

PORT AUTHORITY TRANS-HUDSON CORPORATION

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

Port Authority Trans-Hudson Corporation – PATH System Fare Increase

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MINUTES of the Special Meeting of Port Authority Trans-Hudson Corporation 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

Christopher O. Ward, President
 Ernesto L. Butcher, Vice-President
 Darrell B. Buchbinder, Counsel

Heavyn-Leigh American
 Susan M. Baer
 William Baroni, Jr.
 James N. Colangelo
 Michael P. DePallo
 Gretchen P. DiMarco
 John J. Drobny
 Michael G. Fabiano
 Michael A. Fedorko
 Michael B. Francois
 Cedrick T. Fulton
 Glenn P. Guzi
 Linda C. Handel
 Christopher M. Hartwyk
 Andrew T. Hawthorne
 Kara E. Hughes
 Barbara S. Hutcheon
 Louis J. LaCapra
 Cristina M. Lado
 Conor Lanz
 Richard M. Larrabee
 Jamie E. Loftus
 James M. Mackey, Jr.
 Stephen Marinko
 Ronald Marsico
 Michael G. Massiah
 Daniel G. McCarron
 James E. McCoy
 Anne Marie C. Mulligan
 Mark F. Muriello
 Patrick O'Reilly
 Paul A. Pietropaolo

NEW YORK

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

Monika A. Radkowska
Desiree Ramos
Brian W. Simon
Timothy G. Stickelman
Robert A. Sudman
Ralph Tragale
David B. Tweedy
Lillian D. Valenti
Sheree Van Duyne
Robert E. Van Etten
Andrew S. Warshaw
David M. Wildstein

Guests:

Johanna Jones

Speakers:

Richard Anderson
Philip Beachem
Margaret Donovan
Brad Hoylman
Richard Hughes
Ricardo Kaulessar
Gary LaBarbera
Michael McGuinness
Erik-Anders Nilsson
Denise Richardson
Robert Yaro

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. Director Rechler was present present for the executive session.

PORT AUTHORITY TRANS-HUDSON CORPORATION – PATH SYSTEM FARE INCREASE

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 such 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 of expenditures. 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 Port Authority's Board of Commissioners is also considering toll increases for the Trans-Hudson vehicular crossings.

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

RESOLVED, that the Board hereby adopts the following Port Authority Trans-Hudson (PATH) rail system fares: effective September 18, 2011 at 3:00 AM, basic PATH fare will be \$2.00 per trip; 2-Trip \$4.00; 10-trip \$15.00; 20-trip \$30.00; 40-trip \$60.00; 30-Day \$65.00; 7-Day \$21.00; 1-Day \$6.25; Senior \$1.00; MTA Metro Card (Pay-Per-Ride) \$2.00; and it is further

RESOLVED, that the Board hereby adopts the following PATH fares: effective October 1, 2012 at 3:00 AM, basic PATH fare will be \$2.25 per trip; 2-Trip \$4.50; 10-trip \$17.00; 20-trip \$34.00; 40-trip \$68.00; 30-Day \$73.00; 7-Day \$24.00; 1-Day \$6.75; Senior \$1.00; MTA Metro Card (Pay-Per-Ride) \$2.25; and it is further

RESOLVED, that the Board hereby adopts the following PATH fares: effective October 1, 2013 at 3:00 AM, basic PATH fare will be \$2.50 per trip; 2-Trip \$5.00; 10-trip \$19.00; 20-trip \$38.00; 40-trip \$76.00; 30-Day \$80.00; 7-Day \$26.00; 1-Day \$7.50; Senior \$1.00; MTA Metro Card (Pay-Per-Ride) \$2.50; and it is further

RESOLVED, that the Board hereby adopts the following PATH fares: effective October 1, 2014 at 3:00 AM, basic PATH fare will be \$2.75 per trip; 2-Trip \$5.50; 10-trip \$21.00; 20-trip \$42.00; 40-trip \$84.00; 30-Day \$89.00; 7-Day \$29.00; 1-Day \$8.25; Senior \$1.00; MTA Metro Card (Pay-Per-Ride) \$2.75; and it is further

RESOLVED, the President be and he hereby is authorized, at his discretion, to provide for emergencies and the cross-honoring of tickets with other rail and transit carriers, to adjust PATH Corporation's rules and regulations in connection therewith; and to make any selection, designation, determination, or estimate, to formulate and express any opinions, to exercise any discretion or judgment, and to take all actions 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.

Whereupon, the meeting was adjourned.

Vice-President