THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

AUDIT COMMITTEE
MINUTES
Tuesday, May 18, 2010

Action on Minutes	1
Retention of Independent Auditors	2

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

MINUTES OF AUDIT COMMITTEE
225 Park Avenue South
New York, NY
Tuesday, May 18, 2010

PRESENT:

Hon. David S. Steiner, Chair
Hon. H. Sidney Holmes III
Hon. Raymond M. Pocino
Committee Members

Hon. Jeffrey A. Moerdler
Commissioner

Darrell B. Buchbinder, General Counsel
Karen E. Eastman, Secretary

A. Paul Blanco, Chief Financial Officer
John D. Brill, Director, Audit
Michael G. Fabiano, Deputy Chief Financial Officer/Comptroller
Jennifer Friedberg, Staff Public Information Officer, Media Relations, Public Affairs
Linda C. Handel, Deputy Secretary

Guests:
Joseph Blanco, McKenna Long & Aldridge LLP
William Ide, McKenna Long & Aldridge LLP

The Committee meeting was called to order in public session by the Chair at 8:04 a.m. and ended at 8:09 a.m. The Committee also met in executive session following the public session.

Action on Minutes

The Secretary reported that the Minutes of the meeting of May 28, 2009 had been signed and distributed to the Commissioners.

Whereupon, the Committee approved the Minutes of the meeting of May 28, 2009.

RETENTION OF INDEPENDENT AUDITORS

The By-Laws provide that the Audit Committee shall have oversight of the quality and integrity of the Port Authority's framework of internal controls, compliance systems, and accounting, auditing, and financial reporting processes; select pursuant to a competitive process, determine the compensation for, and have oversight of the activities of, all independent accountants retained for auditing purposes, who shall report directly to the Committee; arrange for the audit of the books and accounts of the Port Authority by the independent accountants no less than annually (which audit shall require a written certification by the Executive Director and Chief Financial Officer that the financial information provided to the auditor is accurate and fairly represents the financial condition and operational results of the Port Authority); and keep informed regarding the management of the Port Authority.

Deloitte & Touche LLP has been selected by the Committee on an annual basis as independent auditors, after review of its qualifications and performance by the Committee, consistent with the Committee's responsibilities under the By-Laws.

After due consideration of its qualifications and performance, the Audit Committee has determined to retain Deloitte & Touche LLP as independent auditors for the year ending December 31, 2010.

The Committee has the power to act in this matter under Article VIII, Section F(1) of the By-Laws.

Pursuant to the foregoing report, the following resolution was adopted by the Committee with Commissioners Holmes, Pocino and Steiner voting in favor; none against:

> **RESOLVED**, that Deloitte & Touche LLP be and the same hereby is retained as independent auditors for the year ending December 31, 2010, to audit the accounts and financial statements of the Port Authority and its wholly owned entities for such year; perform a review of the Passenger Facility Charge Program and federal award programs; perform an evaluation of the Port Authority's internal control over financial reporting; provide services as requested in the disclosure process in connection with the issuance of Port Authority obligations; and provide other audit services, including a review of revenue and cost computations relating to and under the terms of the various lease agreements (including base rent and annual gross revenue calculations at the New York City Municipal Air Terminals), financial and statistical data reports submitted to the Federal Transit Administration, field work and financial disclosure requirements of the Single Audit Act of 1984 for recipients of federal financial assistance; and it is further
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> **RESOLVED**, that the form of any agreements required in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

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Secretary