

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, October 22, 2009

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**MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday,
October 22, 2009 at 225 Park Avenue South, City, County and State of New York**

PRESENT:

NEW JERSEY

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

NEW YORK

Hon. Henry R. Silverman, Vice-Chairman
 Hon. Michael J. Chasanoff
 Hon. Stanley E. Grayson
 Hon. H. Sidney Holmes, III

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

Susan M. Baer
 A. Paul Blanco
 Arthur J. Cifelli
 Steven J. Coleman
 Arpan Dasgupta
 Joseph DellaBarca
 John C. Denise
 Michael P. DePallo
 Francis A. DiMola
 Sandra E. Dixon
 Michael P. Dombrowski
 John J. Drobny
 Karen E. Eastman
 Michael G. Fabiano
 Michael A. Fedorko
 Michael B. Francois
 Richard Friedman
 Glenn P. Guzi
 Linda C. Handel
 Howard G. Kadin
 Victoria C. Kelly
 Kevin J. Kirchman
 Louis J. LaCapra
 Cristina M. Lado
 Conor Lanz
 Richard M. Larrabee
 Susan Bass Levin
 Stephen Marinko
 Ronald Marsico
 Michael G. Massiah
 Candace McAdams
 James E. McCoy
 Sanjay S. Mody

Christopher J. Mohr
Anne Marie C. Mulligan
Lynn A. Nerney
Summer Oesch
Steven P. Plate
Alan L. Reiss
Gerald B. Stoughton
Ralph Tragale
I. Midori Valdivia
Sheree R. Van Duyne
Andrew S. Warshaw
Peter J. Zipf

Speaker:
Ed Luster

The public meeting was called to order by Chairman Coscia at 1:44 p.m. and ended at 2:02 p.m. Vice-Chairman Silverman was present for a portion of the public meeting. The Board met in executive session prior to the public session.

Action on Minutes

The Vice-President submitted for approval Minutes of the meeting of August 13, 2009. He reported that copies of these Minutes were delivered in electronic form to the Governors of New York and New Jersey on August 14, 2009. He reported further that the time for action by the Governors of New York and New Jersey expired at midnight on August 28, 2009.

Whereupon, the Board of Directors unanimously approved the Minutes of the meeting of August 13, 2009.

Report of Committee on Construction

The Committee on Construction reported, for information, on matters discussed in public session at its meeting on October 22, 2009, which included discussion of a project re-authorization for Phase II of the signal system replacement for the Port Authority Trans-Hudson rail system, and the report was received.

PATH – SIGNAL PROJECT PHASE II – PROJECT RE-AUTHORIZATION AND AWARD OF CONTRACTS

It was recommended that the Board: (1) re-authorize a project for the replacement of the Port Authority Trans-Hudson Corporation (PATH) signal system (Project), at an estimated total project cost of \$580 million, including engineering, project and construction management, payments to contractors, allowances for extra work (if necessary) and net cost work, administrative and financial expense; and (2) authorize the President of PATH to award: (a) a contract for the purchase and installation of an Automatic Train Control System to The Siemens Team, a consortium composed of Siemens Industry, Inc., Safetran Systems Corporation, and D/A Builders, LLC, at an estimated cost of \$320,859,309, excluding extra work (at eight percent) and net cost work; (b) a contract to Booz, Allen, Hamilton Inc., at an estimated cost of \$20,995,197, (excluding an eight-percent contingency) to provide expert professional program management service for the oversight of the Project; and (c) a contract to Rail Safety Consulting, LLC to provide professional independent safety assessment services, as required by the Federal Railroad Administration (FRA), in connection with the Project, at an estimated cost of \$1,917,593 (excluding an eight-percent contingency).

At its April 5, 2001 meeting, the Board authorized \$17.8 million for planning services in connection with a program to replace the PATH railcars and signal system. This authorization also provided for the President to enter into an agreement with a consultant for professional services for the planning, review and development of a Request for Proposals, including technical specification development for the railcar and signal system replacement work, at an estimated cost of \$7.9 million. The consultant agreement was awarded to LTK Engineering Services/Parsons Transportation Group, Inc. (LTK/PTG), a Joint Venture.

At its September 10, 2003 meeting, the Board authorized a project, at an estimated cost of \$809 million, for: (1) the purchase of 246 new railcars to replace the PA-1, PA-2 and PA-3 PATH railcar fleet and dispose of the replaced railcars; (2) the rehabilitation or replacement of the current class of 94 PA-4 railcars; (3) the renovation of the Harrison Car Maintenance Facility and maintenance equipment to support the new and/or rehabilitated railcars; and (4) Phase I of the Signal System Replacement Program (Program), which included preliminary engineering and design, testing, evaluation and demonstration of modern signal system technologies. At that time, the Board was apprised that authorization for Phase II of the Program would be sought at a future date.

On July 25, 2005, the President authorized the award of a contract to three signal suppliers, at a maximum cost of \$1 million per contract, to work with the new railcar builder, Kawasaki Rail Car, Inc., to define interfaces for the carborne Automatic Train Control (ATC) equipment and perform limited preliminary engineering trials and demonstrations on PATH property.

The three signal suppliers satisfactorily completed Phase I and qualified to submit a proposal for Phase II of the Program. The Siemens Team was the successful supplier, and will be responsible for the design, manufacture, factory test, delivery, installation, field test, commissioning and technical support for a complete ATC System for the entire PATH mainline network, including all central office, wayside and carborne equipment and removal and disposal of a portion of the existing signal equipment.

At its meeting of October 18, 2007, the Board authorized a project for the Railcar and Signal System Replacement Program – PATH Signal Project Phase II, utilizing Communications-Based Train Control (CBTC) technology, adapted for PATH's specific operational requirements, including an independent safety assessment and contract management support, at a total estimated project cost of \$389.6 million.

The technology used for the existing signal system has limited ability to adapt to increased capacity and service demands. Many components are no longer produced or supported and have exceeded their expected useful and economic lifespan, and replacement parts are increasingly unavailable. The proposed re-authorization is necessary to accommodate scope changes to minimize impact on PATH service and work activities. The increase in costs from the amount previously authorized is also attributable to actual construction requirements to accommodate work within the tunnels and other restricted areas, the establishment of temporary equipment locations, the installation of dedicated fiber optic lines for the new system and new FRA regulations. The new system will enable PATH to increase system capacity and improve reliability and efficiency, to sustain a high level of service for PATH customers. This Project also ensures PATH compliance with new federal regulations requiring Positive Train Control on all FRA-administered railroads by December 31, 2015.

Pursuant to the foregoing report, the following resolution was adopted with Directors Bauer, Chasanoff, Coscia, Grayson, Holmes, Pocino and Steiner voting in favor; none against; Director Sartor recused:

RESOLVED, that a project for the replacement of the Port Authority Trans-Hudson Corporation (PATH) signal system (Project), at an estimated total project cost of \$580 million, including engineering, project and construction management, payments to contractors, allowances for extra work (if necessary) and net cost work, administrative and financial expense, be and it hereby is re-authorized; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing Project, pursuant to authority granted in the By-Laws or other resolutions of the Board; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to award: (1) a contract for the purchase and installation of an Automatic Train Control System to The Siemens Team, a consortium composed of Siemens Industry, Inc., Safetran Systems Corporation, and D/A Builders, LLC, at an estimated cost of \$320,859,309, excluding extra work (at eight percent) and net cost work; (2) a contract to Booz, Allen, Hamilton Inc., at an estimated cost of \$20,995,197 (excluding an eight-percent contingency), to provide expert professional program management service for the oversight of the Project; and (3) a contract to Rail Safety Consulting, LLC to provide professional independent safety assessment services, as required by the Federal Railroad Administration, in connection with the Project, at an estimated cost of \$1,917,593 (excluding an eight-percent contingency); and it is further

RESOLVED, that the form of all contracts in connection with the foregoing Project shall be subject to the approval of Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Vice-President