

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
COMMITTEE ON CAPITAL PROGRAMS/PORT PLANNING
MINUTES
Thursday, March 20, 2003

Action on Minutes	1
Port Inland Distribution Network – Service Agreement with Albany Port District Commission	2

THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

**MINUTES OF
COMMITTEE ON CAPITAL PROGRAMS/PORT PLANNING
225 Park Avenue South
New York, NY
Thursday, March 20, 2003**

PRESENT:

Hon. Anthony J. Sartor, Chair
Hon. Michael J. Chasanoff
Hon. David S. Mack
Hon. Raymond M. Pocino
Committee Members

Hon. David S. Steiner

Jeffrey S. Green, General Counsel
Karen E. Eastman, Secretary

Gwendolyn Archie, Staff Administrator, Office of the Secretary
Darrell B. Buchbinder, First Deputy General Counsel
Ernesto L. Butcher, Chief Operating Officer
Steven J. Coleman, Public Information Officer, Public Affairs
Richard M. Larrabee, Director, Port Commerce
James E. McCoy, Manager, Board Management Support, Office of the Secretary
Gerald B. Stoughton, Assistant Director, Office of Forecasting and Capital Planning

Guest:

Noreen Giblin, Authorities Unit, Office of the Governor of New Jersey

The Committee meeting was called to order by the Chair at 10:31 a.m. and ended at 10:53 a.m.

Action on Minutes

The Secretary reported that the Minutes of the meeting of July 29, 1999 had been signed and distributed to the Commissioners and staff.

Whereupon, the Committee approved the Minutes of the meeting of July 29, 1999.

PORT INLAND DISTRIBUTION NETWORK-SERVICE AGREEMENT WITH ALBANY PORT DISTRICT COMMISSION

At its meeting held on September 19, 2002, the Board authorized the Executive Director to enter into agreements with various regional port and rail entities to initiate the Port Inland Distribution Network (PIDN), subject to the approval of the final terms of such agreements by the Committee on Capital Programs/Port Planning.

Staff has now finalized the terms of an agreement with the Albany Port District Commission (APDC) to initiate service between the Port of Albany (POA) and Port Authority facilities within the Port District. The agreement would be for a thirty-year term commencing thirty days after filing of the agreement with the Federal Maritime Commission, which is anticipated to be on or around April 1, 2003. Funding in the amount of \$3.3 million dollars for the initial two years of the service will be provided to the APDC by the United States Department of Transportation, acting through the Federal Highway Administration. Thereafter, the Port Authority and the APDC shall work together to identify and secure funding to ensure operation of the service beyond the initial two-year period. In the event the service is not self-sustaining and adequate funds are not secured to fund the service, each party shall have the right to terminate the agreement upon thirty days' notice to the other.

The APDC will be obligated to ensure, to the extent possible, that the costs and revenues generated by the service are consistent with the financial *pro forma* developed for the service and attached to the agreement. The Port Authority will pay the APDC \$25 for each loaded container that moves between the two ports by barge, up to a maximum of 40,000 containers. During any calendar year that the number of loaded containers which originated or have a destination in either the Port District or the POA exceeds 25,000, the APDC shall refund the Port Authority in the amount of \$5 per container in excess of 25,000. In addition, the Port Authority will make a one-time expenditure of up to \$200,000 to defray general start-up costs, including security. The APDC will be obligated to enter into a separate agreement with an experienced barge operator to provide twice weekly service for the initial two years.

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

RESOLVED, that the terms of a proposed agreement with the Albany Port District Commission implementing a container-on-barge feeder service between Port Authority facilities within the Port District and the Port of Albany, substantially in accordance with the terms and conditions outlined to the Committee, be and they hereby are approved.

Whereupon, the meeting was adjourned.

Secretary