansion project. As discussed in this morning's Committee on Capital Programs/Agency Planning, the terminal can only handle international general aviation flights of up to 20 passengers. The proposed terminal expansion would be implemented in three phases. Phase one will consist of an approximate 25,000 square foot expansion of the north side of the terminal as illustrated on your screen. This part of the expansion will allow for simultaneous processing of international and domestic passengers. To support the current air service initiatives I described earlier, the airport is currently installing, in cooperation with Customs and Border Protection, an interim federal inspections service facility. Planning for phase one is expected to be completed by December 2011, and staff would seek project authorization shortly thereafter. The subsequent phases would include customer service improvements and additional improvements to create a fully functioning inspection facility. Commissioners, the program and planning authorization before you ensures that we address two areas that are fundamental to the success of Stewart Airport, increasing air service and airport redevelopment. The air service incentive program is part of a comprehensive effort to attract more service options for our customers, including international flights. Planning for the phase terminal expansion will support these air service development efforts and expand the terminal's overall capacity in a responsible, demand-driven manner. Commissioners, I request your approval of these items. Thank you.

[Chairman Coscia] Thank you, Sue, for that comprehensive review and agenda of items for us to consider. Any questions or comments? Can I have a motion to approve? [Commissioner] So moved. [Chairman Coscia] Second? [Commissioners] Second. All right. All those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Okay, thank you. Okay, before we do the consent calendar, no one is here on the item that Sue presented, but we have several that have asked to speak on other items. I'd ask Margaret Donovan from the Twin Towers Alliance to come forward, please.

[Margaret Donovan] Good afternoon. The September 18th New York Times front page expose' questioning the fundamentals of the WTC project has finally pried the lid off a can of worms. If the

Nocera's scenario develops, it is unlikely that Tower Three will ever rise above the podium level and the outlook for Tower Two is even dimmer. We cannot afford to put a Mutt and Jeff skyline in place of the legendary skyline we lost. Replacing the two exclamation points at the end of Manhattan with a giant tombstone, a mega version of the funereal obelisks found in cemeteries everywhere is disgraceful. Since the project could still go from bad to worse, and the public owes The Times a debt of gratitude for blowing the whistle on such a sad prospect, and you owe the public a thorough inquiry into our options as you have since the Twin Towers Two plan was formally presented to Mr. Ward exactly two years prior to The New York Times piece. Everyone knows that making a mistake is not nearly as bad as refusing to admit it. But recklessly continuing on this course at the public's expense is more than just a willful mistake. So where does the public go to find out how Mr. Ward reported on a fully designed plan for re-engineered, state-of-the-art twin towers that could have saved the public billions of dollars and years of wasted time? Or isn't that our business? And how are we to learn why, given the credibility of the Twin Towers Two plan has with the public, an effort wasn't made to discredit it? If he was so sure there was nothing to the Twin Towers Two claims? The most probably reason is that he did not try because he did not want to risk discrediting the current project instead. So now billions of dollars later it has discredited itself. There is a world of difference between mere activity and real progress. Like it or not, the twin towers were not disposable icons. Mr. Silverstein signed a contract promising to rebuild the premises according to the plans as they existed at the time. You had a legal, ethical, and moral mandate to hold him to it. You chose instead, and continue to choose, to ratify the twin towers' destruction to please some vain and pompous politicians. But it has always been and is now the most fiscally prudent course. You are not authorized to ignore that. Each of you took an oath of office, and when you willfully ignored the facts and cling to flawed assumptions, you violate that oath. What officials are missing is that whatever it costs, it is our property and our money, not yours. You are the public's agent, Mr. Silverstein is the public's tenant, and it is our choice to decide what the World Trade Center is worth to us. This is the most significant development of our lifetimes, one that we hope will stand for centuries. It is worth any amount of effort and expense to get it right because icons cannot be manufactured just by labeling them icons. Symbols are the international language. They mean what they mean, not what you or Michael Bloomberg decide to say they mean. Thank you for your attention.

[Chairman Coscia] Thank you. Mr. Richard Hughes?

[Richard Hughes] Well, you know, the Titanic is back in the news. It's always in the news. People are fascinated by disasters. And what we have here with the Port Authority and the Port Authority's plans for Ground Zero is a disaster that's unfolding. We have Captain Christopher Ward and his crew steaming full speed ahead into a disaster. It's not as if he wasn't warned. You've all been warned. It's nice that The New York Times, now that they're out of the real estate business, has finally decided to look at the economics of what you're trying to do. We all know it's not going to work. None of you are fools. You're not idiots. You're tied into something that is like the Titanic, only you won't listen to the warnings you've been given. They were warned. They knew what was going to happen. They were told they were heading into the ice fields, but they wouldn't listen. And we all know what happened. A century later we're still fascinated by it. A century from now are we going to be equally fascinated by how you worthy people allowed this to happen? We know we had a terrible tragedy nine years ago. The American people expected that something would be done, something would be built at Ground Zero that would be at least equal to what was destroyed. And instead, you're intent on building something so pathetic, so mediocre, so unworthy, that we're all aghast. But now we know it doesn't even make any

economic sense-- not one bit of sense. It's a money loser; it will always be a money loser. So not only have we been robbed of our symbols of something magnificent, of something the whole world identified with our city and our country--not only have we been robbed of that, but we're going to be stuck with something that is vastly inferior and then we're going to have to keep paying for it and paying for it and paying for it as it loses money year after year after year. And why? What needs to be done is the tower needs to be-- the building of the tower needs to be stopped, it needs to be capped off. Better yet, it needs to be recycled. We just destroyed three magnificent stadiums to build new stadiums at billions of dollars of cost. We could save money by stopping the current construction, building mixed use twin towers that would be profitable, that would be what the public wanted, that would make money for the Port Authority as the original Twin Towers did. Instead, you insist on sailing full steam ahead straight into the iceberg. But history is going to remember what you did. You're not going to be forgotten. Remember that. They will remember, and we will. Thank you.

[Chairman Coscia] Thank you. Theodore Goodreau?

[Theodore Goodreau] Good afternoon. My name is Ted Goodreua. I'm a Rutger's graduate student of social work. The purpose of my visit is to propose a big, monstrosity rail project, which you all are going to hate me for, but anyway. Yeah, we need more PATH tubes because society has come to rely on cars. I'm sure you've been across the GW Bridge. Especially during rush hour, you get stuck in traffic for--I've been stuck for at least two hours at some points. And not only that, but not everybody drives a car. I was without a car myself for a year. We need to improve our rail transit system. It was really painful for me. I'm sure it's painful for those who don't have cars who have to get to their jobs, especially in parts of New Jersey where the buses only run on the hour, and the trains as well. I feel this is the Port Authority's job because I'm sure, as you know, New Jersey transit is heavily criticized for that new rail tunnel being built. Some people are saying it will only benefit New York. Mostly that's a foreign language to me, but I think it's the Port Authority's job because there will be a lot less political disparity because it's run partly by both states. So what I had in mind was to put some kind of rail link between Fort Lee and the Bronx and Uptown Manhattan. Some rail line between starting at the Bronx and going out to Fort Lee, Leonia and Hackensack, somewhere out there, just to take some of the local cars off that bridge, just to speed things up a little bit. Eventually, to Montclair, maybe. So that was my first idea. The second idea--I did a whole sketch of things, but I'll save that for a later date. Thank you for your time.

[Chairman Coscia] Thank you. Is there a Mr. Willie Jones here? Mr. Jones? I guess not. Okay. Final item of business is the Consent Calendar. Can I have a motion to approve? [Commissioner] So moved. [Chairman Coscia] Second? Any questions or comments? All those in favor? [multiple Commissioners] Aye. [Chairman Coscia] Any opposed? Okay. May I have a motion to adjourn? [Vice Chairman Grayson] Moved. [Chairman Coscia] Thank you. Good afternoon everyone.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

August 12, 2013

Ms. Margaret Donovan
The Twin Towers Alliance
mldonovan@twintowersalliance.com

Re: Freedom of Information Reference No. 14005

Dear Ms. Donovan:

We continue to process your request for records under the Port Authority of New York and New Jersey's Freedom of Information Code for a copy of every Board Meeting transcript going back to when they started being transcribe in 2011.

Additional time is required to process your request. We anticipate that a determination as to the availability of records responsive to your request will be made on or about the week of September 2, 2013. At that time, you will be advised in writing of whether we have located records responsive to your request.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,

Daniel Duffy
FOI Administrator

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The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
February 21, 2008

Chairman Coscia: We can get started. Good afternoon and welcome. The Board Meeting of The Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the World Trade Center Site Redevelopment Subcommittee and the committees on construction, governance and ethics, and capital programs and agency planning met in public session. The Audit Committee met in executive session, and the Committee on Operations met in both public and executive session. The Commissioners also met in executive session to discuss matters involving the ongoing negotiations or reviews of contracts or proposals and to act upon matters related to proposed, pending, or current litigation or judicial or administrative proceedings. And their reports will be filed with the official minutes of today's Board Meeting.

Tuesday, February 26 marks the 15th anniversary of the first terrorist attack on the World Trade Center. On behalf of the Board of Commissioners, we offer our thoughts and our prayers to the families of the six victims, which included four Port Authority employees who were so tragically lost on that day. On Tuesday, a memorial service will be held and flags at all Port Authority facilities will fly at half staff. We will never forget the act of terrorism committed against us nor the memory of the victims who lost their lives on that horrible day. In remembrance of the 15th anniversary of this tragic event, I now ask that we observe a moment of silence in memory of those who we lost on February 26, 1993. Thank you.

Our first order of business is a report from the Executive Director. Tony?

Anthony Shorris: Thank you, Chairman, and members of the Board. I just want to highlight a couple of things you'll hear about today and a couple of things you won't hear about today, but all of them focus around advancing the goals we've talked about achieving economic growth for the region, sustainability, and quality of design and the services that we offer.

You'll hear in a few minutes about a pilot program for regional - for contactless bankcards that people can use on PATH to pay their fares. This will be a pilot program for PATH and New Jersey Transit and I hope will be the first step in leading towards a regional fare payment system that would allow commuters to use the cards already in their wallets to get them all the way from home to work and back.

I just want to offer some thanks to Diana Beecher and Steve Sigmund and Ernesto Butcher and also particularly to Matt Baratz and the others who've helped pull this program together. I think it's an important and potentially exciting step forward.

Bill DeCota's going to talk to you a little bit about the status of our efforts to deal with delays at our airports, particularly an initiative that the Chairman launched and a number of us supported. He'll also open discussion and look for counsel from the Board on how the agency should continue to solidify our position on flight delays and set a firmer course in the future. But I did want to thank Bill and Patty Clark and Ralph Tragale and Bradley Rubinstein and his staff, who are continuous and extremely diligent in pressing our case in Washington and beyond.

A couple things you won't see that just happened in the last month I just wanted to mention, the AirTrain Terminal at Jamaica Station received the 2007 Award of Merit from the American Institute of Architects for the quality of its design. And I wanted to offer some special thanks and congratulations to Frank Lombardi and the engineers and architects who worked so hard to make a really beautiful building and reflect our commitment to the quality of design.

Speaking of AirTrain, I wanted to mention again I think some of you know that the AirTrain system set another record in 2007, 20 million passengers used it, 20 million people had an easy, fast, and environmentally friendly way to get to the airports, a system that we're still improving, helping riders to navigate it better all the time. We just unveiled some new video and audio podcasts for using the AirTrain system that you can download at www.portauthoritypodcasts.com. And congratulations to the whole AirTrain team for that.

On January 10, the final phase of the ExpressRail and Elizabeth facility was completed, something that provides 18,000 more feet of linear track that expands rail capacity at the port, improves our competitiveness even as it makes operations more sustainable environmentally, a win for everybody. Kudos to Rick Larrabee, Frank Lombardi, John Drobny, and everybody and their departments who helped make it so successful.

And finally, we have expanded the use of the Lincoln Tunnel's exclusive bus lane now to be open starting at 6:00 a.m., earlier than it was before. That's part of our effort to continue to address the ability to move increasing amounts of traffic, to reduce congestion, particularly during peak periods, and make mass transit a better and more environmentally friendly service for more people in the region. And our thanks to Vicky Kelly and the Lincoln Tunnel staff for their efforts on that. Thank you, Chairman.

Chairman Coscia: Thank you, Tony.

Our first presentation today deals with a topic, which I know my fellow Commissioners will remember that over two years ago when we were developing a strategic plan that was presented to our Board for approval in December of 2005, we talked a great deal about how we could make travel throughout the region seamless. And since that time, a great deal of work has gone into developing different alternatives on how that could come into being.

And, in fact, we're very pleased at the level of cooperation between this agency, the MTA, New Jersey Transit, and other agencies involved in transportation. It has all gone very well with the notion of building a seamless transportation network that serves commuters in the best way possible. We all recognize the fact that when people go to work in the morning or wherever their travels bring them that they're not really all that concerned about whether they're on a Port Authority system or a MTA system or a New Jersey Transit system. They just want to get from point A to point B as quickly and as efficiently as possible.

To that end, we've done a lot of work, I think very quality - high quality work on developing fare payment systems that would lend themselves eventually to some kind of a uniform system. Diana Beecher, the director of our technology effort, is here today to discuss a pilot program for contactless bankcards that we see as a very important step in that overall direction. Diana?

Diana Beecher: Thank you, Chairman Coscia. You kind of stole my thunder a little bit. But to take off from where the Chairman left off, today, 9 million passengers travel each day on the three systems -- Port Authority, New Jersey Transit, and MTA. And we are all working together cooperatively to try and make that experience easier and more comfortable for those customers. We are trying to find a single fare card that will serve the same customer across all of the systems in the region.

Today we are seeking approval to work with New Jersey Transit and MasterCard in a test of a contactless bankcard device. On the slide, you will see pictures of contactless bankcards that are in use today for other purposes. They're becoming more and more common as a mechanism to pay for goods and services. They're often referred to as tap-and-go. And as a matter of fact, the MTA is in the middle of a pilot program to test these kinds of cards on their system. There are other kinds of pilots that are going on around the world, but here in our region, we are very interested in trying to make some standard for us.

PATH began accepting pay-per-ride MetroCards in 2003, which was a first example of cooperation between two of our three systems. Last year, PATH introduced the SmartLink card, which also has the capacity to serve all of the systems across the region. But as banks have gotten deeper and deeper into the market for making small purchases with contactless devices, we thought that it would be wise to consider that as an option for collecting fares across the system.

We are proposing a test that will enable our customers to try these devices for transit fares. In December of 2006, we issued a request for proposal. It was publicly advertised and we received four proposals. MasterCard's proposal was the highest rated and involved the lowest cost for us and the New Jersey Transit System. The proposal is that MasterCard would invest approximately $3 million in creating a pilot. And they would operate that pilot for use by the general public for eight months. The public pilot would be open to MasterCard holders exclusively during the first two months. And for the remaining six months, MasterCard would open that pilot to other kinds of contactless cards -- that is other brands of contactless cards.

Customers would be able to use these devices at any PATH station and on two connecting New Jersey Transit bus lines during the test period. They would be able to pay for a single ride by just tapping the card at a turnstile or on a bus. And they could also purchase discounted multi-fare trips by visiting a web site or by calling a customer service number. MasterCard Worldwide will develop and conduct this test at no cost to either the Port Authority or to New Jersey Transit.

The Port Authority staff does estimate some internally allocated costs, including planning and engineering costs of about $400,000 and administrative costs of about $160,000. In addition, today we are requesting an authorization to potentially spend an incremental $250,000 should we decide to expand the pilot beyond the locations that are currently agreed to with MasterCard.

This pilot is compatible with the pilot that the MTA is performing. So if we decided at the end of all of the pilots that this was a good way to collect regional fares, we would not be involved in creating a different technology than the one that is being used at the MTA and in this pilot today. We expect that it will take approximately a year to get the pilot set up, to develop the technology and get it

running. That means that we would launch the public test period for the contactless cards in February of 2009. We are working very closely with MasterCard to ensure that coordination continues through this entire period between the MTA, New Jersey Transit, and ourselves.

We will offer tap-and-go payment cards on PATH turnstiles and on New Jersey Transit buses. If the test is successful, we would then not be obligated to continue with this exact arrangement, but rather we would be prepared to go out for an RFP along with New Jersey Transit and MTA for a region-wide fare collection mechanism. I would like to request your authorization to advance - or to approve this item today.

Chairman Coscia: Thank you. Thank you, Diana. Can I have a motion to approve? Commissioner: So moved. Chairman Coscia: And a second? All right. Does anyone have any questions or comments?

Commissioner Mack: I think it's great. Like E-ZPass?

Diana Beecher: Yes.

Commissioner Mack: Thank you.

Chairman Coscia: Okay. All of those in favor? Board Members: Aye. Chairman Coscia: Any opposed? Okay, thank you. Next, I've asked Bill DeCota, our Director of Aviation, to provide the Board today with an update on an issue that's being undertaken to minimize flight delays at our airports. Bill?

William DeCota: Thank you, Mr. Chairman. You did ask staff to report to you on the status of flight delays and really, the many efforts that are underway to try to alleviate them. And it's been really clear in our discussion with you, this Board, and the executive staff that you want The Port Authority to work very aggressively to address this problem and to try to provide for the air travel needs of passengers and cargo. And we all know how important these airports are to regional economic growth. You've also been very clear in your expectation that passengers be provided with better and more consistent customer service in the event of delays, which we all know at times are going to be inevitable. And the leadership, Commissioners, that you've given us really has made us committed to doing what we can to control the delay situation and to try to provide our customers at our airports with safe, fast, and efficient services.

Just for perspectives, you know that our airports are very vital to the region's standing as a global economic center. They're the country's largest airport system. The three major airports -- Newark, Kennedy, LaGuardia -- they handled 109.4 million passengers last year, 2.9 million tons of cargo. And that number has been going up robustly every year. The combined impact of aviation operations, of airport investment, of tourism resulted in more than half a million jobs in this region, $20.5 billion in wages, and more than $57 billion in economic activity.

As you know, flight delays have severely impacted the nation's aviation system. And I underscore that that this is an issue of national importance. Nationally 2007 was the second-worst year for delays ever in this entire country with over 26 percent of flights arriving late or canceled. Those

delays have had tremendous economic impacts on this country. It's cost the national economy over $9 billion in productivity each year. The causes of delay are many and varied, just as are the solutions. You see some of them here. Weather is the largest contributor. Volume is an important factor, as are the capabilities of both the aircraft and the air traffic control systems. And the lack of available capacity has also been considered to contribute significantly to delay.

The flight delay problem is particularly acute in our region, not a surprise to anyone who flies in and out of our airports. Our airports have traditionally ranked among the worst in the nation in on-time performance. Last year, only 58 percent of LaGuardia's flights arrived on time, the worst of any airport in this country. Newark placed second with 59 percent, and JFK was third with 63 percent. One thing this Board has made it very clear to us on is that the public interest requires that the region's flight delays be addressed and addressed very aggressively so that our air travel system will continue to serve our passengers and cargo in the way that they expect to be served.

The most important way that we have been working to decrease delays is as you know to increase capacity. Over the last 20 years, The Port Authority has invested over $15 billion at its airports, entirely new facilities rising, ones that we had hoped would guarantee passengers the kind of accessibility, service, and convenience that they desire. The new capital plan has $6 billion more programmed for capital improvements and other things are in planning.

Anticipating further expansion of our region even beyond the core of what it is and also seeing more growth in travel demand, we took control of Stewart Airport on November 1, a major commitment by this Board in a piece of infrastructure that needs a great deal of development and air service development. The airport adds nearly 2,300 acres of land, a nearly 11,000 foot runway, a seven-gate passenger terminal, and other infrastructure. And it's going to require a great deal of investment by the Port Authority in order to enhance those.

Further, while small planes play an absolute role in small community air service in our region, we have also been investing in our airports to allow for new, larger aircraft to make more efficient use of the airfields where they make sense. In 2004, you approved a program of nearly $180 million investment at JFK, which is making that airport ready to handle the Airbus A380 Superjumbo when it arrives this year for commercial service. We're equipped LaGuardia to handle the Boeing 767-400 Extended Range and for Newark to handle the Boeing 777.

The 2007 budget that you passed late last year also has a flight delay reduction program. There's about $150 million in capital improvements, like runways and taxiways, that we will be accelerating and bringing back this - to this Board to try to reduce delays. We are also working with the FAA to expedite implementation of the 77 procedural, technological, and capital recommendations of the Flight Delay Task Force that you, Mr. Chairman, and the Executive Director, formed last July. The task force included senior executives from major airline companies. We had airline CEOs here. Senior officials from the Federal Aviation Administration, including the administrator herself and the deputy administrator, state and local officials, representative terminal operators, business leaders from some of the biggest companies, and lots of transportation advocates.

In December, the Technical Working Group of the task force released its final report. This Board has got copies of that and is familiar with its contents. And it outlines these 77 recommendations for

mitigating congestion and reducing flight delays, things like radar to try to improve ground traffic movement or the construction of new taxiways to allow aircraft to more quickly navigate on the airfield, things that would allow simultaneous offset instrument approaches to airports.

The FAA has told us that they're now working on 18 of these initiatives to be implemented by summer and they're appointed as you know and airspace czar in the New York region to help marshal the resources to see that this list gets done. The FAA since they operate the air traffic control system and the United States Depart of Transportation, to whom the FAA is accountable, are really ultimately some of the most critical players that will help in reducing delay. The FAA's moving forward with a regional airspace redesign program, which is intended to try to reduce some of the delay situation. In fact, the FAA estimated that there would be a 20 percent reduction in delays once that is fully implemented. Also the FAA announced its long-anticipated next gen program, which will use satellite-based technologies across all of US aviation for the first time. This is an amazingly sophisticated advance in technology that will produce significant improvements to make air traffic movement more efficient.

Two other efforts by the federal government, which we've had a great deal of comment on, in December, the DOT and FAA released their report of the New York Aviation Rulemaking Committee. This is an effort that we participated in extensively to provide input to solutions. What the DOT and FAA unfortunately proposed are limits on the numbers of flights per hour at Newark and Kennedy as a way to reduce delays. Also in January, the DOT announced and the FAA issued a proposal on congestion pricing and auctions that would let airports charge more for landings during busiest times. With regard to both the last two items, we have made it very clear, Commissioners, with your direction, we've told the federal policymakers that we are really opposed to measures that would restrict activity and reduce air travel options.

Finally, Commissioners, you know that the worsening level of delays really has revealed to us critical gaps in customer service during what we call irregular operations. Some delays will always persist no matter where you are in this country in conditions such as severe weather. You have directed us to take a very strong focus on customer service even as efforts progress very aggressively to reduce delays. The Flight Delay Task Force in addition to those 77 recommendations for air traffic improvements also had a very robust list of recommendations to address customer needs. The Port Authority is implementing a number of programs in cooperation with the airlines to improve communications to passengers during delay, improve access to essential services, provide information on alternative travel options.

The Port Authority as you also know, this Board approved earlier last year a very aggressive customer care program. We introduced more than 50% in customer care reps. We're building welcome centers at the airports. We're providing electronic information alerts. We put 5,000 seats amongst 70 new, upgraded food, beverage, and retail outlets at the airports. And we put a comprehensive $34 million program in place in time for the peak summer travel season last year and for that we're appreciative of your support.

The Office of the Secretary of Transportation has formed a national task force to develop model contingency plans to deal with what are onboard, lengthy ground delays. Lisa Scully of our staff, our Assistant Director of Customer Services, is serving on that on our behalf.

All of that provides a very strong focus on customer service, providing air travelers with better and more consistent customer care during delays.

Commissioners, an effective delay reduction approach is multi-faceted. You've been engaged very deeply in all of those discussions. It requires an awful lot of coordination among many different parties -- the airlines, the FAA, The Port Authority to name a few. The ultimate solution is if we're going to provide safe, fast, efficient air travel, it really lies in effectively expanding and utilizing the existing capacity. With these efforts I've described, we believe that we will be able to make inroads into this problem and that we will continue to be able to meet the needs of the air passengers in our region. We do want to thank you for all of your support and leadership.

Chairman Coscia: Thank you, Bill. I appreciate all of the hard work that you and your staff and certainly the leadership of our Executive Director Shorris have done in engaging in this issue. I mean, certainly it's - we've got lots of work ahead of all of us. But the fact that we're as engaged in a problem that is as acute as it is I think very, very important and we're pleased that, in fact, that's the case.

The policy that you outlined is comprehensive and it gives us something to work from. And clearly as I said, there's a great deal to be done in realizing what you've outlined in terms of effectively enhancing capacity, encouraging more intelligent scheduling and rationalization of the allotment of current capacity, and I think we all feel there's a lot of hope with respect to Stewart and what that presents. And certainly customer service you appropriately highlight as something that's critical. Let me ask for a motion on the policy that Bill has outlined.

Commissioner Mack: I'll move.

Chairman Coscia: May I have a second.

Commissioner Steiner: Second.

Chairman Coscia: And allow my other commissioners if there's a comment anyone has on any of these? Thank you. All right. All of those in favor?

Multiple Commissioners: Aye.

Chairman Coscia: Any opposed? Okay, thank you. Thank you, Bill.

William DeCota: Thank you very much, Chairman.

Chairman Coscia: Okay, I guess our next item of business is public comment. And I see we only have one person who's signed up and that's Almeta Walker. Ms. Walker, if you - thank you.

Almeta Walker: Yes, I'm here to speak on inclusiveness. I would like to see more contracts for minorities and women and small businesses. I would like to see more entry level positions available to our young college students who are desiring to go into professions such as engineering,

architecture, finance. And there should be some oversight, someone that the community can go to, to ensure that these things are, in fact, happening.

Chairman Coscia: Thank you. Thank you. Can I have a motion to approve the consent calendar? Commissioners: So moved. Commissioner: Second. Chairman Coscia: Second. All right. Any questions? All in favor? Multiple Commissioners: Aye.

Chairman Coscia: All right. That wraps it up. Can I have a motion to adjourn? Thank you. Thank you. Good afternoon, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
March 27, 2008

Chairman Coscia: Good Afternoon, everyone, sorry for the delay and I'd like to get started. The Board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the World Trade Center Redevelopment Subcommittee and the Committee on Capital Programs and Agency Planning met in public session, and the Committee on Finance met in both public and executive session. The reports will be filed with the official minutes of today's Board meeting. The Commissioners also met in executive session to discuss matters involving ongoing negotiations or reviews of contracts or proposals, and to act upon matters concerning proposed, pending, or current litigation or judicial or administrative proceedings.

Today's first order of business is a report from our Executive Director, Anthony Shorris. Tony?

Anthony Shorris: Thank you, Chairman. Over the course of the last year, we've obviously all come to the thought we need to take some aggressive action on dealing with issues around global warming and greenhouse gases, and we made some serious strides. And in a few minutes, we'll take some more of those and you'll hear from our Chairman on that.

I'll talk a little bit about it, but I just want to take a moment before we do any of that to thank a couple of people at the Port Authority who've been involved in taking on the challenge that you're going to hear about today.

First and foremost, Chris Zeppie and George Sarrinikolaou, who were sounding the alarm on this issue long before any of us were smart enough to listen. They've been aggressive provocateurs and thoughtful guides on this, and we owe a lot of what's on our agenda today to them.

In preparing the policy that you're going to hear about today and some of the work that goes on below that, other people have been very much involved, as well. Sanjay Mody, actually, from the chairman's office, has been working very closely with us in driving and developing this policy. Karen Eastman and Darrell sitting next to me, and Lillian Valenti and Paul Blanco, along with their staffs, Howard, Tim, Richard -- others have added this very complicated issue to their already very complicated working lives, and we thank them for it.

And I owe some special thanks to Andy Rachlin, whose humor and decency sometimes belies his intelligence and determination for helping to make what you're going to see today real.

On the World Trade Center, Steve Plate, our director of World Trade construction, will be presenting for your approval a major contract on concrete for the World Trade Center Memorial and Museum. It is, as I'm sure you know, the latest in a whole series of milestones for the whole site over the past year.

A memorial that's now 70-plus percent awarded or out to bid, the bathtub complete for Silverstein's towers three and four, the Freedom Tower that's now within feet of street level and more than 90%

of its construction contracts awarded, the insurance settled, the retail developer in place, JP Morgan Chase anchoring the southeast end of the site.

Those are all -- and yet I have to say, just as a personal note, there are people who for reasons I still can't quite imagine still seem to want to write the same story of the past few years, the story of debate and delay. And there was probably a time when those stories were true and they acted as a prod to get everybody moving.

But today those stories are hollow stories, the purview of muckrakers without a lot of muck to find. All it takes is a trip to that site, a peek through those fences, to see that the World Trade Center is now one of the busiest construction projects in the world, with building going up and out at a rapid pace as talking has turned to building of the projects as they have been promised.

The real news about the World Trade Center is good and important news, and I want to always take this opportunity to thank Bill Goldstein, Steve Plate, Mike Francois, the rest of the World Trade Center team, and the missing member of our staff and yours, Tony Sartor, for his continuing efforts to move this enormous undertaking along.

Bill DeCota, the director of aviation, will present an item that will help us move forward on some taxiways at JFK, but the real issue is this was a critical recommendation of the flight delay task force on expanding airport capacity. The Port Authority is taking action.

Meanwhile, the FAA and others seem to continue to push forward with capping flights at Kennedy, now Newark, a policy that frankly only has a record of failure to recommend it. Those are decisions that may be based more on factors other than the merits, and we continue to urge the federal agencies to come to the table and make the hard and important decisions to implement the task force recommendations and make real improvements in this region.

And then last thing, some of you I know were there, Commissioner Bauer I know joined us, and Chairman Coscia. Last week we announced record cargo volume at the Port of New York and New Jersey, a 4% increase in 2007, outperforming every other major port. Exports, interestingly, grew at a counterbalance, a drop in imports, a point that makes us think the Port may have counter-cyclical value in a weak economy, as we have now.

And most importantly, our purchase of a lease of a property that will allow us to expand our container facilities for the first time in years, and I just want to thank Rick Larrabee and the rest of the Port commerce staff, law department and others for keeping this process moving, for keeping the Port running, and particularly to the now-missing Susan Bass Levin for her special attention and energy on this matter. So that's my report. Thanks.

Chairman Coscia: Thank you, Tony. The first resolution, the first item before us I'd like to take a moment to introduce relates to an ongoing attempt by this board to establish policies in areas that have broad application and that we believe are fundamental to this agency and the fulfillment of this agency's mandates.

And in particular, today we're proposing the adoption of a policy relating to our efforts in the area of sustainability. The Port Authority has always taken seriously its responsibilities to the environment, and over the years we've developed a variety of capital programs and various strategies that helped to bring our facilities into compliance with this.

For example, in 2006 we adopted a policy on sustainable design that applies to all new construction and all major renovation at agency facilities. We've made significant investments in Express Rail, a system which by 2011 at its completion will take 2.5 million truck trips off the region's highways.

And at the World Trade Center site, we're designing the core and shell of the Freedom Tower to achieve LEED gold certification requirements, among the very few buildings in the region that are meeting this rigorous standard. We're also fueling the Freedom Tower with a 1.2 megawatt fuel cell system that provides emission-free on-site distribution, generation, and liberating the building and its basic power systems from the electric grid. We're also purchasing renewable energy credits to offset the balance of energy needs that power the building.

But in recent years we've seen more and more concern and more and more attention rightfully placed on the issue of global warming and climate change, and certainly we recognize that running an enormous transportation facility in what is arguably one of the largest urban centers in the world, that we have a particularly unique responsibility to contribute to the solution.

Last year we announced in May a plan to reduce by 80% our carbon dioxide emissions from 2006 levels by 2050, and shortly after that we announced additional near-term objectives of creating performance measurements and bringing this agency to the forefront of entities that look to bring their carbon emissions to an acceptable level.

In that respect, we found that clearly there is an enormous amount that can be done by this agency. The Port Authority operations of its facilities contributes nearly 300,000 metric tons of carbon emission equivalents to the region, and when you couple together the various public members of the general public who use our facilities at the airports and bridges and tunnels and a variety of other places, it's over five million metric tons of carbon emission equivalents that are a result of the facilities that we operate.

Clearly we draw the spotlight upon ourselves, not necessarily to draw the kind of criticism, but rather to proclaim the fact that we want to be very much part of the solution. And for that reason, we've adopted a series of initiatives that hopefully will bring this agency nationally to the forefront of comprehensive, sustainable policy.

And so today we're proposing a policy that is composed largely of four components. First, a reaffirmation of our goal to reduce carbon emissions by 80% from 2006 levels by 2050. In that respect, our capital plan has a significant number of substantial projects that we believe will make a long-term dramatic impact on carbon emissions. Everything from our $3.3 billion investment in the PATH system, the Express Rail system that I spoke about a moment ago, as well as our multi-billion-dollar proposed investment in mass transit systems in the region all are part of a comprehensive, broad policy that we believe will substantially reduce the carbon emissions associated with this region's transportation network.

The second component of our policy is that we propose to make this agency the first carbon-neutral agency of its type in the region, and our goal is that by 2010 we'll achieve that goal. We plan to do so by a comprehensive policy of purchasing carbon offsets in areas where we are not able to reduce emissions in the near term of our facilities themselves.

We believe that the carbon offset market is something that we can contribute to in a very positive manner. Clearly, carbon offsets and their reliability are greatly dependent upon how credible they are, how real they are in actually reducing carbon emissions.

We believe that our expertise and technological understanding of these areas allows us to make investments that actually create a higher standard for those particular projects that are seeking investment capital through carbon offsets, and we believe that we could be at the forefront of that particular part of an effort to do something about this area.

Thirdly, I mentioned that not only are the facilities we operate but the individuals and entities who own our facilities clearly account for a great deal of the carbon emissions associated with the region's transportation network. Our policy will incorporate mechanisms through which customers who use our facilities can also propose investments and take actions that we believe will also result in a reduction in carbon emissions for the agency.

And then finally, we're looking for ways to create investment strategies and changes to the way we operate our business to deal with the reality that climate change is causing for us. We believe that this total policy, looked at comprehensively, represents one of the most aggressive attempts by any public agency to put its resources, its capital, and its know-how into making a substantial change in the level of carbon emissions that comes from a major transportation network.

We believe we'll have an impact on the entire market of carbon offsets because of the fact that we will elevate the standard of reliability and credibility to those investments. On balance, our feeling is that this is the kind of initiative that although voluntarily imposed upon ourselves represents the kind of leadership that this agency should be providing to the region generally, if not to the nation. And with that, I'd like to ask for a motion to endorse this policy.

Commissioner: I'll move it. Chairman Coscia: And a second? Vice-Chairman Silverman: Second.

Chairman Coscia: And before we move to a vote, I'd like to turn it back to our executive director to provide some additional detail on some of the work that the staff has done on flushing out this entire program.

Anthony Shorris: I'll do this from up here. So look, well, thanks, Chairman and members of the board. What I want to do today is to offer the board and the public a little more detail on the agency's efforts, some of which you just describe, of the last year, and some of the actions we want to take to reflect the policy that we've been working on together. Show what we've done to understand the environment, lay out the agenda a little bit.

I want to do that, obviously, because as we discussed, this is a critical element to the context and setting the immediate agenda and the long-term plans for the agency, also something very important to me personally. You know, as you all know, we've focused the agency on three key goals since the day I arrived here -- safety, opportunity, and sustainability with I think it's fair to say relentless repetition.

As you've just heard, the Port spent much of the last year taking stock of our environment position. One of the early steps I took was to ask for a comprehensive inventory of everything we were doing to the environment, at least insofar as greenhouse gases are concerned.

So let me take a moment before we go forward to review with you a little bit more detail about what we found. We've inventoried all of the greenhouse gas impacts of the Port Authority on the environment, and we've done so in ways that follow the international protocols that are used for taking -- for tracking and measuring such emissions.

And in doing so, we had to make some complicated but I think important distinctions. We've separated the Port Authority's own emissions, what we produce from lighting, heating, cooling buildings like the one you're in, driving PA cars, and we've separated those from PA-related emissions that are produced by our customers and our tenants, the people who drive across the bridges or rent spaces in the terminals, and the electricity they use.

We obviously have different relationships with these different kinds of emissions and our ability to control them. Our responses to them, the ways we go about reducing them, have to be different, accordingly, and so we have to track them as distinct types, again, in accord with standard international protocols. And it's something we're going to have to do every year to track our progress against these goals.

Let's talk a little bit about what we have found so far. What you see on the left are all of the Port Authority emissions, our own and those of our customers and tenants -- about 5.3 million tons of carbon CO_2 equivalents. You can see that, as you would imagine, vehicles and aircraft make up the vast majority of our emissions profile.

Now what we've done is on the right we've pulled out the PA's own emissions -- obviously a very small fraction, some 290,000 tons of CO_2 equivalent that is directly the responsibility and created by the Port Authority and for us, as you can imagine, the buildings are the major culprit, the high energy systems that use heating and lighting.

And so that's where we are today. But today what we've done is we've reaffirmed and really expanded our vision of what we're going to do about that chart. We've tried -- last year we made that promise that the Chairman mentioned, a promise to reduce our greenhouse gases and emissions 5% every year until we've reduced them by 80% by the year 2050, and today we've set that goal, or will when the board votes into some stone as a critical policy objective. But we also want to set out a new objective, a short-term goal, to make our own operations our piece of that big emissions pie -- carbon neutral by 2010.

Now let me echo the policy for a moment and emphasize the strategies we're going to use over the long term to meet that 5% goal. To reduce the emissions from our customers, we'll focus on where the emissions are -- cars and trucks. So our capital program is dedicated to moving people from the unsustainable to the sustainable forms of transportation -- moving people from cars to trains and buses, moving cargo from trucks to trains.

And we'll do that through all the major expansions you know we've been working on in our mass transit systems and PATH and ARC and at the bus terminal, and also by incentivizing our customers to make smart choices. With the GreenPass program we approved a few weeks ago, we're ensuring that transit is always cheaper than cars to get in.

Obviously, we have to put our money where our mouth is, and I think you can see the depth of our commitment here by just looking at our capital program, where essentially a third of our entire capital program is going to sustainable transportation of a variety of forms. It's really getting close to double what we spent in the prior 10-year capital plan.

So for ourselves then, for our own operations, our first commitment has to be to our own energy efficiency -- better ways to heat and cool and light ourselves, because we can see from the inventory that our 5% a year is going to have to come mostly from our buildings. $12 million in projects are underway to reduce 10,000 tons of carbon emissions a year. We've already committed to $25 million more in the plan to come.

But all of that's what we've been doing, and -- but today, we challenge ourselves to do more. We've all looked at the challenge that global warming poses, and we know the onus is on us to do everything in our power to reduce the agency's carbon footprint. Indeed, the goal set out in the policy -- zero net emissions from our operations by 2010 -- just absolutely won't be possible if we only follow the kinds of strategies we've been talking about because they'll take too long.

They'll get us our 5% annually, but no matter how you do that math it won't end up to 100%, certainly in a couple of years, so we need to look at additional, more aggressive strategies. And so we believe we need to begin considering investing in the so-called green economy of our region.

That means finding vehicles, tools, to invest in technologies that prevent carbon from being released in the air in the first place, whether it's wind farms or methane capture facilities or other new tools being invented all the time -- investments that have a lot of benefits.

First, of course it will allow us to generate what are known as offsets for those emissions that we can't reduce by 2010 through those long-term capital improvements. Offsetting is an important concept in the environmental world. It reflects the fact that what matters in global warming is not where or how greenhouse gases are emitted, but rather the gross number that are emitted. So if we invest in projects that reduce greenhouse gases emitted by the same amount that we create them, we have in effect canceled our carbon footprint.

Now, lots of offset tools are available now and we can act now in meeting our goal of 2010 in ways that we couldn't with our own capital and operating improvements, and there's a growing consensus in the environmental community that offsetting, when combined with aggressive and

real global greenhouse gas reduction programs like we've seen is a real component of any aggressive strategy to deal with climate change.

But look, if all we cared about was combating climate change, we could invest in offsetting anywhere in the world. Scientifically, a ton of carbon emitted in Cambodia has the same impact on the world as a ton emitted in Newark. But we want to make sure every public dollar we spend does as much work as it can, as many different kinds of work as it can.

So we're committed to investing in the region's green infrastructure and the region's economy for two reasons. First, we think green technology is a growing economic sector and one where the region needs to support it in order to garner the economic benefits it promises. Thanks to big energy prices, concerns over climate change, the demand for that kind of technology is rising, probably worldwide, to as much as $700 billion a year, and other municipalities and states are aggressively courting that industry and we need to do the same here.

Our hope is that by committing publicly our dollars to supporting the green economy, we can encourage companies looking for a place to locate to bring their projects here and the economic activity and the high-paying jobs with them.

And secondly, lots of these kinds of projects produce offsets that have secondary benefits like preventing other emissions, particulates, and other priority pollutants that cause health problems like asthma and elsewhere. That's a localized benefit that can only be had by investing locally, and that's what we intend to do.

Now I don't want you to think we can just throw cash at this problem and it goes away. Investing in the carbon market is not an easy matter. First of all, as those of you in business know, it's a very young market. There's no standard for defining the commodities, it contains no real index for prices, and there are lots of carbon products that offer similar benefits. Carbon credits, where you invest in offsetting projects, something called RECs, renewable energy credits, which account for the difference between the cost of generating dirty and clean energy that's more expensive, making the clean energy more financially viable. What are called allowances, which are emission rights that are sold in the cap and trade system.

So investing in the region's green economy as part of a climate change mitigation strategy has lots of benefits. It makes significant action possible now. It allows for efficient resource allocation, with money flowing to the projects that create the most emission reduction per dollar.

But it does come with some serious questions. How do you verify that we're getting the benefits we're paying for? Other organizations have gotten burned in the past. How do you find the number and the quality of investments locally, which is our emphasis? How should legislative, or could legislative actions at the state or federal level affect all this? What if there's a cap and trade system put in place? What if we're mandated to purchase offsets?

We need to look at the -- take the opportunity now to think about all these questions, and that's really why we're coming to the board today, to show you the potential inherent in a regional, green economy investment strategy, but also to make clear the risks and the challenges.

The specific item that is before you now is a planning authorization, funds for us to go out and get the support and counsel we need to put together an environmental investment strategy that's aggressive and smart. It's our early exploration, but we've learned the carbon market's complicated, but we think it's navigable.

What we need is the ability to work with experts. People in institutions have been down this road before and can help us understand the twists and turns so we can move quickly and establish an investment program and start dollars flowing into it. The authorization before you will allow us to do just that.

Investing in that green economy in the region is the right thing to do, but only if we do it carefully. We're requesting your authorization to let us move forward with some confidence, and so let me recap our intentions for the policy we're going to be implementing today.

Our stance, as you can see, is an aggressive one. We intended and we intend to keep and build on the momentum that we've started in the past year. Our first priority will be to continue to reduce our own and our customers' emissions through investments in sound transportation and energy-efficient policies.

But going forward we begin to work towards our new goal of zero net emissions from agency operations by 2010, and with your concurrence, we'll focus on intelligent investments in the region, seeking a strategy to allow us to offset any operational emissions we can't cut, spur growth in an important economic sector, and wherever possible even provide health benefits in the region.

It's a big addition to an already pretty forward-looking agenda, but I think, and I think you'll probably agree, a necessary step for the region, the country, and probably the world. Thanks very much.

Chairman Coscia: Thank you. I will amend the motion, I guess, that's on the table to include the adoption of the policy as well as the companion item, relative to the retention of experts. Is there a motion again to approve?

Board Members: So moved.

Chairman Coscia: Second? Any other questions or comments? All those in favor?

Board Members: Aye.

Chairman Coscia: Okay, thank you very much. Our next item, I'll now ask Steve Plate, the director of the World Trade Center Construction, to provide an update on the status of construction at the World Trade Center Memorial. Steve?

Steve Plate: Thank you, Chair. Commissioners, today I'd like to provide you with an update on the status of construction at the World Trade Center site. The following sequence of slides will

demonstrate very clearly the construction progress and ongoing work across the entire World Trade Center site.

Starting with the Freedom Tower foundations, the contractor continues to excavate within the PATH right-of-way the footings, and the crew is now modifying rock anchors to accommodate installation of the reinforcing steel.

Coordination with the transportation hub project is ongoing to ensure that the access is preserved at the north projection, where structural work to be performed by the transportation hub project at a later date.

Reinforcing steel installation at the liner walls abutting the Vesey Street and West Street slurry walls is nearing completion as adjustments are made to accommodate embedded utilities. Carpenters are constructing form work for the B4 level slab at the southwest corner of the Freedom Tower site.

The curtain wall subcontractor, Benson Industries, has completed construction of the curtain wall mock-up at the test facility in California. The mock-up sections are undergoing a variety of tests to demonstrate fulfillment of performance requirements.

Here you see the east-west shear wall that makes up a portion of the east-west connector passage that will connect the World Financial Center to the PATH transit hall. This wall will also support the installation of structural members and enable the full-scale erection of the Calatrava Oculus arches to proceed.

The PATH north temporary access will replace the current PATH entrance on Church Street, moving it to Vesey Street across from tower seven. Contractors are finishing the structure, which is expected to be open for use within the next few days. Both entrances will remain open for a short period to help with commuter transition and switchover to this new facility. Once this is done, demolition of the temporary entrance on Church Street will begin.

The route 9A underpass will provide pedestrian traffic to pass under West Street, enter the east-west connector, and into transportation hub. Secant piles continue to be drilled and poured in this location and will make up the wall structures needed to excavate across the roadway. On the north projection, roof-bracing steel was installed, and demolition has begun.

Progress at the MTA 1 line underpinning continues. To date, 410 of the total 440 PATH underpass mini-piles have been installed, cored, and sleeved. Excavation along the sides of the subway structure and removal of protection concrete to allow for installation of underpinning steel is continuing on a two-shift, six days a week basis.

Work continues on installation of steel, bridge beams, channels and tension rods in the station area, in addition to cutting and capping of mini-piles is ongoing in the north station area.

Commissioners, today I would like to seek your authorization on a contract award for the National September 11th Memorial and Museum. I'm very pleased to report today we have made great

progress in advancing construction for the National September 11th Memorial and Museum. We have awarded or are ready to award over $200 million in construction trade contracts, with over $115 million in contracts out for bid.

Combined, that represents over 70% of the total value of construction trade contracts for this project. The memorial team has completed 94% of the footing and foundation contract and approximately 4,965 cubic yards, or 95% of concrete have been placed to date. Of that, 1,040 linear feet of concrete hardened wall foundation has been poured.

Approximately 96% of the contract work, which includes column footings, hardened wall footings and shear wall footings, pits for elevator sumps and escalators, underslab plumbing and drainage piping systems has been completed. The ”Counter-fort” or pilaster wall activities for the exposed slurry wall in the museum memorial, with coordination of bentonite slurry and the desanding operation, drilling and coring installations of the 26-inch diameter and 12 and three quarter-inch diameter caissons, including video inspections of the rock sockets are now 100% complete.

Here you can see the memorial steel photos taken at the Owens Steel fabrication shop and yard in Columbia, South Carolina. Approximately 1,425 tons of structural steel has been fabricated, of which 150 tons have already been delivered to the marshalling yard in Camden, New Jersey. Steel erection in the northeast quadrant is planned to begin this summer.

Today, staff seeks approval to award the structural concrete trade contract that will encompass all concrete walls and floors, including special requirements for structural integrity with the memorial and cultural project contract and the World Trade Center infrastructure projects. The memorial will cover approximately 60% of the costs and staff recommends the total award go to Navillus Contracting Inc., the lowest responsive bidder, which with Bovis Contract Management is $103.9 million.

Now that the memorial's underway, every element of the World Trade Center site is now fully under construction. The Freedom Tower, Silverstein Properties' towers three and four, the east-west connector, and the PATH station, to only name a few. Commissioners, I request that you advance this item to the full board for approval today.

Chairman Coscia: Thank you. Thank you, Steve. Is there a motion to approve the items? Board Members: So moved. Chairman Coscia: All right. Any other questions or comments for Steve? All those in favor? Board Members: Aye.

Chairman Coscia: Okay, thank you. One recusal.

Chairman Coscia: Our final presentation will be regarding several runway access improvements at John F. Kennedy International Airport which are part of the agency's flight delay reduction program to reduce delays at our airports. The item will be presented by our Director of Aviation, William DeCota.

William DeCota: Thank you, Mr. Chairman. As you recall, Commissioners, at last month's board meeting we discussed the Port Authority's commitment to our airport customers with what you

described as safe, fast, efficient air travel. And at that meeting, this board promulgated a policy that endorsed the findings of the Port Authority flight delay task force and supported efforts by Port Authority staff to work with federal authorities in aggressively pursuing initiatives to increase capacity at all of our commercial airports, you also reaffirmed the agency's commitment to invest in expanding capacity.

Capacity is the word that this Board has really championed over and over, and you've asked us to look for ways to increase efficiency of our runways and taxiways. And when we talked about this last month, we talked about the fact that this agency had earmarked about $150 million in 2008 to accelerate capital projects at JFK, that would increase operational flexibility through expanded runway capacity.

Today I'm going to request your approval to advance $5 million for planning of these projects, which could include actually up to 11 runway access improvements. Commissioners, the problem of flight delays boils down to a simple issue of supply and demand. You can see on the left an aerial view of JFK, which includes the many runways and taxiways.

The runway system you can see in yellow. It consists of two pairs of parallel runways aligned at right angles to each other, and that configuration allows for the landing and take-off of aircraft in all air traffic control conditions. The runway length is in fact over nine miles, which is quite extensive. There are also 25 miles of taxiways, difficult to see in the picture but they're in the background, and as you know the taxiways are an integral component of capacity, since they facilitate the swift movement of planes on and off the runway, which impacts the number of landings and take-offs that can occur.

On the right you see the demand. JFK runways and taxiways handled 443,752 flights last year. That is about one flight -- one arrival, one departure -- every 45 seconds. More than 47.7 million passengers and 1.7 million tons of cargo were carried on those flights, and even with the projected economic slowdown, JFK, like the rest of our airports, are expected to continue to be some of the fastest-growing airports in the nation. And passenger growth at JFK is projected to be about 2.5 percent a year, and cargo's projected to grow similarly.

As you know, the sad fact is only 63% of the JFK flights arrived on time last year, and as we've discussed, accommodating that demand with minimal delay is critical to our economy and critical to the ability of our airports to handle increased activity.

Commissioners, the proposed planning authorization that I am asking you for would allow staff to further study 11 runway access improvements, as I've described, that need further exploration and evaluation to determine which would improve the most beneficially traffic on the airfield and which have the highest potential for delay reduction.

This planning authorization would basically refine plans, quantify and corroborate anticipated delay reductions, conduct environmental analyses, stage one designs. The funding would advance the development of each proposal, allow it to undergo estimated, as I said, delay reduction and cost benefit. It would also explore, much to the point of the presentation and the policy that the board

just enacted, the environmental benefits and quantify the sustainability elements such as improved air quality and reduced taxiing and delay that allows that to happen.

Over the past several months, staff has worked with airlines, with the FAA representatives knowledgeable in JFK's aeronautical operations, and we're also looking at our other airports similarly to identify projects that have the potential to enhance operational efficiencies at Kennedy airport in this case. Today I'm going to discuss with you the planning for those potential taxiway projects, which include things that you see here -- taxiway extensions, runway hold areas, access improvements, and new taxiways, basically giving the air traffic controllers more efficient and greater flexibility capabilities to manage traffic.

One type of improvement we're looking at are taxiway extensions that you see here. In the red circle you see extensions of taxiways at the intersection of runways 22 right and 31 right at JFK, and the intent of those is to try to improve access to runway 22 right for departures.

Right now, the runway access becomes constrained when aircraft departing on that runway need to wait for crossing traffic on the other runway, and that creates a known bottleneck. These taxiway extensions would be studied under this authorization.

Staff would also like to study the construction of four aircraft departure hold pads, which you can see an example of here. Hold pads basically provide the air traffic controllers with additional space to queue and sequence departing aircraft more efficiently. This illustration shows how several aircraft can await instruction to enter the runway, and the hold pads would therefore reduce queues on the airfield and help to manage the traffic flow.

Some of the improvements we'd like to look at are categorized as access improvements, such as reconfigurations of taxiway, the construction of additional intersections between runways and taxiways, and other pavement modifications that enhance traffic flow. We're also looking at the construction of new taxiways, such as that which is shown here. Staff would like to study, for example, a new taxiway parallel to runway 4 left. New taxiways offer air traffic controllers another tool for moving aircraft on and off the runways and the ramp areas.

Staff would like to expedite the schedule. This Board has been very clear that we need to do everything we can to bring these capacity improvements online at all of our airports as quickly as possible because of the importance of the work. We have completed preliminary work to identify six priority projects that could be coordinated to coincide with other state of good repair construction projects that are ongoing. That would clearly limit the operational impact of the construction and would increase the queuing capacity flexibility critical element in reducing delays.

The evaluation and planning of those six projects would be completed by the end of the year, and the remaining five projects we would also do as quickly as possible, but they require longer planning horizons and are in line with timeframes that are in the Port Authority capital plan.

An authorization would be sought for the priority projects that are determined to have high benefit relative to costs late this year in order to have those in place by 2010. Staff will return for project authorization for those other projects, the other five that have the greatest delay reduction

effectiveness and cost benefit, with construction completed no later than 2015 for all of the measures.

Commissioners, once again, you have really underscored that the Port Authority's committed to providing our customers with safe, fast, and efficient air travel. And in that vein, you have asked us to invest in capital programs and undertake other measure that will maximize the region's aviation capacity.

I am hopeful that this planning authorization will identify several capital projects at JFK that will be critical to the delay reduction initiative. We again hope to bring you back other projects of this nature at other airports, and today we ask your approval of this item.

Chairman Coscia: Thank you, Bill. Is there a motion to approve? Commissioner: Move to approve. Chairman Coscia: There a second? Board Members: Second.

Chairman Coscia: All right, any questions?

Commissioner Mack: The only thing I'd like to say is whatever we can do to speed up this -- it is greatly important to the region. All of the airports are involved. Thank you.

Chairman Coscia: Thank you. Any other comments? All those in favor?

Board Members: Aye.

Chairman Coscia: Any opposed? Okay, thank you very much. I now would like to move to the public commentary portion. We have one speaker registered to speak on a matter unrelated to any of the resolutions before the board today, and that is Ms. Patricia Campos from Unite Here.

Patricia Campos: Thank you Mr. Chairman and members of the board for allowing me the opportunity to be here. My name is Patricia Campos, I'm the state director of Unite Here in New Jersey. As you know, Unite Here represents workers at the Port Authority airports, specifically at the JFK Terminal 6, for workers that work for Hudson News. You also know that that terminal will be -- later on in the year that terminal will be replaced with Terminal 5.

Last year, you took great leadership when you enacted a labor peace policy that will ensure that workers will not be displaced when such changes occur. Unfortunately the Port Authority staff has not implemented procedures that satisfy the board's intent. Having no clearly defined procedures in place so far enables landlords like JetBlue to avoid enacting and enforcing labor policy.

We have reached out to JetBlue several times to learn who will be operating the concessions at the terminal. They have yet refused to respond, leaving us in the dark as to who will operate their concessions. We take this as an indication that JetBlue Airways intends to execute concession agreements without guaranteeing labor harmony and protecting the workers that work there. That was your intent when you enacted the policy last year. Your intent is being ignored.

Unless the policy you passed last year, which requires labor peace, unless the policy is enforced, we fear our members once again will be displaced at Terminal 6. We are extremely frustrated because of the lack of progress in implementing the rules. We urge you, the board, to take action and urge the staff of the Port Authority to take charge in enacting and enforcing the policy and make sure that JetBlue follows your intent when you pass a labor peace policy. Thank you.

Chairman Coscia: Thank you, Ms. Campos, thank you very much. Okay, I'd now like to call on Commissioner Bauer, who is going to provide a staff tribute. Ginny?

Commissioner Bauer: Thank you, Mr. Chairman. One of the things I've learned in my short time here at the Port Authority is that we have an abundance of great employees, and one of our very, very best is Andrea Roitman. I want to thank Andrea for her 38-year commitment to leading the department of procurement. Andrea specifically spearheaded a groundbreaking wage and benefit policy which ensured better healthcare and wages for the employees. Her good work has been recognized in an achievement of excellence in procurement award. We are lucky and we are fortunate to have someone like her. Thank you, Andrea.

(Applause.)

Chairman Coscia: Truly a distinguished career, 38 years. Andrea started when she was eight. We employ young at the Port Authority. Our final action is the consent calendar. Can I have a motion to approve? Board Members: So moved. Chairman Coscia: Second? Board Members: Second. Chairman Coscia: Okay, all those in favor? Board Members: Aye.

Chairman Coscia: Thank you very much. Can I have a motion to adjourn? Board Members: So moved. Board Members: Second.

Chairman Coscia: Thank you. Good afternoon, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
April 24, 2008

Chairman Coscia: Welcome everyone, and I think we have a few stragglers from the "Take Your Son or Daughter to Work Day" that are here with us today and to the parents I will try to make it as exciting as possible, but you will have to – having five children of my own, I'm not sure if I could explain this to them either, so lots of luck. The Annual Board Meeting of The Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the Committee on Capital Programs and Agency Planning met in public session. The Nominating Committee met in executive session and the Committees on Finance and Operations met in both public and executive session. The reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session to discuss and act upon matters related to purchase, sale or lease of real properties or securities where a disclosure would affect the value thereof or the public interest.

Our first order of business is our Executive Director's Report. Tony.

Anthony Shorris: Thanks Chairman. It is customary to make a few remarks at the beginning, so let me just continue that tradition. Today on the agenda you will hear a little bit about our Airport Delay Reduction Program, a $2 million planning authorization you will be asked to make to extend the work of the task force that we began some months ago allowing the staff at how to integrate Stewart into regional aviation, rationalize our schedules to capital improvements to our facilities, and in all of their work the aviation staff has done an enormously fine job and every traveler who has ever waited at a gate or a runway owes them their thanks to Bill and Tom and Patty and Ralph and the rest of that department.

One item you won't be hearing about although it is on our Consent Calendar is some advancing of the all-electronic tolling program, contracts that will help the staff move forward on a pretty exciting change in the way we do business, an awfully interesting initiative that we use our dollars more efficiently and give the region's travelers some relief as they cross that river. And our thanks to Vicky and Mark and Cedric and the rest of the TB&T staff.

One thing that happened over the past month, and I'm sure you have heard about, was the opening of the new PATH station downtown, the third temporary site, opened at the beginning of the month. A simple and elegant structure that looks engineered rather than designed, reflecting the kind of work that is going on around that enormously complicated site; another reminder of how much is happening there, how much has been happening and will be happening and my thanks again, as I'm sure on behalf of all to the World Trade Center team to Bill Goldstein and Steve Plate and their team, as well as their constant partners at PATH, and Mike, Kirby and the rest of the gang.

One last final word, Andy Rachlin told me I should actually expect to say something to the Board, but Karen and others have advised me that I should keep it brief, so I asked everybody what I should talk about and for how long. So Karen told me I could have 5 minutes to summarize all of my accomplishments as Executive Director over the past 16 months. I said,

"Wow, describe everything I've done over the past 16 months, I'm not sure I can make that fit in 5 minutes." And she said, "That's okay, just speak very slowly."

An old Brendan Byrne joke, but I thought he could loan it to me. Anyway, all I just wanted to say is that I learned a lot, and I laughed a lot, had the opportunity to try and do the right thing and for me I think that is enough as it should be for anybody. So my thanks to everybody in this room for making all of that possible. Chairman, over to you.

Chairman Coscia: Thank you, Tony, and we will talk more about that in a little bit. But thank you. Our next order of business is the election of officers. In accordance with the By-Laws of The Port Authority of New York and New Jersey, the Port Authority Trans-Hudson Corporation, the Newark Legal and Communications Center Urban Renewal Corporation, the New York and New Jersey Railroad Corporation, the Nominating Committee met in executive session prior to today's meeting in connection with the annual election of officers and I would like to now call upon the Chairman of the Nominating Committee, Commissioner David Mack to provide a report.

Commissioner Mack: Good afternoon. On behalf of the Nominating Committee for The Port Authority of New York and New Jersey, the Port Authority Trans-Hudson Corporation, the Newark Legal and Communications Center Urban Renewal Development Corporation and the New York/New Jersey Railroad Corporation, I desire to report that at our meeting held earlier today in accordance with the provisions of Article 7 of the By-Laws of the Committee, by unanimous actions submits the nomination of Anthony Coscia for the election to the Office of Chairman, and Henry R. Silverman to the Office of Vice Chairman for The Port Authority of New York and New Jersey by unanimous action. The Committee also submits the nominations of Susan Bass Levin as First Deputy Executive Director of The Port Authority of New York and New Jersey, William Goldstein as Deputy Executive Director of Capital Programs, and Ernesto Butcher as Deputy Executive Director of Operations, and Darrell Buchbinder as General Counsel, by unanimous action.

The Committee also submits the nominations of Karen Eastman as Secretary, Paul Blanco as Chief Financial Officer, Michael Fabiano as Comptroller, and Anne Marie Mulligan as Treasurer. The Committee by unanimous action also submits nominations for Ernesto Butcher as Vice President and Secretary of the Port Authority Trans-Hudson Corporation.

In addition the Committee's unanimous action submits the nominations of Michael Francois as Vice President/Secretary of Newark Legal and Communications Center Urban Renewal Corporation. The Committee by unanimous action also submits the nomination of Ernesto Butcher as Vice President/Secretary of the New York and New Jersey Railroad Corporation. That is my report, Mr. Chairman.

Chairman Coscia: Thank you very much. May I have a motion on the -- or second. Board Member: Second. Chairman Coscia: All those in favor. Board Members: Aye.

Chairman Coscia: Thank you very much. I hereby certify that the votes are in order and elections have taken place.

Our next order of business is a report from Commissioner Steiner as Chairman of our Audit Committee on the annual Audit Committee deliberations.

Commissioner Steiner: Thank you Mr. Chairman. In accordance with the By-Laws, the Chair of the Audit Committee reports periodically on the activities of the Audit Committee. At the present time the Committee consists of Commissioners Blakeman and Pocino in addition to myself. Since the last report the Audit Committee has met four times. Senior Port Authority staff including the Executive Director, the First Deputy Executive Director, the Chief Financial Officer, the General Counsel, Inspector General and the Deputy Chief Financial Officer/Comptroller, Director of Audit and the Director of the Office of Investigations and the Secretary regularly attend our Committee meetings.

In addition to the four meetings, two weeks ago we held a day long off-site retreat at which the members of the Audit Committee focused on the Audit Committee issues that we hoped to address over the course of 2008. The Chairman, Vice Chairman and Senior Port Authority Staff joined us for a presentation and discussion of enterprise risk management issues facilitated by the law firm of McKenna, Long & Aldrich, outside counsel to the Audit Committee and Deloitte & Touche, the Port Authority's independent auditors.

At the request of the Audit Committee, representatives of Deloitte & Touche also attended all Audit Committee meetings. At certain of these meetings sessions were held with only the independent auditors and outside counsel present. This is consistent with our policy that the independent auditors and members of the Audit Committee have direct and unrestricted access to each other.

The Audit Committee is responsible for the retention of the Authority's independent auditors. In this regard, assisted with best practices from time to time the Committee reviewed with the Deputy Chief Financial Officer/Comptroller Deloitte & Touche's performance with respect to all of the components of the 2007 audit of the accounts and financial records of the Port Authority. We also considered the committee's interactions with Deloitte & Touche at Committee meetings and considered the expertise and professionalism of the Deloitte & Touche staff assigned to the audit.

The Audit Committee also continues to receive outside legal advice from outside counsel with respect to the continued implementation of best practices pertaining to the function and responsibility of an Audit Committee, and on specific matters requested from time to time by the Committee. Members of the firm have also attended each of the meetings of the Audit Committee this year.

The Committee continued to focus on the adequacy of the Audit Committee charter that we adopted in 2000 and have revised from time to time. The charter has served to formalize the guidelines that the Audit Committee follows in connection with the satisfaction of its responsibilities under the Port Authority's Bylaws. In response to the changes in the Bylaws adopted last year, we have undertaken a full review of our charter to incorporate those changes and set forth best practices in a way that clearly articulates the processes and procedures

employed by the Audit Committee and provides clarity to the members of the Audit Committee of what their role is.

The Audit Committee keeps informed of relevant matters through reports prepared by the Directors of Audit and the Office of Investigation, both of whom report to the Inspector General, Robert E. Van Etten and through reports prepared by the Treasurer and Deputy CFO/Comptroller. The Committee reviews and discusses the detailed reports of audit results prepared by the audit department which John D. Brill, the Director of Audit.

The Audit Department conducts audits in accordance with an annual audit plan reviewed with the Audit Committee. The annual audit plan is based on a schedule of specific audits established after performing a risk assessment which takes into consideration such factors as the potential for financial loss, major changes in systems or operations and the dates and results of previous audits.

The Committee also discussed with Michael Nestor the Director of the Office of Investigations, reports with respect to the status of investigations undertaken by that office. The Audit Committee is dedicated to work with the Governance and Ethics Committee to ensure the matters and trends identified in the reports from the Audit Department and the Office of Investigations are addressed in such a way that fosters compliance with legal and regulatory requirements.

The Audit Committee also reviews accounts receivable reports prepared by the Treasurer, Anne Marie Mulligan. The Committee monitors staff efforts to collect revenues through the Port Authority, discusses problem accounts and trends and receivable collections. Our Committee continues its practice of reviewing in detail the Authority's audited financial statements prior to their release. We focus not only on the control systems which assure the accuracy and completeness of the statements but also with the presentation, the format and the context all in fair disclosure, substance and language of the footnotes. The Committee also made such other inquiries in connection with the audit of financial statements as it considered appropriate.

The independent auditors have advised us they encountered no difficulties during the course of their audit, including restrictions on the scope of work or access to required information, and that there were no disagreements with the staff in connection with the preparation of 2007 consolidated financial statements.

I want to express our appreciation to the leadership efforts in this context provided by the Chief Financial Officer, Paul Blanco. We were pleased to learn that the Governance Finance Officer's Association awarded the Port Authority the Certificate of achievement for excellence in financial reporting for its 2006 comprehensive annual financial report. The certificate of achievement is the highest form of recognition in governmental accounting and financial reporting. And this marks the 23rd consecutive year that the Port Authority has received this award. That's a wow, I (inaudible). This is a noteworthy accomplishment for the staff of the Comptrollers Department which is headed by Michael Fabiano, Deputy Chief Financial Officer and Comptroller.

The Committee also continued its practice of requesting staff presentations on key areas of business risks. In this regard the Committee received a presentation from the Deputy Chief Financial Officer/Comptroller on the enterprise risk management practices currently in place at the Port Authority, the specific focus placed on the broad risks facing the agency, and the controls and safeguards in place identifying and mitigating such risks. This area of enterprise risk management was a primary focus of our day long off-site retreat two weeks ago. And the Audit Committee hopes to continue to work with the senior Port Authority staff and its advisors to develop a recommendation with respect to further advances in enterprise risk management and may be implemented at the Port Authority, and present its recommendations to the Board.

In addition, as Chair of the Audit Committee I review the expense reports of the Executive Director and members of the Board for conformance with established agency expenditure and reimbursement guidelines. This annual report to the Board provides the Audit Committee with the opportunity to acknowledge the dedication and professionalism of staff. The Committee recognizes the strengths, talent and commitment of our financial and investigative professionals, all of whom make an important contribution to the Port Authority and also to the region.

The Audit Committee also appreciates the efforts and willingness of the staff over the past year to help the Audit Committee modify some processes and implement best practices in a way that is designed to help the staff and the Audit Committee work together more effectively to ensure proper oversight of the quality and integrity of the Port Authority's framework of internal controls, compliance systems and accounting, auditing and financial reporting processes and other critical Audit Committee functions.

The Committee believes that reasonable processes and controls are in place to mitigate business risk and there is a reasonable basis for the Board to have a high level of confidence and the professional, ethical conduct of the Port Authority personnel. Thank you, Mr. Chairman.

Chairman Coscia: Thank you, Commissioner. I would like to also publicly commend and compliment Commissioner Steiner as Chair and the other members of the Audit Committee for a very thoughtful engagement on this process. They have brought a great deal of depth to the audit function at this agency at a time when I know those issues are critically important to keeping and engendering public trust in what we do. So I thank you and I thank the members of your Committee for all of the work that you have done and certainly thank the staff for all of the support they have given your Committee in getting to this point.

Our next item is a presentation by Bill DeCota, our Director of Aviation. We have talked a lot in the past year, if not several years, about expanding capacity to our airports and have done a great many things to hopefully advance that initiative, not the least of which is acquiring a fourth airport which is somewhat historic, but it is part of a broader effort to implement a comprehensive and robust Capital Plan relative to aviation and that has a direct impact we hope and believe on our ability to deal with delays at the airport. So Bill is here today to provide an overview on the Airport Delay Reduction Program.

William DeCota: Thank you, Mr. Chairman. And thank you and the Board for the kind of support and direction you have given us. And also thank you to our Executive Director, Tony

Shorris; he has also been very tireless in his effort and has helped guide us in many of the steps that we are taking. And today I am here to seek your approval to advance what you said is the next steps in that delay reduction program.

Specifically, I am going to be asking you to authorize an expenditure of $1.5 million for expert, professional, technical and advisory services. And those will assist us really in expanding and better utilizing the airfield capacity at our airports to support the flight delay policy that you enacted at this Board Meeting on February 21st.

Just to recall for other people in the room, you did pass back at the February 21st Board Meeting a policy that opposed the federal approach of addressing flight delays by imposing capped limits on the number of flights per hour at Newark and JFK Airport. You noted very correctly that such measures would restrict activity; they could lead to a reduction in the number of passengers;they could reduce air travel options. And instead you supported and advocated a policy that would work to expand capacity and choice.

As you can see here I just summarized quickly elements of that policy but you in essence endorsed the findings of the Port Authority Flight Delay Task Force to pursue initiatives with the FAA to increase capacity.

You also reaffirmed our agency's commitment to invest in capital programs, to undertake measures by the agency to work aggressively to try to encourage scheduling of flights at Stewart Airport, as you, Mr. Chairman indicated, we did purchase back in November. And you also supported efforts by the agency staff to take a very active role in allocating capacity to our airports, and that included directing us to make sure that intelligent scheduling and rational allocation of flight privileges could prevail.

The actions that I am asking you to approve today will advance each of those objectives that you laid out.

The first recommendation before you from staff would be to secure resources to work with federal authorities in very aggressively pursuing initiatives to increase capacity at the commercial airports we operate by advancing the technical recommendations of the Flight Delay Task Force. When the FAA first proposed a limitation on the number of scheduled operations at the airport, it did in fact echo the view of this Board and of this Agency that caps aren't the preferable alternative to addressing capacity shortfalls. We agreed that the intermediate and long term policy had to be to expand system capacity and we had to increase sufficient use of that capacity. And that would be by far the most effective way to serve the people who want to use these airports.

And although there is no single action that anyone can conceive that would actually solve congestion in the New York region, as you will recall, that Flight Delay Task Force chaired by you, Mr. Chairman, and by the Executive Director, developed 77 technical, procedural and operational and capital initiatives that could be pursued. In short term, the FAA working with us is pursing 17 of those. And the truth is events and technology and other things could overcome some of the other ones being implemented but a number of them hold a lot of promise. So

implementation, prioritization, determining of the benefits and working collaboratively with the FAA is part of the initiative that we would like to ask your approval to help give us the professional technical support we need in Washington.

The second recommendation, develop and undertake measures to try to encourage scheduling of flights at Stewart Airport through an incentive program. Long term as you know, the Port Authority's airports have to handle 125 million passengers which we are projecting will be here by 2015; 150 million by 2025. Stewart is so ideally located to handle some of that increased demand. The Mid Hudson Valley is certainly one of the fastest growing in New York. They are a big customer base for our commercial airports down-state; and the fact is that the airport itself has the potential to provide for that growth. Stewart's two runways don't compete with the airspace with Newark, Kennedy and LaGuardia Airports. And capitalizing on that location will certainly require an investment of capital. This Board has allocated in the capital plan it approved last year $500 million. But it also needs an air service development plan to try to get people to be encouraged to use that as an airport.

And a number of other airports, a number in the federal government, they have come up with plans, air service development programs that we would like to research and we would like to look at for instance the United States Department of Transportation has an essential air service program. In February Mass Port, up in Boston Logan, they adopted a financial incentive program to allow it to compete more aggressively in the international market. And with your approval, staff would work with people who are experts in the federal regulation over airport fees and charges in air service to try to determine what incentives we could come up with and then we would come back to this Board for approval of an authorization once we conceive what that program is.

Staff would also like to advance efforts to allow the Port Authority to play a very active role in the process to allocate capacity at our airports, including this intelligent scheduling that you have conceived and rational allocation of that capacity. As you know, the flight limits that were put in place at Newark and Kennedy have capped the number of flights per hour but they are going to use what is called the International Air Transport Association's method of allocating capacity through scheduling conferences, those IATA worldwide scheduling guidelines and the associated processes of long established industry forum which brings together all of the world's air carriers, representatives of airports. IATA really requires a lot of on-site presence, in this case by the Port Authority throughout the year to monitor flight schedules of airlines, utilization, monitor slot requests, review schedule changes to make sure the process is fair and transparent and that access to all of the slot coordination and information is available. And as carriers seek to introduce new service, the FAA and the Port Authority need to work collaboratively to make sure that capacity is addressed. And the goal would be to make sure that it is very efficiently allocated under fair, reasonable and transparent terms.

With your approval, Commissioners, staff would immediately begin to retain the appropriate professional, technical and advisory services to support this initiative. We anticipate we would work with those services over the next year and a half. As you know, the JFK and Newark Cap orders are set to expire at that time. We will have to see what the federal government proposes at that time. As I said, the total cost of the initiative is $1.5 million. And with your support this

would advance this comprehensive program, another step in our Flight Delay Reduction Program, and allow us to aggressively pursue initiatives that you directed us to pursue. The end result is that we believe this will improve air service to our customers and let me once again thank you, this Board, this Chairman, the Executive Director, for your leadership and support on this very important issue.

Chairman Coscia: Thank you Bill. Can I have a motion to approve. Commissioner: Moved. Chairman Coscia: Second. Commissioner: Second.

Chairman Coscia: Alright, any questions or comments. Alright, all those in favor. Board Members: Aye.

Chairman Coscia: Any opposed. Okay. Thank you, Bill.

Our next order of business is something I alluded to earlier which is that I would like to offer a resolution to this Board recognizing the extraordinary contributions that Tony Shorris has made to this agency during his tenure as the Executive Director.

As many of you know, this is not Tony's first stint at the PA. He was here between May of 1991 and 1995 as the First Deputy Executive Director, and during that time was part of a number of initiatives that we have since built upon and was also one of the people dealing with the horrors of the 1993 bombing and did so in a way that I think exemplified everything that is good about this agency.

During his tenure in the past year he has pursued a number of initiatives and he has had the agency refocus on its important goals related to safety, opportunity and sustainability. He has done a great deal to promote the whole use of human capital as a way of making this agency a better place by making the people who work here stronger and more efficient and more dedicated to the agency's mission and for that we are very, very grateful.

He played an important role in getting our $29.5 billion capital plan approved and funded through our various changes in order to create the kind of capital capacity that will let us meet the mission that we have in the years going forward.

And in doing all of that, he has brought to the agency a sense of thoughtfulness in the approach that we take on our mission and what is important and finding ways to prioritize a very competing set of demands on this agency.

For all of those things, for his contribution to focusing the agency on environmental policy, to his dedication to human resources and his involvement in some of the epic construction projects that we are involved in, everything from the World Trade Center, to the ARC Tunnel and things beyond. I would like to offer this resolution in recognition of all of his contributions and wish him well in his future endeavors. Is there a second for the resolution.

Commissioner Mack: Second. Chairman Coscia: All those in favor. Board Members: Aye. Chairman Coscia: Any opposed? Tony, if you could please come up. Thank you.

We have no public speakers for any specific item but there is one speaker who has signed up, requesting an opportunity to speak – James Cannon, from Energy Futures. Mr. Cannon.

James Cannon: Mr. Chairman and members of the commission, my name is Jim Cannon. I'm founder and I'm President of a company called Energy Futures Incorporated. We study the environmental aspects of energy use. We publish two international publications, a bi-quarterly periodical called the Clean Fuels Report, a bi-monthly newsletter called Hybrid Vehicles. We have subscribers in 15 countries.

We also do policy analyses and that is why I am here today. I want to formally present to the Board the study released by Energy Futures in February entitled "US Container Ports and Air Pollution: A Perfect Storm." This study includes your port as the third largest port. It is this analysis and I believe the first independent analysis of the Top 10 container ports based on field visits to each of the 10 ports are conducted in this case in 2007.

I realize I have very limited time, so I want to highlight three findings of the study for you. First, air pollution from container ports is largely unrecognized and it is certainly unregulated aspect of container port operations. It is a neglected underbelly of rampant globalization that has quintupled container port deliveries in this country since 1980.

It is one of the first and most critical relatively new environmental issues to come to the surface in the 21st century.

My second point is that a 21st century environmental problem requires 21st century environmental solutions. We are doing a lot of work here and around the country on reducing diesel emissions through retrofits and use of cleaner fuel. It is our finding though that you will not be able to sustain a doubling of port operations by 2016, and a tripling shortly thereafter using conventional fuels. Therefore we suggest a close examination of alternative fuels and advanced technologies capable of giving you a quantum cut in air pollution to sustain your growth plans. We have identified three alternatives in use today at ports around the country. Natural gas, there are 8 natural gas programs. There are 2 biodiesel programs. And there are 2 hybrid eclectic vehicle programs, one right at this port.

That brings me to my last point which is specifically about the Port of New York. You have a large and outgoing professional staff in this agency. You are a leader in developing environmental management systems approach and have won at least one award for that approach. You have many important diesel reduction efforts underway.

To date, however, with the exception of hybrid vehicles, you have not engaged in alternative fuels. And I would hope to have the continuing dialogue with the members of the Port staff about the possible use of alternative fuels at your port. Thank you.

Commissioner Blakeman: Mr. Chairman I have a question.

Chairman Coscia: Yes, sir.

Commissioner Blakeman: What alternative fuels are you talking about.

James Cannon: The two that are in use today are natural gas and biodiesel. There are other alternative fuels but they have not even broken ground yet at ports. Hybrid electric vehicles, I consider an alternative fuel, but certainly an advance propulsion technology that uses electricity. You have a program here at the Port with EPA funds and a number of international participants to develop a hybrid electric application and so does the Port of Los Angeles. Those are the three that are on the table now that would be a good starting place for some close examination of options. Oh, and hybrid is being used for cargo handling equipment on port cargo handling equipment. Natural gas and biodiesel are also being used in those applications and then trucks, over the road trucks, (inaudible) trucks, are being fueled now in California with liquefied natural gas.

Chairman Coscia: Thank you, Mr. Cannon.

Final piece of business is I need a motion to approve our Consent Calendar. Board Member: So moved. Chairman Coscia: Is there a second. Board Member: Second.

Chairman Coscia: Alright, any questions on that. All those in favor. Board Members: Aye.

Chairman Coscia: Any opposed. Okay, can I have a motion to adjourn. Board Member: So moved. Chairman Coscia: Thank you. Good afternoon everyone.

The Port Authority of NY & NJ
Public Board Meeting Transcripts
May 22, 2008

Chairman Coscia: If I can get everyone's attention and we can get started. Good afternoon, everyone. The Board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committees on Governance and Ethics, Finance, Capital Programs, and Agency Planning and Operations met in public session. The Nominating Committee met in executive session, and the Audit and Security Committees and the World Trade Center Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official minutes of today's board meeting. The Commissioners also met in executive session to act upon matters involving public safety or law enforcement, and matters related to the proposed, pending, or current litigation or judicial or administrative proceedings.

On behalf of the Commissioners, I'd like to take this opportunity to welcome our newest Board member, Mr. Sidney Holmes, who joins us today as a Board member. Welcome.

[applause]

We have other significant additions to the Port Authority family today, and I'll get to that in a second, but Commissioner Holmes, welcome. We look forward to all your contributions, which we know will be substantial. Thank you.

Our first order of business actually relates to that, and in accordance with the By-Laws of the Port Authority of New York and New Jersey, the Port Authority Trans-Hudson Corporation, the Newark Legal and Communications Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation, the Nominating Committee met in executive session prior to today's meeting in connection with the election of officers and the confirmation of the election of the April 24 -- of the election conducted at the April 24th, 2008 meeting of certain other officers.

I'd like to call on Commissioner David Mack as chair of the nominating committee to provide a report.

Commissioner Mack: Thank you, Mr. Chairman. On behalf of. Thank you, Mr. Chairman. On behalf of the Nominating Committee, of the Port Authority of New York and New Jersey, the Port Authority Trans-Hudson Corporation, Newark Legal and the Communications Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation, I desire to report that at its meeting held earlier today, in accordance with the provision of Article VII of the By-Laws, the Committee, by unanimous action, submits the nomination of Christopher O. Ward for Executive Director of the Port Authority of New York and New Jersey, and for the President of the Port Authority Trans-Hudson Corporation, President of the Newark Legal and Communications Center Urban Renewal Corporation, President of the New York and New Jersey Railroad Corporation.

Mr. Ward began his service on May 19th, 2008. In view of the changes to the Port Authority's organization chart being implemented today, by unanimous action, the Committee also confirms the election of the April 24th, 2008 meeting of the Commissioners, Anthony Coscia as Chair, Commissioner Henry Silverman as Vice-Chair, Susan Bass Levin as Deputy Executive Director, Darrell Buchbinder as General Counsel, A. Paul Blanco as Chief Financial Officer, Karen Eastman as Secretary, Michael Fabiano as Comptroller, and Anne Marie Mulligan as Treasurer.

Chairman Coscia: Okay, can I have a motion on these nominations? Commissioners: So moved.

Chairman Coscia: All right. Before I call for a vote, let me also join all of our Commissioners, Chris, in welcoming you back to the Port Authority. Chris made substantial contributions to this agency during his first tenure, and certainly gives us the opportunity to hit the ground running. We're sure that his tenure is going to bring great things to an agency that has such a big mission here, and it's very enjoyable for me to welcome you here today and bring you back to the Port Authority to finish all the things you started so well a few years ago.

Chris Ward: Thank you so much.

Chairman Coscia: Great.

Commissioner Ferrer: And Mr. Chairman, I would like to add on a personal note, I said this at one of our Subcommittee meetings today, that after 9/11, I personally worked with Chris, who was just stellar after that crisis to this agency, and if anything told how he feels about this agency and how he's performed, he really has this agency in his heart and soul. So I personally am thrilled to see you back here and at the helm. Congratulations.

Chairman Coscia: We have a motion and a second. All those in favor? Board Members: Aye. Chairman Coscia: Aye. Any opposed? Okay. Thank you very much. I hereby certify that the votes are in order.

Our next order of business is that we have a presentation relating to the World Trade Center redevelopment matters, which will be provided by Michael Francois, Director of Development. Michael.

Michael Francois: Good afternoon, Commissioners. As you may recall, in September 2006 the Board authorized a master development agreement with Silverstein Properties which addressed a redevelopment schedule for towers two, three, and four at the World Trade Center.

Silverstein has requested an extension of the development schedules for towers three and four to address a possibility of a new corporate office and training facility for Merrill Lynch at the World Trade Center site. We are recommending that the Board authorize an amendment to the master development agreement between the Port Authority and Silverstein Properties to grant this extension. The extension includes six months for tower three and four months for tower four. Granting these extensions will enable several things to happen concurrently. Silverstein can continue to negotiate with Merrill Lynch for the occupancy of all over tower three, tower three would be redesigned based on Merrill Lynch's requirements, and Silverstein will continue to

construct the foundations of towers three and four to maintain private development activity on the site.

Let me briefly address why the extension is necessary in regard to the actual construction schedule. Tower three will be redesigned to suit Merrill Lynch's purposes. As a result, the foundations for towers three and four, which are contiguous buildings and are being constructed simultaneously, will need to be redesigned. The proposed extensions mean that tower three, originally schedule for completion in December 2011, will open six months later in mid-2012. Tower four will be completed four months later than originally scheduled and will open in the spring of 2012.

Merrill Lynch is a multinational corporation with over $1 trillion in client assets. They operate in more than 40 countries around the world, but their global headquarters is here in New York City. Presently, Silverstein has a window of opportunity to bring Merrill Lynch to the World Trade Center site. Successful negotiations with Merrill Lynch would be a significant milestone for the redevelopment of the World Trade Center and ensure that one of the largest private sector employers in the region will remain and grow in lower Manhattan.

Commissioners, your approval of this action is requested.

Chairman Coscia: Thank you, Michael. Can I have a motion to approved? Commissioner: So moved. Chairman Coscia: Is there a second? Commissioner: Second. Chairman Coscia: Second. Anyone have any questions or comments? Okay, all those in favor? Board Members: Aye.

Chairman Coscia: Any opposed? Thank you very much. Thank you, Michael.

Our second presentation relates to a contract award in connection with construction of One World Trade Center, the Freedom Tower, which will be presented by Steven Plate, Director of World Trade Center Construction.

Steven Plate: Commissioners, I'm here today to seek your authorization on two contract awards for One World Trade Center -- namely, the Freedom Tower.

Today at the Freedom Tower, we are pleased to report the following progress. A major construction milestone was achieved this past weekend -- the first column sections to rise above grade were installed. This now brings steel approximately 15 feet above Vesey Street.

There will be a total of 24 jumbo columns around the perimeter, with each section weighing 55,200 pounds per section, or 2,400 pounds per linear foot. Foundation work is 95% complete, with the total placement of over 21,000 cubic yards, or close to 1,500 truckloads of high-strength concrete. In addition, simulated wind, earthquake, and blast tests have been successfully completed on mock-ups of the exterior skin of the building.

The photo on the right represents a three-story-high corner of the building's curtain wall with dimensions of approximately 40 feet wide by 40 feet high with 24 exterior panels being tested.

To date, 90 percent of the One World Trade Center, the Freedom Tower trade contracts, have been bid or ready to award. The following two construction trade contract bids have been received, and staff recommends the award of plumbing packages one and two go to WDF, Inc., the lowest responsive bidder, at $90,612,000, inclusive of extra work. These packages include plumbing work for the core and shell, and for tenant floors 20 through 88 of the Freedom Tower.

The second trade contract we seek to award is for heating, ventilation, and air conditioning packages five and six to ASM Mechanical Systems, the lowest responsive bidder at $72,306,000, inclusive of extra work. Package five provides for the installation of HVAC systems for the ground floor through the 57th floor, and package six provides for the installation of HVAC systems equipment for floors 58 to the roof.

Commissioners, I request your approval of these items to the full board for approval today.

Chairman Coscia: Thank you, Steve. Can I have a motion to approve? Commissioner: Motion to approve. Chairman Coscia: Is there a second? Commissioner: Second. Chairman Coscia: All right, any questions? Comments? All those in favor? Commissioners: Aye.

Chairman Coscia: Any opposed? Okay, thank you. Thank you, Steve.

Steven Plate: Thank you.

Chairman Coscia: Our next presentation is a topic that we know is of paramount concern to all and certainly to this board, and that is security at our airports, and I'd like to call on our director of aviation, Bill DeCota. Bill.

William DeCota: Thank you very much, Mr. Chairman.

Commissioners, as you all know that with your support and guidance we've laid out a very aggressive plan for security at our airports. We're trying to provide for the growing needs of the passenger and cargo activity, and you know that our business plan has as its number one priority the safety and security of our air passengers, the public, the users of our facilities, our employees.

Today I'm going to talk to you broadly about the security capital plan. I'm going to ask for your support to advance the next steps of two aspects of that plan -- terminal frontage protection and in-line baggage screening.

As we've discussed, our airport security program is structured to be very multi-layered. The goal is to deter, it's to delay; it's to detect and to respond to and interdict threats before they happen. To that end, the aviation security business plan that the board adopted has strategic goals that are part of the U.S. Department of Homeland Security goals, which you see here, of awareness, prevention, protection, response, recovery.

I'm pleased to say that we have invested, with that plan, in a legacy of security enhancements, with more than $3 billion having been invested in the last 10 years with respect to those goals. Among the measures that have been put in place are the expansion of the closed-circuit television

monitoring system, enhanced access control, state-of-the-art perimeter intrusion detection, fencing, guard service, enhanced police support -- so many other programs, as you know, and there's no other airport system in the country that can boast of a more aggressive security capital program.

Building on that legacy last year, this board authorized staff to proceed with Phase I of our terminal frontage protection program. Specifically, you authorized staff to advance construction of bollards at LaGuardia Marine Air Terminal and areas at Newark's Terminal B at a cost of $10 million. Contracts were let -- Tishman Technologies for the Marine Air Terminal; Conti Construction for Terminal B. The work is now underway, and it's expected to be completed in the fourth quarter of 2008.

At that time, you also approved $3 million for planning and design for Phase II of the project, which included the Central Terminal Building at LaGuardia and the remaining areas of Newark Terminal B. You will recall that those terminals involved elevated roadways, they require more complex design solution, because the upper roadways are cantilevered.

I am pleased to report that that design is now complete and we're ready to ask your approval for the next step for those upper levels, and we're seeking your approval for $28.4 million to accomplish that effort.

Commissioners, we're also working with airline partners to advance a similar bollard system for tenant-operated terminals. I'd like to update you on those efforts. You will recall that last summer, staff notified the 12 other terminal operators of the need to install bollards and we amended the airport security plan to make that a federal requirement. They're in various stages of completion that you see here.

Staff are working with the Transportation Security Administration, with our own legal department, to communicate the need for full cooperation by the terminal operators, and we're requesting that each operator respond with a plan and prepare a timeline to implement the system with a deadline of December 31, 2009.

As we've discussed also, Commissioners, bollards are obviously just one measure to safeguard airports. Baggage screening is another one of those measures. I'm happy to report that the Port Authority's airports are being offered $400 million in funding from the Transportation Security Administration for in-line baggage screening. That would be for the commercial airports -- JFK, Newark, and LaGuardia.

We're asking for your agreement to accept those funds and work with the airline terminal operators on an implementation plan which we will come back to you in this summer to get approval for.

You know by way of background that the Aviation Transportation Security Act, which created the TSA, mandated 100 percent electronic screening of baggage. To get to that mandate, which our airports are fully in compliance with, the TSA installed these very large minivan-sized explosive detection machines in airports across the country.

They're in crowded lobby areas, they're slow, they're labor-intensive. There's also trace detection machines, which are handheld machines on portable tables. Because of the space they occupy, because of the effort, because of the poor customer service, the plan is to replace those machines with these in-line systems that you see on the other side of the slide here, on the right.

TSA recently received new funding commitments from Congress that are shown here. The dramatic thing is that the TSA is willing to provide the PA with $400 million -- about half of the funding they have available. They're going to provide it on a 90/10 split, which means that the airport and the terminal operators would only have to pay about 10 percent of the total cost. That's a maximum of $40 million.

That $400 million is for the reconstruction of terminal space, and the TSA would also provide separately the baggage screening equipment from other funds.

Commissioners, with your commitment to security and support for these efforts, we'll continue to ensure we have the safest airports. I am requesting at your time the approval for Phase II of the bollard protection system and also your concurrence for staff to pursue the TSA funding for the baggage screening devices I just described.

Chairman Coscia: Thank you, Bill. Can I have a motion to approve? Commissioner: So moved. Chairman Coscia: There a second? Commissioner: Second. Chairman Coscia: All right. Any questions or comments? Okay, all those in favor? Board Members: Aye.

Chairman Coscia: Any opposed? Okay, thank you. Bill, don't go away.

Our last presentation, also presented by Bill DeCota, regards the redevelopment of Terminals 2 and 3 at JFK -- the two remaining terminals, as you may know, that have yet to be modernized. And this effort is another example of a public-private partnership -- in this case, Delta, between -- that the Port Authority has deployed to bring about substantial modernization at all of our airports. Bill.

William DeCota: Thank you, Mr. Chairman.

Commissioners, it's kind of a déjà-vu all over again; I come back every month, we talk about capacity, the pressing needs. We talk a lot about runways and taxiways.

Today, as the Chairman mentioned, we're going to talk about terminal capacity. Over the last 15 years, as you know, terminals have been replaced at our airports; others have been extensively rehabilitated and expanded. You have directed us to make sure that those facilities provide the ultimate in accessibility, service, and convenience, and as the Chairman mentioned, I'm here to request your approval of the next and really last major step in the terminal redevelopment effort at JFK. It's the planning for the future replacement of terminals two and three, now occupied by Delta.

Just to give some historical perspective on terminals at Kennedy, commissioners, when we opened the airport in 1948, New York International Airport, as it was then called, the terminals consisted of

a series of Quonset huts laid end-to-end. At that time, the final design of the airport was yet to be decided. Passenger traffic at the airport was only 200,000 passengers annually.

The 1950s, an air travel boom began in the United States. JFK quickly became the gateway to the world. A master plan for expanding the airport was developed in 1955; a plan for Terminal City, as the central terminal area came to be called, was developed.

Construction began, and the opening of the first truly major international terminal was the international arrivals building you see here, which was the showcase of the air age in 1957. When that terminal opened up, JFK handled 5 million passengers.

Other terminals quickly began to be developed. People described them like jewels on a necklace; all the terminals surrounded landscaped areas of parks and fountain, all were considered bellwethers of modern design for the time. The last terminal built was by British Airways in 1970, and that was completed when the airport was handling 20 million passengers.

Over the past decade, with your support, you will recall that all the terminals, virtually, at JFK underwent major redevelopment. By the mid 1990s, JFK was handling 30 million passengers, and Terminal City lacked the capacity to handle the volume.

The modern size of modern generation aircraft, resulted in service and capacity demands of a new generation, and this board began to lay out with staff a plan, a vision for America's most venerable airport.

You see here work on terminal one began and was completed in 1998, Terminal 4 in 2001, Terminal 7, 2003, Terminals 8 and 9 last year, and finally Terminal 5 will open this fall with JetBlue as the occupant.

Commissioners, JFK's air passenger traffic is now approaching 50 million passengers. The remaining unfinished piece of the puzzle are Delta's two terminals. Both terminals were constructed in 1962 as part of that Terminal City concept. For other airlines, they now house Delta's traffic, Terminal 2 being domestic, Terminal 3 being international.

They show clear signs of age, they're obsolete with building systems, they have deteriorated infrastructure, increasing maintenance, and more significantly, they were built in a different era of passenger screening, of ticketing, of passenger services, and don't provide the capacity for the 9 million passengers that use it, let alone the growth.

Delta is pursuing a very aggressive growth plan as you know at the airport, and it's very internationally focused. 2002, Delta handled about five million passengers. By 2007, it grow to nine million. Delta is now projecting 18 million passengers by 2017, now representing about a fifth of JFK's traffic. The business plan calls for significant growth in very important markets, and the Northwest-Delta merger will only contribute to that.

Delta has already invested $5 million of its own money in terminal planning and infrastructure. All those plans look at the integration of that site with the terminal foresight because of the very large space requirements that are necessary.

The planning authorization I'm asking for today is $20 million to advance plans to a stage one level of development. $7.5 million would be advanced to Delta, which would be added to the $5 million they already spent on terminal planning. The PA would match that commitment, $12.5 million of planning funds to advance the infrastructure planning.

This is a concept rendering, commissioners, of how the new terminal complex could look like, adjacent to and connected to Terminal 4. Scale of the project's a huge undertaking; the number of gates would expand by 50 percent. More dramatically, international gate capacity would nearly double.

The terminal would be designed with quality, with environmental sustainability -- goals that this board has laid out for us. It would provide, as I said, for what you have said to us -- accessibility, service, and convenience.

Commissioners, I request your approval of $20 million for planning for this very important project.

Chairman Coscia: Thank you, Bill. Can I have a motion to approve? Commissioner: Moved. Chairman Coscia: Second? Okay. Any questions, comments? Okay, all those in favor? Commissioner: Aye.

Chairman Coscia: Any opposed? Okay.

Before we move on to the next section, I just wanted to take a minute. I occasionally get the pleasure of being able to recognize Port Authority employees who often do so many exceptional things, but in this case it's someone in particular who has done so much for this agency.

I have the privilege of pointing out that this evening the YWCA will provide a tribute to women in industry to our Board Secretary, Karen Eastman. Karen's done a tremendous job for this agency through a number of Chairs, and certainly has made this Board's job much easier through her efficiency, her dedication, and frankly, her commitment to the agency operating at the highest standards is why many of the reforms that we've adopted over the past year were made possible. So Karen, congratulations, well deserved.

At this point I'd like to turn it over for public comment. We have no speakers on the specific items on the agenda, but there is a speaker on a general topic -- Ms. Shiwmangal from Unite Here.

Chairman. Coscia: Excuse me, I apologize.

Deopatty Shiwmangal: Thank you, Mr. Chairman. I am Deopatty Shiwmangal. I work at Hudson News.

I wish to address the Board about the recent labor piece and employee retention policy you passed last year. My coworkers and I are very concerned that the new JetBlue terminal has somehow been exempted from this policy. We think this is grossly unfair and urge the Port Authority, who passed this policy unanimously, to enforce it across the board.

JetBlue is not special. They do not have privileged status. This policy was passed to make sure that the public's interest is being served by having smooth airport operations. It would be unacceptable for passengers to arrive at the brand new terminal only to experience public labor strife.

It would be devastating to the 60 Hudson News employees in Terminal 6. We have worked so hard for this airport and gained our first union contract last year, only to now lose our jobs. We do not want to be put at unnecessary risk because JetBlue, OTG, could refuse to honor the employee retention policy when terminal five replaces terminal six.

You the Commissioners have spoken. It's time for Aviation staff to work start making this policy real for airports, workers, and passengers. The Port cannot reward companies that refuse to carry out its policies. It's time to make the policy real and hold JetBlue accountable.

Chairman Coscia: Thank you.

Deopatty Shiwmangal: You're welcome.

Chairman Coscia: Our next order of business is our consent calendar. Can I have a motion to approved? Commissioner: So moved. Chairman Coscia: There a second? All right, any questions or comments? All those in favor? Commissioner: Aye.

Chairman Coscia: Okay. And then finally, can I have a motion to adjourn? Board Members: So moved. Chairman Coscia: Thank you very much. Good afternoon, everyone. Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
June 30, 2008

Chairman Coscia: (Audio begins mid sentence) the Port Authority. The Board Meeting of The Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the Committees on Capital Programs and Agency Planning, Operations and Construction met in public session and the World Trade Center Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session to act upon matters related to proposed, pending or current litigation or judicial or administrative proceedings. The first presentation today concerns the first lease with a private tenant for space at the World Trade Center, the Freedom Tower, which will be provided by Michael Francois, the Chief of Real Estate and Development. Michael.

Michael Francois: Good afternoon Commissioners. Today we are seeking authorization for One World Trade Center to enter into a lease agreement with The China Center New York, LLC in accordance with the terms outlined to the Board. The China Center would be the first private sector office tenant for the Freedom Tower or One World Trade Center, sending a strong signal to the commercial real estate market about the viability of Tower One as a premier downtown office building that anchors the redevelopment of the World Trade Center site.

It is expected that The China Center New York will become the primary location for Chinese businesses looking to expand their organizations in the United States. The China Center will also provide seamless real estate and service solutions to businesses who are either engaged or wish to engage in the expanding world of Sino-US business and culture. The main components of The China Center program include an executive China Club, a conference center, business center solutions and office suites.

Here are some of the key terms and conditions of this proposed transaction. The China Center would lease approximately 190,000 rentable square feet of mid-level office space on parts of the 64th floor and all floors 65 through 69. The initial term would be for approximately 23 years with two 10-year renewals. Office rental rates will start at $80/rentable square foot with escalations every five years. Storage space rentals would start at 50 percent of the office space rentals. Furthermore, The China Center will provide the Port Authority with in kind services such as the use of China Center facilities in the Far East.

Commissioners this action is a significant step in the redevelopment of the World Trade Center, therefore I request your approval.

Chairman Coscia: Thank you Michael. Can I have a motion to approve. Commissioner: Moved. Chairman Coscia: Is there a second. Commissioner: Second.

Chairman Coscia: Alright, anyone have any questions for Michael on the topic. Okay, all those in favor. Commissioners: Aye.

Chairman Coscia: Okay, thank you. I would like to go a little bit out of order and move to the Consent Calendar. If I can have a motion to approve the consent calendar. Commissioner: Move it. Chairman Coscia: Second. Is there a second. Okay, any questions or comments. Okay, all those in favor. Commissioners: Aye.

Chairman Coscia: Okay, our next order of business, and I know it is a topic that is of critical importance to this Board; we have always taken the responsibilities that we have at the World Trade Center to be of the upmost importance. And it is a topic that I know we have pushed very aggressively and sought everything in our power to do what we can about something that is so vital to this city and this region. We are at a crossroads now, and in that vein, our Executive Director is here to provide an assessment of where we are on the project and what we can expect in the future. Chris.

Christopher Ward: Thank you very much, Mr. Chairman. Commissioners, earlier this month Governor Paterson requested an assessment of the overall rebuilding effort at the World Trade Center site. The report was transmitted to Governor Paterson and Governor Corzine's office today, and I would like to provide you with a report as well. Governor Paterson's mandate was clear – develop a candid and transparent report detailing the progress achieved and a realistic outlook for the future of this site.

He asked that we work with all of the various stakeholders to get their input as we develop a comprehensive assessment of the schedules and cost estimates for the reconstruction and an aggressive but realistic approach to completing these vitally important projects.

Let me start by leaving no uncertainty – the World Trade Center site will be rebuilt. It will be continued to be built and it will be completed. The questions surrounding the World Trade Center rebuilding is not if all the projects will be built, rather, when and for how much.

To meet the Governor's request, the Port Authority conducted an all encompassing assessment bringing together all of the relevant participants in the rebuilding effort. This included the Federal Transit Administration, the National September 11th Memorial and Museum, New York City Mayor's Office, Silverstein Properties, the Metropolitan Transportation Authority, the New York State Department of Transportation, LMDC and LMCCC and many more.

The result of these frank discussions proves 4 key findings. First, while significant progress has been made, the schedule and cost estimates of the rebuilding effort that have been communicated to the public are not realistic. Second, fundamental decisions on critical components to the overall project have also not been made, decisions that must be made to mitigate schedule and cost impacts. As we attempted to determine accurate costs and completion dates for each project on the site, we found that at least 15 essential decisions still need to be made and completed. And because of that the forecast completion dates or final costs before these decisions are made would only send us down the same path of unrealistic commitments we have seen before.

For example, the final design of the World Trade Center Transportation Hub has not been completed. As a result, it is impossible to predict completion dates or cost with accuracy. As I said, however, this project is nonetheless going forward. This problem compounds due to the

interdependence of the projects on the site, the schedules and budgets of the various projects dependent on the Hub cannot be accurately gauged before the scope of the Hub is determined.

The same can be said for the Vehicle Screening Center as its cost and completion dates are dependent on three key outside factors; first, the deconstruction of the Deutsche Bank; second, a security agreement being reached with NYPD; and finally the resolution of the land rights issue with the St. Nicholas Greek Orthodox Church. And remember, the Vehicle Screening Center affects the completion schedule for all of the buildings at the site.

The third major finding is the lack of a defined governance structure that has slowed progress. As evidenced by the critical decisions that have yet to have been made, some of which I just outlined, there is no efficient overall decision making process or steering committee to resolve critical decisions which are fundamental drivers of schedule and costs. Additionally, there is no command and cost control structure to efficiently manage the myriad of entities as you can see on the chart above you in the rebuilding process further complicating the enormously complex construction logistics on the site. And just to give you some sense of that magnitude – 101 construction contractors and subcontractors; 33 designers, architects and consulting firms; 19 federal, state and local governments. This is one of the most complicated projects the city, the state and the nation has ever undertaken.

Fourth, project complexity. Previously announced cost estimates and completion schedules were established well before significant construction began and did not properly account for the unprecedented challenges associated with a project like this. The project's sheer size, geographic constraints, operational necessities and overall construction environment make it, as I said, arguably the most complex project built in this nation.

The plan endeavors to build on only 16 acres, a few city blocks, the following: 5 major skyscrapers; one of the world's most significant memorials and museums; the third largest transportation hub in NYC; a world class retail venue serving all WTC users; a major performing arts center; vehicle security center; and two brand new city streets and two brand new pedestrian ways. All of this must be done within the confines of a transportation corridor that moves 150,000 commuters a day through an active construction site. Commuters pass through the active one subway line which literally cuts right through the center of the site, and the line must be underpinned, literally supported on stilts so that we can construct under, over and around and ensure it moves less than 2 inches at anytime for rider safety. Obviously this adds incredible difficulty to the project. And commuters pass through via the World Trade Center PATH station which runs literally beneath the site.

As we have all heard and recognized throughout the town and throughout the entire region, construction costs are rising rapidly and are a factor in every new construction project there is today. Market conditions have led to dramatic price increases and virtually every construction commodity, most notably, crude oil and steel prices have surged to record highs and have dramatically increased construction costs. As reported by the Bureau of Labor statistics, the construction material price index increased over 30 percent from December of 2003 when the conceptual planning phase of this project was ongoing.

The progress to date in keeping the central findings in mind, it is important to note that significant progress has been made since the major phase of the rebuilding effort commenced a year and a half ago. In 2006 construction was at a standstill. Today it is a completely different site with every major component of the project under construction. The Freedom Tower has risen above street level. The excavation and construction of foundations for Tower 3 and 4 including the removal of 400,000 cubic yards soil, rock and concrete is complete. And excavation work for Tower 2 is nearly complete. The foundation and footings for the memorial are in place and steel will be arriving soon. And the foundation for the transportation hub has begun while north access to the new PATH station has been completed.

The progress has been substantial, but a new way of doing business must be established to ensure the rebuilding moves forward. Going forward, an accountable governance structure is needed to ensure that all of the stakeholders on the site are working together and resolving challenges as quickly as they arise, thus preventing further slippage in schedule and escalation in cost.

The second phase of this report which will be completed and delivered to the two governors and the mayor by then end of September will meet those mandates that will deliver a more accountable, transparent and effective rebuilding process. Phase 2 of this process will establish a new decision making structure that will work through the 15 fundamental issues that have yet to be resolved.

As each of those issues are resolved, we will report the final decision on each question to the public. With those issues resolved, clear and achievable timeframes and cost estimates for each component of the project, including interim milestones that can be tracked by the public will be outlined in the final Phase 2 report.

The new streamlined and inclusive governance structure which is to be implemented immediately places the Port Authority at the top of the decision making hierarchy and includes all relevant stakeholders though in the process and will allow us to resolve the critical issues that have protracted the rebuilding. Difficult choices will have to be made in the coming weeks with trade-offs on design and schedules. But the trade-offs will be necessary to conclude the issues and get the rebuilding on track and completed. This is now a construction project and construction must be completed.

So we are not going to go down the path again of unrealistic schedules and budgets. Instead, this report marks a new way of doing business and a new way of doing business among all of the stakeholders at the World Trade Center site, and most importantly, a new way of doing business for how we manage this complex project, one that I know the Board of Commissioners has been pushing for some time.

It is no longer a question of will all of these projects get done. Nothing in my assessment leads me to believe that any of those projects won't be completed as promised. The questions are when and for how much. That is where this new way of doing business comes in. What we now face is the most complex and difficult construction job you can imagine. That is why I am here to tell you just that – it is a construction job now. The planning and the politics are over; working together with all of our partners we simply need to get it done, execute and build. Will

there be tough choices and trade-offs. Yes. But we can't wait any longer because they are not going to go away. Thank you very much.

Chairman Coscia: Thank you, Chris. I think this Board has from the outset of its responsibilities been incredibly supportive of such an important effort and we are hopeful that as this process progresses that the information that you will be providing to this Board will help us gain a level of confidence that we can meet the expectations and the responsibilities that we have.

I would like to move now to a number of individuals have asked for an opportunity to speak. Although none of the individuals are speaking on topics that are on the agenda specifically, but on general topics that impact a number of issues. The first speaker is Aimee Hartmann from the ASPCA. Aimee.

Aimee Hartmann: Thank you, Chairman, Commissioners and staff of The Port Authority of New York and New Jersey. My name is Aimee Hartmann. I am the Director of the ASPCA's Mobile Spay, Neuter Clinic Program. The American Society for the Prevention of Cruelty to Animals, the ASPCA, was America's first humane organization established in 1866. We are a not-for-profit corporation with more than 1million supporters throughout North America. We are committed to providing effective means for the prevention of cruelty to animals throughout the United States.

Last year the ASPCA was contacted by representatives of the Port Authority for advice on how to humanely decrease the size of its stray cat population. We offered the Port Authority the use of our 4 mobile spay/neuter clinics which spayed and neutered more than 14,000 companion animals as well as feral cats last year to accommodate the needs of the many cat colonies at JFK. However, the Port Authority did not take us up on this offer.

The ASPCA supports the management of feral cat colonies through Trap Neuter Return, also known as TNR, whereby all the cats in a colony are trapped, sterilized, and returned to their colony ideally to be managed by a caretaker who monitors the animal's health and remains vigilant about sterilizing newcomers. This stabilizes the colony and over time reduces the population by attrition.

Most attempts to eradicate feral cat colonies around the country have failed, largely because alternatives to TNR are unsuccessful. The ASPCA believes TNR is the most humane and effective way of controlling feral cat colonies and at the same time eliminating the objectionable spraying, vocalizing and fighting behaviors that can be such a nuisance to all of us. We at the ASPCA feel disappointment and sadness that The Port Authority of New York and New Jersey's decision to ignore the advice of many in the animal welfare community and to hire a trapper to dispose of the feral cat communities located near JFK.

Instead the Port Authority is trapping and removing the cats, most of whom will be euthanized. Once again, we appeal to The Port Authority of New York and New Jersey to consider humane alternatives in dealing with the airport's feral cat population. We are asking that the Port Authority allow the New York City Feral Cat Initiative to do a pilot TNR project with the

ASPCA providing spay/neuter and other high quality veterinary service at no cost to you at all. Thank you.

Chairman Coscia: Thank you. Our next speaker is Valerie Sicignano.

Valerie Sicignano: Thank you. I'm Valerie Sicignano from the New York City Feral Cat Initiative, a program of the Mayor's alliance for New York City's animals. This is my fifth time back. We are 13 months into JFK Airport's Trap and Remove Plan. I would like to point out at this point out at this point that the populated areas of the airport I estimate that there are only a few dozen cats left. The Trap and Remove is not going to work. I already have reports that the few cats that are there have already started breeding.

We are professional trappers at this. These cats are feral, they are nocturnal; very difficult for even an exterminator to figure out where the cats are and how many there are. We have offered JFK Airport to come in for free and trap all of the cats, have them neutered and returned. Any kitten young enough to be socialized, we would take them out. Any domestic cats we would take them out. By not letting us come in you are allowing the cats to breed; by the fall I estimate you will have several 100. You are not going to be able to solve this problem. We both agree that cats should not be at the airport for different reasons, but we are offering you free of charge a pilot program. If it doesn't work, then you are free to evaluate it. But please let us come in. What you are doing is not working; the cats have already started to breed; employees are giving us reports of people coming in and dumping cats, abandoning cats.

We have a solution. We had the first municipal contract in New York State on Long Island in a town. We came in, in January, evaluated how many cats there are, neutered all the cats and returned the feral ones, took out any that could be adopted. In the spring the mayor held a press conference for the first time in the town's history – there was not a single kitten brought in to any of the animal shelters. So we want to help you; we are the experts. This is a very specialized field. We have the solution and we will offer you this for free. The ASPCA has graciously offered to neuter the cats for free. We are asking that you give us a pilot program. With the number of cats that are there now, it is very doable. Please, take us up on this offer. The Trap and Remove is not going to work and by the fall you are going to have hundreds of cats again. Thank you.

Chairman Coscia: Thank you. The next speaker is Patrick Kwan from the Humane Society.

Patrick Kwan: Thank you Commissioners for giving us the time. My name is Patrick Kwan; I'm the New York State Director for the Humane Society of the United States. With over 10.5 million members, or 1 in every 30 Americans, the Humane Society of the United States is the largest animal protection organization in the nation.

It has been nearly a year since animal advocates have met with JFK and Port Authority officials to offer our expertise and assistance in implementing a humane and effective Trap Neuter Return Program to handle the feral cat situation at JFK Airport. The very same strategy that has been implemented at Riker's Island and has been used where cats have been reduced and it has been done humanely. Yet we have been continually, continually rebuffed by the staff of the Port

Authority, by the staff of the JFK Airport while the Port Authority officials have continued to give misinformation to the public and the media that these feral cats who cannot be adopted into homes will be adopted. Port Authority officials and JFK Airport have gone so far as to claim to news that they are working with the humane society and our colleagues at ASPCA to adopt out the animals. And this repeated misinformation and lies like to the NY Post to headline their article, "Frequent Liars at JFK Airport."

We are surely not the only ones, our 800,000 members in only the State of New York, and our 10.5 million members across the nation who are baffled, continually baffled by the ignorance and really the inhumaneness that has been continually implemented at JFK Airport. This program that JFK has been implementing, it amounts to a catch and kill program and the New York Magazine has called it despicable and Newsday took to its editorial pages to condemn the Port Authority round about feral cats and urged the Port Authority to work with animal rescuers. This is continually a problem that we hope that you will understand and see the scientific facts that work with animal rescuers, work with us now. There are continually more and more cats who continue to breed at JFK Airport; until you have it effective in a scientifically proven way of handling the JFK cat situation you will continually have animals at the airport for as long as people lose their cats at JFK Airport, as long as luggage handlers lose cats at the airport, as long as people continue to dump animals near the grounds at JFK you will have animals there.

And I would like to also end with the editorial that the Newsday actually set/wrote last year in regarding this issue, that the Port Authority should stop turning away offers of help from animal rescue groups and works with animal rescuers who have expertise in stabilizing areas in a humane and effective method to continue the feral cat population at JFK. Thank you.

Chairman Coscia: Yes sir.

Commissioner Blakeman: Could someone from staff explain to us by the next meeting why if they have a pilot program that is not going to cost the Port Authority any money why we don't at least try it.

Christopher Ward: Staff will report back prior to the next executive Board meeting.

Chairman Coscia: I think we have actually made that request before so I think it is important that we get a full understanding of the facts because people have come here on multiple meetings and have made suggestions that appear on their face to be quite logical and I think it is important that we understand that and perhaps discuss it at our next meeting. So we would very much appreciate that. Thank you.

Our next speaker is Nancy Niedermeyer from a family member of Port Authority, Officer Alfonse Niedermeyer who we lost on September 11th.

Nancy Niedermeyer: Hi, I am honored to be here to appeal to you. My husband was a Port Authority police officer who was killed at the Trade Center protecting the Trade Center. And I have heard that you are in current negotiations with another agency to eliminate the Port

Authority Police at the Trade Center site. And I want to express my extreme displeasure with that prospect.

I got on the Port Authority's website and took a look at the Port Authority's Strategic Plan that the Board of Commissioners approved December 8, 2005. And on page 7 you talked about establishing priorities and you listed 6 primary organizational goals: economic value, financial capacity, value to customers, stewardship, leadership, and organizational excellence. The one that really struck me was "stewardship." And you listed on there – "to protect and sustain our facilities for future generations." Now along with proper infrastructure and security capabilities, the Port Authority Police Department that you already have in place is the foundation of safety and security at all of the Port Authority facilities, including the World Trade Center site.

To jeopardize this in my opinion is short-sighted and foolish. We are facing unprecedented threats in the future as all of you well know. When you cut off one of the legs of the foundation that you are standing on and replace it with a crutch for whatever financial reason in the short term, you can expect at some point to limp. This is a very short-sighted proposition in my opinion with long-term consequences. It is also a loss of jobs for New Jersey which is another story in itself. The Port Authority giving away control of policing the World Trade Center site is wrong. It is wrong on many different levels. It is wrong for the people of New Jersey, it is wrong for the people of New York, it is wrong for the Port Authority now. But more important, it is wrong for the future. It is wrong for my children's children and it is wrong for your children's children.

I came here not to appeal to you on an emotional level but on a rational level. And I think if you look at the cost benefit analysis of this prospect you would find that it is very short sighted. Giving up control is in direct conflict to one of your primary organizational goals of stewardship. Thank you.

Chairman Coscia: Thank you. Thank you for your comments. I would next like to ask Al Niedermeyer to come forward. Thank you.

Al Niedermeyer: Good afternoon, Commissioners. My name is Alfonse Niedermeyer. I was a long time Port Authority employee presently retired. I worked many years at the Trade Center. I was in the building in 1993, and I was in the building in 2001 also. I saw the complex go up and I saw the complex go down. What I am bringing to your attention is the Port Authority Police Public Safety responded to those emergencies since they were on site. If they had to rely on other people to come in and direct the people out, to direct the tenants, the public, it would be a great disservice to the World Trade Center tenants and public not to have Port Authority Police on site.

Now I have a question – is the World Trade Center going to be a Port Authority facility.

Chairman Coscia: Sir, I'm sorry, but we are really not in a position to answer a question –

Al Niedermeyer: Okay, I was just asking. But my answer to that was if it is going to be a Port Authority facility, it should be policed by Port Authority Public Safety. Thank you very much.

Chairman Coscia: Thank you Mr. Niedermeyer. Our next speaker is Janice Tietjen who is also a family member. Janice.

Janice Tietjen: Thank you. This is my son, Kenny Tietjen, Police Officer Kenneth Tietjen whose birthday was the 4th of July, 31 years old when he died at the Trade Center. As you know, 75 Port Authority employees, including the Port Authority Police Officers died on that terrible day. After that day the Port Authority sent out many posters to the families talking about the Port Authority family, about the Trade Center being our home, about our heroes always remembered and never forgotten.

As you all know the Port Authority has been forgotten many times. Case in point, when Kathy Mazda, our woman police officer died, it was reported by many of the news stations that only one female or police officer died and that was a New York City Police Officer. And even though we called the newspapers they didn't want to know that a Port Authority woman police officer died.

We hear everything that has happened in that time and we see trucks passing us by saying, "Remember September 11th NYC Fireman, NYC Policeman," and God rest their souls, but what happened to the Port Authority. Are our families forgotten already. Our families hold a yearly reception on September 11th for politicians and also people at the Port Authority. You shake our hands and you tell us how our families will never be forgotten. Well, many of the families feel that we are forgotten.

The Port Authority giving up the World Trade Center is a disgrace. Our officers gave their lives rescuing and protecting the property and the people at the World Trade Center. As thousands were rushing out, police officers with burns on their hands and burns on their faces rushed in numerous times to save thousands and thousands of people. We are asking for your help. Please do not abandon our families and our police officers who heroically gave their lives because the police officers now you have on the Port Authority are willing to do the same, not only for the Port Authority but for the people that are involved there.

Please do not give up our post that we gave our blood for to someone else. Our Port Authority officers deserve your support now as they supported you in a time of need. Thank you and God bless.

Chairman Coscia: Thank you, Mrs. Tietjen. I know your comments are heard by everyone here. I appreciate that.

I have been trying to group speakers together based on at least subject that they have signed up for. Our last speaker, and if there is someone else out there I guess we will correct that, is Glenn Corbett from the Skyscraper Safety campaign. Mr. Corbett, thank you.

Glenn Corbett: Good afternoon. My name is Glenn Corbett, Associate Professor of Fire Science at John Jay College of Criminal Justice and I am also the Technical Advisor to the Skyscraper Safety campaign, a project of parents and families of fire fighters and World Trade Center

victims. I would like to address the issues of the World Trade Center Memorial Museum, as well as the subterranean vehicle tunnel and parking facility at Ground Zero. These projects located primarily under ground are extremely costly and unbelievably complicated.

It is time to modify the designs of these facilities so they are truly cost effective, environmentally friendly, and above all, safe.

The World Trade Center site is and will always be a target for future terrorist attacks. The underground aspects of the WTC, the Museum Memorial and parking facility are particularly vulnerable to another disaster. Danger has literally been designed into these facilities. The museum will invite thousands into this underground labyrinth of galleries, placing visitor's lives at risk. The emergency egress is required for these below grade areas and will necessitate that visitors travel immense distances to get to a stairwell to climb back up to street level. Many will literally have to travel off site to stairwells across West Street, across Liberty Street, and into the Calatrava Transit Hub. This long horizontal trek, combined with the 7 story climb up in some cases defies all safety logic. It is just plain perilous. The solution is simple – build the entire Memorial Museum above grade.

It is always much more expensive to build underground. By placing the Memorial Museum above ground I'm sure it will save enormous amounts of money and improve the safety for the WTC visitors at the same time. I also encourage the Port Authority to look at the energy savings with an above ground facility.

In addition, I call on the Port Authority to review the cost of operating the Memorial Waterfalls and Pools. What are the energy costs including the so-called carbon footprint to pump and heat the water for these aspects of the memorial? I'm sure many of the victim's families if they had been asked would have preferred a safer, simpler, and more inspiring above ground memorial.

As all of you are well aware, the World Trade Center was attacked in 1993 through its underground parking facilities. The Port Authority has been successfully sued by families of the victims of that bombing in part due to the revelation that the Port Authority had been warned to close the public parking facility prior to the attack. Why would you wish to repeat this scenario all over again. The proposed parking delivery structure is literally tied to all the World Trade Center high rises other than the Freedom Tower.

In addition, the parking area directly underneath the Calatrava Transit Hub will expose thousands of others to another catastrophe. Despite claims of vigilance and security, I do not believe that all buses and trucks will be as thoroughly screened years into the future as they are in the first day of operation. Terrorists are patient people and will exploit this obvious problem at their first opportunity.

I would suggest again, as I have in the past, you consider a much safer and more cost effective solution for the garage. The WTC site has the unique capability of the PATH literally travels directly into the heart of the complex. Instead of driving and parking them underground, buses carrying visitors – can I wrap up? Okay. Buses carrying visitors into the Memorial Museum could simply drop off their passengers at the PATH station, perhaps even New Jersey and park in

a nearby service lot. It is my understanding this proposal was rejected because of objections from the tour bus companies. Is that true. I would also like to take this opportunity direct to my concluding comments to Ms. Bass Levin, though I can't see you, you are around the corner there.

Ms. Levin, I am fire official in the State of New Jersey and I sit on the New Jersey State Fire Code Council. As the former commissioner of the Department of Community Affairs, who was in charge of all building and fire code enforced in the State of New Jersey, you have made co-compliance a top priority for safety. I implore you to see that the Port Authority once and for all gives up its immunities and exemptions from local building and fire codes. Ms. Bass Levin, memorandums of understanding, volunteer inspections, self certifications and insurances of meeting and exceeding all codes are not the same as being under legal jurisdiction of the city of New York. And to actually meet the code, receive plan approval, obtain a certificate of occupancy and be subject to unannounced frequent inspections is a hallmark of real co-compliance.

You, Ms. Bass Levin are in a unique position to make that happen. The public is depending upon you and we look forward to meeting with you in the future. Thank you very much.

Chairman Coscia: Thank you.

Commissioner Bauer: Mr. Chairman may I make a few comments. On behalf of the families who spoke I just want to thank you for your words and your thoughts. And I'm not sure if all of you are aware, but my husband David also died on September 11th in Tower 1. I was one of the first and probably I would say one of the most effective advocates for the families. I feel an enormous commitment and compassion to the safety of the highest standards for any of the Port Authority's facilities, especially at the World Trade Center. And I can assure you that this Board is unwavering in its commitment. We also will make sure that the memorial is done properly and it will be done right. And I give you my assurance. Thank you.

Chairman Coscia: Thank you Mr. Corbett. Thank you Commissioner Bauer.

Our last speaker is Imre Szabo an architect regarding WTC design ideas.

Imre Szabo: Hello Mr. Chairman and Port Authority Board. My name is Imre Szabo; I'm an architect from Elmhurst Queens. I've been trying to find the way to show you how this initial proposal that was produced by BB&B and the similarity of the current design that is being built shows how the design process of the project has produced relatively no changes in this project from 2002 till currently.

So what I would like to ask you is to consider hearing another proposal, new ideas, new presentation. It is approximately 15 minutes long. And it will show ideas based on united tower doorways, light of day, a space of a church, separation of church and state, private space and public space, a memorial based on a flag, a memorial based on how the victims customized papers and place them on walls, and additional ideas as well as a lighthouse and how that can bring back the idea of 9-11 which was lost to a new date that changed our mind from protection

to terrorism. So I ask you to consider hearing a new presentation for a World Trade Center design. Thank you.

Chairman Coscia: Thank you. There are no other speakers who have signed up and I will then ask I guess for a motion to adjourn. Commissioner Mack: So moved. Chairman Coscia: Is there a second. Commissioner Bauer: Second. Chairman Coscia: Okay, all those in favor. Thank you very much.

The Port Authority of New York and New Jersey

Public Board Meeting Transcripts

July 24, 2008

Chairman Coscia: Good Afternoon everyone and I apologize for our delay today. It was a busy calendar. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the Committees on Finance, Capital Programs and Agency Planning, and Construction met in public session and the World Trade Center Redevelopment Subcommittee and Operations Committee met in both public and executive session. Their reports will be filed with the official minutes of today's Board Meeting.

The Commissioners also met in executive session to discuss matters related to the purchase, sale or lease of real property or securities where the public disclosure would affect the value thereof or the public interest and to act upon matters related to the proposed pending or current litigation or judicial or administrative proceedings.

Today' first order of business is a report from our Executive Director, Chris Ward. Chris?

Chris Ward: Thank you very much, Mr. Chairman. I wanted to take this opportunity to provide a progress report regarding the World Trade Center rebuilding effort. Three weeks ago I provided to you a candid clear-eyed assessment of the World Trade Center rebuilding effort. The assessment clearly defined both where the effort stands to date and more importantly a roadmap for future progress.

That roadmap laid out 15 fundamental issues that must be resolved if we are to get this project back on track. Today I am pleased to announce that one of those fundamental issues has been resolved and several other are on the way.

As the assessment makes clear, there have been a number of unresolved land rights issues with respect to the land owned by the Saint Nicholas Greek Orthodox Church which was destroyed during the 9/11 attacks and sits on top of where the Vehicle Screening Center will eventually have to go.

Unfortunately, this issue has gone unresolved making it impossible for excavation and construction work to the Vehicle Security Center, what is known as the South Bathtub to go forward. Today that changes. Before the Board of Commissioners is in agreement in principal with the Saint Nicholas Greek Church, it gives the Port Authority the necessary certainty and space it needs to begin excavation and construction of the Vehicle Screening Security Center.

To put this in perspective, for $20 million and a commitment to help with the future construction and security requirements, this deal will move the Greek Church out of the way of our critical construction path which clears one of the major roadblocks that has been holding up billions of dollars worth of investment on the site.

With regard to the South Bathtub excavation deconstruction, and as a direct result of this agreement, the Board was also able to award an $88.6 million contract for the excavation and structural work related to the South Bathtub construction that had previously been delayed because of the lack of an agreement. This is the last major excavation work that has yet to be complete.

I'm also pleased today to report on a security agreement to put before the Board for authorization that will allow for a much needed security arrangement between the Port Authority and the City of New York. This agreement marks an important milestone on the progress of the rebuilding effort because it resolves outstanding jurisdiction issues necessary for the development of a comprehensive security plan which is necessary to complete the implementation of nearly every aspect of this project.

The next step will be to work closely with NYPD to develop a comprehensive security plan for the site. We understand that Lower Manhattan needs to be a vibrant 24/7 community that attracts tenants and residents alike and we are committed to doing just that while also making sure that it is safe and secure as possible.

In conclusion, this is important progress but much remains to be done. The World Trade Center Steering Committee continues to meet and I continue to meet with them personally as well with all stakeholders. I will provide another progress report at our next Board Meeting. Thank you very much.

Chairman Coscia: Thank you, Chris. That is very helpful and we are all pleased to hear about progress at the Greek Church site. It does represent movement that is very positive on lots of levels. I think the Board has expressed a real interest in making sure that we stay very connected to cost issues as they evolve in this project and the management of the different time commitments that we make in all of that. So we look forward to hearing more as the project evolves and on both of those issues.

Before we get started with today's presentation let me take a moment to essentially wish Happy Birthday to John F. Kennedy International Airport that basically reached its 60th year. A great milestone for a great facility that has served millions of people. And as we have publicly announced we are providing a small birthday present to our faithful customers, a free ride on the Air Train, one of the newer parts of that capital program at JFK. And hopefully those who can will avail themselves to that small token of our appreciation for all of your good service during all of these years.

Let me know actually turn to our first topic which is a related topic and our Director of Aviation, Bill DeCota will provide a presentation on the implementation of a variety of flight delay reduction initiatives that we have initiated. As you know the Board has taken a very aggressive role about trying to do all that we can to try to mitigate the problems that air congestion in the New York Metropolitan area has created.

We all have experienced those delays. We know just how meaningful they are on both a personal and business level to this region and we began an initiative through a task force that has

made significant strides I think toward identifying and even implementing changes that we believe will have a long term benefit, and as in keeping with an agency that agreed to buy a fourth airport to do something about this we have put our money where our month is and Bill is going to talk about a number of the initiatives that we have undertaken in conjunction with our partners to deal with this issue. Bill?

Bill DeCota: Thank you, Mr. Chairman. With JFK turning 60 and later this year Newark will be 80 it is only appropriate I guess that I bring you some delay reduction efforts that will impact both those two airports, Kennedy and Newark Airports.

When people think of delays, in fact the things that we have acted on with this Board, often people think of the Air Traffic Control system and they think of airspace. But the reality is those kinds of improvements have little practical benefit, as this Board knows, unless you can actually move people expeditiously off the runways and on to the taxiways and to the terminal and cargo buildings.

And there are three critical ways in which you can enhance aeronautical capacity at airports on the ground. One is by removing the constraints from the runway and taxiway design and the layout. I'm going to ask your approval for some projects that deal with the taxiway construction at the airport in order to do that.

Another is through surveillance and control of aircraft surface moment. The reality is that if you can watch what is happening on the ground, if you can get real time condition information you can do rerouting and you can also do passenger assistance and I'm going to ask for your approval at Kennedy to buy a system that can do just that.

And lastly, we need to make sure that the airfield facilities at our airports can handle the largest passenger and cargo planes and that would maximize throughput. I'm going to ask your approval for a project at Newark Airport in order to accomplish that.

I will take you through each of those. First, just talking about design and layout of taxiways, the design and layout is really, it is very important. It has an important affect in terms of air space and in terms of runway occupancy time. The placement, for instance, of Exit Taxiways where aircraft turnoff runways, the angle at which they intersect the runways can really allow for faster turnoff and thereby free up those runways for additional planes.

As another example, in some cases taxiways can be placed so that other aircraft that have shorter stopping distances can leave the runway much sooner. And to that end you will recall that this Board back in March, as you mentioned Chairman, you have approved a lot of things. You had approved $5 million for us to study 11 potential delay reducing taxiway projects. And what I would like your approval for today is what we are calling Phase I.

As you see on this slide there are three projects, those are fully detailed in the authorization before you, taxiways that include the extension of Taxiway YA which will allow for the improved departures from Runway 22 Right, Taxiway FB, which will improve queuing capability from that same runway as well as reduce congestion on the main central terminal area

taxiways, Taxiways A and B, and the construction of a Taxiway KA hold pad at Kennedy that will provide significant aircraft queuing and sequencing possibilities.

Each of those has tremendous benefit relative to the cost in terms of the number of operations that can be handled. From our analysis we are able to quantify the minutes of avoided delay reduction and the cost savings in terms of direct operating costs of aircrafts, so big savings to the airlines, including fuel and labor and the value of passenger time. The total cost of those taxiways is $60 million.

Aside from that, taxiway construction, I mentioned surveillance and control of aircraft. That is an important safety measure but it is also important to delay reduction. As you are aware, the FAA has been installing what is called ASDE-X Ground Surface Radar that allows air traffic controllers to locate and monitor both aircraft and ground equipment on the runways and taxiways. There are now ways where the aircraft operator and the airlines can actually capture that data and use it for ground traffic management and for a faster operational response to delays.

To that end, Commissioners, we are asking your concurrence for a contract to advance the purchase and installation of such a system called the Aerobahn Aircraft Ground Surveillance System. That system allows the airport operator and the airlines to determine the exact position of every aircraft. It provides situational awareness. It can be used for the swift management of aircraft between the terminal and runway; during delay events aircraft that have been on the ground we would become aware of those things. We could find alternative locations for those aircraft, provide passenger assistance. And the system does have accumulated operational data that can be used to improve future response to delays as well as perhaps even future taxiway programs.

The cost of this system is $3 million so we what we are asking for you today is to amend an existing contract for $750,000 to begin development of that system.

And then there is the issue of larger aircraft. That is one of the most important ways we can enhance capacity and efficiency, make sure that we are capable of handling the biggest aircrafts, the geometry of aircraft our airports can handle. As we have discussed small planes have a role in small markets but our hope is that in bigger markets, more dense travel markets that the airlines will use the largest aircraft possible in those markets.

Working with various aircraft manufacturers we have made sure that LaGuardia can handle the Boeing 767-400. JFK will handle the Airbus A380. Newark can handle the Boeing 777 and the A3-4600. But Newark has limited flexibility for that and what we are asking for you today is some additional work that can help accommodate that.

Right now at Newark there is only one airfield route for the largest planes to reach the parallel departure and arrival runways. The turning radii on many of the taxiways are not sufficient to handle a plane of that size giving their capability and maneuvering characteristics to enhance the ability staff undertook of review of the Newark airfield and determined that there was a program of widening 32 taxi way intersections or what are known as fillets. A fillet allows the aircraft to maneuver along the airfield. It is the width that governs the type of aircraft that can be handled.

With this program of widening these 32 fillets which cost $7.2 million, it will allow us to be able to meet the requirements in multiple different types of routes for that aircraft, make it more efficient.

Finally Commissioners, in addition to improving the delay situation I want to mention there are a lot of other things we are doing to improve the customer experience and expedite arriving passengers. This is all part of the programs that you have been directing us to implement at the airports. We, for instance, we are developing this whole list of potential initiatives to expedite the experience of the international arriving passenger. You see some of those here, encouraging customers and border protection to expand the global entry program which uses electronic kiosks to expedite entry, expanding the use of customer service reps in the international arrivals hall, instituting training of courtesy type training of customs and border protection and mystery shopping those, developing an arrivals video to welcome people, working with both state's tourism offices to initiate a program of promoting the region.

With your leadership we will continue to develop and advance capacity improvements and service enhancements at our airports and again, we always use the mantra which you have directed us to provide safe, fast and efficient service for our customers.

I request your approval, Commissioners, of these initiatives.

Chairman Coscia: Can I have a motion to approve? Commissioner: Moved. Chairman Coscia: Second? Commissioner: Second.

Chairman Coscia: Second, alright. Anyone have any questions?

Commissioner Blakeman: Yes, Mr. Chairman, what is mystery shopping customs and border protection?

Bill DeCota: Going out, we actually have a very comprehensive program Commissioner of mystery shopping where we go out and we test a variety of different services and amenities at the airport. We go into the food, beverage and retail establishments. We test people at the ticket counters; we test the TSA security agents at the checkpoint, and we are looking for specific things that we have identified that we recognize represent very good customer service. So in the case of customer and border protection we are actually mystery shopping the kind of experience, how long does it take a customer to get here. How are they greeted? How are they directed? If they are a recheck passenger they have to go to another baggage check line and then we are giving that kind of feedback back to the customs agents and –

Commissioner Blakeman: You are not the guy checking the restaurants, are you?

Bill DeCota: I have been known to at times go out and test my own facilities, yes.

Chairman Coscia: Okay, any other questions? Alright, all in ---

Commissioner Pocino: Mr. Chairman, I would just like to – well, you may have mentioned it but I don't recall, but it is my understanding that the cost of this airport delay program is recoverable from the airlines?

Bill DeCota: Yes, it is. All of this is airfield work and pursuant to the agreements that we have with the various carriers and in this case Kennedy Airport, the cost would be included in the flight fees at the airports and would be recovered from the carriers. And as you saw in these slides there is a much bigger benefit to the airlines than the cost based upon the operating delay savings we anticipate.

Chairman Coscia: Okay, if no other questions. All those in favor? Commissioners: Aye.
Chairman Coscia: Any opposed? Okay, thank you very much.

Bill DeCota: Thank you.

Chairman Coscia: Thank you. Our next presentation is an update on the development of the Port Authority Bus Terminal air rights and will be provided by Michael Francois. Michael?

Michael Francois: Thank you. Good afternoon Commissioners. As you may recall in December 2007 the Board authorized the Executive Director to execute a term sheet and enter into leases and related agreements with 20X Square Associates to develop, construct, lease and operate an office tower above the North Wing of the Port Authority Bus Terminal and retail complex within the North Wing as well as implement Port Authority improved plans for improvements to the public and bus operation areas of the North Wing.

In addition the Board the authorized the Executive Director to enter into a separate exclusivity agreement with 20X Square to negotiate a potential transaction involving the leasing, renovation and management of the retail portion of the South Wing.

On January 16, 2008 a term sheet was signed with 20X Square outlining the terms and conditions of the North Wing project. In addition the term sheet also gave us the authority to begin exclusive negotiations with 20X Square for the retail in the South Wing. Today we are seeking your authorization to extend the exclusivity agreements between the Port Authority and 20X Square for the North Wing and South Wings.

This public/private partnership between the Port Authority and 20X Square provides the opportunity for the first major development of the Port Authority on the west side. The development will provide significant improvements to the facility, new mass transit opportunities for commuters through increased bus capacity and the creation of over 1 million square feet of sustainable first class office space.

To date we have reached agreement on several major issues such as a completion guarantee, transfer provisions, the calculation of net income sharing provisions and have moved from a 20-page term sheet to over 1,000 pages of documents.

However, important issues still remain. At 20X Square's request, staff is recommending that both the exclusivity agreements be extended for up to two 6-month periods to resolve the remaining issues. The first extension of the exclusivity period would commence upon the payment of an upfront extension fee of $2.5 million, execution of the completion guarantee, the selection of three architectural finalists, and the commitment of 20X Square to expend at least $1.5 million on design of the project.

During the first 6-month extension period, 20X Square would be required to meet certain milestones. If all our conditions are not satisfied by February 9, 2009, a second 6-month exclusivity extension would not be granted and the exclusivity agreements with 20X Square would expire. If all the conditions are met the second 6-month extension would be triggered to finalize any outstanding issues.

Two of the items which must be addressed during the first exclusivity extension are the selection of an architect for the redevelopment of the Port Authority Bus Terminal and the completion of schematic plans for the project.

To that end 20X Square issued an RFP to 13 architectural firms. With the Port Authority's participation, 5 of those firms were selected at 20X Square to develop conceptual designs for the Port Authority Bus Terminal's redevelopment. 3 firms have been selected as finalists. The following slide depict the conceptual designs submitted by those three finalists.

The design which Kohn Pedersen Fox submitted is a 48 story class A office tower of approximately 1.27 million square feet with approximately 60,000 square feet of retail space. The tower's floor plate will range between 21,000 and 34,000 square feet depending on final usage. There is also an office sky lobby included within the design.

This rendering depicts the unique design submitted to us by Rogers Stirk Harbour and Partners. It is a 42 story Class A office tower of approximately 1.25 million square feet with floor plate of approximately 28,000 square feet. There is also an office sky lobby and approximately 40,000 square feet of retail space.

This design was provided to us by Pelli Clarke Pelli Associates. It also displays the unique design of a wave wall scheme with an office sky lobby and an outdoor garden. It is approximately 1.25 million square feet of a Class A office space of 47 stories with floor plate of approximately 27,000 square feet and retail space of approximately 55,000 square feet.

This proposed action would enable the Port Authority to increase revenue as well as redevelop and enhance the Port Authority Bus Terminal operations. Benefits include facility enhancements, more efficient bus operations, increased capacity for buses, increased revenue potential through a joint venture revenue sharing opportunities, improved environmental benefits in the form of reduced traffic congestion and decreased pollution, LEED-certified sustainability enhancements and security enhancements overall for the project.

Commissioners I request your approval of this item.

Chairman Coscia: Okay, thank you, Michael. Can I have a motion to approve? Commissioner: So moved. Chairman Coscia: Is there a second?

Commissioner Chasanoff: May I ask a question?

Chairman Coscia: Sure, of course.

Commissioner Chasanoff: Michael is there a fixed annual rental on this property?

Michael Francois: Yes, we have negotiated a fixed annual rental. The rental equates on a fixed basis to a value of approximately $265/square foot.

Commissioner Chasanoff: And payable when?

Michael Francois: It will be phased in as soon as the lease is effective over a 4-year period. As the building is completed it will get 25% the first year, 50%, etc, until substantial completion when the entire amount will be due.

Commissioner Chasanoff: And on the extensions they pay $2.5 million for both extensions or for the 6-month extension? And then do they pay another amount for the next?

Michael Francois: It is $2.5 million for the first 6-month extension and $1.5 million for the second.

Commissioner Chasanoff: $1.5 million.

Chairman Coscia: Any other questions. Okay, Mike, glad to see that we are making progress. The project from the standpoint of what is very critical here is that it provides capital for improvements to the bus terminal. The office elements obviously we think add a great deal from an economic standpoint to the west side redevelopment. But what is absolutely critical is we stay focused on the need for this agency to define ways to monetize assets it has and generate capital that could improve the transportation facilities that we operate.

The improvements that are necessary to the bus terminal from standpoint of its capacity enhancement improvements, amenities that travelers are able to get is absolutely critical to us from a long term standpoint. Plus, it frees up capital we would otherwise then be able to make available for things like bus parking and other issues like that.

So the economics of this transaction are in fact very fundamental to what we are doing from a transportation standpoint. And that should be a critical part of how this proceeds.

Any other comments or questions from anyone.

Okay, then, I will take a vote. All those in favor?

Commissioners: Aye.

Chairman Coscia: Any opposed? Okay, thanks Mike.

Okay, our final presentation is a World Trade Center update including various contract awards to advance construction activities at the site and it will be presented by the Director of World Trade Center Construction, Steven Plate. Steve?

Steve Plate: Thank you, Chair. Commissioners, today I will be recommending several contract award authorizations that will advance construction at the World Trade Center site.

Today, staff is seeking authorization to enter into agreements with the Lower Manhattan Development Corporation and the Saint Nicholas Greek Orthodox Church to implement the conceptual framework for the redevelopment of the southern site. This will enable relocation and rebuilding of the church and acquiring access and property rights necessary for the construction and operation of the World Trade Center's Vehicular Security Center. The Port Authority will provide a $20 million payment to the church toward construction. We will also provide an additional $20 million, up to a maximum $40 million, depending on the actual size of the church for associated infrastructure costs.

We have recently negotiated with representatives of the church to provide for a transfer of property so that the bathtub in the south can begin in the current church parcel in exchange for a new parcel above the VSC.

The VSC is a below grade Vehicular Security Center where buses, trucks and other vehicles will be screened and is critical to the long term operation of the facilities at the World Trade Center. Phase I is located at the southern end of the site, bordering on Liberty Street, while Phase II is located below the transportation hub bordering on Church Street to the east.

As progress is made in the design in pre-construction phases related to the World Trade Center Vehicular Security Center, staff recommends a major award of construction to EE Cruz and Company, Inc. and Nicholson Construction Company for construction of the exterior perimeter foundation walls of the World Trade Center Vehicular Security Center Phase I facility, an estimated total cost of $88.6 million, including an 8% allowance for extra work, and to increase the authorization for an existing agreement with Liberty Security Partners in the amount of $1 million for early action, expert professional, architectural and engineering construction support services for the duration of this World Trade Center VSC Phase I construction contract.

The scope under the proposed contract provides for the construction of the exterior south basement perimeter foundation wall bordered by Liberty Street, Greenwich Street, Cedar Street and West Street or namely 9A, including but not limited to slurry walls, tie backs, temporary wall supports and excavation down to bedrock. LSP will provide construction support services to facilitate construction including shop drawing reviews, responses to contractor questions, site visits and resolution of design changes due to field conditions.

Today at the Freedom Tower we are please to report that concrete is pouring again after the prior week's settlement agreement between striking concrete truck drivers in NYC and the city's concrete producers.

On another note, I want to share with you today an exciting construction update. In this series of photos you can see the installation of the steel arch structures and columns for the east-west connector. 24 out of 48 arches and 5 columns have been erected across this concourse. Designed by architect Santiago Calatrava and the downtown design partnership, the corridor will contain retail and provide a below grade pedestrian connection from the Transportation Hub beneath West Street and onto the World Financial Center.

It should also be noted that foundation work is 95% complete as the contractor continues work on the concrete super structure and substructure pouring the sheer and liner walls that encompass the 1 World Trade Center site.

Over 90% of all trade contracts for the Freedom Tower are awarded or out to bid. The following construction trade contract bids have been received for the Freedom Tower, and staff recommends the award of heating and air conditioning, namely package 3, go to Megrant Corporation, the lowest responsive bidder at $12,700,000, inclusive of extra work. This package includes the heating and air conditioning work for the perimeter hot water system throughout the Freedom Tower.

The second trade contract we seek to award is for the fire alarm system, electrical package number 5 to Firecom, the lowest responsive bidder at $12.1 million inclusive of extra work. Electrical package 5 provides for the installation of all fire alarm related work associated with making the fire alarm system complete and operational in all respects. The system will be in full compliance with NYC building codes, NYC fire codes as well as the Port Authority's engineering department's quality assurance division guidelines.

Commissioners I request your approval of these items.

Chairman Coscia: Thank you, Steve. Can I have a motion to approve? Commissioner: Second. Chairman Coscia: Second.

Chairman Coscia: The items are being approved as a package. Anyone have any questions on any of the individual components of it? Okay. Steve, again, I sort of reiterate what we have talked about quite a bit in the last several weeks, and that is the Board's interest in seeing as much updated information as possible as costs change and timelines change. In particular, I think we are all sensitive to the fact that larger movements within the economy and how that affects the way various bids come back and different construction components are priced are a great deal of interest to us. So we would like to receive regular updates on those changes and be able to identify these things as early as possible.

I know that our Executive Director, Chris Ward, and Dave Tweedy have been working on a variety of different reporting forms that would allow us to monitor that more closely and I would

encourage your group to be as helpful as possible in that process so that we are able to have as firm an understanding of changes as they evolve as possible.

Steve Plate: We would be happy to do that, Chair.

Chairman Coscia: Thank you. Okay, any other comments or questions? All those in favor? Commissioners: Aye. Chairman Coscia: Any opposed? Okay, thank you.

Chairman Coscia: That is it for items. We have no speakers today on any of the specific items, but there are several members of the public who have asked to address the Board. The first on the topic of feral cats is Valerie Sicignano. Ms. Sicignano?

Valerie Sicignano: Thank you. I'm Valerie Sicignano from In Defense of Animals and the NYC Feral Cat Initiative. We are a program of the Mayor's alliance for NYC's animals. Last night I received an email from the Port Authority that contained two letters, one from the FAA and one from the USDA. Both letters referenced FAA regulations to address wildlife hazards at US airports.

The current plan to trap and remove cats that is in effect at JFK Airport is not the most effective way to address wildlife hazards of feral cats and the wildlife that food left out can attract. In fact, the plan is not effective; it has been going on for 1 year and 7 months. The number of cats that have been trapped is around 80. There has been about additional 40 cats trapped by employees. If you had let us come in and try and work with you we could have trapped those cats at no cost to you in about a month.

But the point I want to stress is that you will never have no cats at the airport; that is not realistic. But you want the numbers to come down very close to that. And the way to do that is trough Trap, Neuter, Return. That is proven. We have scientific studies. Trap and Remove doesn't work.

Also, in the letter I can see the number of cats that you estimate at the airport is wrong, the number of colonies is wrong. And again, this is a very specialized field. We are experts in it, that's why we know it is not working.

There are a lot of employees are giving us kittens now, taking kittens out of the airport. If we had done this Trap, Neuter, Return before now you wouldn't have these kittens. And month by month the numbers of cats would be going down. New kittens wouldn't be born. We would take out any new kittens. We would take out any lost or abandoned domestic cats and we would address issues like people abandoning cats. We, of course, would also train anyone working with the cats. We don't approve of food left out. That obviously would attract wildlife.

Also, I want to just again stress there have been reports of 300 to 500 cats at the airport. There's nowhere near that number. Right now the number is very low. We would like, we are requesting a meeting with Chris Ward to show you what exactly our plan is, how we think it would go. If you don't let us do this what is going to happen is what is happening now – kittens are being born. Feral kittens, about 75% of them die, don't make it to adulthood. 25% go on,

but out of those 25% they can start breeding at 6 months. So you will have what you have now. So please, just review our plan.

Thank you.

Chairman Coscia: Thank you. Our next speaker is Sandra DeFeo from the Humane Society.

Sandra DeFeo: Hi, thank you so much. My name is Sandra DeFeo; I'm from the Humane Society of New York. I'm a co-Executive Director there and we were founded in 1904.

The Humane Society of New York would once again like to encourage the Port Authority of NY and NJ to initiate a one-year pilot program for Trap, Neuter, Return at JFK Airport on a trial basis. The Humane Society of NY has over 30 years of experience with Trap, Neuter, Return programs and we have found them to be highly successful and truly a humane method of feline population management.

We believe the most effective solutions to train and organize the caregivers who already feed the cats at JFK, to support this Trap, Neuter, Return program through proper feeding techniques that will help with this wildlife situation that Valerie was talking about.

If the Port Authority is willing to implement a Trap, Neuter, Return program, the Humane Society of NY will happily lend support by offering free spay/neuter services and counseling for caregivers and guidance. The Humane Society of NY has already had great success working with the NYPD on Riker's Island where over 400 cats were Trapped, Neutered, and Returned, and I'm sure that Captain Gloria Murley who was the spear head of that particular program would be happy to speak with you and answer any questions that you may have. It is very effective; it definitely it finalized the situation out there and it helped incredibly.

When parties are willing to negotiate and work together to protect animal welfare, everybody wins. Cats are a cherished part of many American homes and a heartfelt attempt to improve their living situation will not go unappreciated. There is no reason to continue a policy that many find cruel and inhumane when there is another option that has been proven extremely effective in various implementations over many years.

We are confident that Trap, Neuter, Return is an ideal policy for dealing with JFK Airport's feral cat population, and we hope that the Port Authority of NY and NJ will allow us to work with them and to put this program into practice.

Thank you so much for your time.

Chairman Coscia: Thank you. Patrick Kwan from the Humane Society also.

Patrick Kwan: Hi, my name is Patrick Kwan. I'm with the Humane Society of the United States, the nation's largest animal protection organization with over 10.5 million members or 1 in every 30 Americans. The Humane Society of the United States is the largest animal protection organization in the nation.

We are also here in representation of over 800,000 members in the State of New York. We are in agreement that cats do not belong at the airport. We don't want the cats there at the airport or anywhere near the airport or the 5,000 acres of land at the airport.

What we are in disagreement with is the method by which that the Port Authority and the JFK Airport is handling the problem there. The cats are there at the airport, they have been there for decades. They have been there for a long time and we must handle this problem in a humane manner and also in an effective manner.

What we are concerned about is the current program which basically amounts to a very crude and ineffective, not to mention, an inhumane program of a catch and kill program. It is an inappropriate program that many members here and many people who are on your staff including some of the members of the Board of Commissioners have condemned in the past. We are hopeful that this is our, we have been here for over a year. We have been here for at least six meetings, and this I believe is our sixth meeting here, that we are hopeful that we will be able to have a meeting with Mr. Chris Ward, the new Executive Director, to discuss all of these issues.

As Valerie mentioned we have been offering, and other animal rescue groups have been offering to implement a Trap, Neuter, Return program at JFK Airport, including bringing spay and neutering vans to JFK Airport to help spay/neuter the animals there. Currently we are getting more and more kittens at the airport, more and more animals who are there. what we do find is that weekly you are telling us that you have round up 10 animals, 12 animals, whatever that's there which greatly that is a small number compared to the many animals who will continue to breed at the airport. That's a band-aid solution.

I have also brought along studies, many scientific studies from the Journal of American Veterinarian Medical Association regarding Trap, Neuter, Return. We are completely baffled, really completely baffled by the ignoring of the many scientific studies out there and also the assistance that the Humane Society of the United States, the Humane Society of NY, the ASPCA, the NYC Feral Cat Initiative and many other animal rescue organizations have been here for over a year to offer our assistance.

Please, please, please stop this inhumane and ineffective program of rounding up the cats at JFK Airport. Thank you.

Chairman Coscia: Thank you, Mr. Kwan.

Commissioner Blakeman: Mr. Chairman. I might with respect to that issue. I think that basically this Board was inclined to try the pilot program. However, we received communication from the FAA that indicated that they would not permit us to do that. So my suggestion would be to convince the FAA and then come back to us. Because as it stands now they are not permitting us to do the pilot program.

Patrick Kwan: We are very happy to come in and talk to you about intricacies of the program and as you know the FAA actually directed you to have a management program. And what we

are saying is that we are not trying to put cats there at the airport, and we are not trying to do that. We are talking about an effective method of reducing the population there. And if a program of spaying and neutering of the animals were implemented since last year we wouldn't have the amount of cats that we have now. And that is what we are trying to do. It is a management program and we are more than happy to have a meeting with Mr. Chris Ward and many of the staff who are there. We have been rebuffed time and time again. And what we are seeing is more and more kittens and more and more animals who are at the airport now. And that is not an effective program and it certainly is not a humane program.

Chairman Coscia: We have heard your comments and we did receive two letters from the FAA and the USDA specifically in response to inquiries we made after the last Board Meeting.

To keep the record complete, I would like to ask Bill DeCota to come up and maybe just briefly summarize what was told to us, frankly for no purpose other than ensuring that everybody understands what we were told from two federal agencies in response to our request for a pilot program authorization.

Bill DeCota: Yes, thank you very much, Mr. Chairman. I personally wrote to the FAA in response to the request that we try a pilot program for Trap, Neuter, Return. There are very specific federal guidelines that deal with wildlife hazard management at the airport, and unfortunately cats, raccoons, any kind of animals, birds certainly, deer, they are all viewed as wildlife at airports, and there are very specific regulations that we follow specifically Title 14 of the code of federal regulations part 139 that deal with our ability to actually have an operating certificate to operate an airport.

Given that, and given all of the guidelines and information about wildlife hazard management we asked specifically about this proposal by third parties, by advocates who are looking for the Trap, Neuter, Return program to conduct a pilot program at JFK related to feral cats. We also asked specifically about any kind of a pilot program within five miles of an airport because we also have a federal obligation to make sure that navigational easements within 5 miles of the airport were also protected and that we were doing everything we could to reduce wildlife hazards in that direction.

Unfortunately the FAA came back almost immediately and said there could not be any type of managed cat colony or unmanaged at the airport. That cats basically were considered wildlife hazard and that these feral animals and domestic animals that had to be dealt with appropriately and removed from an airport environment. And unfortunately that also dealt specifically with situations within 5 miles of the airport.

The FAA mentioned specifically problems associated with those cats such as birds, like starlings and sparrows that would feed on cat food and that they could also cause crashes, cited a specific crash. The USDA interestingly, and not solicited by us, wrote to you, Mr. Chairman, and also echoed that this is a serious problem, that this had to be managed. They mentioned specifically the potential conflict with aircraft. The idea that these cats could be ingested into the nose gear of aircraft, but also, and there are specific situations they identified, but that there was a threat to safety and airport employees, dealt with specifically spreads of rabies, different kinds of diseases

found in cat feces, dealt specifically with different kinds of outbreaks that could occur. And it really was the USDA who is the sovereign body, the part of the Department of Agriculture, who was very specific that they felt that this was a health hazard and that we could not do it.

So, with a great deal of respect for the people who are advocating this humane treatment of the feral cats, and there has been a lot of discussion amongst Port Authority staff and them, including Susan Baer who is the General Manager at JFK and our wildlife biologist, we really do not have an ability under federal regulations in order to be able to do a Trap, Neuter, Return program. It is impossible and it would not only jeopardize the health and safety issues that I just described, but it would really jeopardize our ability to have an operating certificate from the FAA to have Kennedy Airport conduct flights at the airport.

Chairman Coscia: Thank you, Bill. I would like to turn to a group of speakers on a different topic regarding JetBlue RFP for concessions. And the first speaker is Ms. Patricia Campos from Unite Here.

Patricia Campos: Thank you Mr. Chairman for allowing me to speak again today. My name is Patricia Campos and I am the New Jersey Political Director for Unite Here, the union that represents workers at Newark, LaGuardia and JFK.

I'm disappointed actually to be back here once again to urge you to actually implement policies that this Board enacted last year to protect the lowest paid workers at the airport.

You will hear later on from the workers themselves who are concerned about the lack of implementation of a policy. Last year the public and our union and our members celebrated when this Board enacted the labor peace policy. That policy represented this authority's commitment to these workers and to food service of world-class service to the traveling public. We all know that labor peace is important for the smooth operation of the airports because it requires vendors to demonstrate a level of cooperation necessary for preventing labor disputes and disruption.

Why then, after making such a powerful statement and enacting the labor peace policy last year, you are considering today allowing JetBlue to ignore the new policy. The opening of a new terminal at the New York biggest and busiest airport is a perfect opportunity for you to demonstrate the benefits of having a labor peace policy that works. Allowing JetBlue to bypass this policy will be inexcusable and will set a precedent at all the other airports for other tenants to ignore labor peace. I urge you to keep your commitment to our members, to the workers, to this community, and to enforce the policy that you enacted last year.

Specifically we ask that you enact the policy and that you demand that JetBlue follows the policies enacted by this Board to respect and to enforce labor peace. Thank you.

Chairman Coscia: Thank you. Steven Papageorge from Unite Here Airport, Racetrack and Allied Workers Joint Board.

Steven Papageorge: Thank you Mr. Chairman and Commissioners. My name is Steve Papageorge. I'm an international vice president and co-manager of the Airport Racetrack and Allied Workers Joint Board. Our members have been working at Port Authority airports for many years and watched as a number of changes have taken place.

Throughout the years working there they have been working to serve the passengers at the Jet Blue terminal. As you know the Port Authority of NY and NJ passed an important policy last November. This policy demonstrated a commitment to our members who work hard to keep our airports running smoothly every day with a level of customer service that everyone can appreciate.

Unfortunately we have heard that you are unsure whether this policy applies to JetBlue's new Terminal 5. This is troubling. Employees of Hudson News and other stores in Terminal 6 currently have no job security. When Hudson's contract expires at Terminal 6 there will be nothing ensuring that these jobs will be retained. Furthermore, there will be nothing protecting the Port Authority revenues and services from potential labor disputes at this new terminal.

These kinds of disruptions and uncertainty are what the labor peace policy was enacted to prevent. If the Port Authority chooses to let JetBlue continue to ignore these policies, workers will be given no other choice but to defend their own jobs. I urge you to implement the policy that you passed last November. Thank you.

Chairman Coscia: Thank you. Amy Sugimori?

Amy Sugimori: Good afternoon, thank you for the opportunity to present here this afternoon. I'm coming to represent a community perspective. I'm with La Fuente and the NY Civic Participation Project which encourages active civic participation and community involvement in working class communities in the New York metro area.

In our experience, workers who have job security and decent working conditions are in the best position to get active in their kids' schools, to be informed and active participants in all matters of civic life. And as such we were very happy to see that you all had made the decision to sign the labor peace and worker retention policy for JFK Airport because we see that as an important building block to having stable society and stable communities in our area.

And so we are really, really concerned to hear that there is the possibility of an exemption to this policy. It sets a concerning precedent. If one entity is able to negotiate out of being part of this, what happens next? And we believe that the best thing is to ensure the smooth functioning of the airports to ensure that people have a level of work security and good job conditions and so we really come here to stand together with the workers in JFK Airport with the members of Unite Here to urge you to continue to ensure that the labor peace agreement and the worker retention policy is across the Board.

And so I am just here to call for that. Thank you.

Chairman Coscia: Thank you. Sheikema Ashe?

Sheikema Ashe: Good afternoon, my name is Sheikema Ashe and one of my co-workers spoke here on May 22 to address the fact that the Port Authority was allowing Jet Blue to ignore the labor policy passed in October. It has been now weeks since the May 22 meeting and we, the workers at JFK Terminal 6 which will be replaced by Terminal 5, are now even more concerned as important deadlines are approaching. Thank you.

Chairman Coscia: Thank you. That is it for our speakers. Only thing left is a motion to approve the consent calendar. Commissioner: So moved. Chairman Coscia: Is there a second? Alright, anyone have any comments on that or questions? All those in favor? Commissioners: Aye.

Chairman Coscia: Any opposed. Okay, thank you. Now all I need is a motion to adjourn. Commissioners: So moved. Chairman Coscia: Thank you. Good afternoon everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
August 14, 2008

Chairman Coscia: Good Afternoon everyone, welcome. And sorry to keep you waiting. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the World Trade Center Redevelopment Subcommittee and the Committee's on Operations and Construction met in public session. Their reports will be filed with the official minutes of today's Board Meeting.

The Commissioners also met in executive session to discuss and act upon certain matters related to the purchase, sale or lease of real property or securities where public disclosure would affect the value thereof or the public interest, and matters related to proposed, pending or current litigation or judicial or administrative proceedings.

Today's first order of business is for our Director of Business and Job Opportunity, Lash Green will provide a report on the results of the Port Authority's Minority, Women-owned and Small Business Enterprise program's performance in 2007. Lash?

Lash Green: Good afternoon, Commissioners. Today I will report on the Port Authority's performance it made in last year's objectives for Minority, Women-owned and Small Business Enterprise participation in construction, procurement of goods and services and other business activities. I will report on programs that continue to build the capacity of minority-women owned and small business enterprises for participation in Port Authority projects and ensure that these firms have access to a skilled workforce. These are the Mentor-Protégé program and the construction pre-apprenticeship training programs.

I will also discuss measures and new initiatives to facilitate the participation of businesses on capital programs such as the World Trade Center Redevelopment.

The Port Authority continues to be a leader in development programs and strategies that foster regional economic development, creating jobs, maintain a competitive, inclusive business environment in the bi-state region.

With the Board's support the Port Authority maintains one of the most comprehensive and effective programs in the region. The result is that in 2007 the agency, including the efforts of our tenants and the construction on the World Trade Center Transportation Hub, Freedom Tower and Memorial Museum, achieved a level of participation, which totaled approximately $337 million. I would like to share with you the breakdown of this result.

The $337 million in prime and construction subcontract awards to minority, women-owned and small businesses represents approximately 12% of the Port Authority base awards, which was close to $2.7 billion including World Trade Center projects.

When compared with the 2006 total of $256 million, this represents a net increase of over 30%.

Of note, the M/W/SBE awards total in some $107 million from the World Trade Center Redevelopment projects are reported for the first time in 2007 and contributed significantly to the overall dollar increase. We expect to see further increases as more M and WBEs are brought on board as subcontractors.

Of the total activity, $248 million of the awards was to construction related businesses.

I would like to emphasize the importance of M/WBE and SBE spending in our region and its contribution to the creation of jobs and economic growth. Based on analysis conducted by the Port Authority's Planning Department, it has been determined that the regional impact of the $337 million M/W/SBE contract awards resulted in the creation of 2,580 jobs, $130 million in wages, and $515 million in economic activity.

2007 was the fifth year of the Mentor-Protégé program which is implemented jointly with our Engineering Department and matches PA-certified M/WBEs with some of the region's leading construction companies in an effort to increase their capacity and ability to bid successfully on larger contracts. During 2007, seven Protégé companies were awarded 11 contracts totaling approximately $16 million.

In addition, through our contract with the Regional Alliance for Small Contractors we launched several programs targeting construction firms including a construction management certificate program at Pace University, which qualifies participants for 22.5 hours of continuing education credit.

Technical training courses were also offered through the Mechanics Institute, a premier instructional facility for trades in the construction industry and workshops on proposal writing were also offered to maintenance companies, four of which won almost $15 million in set aside contracts in 2007.

Recognizing the need for a skilled workforce to support the region's unprecedented capital program, the agency has been working very closely with for some time now with strategic partners in New York and New Jersey to ensure a pipeline of talented and motivated workers. In New York the agency has partnered with Construction Skills 2000 and in New Jersey with the Newark/Essex County Construction Consortium.

These two programs continue to be among the most successful of their type in the region. Since their creation in 2001, over 1,100 New York and New Jersey residents have been trained and accepted into union apprenticeship programs in both states and many work as skilled professionals on major construction projects in the region including those commissioned by the Port Authority.

One of our 2007 objectives was to create a World Trade Center Business Resource Center in Lower Manhattan. And I am pleased to report that we have established a free on-site business resource center for M/WBEs working on downtown projects, as well as new firms interested in bidding on jobs.

Besides the World Trade Center Business Resource Center, we are continuing to hold bi-monthly M/WBE progress meetings with the MWBE liaisons and construction managers for the World Trade Center Transportation Hub, the Freedom Tower and the Memorial Museum projects to monitor progress and to discuss related issues to the M/WBE participation.

Additionally we continue with our internal and external partners to provide and sponsor a series of training courses, timely informational seminars and outreach events to keep minority and women-owned businesses informed about their opportunities with the Port Authority.

2007 has been a good year for M/WBEs and we look forward to more opportunities with projects coming online in 2008 and beyond. Thank you.

Chairman Coscia: Thank you, Lash. It sounds like a great level of accomplishment. Very pleased. Our second presentation will be an update on the status of the Goethals Bridge Modernization Program, which will be presented by our Director of Tunnels, Bridges and Terminals, Victoria Kelly.

Victoria Kelly: Thank you Chairman and good afternoon Commissioners. The Goethals Bridge Replacement Program is approaching some important milestones over the coming year and I would like to bring you up to date on the status.

As a reminder as to why we are replacing the Bridge, you know what it is like to drive across the Goethals. It is a tight squeeze, very often congested. The lanes are just 10 feet wide. Minor mishaps can cause major delays since there is no shoulder lane.

Those problems can't be overcome on the existing structure as is also the case with many of the region's older bridges and elevated highways. And it is a very busy bridge. 28 million vehicles crossed it last year; that's 80,000 a day.

And as we explained when we started this effort another factor for the Goethals is that the bridge's roadway deck needs to be replaced. There isn't an option of not spending a major investment here. It is a matter of whether we spend hundreds of million of dollars with years of lane closures to put a new deck on an obsolete bridge that the region has outgrown, or whether we replace it with a crossing designed to meet the needs of the region for the next 100 years.

It is important to note, too, that a new bridge with wider lanes and full shoulders will help relieve congestion by minimizing delays due to traffic volume, vehicle breakdowns and slow moving trucks. These traffic flow improvements, plus the provision for a future transit corridor will help in reducing air pollution and in stimulating the area's economic growth.

To address the replacement of the Goethals Bridge, the Port Authority entered into an environmental impact statement or EIS process as mandated under the National Environmental Policy Act with the United States Coast Guard as the lead federal agency. This EIS process is a comprehensive analysis of the proposal to replace the Goethals Bridge that includes extensive examination of environmental, transportation and socio-economic impacts to the region and consideration of alternatives to the replacement.

The exciting part of the planning process for the program is the new bridge itself. After studying various bridge types, we have narrowed our focus to a cable-stayed bridge for the site. Cable-stayed bridges are modern, state of the art structures, first built in Europe and becoming increasingly popular in the United States.

In the last 15 years a number of these bridges have opened along the east coast of the US, including in Boston, Charleston South Carolina, Delaware and Richmond Virginia. This, however, would be the first major cable-stayed bridge in our region.

Here you see a rendering of one of the leading concepts that we have developed. We will be developing these concepts further as we proceed with the design.

We are considering a bridge with six 12-foot lanes with full shoulders and a bikeway/walkway. We have also planned for the provision for the, sorry, we have planned for the future with a provision of space and capacity to allow for a future mass transit corridor in the center of the bridge.

This particular rendering of the bridge shows the bridge to the south of the existing bridge location which was the Port Authority's original proposal to the Coast Guard to start the EIS process. However the EIS is also evaluating alternative alignments to the north of the existing bridge.

Goethals Bridge is a critical link in the New York/New Jersey transportation network, providing roadway access between Union County , New Jersey and Staten Island in New York. In New Jersey, primary access to the Goethals is provided by the New Jersey Turnpike at interchange 13, interstate 278, routes 1 and 9 and local roadways, most notably Bayway Avenue.

On the New York side, critical connections to and from the Goethals include the Staten Island Expressway, the Westshore Expressway, local access roads and major traffic generators such as New York Container Terminal. Traffic capacity and access are critical concerns in this southern corridor and are being comprehensively evaluated as part of the Goethals Bridge EIS.

As part of our analysis we have conducted a comprehensive regional traffic count program and developed traffic forecasts to assess, analyze and mitigate future traffic volumes in New York and New Jersey. We are working closely with local state and regional transportation agencies in both states who provide ongoing technical guidance and insight into our traffic and mitigation analyses.

And together with them we are developing plans to anticipate and mitigate future traffic growth on these approaches and provide immediate capacity for continued economic growth.

The goal is a comprehensive program to address existing and future traffic capacity and congestion in the corridor as well as provide capacity for economic growth and development with a critical eye towards short and long-term transit opportunities.

Additionally, an extensive public outreach program is collecting input into these transportation issues in both states.

The environmental process is on the critical path for the project. Much work has been accomplished over the past two years in preparation of the EIS, including traffic modeling, environmental assessment, identifying impacts and developing mitigation plans. Much of this information will be discussed with the public and elected officials during the EIS committee meetings this fall.

The Draft EIS, or DEIS, will be released this winter after the committee meetings are held and their input is incorporated.

Public hearings on the Draft EIS will be held next spring. Comments from those hearings will be analyzed and incorporated into the final EIS, or FEIS, as appropriate, which is scheduled to be issued in the fall of 2009. The release of the final EIS prompts the final review by the federal sponsor, the US Coast Guard, resulting in a Record of Decision or ROD. Upon receipt of a ROD we will come back to the Board for project authorization.

Project authorization starts the permitting period with construction contracts anticipated to be let in 2011. And based on this schedule we expect the bridge to be open in 2015. Thank you.

Chairman Coscia: Thank you, Vicky. Our final presentation is on the World Trade Center site update, including various contract awards to advance construction activities at the site. And it will be presented by the Director of World Trade Construction, Steven Plate.

Steve Plate: Thank you, Chair. Commissioners, today I will be updating you on the status of trade contracts for One World Trade Center, the Freedom Tower and for the National 9/11 Memorial Museum.

Commissioners, approximately 97% of all trade contracts for the Freedom Tower are awarded or out to bid. Construction at the site continues to advance. To date foundation concrete now 97% complete with approximately 12,560 cubic yards poured. Below grade steel is approximately 70% complete with over 1,300 tons installed.

Below grade steel is approximately 70% complete, with over 1,300 tons installed. Below grade concrete is ongoing with 12,148 cubic yards placed to date.

Fabrication of the curtain wall panels are underway. Fabrication of above grade tower steel has commenced with the third floor node connections. And approximately 20,000 tons of the 46,000 tons have been rolled to date.

The first Tower 1 trade contract award staff recommends is for heating and air conditioning, packages 1 and 2, at an estimated total cost of $126,036,000, including the allowance for extra work. The contract covers heating and air conditioning work from grade through the roof, furnishing and installation of all equipment and materials for the hot water heating systems,

secondary condenser water systems and all work as it relates to the fuel oil supply and return piping, and emergency generator exhaust flues.

Staff recommends award to F.W. Sims Inc. a WBE firm, the lowest responsive bidder.

The second contract covers electrical packages 1 though 4 which includes the core and shell at a contract amount of $119 million. Package 2 is for the medium power distribution from the core and transformation to low voltage at tenant spaces in the amount of $20 million. Package 3 is the medium voltage switch gear and spot networks valued at $22 million. And electrical package 4 is for emergency power system at $22.5 million.

The total cost of these packages is $198,180,000 including the allowance for extra work. The scope of the work for the electrical packages 1 through 4 will provide power and emergency power for all the electrical subsystems such as fire alarm and security as well as the mechanical, elevator and plumbing systems to support the base building operation and the future tenant fit-out of the building.

As we have advised before, the fire alarm system that the electrical system is being authorized herein would support, will meet or exceed building code requirements. Staff recommends the award to Five Star Electric, the lowest responsive bidder.

The third construction trade contract is for the glazed enclosure at the podium wall at an estimated total cost of $82,080,000 including the allowance for extra work. The scope of work provides for furnishing and installing of all prismatic glass and bar screen panels for a complete glazed enclosure system at the base of the building from the grade level through the sixth floor mezzanine. Staff recommends the contract be awarded to the joint venture of Solera Construction Inc./DCM Erectors Inc., the lowest responsive bidder.

The fourth Tower 1 contract is for the hoist and sidewalk sheds at an estimated total cost of $51,732,000, including the allowance for extra work. The scope of the work of this contract includes construction and maintaining six temporary hoisting complexes, utilizing 18 hoist cores. The composition of the hoist complexes including common platforms at each floor level, structurally integrated with the hoist tower mass and attached to the building's structure.

Contractors must have the engineering expertise as well as the necessary field labor to maintain the hoist complexes and to respond to breakdown including carpenters to repair and maintain all common platforms, ramps and loading docks, and mechanics to repair and maintain all components of the installed system.

Standby engineers will be readily available if any issues arise, as well as spare parts and equipment for repairs to ensure a safe environment for all those working in and around the Freedom Tower job site. Staff recommends the award to Atlantic Hoist and Scaffolding, the lowest responsive bidder.

Construction progress at the Memorial continues with over 9,600 cubic yards of concrete being poured which represents over 80% of foundation and liner wall concrete, and approximately

3,330 tons of structural steel have been fabricated to date. A total of 1,820 tons of steel have been delivered to the marshalling yard in Camden, New Jersey, and steel erection is scheduled to begin this September in the northeast corner of the Memorial site.

To date, approximately $204.7 million of trade contracts have been awarded for the Memorial and I am here today to seek award for 2 additional significant contracts, which I will present to you in a moment. With your authorization today the Board will have authorized a total of $261.7 million in trade contracts, which represents 49.36% of the $530.3 million forecasted for the Memorial direct trade contracts.

The two contracts I am seeking authorization for today are for the HVAC air system and the electrical power wiring system for the Memorial. The first Memorial trade contract we seek to accept assignment of is for HVAC air system trade contract related to the construction of the World Trade Center Memorial and Museum and the World Trade Center Infrastructure Projects. Award of this essential component of the project allows the construction of the Memorial Museum and the World Trade Center infrastructure development required to proceed and facilitates scheduled milestone dates for this project.

Staff recommends the award go to Celtic Sheet Metal for the purchase, fabrication and installation of HVAC air systems at an estimated amount of $21,162,280. This amount includes $19.6 million in direct trade costs as well as an allowance for extra work. And a partial assignment of the contract with Bovis Lend Lease for performance of construction management and general conditions work at an estimated cost of $2,906,600.

The second memorial trade contract we seek to accept assignment of is for the purchase, fabrication and installation of an electrical power wiring system. Staff recommends award to Hugh O'Kane Electrical Company, Inc, the lowest responsive bidder, at an estimated amount of $40,442, 926. This amount includes $37.4 million in direct trade costs as well as an allowance for extra work and a partial assignment is required of the contract with Bovis Lend Lease for the performance of construction management and general conditions work at an estimated cost of $5,554,761.

Commissioners, I request that your approval of these items. Thank you.

Chairman Coscia: Thank you, Steve. We will take one vote for approval of all the items. Commissioners: So moved. Chairman Coscia: Is there a second? Commissioners: Second.

Chairman Coscia: Okay, any questions or comments from anyone. Okay, all of those in favor? Commissioners: Aye. Chairman Coscia: Any opposed? Okay, thank you. We have no speakers signed up for today so I will ask for a motion for the consent calendar. Commissioner: So moved. Chairman Coscia: Is there a second? Commissioners: Second.

Chairman Coscia: Any questions or comments? Okay, may I have a motion to adjourn? Commissioners: Moved. Chairman Coscia: Thank you.

Port Authority of New York and New Jersey
Public Board Meeting Transcripts
October 2, 2008

Chairman Coscia: Can I have your attention? I'd like to get started. The board meeting of the Port Authority of New York and New Jersey is now called to order. Prior to today's meeting the Committees on Security and Capital Programs Agency Planning met in public session, the Committee on Finance met in executive session and the Committee on Operations met in both public and executive session. Their reports will be filed with the official minutes of today's board meeting. The Commissioners also met in executive session on September 25th and prior to today's Board meeting to discuss matters involving ongoing negotiations or reviews of contracts or proposals and to act upon matters related to the purchase, sale or lease of real property or securities where disclosure would affect the value thereof or the public interest, and matters related to proposed, pending or current litigation or judicial or administrative proceedings.

Again, I welcome everyone here today. We have one order of business for our public calendar today and that is a report on the assessment on the World Trade Center rebuilding process. I'd like to begin that discussion by expressing the Board's gratitude to Chris Ward and all the members of the staff who have spent the past months working so diligently on trying to get a level of clarity and control around a project that is so critical to this Board.

Since the Port Authority took over the substantial responsibility for rebuilding in lower Manhattan in September of 2006, we've taken on this exercise as a solemn responsibility. Not only rebuilding something so vital to New York, but trying to find a way where an agency could build large-scale projects in an efficient and effective manner and create a level of confidence that we know the public is looking for in projects of this magnitude. Hopefully, today's report begins a process and supplements a process we've begun to achieve that kind of result for this authority and provide that kind of benefit to this region.

In the immediate aftermath of September 11th, this agency, obviously directly impacted by it, had a very limited responsibility in the years that immediately ensued and that was to restore PATH service to lower Manhattan. I joined the Board right around the time that that was happening and will tell you that I witnessed their level of dedication and service by the people who work here that in 18 months brought people back to lower Manhattan. In the timeframe leading up to that it was clear just how vital a role this agency could fill in that regard.

We have lots of challenges ahead of us. Hopefully, this report provides a pathway where we can meet those challenges and do it in a way that is responsible to the two states that we serve in an efficient and financially prudent manner.

Having said that, Chris, I will turn the floor over to you.

Chris Ward: Thank you, Mr. Chairman, Commissioners. Three months ago the Port Authority came forward with a plan of transparency and candor for downtown. And while this approach is a must, it does not necessarily mean that today we're reporting on billions of dollars saved or

schedules improved. But today I can tell you simply what we are building, how we're going to build it, who's going to build it and when it will get done and how much it will cost. So, today is really not a ribbon cutting, it is simply the news.

Here's the site map for lower Manhattan. This site is often discussed, but in some ways I think rarely understood in what it means for a whole vision for downtown. And again, it is simply a new downtown. It's a financial economic center. It's a residential community. It's a place of solitude and memorial. It's also a cultural center and finally it will be a transit hub.

But it's also important to recognize two things that we faced these months ago. First, as you can see today a tremendous amount of work has already gone on. The site that you see on the slide before you demonstrates the complexity of the site and how it's literally rising skyward every day. Within the three months we also had to face another reality. We are fundamentally building a plan developed over years. You simply cannot change course in the middle. Time and money have been invested. What we found is we simply needed a better way forward.

So, after much speculation and discussion publicly here are the dates and budgets that we have prepared. One of the things that I would point out that I have not done is I am not showing you earlier promises or scheduled forecasts. Today, that's not our purpose. The two Governors called on us to provide a clear-eyed schedule of what we will build, when we will build it and what our cost estimates are for those projects.

Significantly, you will see target dates. These target dates were developed in cooperation with our federal partners the FTA, our local partner the MTA, the engineering department here at the Port Authority and our builders, Phoenix Construction. These target dates are a construction schedule that we believe we can meet; however, we all recognize that construction around the world, but construction in New York is with its risks. So, we're also showing you today what our model forecasts' probabilistic rate risk in terms of when these projects will be delivered.

We will manage against that risk. We will be accountable against that risk. And it's our intent to then meet these target dates. If you look through these dates there's some key ones that we need to focus on. Perhaps first and foremost is the development of the Plaza Memorial by the ten year anniversary of the attack on September 11th. I'll come back to the complexity of delivering that date.

Similarly, the Hub now we forecast will be completing in 2013 and then reestablishing Greenwich Street by 2012. The PA with all its partners have set these target dates. We've shown the risk. Life is risky, but we will manage to the risk and the Governor and the Mayor and the public can hold us accountable.

So, let me go through what the redesign summary really did and what did we look at. First off, we designed a simplified Hub working with Santiago Calatrava to maintain the iconic vision, but at the same time bring constructability risks down. The use of columns and other conventional elements saves time, money and reduces risks, but maintains as I said with his vision, his iconic development.

The deckover solution literally turning the project upside down will allow us to work with the Memorial and deliver the Memorial for 9/11/11. Significantly, that has often lost sight of what this project is, this is a transportation project as well and working with the MTA and Lee Sander and all of his team we are delivering some significant transportation benefits as well to the transportation components. The design process is complete. 3,700 drawings have been finalized and now those packages can be put out to bid and we can begin building.

Here's a graphic of all of the many parts of the project which have been redesigned. I'd mentioned some of them publicly earlier. One of them is that the oculus we have worked with Santiago Calatrava to not open the oculus. Similarly working with the MTA we have simplified the reconstruction of the 1 Train. All of these components have gone into our new schedules and gone into the budget estimates that you'd seen earlier provided. But again, this graphic I think shows the complexity and the overall evaluation of all the ways that the Port Authority could both simplify and deliver this project in a timely fashion.

What you see here is the work that we have done with Santiago Calatrava to replace his trusses with a simplified box structure with columns in the West Bathtub. As you can see on the left this is the original design with the long trusses. Our construction team looked at this design and had concerns about its length and complexity and whether or not it might add time or cost. And then working with Santiago Calatrava he developed a plan which would allow us to break the trusses, develop a column span, but as you can see in the right hand slide fundamentally maintain that soaring space that he originally designed. This simplification of design will allow us to ensure us against construction delay and risks and at the same time deliver the West Bathtub as it was originally envisioned.

Similarly in simplifying the Oculus and not having it move you can begin to see that there are design engineering benefits of removing that part of the project. This again is maintaining the image of the oculus without the complexity and as you can see the engineering costs potential of that design.

One of the interfaces that we struggled to work with is the 1 box and how it interfaces with the Transit Hub. What you're seeing here is moving from a complex weld to a conventional bolt structure for a tied arch which will connect the Oculus with the 1 train in the West Bathtub. Again, this will be invisible to the public, but it's part of our ability to redesign and bring construction certainty and reduce risks.

One of the things that we realized when we began to evaluate this project is, were there in fact opportunities for improvement? This will be as I say later an incredibly important transportation hub for downtown and working with Howard Roberts and the MTA we looked at the original design and thought of ways that we could make the passenger experience downtown even better. And as you can see in the graphic in front of you the earlier design had the connection to the one line slightly off-center and difficult to see from a passenger moving east to west. We've repositioned those entrances literally placing it within the center line and opened up the travelers experience as they move in and out of the one train. The productivity of transit hub is one of the things that we focused on throughout this process. I'd like to thank Lee Sander and the entire MTA partnership for beginning to put these ideas into reality.

Here's another transit option that we evaluated and came up with some better solutions. This is the R/W Line. And again, placing a much cleaner, open, easily recognizable interchange point between the R/W is a significant improvement upon the original design that Mr. Calatrava had before and will enhance the productivity of the transportation hub.

I've been at the Port Authority now for just three months. One of the things that I think we've all begun to lose sight of is in fact what are we buying that we're often struck with this is a very expensive transit hub. But what are we in fact paying for? I think it's important to take a step back and really recognize what we are buying.

This 800,000 square foot hub will serve 250,000 people a day, far more than simply a PATH station. It will be the third largest hub in New York City and serve commuters from two states and all five boroughs. But remember, when this project was begun we lost the PATH system as a result of those attacks. We needed to immediately restore PATH service on a temporary basis and would be spending almost $100 million initially for that temporary. Then we needed to build a longer temporary station which cost us almost $400 million.

And finally the transit capacity for the PATH station even before 9/11 needed to be increased. PATH ridership was reaching unacceptable levels of service, so we knew we had to build a 10 car train with 10 car platforms both here in New York and New Jersey. That work would have been done regardless of the attacks. So, at the end of the day the Port Authority is building a key transportation hub in downtown. We did it as a result of the attack. We responded to the need for transportation, but we are also building system improvements and enhancements that add capacity, provide the interconnections to the MTA system, the 13 lines, and at the same time develop what we will believe for the next hundred years be one of the most iconic and important transportation infrastructure architecture in the world.

Resting in the middle of this process has been the sacred heart of it. The Mayor, Governor Paterson and Governor Corzine set our course which was to build a memorial in a way with the 10 year anniversary of that terrible event. And to do that our engineers working with the Steering Committee began to think of new ways to deliver on that commitment they'd asked us to make. To do that, we turned the project literally upside down.

What we are now proposing to build is the Plaza floor by building the roof first. Remember, that the Plaza floor is the ceiling of the Transit Hub below. As you can see in the earlier design we were not able to pour the Plaza floor until all of the columns had been completed. With the new design below, we will be able to completely pour that floor in a one-time delivery schedule which will give us a Memorial event on the 10 year anniversary.

What we will be able to do on that day is then to provide the waterfalls, the important naming around the parapets of the waterfalls, the Plaza, a landscaping which is appropriate, steel structure for the head house and the vent shaft and we will have a gathering place for the 10 year anniversary which fits that day's importance. And working with the Memorial and the Mayor's Office we will continue to strive to deliver the entire memorial as soon as possible. That will be our goal as you can see represented in our report to you. Our goal is to have that full memorial

completed as soon as possible.

With all of that good work we also need to recognize that this is a construction site and the level of intensity is going to increase in the near term. We've met with Speaker Silver and are meeting with local community groups and businesses because this will have as we go through this project impacts in terms of pedestrian flow, in terms of traffic and in terms of productivity of the site.

Just look at the growth in man hours year to year as we go into the peak periods of 2011 and 2012: 600 trucks per day, 15 tower cranes and crawler cranes, 176,000 man hours of work in 2012 alone. This will be, when we're done, a construction site and a construction site that we will have to manage.

When the planning process began for downtown one of the key criteria was reestablishing the street grid. The earlier Plaza construction for many urban planners felt distant and cold and in order to return the vitality to the street to meet the retail needs that we see downtown and the commercial needs downtown we needed to reestablish Greenwich Street. A key vision was how you in fact could rebuild Greenwich Street recognizing that the one train maintaining service for the MTA was literally right below it. Working again with our engineers and project partners we have come up with a plan that we believe is actually delivering Greenwich Street far earlier than we did plan before.

One of the things that we focused on was building it in a simpler way. As you can see on the left the original design for the 1 train had this incredibly complex spaghetti-like underpinning. We have simplified that project by building from the top down in a way that will deliver the same level of service that the MTA requires, but provide more space for other program components of this very congested site and eliminate the need for changing the grade of Greenwich Street by adopting a strategy for dealing with exhaust and safety regulations in the typical current MTA fashion. In using this new design we can deliver Greenwich Street almost two years sooner than we had produced before.

Last and often neglected within this report is the critical Vehicle Screening Center. This is a sense is the heart of the project that the public rarely hears about. This is how vehicles will be screened in cooperation with the NYPD for their at-grade security plan. And as you can see it serves a multilevel of needs, both commercial needs, security needs as well as transportation needs. This project was facing a number of barriers in terms of getting it completed.

One of the first things that we needed to do was resolution of the St. Nicholas Greek Orthodox Church. That's been done. Perhaps more important, however, though is we acquired in cooperation with the FTA full control of the vehicle screening center design, which really removes layers and layers of federal requirements for this project which allows us to, with the NYPD, build it as we see necessary to maintain security downtown. It also gives us a much more realistic schedule for the abatement and demolition of 130 Liberty. I'm pleased that the effort to build a comprehensive security downtown is ongoing and the Vehicle Screening Center will be developed accordingly.

So, Commissioners, our report to the Governors and the Mayor today, sets out our course. You can see where we're going. You can see our goals. We've set our milestones and now we can be held accountable. It is a construction site. We know what we are building, how long it will take and how much it will cost. But there are risks within this project; risks that we will need to manage, risks that we're going to have to explain to the public and work through all of these schedules. But at the end of today we're announcing a construction project and at the end of the day we're announcing a new downtown. Thank you.

Chairman Coscia: Thank you, Chris. We appreciate your giving the Board the information that it needs to be an oversight body and the transparency that this process has brought to all of this.

We only have one party, I think, who has signed up for public comment on an unrelated topic, I believe - Mr. James Marketti of the Communications Workers of America.

Vice Chairman Silverman: Mr. Chairman, while we're waiting for Mr. Marketti to begin, I'd just like to echo your thoughts on behalf of the other side of the river. That our Executive Director is really taking charge of this project within three months and Chris, we're very proud that you've taken over this project and are doing great work. Thank you.

Chairman Coscia: Well said. Mr. Marketti?

James Marketti: Thank you. Good morning. My name is Jim Marketti and I'm the President of Communication Workers of America Local 1032 of Ewing, New Jersey. CWA Local 1032 represents among others two groups of employees: taxi dispatchers and customer service representatives at Newark Airport employed by a Port Authority contractor, Gateway Security.

A third group of employees, cleaners at Newark Airport, employed by a Port Authority contractor, Airway Cleaners and more than 300 administrative and technical employees directly employed by the Port Authority of New York and New Jersey. We have had a long-term relationship with the Port Authority which goes back a decade before the tragic events of 9/11 in which we lost three of our members.

I'm here to speak about the Port Authority's contracting policies which have disadvantaged our members at the Gateway Security Company. Again, these are taxi dispatchers and customer service representatives. When we first unionized these employees we successfully negotiated with your contractor Gateway and obtained contracts which called for annual pay increases based on the annual cost-of-living escalator clauses contained in Gateway's contract with the Port Authority.

These are not high wage workers. Their average hourly pay rate ranges from $11 to $14 an hour. They have a meager health plan and no prospect to ever receive a pension even though some have worked for Port Authority contractors for more than 20 years. The annual cost-of-living increases were not excessive.

In 2005, the Port Authority entered into a contract for customer service representatives employed by Gateway which deleted the annual cost-of-living escalator clauses for the employees.

In 2006, the Port Authority entered into a contract for taxi dispatchers employed by Gateway which also deleted the annual cost-of-living escalators for employees. No other provisions were included which provided for wage increases for the employees. The taxi dispatchers have not had an increase in their base wages since October 1st, 2005. The customer service representatives have not had an increase in their base wages since August 18th, 2005.

All of this follows from the Port Authority's contracting policy which we believe consciously attempted to put a cap on pay for these low-paid workers. The workers employed in these two groups are predominantly African-American, Hispanic and recent immigrants. Many are single mothers trying to support their families. An annual effective pay rate of $13 an hour and a freeze out of their opportunity to make periodic wage gains condemns them to a lifetime among the working poor. It is a far cry from the claim made by William DeCota, Director of your Aviation Department, that "the Port Authority is a socially responsible public benefit agency which seeks to improve the economic health of the Port District and overall quality of life for its residents" when he attempted to explain the state of affairs to a New Jersey state senator. I'll just be a minute.

While it may not have been your intention the effect of your contracting policies for these two employee groups is a form of institutional racism. We have struck long and hard to bring this inequity to public attention. We are left with two unattractive alternatives. We can foment a strike against your contractor to attempt to make deserved wage gains for the employees we represent out of his profit margin. This would no doubt put the contractor out of business.

Or we can go to the communities surrounding Newark Airport and in the greater metropolitan area with a narrative of how the Port Authority's contracting policies keep people of color and the disadvantaged in low pay, no progress jobs. We can ask them to press their political representatives to find a method to adjust this miscarriage.

We would hope that a third alternative would be possible; that this Board would make the proper inquiries into the policy we have brought to your attention, change it and find a method to correct the injustice that has existed for these employees since 2005. Thank you very much.

Chairman Coscia: Thank you. Can I have a motion to approve the consent calendar? Board Member: So moved. Chairman Coscia: Is there a second? Board Member: Second.

Chairman Coscia: All right. Any other questions or comments? All those in favor. Board Members: Aye.

Chairman Coscia: All right. May I have a motion to adjourn? Board Member: So moved. Chairman Coscia: Thank you. Thank you everyone.

Port Authority of New York and New Jersey
Public Board Meeting Transcripts
December 17, 2008

Chairman Coscia: Good Afternoon, everyone, and welcome. The Board Meeting of The Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committees on Governance and Ethics, Capital Programs/Agency Planning and Construction, and the World Trade Center Redevelopment Subcommittee met in public session, and the Audit and Finance Committees met in executive session. Their reports will be filed with the Official Minutes of today's Board Meeting. The Commissioners also met in Executive Session on December 4th and prior to today's Board Meeting to discuss matters involving ongoing negotiations or reviews of contracts or proposals, matters related to the purchase, sale, or lease of real property or securities, where disclosure would affect the value thereof or the public interest and matters related to proposed or pending or current litigation, judicial, or administrative proceedings.

Let me begin today's session, and he will understand this humor because I think we're now up to number six of the day, of introducing and welcoming our newest Commissioner, Stanley Grayson. Stanley, welcome to the Board. Mr. Grayson brings a wealth of experience in both the public and private sector. He is someone who I know has cared deeply about this region and has been involved in its governance for a long time, and we're very pleased with Governor Paterson's appointment to this Board.

Our first order of business today is something that is clearly vital to this agency, and that is the adoption of our 2009 Budget and Capital Plan. Both of those things reflect, in many ways, the priorities and values that this agency hopes to, over the next 12 months, move upon. I'm going to start our presentation by handing it over to our Executive Director, Christopher Ward, who will then introduce our CFO to provide an outline of both plans. Chris?

Christopher Ward: Thank you very much. Good afternoon, Commissioners, and to make it number seven, welcome, Stan, an old friend. On behalf of the entire staff, we look forward to working with you going forward. And I should also thank Commissioner Bruce Blakeman, whose place you've taken, and thank him for his long years of service to the Port Authority. He will be missed. Now to the order of business. Today, as the Chairman said, Paul Blanco and I will be pleased to present to you the 2009 Budget for your approval. This $6.7 billion budget reflects three primary themes going forward.

First and most significantly, robust investment on the capital side of the budget. To help buffer the economic crisis and address the region's infrastructure challenges, our 2009 budget includes the highest level of capital spending in the agency's history -- $3.3 billion, an increase of over $725 million, or 28 percent over last year.

We believe this spending is critical for the region. It will help create jobs, stimulate the regional economy, and build the essential infrastructure for our region's continued growth and economic competitiveness as we face increasingly challenging times.

Second, and equally significant, fiscal discipline on the operating side of the budget. In order to make way for the record capital investment, the Port Authority has zeroed out growth in our annual operating expenses and has kept staff at current, flat levels. Our logic in the zero growth is simple: the less we spend on the operating side of our budget, the more we can spend on the capital side, which is the kind of spending which creates jobs and stimulates the economy.

But third, we must take a sober recognition of the priorities of our long-term capital plan in a very different economic environment from the one in which the original plan was developed. While 2009 will be a record year for the Port Authority, we must also recognize that the challenge in the broader times going forward.

While the agency's overall financial health remains strong and its ability to finance its 2009 capital budget remains certain, the economic crisis has led us to significantly reduce revenues from our facilities and lower income from our financial portfolio. In turn, this will constrain the Port Authority's financial capacity to deliver within the 2007 to 2016 window all of the projects in its updated 10-year Capital Plan, adopted in January 2008.

Over time -- and I stress over time -- we must carefully monitor this impact and manage our long-term capital plan accordingly. This means, as noted above, making sure our operating budget is as lean as possible, but it also means that going forward, we must manage our long-term capital plan in a way that reflects the new emerging economic and fiscal realities.

As we look ahead, the Port Authority, as directed by the Board of Commissioners, will continue to prioritize its spending and update the Port Authority's 2007 to 2016 Capital Plan.

But despite the need to adjust to changing economics, as the 2009 Budget indicates, the Port Authority remains committed to its priority projects, including the rebuilding of the World Trade Center, the ARC tunnel project, modernization of the PATH system, including, I'm pleased to say, the roll-out of the new PATH fleet rail cars, continued modernization and expansion of the Port Authority's airports, including Newark Liberty Terminal B modernization, Stewart Airport upgrades, and investments at LaGuardia and JFK.

Finally, it is worth noting that despite the difficult conditions and significant infrastructure challenges, the Port Authority's 2009 Budget calls for no increases in toll and fares. We believe our 2009 Budget represents a balanced and responsible approach to the economic and infrastructure challenges before us. I look forward -- we look forward, the entire staff, to working closely with you to fulfill this promise. And I will now turn it over to the Chief Financial Officer, Paul Blanco, who will give you a more detailed presentation of the 2009 Budget.

Paul Blanco: Well, good afternoon, Commissioners, but after that I can probably just go to the last slide. But what I will do is I'll take you through more details and let you know -- explain in more detail some of the things that Chris talked about. I'd also like to mention that since December 11th, a preliminary budget was posted on the Port Authority's website for public comment.

On this slide, the 2009 Budget reflects a historic level of spending of capital in support of critical transportation and economic development projects in this region. This spending is critical and it

will create jobs and stimulate the region's economy while building essential infrastructure for our region's growth and economic competitiveness.

It holds the line on spending with no growth and operating expenses and no growth in authorized staff levels. In addition, although the Port Authority's financial health remains strong, given the current financial market conditions this budget will require that we continue to closely manage our spending in connection with our operating departments and our capital investments.

Finally, but clearly most importantly, this budget has no toll or fare increases in 2009. As you can see from this slide, our continued focus on efficiencies allowed us to achieve zero growth in our operating expenses. This is an important accomplishment because it is this kind of financial discipline that partly enables the Port Authority to increase its gross capital expenditures by $725 million to historic $3.3 billion in 2009.

The Port Authority capital investment is spread throughout all operating departments and significant transportation and economic development projects. As you can see from this chart, we will spend over $1.4 billion on our operating departments to maintain and enhance capacity at all of our facilities. The capital budget provides for $340 million investment in the Access to the Region's Core project, which will double the number of rush hour trains that can pass under the Hudson River and provides $1.4 billion for the rebuilding of the World Trade Center site, which includes the Freedom Tower, transportation hub, VSC center, retail, and memorial.

In addition to the World Trade Center and the Access to the Region's Core, the Port Authority's $3.3 billion capital investment will provide for new PATH rail cars, Terminal B modernization at Newark International Airport, continued development of Stewart Airport, flight delay reduction programs at both Newark and JFK, express rail expansion, and Holland Tunnel ventilation work.

Obviously, during these difficult financial times it was most important that we continue our efforts towards identifying efficiencies and achieving a zero growth operating budget, which therefore increases our capital capacity. This was achieved by program efficiency reviews, which include the consolidation of certain organizational functions, aggressive ongoing budget controls which provide for reduced general service cost and expenses throughout the agency, and managing staff resources, again maintaining headcount at least year's level of 7,127 positions.

As previously mentioned, managing vacancies and headcount has been a major focus for the Port Authority in recent years. As you can see from this chart, we have reduced head count by 383 non-police positions since 2004, and we have been flat since 2007 with no growth in the 2009 Budget. This has been accomplished by reallocating and prioritizing positions throughout the agency as different needs arise.

In recent months, the national and global economy has had a negative impact on the New York/New Jersey region and the Port Authority has not been insulated from those negative effects. For example, since October 2007, year to year, the federal fund rate dropped to historic levels and has resulted in our financial income being reduced by approximately $100 million per year. Today, the federal fund rate has been changed to a range of zero to ¼ percent, making the decline on this chart even worse.

During the coming year we will continue to monitor the financial climate and the impact that it has on Port Authority operating results and financial capacity, and make adjustments as appropriate. Clearly, this financial impact will require us to continuously assess and prioritize our capital investments, explore alternative financing mechanisms, and carefully monitor our financial performance.

Commissioners, the budget being presented to you for approval today is affordable and allows staff to responsibly manage its resources during the coming year to deliver vital services and infrastructure to this region. Commissioners, I request your approval of the 2009 budget.

Chairman Coscia: Thank you, Paul. Can I have a motion to approve? Commissioner: Moved.
Chairman Coscia: Is there a second? Commissioner: Second.

Chairman Coscia: Let me just say that I'd like to compliment Chris Ward and Susan Bass Levin and the entire staff on the job that they've done on pulling together this budget and capital plan, and certainly Paul Blanco and the staff within the finance department deserve a great deal of credit in a very difficult environment for meeting our obligation to invest as much as possible in the region and provide a stimulus to the economy at a time when it's vital that we do that, and at the same time being very financially responsible.

The ability to maintain costs in this agency and the agency's response beginning in 2005 in a program that looked very thoroughly at each of the departments and identified efficiencies has put us in a position to be able to manage costs in a way where we can preserve our cash flow to support capital investments at a time that the region needs it the most. And for that, we're all very grateful and appreciate all the hard work that went into that.

Are there any other comments or questions before we vote on it? Okay, all those in favor?

Board Members: Aye.

Chairman Coscia: Any opposed? Thank you very much. Okay, our next order of business -- many of you have heard a great deal about efforts this agency's taken to do something about greater efficiency at our aviation facilities. Probably the most notable action that we've taken in that regard is the acquisition of Stewart Airport as a way of expanding capacity.

But we have been very, very staunch advocates of trying to deploy the latest available technology in a way that will allow us to accomplish greater efficiencies at our air facilities, and our Director of Aviation, Bill DeCota, is here today requesting approval on one item that represents at least a start and actually a very exciting start to that initiative. Bill?

Bill DeCota: Thanks, Mr. Chairman, and I was happy to see you pass the budget, otherwise I would have had a hard time coming up here asking you for the very first expenditure of money under that new budget. I am here to ask your approval to enter into a Memorandum of Agreement. It is with the Port Authority, the FAA, and Continental Airlines, and as you said, it's for a

pioneering new technology that's going to really lay the groundwork in our region and really nationally for the future of satellite-based air traffic control procedures.

As we have discussed many times with the board, satellites are the core of NextGen, the term that's used for the future of air traffic control. The thing that's going to have the great benefit, the great potential to increase the throughput and efficiency of our airports.

As part of the Memorandum of Agreement that I'm asking you to enter into, I'm asking you to fund the purchase, installation, and maintenance of what is called a ground-based augmentation system -- a cutting-edge technology that has the capability to reduce air traffic control delays through more precise navigation than traditional radar-based air traffic control.

I'm going to take you through a short discussion of the limitations of existing systems that have been used by the FAA for many years, the evolution of satellite technology, and the whole critical role that GBAS, as it's referred to, is expected to play in the future.

Commissioners you know that air traffic control is dependent upon radar, and radar uses radio waves -- it uses navigational beacons that aircraft follow and it identifies their location, their altitude, their direction and speed. Radar is also the basis of instrument landing systems at an airport that allow an aircraft to descend to an airport safely in a variety of weather conditions.

While the system is extremely safe, it's a very inefficient option for managing large number of aircraft that now travel the nation's airspace. Because the system is radar-based, large aircraft separations have to be built into air travel routes to assure safety. Also, radar systems have to overcome several different sources of unwanted signals in order to focus only on the actual target of interest.

Also, it's sensitive to obstructions like buildings and hangars, and glide-slope systems that are used in instrument landing systems are limited by terrain. And all those technologies were developed and put in place shortly after World War II and are now just beginning to be replaced by satellite-based navigation.

As you know and as the public knows, Commissioners, satellite technology has already been in wide use for military, for communications, research, navigational applications. The first uses of satellite technology actually began back in the 1950s. Now many people use that technology on a daily basis. People have satellite phones, they have satellite television and radio, computer Internet access, GPS systems in cars. It's now becoming available for aircraft, which is the exciting, pioneering event.

Global navigation satellite systems is the generic term used to apply to using satellites for air traffic control. It has tremendous benefits in terms of accuracy and integrity for civil aviation -- creates a lot more efficiency than radar. Right now, full implementation of satellite-based navigation, NextGen, which we've talked about many times, it's a long way away. We've got here on this slide several different technologies that have to be implemented -- ADS-B, RNAV procedures, RNP -- Required Navigation Performance.

However, satellite information is now available that can be harnessed, and it can be enhanced with precision to improve air traffic control locally, which is where this GBAS comes into play.

So what's a GBAS? Commissioners, a GBAS is basically a satellite-based type of instrument landing system, that's what it is. Instead of using radio waves, the system has a series of ground stations, which is why it's called ground-based, which are just antennas that communicate through a VHF link to navigational satellites that then communicate with each other and with aircraft. It's called an augmentation system because it uses sensors to introduce information to satellite data that improves its accuracy, its availability, its reliability, so that the satellite signal has absolute precision for navigation.

So using a GBAS to guide an aircraft through its final approach segment to a runway, as an example, which is really particularly helpful in low visibility conditions has a lot of benefits. For one, one ground-based station using satellites can support multiple runway ends. Right now, you have to put an instrument landing system and radar at the end of each runway that you want it to be on.

Two, it has a more precise and stable signal and it's not subject to interference, like we talked about just a second ago. Three, conventional radar, the ILS's are only for straight-in approaches to a runway -- you can't do a curved approach -- whereas the GBAS can be used for curves and can be used for multiple different kinds of approaches.

And it can also be used where obstructions and topography restrictions would preclude a normal instrument landing system.

So this is the scope of what we're asking you to approve, Commissioners. First of all, under this Memorandum of Agreement, Continental has agreed to equip 15 aircraft and train pilots to fly GBAS procedures at Newark at an estimated cost of $1.1 million. Two, the FAA, our significant strategic partner, would commit $2.5 million for the assessment of the technology performance and the expansion of its capabilities.

And then what I'm asking you directly as an expenditure, Commissioners, is I ask you to have the Port Authority fund and manage the contract for the purchase, installation, and maintenance of the GBAS system. That's $2.5 million. Under that authorization we would enter into a negotiated contract with Honeywell for the equipment, for the installation and maintenance. Honeywell is the sole source provider by the FAA -- they've certified them to provide ground-based augmentation systems.

So, Commissioners, with your support, together with the FAA and Continental, who have agreed to support this, the joint commitment will result in Newark being the first major airport in the United States of America to test this technology. Newark continues to lead the country, as you know, in delays. By taking this initiative as an early adopter of a cutting-edge technology, by participating in the FAA's research and development efforts, by working with Continental, the Port Authority will be well-positioned to expand the technology throughout its airport system, advancing GBAS as an initiative of the flight delay task force, which you, Chairman, led.

It's one of those recommendations that's also supported by the Aviation Rulemaking Committee we participated in in Washington. We really will be pioneering in air traffic control and advancing satellites, and so I ask you for your approval of this item.

Chairman Coscia: Thank you, Bill. Can I have a motion to approve? Commissioner: I'll move it. Chairman Coscia: There a second? Commissioner: Second.

Chairman Coscia: All right. Anyone have any questions, comments? Very good. Thank you, Bill.

Bill DeCota: Thank you, Chairman.

Chairman Coscia: All those in favor? Board Members: Aye.

Chairman Coscia: Thank you. Okay. No one has signed up to speak on behalf of any of the specific items on the agenda, but we do have one speaker on an unrelated item -- Sheikema Ashe from Unite Here.

Sheikema Ashe: Good afternoon. My name is Sheikema Ashe. I used to work at JFK Terminal 6 at Hudson News. In that job, I belonged to Unite Here, and we have been coming to these meetings since May of this year to report our situation. Hudson's replacement, Paradies, has still not offered me and my coworkers jobs. Despite what Paradies may be telling you, they are not doing the right thing. I hold Paradies responsible for my current situation.

I am devastated and outraged. I have trouble understanding why Paradies and OTG are not complying with the labor peace and employee retention policy. This is very frustrating for me, as I support my mother and my daughter. I am suffering right now.

We are in the middle of an economy crisis. That crisis was partly caused by the government not holding companies accountable for their actions. Here's a case where you have the power to restore our jobs. I am very qualified to work for Paradies. I provide great customer service, have years of experience, and work very hard.

I'm not sure why Paradies would not want to hire me. The Port Authority has the power to make OTG and Paradies do the right thing. I wish you would do that so we wouldn't have to suffer like this.

Chairman Coscia: Thank you. Moving on to our consent calendar, may I have a motion to approve the consent calendar? Board Member: So moved. Board Member: Second. Chairman Coscia: Is there a second? All right -- any questions? All those in favor? Board Members: Aye.

Chairman Coscia: Okay. May I motion to adjourn? Board Member: So moved. Board Member: So moved. Chairman Coscia: Second. All those in favor? Board Members: Aye.

Chairman Coscia: Thank you. Good Afternoon, everyone.

The Port Authority of New York & New Jersey
Board Meeting
November 6, 2008

Chairman Coscia: And if everyone will indulge me the formality, we are now in our full public Board meeting. The Board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the World Trade Center redevelopment subcommittee met in public session, as you all just witnessed. Its report will be filed with the official minutes of today's board meeting. The Commissioners also met in executive session prior to today's board meeting to discuss matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest and matters involving ongoing negotiations or reviews of contracts or proposals. Today's first order of business is to turn it back over to Steve Plate to provide an update on construction activities. Steve, if there's anything you wanted to further go through on that?

Steve Plate: Commissioners, today I will be updating you on construction activity and progress at the World Trade Center site since our meeting last month. Commissioners, over the last 30 days, additional progress has been made on the Tower 1 foundations at the south pool. The concrete contractor has moved the self-cycling formwork system into position for the seventh lift. The seventh lift will be the second core concrete placement above grated. Workers are now installing reinforcing steel, working east to west, and the contractor anticipates casting the seventh lift in early November. To date, 80% of the contracts have been awarded, 20,000 tons of steel has been fabricated, 2,315 tons of steel have been placed, and 42,800 cubic yards of concrete poured for the entire Freedom Tower area. Progress continues on the last phase of the demolition of the temporary PATH station on Church Street, which will enable the starter foundations for the new Oculus in the East Bathtub. The demolition contractor has removed a portion of the structure, including soil, concrete, and steel.We have released the structure to grade drawings to Phoenix for procurement as promised. Steel erection for the Hub mezzanine, located in the southeast corner of the west bathtub, continued during weekend outages of PATH, with the steel deck being welded in place.

4,850 tons of steel are required for the mezzanine to date; 1,630 tons of steel have been fabricated, and 1,300 tons have been erected. The East-West Connector is being built in the west bathtub as an underground concourse for pedestrians connecting the Transportation Hub, the Freedom Tower, and the World Financial Center.

At the East-West Connector, the final arch alignment is now complete and 50 percent of the welding has been completed as well. The columns are being set and locked in place. The roof of the East-West Connector is scheduled to commence shortly with the installation of the metal deck.

In order to maintain traffic on Route 9A, three bridges are in the process of being installed at the North Projection from PATH's existing New Jersey-bound tunnel area. This north-bound 9A traffic will be rerouted to travel over these bridges in order to continue secant pile installation and associated excavation below the bridges.

This work is being coordinated with Route 9A construction, the Transportation Hub, Freedom Tower, Memorial, and VSC projects. At the World Financial Center location on the west side of

Route 9A, primary secant piles have been drilled and work is scheduled to be completed by the end of this year.

The central chiller plant is a 12,500-ton system designed to provide cooling for the World Trade Center Transportation Hub, Memorial Museum, retail space, and other occupied spaces at the site. The plant will use river water as a heat exchange medium. The New York State Department of Transportation has completed the installation of the initial phases of the 42-inch concrete-encased river water line that is being relocated under 9A, just west of the West Bathtub.

Completion of the final design phase or final phase in the relocation construction phase is anticipated for the end of 2008. Construction of the project on site continues with the installation of a utility tunnel to haul electrical conduits and piping serving the chiller plant. The tunnel runs from the west bathtub to the east bathtub beneath the north-south shear wall. This work is scheduled to be completed by the end of the year.

Progress at the Memorial site continues. Approximately 5,100 cubic yards of concrete has been placed for the foundations and footings; over 4,300 of the 8,650 tons of structural steel to be used for the Memorial superstructure has been fabricated, and 1,691 tons of steel has been delivered to the job site and erected to date.

Steel and metal decking is being installed on two levels of the steel structure at the northwest corner of the Memorial site. The coordination of the next sequence of steel installation is currently being finalized, which includes the location of a new crane.

The contractor's currently working on the last level of the slurry wall. To date, 123 out of 181 steel tie-backs have been installed and are on schedule to be completed by spring of 2009.

The north-south shear wall is a primary load-bearing wall for the west bathtub and separates the hub from the memorial. The wall will be the primary structural support and foundation for the Hubs trusses, and portions of the north and south Memorial pools.

The shear wall is comprised of 39 sections, 36 of which are completed. Upon completion at the end of this year, the north-south shear wall will be 600 feet in length, two to three feet in thickness, and the height will be approximately 61 feet high. It is projected that 2,000 cubic yards of concrete and 1.3 million pounds of rebar will be used to construct this wall.

The East Bathtub MTA Number 1 Line underpinning project, with approximately 1,000 lineal feet of underpinnings, is considered one of the largest of its kind. The temporary underpinning project consists of installing main piles and structural steel framing within and around the subway box to support the structure during excavation beneath it. All 437 required mini-piles have been installed and now further excavation has begun.

The first level of excavation and steel bracing work between mini-piles continues, and excavation is complete in multiple locations of the first level. The design for the permanent underpinning, consisting of reinforced concrete walls, is in progress, and we are reviewing the preliminary design drawings.

The VSC exterior perimeter wall contract at the south bathtub provides for construction of a new bathtub bounded by Liberty, Greenwich, Cedar, and West Street. It consists of slurry walls, secant pile walls, and excavation down to bedrock -- an average of 55 feet below street level.

Relative to this contract, the contractor begin and has begun test borings and saw cutting an excavation to expose underground utilities to prepare the guide wall installation. This contract design work is underway, as authorized for the next contract, which will construct the underground ramp structure up to the steel level, which you just -- street level, which you just authorized a minute ago.

This concludes my construction activity update, and I look forward to returning next month and providing you with additional progress. Thank you, Commissioners.

Chairman Coscia: Thanks, Steve. Appreciate that. Our Executive Director, Christopher Ward, will provide an update on the World Trade Center community enhancement efforts. Chris?

Chris Ward: Thank you very much, Mr. Chairman. Following Steve's presentation, as you can see, the World Trade Center site is moving into a much more robust construction period, and that has required us to start a number of new initiatives, both to address the logistics associated with building the site inside the bathtub as well as address the community impacts for Lower Manhattan as a whole. To that end, we have created an office of program logistics, headed by Quentin Braithwaite, we have hired a traffic engineer by the name of Sam Schwartz to give us traffic logistics planning in and around the site, we have begun regular walk-arounds with community leaders to inform them on the status as well as hear from them on their concerns, we have begun, as we have briefed the Board earlier, about installing clear signage to deter legal vendors and instructing the PAPD to be far more aggressive in cracking down on that activity.

But most importantly, we're implementing WTC site perimeter improvements. We will, in the future, be providing some skim paving of the Liberty Street in order to improve the quality of pedestrian life around the site. We will be providing better lighting on Liberty and some beautification efforts with construction walls, and better pedestrian flow on Church and Vesey Street.

As we have previously done, we are installing some fence wrap in order to provide some guideways for people who have come to visit the site and see what we are building and where it will be and what it will look like when it is, in fact, completed, giving a sense of place to the World Trade Center site.

Finally, we are pleased with the website that we have created, and we're looking for some certain enhancements associated with that interactive opportunity.

As you can see and as Steve just detailed, this is an incredibly complicated site at this time. The dates that we have provided to the board and the two Governors will require us to be a seamless logistics team in terms of how the site is fed for construction, but at the same time recognize that

that amount of activity is going to have impacts for a community which has been struggling to maintain itself, given the length of construction.

We have conducted a walkthrough. This is Liz Berger of the Downtown Alliance and Community Board One. Sam, in the bright orange vest, is Sam Schwartz, who had previously been a DOT commissioner and is our consultant on Lower Manhattan.

We feel very strongly that the community needs to know what we're doing, when we're doing it, why we're doing. They are our partner. It is a residential community and how we work with them is going to be a critical part of this construction phase.

We have been concerned and hearing from them that the lack of wayfinding and poor lighting needed to be addressed. We agree. These are some conditions that exist today. We need to do a better job of helping pedestrians move around the site so we'll be giving some wayfinding signage and some better enhanced lighting, one to obviously improve the sense of place, but also for safety and security reasons.

We have been meeting regularly on the west of West Street tenants. They are concerned about their employees as this work goes forward. The passageway issue; we need to recognize that it can be dark. We are proposing some very inexpensive wall treatments simply to lighten and create a better atmosphere for pedestrians.

We are acutely aware of the congestion that the level of construction which is going to be going on at the site is creating hot points, so evaluating both the constraints and the points of concern, and working with NYPD and our contractors to come up with a pedestrian plan as well as a traffic plan is going to be essential.

This will lay the groundwork for the work that we are having with the City in terms of long-term security and pedestrian and auto and truck and bus access to the site. We will learn much from this effort in terms of how Lower Manhattan will function over time.

In order to improve access and throughput, we are increasing sidewalk/crosswalk widths, we're providing clear pedestrian wayfinding -- the scattering of pedestrians ends up significantly clogging streets.

The traffic, we're working with Jeanette Saddacon and City DOT in modifying parking regulations. The channelization and geometry of the adjacent street network needs to be adjusted. Similarly, the timing of streetlights in order to provide a throughput capacity. And we're really working hard with the MTA to divert transit users to multiple subway options, moving them out to the site efficiently to access other locations for the MTA.

We recognize that this is a community that the site is getting built in. We feel that this level of construction wall is, in fact, an eyesore, and we need to bring some new perimeter fencing, both as an amenity but also as a sense of vision of what the site will be upon completion. This is a tourist location; people are fascinated by what is going on today, but they also need to see what it will look like.

We've shared with you earlier what some of those fencing perimeter images would look like. Again, we think it gives the community a sense of place.

Finally, in terms of the website, which we have had up and running, in order to make it more interactive we'll have an "Ask the Port Authority" site, and I will be answering questions in the first go-round, and we will be soliciting questions from the community on what is the status or issues associated with the site, and they will have the opportunity to hear directly from the Executive Director on what those answers are.

As we have talked, this site will now move into a very robust construction period and dealing with the congestion and community issues are important. We have some wonderful partners downtown. They have worked with us. we need to be cognizant of the impacts going forward, and we think from the website, to provide information, site improvements, in terms of amenities will be important.

And then also improve pedestrian and traffic programming for the site going forward will be part of our overall effort as well. Thank you.

Chairman Coscia: That's great. Thank you, Chris, that's all really, really very helpful, and I think really presents very well all the -- doing as much as is possible to let the broader community know what's going on and address the issues. It's going to be a difficult period, regardless of what anyone does, but clearly, these are, I think, very responsive to at least criticisms that I've heard in the past of the way we've managed the process, so that's very good.

No one has signed up to speak from the public. We have a consent calendar motion, but I'm going to break it down since there was a -- it was expressed that we do that in terms of identifying specific items we're going to be voting on. So I'm going to bring you back to the presentations that were made in the World Trade Center Subcommittee, and the first motion would be a motion to approve the agreement with Silverstein Properties for the construction of mechanical, electrical, plumbing, and fire protection of the tenant vehicle parking areas under Towers 3 and 4 in the East Bathtub. And that resolution would be subject to the $6 million cap that Commissioner Chasanoff suggested. Is there a motion to approve that item? Board Member: Motion to approve. Chairman Coscia: All right, second? All right. All those in favor? Board Members: Aye.

Chairman Coscia: Any opposed? Okay. The next issue is the retention of professional real estate advisory services. Don Free outlined the firms that would be involved in that. Is there a motion to approve? Board Member: Move it. Board Member: Second.

Chairman Coscia: Second? Okay. All those in favor, aye. Any opposed? Okay. I'm going to do the -- unless there's an objection, I'll do the four items that Steve Plate presented in terms of the downtown restoration program as one resolution -- that includes the Vehicle Security Center, which is a planning authorization, the East Side Tour Bus Parking Facility, which is also a planning authorization, an increase in the professional architectural and engineering services for early action and final design, the foundations and other structural work to support the west bathtub vehicular access and performing arts center, and then finally an agreement with NYS-DOT, New York State

Department of Transportation, to transfer certain items relating to the restaging of route 9A construction and the agreement of our funding on that. So I'll ask for one resolution on all four of those items.

Board Member: So moved.

Board Member: Second.

Chairman Coscia: All right, anyone have any questions or comments on any of the particular items? Okay, all those in favor? Board Members: Aye.

Chairman Coscia: Any opposed? Okay, thank you. Having said that, I think we are complete with our business for the day. I can apologize for the delay. Board Member: Move to adjourn. Board Member: Second. Chairman Coscia: Second -- all those in favor? Board Members: Aye.

Chairman Coscia: Thank you. Good afternoon, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
September 24, 2009

Chairman Coscia: Good afternoon everyone, sorry for keeping everyone waiting. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the Committee on Operations met in both Public and Executive Session and the Audit and Governance and Ethics Committees met in Executive Session. Their reports will be filed with the official Minutes of today's Board Meeting.

The Commissioners also met in Executive Session prior to today's Board Meeting to discuss matters related to the purchase, sale or lease of real property or securities where the public disclosure would affect the value thereof or the public interest in matters involving ongoing negotiations or reviews of contracts or proposals and to discuss and act upon matters related to proposed, pending or current litigation or judicial or administrative proceedings.

Today's first order of business will be a presentation by our Port Commerce Director, Richard Larrabee, in connection with an update on this Authority's continued efforts to operate our ports in an environmentally and friendly manner. As you know this Board has aggressively sought out ways where we as hopefully leaders in this industry can provide initiatives that would support sustainable development at our ports and at our other facilities. And we are here today I guess with two items and the latest components of that. Rick?

Richard Larrabee: Thanks Mr. Chairman. Commissioners, good afternoon. Today I would like to update you on two significant express rail projects that will help remove millions of trucks from our local roads and request your approval for two new port-related environmental initiatives.

Last November this Board reaffirmed its support for the Port Authority's continuing environmental improvement initiatives by adopting a statement of principles that demonstrates its commitment to reduce port related emissions that affect air quality and contribute to climate change. As part of that commitment the Port Authority will continue to use its best efforts to reduce port-related emissions by 3 percent and greenhouse gas emissions by 5 percent and an 80 percent reduction in greenhouse gases from 2006 levels by 2050.

Several air quality improvement initiatives are already underway in advance of the clean air strategy. Since 2000 the Board has authorized more than $600 million for our Express Rail program which when completed will displace over 2 million truck trips and their emissions from state and local roadways. I'm pleased to inform you that two major components of Express Rail have recently been completed approximately 18 months ahead of our original schedule.

The opening of the second lead track to Express Rail Elizabeth and the completion of Phase 1B of the Express Rail Corbin Street Intermodal Rail Support Facility will almost double the capacity of our port's rail system to approximately 1 million containers per year.

In the first half of 2009 Express Rail handled over 150,000 containers in effect removing approximately 226,000 truck trips from state and local roadways. These rail projects will further improve the cost effectiveness and environmental sustainability of our port.

I would now like to discuss two new initiatives that will further advance our port's sustainability efforts, the ocean-going vessel low-sulfur fuel program and the cargo-handling equipment fleet modernization incentive program.

As illustrated on this slide a baseline emissions inventory determined that ocean-going vessels contribute significantly to the overall port related emissions. Encouraging those vessels to burn low-sulfur fuel while operating in the Port of New York and New Jersey will result in total emission reductions of approximately 108,000 tons of greenhouse gases, 3,100 tons of nitrogen oxides, 500 tons of particulate matter and 4,500 tons of sulfur oxides.

Commissioners, today your authorization is requested to establish a $6.36 million program that would provide an incentive to ocean-going vessel operators that call at the Port Authority marine terminal facilities to burn cleaner, less polluting fuel. Under the proposed program the Port Authority would reimburse vessel operators up to 50 percent of the cost differential between high sulfur residual fuel they now utilize and the low-sulfur fuel that operators would agree to utilize in their main and auxiliary engines when the vessels enter the New York, New Jersey Harbor and are at berth.

The vessel operators would fund the remaining 50 percent of the difference in cost and would be required to participate in a vessel speed reduction program when entering the harbor.

As part of this program authorization is also requested to enter into an agreement with Starcrest Consulting, a firm that has managed similar programs in the ports of Los Angeles and Long Beach to provide technical and administrative support for the program at an estimated cost of $672,000. And an agreement with the United States Coast Guard to obtain vessel tracking data at no cost to the Port Authority that is necessary to verify compliance with the program's requirements for when reimbursement is made to the vessel operators.

The proposed program will run until December 2012 when it is anticipated that international regulations on sulfur content of fuel will take effect.

Commissioners, the second action on today's calendar relates to certain equipment currently utilized by our marine terminal tenants for port operations. Our baseline environmental emission inventory determined that cargo-handling equipment also contributes to overall port-related emissions, although to a much lesser degree than the ocean-going vessels.

Commissioners, today your authorization is requested to establish a $2.24 million program that would provide an incentive to our marine terminal tenants to replace approximately 125 pieces of cargo-handling equipment currently utilized at Port Authority Marine Terminal facilities with new equipment that meets the most recent federal on-road and off-road air emission standards. Under the proposed program the tenants would purchase the new equipment and the Port Authority would reimburse the tenants 20 percent of the replacement cost upon verification that

the old equipment has been removed from operations at our port. The program will run until December 2013 or until authorized funds have been exhausted.

Commissioners, with your approval of these two initiatives along with the truck replacement program, the locomotive GENSET retrofit project you authorized in July as well as our recent completed Express Rail enhancements, we will be able to address all of the key sources of air emissions in the port. When implemented these actions will improve regional air quality and benefit operations at our port facilities. Commissioners, I request your approval for these items today. Thank you.

Chairman Coscia: Thank you Rick. Can I have a motion to approve? Commissioners (group): So moved. Chairman Coscia: Is there a second? Commissioners (group): Second. Chairman Coscia: Does anyone have any questions or comments? Thank you. All those in favor? Commissioners (group): Aye.

Chairman Coscia: Thank you very much.

Richard Larrabee: Thank you.

Chairman Coscia: Thank you. Our next item involves unfortunately sad news. As many of you know on September 11, 2009 as we were stopping to remember those who we lost on that historic day, unfortunately the Port Authority family incurred another very, very sad loss. William DeCota, the Director of our Aviation Department, passed away on that day. And he left behind friends and family and colleagues who will miss him very, very dearly.

Bill was a big part of this agency in so many ways. In 27 years here he spearheaded some of the most significant initiatives in our history in the aviation area. His passionate and visionary leadership is something that will last for decades, we're sure. The high standards that he brought to his staff and brought to this agency is something that will be a lasting legacy in his honor.

And during his time here, major things including the acquisition of Stewart Airport, modernizing many of our main terminals, and beginning on a national level a program to enhance the technology that's used to manage air traffic are all things that Bill's ingenuity, his leadership, his passion for his industry are a lasting testament to the work that he did here.

And just as importantly, the way Bill mentored those who worked with him and his friends and the kind of compassion he would show toward those who needed his assistance are all testament to someone who truly was a phenomenal member of our Port Authority family.

And so what I would like to do is the Port Authority would like to award to Bill DeCota the Howard S. Cullman Distinguished Service Medal which is an award that in the 88-year history of this agency has been awarded to individuals who are responsible for what we are today.

When you look at those who have received this award in the past, they are in terms of this agency, a who's-who list of those who have had the most to do with our success. And Bill certainly deserves to be in that list.

So I would like to ask Bill's good friend, Giorgio Kolaj, to come forward and receive the award on behalf of Bill DeCota.

Our final piece of – well, I notice that no one has signed up for public comment so I will go to – excuse me, I'm sorry Giorgio.

Giorgio Kolaj: Would it be okay, sir?

Chairman Coscia: Yes, please.

Giorgio Kolaj: Thank you very much. My name is Giorgio Kolaj. I'm going to try to give this speech hopefully in its entirety. It is going to be very difficult for me. I'm one of six individuals that are here today that have been very close friends with Bill. I have known Bill the least amongst the six of them so I am grateful for my friends here and Bill's friends for honoring me with the opportunity to speak about Bill today and to accept this award. There's Marc Burghardt, Chris Simeone, Bob Sudman, Mike Valenti and Patty Bonner.

Again, I'm going to try my best. I give a lot of speeches, I have gotten choked up on occasion, but this is going to be the most difficult one for me. Please bear with me.

This past September 11th the aviation world has once again been rocked in disbelief with tragic news. This time it was the passing of Bill DeCota. I spoke with Bill over the phone four times that day. I had no warning that at 4:31 pm EST I just told my best friend for the last time that I loved him.

The world and the entire aviation industry is familiar with the herculean achievements that Bill either led or played a significant role in completing. Not only was he responsible in leading the team that would manage the world's largest and busiest airport system, but he worked relentlessly with legislators, with community leaders, and with people really across all disciplines and walks of life to help solve the most difficult problems in aviation.

Through his efforts he never compromised his beliefs, he never swayed from what his convictions charged him to do. His achievements are many; his achievements are unrivaled. And his achievements are a matter of record for all time.

I met Bill on May 21, 2003 at a Boy Scouts event in New York City. I made my conversation with him very brief because I noticed how there were really hundreds of people that were vying for his time. And after all, I was just the pizza guy. Upon meeting him I had no idea that I had just met the most influential and the most powerful person in my life. But fate and destiny have a way of ultimately weaving a profound thing from seemingly inconsequential events or moments. It didn't take long for Bill and I to realize just how much we had in common as we began to forge our friendship.

I didn't know much about running airports, and he certainly didn't know much about pizza. So our endless conversations were targeted around more important things quite frankly that two

people can have, things like art and music and culture and human behavior, history, and family members. I was getting divorced at the time, so it was a gift from God that he would come into my life at that opportune time.

He would often comment to me that while we looked completely different from the outside, and he often said this, that we were very much alike on the inside. I didn't realize at that moment that was really the greatest compliment anyone could every pay me.

God is gracious at times, that is he gives people things that they truly don't deserve. Bill was a gift of grace from God to me and to all of us; I know I speak for my friends here as well, by the way.

In my more than six years of speaking to Bill every single day I got to see a side of him that I think very few people got a chance to discover. Behind his high intellect and academic astuteness Bill was profoundly human. His life was the personification of selflessness. He draped himself in humility. He found purpose of being by serving others. He went out of his way to acknowledge other people.

He had the unique gift of finding those people in the periphery of life and once he found them he showered them with attention.

I apologize.

He was a man that had every right to command the front and center stage and respect and exhortation of leaders, titans of industry and people of power. And while he was comfortable managing himself in those circles, the beauty of Bill DeCota was manifested in his meekness to forsake that spotlight.

He found great joy in seeking out the downtrodden, the underdog and the disenfranchised. He saw the beauty in people that others were too busy or perhaps even blind to see. He gave his time, he gave his heart, his passion, and he gave his all to people so that they would realize truly the greatness that they were born with. He is the quintessential spirit of the Horatio Alger's character. In that character, who is first marginalized in life, but soon finds a purpose, and that purpose develops into a life, a life of meaning and a life that changes the world, Bill had the stamina and the rare ability to love unconditionally. It was easy for him to love because he loved first.

It was easy for him to respect because he respected first. It was easy for him to trust because he trusted first. And it was easy for him to serve because he served first.

I believe that the good Lord spared Bill on September 11, 2001 when his own office tumbled to the earth. I believe that is because God knew that I needed to meet him and experience him. I am grateful to God that I would be one of the chosen ones to get to know him on a personal level. But God's plan was to give Bill a hero sendoff. And so God touched Bill 8 years later to the day and made him sleep.

A few weeks before his passing Bill and I spoke about death. He didn't fear it he would always remind me. We both admitted to one another that when God took one of us the other would remain to suffer. I remember jokingly instructing him that if he were to go before me that I didn't want him to find a best friend up there. I told him to hold on because I would come and find him in eternity.

I know that he is waiting for me now, but in the meantime I know he is bringing joy and happiness, and a little bit of yelling to those around him. The world lost an incredible human being; the aviation industry lost a visionary and leader. And Giorgio Kolaj and the rest of us here have lost our best friend. Thank you for the opportunity. I appreciate it. Thank you.

Chairman Coscia: Giorgio I have sat in this chair for six years and I can tell you with certainty that never has this room paid so much attention and been in such strong agreement as they just were. Thank you.

Chairman Coscia: Can I have a motion to approve the consent calendar? Commissioner: So moved. Chairman Coscia: Is there a second? Any questions or comments? All those in favor? Commissioners (group): Aye. Chairman Coscia: Okay, can I have a motion to adjourn? Commissioners (group): So moved. Chairman Coscia: Thank you everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
1/4/2008

Chairman Coscia: Everyone, if I can have your attention. Welcome and happy New Year to everyone. The board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the commissioners met in executive session to discuss matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or the public interest.

Today's first order of business is a report by our Executive Director, Anthony Shorris. Tony?

Anthony Shorris: Good morning, Chair, and members of the Board. We're meeting today to talk about two very critical issues for us and for the Authority. You'll hear from Mike Francois present an agreement for major retail investment and improvement at the World Trade Center. It is a partnership with a firm called Westfield, yet another public-private partnership, in this case with the world's premiere real estate enterprise, to create value, to create terrific public space downtown.

It'll mean a very different feel for the World Trade Center. As an anchor for Lower Manhattan it'll now provide support for a vibrant social and cultural life for the community to accompany the already enormously energetic business community we see and are supporting with our investments there. Westfield, we believe, knows how to create terrific and appealing spaces, and we look forward to working with them.

And I just want to offer my thanks to Mike Francois, Tim Lizura, and their team for yet another billion-dollar-plus public-private partnership to advance our mission.

The most critical issue of the day relates to tolls and fares. As we told you back in November, as you've known for years before that, the agency's seen enormous increases in its security costs and the demand for major new projects to protect our assets and the future of the region has risen, and hence our need, we believe, for an increase in tolls and fares.

At your instruction, we took our proposal out to the public and heard their reactions in extensive sessions held throughout the region. And in large part, the public was supportive of our mission and of the ambitious capital program you approved last month -- one that would be funded by the proposed increase. A true plan for investment and security, sustainability, and economic opportunity for the region.

On some particular points, some key points, especially the need to do everything we can to make mass transit accessible, the public made some constructive suggestions as to how we could improve that plan, and we've taken these comments into consideration and reviewed every element of the plan to ensure it's consistent with our objectives, with your policy goals, and we'll present to you today a revised plan -- one that we believe maintains and even sharpens its focus on a safer, more secure, and more sustainable region.

The revised plan reduces the increase in the PATH fare to ensure that as many people as possible can afford to continue to ride. It's already one of the best transportation systems in the region. It adds new options for commuters; 30-day, seven-day, daily unlimited PATH fare options, much like the MTA is already offering. And it reduces the increase for carpoolers to encourage as many people as possible to make the most efficient use of their cars.

At the same time, the plan maintains many of the key elements -- off-peak discounts to reduce congestion, the Green Pass to encourage the use of low-polluting vehicles. I think it's a thoughtful policy proposal, it's a proposal that's definitely benefited from the public process you encouraged, as well as the hard work of many people on the staff who've helped us, I think, do something that will be good for this region.

Paul Blanco will review it with you in detail, but as always, most of all, our thanks go to you, to our chair, to members of the board, for their support and guidance throughout this process. Thank you.

Chairman Coscia: Thank you, Tony. And our first presentation today will be an update on the World Trade Center Retail development, and it'll be presented by the director of development, Michael Francois. Michael?

Michael Francois: Thank you. Good morning, Commissioners. Today I will request your authorization to enter into a joint venture development agreement along with related agreements with the Westfield Group for development of the World Trade Center Retail.

By partnering with one of the world's most successful shopping and mixed-use developers, we will benefit from their expertise and simultaneously decrease the Port Authority's risk with Westfield's significant capital investment in the project.

Let me begin with a description of the retail site. World Trade Center Retail will be the front door for visitors and office workers who use the Trade Center on a daily basis. The joint venture will develop nearly 500,000 square feet of premiere retail downtown. Not only will the retail component bring a lively and welcoming atmosphere to the site, it will create a world-class shopping environment with services that will enhance the continued growth of downtown Manhattan.

Retail is a critical element of the rebuilt World Trade Center site, and it must be integrated into the cityscape and it will bring benefits to Lower Manhattan, the city, and the region. Retail at the World Trade Center site covers nearly 500,000 square feet of space. It encompasses two significant below-grade corridors that link the main entrance at tower four with the World Trade Center transportation hub and continues to the World Financial Center, ultimately to the Hudson River ferries.

In addition, there are three floors of above-grade retail space, starting at the grade level or street level. Total development costs for retail are estimated at $1.45 billion. The retail development schedule will be coordinated with the office towers and the transportation hub construction so that when each major building is completed the retail within that area will be open for business.

We are proposing to enter into a joint venture agreement with the Westfield Group to develop the retail asset. Westfield is one of the largest retail developers in the world, with over $53 billion in assets and a total of 110 million square feet of retail space. With their global headquarters in Australia and U.S. headquarters in Los Angeles, Westfield operates 120 shopping centers in Australia, New Zealand, United States, and United Kingdom.

They have developed numerous landmark mixed-used projects. Westfield's flagship center is the 1.4 million square foot Bondi Junction in Sydney, Australia. In the U.S., the firm has completed the largest urban shopping center on the West Coast, the 1.4 million square foot Westfield San Francisco Center as well as the 800,000 square foot Westfield Century City in Los Angeles.

Across the Atlantic they are creating two of the largest retail projects in the United Kingdom: the $3 billion Westfield London and the future Westfield Stratford City project adjacent to the 2012 Olympic Games London site.

Westfield is also an airport retail operator with agreements at JFK with American Airlines and with the Port Authority at Newark Liberty. Let me summarize some of the highlights of this agreement. The proposed development structure is a joint venture between World Trade Center Retail and Westfield. Both parties will invest over $600 million. World Trade Center Retail will also invest approximately $200 million, which is attributed to the World Trade Center Retail insurance settlement as additional equity.

Westfield will guarantee any construction financing. After debt service, retail revenues will be split between World Trade Center Retail and Westfield so that each party receives 8% on its investment with any excess revenue split evenly. The sources of funds are a combination of equity, debt, and insurance proceeds. Capital costs cover both retail-specific hard costs and soft costs as well as retail's contribution to the shared infrastructure of the World Trade Center site.

Commissioners, your approval of this action is requested today.

Chairman Coscia: Thank you, Michael. Can I have a motion to approve the item? Commissioner: Motion to approve. Chairman Coscia: All right, and I think we had some questions from (inaudible)?

Commissioner Blakeman: Thank you. Michael, I have a couple of questions with respect to this transaction, specifically you indicated that the Westfield Group has $53 billion in assets, is that correct?

Michael Francois: That's correct.

Commissioner Blakeman: Is the Westfield Group standing behind the obligations of Westfield America? Because the joint venture is between the World Trade Center Retail LLC and the Westfield America Limited Partnership, not the Westfield Group.

Michael Francois: Correct. The parent corporation -- the joint venture is a joint venture. All additional equity and debt that will be required for the project will be the requirement of the joint

venture, and each party of the joint venture will have a 50% requirement to raise that capital. And as far as Westfield's contribution to this, their guarantee of that will be the senior company.

Commissioner Blakeman: So Westfield Group is guaranteeing the obligations and responsibilities of Westfield America?

Michael Francois: Westfield will guarantee their obligations, correct.

Commissioner Blakeman: Okay. That's important. Also, would you explain why we are only charging $1 a year in rent and how that works into the all-financial structure of the deal, and also address why we are contributing $200 million more in equity from the World Trade Center Retail insurance proceeds as well as indicate the outside expert advice that the Port Authority has gotten with respect to the structure of the financial deal?

Michael Francois: In regard to the rent, it is $1 a square foot. Obviously, basic minimum rent. However, it is anticipated within the overall capital structure that the rent or the land value would be funded through basically revenues that would be received through a waterfall of participation or capital structure. Not only through the cash flow, but also in the event of a capital event, we would be repaid for the land.

The price of the real estate, the price of the retail is very expensive, so the land will be basically funded through the source of revenue -- through the revenue stream. And the retail would receive an 8% return on an annual basis for the land value.

Commissioner Blakeman: So I believe you indicated that the price of the retail is approximately $3,000 per foot?

Michael Francois: The construction cost of the retail is approximately $3,000 per square foot.

Commissioner Blakeman: How does that compare with other retail operations either in the United States or internationally?

Michael Francois: That is, as far as I'm aware, the most expensive retail in the United States and possibly the world to develop.

Commissioner Blakeman: And based on the $3,000 a foot in construction costs, our experts have indicated that we would be able to get a reasonable return as far as rent from retail operations to fund this debt and to eventually show profit or a positive cash flow?

Michael Francois: Yes, our financial projections, which have been done internally as well as obviously Westfield has done some extensive due diligence indicates that there would be sufficient cash flow to fund the debt and also eventually to fund rent and also repay the, you know, in any capital event, the value of the real estate.

Commissioner Blakeman: Okay, so with respect to the $200 million in insurance proceeds, it is your opinion and the opinion of our experts that unless we contributed that $200 million that this deal would not be economically viable?

Michael Francois: It's obviously a very expensive project to develop. Retail is -- I'm sorry, insurance is dedicated to this particular project. It's available right now, it would be more cost effective for it to be put in first and from the waterfall of impact or the cash flow, we anticipate that the insurance would be paid and generate a return of 8% and eventually repaid through a capital event.

Commissioner Blakeman: My last question is with respect to the environment representations that have been made with respect to this project and the overall project of everything we're building down there. Can you guarantee that the whole project down there would get a LEED certification minimum of a silver?

Michael Francois: The retail is integrated into each individual element. It doesn't stand by itself. It's integrated into the base, below grade, and above grade for each of the office buildings, and there are four office buildings. The commitment has been for all the office buildings on the site, to be of a gold LEED standard. Obviously as retail is integrated into those buildings, it's going to maintain that gold LEED standard as well.

Commissioner Blakeman: Okay, so we're going to try for gold, but can we guarantee that we'll at least be silver?

Michael Francois: I think it will be at least silver, yes.

Commissioner Blakeman: Okay. I have no further questions.

Chairman Coscia: Thank you. Anyone else have any other questions? Okay, all those in favor?
Commissioners: Aye.

Chairman Coscia: Any opposed? Okay, thank you. Our next item, which the Executive Director spoke about at great length, is our consideration of the toll and fare increase, and our Chief Financial Officer, Mr. Blanco, will make a presentation. Thank you.

Paul Blanco: Thank you, Mr. Chairman. Good morning, Commissioners. Today I'm requesting approval and toll and fare increases at our tunnels, bridges, and PATH rail system. As you recall, the need for toll and fare increase was presented at the November 15th board meeting, and the board gave its approval to begin an open public comment process.

Since November 15th, the Port Authority has held six public hearings and one online public hearing, and accepted public comments 24 hours a day, seven days a week, through December 27, 2007. This slide shows the original toll and fare proposal which provided for increases in the tolls on the interstate crossings and an increase in PATH fares.

In addition, this toll adjustment proposal includes future adjustments based on increases to regional CPI. The toll and fare proposal made public on November 15th was intended to support a $29.5 billion, 10-year capital plan with major investments in securing our travelers, protecting our critical infrastructure, and building new regional capacity.

As mentioned previously, since November 15 we have held six public hearings and one online hearing. Of the 255 comments received, 131 comments were in support of the proposal, 117 comments were against or partially against the proposal, and seven comments were unrelated to the proposal. After this public process -- and I want full disclosure here -- after this public process and further consideration of the proposal we have adjusted the original toll and fare proposal as follows.

Reducing the proposed carpool rate to $2 per trip from $3; reducing the proposed PATH fare rate to $1.75 from $2; reducing the PATH commuter discount fare from $1.50 to $1.30; and adding new, one, seven, and 30-day unlimited passes.

The toll and fare structure now being recommended will reduce the Port Authority's capital capacity by approximately $200 million. However, staff will mitigate the effect of this impact in order to complete the projects in the approved $29.5 billion dollar 10-year capital plan.

Commissioners, I hereby request your approval of the proposed toll and fare increases, which would become effective March 2, 2008.

Chairman Coscia: Thank you, Paul. Is there a motion to approve? Commissioner: I'll make the motion. Chairman Coscia: Okay, is there a second?

Chairman Coscia: Comments?

Commissioner Blakeman: Yes, Mr. Chairman. I am very verbal today. I think that it's important that the public understand the thought process of this board, at least my thought process, and I wanted to explain my vote with respect to this matter, because like all the other commissioners, I'm not unmindful of the financial burden that this is putting on the traveling public, including commuters, casual travelers, and businesses.

However, since September 11th, our security costs have multiplied at an astronomical rate. We've had to harden our assets, we've had to hire more law enforcement personnel, and we need to hire more than we have now. We've had to purchase technology for all of our assets, whether it's aviation at the airports or our seaports or on our bridges and tunnels, our commuter rail.

In addition, we’ve had to increase our intelligence capabilities and interface with other federal and local security agencies, which all costs money. In addition, we have to repair and renew our infrastructure. It's very important, especially with what happened in Minnesota. It makes us all realize that we have to keep up with our repairs and keep everything in good working order, and we also have to engage in new capital projects.

We need a new Goethals Bridge. The Goethals Bridge that currently exists is completely out of date. The ARC tunnel is an important project. We have to do work at our airports. Commuter rail, we are now establishing a new airport up in Newburgh area.

So for me, along with the fiduciary responsibilities we have to our bond holders, it's imperative that we have this toll increase, and that's why I'm going to vote for it.

Chairman Coscia: Thank you. Any other comments? Let me just say that I also support the proposal, and I support the proposal on a lot of levels, and I'm grateful to all the people who worked so hard to hopefully create a process that was very inclusive and that allowed for interaction at a whole variety of levels, not just during the public comment period in the last several months, but frankly in the two-year period leading up to this proposal.

But mostly I think I'm supportive of it because in a time when people really want somebody to do something about issues that we deal with every day, whether it's congestion or environmental issues or all the other myriad of problems that we have, I think this proposal actually does something. This agency today is approving a plan, if it's approved, that would put $6 to $8 billion into additional regional mass transit facilities. This is a substantial, almost historic level of investment for an agency that frankly had for the most part not been a critical player in mass transit investment in this region. The fact that we're doing this is a significant change that I think will benefit the region for decades to come, and I'm very pleased to be part of it, and I compliment all those who put so much work into bringing us to this point.

With that, I guess I will ask for a vote. All those in favor? Commissioners: Aye.

Chairman Coscia: Any opposed? Thank you very much. We do have a consent calendar item, so I'd ask for a motion to approve the consent calendar? Commissioner: So moved. Chairman Coscia: Is there a second? Commissioner: Second. Chairman Coscia: Any other comments or questions? All those in favor? Commissioners: Aye.

Chairman Coscia: Thank you. Can I have a motion to adjourn? Commissioners: So moved. Chairman Coscia: Thank you. Thank you, everyone.

The Port Authority of New York & New Jersey
Board Meeting Transcripts
October 18, 2007

Anthony R. Coscia: Good afternoon everyone. If I can have your attention I think we can get started. Thank you for coming this afternoon. The board meeting is now in order. Prior to today's meeting the World Trade Center Redevelopment Subcommittee and the Committees on Finance, Construction and Capital Programs Agency planning met in public session. Their reports will be filed with the official minutes of today's board minutes – board meeting – excuse me. The Commissioners also met in an executive session to discuss matters related to the purchase, sale or lease of real property or securities where disclosure would affect the value thereof or the public interest. Today's first order of business is a report by our Executive Director, Anthony Shorris. Oh, I'm sorry Tony.

Anthony Shorris: His arrival is very timely. Good afternoon Commissioners. Just a couple of things I wanted to highlight that are on today's agenda and a couple of things that are not. You are going to hear today a report about our minority women and small business enterprise programs, some of which we went over in committee. I just want to mention a couple things about it that you may not hear.

Our performance in the program has been something we are very proud of and that the board has taken a lot of initiative on over the years. The Port Authority continues to be recognized as a leader in this issue. Earlier this month we won the 2007 Public Sector Partner Award from the New York State Chapter of the National Association of Minority Contractors. Programs have been featured in journals such as Diversity Plus, one of the leading publications in minority business in the region, as having one of the most effective minority and women small business enterprise programs anywhere in the region and a model for the country. So you will hear some about the substance of it today, but I just wanted to offer a thanks to Lash Green and Bill Goldstein and Frank Lombardi, and the rest of the staff, for pushing this issue forward.

We will also hear a little bit about the investments that we are going to be making in PATH, the rail car and signal system replacement program that Mike DePallo will be presenting, the $389 million for Phase II of the signal system, part of our $1.2 billion PATH investment to increase capacity by over 20 percent. I just want to offer thanks to Mike DePallo and his whole team for pulling together what is the beginning of a great program of investment in the region's favored railroad system.

You'll hear, Mike Francois will talk to you about the Freedom Tower and about the brokerage agreement that we are looking for your approval of; a really important step as we continue to move forward with the execution of this program.

One thing you probably won't hear about today but I just wanted to mention is our recruitment process for a new class of police officers has recently closed, the first phase of it – the application process. We got nearly 11,000 applications, very highly skilled and we are very pleased to say a very diverse pool of candidates. The testing of those candidates will begin next month. Sam Plumeri in Public Safety, Mary Lee Hannell and the whole Human Resources

department, and in this case because we did some really interesting stuff in terms of web recruitment, Steve Sigmund and the Pubic Affairs department were all very much involved in putting that together.

There are some other smaller things that I just want to quickly note. We are continuing a lot of major investments, obviously in regional infrastructure, but we are also doing some smaller stuff that people will notice. The Port Authority Bus Terminal, 41st Street, we re-opened to traffic just recently on the west-bound road right next to the bus terminal itself from 8th to 9th. That will help traffic flow and lessen the impact on traffic that the bus terminal has on the neighborhood. It has been closed obviously for a number of years. With the Holland Tunnel we are going to be working with the newly formed Hudson Square Business Improvement District along with New York City DOT and others to see what we can do to improve traffic flow around the Holland Tunnel in the afternoons and all of this is by way of thanks to Vicky Kelley and the TB&T staff for their smaller efforts as well as the bigger efforts to try and keep traffic moving in the region. So with that I will turn it back to our Chair.

Anthony R. Coscia: Thank you, Tony. I will now ask Lash Green who is the Director of Business and Job Opportunity to review the results of the Port Authority Minority Women-owned and Small Business Enterprise Program for the period of January 2006 through July of 2007.

Lash Green: Good afternoon Commissioners. Today I will report on the Port Authority's performance in meeting last year's minority women and small business enterprise objectives in construction for treatment of good and services and other business activities. I will also update you on our performance through the second quarter of 2007 and discuss new initiatives to increase the participation M/W/SBEs on PA Capital Programs including World Trade Center redevelopment projects.

I would also like to mention that included on today's consent calendar is an item that will renew our participation in funding of the Regional Alliance for Small Contractors. The Regional Alliance has been an integral component of our business development programs and has been an effective way to pool public and private resources to provide training programs and technical assistance to M/W/SBE firms in the region. This year we plan to reinvigorate the alliance to further improve upon its programs through the development of systems to track effectiveness, development of a business plan and to broaden its base of public/private partners to finance programs in its operations.

With the Board's support in 2006 the Port Authority including the efforts of our tenants achieved a level of participation that totaled $256 million in prime and subcontractor awards to minority and women-owned and small business enterprises, a net increase of $47 million from 2005. A strong performance by the Aviation Tenant Program contributed significantly to this increase. The regional impact of the $256 million in contract awards resulted in the creation of 2,370 jobs, $117 million in wages, and $428 million in regional economic activity.

In 2007 we see significant improvement in direct awards to M/W/SBEs in all procurement categories. In fact the implementation of one of our new initiatives, work order contracts, has

increased the number of contracts in the M/WBE construction set-aside program and could significantly increase the dollars for M/WBE firms.

In our goods and services category we expect to award several multi-year janitorial maintenance contracts under our SBE set-aside initiative.

Finally, contributing to this achievement is M/W/SBE's winning contracts in the public arena which demonstrates the effectiveness of the PA capacity building programs. Our results through the second quarter are $19 million in prime contract awards to M/W/SBEs as compared to $8 million in 2006 which was 142 percent increase. $20 million in goods and services awards to M/W/SBEs compared to $8 million in 2006, and that was 141 percent increase. $25 million in architect and engineering awards to M/W/SBEs compared to $23 million in 2006 which was an increase of 9 percent.

Construction subcontracting has presented M/WBEs with numerous opportunities in recent years on projects such as the Jamaica Air Train Station, American Airlines terminals 8 and 9, JetBlue Airways terminal 5 at JFK International Airport. These projects are now substantially complete. We expect these numbers to increase in connection with the construction of downtown projects, the World Trade Center transportation hub, Freedom Tower Memorial and the Terminal B modernization program at Newark International Airport. In addition I expect our initiative to heighten and expand monitoring of subcontracting to 20, 50 and 90 percent of project completion to have a positive impact going forward. Our results through the second quarter are $15 million in construction subcontracts awarded to M/WBEs and $37 million in Aviation Tenant Awards to M/WBEs.

I mentioned earlier the first two initiatives. Moving forward to ensure that M/WBEs can access opportunities generated by World Trade redevelopment projects and to perform successfully on these jobs we are working to establish a resource center in Lower Manhattan that would provide free on-site support for services to M/WBEs. With the assistance of the Regional Alliance we are also launching a partnership with Pace University to provide a construction management certificate program for these firms. We will continue working with our internal and external partners to sponsor a series of timely informational seminars and outreach events to keep minority and women-owned businesses informed about opportunities downtown.

Finally we have set up monthly M/WBE progress meetings with the liaisons and the project managers from the WTC Hub, the Freedom Tower and the Memorial Museum projects to monitor progress and discuss issues related to M/WBE participation. With these program enhancements and your continued support we are confident that we can continue to serve our constituents in our region at a level of excellence which they have come to expect. Thank you.

Anthony R. Coscia: Thank you Lash. I think this board is supportive of using the leadership that this agency can provide for things like environmental sustainability and wage and healthcare policy. And certainly advocating diversity in the workplace and procurement in other ways is an important role that we can serve as a region in terms of what we do and how we conduct our business. And I appreciate your efforts and certainly encourage them to continue.

Our next presentation will be by Mike Francois, the Director of Development to discuss our action in connection with the marketing and lease up of office space at 1 World Trade Center, also known as the Freedom Tower.

Mike Francois: Good afternoon Commissioners. Today I am recommending that you authorize an agreement for real estate brokerage services to assist staff in the marketing and leasing of office space in 1 World Trade Center, the Freedom Tower. Brokerage Services include analyzing and assessing the competitive real estate market, securing tenants for the available office space, recommending leasing parameters and transaction structures and developing a leasing plan as well as implementing a marketing campaign in conjunction with the Port Authority. Under the terms of the agreement the broker would provide exclusive real estate brokerage and related services for a three-year period commencing on or about January 1st, 2008. The Port Authority would also have the right to extend the agreement for two consecutive one-year terms. The Port Authority began leasing activities for the Freedom Tower soon after the agency assumed control of 1 World Trade Center net lease in late 2006. Lease negotiations with the New York State Office of General Services for approximately 412,000 rentable square feet on floors 36 through 46 were completed earlier this year. Consistent with the board's previous approval of 3 memoranda of agreement, staff is negotiating with the US General Services Administration to finalize a lease for approximately 653,000 rentable square feet on floors 20 through 35.

Finally, we are negotiating lease terms with the Metropolitan Television Alliance and its member stations for the occupancy of the entire 89th and 90th floors, as well as the right to broadcast from the buildings rooftop antenna. Although we are in serious negotiations with tenants interested in occupying approximately 40% of the buildings 2.6 million gross square feet, there still remains approximately 1.5 million gross square feet of uncommitted space available for lease.

In June, we issued a publicly advertised RFP seeking proposals for real estate brokerage services to market and lease the available office space in the Freedom Tower. The selection process considered the experience of the firm in successfully leasing similar sized buildings, the qualifications of staff assigned to the project, the firm's technical approach to a marketing plan and the firm's management approach to ensuring the quality of work being produced. We also evaluated the cost of brokerage services on a best-by basis.

In July the Port Authority received written proposals from Colliers ABR, Cushman & Wakefield, GMAC Real Estate, Jones Lang LaSalle and Newmark Knight Frank. Staff evaluated the respondent's written submissions as well as engaged in oral presentations. Cushman & Wakefield was determined to be the most qualified firm. Cushman & Wakefield provided a knowledgeable and experienced project team, competitive fees and prices, the commitment of senior staff to the Freedom Tower project, the most experienced leasing, the most experience in leasing buildings of this size and complexity, proven results in similar types of buildings, a very aggressive lease-up plan and key strategic resources dedicated to the day to day management of the project.

Cushman & Wakefield is the largest privately owned, fully integrated real estate service provider in the world with over 12,000 employees worldwide. The company's global presence is

extremely broad with over 200 offices in 55 nations. Cushman completed more that 16,000 lease transactions globally in 2006, totaling nearly 367 million square feet and a value at more than $32 billion. Cushman & Wakefield is also exclusive agent for 50 million square feet of office space in Manhattan. 31% of the firm's Manhattan portfolio is currently handled by the Cushman & Wakefield team that will be assigned to the Freedom Tower project.

Utilizing their vision and market strategy, Cushman & Wakefield expects to have the Freedom Tower substantially leased by the buildings completion date and rental rates that exceed our pro tem assumptions. Advancing this agreement with Cushman & Wakefield will ensure that the Port Authority achieves its goal of quickly leasing the remaining uncommitted space at market rates to high credit tenants thus enabling the Port Authority to meet its financial objective for the Freedom Tower. This initiative is in addition to efforts to raise equity investment and financing for the project which are both under way at a parallel path. Therefore, Commissioners, your approval is requested at this action.

Anthony R. Coscia: Thank you Michael. Can I have a motion to approve?

Commissioner: Approved.

Anthony R. Coscia: Second?

Commissioner: Second.

Anthony R. Coscia: Alright, anyone have any questions on the item? Okay, all of those in favor?

All Commissioners: Aye.

Anthony R. Coscia: Any opposed? Thank you. Thank you, Michael. Our final presentation involves the next step in our substantial investment in regional transportation and in particular the PATH system. As we all know the agency has committed to a substantial upgrade of PATH which we are hopeful will contribute an enormous amount of capacity to the region's transportation needs and in particular today we will hear an offered resolution and proposal in connection with an upgraded signal system by Mike DePallo, the Director of PATH. Michael?

Michael DePallo: Thank you and good afternoon Commissioners. I am here today to discuss the PATH Railcar and Signal System Replacement Program and to request project authorization for the PATH signal project Phase II.

PATH Railcar and Signal System Replacement Program was developed as an integrated capital program totaling $1.3 billion which is currently included in the agency's capital plan. The program consists of the PATH Railcar Replacement Project which will replace PATH's entire railcar fleet and the PATH Signal System Replacement Project Phases I and II. Phase I was designed to include signal system technology research, demonstration and testing. Phase II of the signal system replacement project calls for the actual procurement and installation of a new PATH Signal System.

The existing PATH Signal System operates with a fixed block design which utilizes train stops known as trippers and way-side signals to control the movement of the trains throughout the PATH system. An overall concern with the design and condition of the current system is that the system is becoming obsolete and difficult to maintain. More specifically the system technology's design dates back to the origin of the system over 90 years ago. The average age of the signal system is approximately 38 years old with a design life of approximately 35 to 40 years. Parts are becoming obsolete and therefore more difficult to procure and maintain. The associated control center technology is outdated and the system has limited potential to increase system capacity for projected future needs.

The goal of the Signal System Replacement project is to replace the current, antiquated fixed block signal system with a state of the art automatic train control system using the latest communication-based train control technology. The ATC system will allow us to ensure long-term system viability, increase overall system capacity by up to 20 percent. It will enhance system safety by providing continuous over speed protection which can prevent trains from exceeding speed limits. We will also be able to improve customer service with the capability to provide real time train location information to our customers. Automatic train control can improve passenger comfort by smoothly controlling train operation between stations. The ability to increase system capacity provided by the communications-based train control technology can have a positive environmental impact to the region by permitting additional passengers to use the PATH system in lieu of their automobile, thereby reducing gasoline consumption and CO2 emissions.

Here is an example of how automatic train control using communication-based train control technology would work from a conceptual perspective. In essence, communication-based train control uses a computer controlled data radio network to communicate to track side and wait in car borne processors which can optimally control the movement of trains throughout the system.

Within the scope of the signal project phase I, 3 signal suppliers were contracted to demonstrate their own automatic train control technology on the PATH system. The signal suppliers completed all aspects of phase I work in December of 2006. Based on the results of their research and development they now have a more thorough understanding of PATH's operational and system performance requirements. Through their research PATH was also able to gain a better understanding of how automatic train control can be used throughout the PATH system. Since the conclusion of the demonstration program the technical specifications for phase II have been updated to include the results and the findings and reports of phase I.

The scope of work for the PATH signal project phase II includes the replacement of signaling equipment on 43 miles of track, 13 interlockings and 13 stations. It provides for a communication-based train control equipment to be installed on 220 PA-5 A Cars. A Cars are the vehicles which have signaling cab equipment and it includes all associated train control equipment. The scope of work includes installation of all communications equipment for PATH's primary and secondary control centers, equipment rooms, new data communication system and a new signal power system. The contract provides for all hardware and software

documentation, training and safety certification. The successful contractor will also be responsible to decommission and remove the existing signal system.

The signal project phase II calls for board authorization today and the release of the phase II RFP by the end of the year. We expect to receive proposals in the first quarter of 2008 and with board contract authorization we hope to issue a notice to proceed in the third quarter of 2008. Design, manufacture, installation, decommissioning and removal of the existing equipment is expected to be completed by the third quarter of 2014. Thank you for your time and consideration.

Anthony R. Coscia: Thank you Michael. Can I have a motion to approval?

Commissioner: Second.

Anthony R. Coscia: Alright. Any questions or comments? Alight, all of those in favor?

Commissioners: Aye.

Anthony R. Coscia: Any opposed? Thank you very much. (AUDIO DROP-OUT) Excuse me. Charles Gargano served on this board from his appointment in April of 1995 by former Governor Pataki. Most of the time he spent on this board was as the Vice Chair. And I had the pleasure and honor personally of serving with him for a portion of that tenure, toward the end of it, and am proud of what we accomplished during that time. And Charlie's work and effort on so many worthwhile projects during the 12-year span that he spent at this Authority can be seen in some of the successes that we have today, not the least of which is the progress downtown, the work we have done on expanding our airports, the very PATH system that we just heard Michael talk about. He was certainly part of that process as it began to develop and evolve.

I think we here at the Port Authority in this region were fortunate to have his leadership, to have his hard work and dedication and conscientious effort toward improving the quality of people's lives in this region. And I would like to offer a resolution of tribute in memorializing his service to this agency and ask that someone second my resolution.

Commissioners: Second. Second.

Anthony R. Coscia: Alright, all those in favor?

Commissioners: Aye.

Anthony R. Coscia: I ask that Charlie, if you would come forward please.

(APPLAUSE)
[AUDIO DROP-OUT DURING APPROVAL OF CONSENT CALENDAR]
Anthony R. Coscia: Sorry, I'm pretty loud even without that so I don't worry about it too much. Any questions or comments? All those in favor?

Commissioners: Aye.

Anthony R. Coscia: Okay, can I have a motion to adjourn?

Commissioners: Second.

Anthony R. Coscia: Second. Thank you very much everyone.

The Port Authority of New York and New Jersey
Board Meeting Transcripts – December 18, 2007

Chairman Anthony Coscia: Apologize for the delay, it's obviously a very busy place and as I say, I apologize for holding you so long. Let me begin the meeting officially. The Board Meeting of The Port Authority of New York and New Jersey is now called to order. Prior to today's meeting, the Audit Committee met in Executive session and the World Trade Center Redevelopment Subcommittee, and the Committee on Operations met in both executive and public session, and the Security Committee, Committee on Finance and the Committee on Capital Programs/Agency Planning met in public session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session to discuss and act upon matters related to the purchase, sale, lease of real property or securities where disclosure would affect the value thereof or the public interest.

Today's first order of business is a report from our Executive Director, Mr. Anthony Shorris.

Anthony E. Shorris: Good afternoon members [techincal difficulty] --

Chairman Coscia: --the Port Authority Bus Terminal Air Rights and will be presented by the Director of Development, Michael Francois. Michael.

Michael Francois: Good afternoon Commissioners. Today I am recommending several actions in connection with the development of Air Rights over the Port Authority Bus Terminal. The improvement of the terminal's north [techincal difficulty] -- area is near long term transportation demands. The actions I am recommending today will leverage one of our most valuable and well known assets to create a state of the art transportation facility with revenues generated by this project.

By way of background, the Port Authority Bus Terminal opened in 1950 and was operating at full capacity by 1966. The North Wing was completed in 1981 and added approximately 30% more bus capacity. The Bus Terminal is comprised of 1.4 million gross square feet of space, and today approximately 2.2 million buses and 60 million passengers pass through the world's busiest terminal annually. As a result of a competitive request for proposals process, the Port Authority designated 20X Square to develop the air space above the North Wing of the Port Authority Bus Terminal. 20X Square is a joint venture of Vornardo Realty Trust and Lawrence Ruben Company. Both firms have extensive experience in developing and operating office and retail space.

Six months ago, the Board approved an exclusivity agreement as part of the Port Authority Bus Terminal improvement initiative. This agreement provided 20X Square with a 180 day exclusivity period to negotiate a term sheet, the air right developments over the North Wing and retail development within it. I am pleased to report that we have agreed with the developer upon a terms sheet [techincal difficulty] -- Board authorize the Executive Director to 1) Enter into leases and related agreements with the developer, to

develop, lease and operate an office tower above the North Wing of the Bus Terminal, and to redevelopment the retail complex within the North Wing consistent with this term sheet. We are also asking you to enter into an agreement with the developer to effectuate Port Authority approved plans for the improvement to the public and bus operations areas of the Bus Terminal in connection with this project and that would be consistent with the term sheet and funded by revenues from this lease transaction.

Lastly, requesting that you enter in [techincal difficulty] -- and the overall environment for customers. These improvements include 18 additional bus gates, security hardening, new interior concourse areas, new lighting, new restrooms, new interior signage, and new systems including mechanical, electrical, plumbing, fire protection, and information technology systems. Funding for all bus terminal improvements will be derived from revenues generated by the North Wing Air Rights project.

20X Square and The Port Authority will enter into a 99 year lease for 1.3 million zoning square feet of space to be built in the new tower above the existing Port Authority Bus Terminal. 20X Square will also act as developer of the tower, the retail space, Port Authority Public Space and bus operation improvements within the North Wing. We estimate the aggregate value of this transaction to be $511 million, or $390.00 per zoning square foot. Project completion is estimated in four years from the lease effective date. Commissioners, advancing the signing at this time will enable the Port Authority to renovate the Port Authority Bus Terminal while fostering a public/private partnership that achieves the agency's transportation mission and positively supports the revitalization of the Hudson Yard's district and Mid-Town Manhattan. Therefore, I recommend your approval.

Chairman Coscia: Thank you Michael. Can I have a motion to approve?

Commissioner Mack: I'll motion.

Commissioner: Second.

Chairman Coscia: Alright. Any questions or comments for Michael?

Bruce A. Blakeman: My only comment would be that, Mr. Chairman, I for one want to congratulate the staff for the work they've done on this. I think that this is a very, very important project. For many, many years the Bus Terminal has been a dark spot in the assets that are owned and controlled by the Port Authority and it's a very important facility. It's important to the traveling public. It's important to the regional economy, and it's important to the local community. And this Bus Terminal has been the punch line of jokes on the Larry David show and elsewhere and I think that what we're doing today is really going to be a significant improvement and it's going to make it a state of the art transportation center and I think it's very important. I'm very happy that we're doing it. I think it's about time.

Chairman Anthony Coscia: Alright thank you. Thank you. Any other comments? Okay. There's a motion on the table. All those in favor?

Commissioners: Aye.

Chairman Anthony Coscia: Any opposed? Okay, thank you. Michael, you're going to stay up there and you'll also be doing a presentation on two proposed actions concerning development at the World Trade Center site.

Michael Francois: Yes. Today I am also requesting authorization [techincal difficulty].

Chairman Anthony Coscia: Alright. Any questions for Michael on this item? Okay, all those in favor?

Commissioners: Aye.

Chairman Anthony Coscia: Any opposed? Okay, thank you very much. Okay. Paul Blanco, our Chief Financial Officer will now present the Port Authority 2008 Budget and Update 10 Year Capital Plan that was posted on the agency's website for public comment on November 13th and is up for approval. Thank you, Paul?

Paul Blanco: Thank you Mr. Chairman. Good afternoon Commissioners. [technical difficulty] it holds our operating expenses to less than a 1% increase and the 2008 Budget includes a 7% reduction of managerial and professional staff, which was then used to accommodate resources in other priority areas. Some of the new projects included in the 2008 budget reflect a full year of operations for Stewart International Airport, additional funding for enhanced security in our PATH system, and continued enhancements to our customer service programs. The 2008 Budget also reflects our commitment to sustainability and facility design and operations.

As you can see from this slide, our revenues are projected to be $120 million higher than our 2007 Budget. This increase is mainly a result of higher aviation terminal rentals, and in one full year of operating Stewart International Airport. As mentioned earlier, our continued focus on efficiency has allowed us to keep operating expense growth to less than 1% even after absorbing the additional expenses in connection with the Stewart International Airport.

The 2008 expenditure budget is $5.9 billion,-- which includes $814 million for debt service, and almost $2.6 billion for Gross Capital Expenditures. The 2008 budget is $207 million higher mostly due to increased capital expenditures. The 2008 capital budget year will be the second year of the now updated $29.5 billion Capital Plan. Implementation of the updated Capital Plan is dependent upon adjustments to the toll and fare schedules, that are currently the subject of open public comment which was authorized on November 15th. These public hearings are presently underway. As we have previously advised you absent such a toll and fare increase, the updated capital plan would need to

be substantially reduced. Commissioners, I hereby request your approval of the 2008 Budget and 10 year Capital Plan.

Chairman Coscia: Thank you, Paul. Is there a motion to approve?

Commissioner: So moved.

Chairman Coscia: Okay, second?

Commissioner: Second.

Chairman Coscia: Thank you. Paul, I would like to again thank you and your staff, so many people I know were a part of this process. We have expanded the time frame in which we do this and the public process with which we do it, and so it somewhat seems anti-climatic at this point, but in fact, we know how many months of work went into creating a process that could have this level of participation.

Paul Blanco: It was a lot of work from Ernesto Butcher, our Deputy Executive Director, Operations, Mr. Goldstein our Deputy Executive Director, Capital Programs and the financial folks. Thank you very much.

Chairman Coscia: Thank you. Can I have a motion to approve? Is there a second - I already asked for this - I'm sorry. All those in favor?

Commissioners: Aye.

Chairman Coscia: Any opposed? Okay. Thank you. Before we go to the consent calendar, we'll address public matters. Members of the public who wish to address the Board on particular matters, will now be provided an opportunity to do so. And I guess, we don't have anyone who is signed up to speak about anything on our agenda, so I'm going to go directly to non-agenda items.

On topic of feral cats, we have I guess four individuals who have asked to speak. And first, is a Gail Buchwald.

Gail Buchwald: Good afternoon, commissioners. With all due respect, the ASPCA is deeply disappointed to learn of the Port Authority of New York and New Jersey's decision to hire a trapper to evict the feral cat communities located around the JFK Airport. The ASPCA supports the management of feral cat colonies through trap neuter return, whereby all the cats in a colony are trapped, sterilized and returned to their colony, ideally to be managed by a caretaker, who will monitor them for health and vigilance that any newcomers are immediately sterilized. This stabilizes the population of the colony and over time, reduces it effectively. Otherwise, as long as there is food and shelter, and rodents to constitute food, the cats will take the place of those who are removed. Historically, most attempts to eradicate feral cat colonies around the country have failed. Largely because alternatives are unsuccessful. The ASPCA believes trap

neuter return is the most humane and effective way of controlling feral cat colonies and at the same time, eliminating the objectionable spraying, vocalizing, and fighting behaviors of the colony that you may find an issue.

Earlier this year, the ASPCA was contacted by representatives of the Port Authority for advice on how to humanely decrease the size of their stray cat population. In turn, we offered to the Port Authority the use of our mobile spay/neuter clinic, which has already helped spay and neuter over 14,000 companion animals, including feral cats this year. We offered it to accommodate the many cat colonies at the airport free of charge. The Port Authority did not take us up on that offer.

As a founding member of the Mayors Alliance for New York City's animals, the ASPCA again requests respectfully that the Port Authority of New York and New Jersey do what's right by our City and what's right by our homeless pets and consider a humane and effective solution to this problem.

Chairman Coscia: Thank you. Ms. Valerie Sicignano.

Valerie Sicignano: Good afternoon. I work with In Defense of Animals and the New York City Feral Cat initiative. We're a joint program of the Mayor's Alliance for New York City's Animals and Neighborhood Cats. You've probably seen since I spoke at last month's meeting articles in USA Today, and a Pro Trap/Neuter return article in Newsday.

I'm here once again to remind you of the three points that we're asking for. We're asking for a permanent ban on trapping cats at JFK Airport to allow the New York City Feral Cat Initiative to come in and do a one year pilot trap/neuter return program. Let us try it for a year. If it doesn't work, than that's another story. And also to lift the ban on feeding cats at the airport.

Trap and remove of cats has never been successful anywhere except on an island. You will never find all the cats, exterminators are not trained in feral cats. We're the feral cats experts literally in the world. And what will happen is, if you continue to trap and remove the cats, you're not going to get them all and cats are very quick breeders and very soon you'll still have hundreds of cats. It will be an ongoing problem. You'll never have the funds to address it. It's unsuccessful. We have something that's proven successful.

As I mentioned last month, the Humane Society of the United States, the ASPCA, which endorsed this method because trap and remove, trap and euthanize has proven unsuccessful over three decades. So, we know now that this is the way to go. We know cats - we fly as well - we know cats should not be at the airport. It was also brought up that the cats - the cat food could attract birds and that would pose an aviation threat. Again, these are things we're of course going to address anything like that.

Right now, the caretakers at the airport, all except one colony - one colony some of the cats are neutered, most of the cats at the airport, and we estimate hundreds, many, many, cats are not neutered. These people are not trained by us - we teach monthly trainings,

and they're feeding sloppily. What we want to do is look at - train anyone who is going to be handling the cats so that they're are not leaving food out that attracts wildlife, creating unsanitary conditions, creating any kind of aviation threat, and also even talk about other options - you know, maybe the cats need to be fenced in with some kind of cat fencing, and we could remove them to another part of the airport. We are willing to explore any solution and we're also willing to come in and take out any adoptable cats.

So far, in the past eight weeks, 90 cats have come in to me. I'm not an animal shelter. I have tens of thousands of dollars of bills, and no way to pay them now. So, I can't take in any more cats after this. So I hope you'll consider letting us do a pilot T/R program. Thank you.

Chairman Coscia: Thank you.

Commissioner Blakeman: Mr. Chairman, I don't know that I've ever seen anything in the form of a memorandum on why we can't do trap and return program or what we're considering at the present time. Maybe the Commissioners could get something for the Port Authority that outlines what their position is with respect to it. Because, what you're saying sounds reasonable.

Valerie Sicignano: Okay. We'd be happy to get it for you. We don't have it today for you unfortunately, but we did pass it out last week for you. But, we definitely - I would be happy to get it to you. Okay. Thank you.

Chairman Coscia: Mr. Patrick Kwan.

Patrick Kwan: Thank you, commissioners. My name is Patrick Kwan and I am speaking on behalf of the Humane Society of the United States, with over 10 million members, or over 1 in every 30 Americans. The Humane Society of the United States is the largest animal protection organization in the world. It is unfortunate that the Port Authority has hired trappers to take cats whose ancestors have lived for decades at JFK Airport. The Port Authority will waste money and damage it reputation if they reinstate this trap and euthanize strategy. The trappers will set up traps without knowledge of the numbers of cats they need to trap. They will remove many cats, but others will evade the traps. The cats will continue to reproduce and an endless cycle will continue. In addition, many new cats may arrive, and because there is no dedicated caretakers monitoring the situation daily, these cats will actively or readily increase in population. With trap, neuter and return programs an immediate reduction in the number of homeless cats is accomplished because kittens who can be socialized and tamed are removed for adoption. With trap/neuter/return and continued monitoring, cats no longer reproduce, nuisance behaviors and complaints are reduced and eliminated, and costs are decreased. On behalf of The Humane Society of the United States, we are imploring you to work on a humane and effective solution towards this problem. Additionally, The Humane Society of the United States is also imploring you to care about the airport workers who are working at the airport. Many of whom have worked there for decades, who now have their jobs threatened because of caring for these cats issue. A memorandum was issued by Ms.

Susan Baer, General Manager of the airport, threatening the jobs of these workers, many of whom have worked there for decades and many of these workers are facing the holiday season losing their jobs, their pension, their benefits because of not willing to turn a blind eye to the suffering of the animals at the JFK Airport. Thank you.

Chairman Coscia: Thank you, Mr. Kwan. Ann Marie Karash.

Ann Marie Karash: Hi. My name is Ann Marie Karash, I'm Associate Director at the Humane Society of New York and I thank you for the opportunity to speak. The Humane Society of New York would like to encourage the Port Authority of New York and New Jersey to initiate a one year pilot trap/neuter/return program at JFK Airport on a trial basis. The Humane Society of New York has over 30 years of experience with trap/neuter/return programs and we have found them to be a highly successful and a truly humane method of feline population management. If the Port Authority is willing to implement a trap/neuter/return program the Humane Society of New York will happily lend support by offering free spay/neuter services. We must also request that the Port Authority of New York and New Jersey repeal its policy banning employees from feeding feral cats. We believe the most effective solution is to train and organize employees to support a trap/neuter/return program through proper feeding techniques. When parties are willing to negotiate and work together to protect animal welfare, everybody wins.

Cats are a cherished part of many American homes and a heart felt attempt to improve their living situation will not go unappreciated. There is no reason to continue a policy that many find cruel and inhumane, when there is another option that has been proven extremely effective in various implementations over many years. We are confident that trap/neuter/return is an ideal policy for dealing with JFK Airport's feral cat population and we hope the Port Authority of New York and New Jersey will allow us to work with them to put this program into practice. Thank you.

Chairman Coscia: I appreciate all the speakers who have come on this issue, as last week, and I'll tell you that we have learned a lot from your presentations and our expectation is that we will spend time with staff trying to understand the issue more fully. And our Vice Chairman, Mr. Silverman, who chairs our Operations Committee, he and I will put this on the agenda to discuss it further and try to understand if there is issues that we can hopefully add to this that help bring some resolution. But again, I appreciate your taking the time in coming here and it was very helpful. Thank you.

There are two other speakers here, I think I've covered all those who wanted to speak on this issue. There are two other speakers here, or three excuse me, on the topic of community relations the Bus Terminal. The first is a Kathleen Treat, Kathleen, thank you.

Kathleen Treat: I'm Kathleen Treat. I'm Chair of the Hell's Kitchen Neighborhood Association and it's nice to see you again. Our association represents New Yorkers living between 34th Street and 42nd Street, west of 8th Avenue and our neighborhood is

dominated by the Port Authority, not necessarily in positive ways. 9th Avenue is our Park Avenue South. Our Main Street, where we walk; we do our shopping; we do our errands; and we visit friends and neighbors. I'd like to invite you all, anytime you like, to come walk down 9th Avenue with me anytime, day or evening, it would be my pleasure. Here on 9th Avenue traffic barrels down from the north, from Uptown. From the west, and now we have two arteries for traffic coming east. This is at 42nd Street. There is one corner that is absolute chaos. The west side of 9th Avenue and 41st Street is desperately, desperately, in need of traffic officers. We need 4 hours a day from 3 to 7 - that is our rush hour every day. Saturday and Sunday we have Broadway Matinees and we endure trucks and buses 24/7 headed for the Lincoln Tunnel. We need you to dedicate an officer to this corner. It's our DMZ zone. It's drivers playing chicken with pedestrians and guess who wins. This is a small request. We ask you help. Thank you.

Chairman Coscia: Thank you. Our next speaker is Christine Berthet.

Martin Treat: I'm after Christine, but today - I'm Martin Treat, I thought I'd follow my wife as usual.

Chairman Coscia: Very good. We'll certainly yield to that, although there's someone else's name on the sheet, but if Christine has no objection, then we're fine.

Martin Treat: I'm Martin Treat. I'm also a member of the Hell's Kitchen Neighbors Association, I'm on its Board. I'm also a member of the Community Board for its Transportation Committee and other duties. And, my wife is very gentle. I'm going to be a little bit harsher about my communities' being assaulted by the Port Authority's Lincoln Tunnel and their Bus station. The Hell's Kitchen Neighborhood Association is a Clinton Hell's Kitchen Community Organization of over 1,000 individuals and neighborhood groups, who have been living in the intolerable traffic conditions imposed by the Port Authority's Lincoln Tunnel exits on 9th Avenue. More than half a dozen are coming off of 9th Avenue to this date. Decisions by the Authority in 2003 to emphasize Ramp C on 9th Avenue between 36 and 37th Street - doing that and then shift all truck exits to the Lincoln Tunnel instead of the Holland Tunnel, and ignore the consequences to our community surrounding the Port Authority Bus Terminal.

Lincoln Tunnel egress and entrance points have destroyed the quality of life of the Clinton Hell's Kitchen Community, in other words. Our request for reasonable mitigation such as more enforcement in partnership with local police, more traffic controllers, and safer pedestrian crossings, have all been met with refusal to act, except on infrequent occasions.

Many HKNA members are on the community board and traffic congestion and gridlock and air quality and pedestrian safety have gone unheeded even from the Board floor. If our experience is an example of reasonable community relations, as you claim, between the Authority and the neighborhood in which it operates, then it must serve this example, and Clinton Hell's Kitchen is a very bad one. It's a product of history that must change now. Here we have presentations of new development towers - things are going to change

around the Port Authority we expect, and we hope. There have been too many fatalities however on 9th Avenue, even this year. Four victims, and a person still in a coma. Gridlock at every rush hour and on weekend afternoons and evenings. Port Authority buses, charter buses, private vehicles and trucks all competing for the same limited space.

Our community district suffers the 3rd highest rate of respiratory illness reported in Manhattan. HKNA supports pedestrian safety concerns and a renaissance of our community main streets in the both short and long term. 9th Avenue is not a good place to have a highway to the Lincoln Tunnel. It's a great place to raise a family, my own included, all the way for three generations.

Tunnel truck routes must include the Holland Tunnel. The better enforcement and engineering provides better enforcement against gridlock. We applaud your sustainability practices, especially the diesel buses that have been announced today, and we encourage a bus garage that includes the charter and jitney buses. We expect, and should receive, especially this time of great development, better communication and participation in Port Authority designs on our community and hope for a change in the near future. Collegiality and collaboration must replace the current attitude of the Port Authority in my neighborhood. Thank you. Martin Treat, questions?

Chairman Coscia: Thank you. Christine?

Christine Berthet: To the Chair and members of the Board, thank you for having us and listening to us. I am sure you will recognize the following statement: "The Port Authority facilities and activities have an impact on communities, both large and small, throughout the New York, New Jersey region. The agency takes seriously its responsibility to be a good neighbor and a good corporate citizen." This statement comes from your 2006 Annual Report, which goes on to list various projects, [inaudible] airport, Jersey City, New York, Newark, Mayor's office, and Jersey Pubic School. We also know of major investments which are underway in George Washington Bridge, and at the World Trade Center.

Hell's Kitchen, a community which is harboring two major Port Authority installation as we have heard today - one of them which is your major - the Port Bus Terminal, is absent from this enumeration. And no wonder. The Bus Terminal and Lincoln Tunnel operation have treated for the longest time, 9th Avenue as both a gutter and a highway. The buses idle for 30 minutes as they taxi to the gates, using 10th Avenue as if it were the tar mac. Queues of cars are longer on our pedestrian streets than they are on the highway in New Jersey, and any suggestion to relieve that problem has been ignored.

The Port Authority police parks illegally in our streets, when there is a 1,000 parking garage on the roof and vagrants have established domicile on the Port Authority sidewalks, right across the Port Police, attacking residents and passers by, including me, and causing the neighborhood and businesses to lose their customers, and I have plenty of pictures of those things. Side walks are damaged two years ago, and there is still no fix.

When the community asked for pedestrian lighting to increase safety, it appears that no lighting is included in the budget.

When we asked for sidewalks to be expanded for pedestrian safety, we are told, no, no, and no, with that much explanation. Even when the Chair of [CB4s] transportation committee requests a meeting to discuss constructive solutions, the Chair does not receive a return phone call. [CHKCPEDS], the Clinton Hell's Kitchen Coalition for Pedestrian Safety has initiated the 9th Avenue Renaissance Project to reclaim 9th Avenue from this decay and we have the documentation - if you could pass that around right now, that would be really helpful, as I'm speaking, because otherwise it doesn't work. Okay, thank you very much.

The Project intends to expand the pedestrian - I will be short - the project intends to expand the pedestrian space, provide pedestrian amenities, such as lighting, trees, and plazas. As a corollary, it will necessitate the relocation of car queues to less residential streets. DOT initiated a supporting study with Port Authority engineers. This provides a great opportunity for our largest neighbor, the Port Authority, to turn a poor situation in a win-win.

To consider 9th Avenue as an entrance worth of investment to consider businesses and residents on 9th Avenue as respectable and worthy neighbors, and to understand most, above all, that the bus terminal is neither a bridge nor an airport. Its customers are in large measure pedestrians, and they use the neighboring streets to access the facilities. So, all these wonderful investments you are talking about inside the Port, meanwhile, we still have to go through a war zone to get to the Port. As The Port Authority 2008 Capital Budget includes major improvement for the Bus Terminal, we are begging for your help in establishing a true community minded program to support the 9th Avenue Renaissance project in partnership with the community. Hell's Kitchen could be in your 2008 Annual Report and all of us would be grateful for it. We look forward to hearing from you.

Chairman Coscia: Thank you, Christine.

Christine Berthet: Thank you, gentlemen.

Chairman Coscia: Last item, is the consent calendar. Can I have a motion to approve?

Commissioners: So moved.

Chairman Coscia: Second?

Commissioners: Second.

Chairman Coscia: Any questions? All those in favor?

Commissioners: Aye.

Chairman Coscia: Any opposed? Okay. Could I have a motion to adjourn?

Commissioners: So moved.

Chairman Coscia: Okay. Thank you. Good afternoon everyone.

Port Authority of New York and New Jersey
Board Meeting Transcripts
November 15, 2007

Chairman Coscia: Good afternoon, everyone, and welcome. I'd like to get the meeting started. The Board meeting of The Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the World Trade Center Redevelopment Subcommittee and the Committee on Finance met in public session, and the Committee on Security met in executive session. Their reports will be filed with the official minutes of today's Board meeting.

The Commissioners also met in the executive session to discuss matters related to the purchase, sale, lease of real property or securities where disclosure would affect the value thereof or the public interest, and to act upon matters related to the proposed, pending, or current litigation or judicial or administrative proceedings.

Today's first order of business is a report from our Executive Director, Anthony Shorris. Tony.

Anthony Shorris: Good afternoon, members of the Board. I just want to mention a couple of quick things, by way of updating you on what happened over the last month or so. On November 1st, Chairman Coscia and Governor Spitzer and I and a number of -- and I think Commissioner Sartor was there, too, at the Stewart takeover. We held the ceremony marking the Port Authority's takeover of Stewart International Airport.

This was an enormous effort, as you know, accomplished in less than a year. We also launched a partnership with a school called RPI to create the first carbon-negative airport in the world as our objective for Stewart. I just want to offer some special thanks to the people involved in making that happen, Bill DeCota, Dave Kagan, Patty Clark, Ralph Tragale, and Carlene McIntyre, and all the others who really worked yeoman hours in trying to pull that off, our first major facility in almost 40 years.

On November 8th, we launched the first real-time electronic alert system for our tunnel and bridge customers, where motorists can now register on the PA's website and get emails or text message alerts on your regular traffic conditions. Bus riders now can even use this information about the Lincoln Tunnel express bus lane to get alerts on regular conditions there, and as part of our overall commitment to customer service and improving the information our passengers have, and our thanks go to Vicki Kelly and the staff at TB&T.

On October 28th, some of you may know we conducted an emergency response exercise at the Exchange Place PATH station in Jersey City. We had over 200 emergency personnel from around New Jersey participating in that exercise. The New Jersey city, police and fire, local EMS, the New Jersey EMS task force, and lots of emergency management officials in both states tested both the Port Authority and New Jersey's response systems in the event of an accident in a busy transportation hub, and our thanks go to Sam Plumeri, John Packowski, and the entire public safety team for organizing that important effort.

And finally, just one quick note. The National Purchasing Institute awarded its 12th annual achievement of excellence in procurement award to the Port Authority's Procurement Department. We are now a four-time winner of that national award that recognizes organizational excellence in public procurement, and our thanks and congratulations go to Andrea Roitman and the entire Procurement staff.

Thank you, Chairman.

Chairman Coscia: Thank you, Tony. Well, I'll now turn it back to the executive director for our principal piece of business today, which is the presentation of the proposed 2008 budget and capital plan. Tony.

Anthony Shorris: Okay, thank you. Let me talk to you a little bit about our 2008 budget, and the updates and changes we're proposing to make in the 2007-2016 Capital Plan.

Let me talk briefly about 2007, and some efforts we've made to clarify some of our goals and focus, generate some savings, and produce some earlier results. A lot of our focus in 2007 was built on clarifying the goals of the Authority as a regional matter. To improve and clarify our focus on safety, by which we mean issues related to manmade as well as natural disasters, crime, accidents; our focus on creating economic opportunity, by which we mean jobs. Not only jobs generally, but jobs for people who need the most in our region, and the newfound focus that the Board and the Chairman in particular has been very helpful in gauging us in, which are issues around sustainability, which is also a focus, obviously, of both Governors.

Besides that focus, we've also tried to focus our management efforts and be more aggressive in the way we deal with cost control. We've cut our managerial and professional staff by 7 percent and building on an effort that you started some years ago, the OECM effort, the organizational effectiveness effort, it saved us some $28 million this year on top of the really over half billion we've saved in the past five years, and established some clear goals for the budget ahead.

We've made some progress as a result of that clarity of focus and our focus on making resources available for our priorities. We've been able to increase security at PATH with patrols of officers, K9s, baggage checks. We've increased the amount of truck checks we're doing at our crossings to make our facilities more secure and institute a COMSTAT program in our police department.

We made some progress on the economic opportunities side, as well. We've launched, as you know, part of the effort you started some years ago, to increase capacity of the PATH railroad system through new cars, a new signaling system, we bought Stewart Airport, as I just mentioned. We completed a series of major milestones at the World Trade Center that took a project that was really conceptual as of a year ago, where there were a couple of dozen people working on the site, to a real one where steel's rising and foundations are done and hundreds of people are working there now.

And we did take some important steps on sustainability, beginning at Arthur Kill. We took 100,000 trucks off the road, reduced annual CO2 output at the George Washington Bridge and the Holland by some three million pounds, and we've started an interesting JFK geothermal program

that really reduced CO2 output by as much as a million pounds, as well, all sort of in the direction that we've been talking about.

If that was setting the stage, 2008 is about really advancing the agenda. That's what I want to mostly focus on with you this afternoon. The 2008 Budget for the Authority is just shy of $6 billion; about $5.9 billion. $2.3 billion of that is the operating budget of the Port Authority, which has risen, frankly, almost hardly at all over the last year, less than 1 percent -- well below the rate of inflation, and indicative of the kind of efforts that we were just talking about to reduce costs, even in an environment where our costs are rising all over the place.

On the capital side, similarly, we have a $2.6 billion proposal before you for 2008; some increase over 2007, but importantly, an enormous capital program over the 10 years, which we'll talk about in a minute. As has been true ever since 9/11, an enormous amount of our resources go to issues of security. We'll be spending some $650 million on security, getting towards $4 billion that we've invested since 2001 on the operating on the capital side. Just by point of reference, that's a nearly $400 million increase since 2001, an important force in driving everything we do.

Part of our effort to focus our resources has been to focus our head count. While we made some substantial reductions on head count on the administrative side, we invested some of that in some of the new things we have to do. Engineers and field staff to build the World Trade Center as it moves from concept to construction, the new ARC project, which we'll talk about in a minute; the takeover of Stewart Airport.

So we've had some head count that we've had to increase, and we've been able to offset that with the reductions and hold the head count increase in 2008 to zero as compared to 2007. We're trying to set some pretty tough and ambitious goals for ourselves for 2008, and being more specific about them to give you some sense of where the resources are going and what we expect to get for them.

When it comes to safety, let's make it safer. Let's reduce the amount of crime and accidents in our facilities by at least 5 percent. Let's maintain all of the core infrastructure in a state of good repair. When it comes to creating jobs, let's create jobs. Let's make 17,000 new construction jobs with the projects we'll be launching next year, and use those to create facilities and operations that along with our other facilities will generate at least 13,000 permanent jobs in the region -- the core of our economic opportunity mission.

And finally, on sustainability, let's put a number to it. Let's cut greenhouse gas emissions by 5 percent next year. We're doing a greenhouse gas inventory to see what we're doing to the environment. Let's make it better next year and let's track it, see if we can accomplish that.

Now the capital program, though, is of course the core of our operations and the driving force behind a lot of what we do. It's focused, as you know, on these major objectives. We need to secure our facilities, and we're adding, actually, over $1 billion to our capital program, even the one proposed last year, an additional $1 billion, for security programs to make the facilities safer in a more complicated world.

We're also, of course, investing in the real threat to our infrastructure, which is its age. There's some $4 billion being invested in our bridges and tunnels. Whether it's the rehabilitation of the Lincoln Tunnel, whether it's the cables at the George, the kinds of investments you need to make to make sure the stories of Minneapolis don't become the stories of New York.

And finally, the other biggest threat to our region is whether we can manage growth, and whether we can respond thoughtfully to the ambitions we have for the New York-New Jersey region. And that mean making investments in things like the access to the region's core project where we'll be putting some $3 billion in -- $1 billion more, actually, than we had planned last year -- to support that project, which together with investments that the state of New Jersey's been able to make will put this project in very solid shape to obtain the necessary federal funding to make this thing go next year.

And we're also investing $3 billion in expanding PATH's capacity, modernizing the stations, lengthening platforms, buying the cars that will allow PATH to expand its ability to move people through mass transit and take them off the roads, and $1 billion for a new Goethals Bridge. As you know, it's a project we've been working on for a while to deal with one of our most aged pieces of infrastructure.

And on the other hand, our brand-spanking-new airport at Stewart and $.5 billion so we can realize its capacity to increase our ability to move people through the New York-New Jersey air space.

There are a lot of other projects; Bill Goldstein will talk about them in a few minutes: capacity enhancements in the Aviation Department; the first carbon-negative airport up at Stewart, the increase in capacity of PATH -- some 20% increase that our investments will realize, along with the station modernizations.

Major projects for drivers: improving electronic tolling; the new Goethals Bridge, improvements around the Port Authority Bus Terminal; a major transit facility, in effect, as well as doubling throughput at the port where we know we have to grow that port by at least the 7 percent a year that the market's growing, and doubling our rail cargo; and finally, obviously, move the Trade Center to completion on schedule.

So how are we going to do that? Last year, the Board adopted a $26.1 billion 10-year capital program. At that time, we identified the need for a toll and fare increase at some point; not in 2007, and obviously, we haven't taken such an action in 2007, but at some point in the future. Since then, security needs have continued to rise in their demands on us, just the world we live in, and the infrastructure has continued to age and demand increased investment to protect it in the future. And so now we see the need for a $29.5 billion capital program, about $3.5 billion more than last year. So now we need to take action to fund and realize that capital program.

So we are putting forward to you today for your consideration, not for action -- but we'll talk about it in a minute, to begin a public dialogue around an increase in tolls and fares at our facilities. The proposal that we are putting forward for public consideration is an increase for the tolls on the Hudson River crossings. We want to widen the differential between peak period and off-peak on

the Hudson River crossings to a $2 differential; now it's $1. So it would be $8 for a peak-period EZ Pass and $6 for off-peak.

We want to add, reflective of our new commitment and real commitment to sustainability, an off-peak Green Pass. A pass that would be available to drivers who would show us their registration and receive a device like this -- an EZ Pass, a Green Pass -- that would allow them to pay tolls of $4. In other words, in effect meaning that if you have a low-emission vehicle -- a standard that we're using the same as the New York Thruway and Virginia and a number of authorities around the country – if you have a low-emission vehicle and you drove off-peak, no toll increase at all. It's a very powerful statement of the commitment that we have to trying to see if we can make a difference in terms of the environment around us.

The other place we obviously make a big difference is in mass transit and supporting the PATH system. Now while the single-fare ride is going to be, in our proposal, rising to $2, we are also deepening the discount so that the average fare for commuters who buy our 40-ticket commuting fare remain about $1.50. While it is an increase, it also reflects the some $3 billion we're going to be investing in the PATH system.

Why now? Why do we have to take action now? It's been seven years, or by the time we implement this it'll have been seven years without a toll increase. Despite all those increases and security costs of some $400 million, in spite all the other pressures on the Authority in terms of its financing, and we've been able to go a very long time without a toll increase in almost a decade, obviously, even before that.

If we fail to take action now, it risks the capital program. We don't need the toll increase to support our annual operating budget, but we do need it because we are a self-supporting agency, we don't get any tax revenue from either state. If we want to maintain our commitment to security, which we know we can't compromise, we know that we have to have some kind of revenue enhancement in order to support the capital program. Without an action now, the 10-year capital investment plan is what's at risk.

And what happened in the last seven years? Well, obviously, inflation went up, the cost of everything in the region has gone up 26 percent. Construction costs have gone up even more, as those of you in the building business know -- even more in recent years. And as I mentioned, our own security costs have gone up some 300 percent -- costs for police and other security in our facilities.

Now, other facilities around us have had to recognize that, and that's part of the reason why even after the increases we're talking about here, Port Authority tolls will still be substantially below those at MTA facilities, PATH fares will still be substantially below those of New Jersey Transit for the same ride, same ride period. So we know we need to do something. We want to keep our position as a competitive one as we can, but we also have to recognize what's been driving our costs.

What happens if we don't do anything? Well, look, as I mentioned, it's not as if we won't make the payroll next year. This is not about our operating budget, as is the case sometimes with other

authorities. It's not as if we won't do the security projects. Security is always our top priority, and we will do anything it takes to secure those assets.

What will begin to be at issue is if we don't take action now, the capital program will have to begin slowing down, and that will in turn begin compromising our funding for those kinds of projects that are the ones this region really needs -- the transit capacity that the ARC tunnel will provide, doubling ridership on New Jersey Transit's trains into New York City, the $2 billion and more, a total of $3 billion, for PATH overall, to increase its capacity and bring more riders into the city and support New York City's economy and provide service for New Jersey riders -- a critical element to also getting cars off those roads.

It also means projects like the Lincoln Tunnel helix or the expansion of Stewart Airport. Even our flight delay initiative at Kennedy Airport -- those are the kinds of things we have to think about and take out of our program if we didn't take action, and obviously, there's more.

What are we trying to do here? What are we trying to do with all this? Look, the goals have always been simple, and I mentioned them at the outset. We need to provide security and protect the infrastructure. We have to create jobs and make the region competitive, and we have to protect the environment by encouraging transit and reducing congestion, and that's what this plan is all about trying to do.

It's about a safer region, hardening the assets, upgrading the infrastructure for another generation, making sure we have the police we need in our facilities. It's about a stronger region economically. We believe this plan will create as many as 130,000 jobs, and support many of them through the increase in the transportation systems, and make the region more competitive, regionally, nationally, globally.

And it's about a more sustainable region. It's why we're offering more mass transit options in PATH and ARC that together could prevent as many as 120,000 tons of greenhouse gases going into the air each year. It's why we're going to provide deeper discounts for PATH users, it's why we're going to provide deeper off-peak discounts for drivers, it's why we're going to provide the new discount program for greener vehicles, it's why we're going to maintain our nighttime discount program to encourage trucks to go into the city at night.

It's why, in fact, this plan -- the effect of the higher tolls and the capital investments we are making -- meets and in fact exceeds the goals that New York City set for congestion relief. It actually takes as many cars, or more, off the road, than Mayor Bloomberg planned when he first laid out his planned NYC goals. And that's because we're doing what I think everyone realizes we need to do -- using pricing strategies on vehicular access in order to create resources to preserve its infrastructure as well as also create transit options.

Couple of last points. It doesn’t stop here. We need, and you’ve made this clear to all of us, to continue to improve the efficiency of the operations. Efforts like OECM, like the head count cuts that we've done, like other actions, are going to have to continue. We have to squeeze what we can out of the operating side of the budget to support the capital program.

We need to use transparency as a tool to do that. It is ultimately the accountability of the system, is the transparency of it to the public and the regional leadership. That's why you see before you a budget and plan that is no longer 12 pages stapled together, but a 150-page book that describes every aspect of the Port Authority's operations in a way we've never done.

And ultimately, it means stability. We need to find ways to avoid these very large, episodic increases, these wait 10 years or seven years and then have huge increases for people to deal with, and instead over time move to a system of smaller and more predictable adjustments that reflect real-life changes in regional costs. That's the long-term answer for this Authority and lots of authorities around us, as well, and that's part of where else we have to go in the future.

So what happens next? We're proposing a budget for your consideration, and we're asking for your authorization to begin the process of public hearings to take these notions out to the public, which we'll talk about in a few minutes, put up a website, to engage in public commentary with both leadership and people across the region, to see and hear what their reactions are, and then for you to take some action, probably in early 2008, on the proposal that we have before you.

What I'd like to do is offer a little more detail on both the operating side and the capital side, and let Paul Blanco, who's our Chief Financial Officer, take you through a little bit the actual operating budget of the authority for 2008.

Paul Blanco: Thank you, Mr. Shorris. Good afternoon, Commissioners. I am pleased to present the 2008 Budget for your consideration.

But first I'd like to start out reviewing some of the highlights that are in the 2008 Budget. First, revenues reflect a moderate growth, generating basically from our core businesses. In regard to our operating expenses, we have held operating expense growth to less than 1 percent, and basically as a result of our continued organizational effectiveness program, OECM, which we started several years ago.

In the 2008 Budget, OECM will result in a savings of $28 million, bringing the total cumulative savings under this program to $500 million. Savings in the 2008 Budget include a 7 percent reduction of managerial and professional staff. These positions were then reallocated to priority programs within the organization, as just mentioned by our Executive Director.

Some of the new initiatives included in the 2008 Budget reflect a full year of operating Stewart International Airport, additional funding for enhanced security in our PATH system, and continued enhancements to our customer service program. We have also reflected our commitment to sustainability in facility design and operations. As you can see from this chart, passenger growth at our airport facilities continues to grow and will reach over 111 million passengers by next year.

It should be noted that this increased activity continues to put pressure on our aviation terminals, airside, and ground transportation facilities. Further PATH passengers will exceed 73.5 million, primarily due to growth at Exchange Place, Grove Street, and the World Trade Center station, which will necessitate substantial investment in this system to accommodate this continued growth.

TB&T traffic remains fairly constant at 128 million vehicles, and the increase at our port facilities is basically driven by increased Asian trade.

If we look at the revenues and expense chart, you can see from this slide our revenues are projected to be $120 million higher than the 2007 Budget. This increase is mainly a result of higher aviation terminal rentals and the one full year operation of Stewart International Airport. The big story in terms of what it is that we've been able to do this year is to maintain our operating expenses at less than 1 percent, and this is even after we absorb the additional expenses connected with Stewart International Airport, which was not in last year's budget.

As we look ahead, holding the line on operating expenses has been the primary focus not only this year but for the last several years. As you can see from this chart, since 2001 we have reduced non-police staffing by 396 positions. That is an effort that we have begun and we have stayed the course on. In terms of staffing, during 2007 the Port Authority identified and eliminated 134 administrative and professional positions which were then applied to fill positions in other critical areas.

As illustrated in this chart, some of those critical areas included positions for the World Trade Center site, enhanced planning and financial capacity to deliver key agency programs, Stewart International Airport, the ARC project, and field operations related to security and safety. Maintaining our expenses has been particularly difficult given the increase in the agency's security spending since 9/11.

In 2000, for example, the Port Authority spent $234 million providing security to its facilities. The 2008 Budget includes $649 million for security, which is a direct result of responding to the threats after 9/11. Security expenses alone have increased since the year 2000 by $415 million, or 177 percent.

The total 2008 expenditure budget is $5.9 billion, which includes $814 million for debt service and almost $2.6 billion for gross capital expenditures. However, this year's gross capital expenditures are only a part of a much larger 10-year capital program which totals $29.5 billion. And at this time, I'd like to ask Bill Goldstein, Deputy Executive Director for Capital Programs, to talk about some of the key elements in that 10-year plan.

Bill Goldstein: Thanks, Paul. Good afternoon. Let me briefly summarize the major elements of the proposed updated 2007-2016 capital plan. Last December, the Board adopted the current 10-year capital plan. The proposed updated plan I will be discussing with you today continues to build upon key agency goals: enhancing the level of security at our facilities, reserving the Port Authority's capital infrastructure, keeping up with growing demand at our facilities by increasing their capacity, and where possible, ensuring that capital facilities contribute to sustainability.

The capital plan is comprised of projects that necessarily must satisfy a wide range of demands. We plan to make major investments, as Tony and Paul have mentioned, in new facilities or to create new capacity at existing ones. We have $3 billion budgeted to help fund the ARC project, an increase from the previous $2 billion, and $3.3 billion will be invested in the PATH improvements.

We're also committed to ensuring security and safety of the users of our facilities, thus security projects are allocated $1.8 billion in this capital plan. And while we're expanding system capacity and enhancing security, we must also maintain our facilities in a state of good repair, so we've allocated $7.2 billion of the plan to preserve our existing infrastructure.

Let me discuss a few highlights of the plan. We've developed a new set of program descriptions unique to each line department to put each project in context with the functions and responsibilities of that department. These are based on investment type, and we also continue to use our established system of looking at projects by general program categories of state of good repair, revenue-producing projects, mandatory projects, system-enhancing, and security projects.

And let me just start with an overview of the 10-year capital investment plan for the PATH system. The PATH commitment to increasing the capacity, security, and appearance of the system is reflected in the allocation of 78 percent of the $3.3 billion in their program to stations, signals, cars, and security. And at the same time, we continue to invest in maintaining the existing infrastructure.

The PATH program is the largest investment in the system's history. It includes a station improvement program to upgrade station appearance and other critical elements, like the public address systems. In addition, cars on the Newark-World Trade Center line will be modified to accommodate 10-car trains, and the 44 cars needed to take advantage of this increased capacity will also be provided.

PATH will also be investing in a new signal replacement program and the 75 cars needed to take advantage of the capacity increase made possible by this investment. In addition to the new cars noted above, 340 new cars will be purchased for overall fleet replacement. Also, a new PATH security and control center is planned.

Let me turn to tunnels, bridges, and terminals. Okay. Almost 75 percent of the TB&T funding is dedicated to basic infrastructure improvements and to investment in all of our bridges. The critical importance -- next slide. The critical importance of the TB&T facilities to the region is obvious, as is the need to ensure that they're maintained at a reliable state of good repair. The events earlier this year in Minneapolis have made these points all the more apparent.

The largest project in the TB&T program is the Goethals Bridge modernization. This project provides for the replacement of the existing 80-year-old structure. The TB&T program also contemplates a new bus garage in the west Midtown area, investment in the existing infrastructure is reflected in the $451 million allocated to the replacement of the George Washington Bridge suspender ropes and to the $175 million allocated to the Lincoln Tunnel helix reconstruction.

In addition, we're planning to invest in additional capacity for the Lincoln Tunnel express bus lane, and in an effort to speed trips at our facilities, we want to expand the use of electronic tolling.

The emphasis in aviation is on increasing our capacity and maintaining the airports in a state of good repair. Fully 30 percent of the $6.4 billion in the aviation program is dedicated to terminal improvements. Airport system capacity can be increased by acquiring new airports or increasing the efficiency of the existing facilities, and this plan does both.

At Stewart International Airport, an allocation of $500 million is proposed in order to address the many improvements that will be required to realize this airport's potential. At Kennedy, we've proposed a flight delay reduction program that will allow simultaneous operation on three runways and reduce queuing times on taxiways.

At Newark Liberty Airport, the ongoing Terminal B Modernization Program will improve the overall quality of the facility and increase the number of international gates. And finally, I want to mention the JFK infrared de-icing facility, which provides a necessary airport function in an environmentally friendly way.

In order to develop capacity and maintain regional competitiveness, 72 percent of the port commerce investments are concentrated in the areas of dredging, port development, and roadways. The Port Commerce capital program of $2 billion emphasizes regional competitiveness and development goals. The harbor deepening program will bring our significant waterways to the 50-foot depth that is essential in our efforts to remain competitive with other ports.

The ExpressRail system is intended to facilitate freight movements by providing an on-dock rail system at all of the major container ports, and finally, we are working closely with Union County, New Jersey DOT, and the New Jersey Turnpike Authority to facilitate traffic flows by making improvements in the vicinity of North Avenue.

This plan also funds many of the major elements of the World Trade Center rebuilding program, which is managed by both our World Trade Center Construction Department and the Development Department. This funds the transportation hub, the Freedom Tower, our retail development, and site-wide infrastructure, and we are also responsible for the construction of the World Trade Center Memorial. This project is funded predominately through donations provided by the National September 11th Memorial and Museum.

And as I noted earlier, a high priority in the capital plan is to add additional mass transit capacity to the region, and thus, along with our partners at New Jersey Transit, we are providing both management and funding support for the ARC project. With this plan, the Port Authority is providing an additional $1 billion to the $2 billion already committed to the ARC project. When completed, ARC will double the number of Trans-Hudson tracks into Manhattan, increase train capacity to a maximum of 48 trains per hour, which is more than double the number of trains that can come into Penn Station now, and build a new train station adjacent to the existing Penn Station.

As Tony previous noted, security will remain our highest priority. To the $800 million in security projects already in the plan, an additional $1 billion has been provided. These new projects will continue to harden our facilities and improve our ability to monitor activity at them with projects like the airport perimeter intrusion detection system.

So overall, what will this plan provide? Increased system-wide capacity to meet demand, up-to-date facilities to ensure the competitiveness of our region, preservation of our infrastructure, improved safety and security for the users of our facilities, contribute to a cleaner environment in

our region, and opportunities for minority and women-controlled businesses to benefit from our investments.

I'd like to go back to Executive Director Shorris for a minute for some final remarks. Thank you.

Anthony Shorris: Thanks, Bill. As I mentioned, this is really the beginning of a process -- a process of offering up a proposal for your consideration and public discussion and debate, a series of public hearings, the opening of our website, and so on. So I would ask your consideration of a resolution that would authorize us to begin to arrange for an open process including public hearings to solicit public comment regarding the proposed changes in our toll schedules and the Port Authority's vehicular interstate system, and further to report the results of that public comment process back to you, barring any further action. Thank you.

Chairman Coscia: Thank you. There are several individuals who have asked from the public to be heard on this particular issue, and I'd like to call Rich Barone of the Regional Plan Association. Mr. Barone.

Rich Barone: Good afternoon, Commissioners. My name is Rich Barone, and I am representing the Regional Plan Association. RPA strongly supports the Port Authority's proposed toll and fare increase. The revenues generated by these increases will ensure that the urgently needed investments in the region's transit infrastructure, which include the Trans-Hudson Tunnel and systemically improve PATH service, plus the redevelopment of the World Trade Center, will proceed.

We do encourage (inaudible) to fare and toll structure between the city of New York and the tolling agencies of the MTA and the Port Authority as congestion pricing is considered. The Port Authority's planned investments actually come at a good time, as better and additional transit service will be needed if congestion pricing is to be put into place.

The proposed toll structure of $8 for cash payments, $8 for EZ Pass peak, and $6 for EZ Pass off-peak plus the Green Pass makes sense, although RPA would prefer to see a larger difference between the peak and off-peak tolls to encourage more travel during off-peak periods for conventional cars, not LEV. Thank you.

Chairman Coscia: Thank you, Mr. Barrone. Zoë Baldwin from the Tri-State Transportation Campaign.

Zoë Baldwin: Thank you for the opportunity to testify. My name is Zoë Baldwin, and I'm the New Jersey coordinator for the Tri-State Transportation Campaign, a policy watchdog organization working for a more equitable and environmentally sound transportation network in New York, New Jersey, and Connecticut.

It's never easy to ask people to pay more to travel around the region, but in this case, Port Authority has made a strong case that it needs the additional revenue for infrastructure maintenance and for expansion of our transit network. Tri-State would like to voice its support for the proposed toll increases on the Hudson River crossings. The new tolling structure will not only bring in much-

needed transportation funding but will also improve transit options, reducing congestion and carbon emissions.

It's expensive to maintain any bridge or roadway, and the Hudson River crossings are some of the most traversed infrastructure in the nation. The expected $300 million in additional revenue that the toll increase will bring will allow Port Authority to assure the integrity of our existing infrastructure and increase the capacity of our passenger and freight networks.

Congestion in the train tunnels under the Hudson severely impedes the ability of Amtrak and New Jersey Transit to move efficiently between the states. Part of the revenue from the toll increases will help fund the new Trans-Hudson passenger rail, doubling the capacity of cross-Hudson New Jersey Transit service. Improvements from the added tunnel will help move passengers more efficiently, spur economic growth, and maintain existing facilities.

The new tunnel will reduce congestion by promoting mass transit ridership, and for existing commuters the quality of trips will improve through better timetables and more timely trains. The new tunnel will also be a huge boost for residents of southern New York and northern and northwestern New Jersey, enhancing service on the Montclair-Boonton and Morris-Essex train lines, and allowing more one-seat rides from Bergen and Rockland counties, and will help maintain and purchase new trains for the PATH system.

An important part of the new toll structure is the increase in peak hour and off-peak differential. By increasing EZ Pass tolls to $8 during peak periods and keeping off-peak tolls at $6, drivers are provided a greater incentive to travel during less congested periods. Another portion of the $2 increase will help fund the first steps towards an entirely cashless electronic tolling system. Cashless tolls would greatly facilitate the movement of entering and exiting traffic, thus eliminating heavy congestion at those points. Drivers may be paying more, but at least they will be getting something in return in the form of faster commutes.

While we don't support increasing transit fares, it is necessary to point out that PATH riders pay a much lower percentage of operating costs than other transit riders in the region, such as New York City subway and bus riders. The Port Authority should continue to keep fares as low as possible and to ensure riders aren't overburdened by paying a large percentage of the system's operating costs.

The proposed toll and fare increases would be the first increases implemented by Port Authority since 2001, and the revenue is sorely needed to keep our region moving safely and efficiently. We ask Governors Corzine and Spitzer to support the toll increases, and for all of our elected officials to focus on the benefits. Thank you.

Chairman Coscia: Thank you very much. Before I ask for a motion, I just want to remind everyone that the information presented today, in particular with regard to the 2008 Budget and Updated Capital Plan, is on the Port Authority website, and it's available for public comment through that medium, as well.

I now am looking for a motion --

Board Member: So moved.

Board Member: Second.

Chairman Coscia: -- to approve the conducting of public hearings relative to this, and there's a motion and a second. Any other comments from the board on this? All right, all those in favor?

Board Members: Aye.

Chairman Coscia: Any opposed? Okay, thank you very much.

Those are the only pieces of business before we do our consent calendar, but there are individuals here who would like to address the Board on a matter for which there is no action today on our Board calendar, but I'd like to call them up.

The first is a Valerie Sicignano. I'm sorry if I mispronounced your name. Thank you.

Valerie Sicignano: Thank you for the opportunity to speak. My name is Valerie Sicignano, and I'm a Director at In Defense of Animals and also the New York City Feral Cat Initiative. We're here today to ask for three points: an immediate end to the extermination contracts at JFK Airport that trap feral cats, to lift the feeding ban on airport employees -- the feral cat feeding ban -- and to allow the New York City Feral Cat Initiative to come in and do a trap-neuter-return pilot program for one year.

The point that I want you to leave today with is that we have the same goal. We both want less cats at JFK Airport. We want a minimum level of cats; eventually to get to almost none. The trap and euthanize approach that JFK airport is currently taking will not get you there -- we know that from decades of experience and studies in animal control facilities across the country. Our approach of trap-neuter-return came about because the trap and euthanize was not effective.

We have some successful T&R projects that we've worked on that we wanted to draw your attention to, including Riker's Island, Fresh Kills Landfill on Staten Island, and Riverside Park here in Manhattan, as well as many others. I'd also like to quickly address JFK Airport's publicist mentioned in the press that the cat food was an aviation threat because it would attract birds. On our trap-neuter-return projects, we would come in and train any feeders not to leave cat food out.

We would train them you place the cat food down, the cats eat while the feeders watch, and the food is immediately removed. We don't want to attract any kind of wildlife to the area, and we also don't want to create any kind of sanitation issue.

So we ask that you please allow the New York City Feral Cat Initiative to come in and do this trap-neuter-return pilot program for one year.

I also want you to realize that trap and euthanize has never been successful in the history of the

United States. It doesn't work, so you're not going to be the first one that succeeds at it. So please let us come in. This is a proven successful approach. Thank you.

Chairman Coscia: Thank you, Ms. Sicignano. The next individual, Bryan Kortis. Mr. Kortis?

Bryan Kortis: Hi, thank you for this opportunity. I'm the Executive Director of Neighborhood Cats. I also am the author of the two leading educational books in the field of feral cat management and I work as a consultant on feral cat management to the Humane Society of the United States. So not to pump myself up too much, but I am considered one of the top people in the country on this issue, and the first thing I want to address is well, you know, why should you care about cats at JFK? You're here talking about billions of dollars in capital improvement.

And I think it is a matter of concern, because it speaks to the soul of your agency, and its relationship to the community that you're supposed to be part of in the way that this matter has been handled to date. And I want to point out that every major humane organization, both nationally and locally, and I'm including the Humane Society of the United States, the ASPCA, In Defense of Animals, and the Mayor's Alliance, as well as feral cat experts like myself, have condemned the current plan, which is basically to wipe the face of JFK Airport clean of cats.

That's not possible, and it isn't going to happen, no matter how hard you try to do it. All these organizations instead endorse a program that's called trap-neuter-return, which is basically reducing the number of cats over time through sterilization. The New York City community, through the media, through I'm sure you're aware of the thousands and thousands of phone calls and emails to various Port Authority officials -- this has been in the press now for up to three weeks -- and Councilmember Koppell has written a letter, all asking you to stop this eradication program and to work with the experts.

However, we have been completely ignored, and not only have we been ignored, we've been lied to. The public has been told that all of the cats being removed by the current extermination companies are going to be adopted into good homes. There was a "New York Post" article titled "Frequent Liars" that addressed the falsehood of that statement. The Port Authority lied to the public when they told them that the cats were an aviation threat because the cat food was attracting seagulls. We pointed out that JFK is on the ocean and right next to a wildlife refuge.

Once that was disputed, we were told in a private meeting that the real risk is that the cats are going to run onto the runway. There has not been a single documented case in aviation history of a cat colliding with a plane. If there were cats near a runway, we would move them under this plan.

So let me conclude by saying that we are appealing to the Board of Commissioners -- you're our last hope; you're the governing body -- to investigate this matter, reverse what has been unconscionable conduct, and work with the experts in feral cat management to solve your problem. Thank you.

Chairman Coscia: Thank you.

Bryan Kortis: Excuse me, I also have packets of materials that include our original proposal to JFK, and some of the press coverage.

Chairman Coscia: Thank you. Thank you. Gay Senk.

Gay Senk: Well, thank you very much. I'm Dr. Gay Senk, a feline practitioner in Farmingdale, New York. Municipalities across this nation have tried eradication and feeding bans, and I implore you to learn by their past failures and their current successes as they became educated and implemented TNR -- trap-neuter-return -- a proven, successful solution for the reduction of feral cat colonies and populations.

Having treated their maladies and injuries and seen the benefits of neutering large colonies over the past 15 years of feline practice qualifies me to give you the cat's perspective. It's not my choice to live at JFK -- it is my predicament. I was illegally abandoned here, taken for a car ride, and dumped. First thing, I ran for cover, where I found others who had come from the adjacent neighborhoods. Many are descended from cats living here for the past 30 years.

You won't see us much; we're aloof, wary, and afraid. That is why we are not adoptable. We're part of the larger pet overpopulation problem. It's tough living here; worse in the past -- a lot of fighting and injuries from our territorial nature and our desire to propagate. We are resilient, we adapt, and we are prolific breeders.

The kittens are really challenged -- half the kittens die shortly after birth; of the remaining surviving ones, they will be dead before six months of age. Enough survive, however, to assure the growth of the colony. We scavenge through garbage for food. The seagulls showed us survival instinct. They've been here forever.

They're tough to catch, but rodents are fair game. They aren't here any longer in our colony, because where we are, rodents are not. Some concerned and compassionate workers noticed our plight, searching for food, weeping eyes and noses from colds, some of us much thinner than others. They brought us special food called cat food. They recognized a larger responsibility and they started reducing our numbers.

They began to trap us. They took us for veterinary care; we were spayed, neutered, and vaccinated, and they tipped my left ear. They cut it off. Then they took us back home to JFK, where they found us where we live. It's quite pleasant now; we're very healthy, and there's no more dying kittens and no more fighting. Our numbers our less. Our colony has been reduced by half. Concerned workers monitor the colony. They also get great pleasure watching us come out and eat. Human-animal bond. They walk away with a smile on their face and an animated skip to their step, enhancing well-being and morale in the workplace -- you're welcome for that.

It's not our choice to live here at JFK, it is our predicament. Removing us will allow other reproducing cats to move into the area to fill the void. Thank you.

[Applause.]

Chairman Coscia: Thank you. Thank you. Our next order of business is our final order, which is I need a motion for our consent calendar.

Board Members: So moved.

Chairman Coscia: Is there a second?

Board Members: Second.

Chairman Coscia: All right. Any other questions? All those in favor?

Board Members: Aye.

Chairman Coscia: Any opposed? Thank you, and can I have a motion to adjourn?

Board Member: Second.

Chairman Coscia: Thank you. Thank you, everyone, good afternoon.

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

July 1, 2013

Ms. Margaret Donovan
The Twin Towers Alliance
mldonovan@twintowersalliance.com

Re: Freedom of Information Reference No. 14005

Dear Ms. Donovan:

We continue to process your request for records under the Port Authority of New York and New Jersey's Freedom of Information Code for a copy of every Board Meeting transcript going back to when they started being transcribe in 2011.

Additional time is required to process your request. We anticipate that a determination as to the availability of records responsive to your request will be made on or about the week of July 8, 2013. At that time, you will be advised in writing of whether we have located records responsive to your request.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,

Daniel Duffy
FOI Administrator

225 Park Avenue South, 17th Floor
New York, NY 10003
T: 212 435 3642
F: 212 435 7555

THE PORT AUTHORITY OF NY & NJ

FOI Administrator

July 11, 2013

Ms. Margaret Donovan
The Twin Towers Alliance
mldonovan@twintowersalliance.com

Re: Freedom of Information Reference No. 14005

Dear Ms. Donovan:

We continue to process your request for records under the Port Authority of New York and New Jersey's Freedom of Information Code for a copy of every Board Meeting transcript going back to when they started being transcribe in 2011.

Additional time is required to process your request. We anticipate that a determination as to the availability of records responsive to your request will be made on or about the week of July 22, 2013. At that time, you will be advised in writing of whether we have located records responsive to your request.

Please refer to the above FOI reference number in any future correspondence relating to your request.

Very truly yours,

Daniel Duffy
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The Port Authority of New York & New Jersey
Public Board Meeting Transcripts
November 20, 2008

Chairman Coscia: Good morning, if we can get started. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the Security Committee, the Committee on Capital Programs/Agency Planning and the Committee on Construction met in public session. Their reports are filed with the official minutes of today's board meeting. The commissioners also met in executive session to discuss matters related to the purchase, sale or lease of real property or securities where disclosure would affect the value thereof or the public interest.

Today's first order of business, our Executive Director, Christopher Ward will provide an update on the Port's ongoing efforts to improve customer experience for our airport patrons. Chris?

Chris Ward: Thank you very much Mr. Chairman. As we all know, holiday travel can be a very stressful experience and next week we are going to see some of the busiest days at our airports, both Kennedy, LaGuardia, and Newark. And while passenger travel is expected to be down as we discussed earlier today by about 5% in our region, and unfortunately and more importantly across the nation, these are still some of the busiest travel times and aircraft load factors are expected to exceed 90%.

When they get to the airports, we want our passengers to notice the improvements in the quality of their airport experience that we have been working very hard with your support to make possible. So beyond the holiday season the Port Authority is working year-round to improve customer service, literally from the parking lot to the runway.

As you know, one of the most important quality of life experiences in getting to the airport is ease of transportation. And the Port Authority is working with the AirTrain marketing team to continue to improve this vital connection to Kennedy Airport. And as you well know we are exceeding passenger levels than we had anticipated for AirTrain but we are not stopping there. We are looking for additional marketing efforts with both Long Island Railroad to make sure that all of the international passengers and local passengers who can take advantage of AirTrain in fact do.

For arriving passengers, they will begin seeing the first of what eventually will be more than 20 new welcome centers which feature the latest information on ground transportation, taxis, buses, limos, lodgings and other information, to see where they might go, what they can expect. And they will be staffed by, I'm sorry, I skipped over one slide. They will be staffed by our capacity to plug in and recharge your battery at any time so you are on the internet when you are at the airport.

One of the things that we have really focused on is the customer service at the airport and we are increasing our red-jacketed customer care capacity at the airport. These people are directed to be proactive, meeting passengers, asking questions, and asking international travelers where they

might go, how they need to use our facility, what their experience in New York City and the region will be like.

We recognize that it is a really a customer-customer conversation that is necessary to make the airport a customer friendly environment. But we are also working on a variety of parts of the airport which are really focused on creating more seats in the terminals at LaGuardia, the email alerts for delays, opening a new parking garage and the cell phone as I mentioned and also focusing on the customer service recommendations.

But we are also seeking authorization today for $19.7 million for Newark Airport for an instrument landing system for all of Newark runways. This will allow additional aircraft landings during low visibility conditions and upgrades to our NAVAIDS aircraft system.

Further, we are asking the commissioners for your approval today for the approvals at LaGuardia Airport for the planning for the central terminal project. As we were discussing in the earlier session, the aviation industry needs to build for growth and this is the first phase of anticipating where LaGuardia Airport could reposition itself with a whole series of new terminals. And we are seeking your approval on those items as well.
Thank you.

Anthony Coscia: Thank you, Chris. Can I have a motion to approve the items that Chris outlined? Any comments or questions? All those in favor? Commissioners: Aye.

Anthony Coscia: Any opposed? Thank you. Okay, thank you, Chris. Our next item is our Director of Port Commerce, Richard Larrabee will provide a report on port sustainability initiatives and our efforts to improve air quality in New York and New Jersey ports. Rick?

Richard Larrabee: Chairman, Commissioners, good afternoon. The Port of New York and New Jersey is a vibrant economic engine for the region providing over 230,000 good paying jobs, $20 billion in economic activity and competitive priced goods to satisfy customer demand and enhance quality of life for those who live in our region. It connects the region to both international marketplace and to the nation's leading consumer markets.

Despite these economic benefits, many port related activities contribute to air pollution and greenhouse gas emissions in the region. Today, I would like to discuss the air quality challenge we face in the port and the initiatives that we have already undertaken as well as those that we plan to implement to reduce port related emissions in our region.

Many port operations involve the use of diesel engines, whether they be powering ships, cranes, yard tractors, locomotives, or trucks picking up or dropping off cargo. The exhaust or emissions resulting from diesel engine combustion contain pollutants that impact air quality and also contribute to global warming. Given these implications, the reduction of port related emissions is a top priority. The challenge we face as the port grows is how to accommodate that growth with all of the economic benefits that growth brings and do it in a way that protects the environment and specifically air quality.

If we don't address the challenges and commit the necessary resources, we may not be able to complete port expansion projects necessary to handle future cargo growth. As far back as June of 1993 the Port Authority formally issued an environmental policy statement recognizing its long standing commitment to provide transportation, terminal and other facilities of commerce in an environmentally sound manner.

Additionally in March of 2008 this Board approved an expansion of the Port Authority's environmental policy to include a sustainability component that explicitly addresses climate change and ensures the agency maintains an aggressive posture in its efforts to reduce the emissions of greenhouse gases within the New York/New Jersey region.

Today, the board is reaffirming its support of the Port Authority's continuing environmental improvement initiatives by adopting the statement of principles that demonstrates its commitment to reducing port-related emissions that effect air quality in the region and contribute to climate change. This effort is consistent with the Port Authority's overall efforts to reduce pollutant and greenhouse gas emissions from all of our facilities.

The Port Authority's commitment to improving air quality at the port will be based on the following principles. The Port Authority will continue to use its best efforts to reduce port-related emissions of particulate matter, nitrogen oxides and sulfur dioxide by 3% and greenhouse gas emissions by 5% on an annual basis with the goal of achieving an 80% reduction in greenhouse gases from 2006 levels by 2050.

The Port Authority will lead the development and implementation of a clean air strategy for the port. The purpose of this strategy will be to reduce port-related diesel and greenhouse gas emissions through a series of voluntary air emission reduction initiatives. The Port Authority will work with several partners to create this strategy, including the New York Shipping Association, the New Jersey Department of Environmental Protection, the US Environmental Protection Agency, the State of New York Department of Environmental Conservation, the NYC Mayor's Office and NYC Economic Development Corporation.

In addition the strategy will incorporate feedback from Port stakeholders including those that represent the sources of port-related emissions.

Progress will be tracked annually. The development of a clean air strategy for the port will involve identifying the sources of air emissions, and qualifying those contributions to a region through emission inventories. These emission inventories tell us where to focus our air quality improvement efforts. Thus far we have completed 2 baseline year 2006 emission inventories. The first is an inventory of emissions from all port-related sources. These include commercial marine vessels, locomotives and trucks serving the port, and cargo handling equipment such as yard hustlers and cranes.

The second inventory qualifies greenhouse gas emissions from all of our Port Authority facilities. The clean air strategy will identify a range of practical actions that the port and industry stakeholders can take to reduce emissions from all port-related sources.

And lastly the strategy would develop a measurement verification and reporting system to track progress in reducing emissions from each of these sectors that we have identified.

Commissioners I am pleased to inform you that several air quality improvement initiatives have already been underway in advance of the clean air strategy. These include the continued expansion of ExpressRail network which when completed will displace over $2 million truck trips and their emissions from state and local roadways.

The retrofitting of the Staten Island Ferry engines and the replacement of marine vessel engines to offset emissions generated in connection with our 50-foot harbor deepening project. Hybrid yard hustler demonstration projects at Howland Hook Marine Terminals and Elizabeth Port Authority Marine Terminals and the exchanging of information on air quality improvement projects with the Port of Rotterdam as part of the US Environmental Protection Agency's sustainable ports and carrier partnership program.

Lastly, staff is encouraging port truckers to participate in the EPA Smart Way Transportation Partnership Program which is designed to promote fuel efficiency, improve air quality and reduce greenhouse gases from trucks.

The New York Shipping Association and our marine terminal operators have also advanced air quality improvement initiatives. These include installation of electric cranes and reorienting their terminal footprint to make them more efficient. Installation of electronic gates and extended gate hours to reduce congestion and associated truck idling and modernizing cargo handling equipment with units that meet US EPA on road emission standards and using ultra low sulfur fuel in this off road equipment. This initiative achieves emission reductions of greater than 30% across the full spectrum of pollutants.

In addition, one of our tenants has installed solar energy panels on the roof of a 350,000 square foot warehouse while others are using compressed natural gas, propane or electricity in their fork lifts.

Included in today's calendar is an item that requests authorization for certain actions to create a Port Authority proposed program known as the Emissions Reduction Program which will provide financial incentive to truck owners for the purchase of newer trucks retrofitted with verified emission control technologies with the repowering of diesel trucks with new low emission engines. In order for the Port Authority to receive EPA grants of up to $750,000 for this initiative, a matching Port Authority contribution of up to $750,000 is required. In addition, Accion New York, a non-profit organization that provides financial and advisory services to individuals and small businesses will also contribute $500,000 to the Emission Reduction Program.

Accion, which is a smart way affiliate, has a smart way affiliated agreement with the EPA will be responsible for management of the program and the distribution of up to $2 million in total funding. The Emission Reduction benefits of this proposed project will vary according to the performance of retrofits selected. However, verified emission control technologies can achieve 20% to 50% reductions in particulate matter and other pollutants.

Finally other initiatives that we are exploring to address air quality challenges include the installation of shore power or cold ironing capability at the Brooklyn Cruise Terminal which is good for the environment and good for the economy as construction related economic stimulus as a stimulus project. The installation of new engines with particulate matter filters on two of our cranes at the Red Hook Terminal, the implementation of a clean ship green flag program for ships that voluntarily reduce speed, use low sulfur fuel or employ clean engine technologies, and the retrofitting of two locomotives to generator set configuration.

Although much has been done, much more needs to be done to successfully address the air quality challenge. Commissioners, your adoption today on the statement of principles for improving air quality at the Port of New York and New Jersey and the authorization of the Port Authority's Emissions Reduction Program are important steps in helping us achieve our goal of improving air quality at the Port of New York and New Jersey. Thank you.

Chairman Coscia: Thank you Rick. I would like to commend the staff and Rick and your team on working on this initiative. And generally the approach that has been taken by the agency on sustainability initiatives, we have made it a real priority and we are pleased to see that it is making its way through our various business groups and ports in particular represent a challenge and an opportunity for this agency to show leadership in terms of reaching sustainability goals. And it is very consistent with our overall investment objectives of putting literally billions into upgrading mass transit infrastructure as part of it an effort to improve air quality in the New York/New Jersey metropolitan area. I would also like to take minute and thank those in the private sector I know have worked with you. I think Frank McDonough from the New York Shipping Association is here someplace, I guess the column is in our way. Frank, I would like to thank you and your members for joining us and these efforts are really a clear required collaboration between government and the private sector on working together and again I would like to thank you for that.

Can I have a motion to approve? Okay. Anyone else who has comments or anything? Okay. All those in favor? Commissioners: Aye.

Anthony Coscia: Okay thank you very much. We have no one from the public commenting on any specific matters, but there is one person who has signed up to comment on a general matter not relating to anything before us today and that is Steve Pappageorge from Unite Here. Mr. Pappageorge?

Steve Pappageorge: Thank you Chairman. Good afternoon to the Board. My name is Steve Pappageorge and I am here on behalf of the airport, race track and allied worker's joint board, Unite Here. We represent the food and beverage and retail workers at JFK, LaGuardia and Newark. I'm sure you are aware of the labor peace and employee retention policy that applies to the all food and beverage and retail business because myself and several airport workers have stood at this podium in the past few months to report that no concessionaire at Terminal 5 has yet complied with this policy, or the new concessionaire at Terminal C in Newark.

As I stand here today, OTG imparities to major concessionaires at Terminal 5 have still not complied with the policy. Workers were laid off in October in Terminal 6 and are due to be laid

off shortly in Terminal C in Newark. And they had been expected to be offered jobs with parities in compliance with the policy, but this has not happened. These former Hudson workers and food and beverage workers of the airport serve the passengers well. They are qualified to work at parities. They do the right thing and are punished. Paridies does the wrong thing and it is rewarded with more work at the airports.

Shequeema Ashe worked for Terminal 6 for 2 years when Terminal 6 closed she lost her wages, benefits and her pension. She has a 3.5 year old daughter to support. This is her career and you did the right thing by passing the policy. Now on behalf of Shequeema and the other workers who stand beside me who lost their jobs, I ask you to enforce it.

Coming to work today I read an article about a development in the Jamaica train station that was creating jobs for the neighborhood to revitalize Jamaica where I grew up. But what does not hit the newspapers is how many jobs are lost and how many families are turned upside down by the parities and the OTGs of the world. Thank you for your time.

Chairman Coscia: Thank you. Thank you. Next order of business is the consent calendar. Can I have motion to approve the consent – Commissioner: So moved. Chairman Coscia: Is there a second? Commissioner: Second. Chairman Coscia: All right, anyone have any questions? Okay, all of those in favor? Commissioners: Aye.

Anthony Coscia: Okay. May I have a motion to adjourn? Second? Okay, thank you very much. Good afternoon everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
October 22, 2009

Chairman Coscia: --in public session and the World Trade Center Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official Minutes of today's Board meeting. The Commissioners also met in Executive Session prior to today's Board meeting to discuss matters related to the purchase, sale, or lease of real property or securities where public disclosure would affect the value thereof or the public interest. Our first order of business--I'd like to call upon our Director of the World Trade Center construction, Steve Plate, to provide an update on construction activities at the World Trade Center site and to review several proposed actions related to the continued redevelopment of the site. Steve?

Steve Plate: Thank you, Chair. Commissioners, I am pleased to report that we continue to meet our significant milestones at the World Trade Center site, and today I will provide you with an update on our rebuilding efforts with the various site-wide projects. In addition, I will request your authorization of several critical items necessary to continue construction progress at the site. Since our last update, major progress has been made at the Memorial.

The quarter was highlighted by reinstalling the last column at the site in August of this year. During the 3rd quarter, concrete placement showed steady progress. In total, we have placed over 15,000 cubic yards, with an additional 10,000 cubic yards placed in the third quarter. Six out of 12 million pounds of reinforcing bar have also been installed to date. We achieved our milestone of completing the area around the north fountain. Also completed were two critical milestones for steel erection. The areas included the north fountain perimeter, as well as the western side of the south fountain, the area where the victims' families gathered on 9/11/09. In addition, as you can see from the picture on the left, steel and metal deck installation over the PATH tracks has begun. This work is being done during overnight hours to allow for uninterrupted PATH service. Approximately 7,000 of the 8,100 tons of the structural steel is currently in place when an additional 780 tons was six Statues of Liberty installed in the third quarter.

Significant progress also continues at One World Trade Center as the building currently rises 110 feet above street level. An additional 7,500 cubic yards of concrete was placed in the third quarter, bringing the overall total to 55,000 cubic yards. Concrete slabs have now been placed to grade, allowing for two massive cranes to be assembled to the east and west of One World Trade Center. These cranes are required for the installation of 24 super columns around the perimeter of the building. These columns average 60 feet in length and 70 tons in weight. Twenty are currently in place, with the remaining four to be completed in the fourth quarter. A total of 1,500 tons of structural steel was erected in the past three months.

Progress on the World Trade Center Transportation Hub has gained significant momentum in this third quarter. Tutor Perini was awarded a critical construction package--Greenwich Street Corridor. This work will complete the underpinning of the No. 1 subway line and enable pedestrian access to the Memorial on 9/11/11. The joint venture of Tishman/Turner was retained to provide the construction management services for the Transportation Hub and DCM's below-grade steel for the structure is expected to arrive on site in the 1st quarter of next year. Additional third quarter highlights included the beginning of the

waterproofing application on the Fulton Street deck. The installation of four additional Calatrava arches and completion of the support of excavation wall ahead of schedule, which aided in the turnover of the Tower 3 area in the east bathtub to Silverstein Properties.

At the Vehicular Security Center, 20 of 29 slurry panels have been completed to date. Over 50 percent of the panels along Cedar Street in the western portion of the site are also now complete. Work on a demising wall has begun to attempt to mitigate the impacts of the demolition of 130 Liberty Street. To date, over 40 percent of these panels have been installed since the contract was authorized just a few months ago. Commissioners, I am confident that we will continue to make progress as it relates to our significant milestones at the World Trade Center site. Now I will provide you with a brief overview of the recommended authorizations for this month to continue our construction progress.

As discussed in this morning's World Trade Center Subcommittee meeting, we are seeking your approval for the following items: the retention of Tishman Construction Corporation to provide construction management services for the World Trade Center Vehicular Security Center, Eastside Tour Bus Parking Facility, West Bathtub Vehicular Security Access, and World Trade Center Streets Program, at an estimated cost amounting to $47.3 million. Phase II of the World Trade Center Streets Program at an estimated amount of $140 million, inclusive of $5 million to Downtown Streetscape Partners. Additional funding to existing technical consultant services at an estimated amount of $20 million for the Alternate East Bathtub Construction Option. One World Trade Center Construction Trade Contracts in the amount of $13,392,000 to Denney Electric for the light fixtures and $8,618,400 to Tractel for the Facade Maintenance System. Memorial Museum Pavilion Construction Trade Contract in the amount of $7,129,080 to KJC Waterproofing for roofing and waterproofing.

Commissioners, I request your approval of these items. Thank you for your support.

Chairman Coscia: Thank you, Steve, for that report on continued progress. Can I have a motion to approve the items? Commissioners (Group): So moved. Chairman Coscia: Second? Commissioner Second. Chairman Coscia: All right. Anyone have any questions or comments? Chairman Coscia: Okay. All those in favor aye? Commissioners (Group): Aye. Chairman Coscia: Thank you.

Chairman Coscia: Our next item, I'd like to call on our Director of Rail Transit, Michael DePallo, to provide a presentation on the new PATH Signal System Replacement Program. Mike?

Mike DePallo: Thank you, and good afternoon, Commissioners. Today I am here to request authorization, or reauthorization, of a project for the procurement and installation of a new Automated Train Control System at PATH at an estimated cost of $580 million. This project is a critical component in the modernization of the PATH system, which, in tandem with other improvements, will result in an increase of up to 20 percent in system capacity in order to meet forecasted peak hour demand.

As you know, the Port Authority has committed $3.3 billion for PATH capital improvements over the next 10 years. Included in these improvements is the PATH Railcar and Signal System Replacement Program, which will modernize the PATH system and increase capacity. The PATH Railcar Replacement Project provides for replacement of PATH's entire railcar fleet of 340 cars, and this is currently underway. The PATH Signal System Replacement Project provides for procurement and installation of a new PATH Automatic Train Control system. The goal of the Signal System

Replacement Project is to replace the current antiquated fixed block signal system with a state-of-the-art Automatic Train Control system, or ATC system, utilizing the latest in communications-based train control technology.

The ATC system will help us ensure long-term system viability, improve reliability, and avoid obsolescence. The new system will permit us to run trains closer together, thereby reducing headways and increasing throughput, which has the potential to result in an increase in overall system capacity by up to 20 percent. It will enhance system safety by providing continuous over-speed protection, which can prevent trains from exceeding speed limits. We will also be able to improve customer service, with the capability to provide real time train location information to our customers. Automatic Train Control will improve passenger comfort by smoothly controlling train operations between stations.

The ability to increase system capacity provided by the communications-based train control technology can have a positive environmental impact to the region by permitting additional passengers to use the PATH system in lieu of their automobile, thereby reducing CO_2 emissions. The existing PATH signal system operates with a fixed block design, which uses train stops known as trippers and wayside signals to control the movement of trains throughout the PATH system. The current relay-based technology dates back to the early 1900s and the signal system is beyond its useful life. Some critical components that have been in service range from the early 1900s to the 1940s. The majority of the signal system components are obsolete and no longer supported by original manufacturers, and many spare parts are virtually nonexistent. As a result, in recent years, repairs, failure incidents, and related service delays are increasing. Automatic Train Control technology is a proven and reliable signaling technology. ATC is installed as a single system technology of choice for newly-designed rail transit systems throughout the world. The ATC technology will be installed at PATH will use Communications-Based Train Control, or CBTC, which uses a computer-controlled data radio network to communicate to track side and car-borne processors, which can optimally control movement of trains throughout the rail system. CBTC technology is also installed on all the rail properties for signal replacement programs. Some of the older transit properties that are converting their fixed block systems to CBTC include New York City Transit, MUNI in San Francisco, the Toronto Transit Commission, the London Underground, and Paris Metro.

In reaction to recent rail fatal accidents culminated by the Los Angeles Metrolink accident in 2008, Congress promulgated the Rail Safety Improvement Act of 2008. The legislation was signed into law on October 16, 2008 and requires FRA-regulated properties to install some form of positive train control which is designed to help prevent train collisions. It would also help prevent over-speed derailments by limiting the speed a train can travel in a given track section and improve protection of maintenance workers working in the right-of-way. The design of the proposed new ATC system for PATH will be compliant with the new regulation, which requires compliance by December 31, 2015. It should be noted that PATH would be required to upgrade its existing system under this legislation at a total estimated cost of $247 million if the proposed ATC project was not to be completed.

The scope of work for PATH's signal project includes the replacement of signaling equipment on all of PATH's 43 track miles, 13 interlockings, and 13 stations. Communications-based train control equipment is to be installed on 130 PA-5 A-cars, which are the vehicles that have the operating engineer's cab. Installation of all communications equipment for PATH's primary and secondary control centers, equipment rooms, new data communication system, and a signal power system, all hardware and software documentation, training, and safety certification. The contractor will also be responsible to

decommission and remove a portion of the existing signal system. The overall project is scheduled to start in November of 2009, and be completed by the end of 2017.

Today we are seeking authorization to reauthorize the PATH Signal Project, Phase II at an estimated total project cost of $580 million, and award of contracts to the Siemens Team, a consortium composed of Siemens Transportation Systems, Inc., Safetran Systems Corporation, and D/A Builders, LLC, the highest rated and lowest cost proposer for the design, manufacture, and installation of a new automatic train control system at a total cost of $321 million. An award of a contract to Booz, Allen, Hamilton, Inc., the highest rated and best value for expert professional program management service, at a total cost of $21 million; and also the Rail Safety Consulting, LLC, the highest rated and best value for the FRA required independent safety assessment service and certification of safety standards and procedures, at a total cost of $2 million. Commissioners, I request your approval at this time.

Chairman Coscia: Thank you, Michael. Can I have a motion to approve? Commissioner: So moved. Chairman Coscia: Is there a second? Commissioner: Second. Chairman Coscia: Does anyone have any questions or comments? [silence] Chairman Coscia: All those in favor? Commissioner (group): Aye.

Chairman Coscia: Okay. All right. Those are the only presentations for today. Before I move to the consent calendar, we have one individual who has asked to address the Board on a matter that is not before the Board today. Ed Luster, the Communication Workers of America. Mr. Luster?

Ed Luster: Thank you, Commissioners, for allowing me the time to speak. I just want to give you a little setting on Staten Island ACS. You guys awarded a contract to ACS for the E-ZPass maintenance and customer service. Back in October of 2008, we were approached by several of the employees from ACS customer service requesting to join our union in Staten Island through the process and on May 28 we finally had the ability to conduct a vote which was conducted by the NLRB, District 29. It was determined at that time that we had won the election. Since then, we have been requesting ACS to come down and bargain with the union on all issues regarding the members. To date, we have not had any reply from ACS up until yesterday we finally had a reply that they are waiting for the regional Board in Washington, D.C., but we've been told over and over that we've been certified and have requested bargaining and they have refused to come to bargaining. Since that time they've instituted an ABC, which is Activity Based Compensation, which basically comes down to everybody gets paid on a per call basis. So we're more concerned with the fact that this may be leading to poor service on customers calling in to E-ZPass, which is all people of New York State. So we're more concerned that this may be leading to poor service because as people are going to be timed on how much calls they require in an hour, which is a lot more calls than they've been historically doing for the last few years, so we feel that people are going to be rushed off the phone and not have the proper time to discuss whatever issues may come before them for E-ZPass. What we're requesting and I'm asking you is to please ask ACS to come to the bargaining table for the union, and give us an opportunity decide to bargain all these issues, including medical and the ABC based compensation system. I do have a letter that I would like to present to you, if that's okay. Once again, I thank you for the time to address the Commissioners, and please, we really request your support in this in asking ACS to come to the table as required. Thank you very much.

Chairman Coscia: Thank you. The only piece of business left is the Consent Calendar. Can I have a motion to approve? Commissioners (Group): So moved. Chairman Coscia: Second? Commissioners (Group): Second. Chairman Coscia: Okay. Any questions or comments? All those in favor? Commissioners (Group): Aye. Chairman Coscia: May I have a motion to adjourn? Commissioners (Group): So moved. Chairman Coscia: Thank you very much, everyone.

Port Authority of New York and New Jersey
Public Board Meeting Transcripts
October 8, 2008

Chairman Coscia: Great. All right, we are now in the full Board meeting. I don't have a language thing; I should have memorized it by now. But I think it is the same.

Okay, today's meeting of the Board will be held in public session. Prior to today's Board meeting there was a meeting in Executive Session and there was also a public session as you just witnessed of the World Trade Center Redevelopment Committee in its entirety. In addition this meeting is being broadcast live on the Port Authority website for those interested in viewing today's proceedings via the internet.

Our first order of business is a report by the Executive Director on World Trade Center Redevelopment Outreach Efforts. Chris.

Chris Ward: Thank you Chairman. Thank you all, Commissioners, for your support this past week in releasing the update and the moving forward report that we provided to both Governors. Today I am going to bring you up to speed on three components of that plan that we are putting in place to continue our public outreach, to maintain the transparency of the project and provide a level of accountability that both governors and the mayor have asked for.

The first thing that we have done – quite all right. The primary efforts in these three categories is we have developed a new website for information purposes for the community; we have established a new office of program logistics; we have initiated a World Trade Center community improvement effort. And for the first time we are addressing public milestones and quarterly reports so the public and the stakeholders can in fact monitor our progress, hold us accountable, have us report when we have hit our milestones and explain why we haven't.

The new website that I have to thank Steve Sigmund and Candice McAdams for their fine work on is up and running today. As you can see it will be an interactive website that people will be able to track where we are with progress. We will be posting news and information on the website. We are seeking to link it potentially to a webcam that would give people a sense of the construction that is going on in the project. We see this as an important tool to maintain communications with the people who live and work downtown as well as people interested in the status of the project going forward.

You can see the video gallery will give people photographs. There is obviously an interest for people who can't get to the site to begin to see what is in fact happening with the construction.

Commissioner Blakeman: Are there any security concerns with respect to the webcam, broadcasting what we are actually doing there.

Chris Ward: Well just to be clear, there are existing webcams that are on the site today. We would be looking to see to link to those existing cams and those existing cams are not providing any security risks for the operation.

That has not been finalized and we are working to see if we can provide that.

Commissioner Steiner: I wonder if that is what you meant, are we going to make the plans for the building public for anybody who might want to come in and understand where they can come in and do damage.

Commissioner Blakeman: That would be the next question.

Chris Ward: Well that is not available to the public and that is a very tightly held set of plans and designs and in fact we have implemented a fairly strict security program to ensure they remain as confidential as possible.

One of the other key aspects that came out of the report that we did while we brought certainty to the project, it also identified where this project will be going forward in terms of logistics. As you saw in the report, we are really at the beginning phase of this project. And as you ramp up to the construction the level of intensity within the site is really going to be significantly greater than it is today.

Here you can see the peak man hours on a year to year growth rate. In 2011 and 2012 this will be at a very intensive construction site. As you can see it is going to include 600 trucks per day, potentially 15 tower and crawler cranes, 176,000 man hours, 46,000 tons of steel, and 200,000 commuters moving through the MTA and PATH system every single day. And at the same time we are managing 101 different contractors and subcontractors.

At the same time we are doing all of this work in a vibrant Lower Manhattan financial, residential community. And we have heard from those communities and met with them and have put this program logistics effort together to again be transparent and talk to them about how the site will need to be managed.

This just gives you some sense of the intensity of the traffic that is occurring in the AM and PM peaks out of our PATH system on Vesey Street. As you know with the construction of One World Trade Center it very well may be necessary to close Vesey Street during those construction periods. We have hired Sam Schwartz, a noted transportation analyst and planner to help us work with the community and explain and lay out why there may be closures, where there will be issues of concern.

As this next slide shows you we have already begun to identify points of concern. And this is these hot spots, if you will, or is where you would see potential programmatic failure of the street grid to handle the amount of traffic and people. We are going to need to work very closely with the community to develop an appropriate plan to handle this construction period and so that is why felt it was important to put together the, literally an office headed by Quentin Braithwaite who you might know who has worked on a similar planning effort with Air Tran and we were successful there in meeting with the community and bringing them into the process and having them understand why certain actions needed to be taken.

This effort will be ongoing throughout the entire phase of the construction of downtown; it won't be static in the sense of one single plan. It will be a series of plans addressing how the site gets built over time.

We have also recognized that with the site we need to recognize that people who are drawn to the location, whether they are tourists, whether they are New Yorkers, or whether they are from the city itself, we thought that it was important to give people a better understanding of what the site will look like and how they will see it and experience. So we have proposed a series of almost storyboards around the site that will tell the pictures of what's going on. This is the perimeter fence before. We have plans to address this visually to give a more coherent streetscape sense of the project so that you would have these sorts of images around those various locations.

I think the upper right hand one for the Memorial to give people a sense of what it would be like at street level when you are entering the Memorial with the sense of solitude and quiet and the trees will be important.

Obviously we are proud of the Transportation Hub and the sense of what that will be like as a destination within downtown is going to be important. These also won't be static. Working with Steve Sigmund, they won't be there for the entire duration. We will have a programmatic approach to replacing them periodically, telling a different story with each one. We have begun to talk with City Department of Transportation about some other images that would be appropriate there, perhaps even bringing in artists and the artistic community to be part of that story as well. This is something that we think will give a sense to the towers – the tower here, the Freedom Tower, how it is being built. If you are down at the site you can see people are so eager to look into the site and understand now that it is growing what it in fact looks like. This will be part of that story that we will ring the site with these storyboards.

We have also recognized that construction comes with its impacts. Working with the community we have a street sweeper now. We are working with City DOT on enhancing all of the pedestrian roadways and addressing the impacts of construction. We are also going to be looking at signage and way finding indicators around the location so people have a better sense of where they are. This will also be ongoing throughout the entire phase of completion of the project.

One of the things that was clear when we issued the report was that the community and elected officials need a sense of certainty so we will be publishing project milestones that will hold us for accountability purposes but will also give people a sense of how a project of this complexity gets done.

We should be able to speak to each one of these, how we are hitting targets, what people are seeing on the ground. Why is the project in the position that it is at a particular time. And we also should have quarterly updates that really break down each parts of these projects and let people know what is going to start happening within the construction phase while Steve is doing the various contracts, the public, I think, also wants to begin to see what are the important components that are going forward.

So again we think this program is an important part of the report. The road forward is going to require public outreach. The program logistics office has a lot of work ahead of it. As you saw this will become a very dynamic site downtown, but we will be transparent with the website communicating to people on what in fact is happening and we will be publishing the milestones and accountability quarterly reports as part of that overall effort. Thank you very much.

Chairman Coscia: And now for a construction update I turn it over to Steve Plate.

Steve Plate: Thank you, Chair. Commissioners today I will be updating you on construction activity and progress at the World Trade Center site and seeking your approval of a trade contract for the Memorial.

Commissioners, approximately 97% of all trade contracts for the Freedom Tower are awarded or out for bid. Construction at the site continues to advance. Today foundation concrete is now 98% complete with approximately 12,650 cubic yards poured. Substructure walls and slabs are in progress with over 13,000 cubic yards of concrete poured to date.

The curtain wall system is the exterior envelope comprised of metal and glass spanning approximately 1,180 feet of the 1,776 feet structure. A mock up of this system was successfully tested for air infiltration, water infiltration and structural capacity. Almost half of the above grade tower steel has been fabricated with approximately 20,000 tons of the 46,000 tons being rolled.

Erection of 90% of the below grade steel columns is complete and equals over 1,300 tons. The south core now rises to street level and form work is being built for the first core concrete placement above grade.

Installation of over 400 tie backs along the existing slurry wall has been completed and progress continues with the demolition of the temporary PATH Station on Church Street which will enable the start of foundations for the new PATH south mezzanine.

Over 840 cubic yards of concrete has been placed to complete the east/west connector shield wall. In addition all 47 of the Calatrava design steel arch structures have been installed with final arch alignment and welding now in progress.

Construction of the Memorial is advancing with concrete footings which are now 98% complete. And we have placed 1,040 lineal feet of concrete hardened wall foundations. Over 4,400 of the 8,650 tons of structural steel to be used for the Memorial superstructure have been fabricated and 44,000 pounds of steel has been delivered to the job site and is in the process of being erected.

Steel erection started on September 2, 2008 with the erection of a 7,700 pound column located near the footprint of the original World Trade Center North Tower.

In the Northwest quadrant of the Memorial site, support activities for the exposed slurry wall along West Street was completed. Contractors utilize 2 quarter ton wall mounted core drilling

rigs to cut through the existing reinforcing steel and the slurry wall. There are over 146 locations and seven rows required.

Close to 50% of the Memorial's construction trade contracts valued at $275 million have been awarded to date. All 440 mini piles to underpin the over a thousand foot long MTA #1 line have been installed. Lateral steel bracing is being installed as soil is being removed from below grade. Planning for the top down construction sequence has commenced and we are moving forward on the purchase of steel.

Project milestones are being tracked per the recent assessment report.

Construction at the Memorial is advancing with concrete footings which are now 98% complete and have placed 1,040 lineal feet of concrete hardened wall foundations.

I think I did this slide. Next one.

77 secant piles have been installed as part of the Route 9A West Street underpass. Across Route 9A at the World Financial Center location, secant pile drilling has been completed and excavation work continues south of the north projection PATH's existing New Jersey bound tunnel. On Monday September 29, 400 cubic yards of concrete was placed which completed the western portion of the north projection roof.

Since the award in August of the construction contract of the South Bathtub for the Vehicular Security Center, the site is being cleared for construction and trailers in this area are in the process of being relocated. And the contractor EE Cruz/Nicholson is beginning to mobilize. Construction of the central chiller plant core and shell continues by Bovis Lend Lease as a part of the overall construction of the Memorial core and shell.

The New York State Department of Transportation has begun construction of the first phase of the chiller plant's east river waterline relocation adjacent to the west slurry wall of the World Trade Center site.

As discussed at today's World Trade Center Subcommittee meeting, staff is seeking your approval to accept assignment of a trade contract for the World Trade Center Memorial/Memorial Museum for the electrical branch distribution system. Staff recommends the award go to Five Star Electric, the lowest responsive bidder for the supply and installation of electrical branch wiring work, at an estimated amount of $37,260,000 including the allowance for extra work.

This trade contract consists of state of the art electrical systems for lighting and branch work and will include the radio systems for emergency first responders. In addition, a partial assignment is requested of the contract with Bovis Lend Lease for the performance of construction management, general conditions work at an estimated cost of $5,117,592.

Commissioners, I request your approval of this item. Thank you for your time.

Chairman Coscia: Steve, thanks for the report. And I will ask for a motion to approve the item, the assignment item that Steve outlined at the end of it. Commissioner: So moved. Chairman Coscia: Second. Commissioner: Second. Chairman Coscia: Okay. All those in favor. Commissioners: Aye.

Chairman Coscia: Okay. There is a motion on this agenda for a consent calendar but the only item we have is the item we just approved so we don't really need the consent calendar do we.

Karen Eastman: Correct.

Chairman Coscia: And I note there are no public speakers who have signed up to speak in the public portion. So that would conclude all of our business if I could have a motion to adjourn. Commissioner: So moved. Chairman Coscia: Is there a second. Commissioners: Second.

Chairman Coscia: Okay, thank you. Thanks everyone.

Port Authority of New York and New Jersey
Public Board Meeting Transcripts
January 22, 2009

Chairman Coscia: Good afternoon, everyone. If I can have your attention, we can get started. Welcome and Happy New Year. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committees on Finance, Operations, Construction and a special interim meeting of the Committee of Operations met in public session. The Security Committee met in executive session, and the World Trade Center Subcommittee met in both public and executive session. Their reports will be filed with the official minutes of today's Board meeting. The Commissioners also met in executive session prior to today's Board meeting to discuss matters related to the purchase, sale or lease of real property or securities where disclosure would affect the value thereof or the public interest, and to act upon matters related to proposed, pending or current litigation, judicial or administrative proceedings.

Our first order of business today will be a presentation by Chief of Real Estate and Development, Michael Francois, regarding an incentive program for prospective tenants at One World Trade Center, the Freedom Tower, and Towers 2, 3, 4 and 5. Michael?

Michael Francois: Thank you. Good afternoon, Commissioners. Today I'm requesting authorization to enter into an agreement with the Empire State Development Corporation to permit the Port Authority's participation in a lease incentive program for qualifying tenants in One World Trade Center, the Freedom Tower, as well as Towers 2, 3, 4 and 5. With funding up to $61 million, the program will provide a credit of $5 per square foot.

I am also requesting authorization to execute an amendment to the Port Authority's Amended and Restated Agreement of Lease between the Port Authority and One World Trade Center LLC, and any other existing net lease agreements covering World Trade Centers 2, 3, 4 and 5.

In September 2006, the Board authorized a rent reduction program for 7 World Trade Center pursuant to New York State legislation, which provided incentives to attract new companies and maintain existing businesses in Lower Manhattan. This companion rent program is currently in effect and was an effective incentive in leasing that building.

The program will be funded by New York State and administered by the Empire State Development Corporation, which will remit the cost of the rent subsidy to the Port Authority on a monthly basis.

In 1990, an agreement existed between the Port Authority and the States of New York and New Jersey, in which the Port Authority agreed to make semiannual payments to both states in connection with certain New York State leases at the original World Trade Center through March 2021. Empire State Development Corporation will use these payments as a source of funding for the payments to the Port Authority.

The program was used effectively in 7 World Trade Center to attract private tenants, such as Moody's, Darby & Darby, and New York Academy of Science. In the midst of an international economic crisis, Lower Manhattan's commercial office market has slowed down considerably during the last half of 2008. However, staff anticipates that in the next few years, with the World Trade Center nearing completion and presumably the beginning of an economic recovery, Lower Manhattan's desirability as an office, residential, retail and recreational destination will increase.

This program will encourage occupancy in the redeveloped World Trade Center Office Towers by providing an incentive for leasing space, thereby helping to foster the economic revitalization of Lower Manhattan.

Under this lease incentive program, Empire State Development Corporation will accept applications from prospective tenants and approve qualified leases up to 750,000 square feet of space in One World Trade Center, the Freedom Tower, as well as Towers 2, 3, 4 and 5. The program provides a rent credit of $5 per rentable square foot. The credit is provided for the term of the qualifying lease not to exceed 20 years, or until the program funding is expended.

Staff anticipates or estimates that the total funding for the program is approximately $3.75 million per year. Taking into account the funds expended earlier for the 7 World Trade Center rent reduction program, there is a balance of approximately $61 million out of the total program funding of $115 million.

Commissioners, your approval of this program, or an action on this today is requested.

Chairman Coscia: Thank you, Michael. Can I have a motion to approve? Board Member: Move it. Commissioner: Second. Chairman Coscia: All right. Anyone have any questions?

Vice-Chairman Silverman: I do. Michael, I'm a little confused. This only would represent about five or six hundred thousand square feet out of roughly 10 million square feet that might be built?

Michael Francois: Seven hundred fifty-thousand square feet is the program.

Vice-Chairman Silverman: And why is that different than simply giving the tenant the $5 per year lower rent; instead of paying $65 they're paying $60? I'm confused as to what the necessity of this program is versus just lower rents?

Michael Francois: Well, I think this is just one more, you might say, incentive or package of assistance that not only the public sector and the private sector can use at its discretion to attract tenants downtown. Invariably, with the economy and it being -- going down in a recession that we're in, there will be some rent reductions by the private sector. But this is the public sector's, you might say, entrance into this and help subsidize the rents accordingly.

Vice-Chairman Silverman: So, we're really subsidizing SPI, if they're the landlord. They're going to reduce the rent to whatever they need to fair market to attract a tenant. Then we're going to provide an additional $5 a foot subsidy to them?

Michael Francois: It could be any one of the buildings downtown. It could be Towers 2, 3 and 4, which are being developed by Silverstein. It could be the Freedom Tower, which is developed by us, or it could be the future development of Tower 5.

Vice-Chairman Silverman: Mr. Chairman, I'd like to suggest we table this until some of us are more comfortable with this. This is the first I've heard of it. I don't know whether any of my fellow Commissioners have.

Michael Francois: I think -- the CFO wanted to point out that this credit actually comes from the Empire State Development Corporation, not the Port Authority, *per se*.

Vice-Chairman Silverman: (inaudible) funding coming from?

Michael Francois: The funding is coming from a revenue stream that the Port Authority realized through the original World Trade Center from New York State leases, and it was given to both states equitably. New Jersey used some of it previously in the Economic Recovery Fund. New York State has still that revenue stream and those funds at its discretion and will be using it for this program.

Chairman Coscia: Over ten years ago.

Chairman Coscia: Any other questions? Okay. All those in favor, aye? Any opposed? Okay, thank you. Our next order of business is a presentation from our Director of Port Commerce, Rick Larrabee, on intermodal rail incentive program to encourage better use of the ExpressRail facilities. Rick?

Richard Larrabee: Mr. Chairman, Commissioners, good afternoon. Today, as our nation and the world continues to face an extraordinary financial challenge, your authorization is requested for a unique program that will increase the competitiveness of the Port of New York and New Jersey by implementing a $25 per container incentive to be paid to those ocean carriers who expand their use of our ExpressRail facilities.

Under your leadership, the Board has authorized approximately $557 million to design and construct the ExpressRail system, which will be one of the largest on-dock rail systems in the United States. The full buildout of the ExpressRail system will provide our container terminal tenants in Port Newark, Port Elizabeth and Staten Island with three dedicated rail facilities and two support yards that will have the capacity to handle 1.5 million rail moves per year.

While the Port has enjoyed a high growth rate of container and rail activity in the last few years, the near-term future is more uncertain now given the current economic environment. Most ports, both globally and here in the U.S., expect to see negative container growth for 2009 and possibly beyond.

Approximately 20 percent of the Port's container traffic has a domestic origin or destination of more than 250 miles from our Port. This discretionary cargo is blind because it does not matter

to the shipper which port their cargo goes through. What does matter to the shipper is that the price is right and the cargo gets to where he wants it to be on time.

The discretionary cargo is very price and service sensitive. Due to the distances, this is primarily intermodal rail market. This graphic shows those destinations serviced by rail from our ExpressRail facilities.

Other East and West Coast ports in the United States are adding rail capacity and have directly targeted our rail market. We also see other ports taking measures to attract cargo. For example, Charleston and Los Angeles recently implemented incentives to attract new cargo. And to our knowledge, other competing ports are currently offering between $50 and $100 per container incentives specifically for new rail cargo.

2009 is going to be a highly competitive year, particularly for rail cargo. Despite this challenge, we have a new opportunity to better compete in this market, because two additional ExpressRail projects, the second lead track to Elizabeth and Phase 1B of the Corbin Street Support Facility, will be completed this year that will almost double the capacity of our Port's rail system to approximately 1 million containers. These rail enhancements will improve the cost competitiveness of our Port, and the proposed incentive program is designed to take advantage of this opportunity.

Commissioners, your authorization is requested this afternoon to implement an intermodal rail incentive program at the Port of New York and New Jersey to promote the use of ExpressRail facilities by providing a $25 incentive in 2009 on all eligible containers to ocean carriers utilizing our rail facilities.

An eligible container is defined as an oceanborne internationally traded container in excess of the ocean carrier's 2008 container terminal volume handled by our ExpressRail facilities. A $25 per container incentive represents approximately one-half of the intermodal lift fee the Port Authority receives for any container that is loaded or unloaded at our ExpressRail facilities.

Should the program prove to be successful, authorization is also requested to extend the program for an additional one-year period, through 2010.

Commissioners, the implementation of this intermodal rail incentive program is expected to stimulate the use of our ExpressRail facilities. Promoting movement of containers via rail will mitigate environmental impacts caused by highway congestion and will allow more containerized cargo to reach its destination with fewer truck trips.

Lastly, the movement of additional cargo will not only retain present employment benefits for the Port, but could also increase employment opportunities at the Port and in our region. Commissioners, I request your approval of this item for today. Thank you.

Chairman Coscia: Thank you, Rick. Is there a motion to approve? Commissioner: Move.
Chairman Coscia: Is there a second? Commissioner: Second.

Chairman Coscia: Okay. Rick, I know that you and your staff, and I know the PA generally has done a great job at promoting the ExpressRail program. It really is the kind of investment that in long-term is a great contributor to the efficiency of an important business in this area, as well as promoting our goals on sustainability, and getting trucks off the road, and greater use of rail. Hopefully, it will make this region competitive for years to come, and I think this kind of program makes all the sense in the world in a very difficult economy where we're struggling to compete for discretionary cargo. So, I think this is a relatively small step but a very sound one in the right direction. Anyone else have any other comments? Okay, all those in favor? That's approved.

Richard Larrabee: Thank you.

Chairman Coscia: Thank you. I'd now like to call upon members of the public who have an interest in speaking. No one has signed up to speak on any matter that was considered, but there are two speakers who have signed up on other matters, and I'd like to ask Lakeesha Paylor to come forward, please?

Lakeesha Paylor: Good afternoon. Hi, my name is Lakeesha Paylor. I work at the Newark International -- well, Newark Liberty Airport. I'm here today asking for your help. I've been working for Delaware North for four years. I'm a union worker. We have two new companies that's coming over and taking our stores, Paradies and another one, OTG.

The deal was when they reopened the stores they would hire us back. Instead of hiring us back, they're getting new people, new people from the street with no IDs, need to be record-checked, know nothing about the business, and never call us back. And I'm not only here for Newark; I'm here for JFK and I'm here for LaGuardia.

As you know, I had a friend come here last month, her name is Sheikema Ashe. She asked for help to get her job back for her struggling family. Her mom can't work. And let me, again, could you please help us, ask (inaudible) my store will be closing.

I've been a union worker for four years. I don't want them to tell me I'll be back and I come fill out the application again and somebody that's not a union worker, not a badge holder, have my spot. I'm struggling, my family's struggling, and people in New York airports are, too. So, please, could you help me and my friends from Newark to New York continue working in the airport as they open new stores? Thank you for your time.

Chairman Coscia: Thank you. Thank you. Our next speaker is Steven Papageorge, also from UNITE HERE.

Steven Papageorge: Thank you. Good afternoon, Commissioner and Board members. My name is Steve Papageorge. I think some of you know me by now from Airport, Racetrack, and Allied Workers Joint Board. You just heard from Lakeesha. It's a compelling story and it's one of many stories at all the airports.

I'm here to speak about the enforcement of the labor harmony and employee retention policy at JFK, Terminal 5. OTG and Paradies, the two companies at Terminal 5, have been in noncompliant with this policy for a number of months now. This means that the restaurant and retail operations at Terminal 5 still have no guarantee of labor peace and workers, our members, who have been out of a job since last year, have no guarantee of employee retention.

You've heard former airport concession worker Sheikema Ashe last month about how hard it was for her to understand why a company didn't have to play by the rules. She told you she was struggling financially because Paradies violated and is still in violation of an employee retention policy at JFK.

This policy was passed at all the airports in the metropolitan area, and companies at Newark are complying. I don't understand how some companies get away with violating it while others are made to comply. It's as though the Port Authority is saying that workers at Newark are worth more consideration than workers at JFK or LaGuardia.

Would the Port Authority require luggage screening at one airport and not another? I doubt it. Would it enforce a safety regulation for one company and not another? I doubt it, also. As a Port Authority-wide policy, labor harmony is not an option. It is a requirement for all airports, all terminals. Companies like OTG and Paradies need to see it that way.

Workers are suffering and these companies are being rewarded with new business in the Port Authority as we speak. There has been a policy in place for more than a year, and these companies can't be awarded new business until they comply. Thank you.

Chairman Coscia: Thank you, Mr. Papageorge. Our next order of business is recognizing one of our colleagues who recently stepped off the Board, Bruce Blakeman. I'd like to offer a resolution before this Board acknowledging all of Mr. Blakeman's contributions to this Board. As many of you know, Governor Pataki appointed Bruce to this Board in June of 2001, and I'm sure the importance of that date is obvious to everyone. A mere several months later, obviously, 9/11 brought this agency to a point that very few groups of people have ever had to endure, and Commissioner Blakeman was a very, extremely solid source of support for staff, the Board and this institution at what is arguably its most trying moment in its 87-year history.

During his tenure at the Board, Bruce Blakeman made it a point to make security part of everything that we do. He was affected, as we all know, personally by 9/11 as well as professionally, and he took that experience and he took that energy, and he channeled it into keeping us accountable and honest as it related to providing the highest level of safety and security to the people who use our facilities.

For that and for all the contributions he made, and his service to this agency, I offer a resolution commending him on his exemplary service as a Commissioner and ask for a second on that motion.

Commissioner Bauer: Second.

Vice-Chairman Silverman: Second.

Chairman Coscia: All those in favor?

All Commissioners: Aye.

Chairman Coscia: Okay, I'd like Bruce to come forward. (Applause)

Chairman Coscia: Okay, our last order of business is a motion approving the consent calendar?
Board Member: So move.

Chairman Coscia: Is there a second? Any questions or comments? All those in favor? multiple Commissioners: Aye. Chairman Coscia: Okay. Can I have a motion to adjourn?
Commissioner: So moved. Chairman Coscia: Thank you. Good afternoon, everyone.

Port Authority of New York and New Jersey
Public Board Meeting Transcripts
2/19/09

Chairman Coscia: Can I have everyone's attention? The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the Committees on Governance & Ethics, Capital Programs/Agency Planning, Operations and Construction met in public session and the Audit Committee and Committee on Finance and the World Trade Center Redevelopment Subcommittee met in executive session. Their reports will be filed with the official Minutes of today's Board Meeting. The Commissioners also met in executive session on February 10 and prior to today's Board Meeting to discuss matters involving the ongoing negotiations or reviews of contracts or proposals, matters related to the purchase, sale or lease of real property or securities where the disclosure would affect the value thereof, or the public interest, and to act upon matters related to proposed, pending or current litigation, judicial or administrative proceedings.

First I would like to take a moment to request that we observe the upcoming 16th anniversary of the first terrorist attack on the World Trade Center, which as we all know occurred on February 26, 1993 and we remember the 6 victims including 4 Port Authority employees who died on that day. [moment of silence] Thank you.

Our first order of business, our Director of Aviation , Bill DeCota, will provide a report on a runway reconstruction project and delay reduction project at JFK that we are excited about in terms of its long-term operational benefits to JFK and frankly also the affect it would have as an economic stimulus in today's economy. Bill?

Bill DeCota: Thanks a lot Mr. Chairman and Commissioners. It is kind of déjà vu because I am back as you said to talk about a project that will reduce delays, enhance capacity and create hundreds of billions of dollars worth of benefit for the people of this region. As you know, I have been back to you several times and we have talked in the last year and a half about major investments that the Port Authority has made in navigational aids and lighting systems and different kinds of navigational control equipment, even GBAS, the first satellite based landing system.

Today I am going to ask your approval for a very significant delay reduction project at Kennedy Airport which combined with three other delay reduction projects at JFK that you approved previously has tremendous potential to add capacity to Kennedy Airport, enormous economic benefits, it is tantamount to construction of an entirely new runway at Kennedy Airport that will accommodate bigger aircraft such as the A380, it is the taxiways, it is the hold pads, it's the navigational aids, it is the safety areas, the wearing surface – you will hear all about it as I go through my additional slides and then I will ask you for your approval.

As you know, as the public knows, our runways are very heavily utilized. Last year more than 1.3 million flights used our commercial airports. There are nine runways – that means there are about 3 arrivals or departures every minute at those airports. The Bay Runway which you see here, it is the line that is shown in yellow, is one of the most important to our system. It is 150

feet wide, it is 14,500 feet long; it is right now paved in asphalt. It is one of the largest commercial runways of any airport in this country and actually in the world.

More importantly to our airport system, it plays an incredible role in the capacity at JFK and in our airport system. 54 percent of the departures at JFK last year used this runway; 11 percent of the arriving flights. That is 143,000 movements over a 365 day period. The last rehabilitation of that runway was in 1993. There has been periodic work that has been done like interim repairs, the last one done in 2004.

What we are going to talk to you today about is basically removing this runway and replacing it with something else.

As we took a look at this runway in particular, Commissioners, you know normally we come back to you and we talk about a rehabilitation - we replace some of the infrastructure we mill and groove. But our engineers said this is an opportunity to take a look at that runway. There are two ways you can enhance capacity; one is to build an entirely new runway and of course there are some airports that have had the luxury of doing that – they have more property, more geographic land. Chicago O'Hare, Washington Dulles, Seattle each opened up new runways in the past year. The other way if you don't have land to build a brand new runway is to enhance efficiency and given that this runway needed a complete overhaul, the Port Authority and the FAA saw the potential to really look at that idea of while we are rehabilitating the runway to also come back and see if we could replace the runway. Basically build our version of an entirely new runway and to be able to handle bigger aircraft.

And so this is going to combine the elements of both.

Now, how is this a new runway? Every part of the existing runway is being replaced. Nearly 3 miles of pavement is being removed and it is being replaced with concrete. This is the first use of concrete at our airports for a runway. The cost benefit analysis determined that concrete is the most cost effective material, has a higher initial cost but over a life cycle and over an estimated 40 year life for this versus 8 to 12 years for asphalt, we will get a lot of use out of this and it will result in cost savings of over $500 million. And we are going to be looking at concrete in the future at other runways as we begin to rehabilitate them.

The runway is also being widened. 150 feet is the standard runway width in commercial airports across the country. We are widening this to 200 feet to accommodate new large aircraft. As you know, this Board has been very supportive of accommodating that plane that weighs as much as 1.2 million pounds and has a wing span of 262 feet. It is now being flown to JFK by Emirates, Lufthansa will follow. There are several other airlines. This plane can hold from 450 to 850 passengers, 50 percent more cargo capacity.

The project also has a lot of significant delay reduction benefits. You see some taxiways here on the left. Taxiway K Extension, runway access improvements in Taxiway J; sequencing and queuing capability at Taxiway P – each of those projects which are part of this will equate to about 1 to 2 minutes for each departing flight and improve delay. There is sequencing that is going to happen as a result of this. The taxiways will be widening, the turning radii will be

improved, other aspects improved. There will be a threshold of the runway that is relocated. Combined there is about $60 million in annual delay savings that come out of this and that equates to about 10,500 hours of total annual delay reduction for our passengers and the airlines. And the FAA, as I said, will replace the navigational aids, the lighting the instrument landing systems, the markings, the guidance signs that will also improve the delay situation.

This is an enormous economic stimulus, the magnitude of this project, all the work when you include the safety areas and the drainage and the infrastructure, huge economic benefits that come out of it. Just let me describe for you some of the materials. There are 260,000 cubic yards of Portland concrete cement that have to be used in this runway. That's enough to pave every NFL football field in this country with 2 feet of concrete. There is 260,000 tons of asphalt cement, the weight of six Titanic's. 220,000 dowel bars – enough to stretch from JFK Airport all the way up to Stewart Airport and then go 18 miles. 20 miles of duct bank that could extend from JFK over to the Goethals Bridge.

We also expect that at the peak of construction there will be over 1,000 construction workers that will be employed, hundreds of support staff like electricians, airfield guards, construction escorts. The economic benefits are significant, not only in terms of reducing delays I talked about, but also in terms of the construction employment, the materials purchased and ultimately the combined benefits for about 2,500 jobs and nearly $800 million in wages.

Now the Port Authority secured very early on agreement with the airlines and the FAA on a very ambitious construction schedule. The goal is to minimize the time required for construction closures of the runway but at the same time allow the runway to be closed to get a high quality work product and a runway life that is prolonged, and several efforts were taken to extend the deadline. Contractors that will be allowed to bid on this contract have been pre-qualified based upon their successful completion of projects of this scope and the ability to deliver materials and their timeliness in being able to do that in other places. We are hoping to bring you back a contract so that it could be awarded in June of 2009 and get the contractor mobilized immediately thereafter to meet the March 1 full runway closure for 120 days. You see here the runways are going to be closed in agreement with the airlines for periods of time, fully and partially; we will have to take it out of service and the airlines have agreed that they are going to reduce their schedules.

Because of the importance the planning has been incredibly meticulous, Commissioners. Working with the FAA and the airlines as I mentioned, but the Air Transport Association and the International Air Transport Association, the validation of the design, the schedule, the sustainability initiatives. As an example, milled asphalt will be reused in the pavement construction. The drainage system will allow for more infiltration of the runoff of water into the ground and less into other waterways. There will be the use of fly ash that is recaptured instead of being released into the atmosphere, a whole bunch of issues that have been very carefully thought about in terms of the impacts of this.

Most importantly, the impact on the customer during construction has been very carefully considered. We are going to complete Phase 1 of the delay reduction projects that you have previously authorized, those taxiways that will get planes on and off their taxiways faster so that

the runways can be unimpeded. Those improvements will enhance the overall capacity of our system, and the schedule I just described was designed to minimize the amount of time that things are going to be closed and maximize the usage of the other runways which we will do in conjunction with the FAA air traffic control folks.

The total project cost that I am asking for you to approve is really enormous. It is $376.3 million. The project is very high on the Federal Aviation Administration's priority list. They do a ranking system. It has significance to the national airspace system, not just to us. They have indicated that they are going to provide federal funding initially of at least $35 million for this project. And in closing, Commissioners, this Board has many times seen that very clear linkage between transportation and the road to recovery of our nation's economy. And certainly an airport investment of this nature is very significant. It has enormous benefits – operational efficiency, reduced delays, improved access for big planes, enormous environmental benefits, just from reducing emissions and fuel consumption from reduced delays. Commissioners, I would ask your approval of this very important project.

Chairman Coscia: Thank you, Bill. Can I have a motion to approve? Commissioner: Moved. Chairman Coscia: Is there a second? Commissioner: Second.

Chairman Coscia: Bill, I know I am very pleased to see you bring this to the Board; it is the kind of project that this Authority is best suited to do and I think it is something that is a clear indication of our willingness to use our capital capacity as a way of helping to stimulate the economy and in doing so bringing forward projects that will have a long-term positive impact on the region's transportation infrastructure. I know that we have been talking about major capital projects at the airports as a way of making them more efficient in their operations and having an impact on delays. I think this project will have one and I am also pleased to see how well thought out it is. I think the public is looking to agencies like ours to be very strong at execution, at being able to put these projects into service with a minimum disruption to those who operate at our airports and clearly you have done a lot in that regard. So I think that is all very, very helpful.

Certainly the region could use this kind of capital investment right now and so I applaud the timing on it as well.

Bill DeCota: Thank you, Mr. Chairman, and also staff want to thank the Board because obviously you have been very encouraging, very supportive and you have really directed us in this direction. So I thank you for your support.

Chairman Coscia: You are very welcome. Any other comments, questions? Okay, all those in favor? Commissioners (group): Aye. Chairman Coscia: Any opposed? Okay.

Chairman Coscia: The next issue is, there does not appear to be anyone who signed up for public comment. So we will move on to the consent calendar. Can I have a motion to approve the consent calendar? Commissioner: So moved. Commissioner: Second. Chairman Coscia: Alright, any questions or comments on that? All those in favor? Commissioners (group): Aye.

Chairman Coscia: Any opposed? Okay. I think we are done. Can I have a motion to adjourn? Commissioners (group): So moved. Chairman Coscia: Thank you. Good afternoon.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
March 26, 2009

Chairman Coscia: Lets' get started. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the Committees on Security and Capital Programs/Agency Planning and the World Trade Center Redevelopment Subcommittee met in public session and the Committee on Operations met in both public and executive session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session on March 24th and prior to today's Board Meeting to discuss matters related to the purchase, sale or lease of real property or securities where disclosure would affect the value thereof or the public interest.

As many of you know we have been making good progress on building One World Trade Center which now stands nearly 10 stories above street level. And today we are about to make an equally important level of progress in our efforts to fill the Towers with tenants. Our Chief of Real Estate and Development, Michael Francois, will now provide us with the details of a lease we are about to sign with the China Center which will facilitate business between two global financial centers. Signing up the China Center on competitive terms in a struggling economy is a firm stamp of approval that the World Trade Center site is a world class business destination. It will greatly enhance our ability to market the building to both public and private sector tenants in the months and the years ahead.

Before 9/11 the World Trade Center had been seen around the world as a center for global commerce. We believe that the lease we are about to sign with the China Center will assure others around the world that the rebuilt World Trade Center will be an equally important business destination for the region and the world economy. Michael?

Michael Francois: Thank you. Good afternoon Commissioners. You will recall that in June 2008 the Board authorized negotiation of a lease with China Center New York in One World Trade Center. Today we are pleased to announce that One World Trade Center has reached a final agreement with the China Center. This is the first private sector office tenant for One World Trade Center which will send a strong signal to the commercial rental market that Tower One is a viable and attractive office building for international tenants. It is expected that China Center New York will become the primary location for Chinese businesses looking to expand their organizations in the United States. The China Center will also provide seamless real estate and service solutions to businesses that are either engaged or wish to engage in the expanding world of Sino-US business and culture. The main components of China Center New York's Program include an executive China Club, a conference center, event and catering facility and a business center.

China Center New York's Program within One World Trade Center will consist of a reception area on the 64th floor adjacent to the building sky lobby, a catering area on the 65th floor, executive club facilities on the 66th floor, conference facilities on the 67th floor and office suites on the 68th and the 69th floors.

Here are some of the key terms and conditions of this proposed transaction. China Center would lease approximately 190,810 rentable square feet of mid-level office on Tower One. This represents portions of the 64th floor as well as the entire 65th through the 69th floors. In addition China Center would lease approximately 5,000 square feet of storage space and mechanical space. The initial term would be for 20 years with two 10-year renewal options. China Center has the right to add up to two additional full floors, on the 70th and the 71st floor.

The office rental rates would start at $80 per rentable square foot with $5 escalations in years 7, 11 and 16. The China Center will be a recipient of the Empire State Development Corporation's World Trade Center Rent Reduction Program. Over the term of the lease this value is estimated to be $15 million.

In addition to the office storage and mechanical space, China Center will pay a participation on gross receipts related to the catering facility.

Furthermore, China Center will provide the Port Authority with in-kind services of approximately $250,000 per year.

A $10 million letter of credit will be issued as a security deposit and will be delivered to the Port Authority at lease execution.

While the proposed final terms are substantially in accordance with previously approved term sheet, the key differences between the prior agreement with China Center and the current lease include an increase in rentable square feet from 189,438 to 190,810 . The initial lease period was 22 years, it is now 20 years. China Center's expansion rights previously expired in June of 2009 and has now been extended to the end of December of this year. Base rent escalations were originally in years 6, 11, 16 and 21, and has been revised to our current years 7, 11 and 16. An increase in tenant improvement allowance from $65 to $80 per rentable square foot. The current terms also provide for additional free rent under certain circumstances which were not included in the original agreement. The China Center would be entitled to extensions of the initial free rent period if delivery of the premises does not occur by December 31, 2014. And the lease would also terminate if delivery of the premises does not occur by December 31, 2015.

Commissioners, your approval of this action is requested.

Commissioner Coscia: Thank you, Michael. Can I have a motion to approve? Motion? Is there a second? Commissioner: Second.

Commissioner Anthony Coscia: All right, does anyone have any questions or comments. Okay, Michael again we thank you and your staff for the hard work you have done. We know that it was a big accomplishment. I would also like to, in addition acknowledging the hard work of our staff on this. I would like to publicly acknowledge the Partnership for New York City and Kathryn Wylde and her staff who were a very vital part of us bringing this transaction together. Can I have all those in favor? Commissioners: Aye. Commissioner Coscia: Any opposed? Okay. Thank you very much. Thank you, Michael.

Chairman Coscia: Our next order of business is I would call on our Director of Construction at the World Trade Center, Steve Plate, to provide us with details regarding a contract for the procurement and installation of structural steel for the World Trade Center Transportation Hub. This milestone is critical not just for the Hub itself but for the important work related to the Memorial and its delivery by the 10th anniversary on September 11th of 2011. And as our Executive Director has pointed out in prior discussions on this subject, serves as a very vital economic development component at a time that the regional economy certainly needs it. So Steve?

Steven Plate: Thank you, Chair. Commissioners I would like to report that staff has achieved a significant milestone with the presentation of today's Board item, the contract for the procurement, fabrication and erection of a major portion of structural steel for the World Trade Center Transportation Hub. As part of the reassessment process, the construction of the PATH hall roof for the World Trade Center Transportation Hub was identified as a critical priority and a requirement to support the 9/11/11 opening of the World Trade Center Memorial Plaza. Due to this priority, staff worked with the contractor to initiate the procurement process that enables the project to move forward, advancing our efforts to achieve a fully rebuilt World Trade Center site.

Today's award includes approval to award over 22,000 tons of structural steel required for the PATH hall roof, the Number 1 subway line passageway and the transit hall below grade. As illustrated on the presentation slide, you can see the unique design of the structural steel members that encompass both the east and west bath tubs. And when complete will bring the transit hall up to grade level. This contract also includes the intumescent fire resistant coating for the steel, the metal decking and the required pre-cast concrete work. Note should be made that steel for the Oculus will be purchased separately.

Commissioners, the procurement method required the prequalification of the bidding contractors, both technical and commercial proposals; followed by a negotiated best and final offer brought to us to a best value award. Three strong teams comprised of erectors and fabricators, both domestic and international firms submitted proposals. Therefore, staff recommends that Phoenix Constructors be given the authorization to award the procurement, fabrication and erection of steel to DCM Erectors, Inc. in the amount of $375.3 million, excluding an 8% allowance for extra work. Also important to note is that DCM will fabricate a significant portion of the steel in their South Plainfield, New Jersey facility.

Commissioners, we are very proud today to request that you advance this item to the full Board for approval.

Commissioner Anthony Coscia: Thank you, Steve. Is there a motion to approve? Commissioner: Motion to approve. Commissioner: Second. Chairman Coscia: Second? All right, anyone have any questions or comments? Okay, thank you very much. All those in favor? Commissioners: Aye. Chairman Coscia: All right. Any opposed? Thank you. Thanks, Steve.

Chairman Anthony Coscia: Excuse me. Before we get to the consent calendar, no one has signed up for anything specific to today's agenda, but there are two individuals who have signed up to speak on other unrelated topics. I would like to first call Aurelia Brown.

Aurelia Brown: Thank you. Good afternoon. My name is Aurelia Brown. I have been a security officer at JFK Airport for more than a year. My questions to the Board deal with the lack of advanced training and benefits for the 500 Covenant security officers protecting LaGuardia and JFK Airport. There is no place where security is more important than our three major area airports which together form one of our country's largest and maybe most sensitive ports of entry for people from around the world. Security officers protecting JFK or LaGuardia want the same wages and benefits as officers at Newark Liberty Airport so we can continue to protect the safety of people and properties without worrying about healthcare for our families and lack of safety or training.

Members of the Board, I would like to know will the 500 Covenant security officers protecting our two major airports have to wait another 3 years to get the funded and advance training so we can do our job more effectively and will the 500 security officers who monitor and protect the airport headquarters, terminals and runway have to wait another 3 years to get funding for our family healthcare and adequate wages increase?

I have with me one of my coworkers whose daughter's healthcare coverage is getting ready to expire. Now in order for her to do her job effectively she also has to worry about getting coverage for her daughter. I would ask the Board do we have to wait another 3 years for this coverage? Thank you.

Chairman Coscia: Thank you. Our next speaker is Steve Papageorge from Unite Here.

Steve Papageorge: Good afternoon Chairman and Board Members. My name is Steve Papageorge. I'm the manager of the Airport, Race Track and Allied Workers Joint Board. We represent almost 3,000 employees at the Port Authority airports. And thank you for the opportunity to speak today about the labor peace at the airports. Representatives of our union have stood in front of you many times to discuss the issue of labor peace at the airports. We started coming several years ago when irresponsible companies first began threatening to cause labor disruptions and refusing to retain workers when they took over existing operations.

We were here when you decided to take leadership on this issue in October of 2007. And we have been here several times since to update you on the implementation of the policy on the ground. By passing the labor peace and worker retention policy the Port Authority proved its leadership and it took a big step towards stopping labor disruptions at the airport. I am confident that successful implementation of the policy will benefit everyone, the travelers, the Port Authority, the workers and the concessionaires.

Let's not pretend that the implementation has gone totally smooth. But the process of implementing the policy over the last year and a half has shown everyone involved that when issues arise the Port Authority has been diligent in finding solutions to the problems that exist. There have been notable successes; since the passage of the policy we have counted 18 instances where companies are complying with the policy. And the workers at Newark and JFK who worried that they would lose their jobs when the concessionaires switched will be able to keep their jobs.

This means that travelers who visit these terminals do not need to worry about labor disruptions when they fly, which is very important. Unfortunately, travelers at JFK may not be so lucky. While one of the two largest concessionaires has signed a labor peace agreement, OTG still refuses to do so. And that means that the travelers at the terminals they operate might be faced with a labor dispute.

I urge you to continue your leadership on this issue by working with aviation staff to vigorously enforce this policy with OTG. I hope you will talk to OTG to ensure they sign an adequate agreement that protects labor peace. What we are all looking for here, the Port Authority, the people who signed the labor peace agreement and the union is not to have the workers in a race to the bottom. And I think we are on the right side of that. Thank you.

Chairman Coscia: Thank you. Okay, may I have a motion on the consent calendar? Commissioners: So moved. Second. Chairman Coscia: Second? Okay, second. Any comments? All those in favor? Commissioners: Aye. Chairman Coscia: Okay, thank you very much. Can I have a motion to adjourn? Commissioner: So moved. Chairman Coscia: Second? All those in favor? Thank you. Good afternoon everyone.

Port Authority of New York and New Jersey
Public Board Meeting
March 5, 2009

Chairman Anthony Coscia: If I can have everyone's attention, I would like to get started. Give everyone a second to grab a seat. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the World Trade Center Redevelopment Subcommittee met in Executive Session and in Public Session. The Committee's report will be filed with the Official Minutes of today's Board Meeting.

Our first order of business today at this meeting which is focused on our activities at the World Trade Center will be presented by Chris Ward, our Executive Director, to provide an update on construction progress at the World Trade Center as well as a report on what we know is so critical right now at this stage in the economy, and that is the contribution of this project to the regional economy in the sense of providing a stimulus for jobs, for development, and for activity. Not only is our mission in Lower Manhattan one of rebuilding, it is also obviously an opportunity for us to create an economic opportunity at a time when frankly there are few available to people. Chris, I turn it over to you.

Christopher Ward: Commissioners, thank you very much. Good day. I want to update you on the recent progress at the World Trade Center site, in particular One World Trade Center. As you can see, we have come a long way since October 2. Steel is now rising more than 100 feet above street level. In the past few months we have made significant progress. As you saw, the core of the building is now 105 feet above street level. As you can see on the slide before you, we have with your approval awarded 94 percent of the major trade contracts and purchased 95 percent of the steel.

Between October 2 and today there are several key milestones that we have reached at the site to move the ball forward. The first is the South Core crane jump. We periodically do crane jumps to allow the building to climb higher as well as give construction workers more flexibility in picking up materials. The next crane jump will be on to the erection steel which will allow us to start rising the building columns later this year.

The G-line girder support at Fulton Street which is very important to the site, as well as Fulton Street, will serve as the construction staging area during construction. This milestone will also help the Memorial and the Transit Hub move quickly forward.

Here you see what is perhaps the most complicated pour in the history of New York City real estate. This is the north core concrete that is going to be vital to the slab work of the building. As you can see the inter-lattice of the rebar and steel – this is to provide the base through One World Trade Center and provide the level of security as well as architectural enhancements for the tower as it rises from the site. An important and highly visible part of proceeding upward is the steel erection on the south core will support future crane jumps as we build forward, effectively building the center of the building as the tower rises, the crane will rise with it. The steel that you can see here will eventually be buried in the concrete core as a reinforcement.

As the Chairman mentioned, this progress comes also with the additional important Port Authority mission of the economic stimulus for downtown and we have been working hard with your support of the overall Port Authority '09 Capital Plan which you know is $3.3 billion, and the World Trade Center project is just one part of it, but I did want to give you an update on some of the impact that this project will have.

Unfortunately, as we all well know and the Building Congress published earlier this year largely signaling the end of the construction boom in NYC and their figures illustrate the sharp drop off in construction employment by 2010. But at the same time the number of non-residential construction projects being undertaken is dropping off even further, I think we have seen throughout the region as well as New York City consequences from this recession on its impact on non-residential construction. But nonetheless at the same time the construction jobs that are disappearing within that, the construction boom that is fading, the World Trade Center is providing more that 26,000 jobs over the lifetime of the project. I think in some ways we use the term stimulus far too much but at a time when our economy is hurting, the World Trade Center project is providing an important source of employment for many people.

Commissioners, working with Richard Roper we recently completed a study quantifying just how many jobs and economic activity is associated with each one of the projects downtown, and as you can see from this table, each one of them provide a great deal, over 26,000 jobs will be directly created by the World Trade Center project.

But any project, particularly one of this size has a ripple effect out into the economy and if you include the indirect jobs it is our estimate that over 62,000 jobs will be created as a result of the World Trade Center project alone.

This concludes my presentation today Commissioners, but I want to thank you for your ongoing support as we work through the difficult and challenging aspects of bringing this project to a successful conclusion. Thank you very much.

Chairman Coscia: Thank you, Chris. Can I have a motion to approve our consent calendar? Commissioner: So moved. Chairman Coscia: Okay, alright, does anyone have any questions on any of those items? Okay, all those in favor? Commissioners (group): Aye. Chairman Anthony Coscia: Any opposed? Okay, thank you very much. If I can have a motion to adjourn? Commissioner: So moved. Chairman Coscia: Alright, all those in favor? Commissioners (group): Aye. Chairman Coscia: Thank you. Thanks everyone.

Port Authority of New York and New Jersey
Public Board Meeting Transcripts
April 30, 2009

Chairman Coscia: Good afternoon, everyone. The Board meeting of The Port Authority of New York and New Jersey and its subsidiaries is called to order. Prior to today's meeting, the Committee on Capital Programs/Agency Planning met in public session. The Committees on Finance and Operations met in both public and executive session and the World Trade Center Redevelopment Subcommittee met in executive session. Their reports will be filed with the official minutes of today's Board meeting. The Commissioners also met in executive session prior to today's Board meeting to discuss and act upon matters related to the purchase, sale, or lease of real property or securities where their disclosure would affect the value thereof or the public interest.

Our first order of business today is our Executive Director, Chris Ward, will provide us with an update on the Downtown Restoration Program. Chris?

Chris Ward: Commissioners, thank you very much. It's a pleasure to be here today, and I will now present to you a slide summary that illustrates the construction progress at the World Trade Center site, underscoring the Port Authority's dedicated commitment of its development and construction team.

As you can see from this cover slide, the site is literally humming with activity stretching to every corner of the 16 acres. What you are looking at now is a before and after shot of the Memorial site since our initial assessment came out June of last year. As you can see, we have made significant and tangible progress. Overall, steel for the Memorial is now 50 percent erected, with 80 percent fabricated. That's nearly 4,000 tons of steel already in place, and as you can see, both outlines of the memorial pools are clearly visible.

The next slide before you illustrates the work taking place at One World Trade Center, which is now 110 feet above street level -- the equivalent of a nine-story building. The left photo illustrates the coordinated dynamics of the complex reinforcement requirements at the north core of the building. Here, workers prepare for the fourth tier of concrete, which will be an 800-cubic-yard placement toward completion for the below-grade concrete work. As illustrated by the center photo, after its most recent jump two weeks ago, this crane is now 200 feet above street level and will support the future installation of jumbo steel perimeter columns and continued progress on the building's concrete core.

On the left side of this next slide you will see work being done on the Transportation Hub as we continue to meet our major milestones. Here, the east-west connector, moving to the center of the screen, designed by Santiago Calatrava and the Downtown Design Partnership, it will contain the retail pavilion and provide an underground pedestrian connection from the World Trade Center site to the World Financial Center. Welding of these supporting arches, which frames the east-west connector, have advanced to 95 percent completion. What you are actually seeing in the photograph here are the construction professionals walking on the new concrete slab known as the Fulton Street deck, which will form the roof of the east-west connector. It is now 25 percent complete. Fulton Street will be the connecting vehicle artery between the Memorial, One World Trade Center, and the PATH terminal.

Moving to the bottom of the screen, the first level of the excavation between the number one subway line is complete from Liberty to Vesey Street. The significant accomplishment is that we will have a fully supported and active subway with minimal interruption and created a substantial, usable sub-grade space for bus parking, fans, and mechanical equipment. And now finally, moving to the far right of our screen, our contractor, EE Cruz-Nicholson, completed the first of 28 slurry wall panels, making up the basement walls of the western half of the new south bathtub. This is a significant step forward as it represents the first major component of the vehicle screening center.

In summary, Commissioners, we continue to make significant progress on the World Trade Center rebuilding projects that the Port Authority is responsible for, and recognizing the complexity and intricacies of the site, we continue to plan for all the necessary contingencies as we go forward, recognizing the real estate, infrastructure, and construction challenges that we face.

And so as a result we remain confident in meeting the schedules and budgets for these projects that the agency released in our October assessment. But there will continue to be a number of challenges, as I said, to staying on course, the most critical being the economic crisis facing our nation and region and its impact on the private office development on the eastern portion of the site.

And as you know, we're working to reach an agreement with Silverstein Properties to keep the eastern portion of the site moving forward in a way that meets the needs of downtown, and that is the very contingency planning that we are undertaking as we speak.

We hope these discussions continue but are developing those contingency plans should we not be able to reach an agreement, and we fully expect that agreement to incorporate the necessary infrastructure moving forward.

We will keep you updated on our progress and remain fully committed to working in the best public interest as the entity charged with keeping this incredibly complex rebuilding effort on track. Thank you very much.

Chairman Coscia: Thank you, Chris.

Our next presentation is by our Director of Environmental Policy and Compliance. Chris Zeppie will provide an update on the status of the Port Authority's efforts to meet our sustainability commitments to the region. Chris?

Chris Zeppie: Good afternoon, Commissioners. Today I am pleased to update you on the sustainability program which we have developed based on the Sustainability Policy that the Board adopted a year ago.

The policy sets a variety of near and long-term goals to address climate change. The most important of these goals is to reduce the greenhouse gas emissions of the Port Authority by 80 percent from 2006 levels by the year 2050. A second near-term goal is to reach a level of net zero greenhouse gas emissions by 2010. This means that for the greenhouse gas emissions we are unable to reduce through capital investments and operational changes, the Port Authority will offset these emissions through the purchase of carbon credits or offsets on an annual basis. Third, the policy directs the agency to promote sustainability among its tenants and customers. Finally, the policy authorizes staff to begin work on

climate change adaptation. It's critical that the Port Authority safeguard its facilities against climactic changes that scientists tell us are coming -- more severe and more frequent storms, sea level rise, and higher storm surge.

The Board's adoption of these policy goals place the Port Authority at the forefront of public agencies in this region and nationally in dealing with the urgent issue of climate change.

The Port Authority has been a pioneer in the public sector in tracking greenhouse gas emissions. The latest data shows that the Port Authority's greenhouse gas emissions decreased by 7 percent from 2006 to 2007. To sustain and expand these reductions as well as reduce costs, the agency must cut energy and fuel consumption. To that end, we advanced several capital projects that the Board has authorized, including the replacement of the necklace lighting at the George Washington Bridge with energy-efficient LEDs. That work is under way and we expect the work to be completed by this June.

Having tested several LED prototypes for the Holland Tunnel, we are now working with the New York Power Authority to finalize the specifications of the new fixtures there, and we expect that NYPA will issue an RFP on the Port Authority's behalf for the purchase and installation of these LEDs by this summer. At JFK, work continues on a geothermal energy system at Building 254, with consideration of additional building envelope improvements that would make the project more effective.

Several new initiatives promise to reduce emissions further. The first is a new specification for construction contracts. This specification essentially extends construction requirements that have been in place at the World Trade Center to the rest of the agency's construction activities. These requirements include the retrofitting of diesel emission-powered non-road construction equipment and the limiting of engine idling. The Port Authority's is phasing in the specification over three years to allow the construction industry time to prepare.

We also plan to expand energy efficiency and water conservation efforts later this year through a new Request for Proposals. The RFP will invite energy service companies to examine Port Authority facilities for opportunities to save energy and water and undertake the related projects. These projects would be built on a performance basis.

That is, the energy service companies would incur the capital costs and technical risk of the projects that they undertake. The Port Authority would compensate these firms by sharing with them a portion of the guaranteed savings from energy and water consumption.

The Port Authority is also exploring the possibility of generating wind power at Port Jersey. For the next eight months, the meteorological tower you see here will collect wind speed data at that site. The data will help us determine the viability of that project.

As I described earlier, the second goal of the sustainability program is to become carbon neutral by 2010. The program to meet this goal will help fight climate change as well as serve the region's economic development. The program focuses on purchasing carbon offsets for the Port Authority's emissions that we are unable to reduce through our capital investments and operational changes in the near term.

Carbon offsets are financial instruments that represent the avoidance of greenhouse gas emissions. The Port Authority's brokers for carbon offset -- Cantor CO2e and Blue Source -- have proposed some 17 regional carbon offset projects. They include the capture of methane gas from landfills and farms and an industrial project.

We are evaluating these projects for quality, health, and economic benefits, and cost-effectiveness. We plan to assemble a portfolio of the best projects and begin purchasing these offsets in the coming weeks.

There is also work under way on a new website that will allow our tenants and patrons to estimate their own greenhouse gas emissions and give them the opportunity to offset them. Tenants and patrons will be able to select offsets from the same pool of projects that the Port Authority has screened for quality. We expect to launch the new website this summer.

As the Chairman announced last summer, the Port Authority would take the lead in developing a clean-air strategy for the port. Last November, the Board approved a statement of principles to improve air quality at the Port. The Port Authority has been collaborating on the strategy with New York and New Jersey, New York City, the New York Shipping Association, and US EPA region two. The strategy identifies possible actions to reduce air emissions from all Port sources -- trucks, ocean-going vessels, cargo handling equipment, rail locomotives, and harbor craft.

The federal stimulus package has provided grant opportunities to advance some of these actions. For example, the Port Authority has submitted an application for grant funding to cover one-quarter of the cost of replacing over 80 percent of the pre-1994 drayage trucks serving the Port with cleaner, post-2004 trucks.

To support this grant request we are also working with financial entities to establish financing for the remaining 75 percent of the vehicle costs. To supplement this truck replacement the Port Authority's also seeking grant funding to cover over 100 percent of the costs of retrofitting the older trucks with filters that reduce pollution. The Port Authority has also applied for grants that help fund projects that involve ocean-going vessels, ships at the Brooklyn Cruise Terminal, cargo-handling equipment, and rail locomotives.

The strategies used to reduce emissions from these sources will depend on the amount of grant funding the Port Authority ultimately receives. We expect the federal government to notify us about the status of these applications by late May.

Another way the Port Authority is promoting sustainability among tenants and patrons is by expanding the recycling program at our airports. The Port Authority and some tenants already recycle waste from airport operations. The new initiative is geared toward providing patrons a greater opportunity to recycle. New recycling receptacles will be available so that airport users can recycle paper, aluminum, and glass. The effort is beginning at Newark Liberty International Airport Terminal B and at the Central Terminal at LaGuardia. In the coming months the Port Authority will work with the airlines and other tenants to integrate recycling fully into airport operations.

Finally, the Port Authority's also actively participating in regional initiatives to deal with climate change adaptation. As a member of the New York City Climate Change Adaptation Task Force, the agency is using scientific forecasts about climate change to identify risk and develop adaptive strategies. The Port Authority has also joined a New York State-funded program called ClimeAid which will study, among other things, the impact of climate change on the transportation network. These efforts will assist the agency in planning for climatic change such as sea level rise, more frequent storms, and higher temperatures.

As you can see, the Port Authority is making progress on each of the goals in our sustainability policy. We look forward to updating you on our progress later in the year when we expect to have reached several milestones related to energy efficiency, the carbon neutral program, and the Port clean air strategy. Thank you, Commissioners.

Chairman Coscia: Thank you, Chris. It's an exciting report and we're making real progress, thank you.

Our final presentation is by our Director of Business and Job Opportunity. Lash Green will provide an update on details of our 2008 Port Authority performance report in meeting last year's objectives for minority, women-owned, and small business enterprise participation. Lash?

Lash Green: Good afternoon, Commissioners. Today I'm pleased to report on the Port Authority's performance in meeting last year's objectives for minority, women-owned, and small business enterprise participation in construction, procurement of goods and services, and other business activities.

With the Board’s support, the Port Authority maintains one of the most comprehensive and effective programs in the region. The result is that in 2008 the agency, including the efforts of our tenants, the construction programs of the World Trade Center Transportation Hub, One World Trade Center and Memorial Museum had an extraordinary year, achieving a very high level of participation which totaled over a half-billion dollars. I would now like to share with you the make-up of this unprecedented sum.

The 2008 total of over a half-billion dollars -- more precisely, $575 million -- was made up of awards from three sources -- Port Authority direct contracting and subcontracts, World Trade Center redevelopment projects, and that of aviation tenants. It represents a significant increase of $238 million over the 2007 total of $337 million. The total of $575 million in contracts represents 23 percent of all awards, which was almost $2.46 billion. By procurement category, the largest share was construction with $439 million in awards derived from contracts across Port Authority facilities, aviation tenant work, and most notably, World Trade Center redevelopment work for which $283 million, or 25%, of all World Trade Center awards this year.

I would like to emphasize the importance of M/WBE spending in our region and its contribution to the creation of jobs and economic growth. The regional impact of the $575 million in contract awards resulted in the creation of 5,020 jobs, generated $271 million in wages, and $911 million in economic activity.

The Port Authority continues to play a leading role in developing and participating in programs to assist minority, women-owned, and small businesses. 2008 was the sixth year of the Port Authority's mentor-protégé program. The program matches Port Authority's certified firms with some of the region's

leading construction companies in an effort to increase their capacity and ability to bid successfully on larger contracts.

In 2008 there were 22 participants in the program. A total of 32 firms have participated in the program since its inception in 2002. Five protégé companies graduated in 2008, representing the third graduating class since the program started, bringing the total number of graduate firms to 19. And in 2008, five companies were awarded nine Port Authority contracts totaling approximately $5.8 million.

In partnership with the Regional Alliance for Small Contractors, M/WBEs were offered well over 20 management, construction, and software courses. Several new programs targeting construction firms were launched as well. A construction management certificate program for M/W/BE at Baruch College, which qualifies participants who complete the course for 22.5 hours of continuing education credit and a 10-hour OSHA certificate course was also held.

In 2008, all field staff or contractors in New York State were required to have undertaken this course. Over 150 participants completed the course, which was offered six times during the year. In addition, technical training courses continue to be offered to firms at the Mechanics Institute, a premiere instructional facility for trades in the construction industry.

Recognizing the need for a skilled work force to support the region's unprecedented capital program, we've been working very closely for some time now with our strategic partners in New York and New Jersey to ensure a pipeline of talented and motivated workers.

In New York, we supported Construction Skills 2000 to provide apprenticeship training, and in New Jersey we supported the Newark/Essex County Construction Careers and New Jersey Pathways programs, which together provide geographical coverage for Newark, Essex, Bergen, Passaic, and Union counties.

These three programs continue to be among the most successful of their type in the region. Since their creation in 2001 approximately 1,400 New York and New Jersey residents have been trained and accepted into union apprenticeship programs in both states, and many work as skilled professionals on major construction projects in the region, including those commissioned by the Port Authority.

In 2008, we also established a Business Resource Center for M/WBEs working on World Trade Center projects, as well as for new firms interested in bidding on jobs. Besides operating the Business Resource Center we're continuing to hold bimonthly progress meetings with the M/W/BE liaisons and construction managers for the Transportation Hub, the One World Trade Center and Memorial Museum projects to monitor progress and discuss issues related to M/WBE participation.

Additionally, we will continue with our internal and external partners to provide and sponsor informational and networking events to keep minority and women-owned businesses informed about opportunities downtown.

2008 was an exceptional year for minority and women-owned contractors doing work with the Port Authority. Despite the economic downturn, the large amount of awards in 2008 will result in many of these firms working throughout this year and into the years to come.

In closing, we will continue to maximize M/WBE participation at the World Trade Center site and at our other facilities, as well as to expand capacities of our M/WBEs so that they can participate in future Port Authority opportunities. Thank you.

Chairman Coscia: Thank you, Lash. 23 percent and $575 million is a good result. Thank you.

Lash Green: Yes, thank you for your support.

Chairman Coscia: Okay. There is no one in the public commenting on anything specifically presented today, but there is one speaker on a matter not handled by the Board today. Rich Rumelt of UNITE HERE.

Richard Rumelt: Thank you. Thank you. Good afternoon. My name is Richard Rumelt. I am the manager of the Airport, Racetrack and Allied Workers Joint Board of UNITE HERE. Thanks for the opportunity to address you this afternoon.

We've appeared before you on numerous occasions, including last month, to report on the airport concessions labor harmony and worker retention policy implementation process. For the most part, the reports we have been hearing from our members have been positive. These food service and retail workers who give much to the companies and to the airport community have recently been experiencing smooth transitions from one company to the other.

I'm pleased to report that since the March Board meeting one additional company has agreed to comply with the policy. I've got to find mix of my glasses here -- this is really a little out of place. Here we are.

I believe we're moving in the right direction and I want to commend the Board for its leadership. However, one company continues to stand out as a bad example. OTG Management, a Philadelphia-based concessionaire, continues to be out of compliance with the labor harmony policy at JFK Terminal 5.

Through the good offices of the Port Authority an arrangement was made whereby the company would try to reach a labor harmony agreement by April 23rd. UNITE HERE made repeated attempts to contact OTG, but for six weeks we received no response. Finally, after close of business on April 21st, OTGs counsel sent UNITE HERE a counter-proposal. We responded two days later. We still haven’t heard anything, and we refuse to let OTG take Port Authority's well-intentioned suggestion of mediation and use it as a stalling tactic.

The only reason OTG and UNITE HERE do not have an agreement is because OTG refused to negotiate for six weeks. In our view, this is not the response of a company who's interested in labor harmony. Consequently, there will be labor strife at JFK until this is settled.

I urge you to instruct your Aviation staff to tell OTG to stop playing games and to follow the will of your Board by signing an adequate agreement that ensures labor harmony at the Port Authority airports. Thank you.

Chairman Coscia: Thank you. May I have a motion to approve the consent calendar? Board Member: Motion Chairman Coscia: Second? Board Member: Second. Chairman Coscia: All right, anyone have any questions or comments? Okay, all those in favor? Board Members: Aye.

Chairman Coscia: Okay. Any opposed? That's it for today. Can I have a motion to adjourn? Board Members: So moved. Chairman Coscia: Second? All is in favor -- good afternoon, everyone.

Port Authority of New York and New Jersey
Public Board Meeting Transcripts
July 23, 2009

Chairman Coscia: Good afternoon everyone. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committee on Capital Programs/Agency Planning met in Public Session, and the Committees on Finance, Operations and the World Trade Center Redevelopment Subcommittee met in both Public and Executive Session. Their reports will be filed with the Minutes of today's Board Meeting. The Commissioners also met in Executive Session prior to today's Board Meeting to discuss matters related to the purchase, sale or lease of real property or securities where the public disclosure would affect the value thereof or the public interest.

Today's first order of business, our Director of World Trade Center Construction, Steve Plate, will provide us with an update on the redevelopment of the World Trade Center site including the recommendation for the retention of a construction manager for the World Trade Center Transportation Hub. Steve?

Steve Plate: Chairman and Commissioners, we are pleased to share a significant milestone, the award of the contract for construction management services for the World Trade Center Transportation Hub. This vital contract award further ensures that we will stay on the schedules and budgets we announced in October for the delivery of the World Trade Center Hub to the people of the region.

The firm was selected following an intense, competitive multi-departmental RFP process. We will also discuss the construction of a wall at the Tower 3 site to ensure we meet our turnover obligations as well as the construction of another wall in the VSC area to avoid future VSC delays due to the ongoing delays in the abatement and deconstruction of the former Deutsche Bank building. As the photograph on this cover slide clearly demonstrates, the Port Authority continues to move this historic and complex project forward. The site is truly humming with activity.

Staff is very proud today to bring forward its recommendation to award a Construction Management Services Agreement for the World Trade Center Transportation Hub. The Phoenix Constructers transition created a need for these services. To fill this critical void, a publicly advertised RFP was released on May 15. Four highly qualified Joint Ventures, representing industry leading CM firms submitted proposals. These proposals and subsequent JV team presentations were reviewed by a multi-departmental Port Authority team. This review process narrowed the field to two JVs. Based on further review of organizational experience, staff qualifications, technical abilities and management approach, a final selection was made based on technical expertise and value.

As a result of this intense and competitive process we are pleased to recommend that the Construction Management Services Agreement to be awarded to Tishman/Turner Joint Venture in the amount of $105 million. It is important to note that the Tishman/Turner Joint Venture was not only the highest technically rated firm, but submitted the lowest bid, a bid which is well within the competitive range of industry standards. The Tishman/Turner Joint Venture has extensive experience as a JV as evidenced by the successful completion of numerous projects throughout the city such as Jet Blue Airline Terminal, the New York Yankees Stadium, New York Sports and Convention Center, and the Continental Airlines Air Cargo facility at Newark Airport. These firms have unparalleled industry and metropolitan area experience and they are intimately familiar with the World Trade Center site. They will hit the ground running and help ensure schedule and budget certainty.

Commissioners, staff has negotiated a Supplemental Agreement with EE Cruz/Nicholson Joint Venture which will enable us to fully clear the Tower 3 construction site. Our plan was to have the excavation support wall completed no later than the end of September. With the implementation of a bonus-based incentive we expect that we will even better that. The estimated amount of $6,860,000 is inclusive of this early completion bonus. The work involves setting back a portion of the wall by approximately 10 feet. Completion of this wall along with the MTA Access Agreement will fulfill our remaining obligations under the Master Development Agreement. Cruz/Nicholson Joint Venture, who was already working at the World Trade Center site in support of the Vehicular Security Center project, is currently constructing this wall on an expedited basis. Furthermore, due to the ongoing delays of the abatement and deconstruction of the former Deutsche Bank building which is being supervised by the Lower Manhattan Development Corporation, our staff has developed a construction solution in order to keep our contractors, EE Cruz/Nicholson progressing on the Vehicular Security Center's perimeter wall.

Without this solution the VSC would experience significant delays. Our proposed solution is to divide the site into two smaller bathtub areas with a demising wall outlined in yellow. This wall will allow excavation to start in the western area of the site even before the former Deutsche Bank building is completely demolished. Once the demolition is complete, the remainder of the site can then be excavated. Without this work-around, the contractor would need to stop and demobilize once the slurry wall work had proceeded to the edge of the Deutsche Bank site. This work is estimated at a cost of $6.9 million. In summary, Chair and Commissioners, we continue to have a clear commitment to on-time and on-budget project delivery. All three of these items further this goal. I thank you for your continued support.

Chairman Coscia: Thank you Steve. Can I have a motion to approve? Commissioner: So moved. Commissioner Anthony Coscia: Is there a second? Commissioner: Second. Commissioner Anthony Coscia: Anyone have any comments or questions? Okay, all those in favor? Aye. Commissioners (group): Aye.

Chairman Coscia: Thank you. Our next order of business will include our Director of Port Commerce, Rick Larrabee, will provide a presentation on a sustainability initiative aimed at reducing the number of older diesel trucks operating at our Ports. This initiative as you know is part of our overall effort to improve air quality at the Ports. Rick?

Rick Larrabee: Mr. Chairman, Commissioners, good afternoon. Last November the Board reaffirmed its support for the Port Authority's continued environmental improvement initiatives by adopting a statement of principles that demonstrates our commitment to reducing Port related emissions that affect air quality in the region and contribute to climate change. Today I will discuss air quality challenges that we face in the Port and request your approval for an initiative we are planning to implement, the Truck Replacement Program which will substantially reduce Port related emissions in the region.

The Port is an economic engine for the region, however, many Port operations involve the use of diesel engines and produce emissions containing pollutants that impact air quality and contribute to global warming. The challenges that we face as the Port grows is how to accommodate that growth with all of the economic benefits that it brings and do it in a way that protects and improves the environment and specifically air quality.

In our commitment to improve air quality, the Port Authority will continue to use its best efforts to reduce annual Port related emissions by 3 percent and greenhouse gases by about 5 percent with the total goal of achieving an 80 percent reduction in greenhouse gases from 2006 levels by 2050. The Port Authority will also lead the development of a clean air strategy for the Port that will identify actions to reduce Port related diesel and greenhouse gas emissions and advance potential or future applicable regulations. One such action is the Truck Replacement Program which we are going to talk about today.

As illustrated on this slide, a baseline year 2006 emissions inventory determined that trucks contribute significantly to the overall Port related emissions. Replacing approximately 90 percent or 636 of the 700 pre-1994 trucks that frequently call on the Port with 2004 or newer vehicles would result in the net reduction of 1700 tons/year of greenhouse gases, 120 tons/year of nitrogen oxides and 14 tons/year of particulate matter. The Truck Replacement Program provides a way to encourage owners and operators of these trucks to replace them.

Commissioners, today your authorization is requested to establish a $32.9 million program that would provide an incentive to eligible trucking companies and individual owner operators to replace approximately 636 pre-1994 trucks currently serving the Port with model year 2004 or newer vehicles that generate less emissions and have greater fuel efficiency. $7 million of the proposed Truck Replacement Program would be funded through a Federal Grant that would be used to cover 25 percent of the cost of the replacement truck. The truck owner will secure financing for the remaining 75 percent of the purchase price via a Port Authority-backed incentive program that will be repaid by the trucker to

the Port Authority over a 5-year term. The trucker will be required to turn in the old vehicle for scrapping and commit to continuing to serve the Port with the newer truck for a 5-year period.

Authorization is also requested to invest up to $28 million in Port Authority operating funds in the incentive program to make payments to participating truck dealerships for qualifying truck purchases, to enter into agreements with Accion USA, an experienced micro lender to administer the program's funds at an estimated cost of $2.7 million and with Tetra Tech, an organization that has helped West Coast Ports in a similar program to manage the overall Truck Replacement Program at an estimated cost of $2.1 million.

The proposed program will run until September 2015 and we expect to recover approximately $26 million assuming that 80 percent of the advancements are repaid. We plan to implement the Truck Replacement Program in an expeditious manner since the Federal Stimulus Program timeline requires that all grant funds be committed by September 30, 2010.

Commissioners, the proposed Truck Replacement Program is a first step in the implementation of our clean air strategy and we will continue to advance other key environmental initiatives that will improve air quality and benefit the operations of our Port facilities. The program will be closely monitored by staff throughout its duration to ensure that it meets the desired goals and objectives and you will be kept apprised of our progress. Commissioners, I request your approval for this item today. Thank you.

Chairman Coscia: Thank you Rick. We have some public comment, but before doing that can I have a motion to approve? Commissioner: So moved. Chairman Coscia: And a second? Commissioner: Second. Chairman Coscia: Okay, Reverend Fletcher Harper from Greenfaith.

Rev. Fletcher Harper: Good afternoon Commissioners. My name is Fletcher Harper, I serve as Executive Director of Greenfaith which is an inter-faith environmental coalition based in New Jersey. We work with faith-based institutions from many different traditions, educating and mobilizing them on issues related to the environment.

Among a number of programs, we advocate for policies and regulatory approaches that help protect our region's most vulnerable communities from disproportionate impacts from various forms of pollution. And we work directly with executive level and grass roots leaders from over 10 religious denominations in New Jersey and beyond, including representatives of the Protestant, Catholic, Jewish, Muslim, Hindu and Buddhist traditions. Because of our concerns about pollution that affects our most vulnerable communities, Greenfaith is an active member of the coalition for healthy ports, a labor, environmental and community coalition. And as part of our work as a coalition member, we are carrying out educational programs to raise awareness in faith-based institutions around Northern New Jersey and in Port adjacent communities about the environmental issues related to the Port and its trucking system.

We have found consistently that residents of our region are aware of the serious air quality issues that plague our area and are eager for leadership that will result in genuinely cleaner air for themselves and for their children. I appreciate the opportunity to testify today about the Port Authority's clean truck program, and I want to voice appreciation for several dimensions of this program.

First, we appreciate that the Port Authority recognizes that it must reduce diesel emissions resulting from the Port trucking system. Second, we applaud the Port Authority for recognizing that truckers by themselves are unable to shoulder the economic burden required to make the fleet of port trucks cleaner. And finally we appreciate that the Port Authority has created the truck working group on clean truck funding which has provided a venue for Port Authority leadership, industry representatives and environmental and community representatives to meet to discuss the issues related to this program.

It is our hope that as the Port Authority moves forward with its plans in this area it addresses several key challenges which face the type of clean truck program currently proposed. First, we hope that the Port Authority analyzes results from other clean truck programs around the country to continue to identify those features which create the greatest success. We are fortunate to have several other Ports' experience to learn from and we hope that the Port Authority does indeed learn from other experiences in this area of activity.

Second, we hope that the Port Authority will consider over time adding a mandatory dimension to its clean truck program. Our belief is that to achieve the genuine systemic change in any area of environment related policy, mandatory standards eventually become necessary.

And finally we hope that the Port Authority will monitor the results of the proposed clean trucks program and share program results with industry, environmental and community stakeholders as they become available. Again, I offer my thanks for the opportunity to testify today.

Chairman Coscia: Thank you. Cynthia Mellon from the Ironbound Community Corporation.

Cynthia Mellon: Good afternoon. My name is Cynthia Mellon and I am the Environmental Justice Organizer for the Ironbound Community Corporation, a community-based non-profit organization in the Ironbound community of Newark's east ward. ICC provides a range of social services including a pre-school and several after school programs for hundreds of Newark residents daily. We have been environmental advocates for over 30 years, working with residents to secure a clean and healthy environment. We represent a very densely populated and diverse community of approximately 50,000 people in four square miles. Our community is predominately made up of low income and working class people from many different ethnic and racial backgrounds. The Ironbound has historically been both an industrial and a residential community bounded on its four sides by the airport, highways, rail lines and the Passaic River.

Because of its location the Ironbound is a pathway and a storage point for trucks and containers going to and from the Port. Thousands of trucks pass through our community each day. Recent reports on the negative health effects of diesel emissions and diesel's contributions to heart and respiratory disease are raising our concerns. Already the rate of asthma in our community is 1 in 4 children. And the New Jersey average is 1 in 12.

The ICC appreciates that the Port Authority is taking the first steps towards cleaner air with regard to Port drayage trucks in Port adjacent communities like ours. This is a huge problem that is going to require a series of solutions to implement. We look forward to working with the Port Authority to determine what those future steps are. Thank you for your consideration of these comments.

Chairman Coscia: Thank you. Kenel Hyppolyte.

Kenel Hyppolyte: Good afternoon. My name is Kenel Hyppolyte. I have been a Port Driver since 2000. Right now, as a truck driver, we would like to keep the air clean and we are concerned about the environment. But as of right now economics is not allowing us to clean the trucks and newer trucks. And any help that the Port Authority can give us would be greatly appreciated. However, right now our economics would not allow us to acquire any more debt and sustain any more loans.

We would like to work with the Port Authority any way possible to help resolve the problem that we are having with the old trucks. Any help that we can get would be greatly appreciated. I'm here with some fellow drivers and we have a letter here that we would like to submit for the record. And we signed it. And I would like the Port Authority to take a good look and see how we can best start the situation with the problem that we are having with the older trucks.

I thank you for the opportunity you have given us to be here with you and we are looking forward to continue this process hopefully for a better Port. A Port that succeeds means that drivers will succeed. I thank you again.

Chairman Coscia: Thank you. Peter Keller from NYK Group America.

Peter Keller: Thank you. My name is Peter Keller. I'm the Chief Operating Officer of NYK Group Americas and more importantly I am a co-founder, together with Target Stores and Total Transportation Systems of California in a group called the Coalition for Responsible Transportation. We founded the Coalition for Responsible Transportation in Southern California about two years ago with the expressed mission of facilitating the implementation of practical and responsible solutions to reduce Port truck pollution without disrupting the flow of commerce.

The Coalition currently includes most of the large beneficial cargo owners in the United States. We have a large truck community membership as well as a number of maritime carriers. We actively support the Truck Replacement Program and commend the Port for taking the clean air initiatives.

We believe that by working together as private/public partnerships and pulling all of the stakeholders in the area together, that the goals of the clean truck program can be attained as they have been in the past. And they can be attained without disenfranchising any of our current commerce partners, without disenfranchising the current owner/operator community that actively and very properly serves our ports.

And I think the best way to demonstrate this as was mentioned earlier is to identify what has happened in the last year and a half in Southern California. Today fully 50 percent of the trips in Southern California Ports of LA and Long Beach are done by compliant 2007 diesel trucks. That has happened in a year and a half with yes some funding and some rule making by the port's authorities, but minimal and has been done primarily with the public/private partnerships.

Right now there are about 4000 new trucks working LA/Long Beach that are fully compliant and that process has continued and will continue going in the future.

The Coalition for Responsible Transportation and our membership have been talking to the Port's Authorities here as well as other places on the East Coast and we are fully prepared and our members are fully prepared to continue to support this very important initiative. Thank you.

Chairman Coscia: Thank you. Peg Hanna from the New Jersey Department of Environmental Protection.

Peg Hanna: Thank you; good afternoon. On Behalf of the New Jersey Department of Environmental Protection I want to express our support for the Port's proposed Truck Replacement Program. We at DEP are particularly concerned about diesel particulate emissions, not just from a regional air quality perspective, but more importantly for this area from a local air quality perspective.

There is no doubt in my mind based on scientific studies that diesel particulates are linked to a whole host of health effects. And some of those are just from short term exposure for as short of a period as 24 hours. Other more dangerous effects are from long term exposure. We also know from National Air Toxics data that diesel particulates pose the highest cancer risk of all air toxics in New Jersey which is a very overwhelming statistic.

While some people may characterize diesel's contributions, the Port's diesel contributions to the regional air shed as small or somewhat insignificant, I think the more important thing to realize is that the local impacts are what we need to be working on. Some preliminary air quality simulation modeling that we

did shows that the truck emissions on the residential area surrounding the Port has a significant impact and an unacceptable health risk in terms of cancer.

We are pleased to see that the Port Authority is taking the lead in developing a comprehensive clean air strategy plan. We are particularly supportive of the portions of that plan that deal with cleaning up the older drayage trucks which we all know are six times dirtier than some of the newer trucks.

We believe that other sectors such as ocean going vessels and cargo handling equipment are currently being addressed or will be addressed shortly through other initiatives, both international, Federal and through sister agencies.

However, for the truck problem we at the New Jersey DEP believe that in order to properly tackle that we need strong leadership from the Port Authority and incentives for truckers to use the grant money that is coming from EPA as well as the Port's contribution. So thank you for considering my comments. In conclusion, we strongly support the upgrade program for the drayage trucks. Thank you.

Chairman Coscia: Thank you. Thomas Heimgartner from Best Trucking.

Thomas Heimgartner: Good afternoon Mr. Chairman, Commissioners. My name is Tom Heimgartner; I'm the President and Owner of Best Transportation. Best is an import/export trucking company and warehouse based in Port Newark. We have been a Port Authority tenant for 25 years and we are active members of the Port community.

Best has been in the container holding business since 1982 when I started the company with one truck that I drove. We now own and operate more than 100 trucks with satellite operations in Pennsylvania, New York, Connecticut and Baltimore, MD. Best has been a member of US DEP's EPA Smartway Program since 2005.

I am a member of the Board of Directors of the American Trucking Association's Intermodal Carriers Conference and a Director of The Association of Bi-State Motor Carriers in New Jersey. We have been a member of the Port Authority's clean air strategy truck working group. The truck working group is made up of the Port Authority, City, State and Federal agencies, environmental organizations, labor trucking organizations and truck operators.

We are working to reach a consensus on the most effective way to reduce diesel emission generated from Port trucking operations and the impact on the local communities surrounding the Port while not displacing workers or making the Port less competitive with other East Coast Ports. The discussions have come down to whether replacing pre-1994 trucks alone or a combination of truck replacements and retrofitting 1994 through 2004 trucks with aftermarket diesel emissions control devices, and which is most effective.

At our next meeting we will hear from industry experts familiar with retrofit devices. Their experience with actual private truck fleets is that these devices are problematic because the engines that these devices are installed on where never engineered to operate with these devices and can be damaged by their installation. If not properly maintained they can actually cause an increase in emissions over time. Retrofits are expensive to install and maintain and the market value of these pre-1994 trucks does not justify the expense.

The largest reduction in nitrous oxide and diesel particulate matter for on-road diesel trucks was mandated by the Federal Government in 1994 and before. Eliminating these pre-1994 trucks from the Port and the region and scrapping them will yield the single biggest carbon and greenhouse gas reduction and most effective use of available resources and the least disruptive course of action. This would require replacing only 17 percent of the trucks currently calling on the Port on a regular basis.

Incentivizing the scrapping of pre-1994 trucks with a grant of 25 percent of the purchase price of a 2004 or newer truck and available low interest financing for the other 75 percent should be attractive to those truck owners and operators. Although my company does not own any trucks old enough to qualify for this program, I think it is the right thing to do and would be supported by the industry. Thank you.

Chairman Coscia: Thank you very much. Our next speaker is Frank McDonough who is the President of the New York Shipping Association.

Frank McDonough: Mr. Chairman, members of the Board of Commissioners, thank you for allowing me to return today. As you will recall I was here back in November I think it was when you adopted your statement of principles for the air quality program. Today I am pleased to support this major Port Authority initiative to fulfill the promise of that statement. Those of us in the industry have worked hard over the last several years with the Port Authority staff in developing a concerted approach to air emissions in the Port of New York and New Jersey. This is something that you recognized the last time I was here and this today is clearly a significant benchmark.

I congratulate you for the EPA Award and I join my trucker friends and Peter Keller of the Coalition for Responsible Transportation, apparently something he does in his spare time from running one of the world's largest steamship lines, in urging funding for this Truck Replacement Program. And I thank you in advance for your continued support.

But I also want to confirm for you that we intend to complete the replacement and retrofit of the yard equipment and cranes which was initiated by the marine terminal operators here in the Port and as you know our ocean going vessel operators have agreed to participate in voluntary speed reductions and fuel switches where feasible. So we will be back and we fervently hope that you will be able to partner with us on those programs as well so that when all is said and done we will have a truly comprehensive air

quality program that conforms to your principles and meets the needs of this Port and the region. Again, congratulations and thank you.

Chairman Coscia: Thank you. Richard Kassel from the Natural Resources Defense Council.

Richard Kassel: Mr. Chairman and Commissioners, thank you for the opportunity to speak today. My name is Rich Kassel, I'm a senior attorney with the Natural Resources Defense Council a national non-profit environmental organization based here in New York. On behalf of our 1.2 million members and online activists, I am very happy to talk to you and support the Truck Replacement Program today. Our members, by the way about 135,000 of them live in New York and New Jersey.

Since the early 1990s NRDC's "Dump Dirty Diesels" campaign has promoted projects throughout the region but around the world as well to reduce diesel emissions. We focus especially on those urban communities that are hardest hit by diesel busses, trucks, construction equipment, yard equipment and other pieces of diesel equipment that provides a toxic particulate soup to many neighborhoods.

Our concern about diesel pollution is grounded in the best available public health evidence. We know that diesel pollution, particulate set pollution, triggers asthma emergencies, bronchitis, cancer, emphysema and roughly 20,000 premature deaths every year in our country. That is why we have been proud to work with the Port Authority staff over the past few months on this Truck Replacement Program. We have been proud to be a part of the truck workgroup which I co-chair with Bill Nurthen. It is a great initiative and we are glad to be able to sit down with all of the key stakeholders to work out the implementation details of a very complicated program.

We congratulate the Port Authority on the recent EPA and related New Jersey TPA grants that will help fund key parts of your clean air initiative. We strongly urge you to approve the Truck Replacement Program to move forward with your own investments that are a critical part of the success of those programs. As we have already heard, 636 of the dirtiest of the diesel engines operating in and around the Ports will be eliminated through the successful implementation of this program.

I would like to close by just highlighting two quick aspects of why I think this program is particularly important and worthy of your support. First, in a time of fiscal constraint it is good to know that replacing these old trucks is extremely cost effective. These trucks, we know they are dirty; they represent about 16 percent of the fleet of frequent callers at the Port. They also represent about a third of the particulate soot emissions from the trucks servicing the Port.

But that's not all. EPA has estimated that every dollar spent to eliminate trucks of that vintage, pre-1994, yields about $16 worth of health benefits. Frankly, it is hard to find a better air pollution deal. And in a time where budgets are tight, it is good to know that you are making the right investment.

Second, we learned from our work with the MTA on their clean fuel bus program that by far the best investment you can make is eliminating the oldest and dirtiest diesel engines in the fleet. And that said, and we found out that 90 percent of the emission reductions from cleaning up the whole fleet came just from those super old, super dirty.

So in closing I will just congratulate you on your grants and strongly urge you again to move forward with this program. But also to recognize that it is just one step. That all around the world, LA, Long Beach, but other Ports are looking at the best sustainability investments so they can balance economic growth and environmental protection in years to come. And it is critical that you continue on that path and we look forward with working with you to make sure that you are a leader in the global movement towards sustainable Ports. Thank you.

Chairman Coscia: Thank you. Cesar Vargas from the Port Drivers Federation.

Cesar Vargas: Yes, good afternoon Chairman and Commissioners. My name is Cesar Vargas and I represent the Port Drivers Federation and the Port Drivers Federation is a trucker's forum/organization on the piers of New York and New Jersey. Currently we have approximately 1100 members. These are the guys that move the containers at the Ports. I was a truck driver for 20 years at the Ports and I know firsthand what it is to be a truck driver at the Port. I smelled the fumes from the trucks. I saw the particulate matter of the soot falling in my car when I drove those 1980 trucks. They used to pollute, really pollute the truck.

And the Federation right now wants to try to participate, the truck drivers want to be participants on what is going on at the Port because for many years they haven't had, we haven't had an organization. We always have somebody representing us. And it is my understanding that 75 percent of the truck drivers, the trucks serving the Ports are Owner Operators. And they are individual business owners who have to compete in a very – it is extremely hard to be a truck driver and make some kind of money at the ports. The business is extremely competitive and we want to be participant on cleaning the ports. But we don't want to be blamed for all of this pollution going on at the Port. The people pointing the finger at us seem to forget and true the Ports has – when you use the New Jersey Turnpike, trucks coming and going to New England and the South. And we have an airport right in front of us. We have rail facilities; we have the ships coming in. We have other truck operations that have nothing to do with the Ports. And it is ridiculous then, now all the pollution is going to be blamed on 600 trucks.

However, we want to participate on this grant that the Port is offering through the EPA. We are very aware that the EPA, the Port got the $7 million from the EPA. But we need the Port to be more aggressive towards what is going on with the pollution. It needs this – if you want to change the trucks the ports are going to have to put their hands in their pocket and get their own money because if you give a truck driver, you tell a truck driver that has a truck 1994 or before, that truck might be worth

$10,000. If you ask that guy to buy a $40,000 truck and that is 25 percent of what you are giving him, that is 25 percent -- it doesn't make any sense for the truck driver to give you the truck and just get $10,000. That needs to be reworked.

Chairman Coscia: Thank you. I appreciate and I know my fellow Commissioners appreciate all of the comments that have been made. And in connection with this Program, I think it is important to note the fact that it represents a major step and an initiative which we expect to continue for some time. We all collectively have a lot of work ahead of us in terms of improving the air quality in the region and this is one step in that regard. And I think we are sensitive in considering this; it is a burden that gets placed on all of us at not exactly the greatest economic time to continue these initiatives. It is a burden to this Agency that has so many different obligations to expend resources on something that doesn't make money for us but where we feel our leadership is important. And I think we are sensitive too to those in the community who are affected by it, whether they are truck drivers or steamship companies or others.

So in making these decisions going forward, please be assured that we are considering the individual aspects of what we do and the financial burden this places on this Agency as well as those who are affected by it. Having said that, I don't know if anyone else has any other comments or questions before we vote.

Chairman Coscia: All those in favor? Commissioners (group): Aye.

Chairman Coscia: Thank you very much. Okay, our next order of business is a very pleasant task that falls to me and that is recognizing the service of one of our former Commissioners, only recently former, which is Fred Hochberg, who as you know was appointed by Governor Paterson in August of 2008. Fred is here somewhere, hiding behind the pole. During his brief tenure with us, however, Fred made enormous contributions to this Agency. He very quickly took a very active role in the initiatives that this Agency took on to mitigate the impact of flight delays, those things that affect such an enormous portion of those who we serve, as well as the different infrastructure components that this Agency has taken a leadership on, everything from ARC to the World Trade Center Rebuilding, Commissioner Hochberg was a very quick and active participant in all of those discussions.

He lent a great deal of guidance and was in many times a calming influence when things were very heated and certainly those diplomatic skills we see were recognized by the President in appointing him to a major position as the CEO of the Ex-Im Bank in Washington, DC. We were sad to lose Fred, but losing him to the new administration in Washington to serve the people of this Country is certainly a good reason for that. So in that regard I would like to offer a resolution for this Board to consider commending Fred for his hard work on this agency and wishing him well in his future endeavors.

Chairman Coscia: All those in favor? Commissioners (group): Aye.

Chairman Coscia: Thank you very much. Fred? In keeping with the recognition of very talented people who we have been blessed to include among our colleagues, the next gentleman, Samuel Plumeri, served as our Director of Public Safety since 2002. Sam has had a very difficult position in a world where clearly public safety is our number one priority. Those of you who have followed this agency's activities know that we have put an incredible amount of resources into making our facilities as safe as possible in a world where that becomes more and more a challenge with each passing day.

In the aftermath of September 11, and the devastating impact it had on this Agency, and in particular its public safety component, Sam was an incredible participant in bringing us to a point where we enjoy one of the strongest police departments and one of the safest operating environments of any transportation agency in the world.

Sam recently decided to move on to a different challenge. Governor Corzine has appointed him to be the head of the New Jersey Parole Board. We are sure he will serve the citizens of New Jersey in that capacity with the same level of distinction that he served all of the citizens of this region while he was here at the Port. So I would like to offer a resolution commending Samuel Plumeri for his phenomenal work as our Superintendent of Public Safety and ask for all those to approve. All those in favor?

Commissioners (group): Aye. Chairman Coscia: Thank you very much. Sam.

Chairman Coscia: On the topic of introductions, I would also like to recognize, I think he is with us here for the first time, Michael Fedorko who will fill Sam's position as our new Director of Public Safety. Michael, if you want to just stand up. Welcome.

Chairman Coscia: Can I have a motion to approve the consent calendar? Commissioner: So moved. Chairman Coscia: Is there a second? Commissioner: Second. Chairman Coscia: Thank you. All those in favor? Commissioners (group): Aye.

Chairman Coscia: Okay, thank you very much. Well that is our business for the day. A motion to adjourn? Commissioners (group): So moved. Chairman Coscia: Thank you. Good afternoon.

Port Authority of New York and New Jersey
Public Board Meeting Transcripts
August 13, 2009

Chairman Coscia: Good afternoon; sorry to keep you waiting. The Board meeting of The Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the Committee on Capital Programs/Agency Planning met in Public Session and the Committee on Operations and World Trade Center Redevelopment Subcommittee met in both Public and Executive Session. Their reports will be filed with the Minutes of today's meeting. The Commissioners also met in Executive Session prior to today's Board Meeting to discuss matters related to the purchase, sale or lease of real property or securities where the public disclosure would affect the value thereof or the public interest.

Our first order of business today includes our Executive Director Chris Ward who will report on significant events that we know took place yesterday concerning construction at One World Trade Center, specifically the placement of our first jumbo steel column. Chris.

Christopher Ward: Commissioners, we will be rolling a short video of yesterday's activity at One World Trade. This is the first super column. This column that you see is approximately 60-feet long and weighs 70-tons. That is essentially the weight of a Honda Civic every foot. This is a significant milestone for downtown. This will be the first of 24 columns that will be erected around the base of One World Trade. I was there with the team and seeing this steel spin over our heads and be placed downtown was really quite impressive.

When we think about One World Trade we see this steel rising and we are over 200-feet above grade today. But I would emphasize to the Commissioners that we have built below grade approximately 600,000 square feet of office space of below grade space which is equal to Phillip Johnson's Lipstick Building in Manhattan at the same time that we have been running the PATH Station and meeting our service requirements of the PATH Station. So this was a very important day for the Port Authority. It was a great day for the team that's building One World Trade and it is an ongoing sign of the progress we continue to make downtown. Thank you very much.

Chairman Coscia: Thanks Chris. Also I think Steve Plate will provide an update on several other matters related to development downtown.

Steve Plate: Thank you Chair and Commissioners. I'm proud to give you an update of the construction progress at the World Trade Center Redevelopment site. In addition, I would like to ask for authorization of two critical initiatives necessary to effectively move the project forward. The first initiative is the award of the Greenwich Street Corridor contract which will utilize state of the art construction techniques to rapidly push completion of the permanent underpinning of the active Number 1 subway line as well as support Greenwich Street above.

The second initiative involves the design and construction of the Vesey Street pedestrian bridge extension which will safely separate thousands of pedestrians that transit the Vesey Street Corridor from the constant flow of trucks that will deliver construction materials to the site.

Since our last update major accomplishments were made in all facets of the project. At the Memorial we achieved our second quarter milestone of starting interior concrete operations and placed over 5,000 cubic yards of concrete prior to the end of June. Currently overall concrete placement is over 15 percent complete and continuing on schedule.

Another milestone we met was the erection of over 2,400-tons of sector 4 steel bringing total steel placement to over 70 percent complete. We placed over 2,100 cubic yards of concrete to complete the Fulton Street Deck which is a critical milestone; it needed to support construction operations for both One World Trade Center and the Transportation Hub. We also completed fabrication of the 8 additional Calatrava arches during the second quarter and these arches have been shipped and are due to arrive in New York today. Progress at the Vehicular Security Center continues with the completion of 13 slurry panels installed to date. Work has also begun on a demising wall at the center of the VSC site, a critical initiative that allows us to mitigate delays of the Deutsche Bank demolition.

At One World Trade Center as Chris has just pointed out, over 7,000 cubic yards of concrete was placed during the quarter. Currently over 600,000 square feet of space has been constructed below grade, an amount equal to approximately half the total square footage of the Chrysler Building. All 25 of the Tower's super columns now extend above grade and work is ongoing to erect the next level of steel. In fact, yesterday as Chris just pointed out, we installed a 60-foot column.

Commissioners, last month I reported to you that we were working to accelerate the schedule for completing the T3 area support of excavation wall from the end of the year to September 30. Today I am proud to report that due to the tremendous efforts of the contractor, EE Cruz & Nicholson, and the Port Authority team, we were able to complete this highly critical work by July 31, two months ahead of our most aggressive schedule.

The completion of the support of excavation wall now eliminates all construction interferences with Silverstein Properties within the Tower 3 area. Silverstein Properties has accepted the Tower 3 construction area and we are working on final details to complete the Tower 2 turnover.

Commissioners, as you see, great strides were made at the site during the second quarter in order to continue this momentum. Today we are seeking authorization of these two critical activities and items to continuing progress at the site.

Our next major milestone for the World Trade Center Transportation Hub is the award of the Greenwich Street Corridor contract. This project removes over 170,000 cubic yards of soil and rock while constructing a major substructure for the Number 1 subway box, providing for space below the box as well as supporting Greenwich Street above. This contract incorporates state of the art construction techniques and will enable the Number 1 line to remain in service and continue to provide service to over 4 million passengers annually.

This complex construction will occur in the shaded areas illustrated on this slide. Six highly qualified contractors submitted bids with the award going to the lowest responsive bidder, Tutor Perini Corporation at an estimated cost of $192 million, inclusive of extra work. Tutor Perini

Corporation is an industry leader with extensive experience in top-down construction techniques. The savings as compared to our engineer's estimate of $248 million validates our procurement strategy to solicit bids on a competitive basis. Furthermore, an incentive provision of up to $10 million has been provided for in the contract. This item also includes a recommendation for authorization of $5 million to the Engineer of Record, Downtown Design Partnership, for ongoing construction support services as it relates to this contract.

The award of this critical contract will enable the Port Authority to continue to achieve its scheduled milestones, most importantly its 9-11-11 commitment. Commissioners I would like to point out that this outstanding outcome was achieved as a direct result of a very competitive procurement process that was well managed by a multi-departmental Port Authority effort.

The next item developed by the Port Authority Office of Logistics aids in easing the impact of construction on the surrounding community. As we continue to increase activities at the site, thousands of pedestrians will share the Vesey Street Corridor with approximately 200 delivery trucks daily or as many as one truck every two to three minutes. To deal with this in a proactive way we request authorization for $7.1 million to extend the Vesey Street pedestrian bridge.

Included in the authorization is a $525,000 supplemental agreement with Tishman Construction Corporation to provide CM services and to recommended award of $4.9 million to the lowest responsive bidder, namely Atlantic Hoist & Scaffolding, for the design and construction of the bridge including an allocation for extra work. Construction begins this Autumn and will be complete in early 2010. Once open the bridge will safely separate, again, thousands of pedestrians from hundreds of trucks along one of the busiest thoroughfares in Manhattan.

Commissioners, I request your approval of these items which represent the next critical milestones for the redevelopment of the World Trade Center site.

Commissioner Coscia: Thanks Steve. Can I have a motion to approve the package of items? Commissioner: So moved. Chairman Coscia: Second? Multiple Commissioners: Second. Chairman Coscia: Alright, anyone have any comments? Questions? Steve, I would like to commend you and your staff and those in procurement for a very well run process and clearly we are seeing some real results here of efforts that I know have taken a lot of work on everyone's behalf, and it is a great job.

Steve Plate: Thank you, Chair. Thank you, Commissioners.

Commissioner: Congratulations. Chairman Coscia: Any other comments? All those in favor? Commissioners (Group): Aye. Chairman Coscia: Okay, any opposed? Okay. There are no members of the public who have signed up to speak today. And so I will take a motion to approve the consent calendar? Commissioners (Group): So moved. Chairman Coscia: Is there a second? Okay. Any other questions? Okay, all those in favor? Commissioners (Group): Aye Chairman Coscia: Alright. Motion to adjourn? Commissioners (Group): So moved. Chairman Coscia: Second? Thank you. Good afternoon.

Port Authority of New York and New Jersey
Public Board Meeting Transcripts
September 10, 2009

Chairman Coscia: Good afternoon, everyone. We can get started. Sorry for holding everyone up. The Board meeting of The Port Authority of New York and New Jersey is now called to order. In addition, immediately following the public comment period on the items being presented today, the Committee on Operations will meet to consider these matters. Prior to today's meeting, The World Trade Center Redevelopment Subcommittee met in both Public and Executive Sessions, and the Subcommittee report will be filed with the official Minutes of today's Board meeting.

As everyone knows, this month marks the eighth anniversary of the September 11, 2001, terrorist attack on the World Trade Center. On behalf of The Port Authority Board of Commissioners, we offer our thoughts and prayers for the families of the victims of that event. I'd like to request that we observe a moment of silence in memory of our 84 fallen Port Authority colleagues, as well as those lost on February 26, 1993 in the first bombing.

[moment of silence]

Thank you.

Our first order of business will be our Executive Director, Chris Ward, will provide a report on construction progress at the WTC site. Chris?

Christopher Ward: Thank you, Commissioners. Thank you, Chairman. Given that we do stand here on the eve of the eighth anniversary of the terrible attacks of 9/11, I thought it was appropriate to give you a progress report on our status. One year ago, we made a firm commitment that we would open the Memorial Plaza in time for the 10th anniversary of the terrorist attack. And I'm pleased to say that we are prepared for tomorrow's eighth anniversary, and we are well on our way to meeting this key commitment. The World Trade Center site truly can no longer be called a pit.

Today I want to give you a brief overview of the progress we have made to date to get this project completed on the ambitious schedule that we established last year. Just one year later, approximately 80percent of the Memorial steel has been installed, forming the two signature pools that will be the centerpiece of this project. The steel installation has allowed nearly every section of the Memorial to be completed to street level, a construction feat wrote off by most people as impossible just one year ago. In fact, the 9/11 Memorial family members were told last September they would not have access to the site this year, something we have worked hard to resolve. And because of this substantial progress, tomorrow the 9/11 families will be able to walk for the first time onto the Memorial Plaza.

Throughout the day tomorrow, 9/11 family members will be able to enter the site at the gate of West and Liberty Street and walk along the internal road to reach the southernmost tip of the Memorial Plaza. At that location, they will be able to walk on to the street level plaza close to the

site, and view the South Pool and the North Pool behind it. They will also have a close-up look at the progress of One World Trade Center rising above the Memorial, as you can see on this slide.

The progress we have made to get portions of the street level plaza completed would not have been possible without the progress we've made to install steel during this past year. Just this year, we've installed approximately 3,200 pieces of steel on the Memorial, weighing 6,500 tons, which is almost as much steel needed to build the Eiffel Tower. You can see the full perimeter of the North Pool completed, and we expect all of the steel installation for the entire Memorial will be substantially complete by the end of this year.

Now that much of the steel is in place, we have begun concentrating our efforts in forming the Memorial's below grade floors that will house the Museum area. During the past several months, we have been pouring concrete for the plaza level and below grade floors every single week. And to date, more than 20percent of the concrete has been poured, which is more than 50 miles of New York City sidewalk.

We are making such significant progress on the Memorial and Museum that the Memorial Foundation has begun to install some of the most critical artifacts that will be part of the museum experience. Just last month, workers lowered into place the last column into a permanent location in the Memorial. The last column, as you know, holds great symbolism for those who toil on the site after 9/11. And it was truly a moving experience to see the column come back to the site after seven years it was removed.

Commissioners, by this time next year, you will see the entire plaza built to grade, the start of construction of the Memorial Pavilion and the arrival of some of the 480 trees that will be planted on the plaza and a significant amount of the concrete poured in the below grade museum area.

I'm proud of the work that staff has done to bring this to our Board today. Their ongoing efforts to deliver on the commitments that we made in October 2008 are to be commended. And we will continue to update you throughout the year on the progress we continue to make. Thank you very much.

Chairman Coscia: Thanks, Chris. That's very encouraging, thank you. For today's last order of business, our Director of World Trade Construction, Steven Plate, will review several proposed actions related to the continued redevelopment of the site.

Steven Plate: Thank you. Commissioners, as discussed in detail at this morning's World Trade Center Subcommittee meeting, today we are seeking your authorization for several items, the first being the Route 9A Underpass.

In an effort to advance the underground network of pedestrian connections at the site, the first item requests authorization to enter an agreement with Brookfield Properties for the construction of the 9A Underpass at a cost not to exceed $100 million. The World Trade Center Transportation Hub's Route 9A Underpass is a climate-controlled passageway located beneath the West Side Highway. It will provide a seamless transition for the anticipated 100,000 people

per day travelling below ground between The World Financial Center and The World Transportation Hub, a vision that will now become a reality.

Staff evaluated several options to determine the best manner to complete this work, including having entities working adjacent to the proposed construction work perform this work. As Brookfield is planning to construct a pavilion at the west end of the underpass below the World Financial Center, it was determined that retaining Brookfield to perform the remaining underpass construction would ensure that this work is performed in the most effective and time-efficient manner possible.

Work is expected to begin in the fourth quarter of this year. Entering into this agreement with Brookfield will take advantage of a competitive bidding process through their Construction Manager and enable an accelerated completion of this work of over one year ahead of the original schedule.

Next, I would like to request the award of four Memorial construction trade contracts, including Pavilion structural steel to W&W AFCO Steel in the amount of $7,885,340, Pavilion curtain wall to W&W Glass in the amount of $21,448,760, Memorial fountain stone to Port Morris Tile & Marble in the amount of $5,130,000, Memorial carpentry and drywall to Component Assembly in the amount of $6,010,200. All contracts presented to you in this item include 8percent extra work, and in total the four awards represent an overall savings of between 5percent and 10 percent from our staff estimates. Each of these contracts were competitively bid with a recommended award to the lowest responsive bidder. These items also include a total aggregate payment to Bovis in the amount of approximately $3.7 million for general conditions and construction management fees. Commissioners are request to approval of these items. Thank you.

Chairman Coscia: Thank you, Steve. May I have a motion to approve? Commissioners: So moved. Chairman Coscia: All right, all those in favor? Commissioners (Group): Aye.

Chairman Coscia: Okay, thank you very much. We have no speakers for today, and so I'll ask for a motion to adjourn. Thank you. Good afternoon.

The Port Authority of New York & New Jersey
Public Board Meeting Transcripts
November 19, 2009

[Chairman Coscia] Good afternoon, everyone. Welcome. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committees on Finance and Capital Programs/Agency Planning met in public session, and the Committee on Construction and the World Trade Center Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official minutes of today's board meeting. The Commissioners also met in Executive Session on November 10 and prior to today's Board Meeting to discuss matters related to the purchase, sale, or lease of real property or securities where the public disclosure would affect the value thereof or the public interest.

Our first order of business today, I'd like to call on our Director of World Trade Center Construction, Steven Plate, to provide an update on construction activities at the World Trade Center site, and review several proposed actions related to continued redevelopment at the site. Steve?

[Steve Plate] Commissioners. In the short time since our last update, considerable progress has been made at the various World Trade Center site-wide projects, specifically, One World Trade Center. Today, I am pleased to update you on these rebuilding efforts, and request your authorization for three trade contracts necessary to continue construction activities at the World Trade Center Memorial. Since our last update in October, tremendous progress has been made with the structural steel installation at One World Trade Center. As shown in this picture, all 24 super columns around the perimeter of the building are now in place. If you recall, these massive columns average 60 feet in length and 70 tons in weight. With the completion of these columns, the focus has now shifted to the super structure steel erection, which now reaches the 5th floor. In just one month, our team has been able to install structural steel up to the 5th floor, and installed a metal deck up to the 4th floor. One World Trade Center now rises over 160 feet above street level. It is anticipated by the end of January 2010, structural steel will reach the 20th floor, and continue at a pace of approximately one floor per week.

Very soon, all of New York will be able to view the progress of the steel installation as One World Trade Center continues to rise at the site. At the memorial, steel work is continuing on one of the major areas of the project known as Sector 3A. This area, located over the existing PATH tracks, has received over 200 tons of steel in only this past month. This work has been carefully coordinated as to allow the PATH trains to travel from New York to New Jersey and back to pass through the construction on the Memorial while entering the World Trade Center site. Another major area of the Memorial is known as Sector 1A. Located in the southeastern portion of the site, this sector frames the southern pool and is critical to the Port Authority's commitments for 9/11/11. As you can see, significant progress has occurred, with over 100 pieces of steel installed within the past several weeks. All of the work has occurred during normal weekend PATH outages.

Other progress at the Memorial includes over 18,000 cubic yards of concrete placed to date, with 3,000 cubic yards placed since our last update, and significant progress on electrical branch wiring, as over 23 miles has been installed to date. At the Vehicular Security Center, I am pleased to report that we are now nearing completion of the installation of the slurry panels located in the western portion of the site. Within the past month, an additional five slurry panels have been completed putting the total completed

to date at 24. Only two panels to go. In addition, the total panels in store for the demising wall now stands at 13, as six additional panels were installed since our last update.

In the upcoming months, the existing Liberty Street Bridge will be relocated to the south to allow for excavation to begin early next year. Several major projects for the World Trade Center Transportation Hub have maintained significant momentum within the past month. Major progress can be seen at the Greenwich Street Corridor, as the contractor, Tutor Perrini, continues with excavation, as over 8,000 cubic yards of soil have been removed to date. Placement of the first level of concrete below the Number One Box has also begun, a critical 4th Quarter milestone. As thousands of people commute through the temporary PATH station on a daily basis, another critical World Trade Center Transportation Hub project is continuing. Committed laborers are working hard directly under the PATH platform installing critical foundations for the permanent PATH hall. Work is nearly complete on the footings in this area. This work is being performed in preparation of the area receiving structural steel scheduled for early 2010.

Commissioners, we are confident that this progress will continue, and we look forward to reporting on our critical activities as we move ahead with our construction. As discussed in this morning's World Trade Center Redevelopment Subcommittee meeting, we are seeking your authorization of three construction trade contracts for the World Trade Center Memorial, including the following: Award to Port Morris Tile and Marble Corporation for the installation of plaza pavers at the Memorial at a total cost of $14,720,480. Award to Forest Electric Corporation for the installation of electrical systems at the Memorial Museum Pavilion at a total cost of $7,865,685. And, lastly, award to Sorbara Construction Corporation for the placement of of structural concrete at the Memorial Museum Pavilion, at a total cost of $9,523,978. The above awards include extra work and a fee to Bovis Lend Lease for construction management services, and associated work. The performance of this work will keep us on schedule, with our scheduled Plaza opening on 9/11/11. Awarding these packages would bring us to over 85 percent of the Memorial contracts awarded to date. Commissioners, I request your approval for these items. Thank you very much.

[Chairman Coscia] Thank you, Steve. Can I have a motion to approve? [Commissioner] So moved. [Chairman Coscia] Second? [Commissioner] Second. [Chairman Coscia] All right. Does anyone have any questions or comments? [silence] [Chairman Coscia] Okay. All those in favor? [Board members] Aye. [Chairman Coscia] Any opposed? [silence]

[Chairman Coscia] Okay. Thank you. That is the only matter for presentation today, and there are no public comments on that matter. But there is one individual who has asked to speak to us on a matter not on the agenda. Ken Philmus from ACS Transportation Systems. Mr. Philmus?

[Ken Philmus] Thank you, Mr. Chairman. And good afternoon, Commissioners. And thank you for the opportunity to speak today as managing director of the Transportation Systems and Services Group, at Affiliated Computer Services. ACS is one of the largest providers of business process transportation services to governments worldwide, supporting clients in more than 30 countries, and annually processes more than $4 billion in electronic tolls for our clients. We have a long history as a valued partner with the Port Authority since the introduction of E-ZPass at Port Authority facilities in the '90s. Our New York E-ZPass customer service center operations have been located on Staten Island for 15 years, and it is also important to note that ACS also operates the New Jersey E-ZPass customer service

center in Newark. At last month's Board meeting, the president of CWA Local 1102 asked you to support his union's efforts relative to our New York E-ZPass operations in Staten Island. Specifically, he made the statement that ACS is refusing to negotiate a fair contract with the CWA by aggressively litigating, and thereby stalling the bargaining process. He also criticized our incentive program that we call Activity Based Compensation--ABC which has been implemented at the Staten Island E-ZPass customer service center and they assert that the program could have a negative impact on customer service to your customers.

I am here today because it is very important for you to know that the CWA's claims are inaccurate and misleading. ACS is very focused on our responsibility for ensuring the highest quality service possible to your tunnel and bridge customers. I would like to set the record straight. Yes, we have filed legal objections regarding certain aspects of the recent unionization election process in Staten Island with the NLRB, and are following their timelines. We believe that all employees on the program should have had an opportunity to cast the vote to ensure a fair election process for our employees. The CWA is well aware that we are currently awaiting a response to our filing from the Board. Any agreement to bargain with the CWA at this time would be a conflict with our filing and extremely premature. In regard to the CWA's contention that customer service may be negatively impacted by the ABC program, which is now used by over 24,000 ACS employees, please know that they couldn't have been further from the truth. The average speed to answer your customers' calls to us has dropped to less than 10 seconds. Talk time per call still, though, has remained the same length. And the backlog of correspondence has virtually disappeared. Further, our program oversight has a separate quality assurance program, which makes sure that it is done correctly. The CWA's unsubstantiated accusations about poor customer service are unwarranted, and our employees in the program have already experienced the financial rewards of ABC. Three-quarters of them are making more than they did before ABC was implemented. We have amazing performance for you at the Staten Island customer service center and our ability to reward them for their commitment and dedication to the E-ZPass operation is a cornerstone of us providing service to you.

In closing, Commissioners, I would like to ensure you that ACS appreciates its employees, we value our relationships with our clients and their customers, and as someone who has worked in the transportation business for my entire career and certainly knows the Port Authority very well, I'm extremely proud of the work that ACS does for you and assure you that the quality delivered in this program is exceptional and will only get better. Thank you for this opportunity.

[Chairman Coscia] Thank you, Mr. Philmus. Okay. Our next order of business is a motion to approve the consent calendar. Is there a motion? [Commissioner] So moved. [Chairman Coscia] Is there a second? [Commissioner] Second. [Chairman Coscia] Okay. All those in favor? [Board members] Aye. [Chairman Coscia] Okay. Any opposed? [silence]

[Chairman Coscia] All right. Thank you. That concludes our business for the day. Can I have a motion to adjourn and a second? [Commissioner] So moved. [multiple Commissioners] Second. [Chairman Coscia] Thank you.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
December 10, 2009

Chairman Coscia: Welcome. The Board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. In addition, as part of today's proceedings the Committee on Operations will meet to consider certain matters included on the Consent Calendar. Prior to today's meeting, the Audit and Construction Committees met in executive session, and the World Trade Center Redevelopment Subcommittee met in both public and executive session. Their reports will be filed with the official minutes of today's Board meeting. The Commissioners also met in executive session prior to today's Board meeting to discuss matters related to the purchase, sale, or lease of real property or securities where the public disclosure would affect the value thereof or the public interest, matters related to personnel and personnel procedures, and to act upon matters related to proposed, pending, or current litigation or judicial or administrative proceedings. Our first order of business, I'd like to call our Director of Management and Budget, Michael Massiah, to present the 2010 Budget and Capital Plan that was posted on the agency's website for public comment on December 3. The 2010 Budget reflects continued fiscal discipline by providing for zero growth in operating expenses for the second consecutive year while providing the necessary capital investment to maintain our facilities in a state of good repair and continue the momentum on other priority projects. Michael.

Michael Massiah: Good afternoon, Commissioners. I am pleased to present the 2010 Budget for your approval. I'd like to begin by reviewing the highlights of the 2010 Budget. This historic recession has negatively affected our core businesses, resulting in lower activities, which cause a reduction in revenues. In response to this recession, we've ramped up our ongoing cost containment efforts. As a result, operating expenses are flat for the second straight year. In fact, the agency's operating budget has been relatively flat for several years, with zero percent increase in 2009, 0.9 percent in 2008, and 1.1 percent in 2007. In this budget authorized positions are at the lowest level in 40 years, down to 6,977. This was achieved through efficiencies, streamlining, and strategic development of our resources. While cutting costs, we continue to prioritize safety and security. This budget provides for both operating and capital security expenditures totaling $770 million. This brings the Authority's total investment in security to $5.2 billion since September 11, 2001. Capital spending results in sound regional infrastructure and jobs. Our capital budget for 2010 totals $3.1 billion. Major highlights include investments in the World Trade Center site, the ARC Tunnel, and approximately $1 billion to maintain and enhance capacity at our facilities. Finally, we are doing all of this with no toll or fare increases in 2010. That is only because of our discipline in managing operating expenses and prioritizing capital projects. Now I will briefly discuss each of these highlights. As indicated, the effect of the economic downturn is expected to reduce traffic levels substantially at all Port Authority facilities in 2010, compared to originally forecasted estimates in the Port Authority's last updated 10-year capital plan in January 2008. As noted in the last column titled "Percent Change," there are declines in passenger traffic of 10 percent at the airports, 6.1 percent at bridges and tunnels, 11.8 percent on the PATH system, and nearly 16 percent in cargo volumes at our ports. To help mitigate the impact of this recession, new management controls and tough decisions enabled us to reduce operating expenses by $6 million when compared to last year's budget, and here's how we did it: We are reducing headcount by 150 positions, we are cutting overtime by 20 percent, or $24 million, we are cutting the use of external consultants by 32

percent, or $15 million, and we are closing the Ramada Hotel at Kennedy Airport due to declining activities and substantial renovation costs. As you can see from this slide, all categories of our 2010 Budget are under our 2009 expenses. Once again, our fiscal discipline has allowed us to achieve zero growth in our operating expenses for the second consecutive year. As for capital, the Port Authority has had to make difficult decisions to live within its means. Based on a close review of all of our capital projects, we are concentrating on state of good repair projects over the short-term and deferring the completion of significant capital expansion projects. As a result of these cost-cutting and prioritization strategies, the good news is that we are still investing over $3.1 billion in capital in this region as follows: we will continue to develop the World Trade Center site for a total of $1.6 billion in the 2010 budget, which includes One World Trade Center, World Trade Center site infrastructure, Transportation Hub, Retail, Vehicular Security Center and Bus Parking Facility, and the Memorial Museum. In partnership with New Jersey Transit we are continuing to invest in the ARC Tunnel project for a total of $504 million. ARC is a regional program to construct a new commuter rail line under the Hudson River and expand New York Penn Station. Turning to spending at our existing facilities, this chart gives you a sense of where the remaining billion dollars of capital funds will be spent in 2010. Making up the largest portion of the line spending is 52 percent for state of good repair projects. These projects ensure that the agency's tunnels, bridges, and other facilities are maintained in a safe working order. Security projects are at 17 percent, system enhancement projects 14 percent, mandatory projects 11 percent, and revenue producing projects at 6 percent. A sample of the line projects in this budget include advancing JFK's Flight Delay Reduction Program, totaling $180 million. This entails replacing the Bay Runway. Continuing with the purchase of the new PATH cars and the implementation of a new signal system, which totals $175 million. This funding advances our goals of having a new 340 PATH car fleet and replacing the current outdated signal system with a modern computerized system. The dredging program for our bi-state harbor totals $70 million. This involves continuing the 50-foot channel deepening program in the Port of New York and New Jersey. $17 million is provided for completing the ferry terminal at Hoboken. And to the north at Stewart International Airport, we plan to spend $16 million next year. Modernization projects include replacement of airport weatherization instrumentation, rehabilitation of taxiway lighting, terminal improvements, and customer service initiatives. And at the Holland Tunnel we are funding $15 million for the rehabilitation of the ventilation system. Commissioners, clearly the impact of this historic recession on our revenues and expenses will require us to carefully monitor our financial performance during the coming year. We will have to continuously assess and prioritize our capital investments, and we must explore alternative financing solutions and identify new revenue generating initiatives. In closing, I want to thank you for your guidance and thank my colleagues for their support in delivering this budget for your approval.

Chairman Coscia: Thank you, Michael. And thanks to all those I know who worked so hard on bringing all of this together today. Can I have a motion to approve? Commissioners: So moved. Chairman Coscia: Second? All right. Any questions or comments? All those in favor. Commissioners: Aye.

Chairman Coscia: Okay. Thank you. There is no one who has signed up to speak on the matter that was just presented, but there are several speakers on other matters, and I'd like to ask John Castella from the Communication Workers of America.

John Castella: Good Afternoon. Hello. My name is John Castella. I am here today representing Communication Workers of America Local 1102 based in Staten Island. We are here again to continue to update you on the labor dispute between our union and your subcontractor, Affiliated Computer Services. At the October meeting our local president, Ed Luster, informed you that all summer long workers at E-ZPass Call Center voted to join CWA Local 1102 because of unfair labor practices in the workplace and to gain better access to benefits. The election results were certified on August 7, 2009, by Regional 29 of the National Labor Relations Board. Instead of beginning to bargaining of fair contract, ACS's response was to consistently ignore the union and intimidate workers. They also instituted a new pay structure called Activity Based Compensation, which is starting to weaken customer service quality. Once the trial period is over it will also lower most workers' wages. In addition to this behavior, the National Labor Relations Board has also issued two complaints against ACS. The first accuses ACS and its subcontractor, PRWT, illegally terminated a worker for supporting the union. A trial regarding this complaint is scheduled for December 21, 2009. The second complaint alleges ACS violated the law by intimidating union supporters, taking away overtime work for pro union departments and illegally threatening to change the pay rate without bargaining with the union. In October Ed Luster presented a letter asking you that you please urge subcontractor ACS to negotiate a fair contract with CWA. We are here again today because ACS has continued to recklessly break labor laws and treat employees with disrespect and intimidation. This type of behavior by a major New York state subcontractor is unacceptable, and I speak to you today again and ask ACS to negotiate a fair contract with workers at their Staten Island Call Center. I would like to leave a copy of this letter here today, okay? I'd like to present the letter, actually, to you. It was from the New York State Assembly. It was organized by assembly member Susan John and signed by 60 other assembly members once again urging ACS to come to the bargaining table and negotiate in good faith for a fair contract. It was mailed to you on November 24. This is the copy. I will leave it here for you, okay? I would like again to thank the Committee for listening to my concerns as well as the concerns of 292 certified union members at ACS. Thank you.

Chairman. Coscia: Thank you. Bill Lindauer from TWA.

Bill Lindauer: The New York Taxi Workers Alliance represents over 12,000 Yellow Cab drivers. I'd like to thank the Board for this opportunity, and I want to express our support for our fellow union member-- not our union, though--John Castella. We support his campaign. We want to congratulate the Port Authority for finally, finally cracking down on hustlers at JFK Airport. But it just can't be a one-time thing. This has to be constant, constant. So, get your resources away from misguided and overzealous policing of Yellow Cabs, and get after the hustlers. And there are also hustlers at LaGuardia because when I'm at LaGuardia doing union business, they come up to me. If I can spot them or they can spot me, I'm sure the Port Authority police could do the same. Susan Baer spoke to me ahead of time about the deplorable and dangerous conditions of the bathrooms at JFK. I know you probably subcontract it out, but there are no locks on the stalls, the partitions between the stalls are falling down on members of the taxi industry, and we've gotten a lot of calls about that. And another thing--this is as a New Yorker for 66 years-- the image of the Port Authority is not good amongst most New Yorkers. They feel it's an agency maybe run amok and filled with greed--whatever-- rightly or wrongly. One of the things you could do to improve your image vastly is to approve our health and fitness center we proposed for JFK a couple of years ago. It was given

very short shrift by the Port Authority. It wouldn't involve any expenses on your part and would be an immense help to the taxi drivers, and it would make your image glow. Thank you.

Chairman Coscia: Thank you. Mr. Simmons.

Mr. Simmons: Good Afternoon, ladies and gentlemen. My name is Beresford Simmons, and I am also a member of the Taxi Workers Alliance. I've been driving a taxicab in New York City for over 35 years. First, I have to congratulate the Port Authority for a wonderful job. We have been losing at least 35 percent of our business in the airport, and with the district attorney's office and the Port Authority, thank you very much. We could use a little help from the Port Authority as far as there are guys who sleep in the airport at night to catch the early flights in the morning, and there is no food. The restaurant is basically closed. We can't get a sandwich, and like Bill says, the bathroom was deplorable, and I see they are trying to do something about it now. We would benefit a lot from keeping the cab drivers at a healthy pace so that we can do the job that we need to do to get the passengers going from the airports to the city and throughout the Port Authority industry. Thank you very much.

Chairman Coscia: Thank you. Can I have a motion to approve the Consent Calendar? Commissioners: So moved. Chairman Coscia: Is there a second? Commissioners: Second. Chairman Coscia: Does anyone have any questions or comments? All those in favor. Board members: Aye.

Chairman Coscia: Okay. Can I have a motion to adjourn? Commissioners: So moved. Commissioners: Second. Chairman Coscia: Everyone in favor? Board members: Aye. Chairman Coscia: Thank you. Good afternoon, everyone.

The Port Authority of New York and New Jersey
Public Board Meeting Transcripts
June 25, 2009

Chairman Coscia: (inaudible) -- and we can get started. Thank you. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the Committee on Construction met in Public Session and the Committee on Operations met in both Public and Executive Session. Their reports will be filed with the official Minutes of today's Board Meeting. The Commissioners also met in Executive Session prior to today's Board Meeting to discuss matters related to the purchase, sale or lease of real property or securities where the public disclosure would affect the value thereof or the public interest and to act upon matters related to proposed, pending or current litigation or judicial or administrative proceedings.

Our first order of business today is that our Executive Director, Chris Ward, will provide us with an update on the redevelopment of the World Trade Center site. Chris.

Chris Ward: Thank you, Commissioners. It's been almost -- a little over one year to the date since I've joined the Port Authority, and today I'm pleased to bring you an update on the status of the World Trade Center. Obviously there has been much public discussion on downtown and focus on the private real estate discussions ongoing. I think it's important to recognize that considerable progress continues to be made on the World Trade Center site.

I would like to show you a series of slides that demonstrate that progress from both the One World Trade, the transit hub and the Memorial. But the most important thing to recognize today is that the public section of the World Trade Center site is moving forward and in fact it's moving forward in a very dramatic way. Here is the Memorial today -- you can see the outlines of the two reflecting pools. Seventy thousand feet of steel has been erected, 20,000 cubic yards of cement has been placed.

I think most importantly I'm here today to affirm that the opening on the 10-year anniversary will be met, but I think it's also important to look back, as you will see. This is what the site looked like in 2008. As you can see, the ramp was still there. Going back even further in 2006 we had sitting in the middle of the site the PATH station.

So just think, over this amount of time people can begin to see, as they want to see, the Memorial rising and we are confident that we will meet the date for the 10-year anniversary. And the team building the Memorial have really demonstrated a capacity to build a complex project in the middle of an even more complex site.

The Memorial, as you can see here, is beginning to show the reflecting pools. We are coordinating with the City of New York, our anniversary for this year -- now that we no longer have the ramp this will be the first time that we are bringing the families to the site without the opportunity to go down into the pit. We believe that there's an opportunity to

really mark that occasion with the amount of work done to date. As you can see, this was the status of the Memorial when the ramp was in place.

One World Trade is rising. We are now five stories above grade. We are pouring 45,000 cubic yards of concrete around that structure. Soon it will be at structured grade and like an office building elsewhere in the City, it will rise floor by floor and the amount of work and complexity that you see here in front of you is reflecting back in these slides in terms of 2008 -- we were just at grade, slowly coming up.

As you can see in 2006, it was fundamentally an excavation site, and going back even further, when it was fully excavated. This level of progress is our partnership with Tishman Construction and we are confident that the City will continue to see One World Trade Center rise even faster once we are at structures to grade.

The next most important project is the transportation hub. Here you can see the 47 arches which capture the architecture of Santiago Calatrava. This is the east-west connector. It will be the passageway linking the transit hub and then completely over to the World Financial Center. This is the demonstration of the Calatrava architecture and how it will be below sub-grade.

As you are well aware, we have remodeled and restructured our construction team downtown. We are closing out our agreement with Phoenix Construction and moving aggressively into an open market procurement. Our partnership with Phoenix has served us well. We believe that in competing within the open market and procuring these next levels of contracts will give us an even better team and even better prices. This is what that east-west connector looked like in 2008.

The most important thing that I would like to reiterate today is that the Port Authority, with all these slides and these visuals, is fundamentally committed to downtown. We will be spending $11 billion on the World Trade Center site. Forty percent of our Capital Plan is dedicated to the World Trade Center. We are creating almost 27,000 direct jobs, 62,000 in total, and because of the economic downturn, as you well know, private development has been challenged.

But we are committed, as we have said before, working with the Mayor and the Speaker, and we believe we have put together a very progressive proposal to finance part of the private sector. This transaction would cost the Port Authority approximately $1.2 billion. We would be financing tower four and we would be creating the foundation for development of towers two and three when the market is there before us. But I think as the Board well knows, the Port Authority is not recession-proof. We have seen a downturn in the market which has reduced our airline traffic, we have seen air cargo drop precipitously, we have seen cargo in our ports drop, and we've also seen truck traffic across the bridges and tunnels.

So we are operating in a constrained environment where making the necessary long-term capital choices grows increasingly difficult. We are managing that within our capital

framework, we are managing that within the discussions with Mr. Silverstein in terms of what a real estate transaction might mean for the Port Authority.

I think the most critical message is that the choices that we need to make between public transportation benefits and private office space is in front of us. We think we've put alternatives which allow us to maximize both of those goals. We will continue to work with the City and continue to advance a negotiation on a real estate transaction, but we don't believe that this has to be a situation where only one is achieved; we think both can be achieved and working cooperatively, that is our goal. Thank you very much.

Chairman Coscia: Thanks, Chris. Our next presentation will be by our Chief Operating Officer of Aviation, Susan Baer, who will bring a -- who will provide a presentation on the second phase of our redevelopment and concession efforts at Terminals A and B at Newark Liberty International Airport.

Susan Baer: Thank you, Chairman. Commissioners, as you know, concessions are a key element of the overall passenger experience at our airports, and ensuring the highest quality and variety of retail and services at each terminal is part of the Port Authority's overall commitment to great customer service.

Therefore, as part of our continuing efforts to improve on our customer service, we've been undertaking a complete rebranding effort of the concessions at Terminals A and B at Newark Liberty International Airport.

We do this in conjunction with our retail manager, Westfield. The ongoing program introduces leading concession concepts and new brands that will provide for a mix of retail, food and beverage, news and gifts, and duty-free at the airport.

The first phase of this effort is under way and today I'm here to request your approval for the next phase of the concessions program. As you know, all of our concession areas commit to meeting the Port Authority's high customer service standards that include exceptional quality, value, a large variety of products, and convenience to all, and it's carried out by trained customer service-oriented employees.

This ensures that our airports provide the highest quality and mix of concessions to serve the very diverse tastes and preferences of all of our customers. We've seen the result of these high standards in our customer surveys, where passengers report high customer satisfaction for our concessions and these scores improve year after year.

As you recall, for Terminals A and B at Newark we partnered with Westfield Concession Management to lead the re-branding effort and manage the concessions for us. Westfield has conducted a competitive RFP process to select successful proposals that meet our criteria for customer service and marketing -- a product mix, brand awareness and loyalty, financial proposal, disadvantaged business participation and a major investment in facilities.

All the leases in this rebranding are subject to your approval and we bring them to you as the previous leases in these terminals approach their end dates. One year ago you approved phase one. We're now ready to proceed with the second phase of the program. The 14 agreements that staff are recommending to you today cover more than 27,000 square feet of concession space.

Each of the selected proposers represents the highest financial return to the Port Authority. Eleven of the concessions provide for food and beverage, including a variety of casual dining options. The types of brands the program include Subway, Champs, Jamba Juice, Tony Romas, Qdoba and Villa Pizza, all of which are leading industry concession concepts.

In addition, this phase includes agreements for seven Travelex locations, five Hudson newsstands, and one bookstore.

In total, the leases will generate a minimum of $47 million in guaranteed revenues over the terms of the leases plus percentage rentals that range from 8 to 24 percent. These minimums represent a 54 percent higher number than the minimums under the existing agreements for the same spaces.

The length of each agreement is 7 to 10 years; tenants have 60 days to fit out the space with an investment in each space that depends on the nature of the concession. Each pays a minimum annual guarantee and a percentage rent as specified in the proposal. They also pay promotional fees and common area maintenance charges.

The Port Authority has the right to terminate each agreement on 30 days' notice by buying out the unamortized investment, and each will comply with the Port Authority's labor harmony policy.

In addition, each concessionaire will be required to meet Port Authority and Westfield standards for design. As you can see from some of the photos here, the concept calls for elegant, minimal, well-detailed design, dramatically open storefronts, and innovative merchandising will bring the passengers closer to the products and create an exciting and dynamic shopping and dining environment at the terminals.

Commissioners, the hallmark of this and all of our airport concession programs are the right concepts, the most relevant products and services, and the highest customer value. The program we were outlining today understands the importance of time to our customers and at the same time encourages a positive shopping experience to ensure high levels of customer satisfaction and return to the Port Authority.

We expect the renovations of these concessions will be completed by the end of this year. We will be bringing the next phase of these leases, which will be up for renewal and which will also include new concession spaces that we are creating in Terminal B later this year. I request your approval of this item.

Anthony Coscia: Thank you, Susan. Can I have a motion to approve? Commissioner: So moved. Commissioner: Second. Chairman Coscia: Is there a second? Commissioners (Group): Second. Chairman Coscia: All right. Anyone have any questions? Comments? All right, all those in favor? Commissioners (Group): Aye. Chairman Coscia: Aye. Okay, thank you.

Chairman Coscia: We have no public speakers who have signed up today and I did have one matter, though, that I wanted to bring to the Board's attention. As everyone on the Board knows and staff, we've over the past several years initiated a number of changes and reforms intended to create a greater level of transparency and openness to the way that we conduct our business, and in particular in the area of financial reporting, trying to provide the public with a substantial amount of information to understand how this Agency operates and in that process provide relevant information to those who are interested in the business conducted here.

That has put a significant burden on our finance department to generate financial documents, and in particular budgets that are developed in a way that do allow for that transparency to take place, to take into account an ability to share that information with the public and do it in a manner where the information can be accessed and understood and presented in a very responsible manner.

Our 2009 Budget was a culmination of those efforts, and our staff did a phenomenal job at moving that process forward. It included, obviously, the very good work of our CFO, Paul Blanco, and our Budget Director, Michael Massiah.

I raise this issue only because not only did we recognize their good work but the Government Finance Officer's Association, which is recognized as a group of individuals who represent the highest standards in financial reporting by government entities has awarded the Port Authority the Distinguished Budget Presentation Award for 2009 and I'd like to commend our CFO and our Budget Director for their good work and their recognition. Thank you very much.

Chairman Coscia: Can I have a motion for the consent calendar? Commissioner: So moved. Chairman Coscia: Is there a second? Commissioners (Group): Second. Chairman Coscia: Okay. All those in favor? Commissioners (Group): Aye.

Chairman Coscia: Thank you very much, and a motion to adjourn. Commissioners (Group): So moved. Chairman Coscia: Thank you. Good afternoon.

Port Authority of New York and New Jersey
Public Board Meeting Transcripts
May 28, 2009

Chairman Coscia: Good afternoon everyone. The Board Meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting the Committees on Finance, Capital Programs/Agency Planning, Operations and Construction met in Public Session, and the Audit Committee and World Trade Center Redevelopment Subcommittee met in both Public and Executive Session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in Executive Session on May 5 and prior to today's Board Meeting to discuss matters related to the purchase, sale or lease of real property or securities where the public disclosure would affect the value thereof or the public interest, and matters related to ongoing negotiations or reviews of contracts or proposals and to act upon matters related to the proposed, pending or current litigation, or judicial or administrative proceedings.

Today's first order of business, our Director of Aviation, Bill DeCota will provide us with an update on the delay reduction initiatives at our airport facilities including efforts by the National Alliance to advance NextGen which would provide for the modernization of our national air space system. Bill?

Bill DeCota: Thank you very much Mr. Chairman and Commissioners. And as you said I am back; I'm here to talk again about delay reduction. This Board has made this one of the highest priorities that this agency has for its airport system right now. And as a result of a 4percent reduction in air travel at our airports due to the economic contraction the delay situation is slightly, marginally better. Of course, we don't want delays to be better because traffic is down. We would like to think that delays are better no matter what the capacity of the airport is to handle the current and future levels of demand, without being hindered, without being constrained and without having undue congestion. And you have charged us with figuring out a variety of ways to do that. And you have actually led many of those ways, including the National Alliance that the Chairman mentioned in his introductory remarks.

I want to update you on a few elements of the Delay Reduction Program and then tell you a little bit more about what's next and what is in store. Recently the issue of flight delays has taken on an even greater sense of urgency. There was the release of a study by the New York City Partnership called Grounded: The High Cost of Air Traffic Congestion. And that study really focused on the full economic cost of delay at the three major airports. The study estimated a potential loss for the region of $80 billion in economic activity through 2025. That is just based even right now on the total cost of delay to passengers, to airline of about $2.6 billion and that is not even the cost on the environment as a result of the additional air travel, the additional circling of planes. And if we don't increase our capacity at our airports, probably the most startling statistic is that it will mean an additional $130 billion loss over the same time frame because we will not be able to meet demand. The study estimated that about 40 million people won't be able to travel into our airports if capacity doesn’t get expanded.

And so that study really corroborated this Board's policy that investments in the expansion of airport capacity, the upgrading of air traffic control – they are really the essential measures of how we are going to meet the needs of our region.

Now, as you know Commissioners, the key players in this discussion in the Federal Government are the United States Department of Transportation and the Federal Aviation Administration. And they oversee the policies that govern air transportation. They also have responsibility for air traffic control. It is the US DOT that imposed the caps on flight limits at our airports as a way of curtailing demand to address delays caused by what is really the FAA's inability to bring capacity increases in our region's air space more quickly. And it was the DOT that also proposed auctioning off limited flight capacity to the highest bidder. Neither of those are things that this Board supported; neither of those things are desirable outcomes.

To that end I am pleased to report that the United States Department of Transportation intends to rescind the proposed slot auctions at our airports. That is no large measure, as a result it is truly as a result of the efforts of this Board and of staff. As you know the DOT had litigation filed against it by the Port Authority and the airlines against the auctions. The Port Authority applauded the decision of the new Secretary stating that slot auctions would raise ticket prices, discourage small community air service, make no improvements whatsoever to service at our airports.

The good news is the new DOT Secretary, Ray LaHood has stated that the DOT remains very serious about addressing air space congestion in the New York metropolitan region and he said very directly that he will engage the Port Authority, he will engage other industry stakeholders this Summer about the best way to proceed as an alternative. Currently all indications are unfortunately that the flight caps that were set to expire in October will remain in place until at least the end of 2010. However, the good news is it is tentative while solutions are developed and we have been at the forefront of those kinds of solutions. For our role as you know we continue to advance many capital and operational improvements at our airports that this Board has authorized. I have been back here several times – my reference at the beginning of this, "I'm back," and always back on these things and you have always been supportive. In addition we continue to pursue the FAA in the implementation of the 77 technical recommendations that came out of the Flight Delay Task Force that you, Chairman, headed up together with the Executive Director. Many of them have been implemented and the FAA is doing a lot of detailed monitoring of each of the others to quantify their impact, to develop a timeline for the implementation of those that have the greatest cost benefit. The FAA has several performance measures that it is using to measure those against.

Now the good news is while progress is being made by the FAA on the implementation, most of those technical solutions have very targeted incremental benefits. They are like tools in a tool kit, you use them when you need them. They are not universal and they do not solve the problem. So what is really needed ultimately Commissioners to solve the delay situation is a total modernization of the air traffic control system. As you know that system uses radar which is a 1940s era technology, and we need to evolve to the use of satellites known as NextGen. In recent months the Port Authority staff has put together a full court press, an all-out effort to

convince the federal government to advance NextGen. NextGen changes the whole current system by making four basic improvements in the air traffic control system.

One is, as I said, the move from radar to satellites. That has significant impact in terms of navigation and surveillance of planes. It introduces non-voice communication. It actually allows the tower systems to communicate with the plane systems. It upgrades and networks the backbone information system so all of the technologies that are out there get linked together. And it improves and adds new weather management tools. It is essentially a complete transformation of air traffic control systems, it makes navigation communication fully automated and aircraft centered.

So to that end, again with your leadership Chairman and with the Executive Director there at the forefront, we created the National Alliance to advance NextGen. So at this point I put on my National Alliance to advance NextGen cap. This is a coalition as you know of stakeholders created by the Port Authority to urge the federal government to advance the modernization of the air space system. I'm very pleased to report that in the very brief time since we announced its creation, the Alliance now has 280 businesses, civic associations, labor, aviation, travel, tourism, educational organizations, all of whom recognize the need to accelerate delivery. This is obviously not just a transportation issue, it is an economic development issue.

Alliance members are from 22 states. The Governors of both New York and New Jersey have signed on. Mom and pop businesses, multi-national corporations, people who rely on air travel for business, chambers of commerce, local businesses like Hilton Head Chamber of Commerce, small communities who recognize that congestion delay can affect their access to New York, major travel and tourism groups. We have a number of Alliance Members here today and in fact Chip Hallock from the Newark Regional Business Partnership, Ken Dirks from Accenture, representatives from Continental Airlines, the Newark Museum, Grayline Sightseeing, the Bronx Zoo, New York City Business Travel Association, Bowen College, the Carpenter's Union Local 435, Big Apple Greeters – all people who are here to show their support and who have been out there supporting us in this effort in Washington.

Now I am very pleased today to show you a short video that outlines our efforts to advance NextGen and the video is also available to our customers and the public on the Port Authority website.

Video: A Port Authority led coalition featuring a prominent group of travel, tourism, business and airline officials met recently to urge full funding for NextGen, an advanced GPS system that helps air traffic controllers move more aircraft more efficiently.

"Combining satellite imagery and satellite technology with real-time measurement of where all the aircraft are, what is happening with the passengers, what the weather is like, what is happening on the ground."

The National Alliance to advance NextGen is advocating that Congress pass FAA reauthorization legislation that would include the funding to advance, install and operate NextGen technology quickly and to do so first in the most congested and delayed prone air

spaces, like the New York metropolitan region. Studies have shown that 75percent of the nation's air traffic delays originate at one of the New York/New Jersey regions airports.

NextGen would usher in a new era of efficiency by overhauling the 1950s era air traffic control system and significantly reducing delays.

Chairman Coscia: It is the kind of long-term investment that an agency like ours should be making in order to alleviate the issues that we face.

The Alliance is composed of over 250 organizations.

The power of NextGen will be demonstrated at Newark Liberty International when in the next several months the airport becomes the nation's first major hub to test the system that helps planes fly and land more efficiently without reducing safety. The technology called Ground Based Augmentation System is ready to be tested now and offers more efficiency than radar in processing planes. [end of video]

Bill DeCota: And as the video showed, Commissioners, the system really changes the way that we fly and therefore has huge benefits to air travelers. At first it really does improve the efficiency of air traffic control, provides more information to pilots, better information to the tower, better information sharing so that the decision making between the ground and cockpit are enhanced. It improves accuracy of the information and that translates into much more overall efficiency in the system. It helps airlines develop flight schedules. It helps airports to manage aircraft and their facilities and air traffic controllers to respond to traffic demands better. And all of that translates into the ability to shorten the spacing between air craft. Spacing which is typically over three miles could be much longer even as necessary because of the current inefficiencies in the system. With new accuracy the spacing can be shortened which translates into big capacity gains while maintaining safety as the number one priority.

So the National Alliance to advance NextGen is asking for a very long-term, multi-year commitment to NextGen from Congress and the Administration as part of the FAA reauthorization bill that is currently being discussed in Congress. Total funding required is at least $8 billion to $10 billion over 10 years. $15 billion to $22 billion through 2025. Very small compared to the total economic impact in this country of air travel which is estimated at $1.1 trillion, 9percent of the economy attributed to air travel.

The Alliance is also asking for a delivery time table and a system that is compatible with other efforts that are underway in many other places like Canada, Europe and Asia. We have established a great working relationship with the current Administration as they have advocated engagement with all partners, air traffic controllers, pilots, airport operators. We have urged early deployment of capacity improvements in the most congested air space, New York City, in our region, New Jersey. Staff continues to meet with members of Congress and Administration officials to promote this effort. We are going to continue to update you as the effort progresses and truly I always am here to thank you for the kind of support and leadership that you have given us on this effort and for enabling us and for giving us the resources to continue to pursue these kinds of initiatives. Thank you.

Chairman Coscia: Thank you Bill and thank you to you and your staff for all of the leadership and substantive support in pulling this initiative together and certainly for your enthusiasm. I think the Authority has a responsibility in terms of its leadership position in the aviation industry to lead frankly on this issue and we are very hopeful that the Congress and the Administration will, as they have indicated, will play a close attention to this issue and we will see lots of progress in the months to come. Thank you. Thank you again.

Our next order of business, our Director of Port Commerce, Richard Larrabee, will present two leases that will further the Port Authority's long-term strategic development and operations at the New York Marine Terminals.

Richard Larrabee: Mr. Chairman, Commissioners, good afternoon. Today I would like to present to you two items that relate to our New York marine facilities. These proposed actions are consistent with our strategic plan to promote economic growth and increase the productivity of our marine facilities while operating in a financially and environmentally sustainable manner.

The first item, requests authorization to extend the lease with the City of New York for the Port Authority's letting of the Howland Hook Marine Terminal on Staten Island for an additional 35-year period through June of 2058.

The second action seeks authorization to enter into a new long-term lease with the New York City Economic Development Corporation for Piers 11 and 12 in Brooklyn for the operation of the Brooklyn Cruise Terminal.

As background, the Port Authority leases the 202 acre Howland Hook Marine Terminal from the City under an agreement that expires in July of 2023. The Port Authority in turn subleases the terminal to the New York Container Terminal under an agreement that expires in December of 2019. The Port Authority owns the adjacent 124 acre Port Ivory site which was acquired to allow for the expansion of the Howland Hook Marine Terminal and the development of Intermodal Rail Facility.

On the New York side of the harbor the Port Authority currently leases Piers 11 and 12 at the Red Hook Container Terminal and the Brooklyn Port Authority Marine Terminal to the New York City Economic Development Corporation for the operation of a Passenger Cruise Terminal. The first full cruise season at the Brooklyn Cruise Terminal commenced in the Spring of 2006 and in 2008 the facility handled 61 cruise vessels carrying approximately 282,000 passengers.

Commissioners today your authorization is requested to extend the Port Authority's lease with the City of New York for the Howland Hook Marine Terminal for an additional 35-year period to June of 2058.

Extending the lease agreement provides for the Port Authority to pay a reduced annual rent. As part of this lease the Port Authority will commit to making planned capital investment of $110

million to the benefit of the Howland Hook Marine Terminal prior to July of 2023 which includes the deepening of the shipping channels serving Howland Hook to 50 feet.

Commissioners, today your authorization is also requested to enter into the new long-term lease with the New York City Economic Development Corporation for the letting of Piers 11 and 12 in Brooklyn for the operation of the Brooklyn Cruise Terminal. The new lease will be for an additional term of 20 years and will provide three options to extend the agreement through 2058 and will restructure New York City Economic Development Corporation's rent payments to maintain current lease rates.

The New York City Economic Development Corporation will continue to be responsible for all operating and capital maintenance requirements at Piers 11 and 12 and plans to sublease Pier 11 Shed, an adjacent open area to the Phoenix Beverage Company for a warehousing and distribution operation.

Commissioners, I want you to be aware that through meetings and conversations with members of the local Red Hook community, there are concerns about both the cruise operation and the potential sublease by the City to Phoenix Beverages. The Port Authority is working closely with EDC, the cruise industry and Phoenix to mitigate the community's concerns. For example, Phoenix Beverage is committed to its sublease agreement with the City to convert its truck fleet to clean burning LNG. And its truck moving, trucks that move overweight containers from Piers 10 to Piers 7 and 11 on internal roadways. We are also working with the cruise industry to allow cruise ships to shut down their diesel engines while in port and convert to shore side power. This is commonly referred to as cold ironing. The Port Authority will replace the engines on two container cranes at Red Hook which will result in substantial reductions in pollutants from those two facilities. And finally our Brooklyn Marine Terminal facility has recently been ISO-14001 certified. This is the internationally recognized standard for managing environmental responsibility.

Commissioners, moving forward we feel confident we can address the issues raised by the community. Extending the Howland Hook lease agreement with the city at this time will enable the Port Authority to maintain a long-term strategic goal of controlling container terminals within the port to realize the benefit of previous investments and to allow for the future investments at Howland Hook. The new lease agreement for the operation of Brooklyn Cruise Terminal will enable EDC to grow its cruise business.

And lastly, both actions provide the potential for increased economic activity in the New York/New Jersey Harbor as a result of the possible development of Berth 4 at Howland Hook which has the potential to enhance the Port's competitive position by increasing trade to the region and the long-term sublease to Phoenix Beverage which could potentially increase container volumes at the adjacent Red Hook Terminal.

Commissioners, your authorization for these items is requested today.

Chairman Coscia: Thank you, Rick. Can I have a motion to approve? Commissioner: Move it. Chairman Coscia: Is there a second? multiple Commissioner: Second. Chairman Coscia: All right, does anyone have any questions on either of the leases? Okay, all those in favor? Commissioners (group): Aye.

Adam Armstrong: I have a comment. There are supposed to be comments before –

Chairman Coscia: There is a public comment portion. We have not reached it yet.

Adam Armstrong: So after the fact?

Chairman Coscia: That is correct. All right. Okay. Mr. Armstrong?

Adam Armstrong: Thank you Chairman and Commissioners for this opportunity to speak. I'm a little disappointed that I'm having to speak after your decision has already been made because I think there is compelling information that you perhaps aren't aware of. This proposed expansion of the operations down at Piers 11 and 12 in Red Hook is actually an expansion of the operations of the container terminal. Pier 11 is, as you know, being used, being taken over for beer storage, etc, and it is being serviced by the stevedores at American Stevedoring.

The EDC stated when they came to our community that they wanted to grow the container terminal, excuse me, that they wanted to expand the operations of the container terminal. I understand that you are having to balance budgets between Howland Hook and Red Hook, but I feel that Red Hook unfortunately is bearing the burden. There is no Environmental Impact Study required, despite the fact that this expansion is taking place right next to dense residential population.

The EDC is pushing this plan, and Madeline Willis herself said she wanted a balanced future for Red Hook. Unfortunately I don't think this balanced future is happening as the entire site is now being taken over for essentially maritime industrial use which was not the guidelines set by the Community Board a number of years ago when the decision was being made to what should be done at this site.

The stevedores are there for 10 years and we were happy with that, however this is a further expansion. And unfortunately, the matter that was spoken about, about the cold ironing with cruise ships, we are very, very thankful that Port Authority has come to the party on this issue and this is being addressed. Unfortunately, it won't be able to happen until they get a decent rate for the electricity for the cruise ships. Now there was a case taken to the Public Service Commission to try and maintain this rate, to get this rate, and unfortunately it was passed down to the New York Power Authority who apparently has jurisdiction over power supplied to the Port Authority.

However, during the time that this case was being brought, the findings of the EPA were cited regarding shore power. It said shore power is a crucial step for cleaning our air and improving

the health of New Yorkers. Ocean going vessels that dock in New York City typically burn high sulfur fuel in diesel engines to generate auxiliary power. This combustion results in, it is basically nitrogen, sulfur particulates. Such exhaust is a likely carcinogen. The Port Authority's study shows that the use of shore power would annually eliminate 100 tons of these carcinogens. New York City's air quality is amongst the worst in the nation, Port led air emissions are meaningful and avoidable, such emissions are harmful to the public generally and especially to children, the elderly people with lung disease, those who exercise outside, low income and minority communities located near ports, read: Red Hook.

My statement to you sir is we respectfully request that you delay, well we were hoping that you would delay this decision because I think it if it is not your legal obligation to do a study, an environmental study, I think it is your moral obligation on behalf of the children and the families of Red Hook.

Chairman Coscia: Thank you. Chip Hallock?

Chip Hallock: Good afternoon. I'm Chip Hallock and I am the President of the Newark Regional Business Partnership. We are a 450 member combination of business, not-for-profit, and institutions who represent about 140,000 jobs through the Newark Region. And our intention as an organization is to connect our members to resources that will help them be more successful in their businesses and at the same time support initiatives to enhance economic competitiveness and the attractiveness of the Newark Region as a place to do business, as well as to visit.

And our recent formation in cooperation with the City of Newark to form the Greater Newark Convention of Visitors Bureau was evidence of our desire to see more people visit and take advantage of a lot of the cultural resources that are available in Newark. I'm really here today to commend the Board and commend the staff of the Port Authority as well for making a NextGen air traffic control system a national imperative. Bill DeCota did an excellent job of painting a picture of the importance of that. And as a representative of the business community as well as many businesses that rely on visitors to sustain themselves, we just want to reinforce how important we think this is. Obviously the delays not only cost money but they represent lost opportunity as well. And some of my personal recent travel has indicated that people do get frustrated, they get discouraged about traveling and sometimes cut back their plans. And the more we can do, even though it is a longer term challenge as opposed to a short term challenge, the better off we will all be in the long run.

We need to turn that dissatisfaction into action. And I think this National Alliance to advance NextGen will do just that. We were one of the founding members. We intend to recruit other members. Bill told me if I get 50 members I can get a hat like he has there. So we are looking forward to that.

And looking to spread the word among our members as well as sister organizations like ours around the country, chambers of commerce and the like, who are similarly challenged with creating more jobs and more economic vitality.

I also know from our conversations with people like Continental Airlines who is a good member of ours, they are actively recruiting members to this through their national sales force. So there are a lot of people and there are other people here today that are supporting this Alliance. And we just wanted to thank you for your leadership and the staff's leadership on this important issue.

Chairman Coscia: Thank you. The consent calendar, can I have a motion to approve? Any questions on it? All those in favor? Commissioners: Aye. Chairman Coscia: Okay, any opposed. Okay, can I have a motion to adjourn? Commissioner David Mack: So moved. Chairman Coscia: Second? All those in favor? Commissioners (group): Aye.

Chairman Coscia: Thank you. Good afternoon.

The Port Authority of New York & New Jersey
Public Board Meeting
April 28, 2011

Chairman Samson: The Board Meeting of The Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Committees on Capital Programs and Agency Planning and Operations met in public session, the World Trade Center Redevelopment Subcommittee met in both public and executive session, and the Security Committee met in executive session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss matters involving ongoing negotiations or reviews of contracts or proposals and matters involving public safety or law enforcement and to act upon matters related to proposed pending or current litigation, judicial or administrative proceedings.

Saturday, April 30th, marks the 90th anniversary of The Port Authority of New York and New Jersey. Since then, over 1,250 Board Meetings have been held. Today our Executive Director, Chris Ward, and Deputy Executive Director, Bill Baroni, will highlight some of the agency's significant historical achievements in addressing the regional transportation and economic development needs of the region through its operation of facilities that support over 500,000 jobs and $80 billion in annual economic activity. As part of this presentation, they will also touch on current efforts to continue to meet the needs and challenges that lie ahead. Chris, Bill.

[Bill Baroni: Thank you, Mr. Chairman. 1921 was a momentous year for the United States. With World War I finally over, the United States entered a decade of spectacular economic growth. Radio was just beginning to broadcast. The airline industry was changing. With the future in mind, Boeing obtained its first orders for aircraft and abandoned furniture making. Henry Ford was increasing production of the Model T to one million produced in 1921 alone. This period of economic growth and expansion was joined by political leaders in Washington, Albany, and Trenton. President Warren Harding, New York Governor Nathan Miller, New Jersey Governor Edward Edwards, New York City Mayor John Hylan, and Jersey City Mayor Frank Hague oversaw an economic region that was a boom. But that boom caused economic growth and development in the port on both sides of the Hudson as New York had become the leading economic center of the nation. The issue of shipping rates in the New York Harbor, brewing since the dawn of the 20th century, threatened, however, to undercut that economic boom in New York and New Jersey. This led to significant conflicts between the two states concerning the usage and jurisdiction of harbor facilities on the Hudson River, and by the early 20th century, these were becoming increasingly difficult to manage.

Congestion, as it was known in the early 1920s, meant ships inundating the Hudson River, carrying cargo between New York and New Jersey. The line drawn down the middle of the Hudson River by the treaty of 1834 to settle the border dispute during the age of the Erie Canal was proving to cause problems now that the railroads were more popular. In 1917, as the United States was entering the conflict of the First World War, an interstate conflict was also arising over the issue of rail freight rates. Most of the rail lines coming from the west ended on the New Jersey side of the harbor, while most ocean shipping was calling on Manhattan and Brooklyn. Freight had to be transferred on barges across the Hudson, creating delays and congestion in the harbor. When it came to shipping ports, New Jersey petitioned the Interstate Commerce Commission to lower freight rates on its side of the Hudson in order

to attract more port calls. It was overruled on the grounds that the whole region was one functioning harbor. With a dominant economic standing, a natural harbor and geographic location, it became imperative that New York and New Jersey collaborate on the promotion of the region's commercial development with regard to transportation and infrastructure.

Al Smith, the former and future Democratic governor of New York, was one of the key advocates and founding members of the Port Authority, and he testified at hearings before the New York State Legislature. He stated, quote, "The matter of port development is critical." It affects housing problems, it affects the cost of living, it affects the cost of doing business." Walter Edge, former Republican governor and then United States Senator from New Jersey, was an early supporter of the Port Authority and called the port of New York a, quote, "national institution." These two visionary governors of different sides of the Hudson and different political parties became two of the leading voices for a unified, cohesive Port Authority.

Julius Henry Cohen, the counsel of the New York State Chamber of Commerce, looked into the ICC suit and then helped convince politicians on both sides of the Hudson to create this bi-state commission. Two years later he drafted the first proposal for a self-supporting agency with regulatory powers, and after debate and changes over two more years, it was ratified by Congress. Mr. Cohen later became the Port Authority's first general counsel. On April 30th, 1921, public officials and business leaders from both states gathered in the Great Hall of the New York Chamber of Commerce in downtown Manhattan on Liberty Street, the same location just four years before where Governors Edge and Whitman urged the creation of that bi-state agency. This historic agreement, the first ever created under the Compact Clause of the United States Constitution, set the stage for the next 90 years. It is my pleasure to introduce the 12th Executive Director of the Port Authority, Christopher O. Ward.

Chris Ward: Thank you, Bill. And with the establishment of the Port Authority, the Port District, and the mandate for the agency to development and modernize the district, the years that followed established order and began to grow the region. When the legislation creating the Port Authority was signed, our agency embarked on a remarkable flurry of construction. Over our first 20 years we built the Holland Tunnel, the Goethals Bridge, the Bayonne Bridge, and the Outerbridge Crossing. We also built the George Washington Bridge and the first tube of the Lincoln Tunnel. These investments fundamentally redefined the region and laid the groundwork for future generations of growth. Today our crossings move more than 121 million people annually.

For 90 years the Port Authority has kept this region moving. Just as the Port Authority was at the forefront of the automobile revolution, we also helped usher in the modern shipping era. After leasing the marine terminals in New Jersey in 1948, the Port Authority helped create the largest port on the East Coast and the third largest port in the entire United States. Today the port is a gateway to the most affluent market in North America, moving more than $175 billion worth of cargo, and the Port Authority is making the necessary investments to accommodate future growth, including our $600 million ExpressRail project.

The Port Authority was also at the forefront of air travel in the United States. When the Port Authority assumed the leases of Newark Airport, JFK, and LaGuardia, they were essentially landing strips. With billions invested by the Port Authority over time, these airports now comprise the busiest airport system in the United States, serving 104 million passengers in 2010. Similarly, when the Port Authority

assumed operations of the PATH in 1962, the railroad was essentially bankrupt, with dilapidated cars and dingy stations. Today PATH is one of the most modern mass transit systems in the country, allowing 250,000 daily riders to get to work on time, and we are making the investments necessary to increase this capacity and reliability for our customers. As part of the Port Authority's comprehensive PATH Modernization Program, we are rolling out brand new cars, replacing the signal system, and improving and expanding these PATH stations.

Nowhere is the Port Authority's commitment to this region today more apparent than at the World Trade Center. With our investment downtown, the new World Trade Center is destined to become once again the world's premier location for commerce, culture, and community. This year we mark the 10-year anniversary of the 9/11 attacks by delivering on our commitment to open the memorial to the public on that day. Our commitment downtown will create a new engine of jobs and wealth creation for the region. Construction spending alone accounts for 26,000 jobs over the lifetime of this project. And as we reach this critical milestone in the agency's history, the Port Authority is looking forward to its future in this region and making the investments necessary to keep the region moving forward for the next 90 years.

We are engaging in an innovative financing model to deliver a new state-of-the-art Goethals Bridge for Staten Island and New Jersey residents, and we are addressing the navigational clearance issues posed by the Bayonne Bridge. The proposed "Raise the Roadway" solution will allow the crossing to accommodate larger ships in the future and ensure the economic vitality of Port Newark and Port Elizabeth and Staten Island for generations to come. As you can see, we have accomplished so much over these past 90 years due to the dedication, commitment, and resilience of our staff. Through good times, and on the Port Authority's darkest and most difficult days, our staff has been there to guide this agency forward.

Our staff have dedicated their lives to public service, which is evident by the fact that 40 percent of our staff have been with this agency for more than 20 years. And I personally, with all the rest of the Port Authority staff, would like to call attention to someone who is very special and a good friend of mine, and that is Milton Pachter. Milton has been with us from the Port Authority's Law Department for 55 years and counting. Milton began his career on June 1, 1955, when I was one year old. Over the course of his career, Milton has handled the most complex and economically significant lawsuits affecting the authority, from asbestos litigation to contract construction disputes to lawsuits about airport noise, utility cases, and - my favorite arbitration - over the leases for Kennedy and LaGuardia Airport. Milton's first major undertaking was as lead counsel in the World Trade Center proceeding. Port Authority General Counsel Sidney Goldstein at the time wrote to Austin Tobin, the Executive Director, saying, "His ability to argue on his feet ably, persuasively, and intelligently and the highly professional manner in which he conducted these proceedings have been commented upon favorably on more than one occasion by the trial justice, adversary counsel, and others." Those words are as true today as they were at the outset of Milton's career. Milton embodies the commitment and dedication to public service emblematic of all our employees. So if we would, could we all please thank Milton Pachter. That concludes our 90-year anniversary celebration.

Chairman Samson: In commemoration of the 90th anniversary of The Port Authority of New York and New Jersey, I recommend that the Board of Commissioners adopt a resolution to reaffirm the agency's commitment to its core mission to strengthen the economy and build, maintain and modernize its

facilities to ensure safety, security and environmental responsibility, and to enhance regional capacity and the quality of intercity travel, to engage its regional partners in the creation of plans, policies, and investments that provide a significantly improved quality of transportation services. I also recommend that as part of the resolution April 30, 2011, be designated as a Port Authority day of celebration and that the world's largest free-flying flag be flown at the George Washington Bridge to commemorate this milestone. May I have a motion to approve the resolution?

Commissioners: So moved.

Chairman Samson: Second?

Commissioner Moerdler: Second.

Chairman Samson: All in favor?

Commissioners: Aye.

Chairman Samson: So moved. We will now provide an opportunity for members of the public to comment on other Port Authority matters not on today's agenda. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our Public Affairs department. Speakers are asked to comply with the fixed time limit of three minutes. And the first speaker is Robert White of the Port Authority PBA.

Robert White: Good afternoon. My name is Robert White. I've been a Port Authority police officer for over 25 years. I currently hold the position as treasurer of the Port Authority Police Benevolent Association. Approximately one year ago I stood in this same spot to report that the Port Authority has not been fulfilling its policing and security responsibilities at its facilities. Basically, a member of the Port Authority Police Benevolent Association has stood before you at every Commissioners' meeting in that year's time, pointing to the Port Authority's blatant disregard for the safety of our members as well as the safety of the public.

This past Easter Sunday, the public received a taste of what the members of my union face on a daily basis. The manager of the Staten Island Bridge's facilities warned our toll commander that the SIB anticipated being short-staffed throughout the Easter weekend with extended periods of time where a single toll collector would be working each of the crossings. I've heard the excuses, but this fact was well known far in advance, and yet no one from the TB&T division elected to take action to increase the staffing in anticipation of the holiday weekend traffic. When one of our delegates at the SIB became aware of the TB&T's plan - or lack of plan - for the holiday weekend, he recommended that additional police manpower be deployed in light of the anticipated traffic conditions caused by the single tollbooth operator. This result would surely be backed up traffic, frustrated patrons, and multiple accidents. These requests were ignored by the police management at the SIB. Throughout the weekend, particularly on Good Friday, extended traffic delays occurred at the Outerbridge Crossing and Goethals Bridge facilities. The Port Authority took no action to alleviate this problem by either requiring additional toll collectors to come to work to deal with the additional traffic volume or bringing in

additional police officers to protect the public utilizing the facilities. Anyone who watched the news or read a newspaper the past week is aware of this disaster, which occurred on Easter Sunday. Motorists were needlessly stuck in traffic jams for several hours that ruined their weekends.

I'm here today to point out that the same civilian managers who are telling you that our arguments are without merit, that our facilities are secure, that we do not need additional police officers - these civilian managers are the ones who determined that the convenience of the traveling public did not merit prior planning to ensure there were extra toll collectors on the holiday weekend. If you question their judgment on the decision not to staff the toll collectors properly, then I suggest that you ought to look at the judgments on the staffing issues we continue to bring to you on a monthly basis. Thank you for your time, and have a good day.

Chairman Samson: Thank you. The next speaker is Robert Egbert, also of the PA Police Benevolent Association.

Robert Egbert: Mr. Chairman and Commissioners, my name is Robert Egbert. I am the chairman of the board for the board of trustees of the Port Authority PBA. Last month I listened to a gentleman right over here, and he stood at this podium and he said, "The Port Authority used to be a great agency." After 25 years of service, I know what he meant. The same applies to the Port Authority Police Department. Under Executive Director Chris Ward, the PAPD has become dysfunctional and marginalized and no longer considers public safety a priority. Now, Mr. Ward has said public safety is an agency priority. Well, if it was, would the PA have spent $800 million on a JetBlue terminal without consideration for police communications? Would it have built the AirTrain and refused to police it? Would it have built a failed airport Perimeter Intrusion Detection System and knowing the system offers no public safety or protection at all, and knowing that, still not police its airport perimeters? You tell me, where is the concern for public safety?

Members of the PBA, like RJ said, have stood here for months informing you of these deficiencies and how the Port Authority distorts the truth. We've invited you to even question us about our concerns. Nothing. Not a single phone call, not a single email. And I don't understand how you with your responsibilities can listen to our concerns and not even react, even if out of curiosity. I'm willing to even consider we're wrong. I'm willing to consider that our concerns are petty and unfounded. But you have to show me where and why. And no one has done that or even suggested it. Chris Ward says this is all a contract negotiation ploy. It's not. But let's assume that it is. Would the PA then have cared if we kept our mouths shut about police communications at a thriving terminal? Would they have policed and secured the airport perimeters? Would they still be reluctant to police our rail system? I'm so disappointed in this board's lack of inquiry. Do we have to live '93 all over again? Remember it was the Port Authority that was found more liable in that attack on the World Trade Center than those who filled the truck with explosives, drove it into the garage, and ignited it. But the finding was correct. The Port Authority was negligent. They're not listening. They didn't listen then, they're not listening now. I'll be done in a second. They didn't listen then, and they're not listening now. I've often wondered if this negligence and irresponsibility has emboldened America's enemies. That's a difficult thought and, believe me, I hate to even say that. But the Port Authority seems content with the perception of public safety but not the reality of it. I'll be done in a minute. And for someone to sit in an office and not consult with those who have to deal with the results of these mistakes is wrong.

All right. Mr. Ward says we don't see the big picture. Mr. Ward, we do see the big picture, and we've seen it before. It's irresponsible, it's dangerous, it's ugly. While Mr. Ward is singly focused on the World Trade Center, someone, in addition to the PBA, has to be raising a red flag, has to show these failures and show concern for the public's safety. We've reached the too late phase twice already, with grave consequences. Please don't let it happen again. Thank you. And I'm sorry for going over.

Chairman Samson: Thank you. The next speaker is Margaret Donovan from the Twin Towers Alliance.

Margaret Donovan: Thank you. Good afternoon. Crashing parties is not something that appeals to me, but someone has to tell you that what you are actually doing at Ground Zero is violating the public's trust. The Port Authority has a lot of reasons to celebrate, but it is delusional to think that the World Trade Center is one of them.

The Trade Center you are celebrating could never have gotten off the ground except through secrecy. The New York Times is currently suing the NYPD for FOIL abuses that are nothing compared to the Freedom of Information runaround we at the Twin Towers Alliance have received from Mr. Buchbinder, an officer of the Port Authority, since March of last year. At the beginning of every Board Meeting, the Chairman advises that the Commissioners previously met in executive session to discuss matters where public disclosure would affect the public interest. But we think you are going to find that you have been misinterpreting your executive privilege.

The PA by-laws provide for meeting in executive session when disclosure would clearly endanger the public interest. But it is ten years of these blatant exceptions that have most endangered it. How can the public interest be protected until the public interest is identified? And how can that possibly be done except in consultation with the public? We will soon be sending you a far more detailed complaint based on the belief that the boondoggle at Ground Zero is the inevitable result of allowing bureaucrats to deprive the public of the right to scrutinize their executive decisions.

According to New York's Open Meetings Law, an executive session can only be properly held when bracketed inside a public session. And even when matters have properly been considered away from the public's interested eye, Section 87, Subdivision 2, Paragraph C of FOIL states that the government may only withhold records insofar as disclosure would impair present or imminent contract awards or collective bargaining negotiations. However, once a contract has been awarded, the impairment disappears, as does the ability to rely on the claimed exception, so there is no longer any rationale for keeping those minutes or contracts secret.

Protecting officials from embarrassment or the consequences of their actions are not lawful grounds for secrecy. We don't take any of this personally, but we take it very seriously. The contract you should be most concerned with is your contract with the people. A new play, "The Tallest Building in the World," was reviewed yesterday on nj.com. It started off by observing, "While John F. Kennedy was intent "on getting a man to the moon, Guy Tozzoli was shooting for a corner of the sky "just a bit lower." That's when the Port Authority really had something to celebrate. A 1982 Port Authority ad in a New York City guidebook pointed out that the observation deck was the tallest outdoor deck on earth and concluded with the marvelously whimsical warning, "And in the evening, please don't touch the stars." That is why we the people of the United States never agree to stop trying to touch the sky. That is why the project at Ground Zero is such a letdown and such a sellout. Happy birthday. Thank you.

Chairman Samson: Thank you. The next speaker is Richard Hughes from the Twin Towers Alliance.

Richard Hughes: Good Afternoon, Commissioners. First I want to congratulate the Port Authority on its 90th anniversary. Ninety years is a long time, whether we're talking about the life of a person or the life of an institution, and the Port Authority has much to be proud of as it looks back over those 90 years - the bridges and tunnels it has built and maintained, the airports, and of course those magnificent and inspiring Twin Towers of the original World Trade Center. The Port Authority indeed has much to be proud of - except in one crucial area, and that is in its handling of the rebuilding process at Ground Zero.

Neither I nor anyone should blame you Commissioners for the mistakes that were made in the years immediately following the September 11th attacks. I don't believe any of you were sitting on the board at that time, and so the decisions that were made are not your fault. We know that tremendous political pressure was brought by Governor Pataki to keep the Twin Towers from being rebuilt, even though Larry Silverstein was contractually obligated to rebuild them. We know that Governor Pataki interfered all along the line to impose his will and the public be damned. No one should blame the Port Authority for decisions that were made in those years because of the imperious demands of an out of control governor who took advantage of a national tragedy to exercise his own political will. But Governor Pataki is gone from the political scene, thank God. He has left you with a mess in Lower Manhattan, a mess not of your own making, but it is your responsibility to clean it up and make things right.

The current plan grew out of Pataki's mess. It is still a mess, and it cannot be made right without radical changes. As I have said all along, as Margaret Donovan of the Twin Towers Alliance has said all along, as millions of Americans will tell you, the best solution is the simplest solution. Rebuild the Twin Towers and make them better in every way. They were the signature not only of this city and this country but of the Port Authority itself. Here's my vision. In ten years the Port Authority will celebrate its centennial, and I hope it will be a glorious centennial. And if it is, it will be a glorious one because the Port Authority will have two new spectacular Twin Towers to point to in Lower Manhattan lighting up the greatest skyline in the world. And I hope you are all there, looking out from a new Windows on the World and taking pride that this once great agency has recovered its daring and its vision and become great again. Thank you very much.

Chairman Samson: Thank you. The last speaker is Joseph Russo of LBM Consulting, LLC.

Joseph Russo: Hello. Joseph Russo, LBM Consulting, LLC, Lawrenceville, New Jersey. Executive Director Ward, Deputy Executive Director Baroni, members of the Board, the three minutes that I have to speak to you today, which is entitled "Advanced Planning for Airport Terror: The First Five Minutes." It's very prophetic that we get three minutes, because from the time I stand up to the time I sit down, hundreds - literally hundreds - could be slaughtered in a terror event.

Now, what is an airport? We all know what it is. It's a welcoming place, departures, tears of joy, tears of sadness, people are leaving, people are coming. An airport is a restaurant, it's a bookstore, it's a lounge. It's many, many congested spaces - bookstores, little - few exits, long killing fields, and ramps and gate areas. Okay. There's an old saying in the firefighting business, which I'm a volunteer. It's called, "The first five minutes of an emergency--a fire-- "are worth the next five hours," whether it's weather related--hopefully it won't happen later-- or an explosion or mass trauma. But terrorists are very

intelligent people. We know that. I think one would have to assume if we have an event at Newark Liberty, LaGuardia, JFK, it's going to be coordinated. That will mean blocking EMS, police, and rescue from local area hospitals and what have you. So you have confusion, tremendous congestion, and you have people dying from horrible burns, shock trauma, mutilation, and what have you.

There are things that we need, and we can get them. We need an expanded ARFF, airport fire rescue. We need on scene medical care--not a portable surgical hospital which would take 20, 30, 40 minutes to come in. That's fine for backup. Can you imagine ambulance crews coming from the local hospital, trying to treat, stabilize, triage, get them back to a hospital, resupply, and take care of their own emotions? We need on scene medical care. Wow. Take Terminals A and B in Newark. Six long ramps, 40 gates. Killing fields. Six hundred dead, 400 wounded. Put your own numbers on that. Now, money, funds. It always comes up. America is awash in money. There is money for everything. It's leadership. Victor Hugo said, "Nothing is as irresistible as an idea whose time has come." The time has come, but there's not a minute to lose. I'll come back next month to finish up. Thank you.

Chairman Samson: Thank you.

Joseph Russo: Sheree Van Duyne has full copies if anybody would like.

Chairman Samson: Thank you. That's the final public speaker. May I have a motion to approve the consent calendar?

Multiple Commissioners: So moved.

Chairman Samson: Second?

Commissioner Silverman: Second.

Chairman Samson: All in favor?

Commissioners: Aye.

Chairman Samson: So moved. And may I have a motion to adjourn the meeting?

Commissioner Steiner: So moved.

Chairman Samson: A second?

Commissioner Pocino: Second.

Chairman Samson: All in favor?

Commissioners: Aye.

Chairman Samson: The meeting is adjourned.

The Port Authority of New York & New Jersey
Public Board Meeting
February 24, 2011

Chairman Samson: The Port Authority of New York and New Jersey and its subsidiaries is now called to order. Prior to today's meeting, the Governance and Ethics Committee met in public session. The Committees on Operations and Construction and the World Trade Center Redevelopment Subcommittee met in both public and executive session, and the Audit Committee met in executive session. Their reports will be filed with the official minutes of today's Board Meeting. The Commissioners also met in executive session prior to today's Board Meeting to discuss and act upon matters related to the purchase, sale or lease of real property or securities where public disclosure would affect the value thereof or the public interest, matters involving ongoing negotiations or reviews of contracts or proposals, and matters related to proposed, pending, or current litigation, judicial or administrative proceedings. We'll start off with our Director of Aviation, Sue Baer, who will review a transaction that will provide air travelers with additional flight options at Newark Liberty International Airport. Sue.

Susan Baer: Thank you. Commissioners, today we are seeking your authorization to consent to an assignment of three gates at Newark Airport to Southwest Airlines. This will be the final step in securing Southwest's entrance into the Newark Liberty market.

Under its lease agreement executed in 1969, United Airlines has leased and operated gates and related space in Terminal A at Newark since the terminal opened in 1973. In October of 2010, Continental Airlines and United Airlines announced a merger of the two and agreed to transfer 18 pairs of slots at Newark to Southwest Airlines as part of the transaction. Southwest currently has only limited service in the New York metropolitan area and no service at Newark. The transfer of slots and other assets to Southwest is anticipated to increase competition and will likely benefit consumers on overlap routes, as well as on many other routes.

Under the proposed consent agreement, Southwest will assume all of the terms and conditions of the agreement with United and operate from three gates and related space in the Terminal A Satellite A-1 at Gates 10, 14, and 15. The proposed consent would result in incremental rentals of approximately $1.9 million over the remaining term of the lease until 2018. The addition of Southwest to Newark meets the goals set forth in the Port Authority's Competition Plan that's required to be filed with the Federal Aviation Administration for approval. Southwest is investing approximately $2.2 million to improve and brand its space at Newark Liberty for its use. Shown above is the rendering of Gate 10 improvements proposed by Southwest. In addition, they will be making improvements to Gates 14 and 15 as well as improvements to their associated passenger loading bridges. Southwest improvements also extend to its ticketing area. Shown here is a rendering of their proposed improvements.

Commencing on March 27, 2011, Southwest will begin serving Newark Liberty with eight daily nonstop flights--six to Chicago Midway and two to St. Louis. On June 5th, Southwest will expand service with an additional ten daily nonstop flights - three to Baltimore, three to Denver, two to Houston Hobby and two to Phoenix. These destinations contain some of Southwest's larger operations, therefore offering a multitude of connecting options to other destinations. All of the

Southwest destinations are major origin and destination markets from Newark Liberty. This new service provides an additional airline choice for travel and additional airline competition at Newark with the potential for boosting passenger growth. Commissioners, I request your approval to consent to the assignment of Gates 10, 14, and 15 at Newark Liberty to Southwest Airlines. Thank you.

Chairman Samson: May I have a motion to approve this item?

Commissioner Sartor: So moved.

Chairman Samson: Second?

Vice-Chairman Grayson: Second.

Chairman Samson: All in favor?

Commissioners: Aye.

Chairman Samson: So moved. We now will provide an opportunity for members of the public to comment on Port Authority matters. This public comment period, which is limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the Board but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact the Public Affairs Department. Contact information is provided on the Port Authority's website. Speakers are asked to comply with the fixed time limit of three minutes. The first speaker is Murray Bodin.

Murray Bodin: I have you on my telephone in case I didn't get here in time because traffic was heavy. This is the meeting, as it's going on right now. What I'm going to say is really for these people out here and not for you because you already got it. The world has changed. If you watch TV, Libya, Egypt, everything else. But so has transportation in the metropolitan area. Port Authority, I was at the MTA Board Meeting. I came here from the meeting with the Henry Hudson people at the toll booth at the bridge there working to resolve it. I met with Jose Rivera yesterday and Bill Young. Jose knows what he's doing. And what you need to know is this is a new environment we're in. The timeframe has been compressed. It gets done right the first time. It gets done quickly. What you did last year may be outdated. Keep your eyes open. Keep your ears open. These people are listening better than anybody ever imagined they could. The MTA Board is listening better than anybody else did in the past. So my advice to all of you people who are operating people, it's time to pay attention better, move faster, and keep up with things. Make small, incremental changes as if that's what's going to move the project forward faster. We're in a new world. It's different. They know it. I want to make sure you understand as well as they do that things are going to get done better and we need the jobs, we need the infrastructure. We want to do it right the first time. It can be done. It's your responsibility to do it. Thank you.

Chairman Samson: Thank you. The next speaker is Margaret Donovan.

Margaret Donovan: From the Twin Towers Alliance. Good afternoon. At the end of the last meeting, outgoing Chairman Anthony Coscia spoke of his pride in the enormous contribution the

Port Authority has made to economic development in the region, with good reason. But all the backslapping in the world will never change the PA's disgraceful post-9/11 history at Ground Zero. In a New York Post column entitled, "World Trade Sellouts," Nicole Gelinas wrote in 2004, "Osama bin Laden gave the order to destroy the World Trade Center - "but Governor Pataki & Co. are paying for the funeral." Of course - as usual - it is the people who are paying for it in every sense of the word. We know what drove the politicians to pander to the special interests while ignoring the controlling stakeholder, the public. But whatever gave 12 eminent business and civic leaders the notion that it was all right to shut the people out? As Chairman Samson pointed out at the last Board Meeting, the Port Authority is facing considerable challenges with increased public needs and decreased revenues. But the success of the current agenda has rested on sidestepping good faith efforts to engage officials in the due diligence that such a profoundly significant and monumentally expensive public investment requires. The evident motto of Chris Ward, "It's just business, nothing personal," belongs in "The Godfather," not the Port Authority because rebuilding the World Trade Center is very personal. The need for dazzling new Twin Towers may have been a matter of opinion, but it was and is an opinion shared by most New Yorkers and most Americans - Democrats, Republicans, and 9/11 families alike - and it would be good business. We have spent an entire year watching Mr. Buchbinder do a dance around the Freedom of Information Law. But as we wrote to him last March, if it would quote-unquote impair negotiations to let the public examine what a public agency is doing with public property using public dollars, then it is a good bet that it is not in the public's best interests. And now that negotiations are long since over, we are still being blocked. But with a new governor - really two - and a new Chairman, what harm is there in making sure that you are on the right track? What are you afraid of? Later in the same column, Gelinas wrote, "To watch the steel structures of new Twin Towers pierce New York's skyline "floor by floor after all New York has been through would be to experience one of the greatest moments in modern history." "But Pataki and his Freedom Tower would rob New York and America of that moment." Pataki is history. But any one of you could still take a stand and make history because we are still being robbed. Thank you.

Chairman Samson: Thank you. The last speaker is Richard Hughes.

Richard Hughes: Thank you. I wish I could share Murray's sudden enthusiasm for the open-mindedness of the board. I don't see it. But I do agree with him. Democracy is breaking out all over the world. It's breaking out in Tunisia, Egypt, in Libya. Not here in New York. No. "Mayor Mubarak" sees to that. "Mayor Mubarak" has bought himself three terms at a cost of a quarter of a billion dollars. "Mayor Mubarak" decided he wanted a third term, so he got rid of term limits. We the people didn't have anything to do with that. "Mayor Mubarak" controls the media, controls the so-called dialogue, he controls what is happening at Ground Zero, and we all know that. And the people be damned. Yes, democracy is breaking out all over the world-- the Middle East, Africa, Asia. Not here in New York. In New York we have a legislature with a lower turnover than the old Soviet Politburo. In New York we have a Port Authority Board that in years of meetings has had only one dissenting vote. One vote. That's all. You don't find that kind of unanimity even in the Chinese Communist Party. Yes, democracy is breaking out all over the world. But not here in New York. And yet we never needed democracy more. We never needed to hear other voices, other opinions. We never needed this board to be more open-minded. We never needed this board more to listen because what is happening at Ground Zero is a disgrace, and we all know it. It not only isn't what the people want and have never wanted, but it's an economic disaster in the making. And yet

there's only one dissenting vote in all of this? Of thousands cast, one vote? Yes, democracy is breaking out all over the world, but not in this room, not in these offices, not among these ladies and gentlemen, not here in New York City. It's happening in Tunisia, it's happening in Egypt, it's happening in Libya and Africa, it's happening in Asia. But not here in New York.

Chairman Samson: Thank you. I think we have two additional speakers. Ramiro Gotay.

Ramiro Gotay: Good afternoon. My name is Ramiro Gotay. I work for Ironbound Express in Newark, New Jersey. We have too many problems, as I want to let you know. We don't want to be more work. Company drivers. We want to be company drivers, independent contract. Please, this is the time for everybody to work together. We don't have benefits, we don't have anything. Right now we have four drivers with terminal cancer. They don't have insurance to cover. I don't want to wait in the port. When I want to go out, I have to wait two or three lines in the line to go in. Please, this is the time for everybody to work together. We want to be company drivers because you have the power to help us. We have a lot of people downstairs, a lot of drivers, because we need clean air in Ironbound. We have a lot of kids with asthma. We have too many problems. We don't have insurance, we don't have anything. I tried to represent my 7,000 drivers in Newark, New York, New Jersey, everywhere. That's everything I want to let you know. Thank you very much.

Chairman Samson: Thank you. Our last speaker is Lito Miranda.

Lito Miranda: Good afternoon. My name is Lito Miranda and I'm from the Ironbound. I also volunteer for the Ironbound Community Corporation, a small area in the town of Newark. Of course the Port Authority runs this area there. And what I want to tell you this afternoon is that I'm here in support of the port drivers here in the Port of Newark and New York and also the LA's over on the West Coast. What we're asking for is clean air and good jobs, which is important for everyone that's involved. I live very close to the port, so our air is very much contaminated with not just the truck diesel but other contaminants. So what we're asking from you today is help and some solution, not just keep coming up with these questions. We need solutions, we need answers, and we need it now. I want to thank you. Can we hand this out to all you Commissioners? Oh, okay. Thank you very much.

Chairman Samson: Thank you. May I have a motion to approve the consent calendar?

Commissioner Sartor: So moved.

Chairman Samson: Second?

Commissioner Moerdler: Second.

Chairman Samson: All in favor?

Commissioners: Aye.

Chairman Samson: So moved. May I have a motion to adjourn the meeting? Second?