

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**MINUTES OF SPECIAL BOARD MEETING
Friday, August 19, 2011**

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MINUTES of the Special Meeting of The Port Authority of New York and New Jersey held Friday, August 19, 2011 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. David Samson, Chairman
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. William P. Schuber
 Hon. David S. Steiner

NEW YORK

Hon. Stanley E. Grayson, Vice-Chairman
 Hon. H. Sidney Holmes III
 Hon. Jeffrey H. Lynford
 Hon. Jeffrey A. Moerdler

Christopher O. Ward, Executive Director
 William Baroni, Jr., Deputy Executive Director
 Darrell B. Buchbinder, General Counsel

Heavyn-Leigh American, Associate Board Management and Support Specialist, Office of the Secretary
 Susan M. Baer, Director, Aviation
 Ernesto L. Butcher, Chief Operating Officer
 James N. Colangelo, Supervising Financial Analyst, Management and Budget
 Michael P. DePallo, Director, Rail Transit
 Gretchen P. DiMarco, Special Assistant to the Deputy Executive Director
 John J. Drobny, Director, Security Projects, Chief Operating Office
 Michael G. Fabiano, Chief Financial Officer
 Michael A. Fedorko, Director, Public Safety/Superintendent of Police
 Michael B. Francois, Chief, Real Estate and Development
 Cedrick T. Fulton, Director, Tunnels, Bridges and Terminals
 Glenn P. Guzi, Senior External Affairs Representative, Government and Community Affairs
 Linda C. Handel, Deputy Secretary
 Christopher M. Hartwyk, First Deputy General Counsel
 Andrew T. Hawthorne, Director, Marketing
 Kara E. Hughes, Senior External Relations Client Manager, Government and Community Affairs
 Barbara S. Hutcheon, Esq., Law
 Louis J. LaCapra, Chief Administrative Officer
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey
 Conor Lanz, Special Assistant to the Executive Director
 Richard M. Larrabee, Director, Port Commerce
 Jamie E. Loftus, Chief, Public and Government Affairs
 James M. Mackey, Jr., Manager, Financial Forecasting, Management and Budget
 Stephen Marinko, Esq., Law
 Ronald Marsico, Assistant Director, Media Relations
 Michael G. Massiah, Director, Management and Budget
 Daniel G. McCarron, Comptroller
 James E. McCoy, Manager, Board Management Support, Office of the Secretary
 Anne Marie C. Mulligan, Treasurer
 Mark F. Muriello, Assistant Director, Operations Support, Tunnels Bridges Terminals
 Patrick O'Reilly, Advisor to the Chairman
 Paul A. Pietropaolo, Corporate Information Security Officer, Office of the Secretary

Monika A. Radkowska, Principal Board Management and Support Specialist, Office of the Secretary
 Desiree Ramos, External Relations Client Manager, Government and Community Affairs
 Brian W. Simon, Director, Government and Community Affairs, New York
 Timothy G. Stickelman, Assistant General Counsel
 Robert A. Sudman, Director, Audit
 Ralph Tragale, Assistant Director, Public Affairs, Aviation
 David B. Tweedy, Chief, Capital Programs
 Lillian D. Valenti, Director, Procurement
 Sheree Van Duyne, Manager, Policies and Protocol, Office of the Secretary
 Robert E. Van Etten, Inspector General
 Andrew S. Warshaw, Chief of Staff to the Executive Director
 David M. Wildstein, Director, Interagency Capital Projects, Office of the Deputy Executive Director

Guests:

Johanna Jones, Assistant Counsel, Authorities Unit, Office of the Governor of New Jersey

Speakers:

Richard Anderson, President, New York Building Congress
 Philip Beachem, President, New Jersey Alliance for Action
 Margaret Donovan, Twin Towers Alliance
 Brad Hoylman, Executive Vice President/General Counsel, Partnership for New York City
 Richard Hughes, Twin Towers Alliance
 Ricardo Kaulessar, Member of the Public
 Gary LaBarbera, President, Building and Construction Trade Council of Greater New York
 Michael McGuiness, Executive Director, National Association of Industrial and Office Properties, the Commercial Real Estate Development Association
 Erik-Anders Nilsson, Director, Jersey City Peace Movement
 Denise Richardson, Managing Director, General Contractors Association of New York
 Robert Yaro, President, Regional Plan Association

The public meeting was called to order by Chairman Samson at 9:03 a.m. and ended at 10:02 a.m. The Board met in executive session prior to the public session. Commissioner Rechler was present for the executive session.

TOLL INCREASE FOR VEHICULAR CROSSINGS – REPORT

Faced with multiple unprecedented challenges at once – an historic economic recession that has sharply decreased Port Authority revenues below projections; steep increases in post-9/11 security costs, which have nearly tripled, and the overall cost of the World Trade Center rebuilding; and the need for the largest overhaul of facilities in the Port Authority's 90-year history - on August 5, 2011, the Port Authority announced proposed bridges and tunnels toll and Port Authority Trans-Hudson (PATH) rail system fare increases and public hearings to be conducted in connection therewith.

Consistent with that announcement, on August 16, 2011, testimony and comments were received from public officials, private citizens and interested organizations at the nine public hearings (four in each State and one via the Internet) and one meeting held within the Port District.

On August 18, 2011, a letter was received from the Governors of New York and New Jersey reiterating their previous public statements that the toll and fare increases, as proposed by the Port Authority, were unacceptable and directing the Commissioners to examine how the Port Authority could immediately reduce costs and the future needs of the capital program in order to reduce the toll and fare increases. The Governors further directed the Port Authority to craft a toll and fare increase that reduced the burden on drivers, commuters and businesses but insured that the Port Authority's finances would be stabilized.

The Governors directed a two-part approach to future financial management, demanding accountability, review and approval of internal practices and tracking how dollars are being spent. The Governors also indicated that they would not oppose a revised toll and fare increase proposal along the following lines:

- Tolls on cars using E-ZPass® would increase \$1.50 in September 2011 and then 75 cents in December of each year from 2012-2015;
- Tolls on cars paying with cash would have the same increase, but would be subject to an additional \$2 penalty (rounded up to the nearest whole dollar);
- Tolls on trucks using E-ZPass® would pay an additional \$2 per axle in September 2011, and then an additional \$2 per axle in December of each year from 2012-2015;
- Tolls on trucks paying cash would have the same increase, but would be subject to an additional \$3 per axle cash penalty;
- Fares on the PATH system would increase 25 cents a year for four years.

As a condition for these toll and fare increases, the Governors directed the Commissioners to immediately commence a comprehensive audit of the Port Authority, focusing on both a financial audit of the Port Authority's ten-year capital plan, to reduce its size and cost, and a review of the Port Authority's management and operations, to find ways to lower costs and increase efficiencies.

Based upon a review of the public comments received during the public hearings and the guidance of the Governors, staff has concluded that the toll and fare increases outlined above provide a viable alternative that balances capital needs with regional economic realities.

At its meeting today, the PATH Corporation Board of Directors is also considering a change in the PATH system fare structure.

TOLL INCREASE FOR VEHICULAR CROSSINGS – RESOLUTION

Pursuant to the foregoing report, the Board adopted the following resolution, with Commissioners Grayson, Holmes, Lynford, Moerdler, Pocino, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the toll schedule contained in the resolution of the Board of Commissioners establishing tolls for the use of Port Authority vehicular crossings, adopted on January 4, 2008, be and the same hereby is revised to provide that vehicles in the classes set forth below shall be subject to the tolls indicated for such classes, effective at 3:00 a.m. on the dates indicated, for passage on the vehicular crossings of the Port Authority in the New York-bound direction, no tolls to be collected for New Jersey-bound passage:

Class 1 vehicles - two axles, single rear wheels: E-ZPass® off-peak toll shall be \$7.50 effective September 18, 2011; \$8.25 effective the first Sunday in December, 2012; \$9.00 effective the first Sunday in December, 2013; \$9.75 effective the first Sunday in December, 2014; and \$10.50 effective the first Sunday in December, 2015; and the E-ZPass® peak toll shall be \$9.50 effective September 18, 2011; \$10.25 effective the first Sunday in December, 2012; \$11.00 effective the first Sunday in December, 2013; \$11.75 effective the first Sunday in December, 2014; and \$12.50 effective the first Sunday in December, 2015; and cash tolls at all times shall be \$12.00 effective September 18, 2011; \$13.00 effective the first Sunday in December, 2012; \$14.00 effective the first Sunday in December, 2014; and \$15.00 effective the first Sunday in December, 2015.

Class 2 vehicles - two axles, dual rear wheels: E-ZPass® off-peak toll shall be \$18.00 effective September 18, 2011; \$22.00 effective the first Sunday in December, 2012; \$26.00 effective the first Sunday in December, 2013; \$30.00 effective the first Sunday in December, 2014; and \$34.00 effective the first Sunday in December, 2015; the E-ZPass® peak toll shall be \$20.00 effective September 18, 2011; \$24.00 effective the first Sunday in December, 2012; \$28.00 effective the first Sunday in December, 2013; \$32.00 effective the first Sunday in December, 2014; and \$36.00 effective the first Sunday in December, 2015; E-ZPass® weekday overnight tolls for trucks shall be \$15.00 effective September 18, 2011; \$19.00 effective the first Sunday in December, 2012; \$23.00 effective the first Sunday in December, 2013; \$27.00 effective the first Sunday in December, 2014; and \$31.00 effective the first Sunday in December, 2015; and cash tolls at all times shall be \$26.00 effective September 18, 2011; \$30.00 effective the first Sunday in December, 2012; \$34.00 effective the first Sunday in December, 2013; \$38.00 effective the first Sunday in December, 2014; and \$42.00 effective the first Sunday in December, 2015.

Class 3 vehicles - three axles: E-ZPass® off-peak toll shall be \$27.00 effective September 18, 2011; \$33.00 effective the first Sunday in December, 2012; \$39.00 effective the first Sunday in December, 2013; \$45.00 effective the first Sunday in December, 2014; and \$51.00 effective the first Sunday in December, 2015; the E-ZPass® peak toll shall be \$30.00 effective September 18, 2011; \$36.00

effective the first Sunday in December, 2012; \$42.00 effective the first Sunday in December, 2013; \$48.00 effective the first Sunday in December, 2014; and \$54.00 effective the first Sunday in December, 2015; E-ZPass® weekday overnight tolls for trucks shall be \$22.50 effective September 18, 2011; \$28.50 effective the first Sunday in December, 2012; \$34.50 effective the first Sunday in December, 2013; \$40.50 effective the first Sunday in December, 2014; and \$46.50 effective the first Sunday in December, 2015; and cash tolls at all times shall be \$39.00 effective September 18, 2011; \$45.00 effective the first Sunday in December, 2012; \$51.00 effective the first Sunday in December, 2013; \$57.00 effective the first Sunday in December, 2014; and \$63.00 effective the first Sunday in December, 2015.

Class 4 vehicles - four axles: E-ZPass® off-peak toll shall be \$36.00 effective September 18, 2011; \$44.00 effective the first Sunday in December, 2012; \$52.00 effective the first Sunday in December, 2013; \$60.00 effective the first Sunday in December, 2014; and \$68.00 effective the first Sunday in December, 2015; the E-ZPass® peak toll shall be \$40.00 effective September 18, 2011; \$48.00 effective the first Sunday in December, 2012; \$56.00 effective the first Sunday in December, 2013; \$64.00 effective the first Sunday in December, 2014; and \$72.00 effective the first Sunday in December, 2015; E-ZPass® weekday overnight tolls for trucks shall be \$30.00 effective September 18, 2011; \$38.00 effective the first Sunday in December, 2012; \$46.00 effective the first Sunday in December, 2013; \$54.00 effective the first Sunday in December, 2014; and \$62.00 effective the first Sunday in December, 2015; and cash tolls at all times shall be \$52.00 effective September 18, 2011; \$60.00 effective the first Sunday in December, 2012; \$68.00 effective the first Sunday in December, 2013; \$76.00 effective the first Sunday in December, 2014; and \$84.00 effective the first Sunday in December, 2015.

Class 5 vehicles - five axles: E-ZPass® off-peak toll shall be \$45.00 effective September 18, 2011; \$55.00 effective the first Sunday in December, 2012; \$65.00 effective the first Sunday in December, 2013; \$75.00 effective the first Sunday in December, 2014; and \$85.00 effective the first Sunday in December, 2015; the E-ZPass® peak toll shall be \$50.00 effective September 18, 2011; \$60.00 effective the first Sunday in December, 2012; \$70.00 effective the first Sunday in December, 2013; \$80.00 effective the first Sunday in December, 2014; and \$90.00 effective the first Sunday in December, 2015; E-ZPass® weekday overnight tolls for trucks shall be \$37.50 effective September 18, 2011; \$47.50 effective the first Sunday in December, 2012; \$57.50 effective the first Sunday in December, 2013; \$67.50 effective the first Sunday in December, 2014; and \$77.50 effective the first Sunday in December, 2015; and cash tolls at all times shall be \$65.00 effective September 18, 2011; \$75.00 effective the first Sunday in December, 2012; \$85.00 effective the first Sunday in December, 2013; \$95.00 effective the first Sunday in December, 2014; and \$105.00 effective the first Sunday in December, 2015.

Class 6 vehicles - six axles or more, or combination of vehicles totaling at least six axles: E-ZPass® off-peak toll shall be \$54.00 effective September 18, 2011 (additional axle \$9.00); \$66.00 effective the first Sunday in December, 2012 (additional axle \$11.00); \$78.00 effective the first Sunday in December, 2013 (additional axle \$13.00); \$90.00 effective the first Sunday in December, 2014

(additional axle \$15.00); and \$102.00 effective the first Sunday in December, 2015 (additional axle \$17.00); the E-ZPass® peak toll shall be \$60.00 effective September 18, 2011 (additional axle \$10.00); \$72.00 effective the first Sunday in December, 2012 (additional axle \$12.00); \$84.00 effective the first Sunday in December, 2013 (additional axle \$14.00); \$96.00 effective the first Sunday in December, 2014 (additional axle \$16.00); and \$108.00 effective the first Sunday in December, 2015 (additional axle \$18.00); E-ZPass® weekday overnight tolls for trucks shall be \$45.00 effective September 18, 2011 (additional axle \$7.50); \$57.00 effective the first Sunday in December, 2012 (additional axle \$9.50); \$69.00 effective the first Sunday in December, 2013 (additional axle \$11.50); \$81.00 effective the first Sunday in December, 2014 (additional axle \$13.50); and \$93.00 effective the first Sunday in December, 2015 (additional axle \$15.50); and cash tolls at all times shall be \$78.00 effective September 18, 2011 (additional axle \$13.00); \$90.00 effective the first Sunday in December, 2012 (additional axle \$15.00); \$102.00 effective the first Sunday in December, 2013 (additional axle \$17.00); \$114.00 effective the first Sunday in December, 2014 (additional axle \$19.00); and \$126.00 effective the first Sunday in December, 2015 (additional axle \$21.00).

Class 7 vehicles - recreational vehicles and Class 1 and 11 vehicles with trailers: E-ZPass® off-peak toll shall be \$14.00 effective September 18, 2011 (additional axle \$6.50); \$15.50 effective the first Sunday in December, 2012 (additional axle \$7.25); \$17.00 effective the first Sunday in December, 2013 (additional axle \$8.00); \$18.50 effective the first Sunday in December, 2014 (additional axle \$8.75); and \$20.00 effective the first Sunday in December, 2015 (additional axle \$9.50); the E-ZPass® peak toll shall be \$16.00 effective September 18, 2011 (additional axle \$6.50); \$17.50 effective the first Sunday in December, 2012 (additional axle \$7.25); \$19.00 effective the first Sunday in December, 2013 (additional axle \$8.00); \$20.50 effective the first Sunday in December, 2014 (additional axle \$8.75); and \$22.00 effective the first Sunday in December, 2015 (additional axle \$9.50); and cash tolls at all times shall be \$22.00 effective September 18, 2011 (additional axle \$10.00); \$25.00 effective the first Sunday in December, 2012 (additional axle \$12.00); \$27.00 effective the first Sunday in December, 2013 (additional axle \$13.00); \$30.00 effective the first Sunday in December, 2014 (additional axle \$15.00); and \$33.00 effective the first Sunday in December, 2015 (additional axle \$17.00).

Class 8 vehicles - two-axle buses and mini-buses: E-ZPass® off-peak toll shall be \$10.00 effective September 18, 2011; \$10.75 effective the first Sunday in December, 2012; \$11.50 effective the first Sunday in December, 2013; \$12.25 effective the first Sunday in December, 2014; and \$13.00 effective the first Sunday in December, 2015; and the E-ZPass® peak toll shall be \$10.00 effective September 18, 2011; \$10.75 effective the first Sunday in December, 2012; \$11.50 effective the first Sunday in December, 2013; \$12.25 effective the first Sunday in December, 2014; and \$13.00 effective the first Sunday in December, 2015; and cash tolls at all times shall be \$20.00 effective September 18, 2011; \$21.00 effective the first Sunday in December, 2012; \$22.00 effective the first Sunday in December, 2013; \$23.00 effective the first Sunday in December, 2014; and \$24.00 effective the first Sunday in December, 2015.

Class 9 vehicles - three-axle buses and mini-buses: E-ZPass® off-peak toll shall be \$10.00 effective September 18, 2011; \$10.75 effective the first Sunday in December, 2012; \$11.50 effective the first Sunday in December, 2013; \$12.25 effective the first Sunday in December, 2014; and \$13.00 effective the first Sunday in December, 2015; and the E-ZPass® peak toll shall be \$10.00 effective September 18, 2011; \$10.75 effective the first Sunday in December, 2012; \$11.50 effective the first Sunday in December, 2013; \$12.25 effective the first Sunday in December, 2014; and \$13.00 effective the first Sunday in December, 2015; and cash tolls at all times shall be \$20.00 effective September 18, 2011; \$21.00 effective the first Sunday in December, 2012; \$22.00 effective the first Sunday in December, 2013; \$23.00 effective the first Sunday in December, 2014; and \$24.00 effective the first Sunday in December, 2015.

Class 11 vehicles - motorcycles: E-ZPass® off-peak toll shall be \$6.50 effective September 18, 2011; \$7.25 effective the first Sunday in December, 2012; \$8.00 effective the first Sunday in December, 2013; \$8.75 effective the first Sunday in December, 2014; and \$9.50 effective the first Sunday in December, 2015; and the E-ZPass® peak toll shall be \$8.50 effective September 18, 2011; \$9.25 effective the first Sunday in December, 2012; \$10.00 effective the first Sunday in December, 2013; \$10.75 effective the first Sunday in December, 2014; and \$11.50 effective the first Sunday in December, 2015; and cash tolls at all times shall be \$11.00 effective September 18, 2011; \$12.00 effective the first Sunday in December, 2012; \$13.00 effective the first Sunday in December, 2013; \$14.00 effective the first Sunday in December, 2014; and \$15.00 effective the first Sunday in December, 2015.

Carpool Plan - Class 1 or 11 vehicles with three or more people: E-ZPass® off-peak toll shall be \$3.50 effective September 18, 2011; \$4.25 effective the first Sunday in December, 2012; \$5.00 effective the first Sunday in December, 2013; \$5.75 effective the first Sunday in December, 2014; and \$6.50 effective the first Sunday in December, 2015; and the E-ZPass® peak toll shall be \$3.50 effective September 18, 2011; \$4.25 effective the first Sunday in December, 2012; \$5.00 effective the first Sunday in December, 2013; \$5.75 effective the first Sunday in December, 2014; and \$6.50 effective the first Sunday in December, 2015.

GREENPass - eligible low-emission Class 1 vehicles: E-ZPass® off-peak toll shall be \$4.00 effective September 18, 2011; \$4.75 effective the first Sunday in December, 2012; \$5.50 effective the first Sunday in December, 2013; \$6.25 effective the first Sunday in December, 2014; and \$7.00 effective the first Sunday in December, 2015; and the E-ZPass® peak toll shall be \$9.50 effective September 18, 2011; \$10.25 effective the first Sunday in December, 2012; \$11.00 effective the first Sunday in December, 2013; \$11.75 effective the first Sunday in December, 2014; and \$12.50 effective the first Sunday in December, 2015.

The Port Authority Staten Island Bridges Plan: The toll for enrolled E-ZPass® users with non-commercial plates shall be \$95.00 for 20 trips in a 35-day period at the Goethals Bridge, Outerbridge Crossing and Bayonne Bridge effective September 18, 2011; \$105.00 effective the first Sunday in December, 2012; \$110.00 effective the first Sunday in December, 2013; \$120.00 effective the first Sunday in

December, 2014; and \$125.00 effective the first Sunday in December, 2015; and it is further

RESOLVED, that, effective September 18, 2011, “peak hours” shall be weekdays from 6:00 a.m. to 10:00 a.m. and 4:00 p.m. to 8:00 p.m., and Saturdays and Sundays from 11:00 a.m. to 9:00 p.m.; “off peak hours” shall be all other times, except that “weekday overnight hours” for Classes 2, 3, 4, 5 and 6 shall be from 10:00 p.m. Sundays through Thursdays to 6:00 a.m. Mondays through Fridays, respectively; and it is further

RESOLVED, that all the other terms and conditions set forth in the resolution of the Board of Commissioners establishing tolls for the use of vehicular crossings, adopted on January 4, 2008, shall remain in full force and effect; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to evaluate, and recommend to the Board of Commissioners, the establishment of a “Truck Repeat Volume Program”; and it is further

RESOLVED, that the Executive Director be and he hereby is authorized to make any selection, designation, determination, or estimate, to formulate and express any opinions, to exercise any discretion or judgment, and to take all action necessary or appropriate or which may be or is required to be made, taken, formulated, expressed, or exercised to implement the provisions of this resolution.

COMPREHENSIVE AUDIT OF THE PORT AUTHORITY

Pursuant to the Toll Increase for Vehicular Crossings Report, the Board adopted the following resolution, with Commissioners Grayson, Holmes, Lynford, Moerdler, Pocino, Samson, Sartor, Schuber and Steiner voting in favor. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present:

RESOLVED, that the Committee on Operations shall immediately conduct a comprehensive audit of the Port Authority (and it is authorized in consultation with the Audit Committee to take all actions in connection therewith), and upon the completion of such audit shall make a full report to the Board for its consideration.

Whereupon, the meeting was adjourned.

Deputy Secretary