

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, December 11, 2003

| | |
|---|----|
| Report of Committee on Finance | 56 |
| Report of Committee on Construction | 56 |
| Report of Committee on Operations | 56 |
| PATH – Temporary World Trade Center Station – Airport Management Services LLC d/b/a/ Hudson News Company – Lease Agreement | 57 |
| Port Authority Trans-Hudson Corporation – Participation in TRANSCOM Inc. for a Five-Year Period | 58 |
| Settlement of Claim – Charles Chipman v. Port Authority Trans-Hudson Corporation | 61 |
| Contract and Purchase Order Authorizations and Amendments – Quarterly Report | 62 |
| Tort Claim Settlements – Quarterly Report | 63 |

MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, December 11, 2003, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

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

Joseph J. Seymour, President
 Ernesto L. Butcher, Vice-President
 Jeffrey S. Green, Counsel

Gwendolyn Archie
 Catherine M. Bergamini
 A. Paul Blanco
 Bruce D. Bohlen
 John D. Brill
 Rosemary Chiricolo
 Steven J. Coleman
 Anthony G. Cracchiolo
 William R. DeCota
 John C. Denise
 Charles D. DeRienzo
 Pasquale DiFulco
 Karen E. Eastman
 Nancy J. Ertag-Brand
 Michael G. Fabiano
 Michael B. Francois
 Linda C. Handel
 Jay Hector
 Edward L. Jackson
 Howard G. Kadin
 Kirby King
 Louis J. LaCapra
 Richard M. Larrabee
 Francis J. Lombardi
 Robert R. Lurie
 Daniel S. Maynard
 Stephen Marinko
 Charles F. McClafferty
 James E. McCoy
 Lynn A. Nerney
 Michael A. Petralia
 Kenneth P. Philmus
 Alan L. Reiss
 Edmond F. Schorno
 Douglas L. Smith
 Ralph Tragale
 Gregory J. Trevor
 Emery J. Ungrady
 Sean P. Walsh

NEW YORK

Hon. Charles A. Gargano, Vice-Chairman
 Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. David S. Mack
 Hon. Henry R. Silverman
 Hon. Anastasia M. Song

The public session was called to order by Chairman Coscia at 2:30 p.m. and ended at 2:50 p.m. The Board met in executive session prior to the public session.

Report of Committee on Finance

The Committee on Finance reported, for information, and the report was received and is included with these minutes.

Report of Committee on Construction

The Committee on Construction reported, for information, and the report was received and is included with these minutes.

Report of Committee on Operations

The Committee on Operations reported, for information, on matters discussed in executive session at its meeting on December 11, 2003, which included discussion of contract matters, in addition to matters filed with the Committee pursuant to Board action or separately reported to the Board of Directors at this meeting of the Board, and the report was received and is included with these minutes.

PATH – TEMPORARY WORLD TRADE CENTER STATION – AIRPORT MANAGEMENT SERVICES LLC d/b/a/ HUDSON NEWS COMPANY – LEASE AGREEMENT

It was recommended that the Board authorize the President of Port Authority Trans-Hudson Corporation (PATH) to enter into a lease agreement with Airport Management Services LLC d/b/a Hudson News Company (Hudson News) to operate a retail newspaper store on the mezzanine level of the Temporary World Trade Center PATH Station for a term of three years.

Under the proposed lease, Hudson News will be permitted to sell newspapers, magazines and books, packaged food items, tobacco products, convenience items, New York State Lottery tickets and mass transit tickets, such as PATH QuickCards. Sales inconsistent with the nature and significance of the World Trade Center site as the location of the events of September 11, 2001 will not be among those permitted by the lease, including, but not limited to, sales of souvenirs, toys and other materials the sale of which would be inconsistent with the unique nature and significance of the site.

Hudson News will pay a rental of \$70,000 per annum for the three-year term. PATH will grant Hudson News a rent credit not exceeding \$30,000 to reimburse it for the costs of installing communications conduit for telephone and data lines and electric conduit and wiring from the nearest electric closet to the perimeter of the premises. Hudson News will be required to relocate its premises not more than twice during the lease term in order to accommodate construction of the Permanent World Trade Center PATH Terminal, for which it will receive rent credits, not exceeding \$25,000 in each instance, for costs incurred to relocate and install utilities and sprinklers in the relocated areas.

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

RESOLVED, that the President be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to enter into a lease agreement with Airport Management Services LLC covering the letting of retail space at the Temporary World Trade Center PATH Station, substantially in accordance with the terms and conditions outlined to the Board, or on such other terms and conditions as the President deems appropriate, subject to the conditions set forth in the following delegation; and it is further

RESOLVED, that the Committee on Operations be and it hereby is authorized to approve the final terms and conditions of the foregoing agreement in the event the rental payment terms and/or the term of the letting are not substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the form of the foregoing agreement shall be subject to the approval of Counsel or his authorized representative.

**PORT AUTHORITY TRANS-HUDSON CORPORATION – PARTICIPATION IN
TRANSCOM INC. FOR A FIVE-YEAR PERIOD**

It was recommended that the Board authorize: (1) Port Authority Trans-Hudson Corporation (PATH) to remain a member of TRANSCOM Inc. (TRANSCOM), a non-profit membership corporation organized to undertake regional transportation programs, for a five-year period beginning on January 1, 2004; and (2) the Director/General Manager of PATH to: a) serve on the Board of TRANSCOM, and b) enter into an agreement with TRANSCOM's other member agencies for said five-year period to provide for PATH's total financial contribution estimated at \$656,140 for the five-year period, with member contributions to be established each year in accordance with the agreement and the By-Laws of TRANSCOM by unanimous vote of the TRANSCOM Board of Trustees.

TRANSCOM originally was created in 1986 as a three-year demonstration program of regional transportation agencies focused on enhancing the region's transportation management capabilities. By 1989, TRANSCOM had become a permanent regional institution and was able to attract increased support from all its members for the continued expansion of its operating programs.

In 1998, at its Executive Committee's direction, TRANSCOM filed for incorporation as a non-profit membership corporation to which the TRANSCOM member agencies belong, and whose Board consists of the current TRANSCOM Executive Committee members. TRANSCOM's present membership consists of the Connecticut Department of Transportation, New York State's Metropolitan Transportation Authority (MTA), MTA Bridges and Tunnels, MTA New York City Transit, New Jersey Department of Transportation (NJDOT), New Jersey State Police, New Jersey Transit Corporation (NJ Transit), New Jersey Turnpike Authority, New York City Department of Transportation (NYCDOT), New York City Police Department (NYPD), New York State Bridge Authority, New York State Department of Transportation (NYSDOT), New York State Police, New York State Thruway Authority, Palisades Interstate Park Commission, the Port Authority and PATH. A companion item has been submitted to the Port Authority Board of Commissioners to provide for the Port Authority's continued participation in TRANSCOM.

Together, PATH and the Port Authority provide for 19.54 percent (15.63 percent for the Port Authority, 3.91 percent for PATH) of membership contributions. Because TRANSCOM's operating budget is partially funded by other revenue sources, such as revenues from sale-of-service projects, total member contributions are less than the total operating budget. For example, the Port Authority's 15.63 percent share of member contributions is 11.5 percent of the total operating budget.

The current list of contributing agencies and their percentage shares is as follows:

- 15.63 percent: Port Authority, NJDOT, NYSDOT
- 7.81 percent: MTA Bridges and Tunnels, MTA, NYCDOT, New Jersey Turnpike Authority
- 3.91 percent: NJ Transit, PATH, MTA-New York City Transit, and Connecticut DOT, New York State Thruway Authority
- 1.95 percent: New York State Bridge Authority

- 0.4 percent: Palisades Interstate Park Commission

The three police member agencies (New Jersey State Police, New York State Police and NYPD) do not contribute.

TRANSCOM'S operating budget for 2004 will be submitted to the TRANSCOM Board of Trustees for approval on December 15, 2003. The proposed operating budget for 2004 is \$3,681,080. After other revenues are applied, the proposed total member contributions figure for 2004 is slightly less than the total for 2003: \$2,704,026.

Authorization for PATH's participation in TRANSCOM would enable TRANSCOM to continue its regional transportation coordination and technology development programs.

TRANSCOM's activities: (1) promote the mobility and safety of the traveling public by mitigating congestion; (2) create scale economies for the member agencies by maximizing their resources; and (3) provide a forum for drawing additional federal funding to the region for transportation management programs. TRANSCOM's services to its member agencies include:

- Regional Interagency Incident Notification through TRANSCOM's Operations Information Center which collects and disseminates real-time regional incident and construction information, 24 hours a day.
- Regional Interagency Construction Coordination to avoid restricting capacity on parallel or intersecting roadways or transit lines.
- Intelligent Transportation Systems Program that enables the member agencies, including PATH and the Port Authority, to benefit from Federal Highway Administration funding to implement transportation management technologies including traveler information.

TRANSCOM's other benefits to PATH and the region include:

- TRANSMIT system to report real-time travel times and average speeds for over 200 miles of roadway to detect incidents and provide customer information.
- TRANSCOM Regional Architecture to integrate the member agencies' intelligent transportation systems to enable electronic sharing of information among agency operations centers.
- Trips 123 to provide real-time information and transit trip planning services to the public via an interactive web site and by phone.
- Interagency Remote Video Network to enable the member agencies to share over 400 closed-circuit television feeds.
- Service Area Travelers Interactive Network (SATIN): SATIN provides traveler information via interactive kiosks at transit and roadway hubs.

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

RESOLVED, that Port Authority Trans-Hudson Corporation's (PATH's) membership in TRANSCOM Inc. (TRANSCOM), a non-profit membership

corporation organized to undertake regional transportation programs, for a five-year period beginning on January 1, 2004, be and it hereby is authorized; and it is further

RESOLVED, that the Director/General Manager of PATH be and he hereby is authorized, for and on behalf of PATH, to: a) serve on the Board of Trustees of TRANSCOM; and b) enter into an agreement with TRANSCOM's other member agencies for said five-year period, to provide for PATH's total financial contribution estimated at \$656,140 for the five-year period, with member contributions to be established each year in accordance with the agreement and the By-Laws of TRANSCOM by unanimous vote of the TRANSCOM Board of Trustees; the form of the agreement shall be subject to the approval of Counsel or his authorized representative.

SETTLEMENT OF CLAIM – CHARLES CHIPMAN v. PORT AUTHORITY TRANS-HUDSON CORPORATION

It was recommended that the Board authorize Counsel, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to enter into an agreement with plaintiff, Charles Chipman, to provide for the settlement of a personal injury claim brought pursuant to the Federal Employer's Liability Act arising from a workplace injury. The proposed settlement in the amount of \$320,076.15, out of which \$36,075.60 represents a lien held by PATH for wage benefits paid to plaintiff, \$20,622.09 represents a lien for medical bills paid by PATH on plaintiff's behalf, and \$8,378.46 represents the Railroad Retirement Board lien on this claim, would avoid a potential judgment in a much greater sum. The settlement is inclusive of costs, disbursements and attorneys' fees. In return, plaintiff will provide PATH with a General Release and Stipulation of Discontinuance with Prejudice.

Plaintiff, a 38-year-old engineer with PATH, was injured on November 9, 1998, when his brake handle failed to release from the brake valve on the train he was operating, causing him to injure his right wrist when he tried to remove it. Plaintiff testified that he moved the handle along its path and that it popped up as it was supposed to do before it is removed. However, plaintiff said that when he started to pull the handle up it resisted. Plaintiff claimed the brake handle was defective because the metal notch at the bottom of the brake handle was worn down.

Plaintiff was sent by PATH to Dr. William Oppenheim, who opined that plaintiff had fractured a bone in his right wrist. When conservative treatment failed to alleviate the pain, Dr. Oppenheim performed a pisiformectomy, as well as a decompression of the ulnar nerve in April 1999. When plaintiff was unable to return to work as an engineer without pain, Dr. Oppenheim indicated that further surgery might be required. In the interim, plaintiff was disqualified from working as an engineer; therefore, he did not undergo the additional surgery.

As a result of being medically unable to work, plaintiff incurred an out-of-pocket non-overtime wage loss of \$35,416.60 and an overtime wage loss of approximately \$14,000. Additionally, plaintiff continues to suffer a wage loss of \$3,000 to \$4,000 per year, based on the salary differential between an engineer and the positions he has held since his accident. Plaintiff initially demanded \$750,000 to settle this action, but during mediation, the court recommended that this action be settled for \$255,000, in addition to a waiver of all outstanding liens.

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

RESOLVED, that Counsel be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to enter into an agreement with plaintiff, Charles Chipman, to provide for the settlement of a lawsuit for personal injuries entitled Charles Chipman v. Port Authority Trans-Hudson Corporation by paying to plaintiff and his attorneys the sum of \$320,076.15, out of which \$36,075.60 will be deducted as a lien held by PATH for wage benefits paid to plaintiff, \$20,622.09 will be deducted as a lien for medical bills paid by PATH on plaintiff's behalf, and \$8,378.46 will be deducted as the Railroad Retirement Board lien on this claim.

CONTRACT AND PURCHASE ORDER AUTHORIZATIONS AND AMENDMENTS - QUARTERLY REPORT

REPORT: In accordance with Article XII, sections (f)(1) and (f) (2) of the By-Laws, the President reports, for information only, the following contracts were awarded or amended for the period of April 1, 2003 through June 30, 2003.

| AWARDEE | DESCRIPTION | AUTHORIZATION AMOUNT | AUTHORIZATION METHOD |
|---------------------------------|-------------------------------|-----------------------------|-----------------------------|
| RCC Fabricators | Railcar Trailers | \$469,800 | Publicly Bid |
| L.J.'s Lawn Maintenance | PATH Landscaping | \$329,041 | Publicly Bid |
| Swiger Coil Systems, Inc. | Overhaul Motors | \$249,716 | Publicly Bid |
| J.C. Ehrlich Co., Inc. | Weed Control | \$79,500 | Publicly Bid |
| Nissho Iwai American Corp. | Chevrons | \$106,877 | Publicly Bid |
| Wabtec, Inc. | Overhaul, Brake | \$456,716 | Publicly Bid |
| AFA Protective Systems, Inc. | Fire Alarm Maintenance – PATH | \$254,488 | Publicly Bid |
| Railroad Construction Co., Inc. | Repair, Railroad | \$354,522 | Publicly Bid |

Tort Claim Settlements – Quarterly Report

The President reports, for information only, that in accordance with the authority granted under Article XII, section (f)(4) of the By-Laws, the following claims were previously settled, and reported closed during the period April 1, 2003 to June 30, 2003.

TORT CLAIMS AGAINST PORT AUTHORITY, TRANS-HUDSON CORPORATION, CLOSED**Employee Claims**

| NAME | AMOUNT PAID |
|-----------------------|--------------------|
| WILLIAMS KENNETH | \$ 15,000.00 |
| CASTELLAMARE BENJAMIN | 2,000.00 |
| GONZALEZ ROBERT C | 500.00 |
| GRAHAM KENNY | 600.00 |
| MINEO PETER F | 600.00 |
| BORDEAUX LILLIE M | 702.96 |
| MARINO JAMES J | 2,300.00 |
| TRAYNOR JOSEPH P | 2,750.00 |
| MANGRU DIANAND | 3,500.00 |
| IACHELLO FRANK M | 5,548.00 |
| SOLDA JOSEPH | 15,000.00 |
| CLOUGHLEY KENNETH W | 30,000.00 |

TOTAL \$ 78,500.96

Patron Claims

| NAME | AMOUNT PAID |
|-------------------|--------------------|
| BADHAN PARAS RAM | \$ 904.30 |
| BIRMINGHAM ROBERT | 250.00 |
| CARTAGENA ELAINE | 635.00 |
| FURER ROSALYN | 10,000.00 |

TOTAL \$11,789.30

Whereupon, the meeting was adjourned.

Vice-President