

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Tuesday, December 7, 2010

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**MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Tuesday,
December 7, 2010 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

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

William Baroni, Jr.
Denise M. Berger
Steven A. Borrelli
Rosemary Chiricolo
James N. Colangelo
Steven J. Coleman
Harry Czinn
Michael P. DePallo
Claudia Dickey
Gretchen P. DiMarco
John J. Drobny
Karen E. Eastman
Michael G. Fabiano
Michael A. Fedorko
Michael B. Francois
Jennifer Friedberg
Richard Friedman
Cedrick T. Fulton
Kevin N. Georges
Glenn P. Guzi
Linda C. Handel
Mark D. Hoffer
Kara E. Hughes
Howard G. Kadin
John P. Kelly
Louis J. LaCapra
Cristina M. Lado
Conor Lanz
Richard M. Larrabee
Andrew S. Lynn
Stephen Marinko
Michael G. Massiah
John Mezzacappa
James E. McCoy

NEW YORK

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

Sanjay S. Mody
Anne Marie C. Mulligan
Wilson M. Pacheco
Jeffrey P. Pearse
Beth Siegel
James O. Starace
Timothy G. Stickelman
Gerald B. Stoughton
Robert A. Sudman
Ralph Tragale
David B. Tweedy
Lillian D. Valenti
Sheree Van Duyne
Andrew S. Warshaw
David M. Wildstein
Peter J. Zipf

Guests:

A. Paul Blanco
Johanna Jones
Francis J. Lombardi

Speakers:

Murray Bodin
Margaret Donovan

The public meeting was called to order by Chairman Coscia at 1:38 p.m. and ended at 2:05 p.m.

Report of Security Committee

The Security Committee reported, for information, on matters discussed in executive session at its meeting on December 7, 2010, which included discussion of matters involving public safety or law enforcement.

PATH – DUCT BANK REPLACEMENT PHASE 1 – TUNNELS A AND B – CAISSON #1 TO CHRISTOPHER STREET – PROJECT AUTHORIZATION AND AWARD OF CONTRACT

It was recommended that the Board authorize: (1) a project for the replacement of the duct bank system and associated power cables in Port Authority Trans-Hudson Corporation's (PATH) Tunnels A and B, between Caisson #1 and Christopher Street, at a total estimated project cost of \$189 million; and (2) the President to include such replacement work within the scope of previously authorized contracts for a PATH infrastructure security project.

The PATH tunnels have approximately 153,000 linear feet of duct bank. Approximately 25,000 linear feet of duct bank was replaced in Tunnels E and F between the Exchange Place Station and the World Trade Center site under the Downtown PATH Restoration Project undertaken after September 11, 2001. The balance of approximately 128,000 linear feet of duct bank was installed as part of the original construction of the tunnels, approximately 100 years ago, and requires replacement to maintain a state of good repair and to accommodate future electrical requirements of the PATH system.

In May 2008, the Board authorized \$7.6 million for planning and design work associated with a future project for the replacement and upgrade of the electrical duct bank system and all associated power cables in the PATH tunnel system. At that time, the Board was advised that the staging of the duct bank replacement would be closely coordinated with other construction projects to be undertaken in the tunnel areas, in order to minimize impacts on our customers.

Based on engineering surveys, preliminary design efforts and an analysis of PATH's maintenance experience, staff determined that a major portion of the duct bank system in the under-river section of Tunnels A and B between Caisson #1 and Christopher Street requires significant repair. This area includes approximately 30,200 linear feet of duct bank, and would be repaired under Phase 1. The repair work in this area has been selected to advance first because of the condition of the duct banks in the area and to coordinate the construction with certain security infrastructure work to be performed in these areas. Performance of this work in conjunction with the security infrastructure project is expected to yield economies of scale in the range of \$50 million. Combining the construction of the two projects would result in efficiencies in staging that would decrease the need for tunnel closures and minimize service disruptions.

Evaluation of the remaining areas of PATH's duct bank system continues, as part of the planning efforts. Future phases of work in the remaining areas would be subject to further Board authorization.

Replacement of the duct bank system is necessary to maintain a secure and reliable power distribution system for the railcars and the signal system and to maintain the PATH system in a state of good repair.

Pursuant to the foregoing report, the following resolution was adopted with Directors Bauer, Cosia, Grayson, Holmes, Moerdler, Pocino, Sartor, Steiner and Silverman voting in favor; none against:

RESOLVED, that a project for the replacement of the duct bank system and associated power cables in Port Authority Trans-Hudson Corporation's (PATH) Tunnels A and B, between Caisson #1 and Christopher Street, at a total estimated project cost of \$189 million, including payments to contractors, allowances for extra work (if necessary), and net cost work, engineering, administrative and financial expenses and a contingency (if necessary), be and it hereby is 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 construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, including the award of contracts for work on the foregoing project within the scope of previously authorized contracts for a PATH infrastructure security project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

RESOLVED, that the form of all documents necessary to effectuate the foregoing shall be subject to approval by Counsel or his authorized representative.

AUTHORIZATION FOR PATH TO CONTRIBUTE TOWARD CONTINUED MEMBERSHIP IN TRANSCOM, INC. FOR 2011-2013

It was recommended that the Board authorize the Director/General Manager, Port Authority Trans-Hudson Corporation (PATH), to provide for PATH's financial contributions toward its continued membership in TRANSCOM, Inc. (TRANSCOM) for the three-year period from 2011 through 2013, at a maximum total amount of \$401,000, based upon a \$129,475 member contribution for 2011 and an escalation of not more than three percent annually in the subsequent two years.

TRANSCOM originally was created in 1986 as a three-year demonstration program focused on enhancing the region's transportation management capabilities, and by 1989 TRANSCOM had become a permanent regional institution. Other TRANSCOM members include the Connecticut Department of Transportation (Connecticut DOT), the State of New York Metropolitan Transportation Authority (MTA), MTA Bridges and Tunnels (B&T), MTA New York City Transit (NYCT), New Jersey Department of Transportation (NJDOT), New Jersey State Police, New Jersey Transit Corporation (NJT), New Jersey Turnpike Authority (NJTA), New York City Department of Transportation (NYCDOT), New York City Police Department (NYPD), New York State Bridge Authority (NYSBA), New York State Department of Transportation (NYSDOT), New York State Police, New York State Thruway Authority (NYSTA), and The Port Authority of New York and New Jersey (Port Authority).

At its January 22, 2009 meeting, the Board authorized: (1) PATH's continued membership in TRANSCOM for a five-year period, commencing on January 1, 2009; and (2) the Director/General Manager, PATH, to enter into an agreement with TRANSCOM's other members for PATH to continue to participate in TRANSCOM programs and operations and to serve on TRANSCOM's Board of Trustees during such five-year period, at a cost of \$132,000 for 2009. At its December 10, 2009 meeting, the Board authorized the expenditure of \$125,704 for PATH's financial contribution toward its continued membership in TRANSCOM for the 2010 calendar year.

A companion item is being submitted to the Port Authority's Board of Commissioners requesting authorization to provide for the Port Authority's financial contribution toward its continued participation in TRANSCOM for the 2011-2013 period. Together, the Port Authority and PATH provide 19.62 percent of TRANSCOM's member contributions toward the operating budget (15.69 percent for the Port Authority and 3.93 percent for PATH). The percentage shares of contributions of the Port Authority and PATH would remain the same in 2011 as in 2010.

The current list of TRANSCOM members and their percentage shares of contributions toward TRANSCOM's budget are as follows:

- 15.69 percent: Port Authority, NJDOT, NYSDOT
- 7.84 percent: MTA, B&T, NYCDOT, NJTA
- 3.93 percent: NJT, PATH, NYCT, Connecticut DOT, NYSTA
- 1.96 percent: NYSBA

The three police members (New Jersey State Police, New York State Police and NYPD) do not contribute financially.

To address a structural deficit in TRANSCOM's budget covering operations and ongoing technology infrastructure, the New York, New Jersey and Connecticut state departments of transportation have proposed to cover up to a maximum \$3.2 million annually to offset TRANSCOM's deficit projected for 2011-2013, at a share of 50 percent, 45 percent and five percent, respectively. In 2011, the additional amount to be contributed by the three state departments of transportation totals \$3.1 million. This new funding has supplemented membership contributions and defrayed major dues increases for 2011.

PATH financial contributions toward TRANSCOM's budget in 2012 and 2013 are subject to the development of the TRANSCOM annual work plan and future budgets. TRANSCOM members have veto rights with respect to the TRANSCOM budget and have the right to terminate their participation.

Authorization for PATH's continued participation in TRANSCOM would enable TRANSCOM to continue its regional transportation coordination and technology development programs, and ensure that PATH's regional transportation leadership role is advanced. TRANSCOM's services to PATH, its other members and the region include:

- Regional Interagency Transportation Monitoring and Incident Management through TRANSCOM's Operations Information Center, which collects and disseminates real-time regional information on highway and transit conditions, incidents, construction and special events, 24 hours a day.
- Regional Interagency Construction Coordination, to avoid restricting capacity on parallel or intersecting roadways or transit lines.
- Intelligent Transportation Systems (ITS) Program that enables members, including the Port Authority and PATH, to benefit from implementing transportation management technologies, including regional transportation information systems across modes, jurisdictions and states.
- TRANSCOM's TRANSMIT system, to relay real-time travel times and average speeds and to detect incidents.
- TRANSCOM's new OpenReach regional architecture, which integrates member agencies' ITS systems to enable electronic sharing of real-time operating conditions, information and facility video feeds among agency operations centers. The system also provides feeds for public traveler information, including the New York and New Jersey 5-1-1 traveler information systems.

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

RESOLVED, that the Director/General Manager, Port Authority Trans-Hudson Corporation (PATH), be and he hereby is authorized, for and on behalf of PATH, to expend a maximum total amount of \$401,000 for PATH's financial contribution toward its continued membership in TRANSCOM, Inc. for the three-year period from 2011 through 2013, based upon a \$129,475 member contribution

for 2011 and an escalation of not more than three percent annually in the subsequent two years; and it is further

RESOLVED, that the form of any documents and/or agreements necessary in connection with the foregoing shall be subject to the approval of Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

Vice-President