

The Port Authority of New York and New Jersey
Board Meeting Transcripts
July 23, 2014

[THE PORT AUTHORITY] [OF NEW YORK & NEW JERSEY]

[Vice-Chair S. Rechler] —the board meeting of the Port Authority of New York and New Jersey and its subsidiaries is now called to order. Earlier today, the committee on capital planning, execution, and asset management and the special oversight committee of the board met in public sessions. The committees on finance, operations, and the World Trade Center redevelopment subcommittee met both in public and executive session. And the joint meeting of the committees in operations and finance and the nominating committee met in executive session. The reports as usual will be filed with the official minutes of today's board meeting. Commissioners also met in executive session earlier today to discuss matters relating to personnel and personnel procedures, matters rendered confidential, privileged, or private by federal or state law or regulations or rules or decisions of court, matters involving ongoing negotiations or reviews of contracts or proposals, and matters related to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or public interest, and to discuss and act upon matters related to proposed, pending, or current litigation or judicial or administrative proceedings. Today I'm pleased to welcome two of our new commissioners. George Laufenberg, who just joined the board and we got to meet today and had the opportunity to experience our committee meetings all morning today, and of course John Degnan, who is gonna be our future chairman. I've had the pleasure of working with John Degnan with the special panel of the governors for the last couple of months, as well as over the last month since he's gotten his nomination with the Port. And I'm confident this gonna be a great working relationship. I look forward to working with him. His vision for the Port, its transparency and focus on making sure we're an agency that meets the best practices and serves the public as best as possible has been consistent with the new era of the Port that we've tried to establish over the last couple of months. So I think John's gonna be a great addition, and I welcome him and I look forward to working with John Degnan as our chairman. Our first order of business then is the elections of officers. And in accordance with the bylaws of the Port Authority of New York and New Jersey, the Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, and the New York and New Jersey Railroad Corporation, the nominating committee met in executive session today prior to today's meeting in connection with the election of officers. I'm gonna ask Commissioner Pocino who's the chair of our nominating committee to provide that report. Commissioner Pocino?

[Comm. R. Pocino] Thank you, Mr. Vice-Chairman. On behalf of the nominating committee for the Port Authority of New York and New Jersey, the Port Authority Trans-Hudson Corporation, Newark Legal and Communications Center Urban Renewal Corporation, and the New York and

New Jersey Railroad Corporation, I desire to report that at its meeting held earlier today in accordance with the provisions of article 7 of the bylaws, the committee by unanimous action submits the nomination of John J. Degnan for election to the office of chairman.

[Vice-Chair S. Rechler] May I have a motion on this nomination? Okay. All in favor?>>

[various] Aye.

[Vice-Chair S. Rechler] Okay. I now request the corporate secretary to call for the roll call voting on this nomination.

[K. Eastman] Vice-Chairman Rechler.>>

[Vice-Chair S. Rechler] In favor.

[K. Eastman] Commissioner Bagger.>>

[Comm. R. Bagger] Yes.

[K. Eastman] Commissioner Degnan.>>

[Comm. J. Degnan] Yes.

[K. Eastman] Commissioner Laufenberg. Commissioner Lipper. Commissioner Lynford.>>

[Comm. J. Lynford] In favor.

[K. Eastman] Commissioner Moerdler.>>

[Comm. J. Moerdler] Yes.

[K. Eastman] Commissioner Pocino.>>

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Rosado. Commissioner Steiner.

[Vice-Chair S. Rechler] Okay, as the votes are in order, the item is approved. Congratulations, Mr. Chairman. I look forward to working with you.

[Chair J. Degnan] Thank you, Scott. If I might say parenthetically, I've been incredibly grateful for the response I've had from the staff of the Port Authority and my colleagues on the commission during the several days between my confirmation on the part of the New Jersey Senate and my arrival here. So I thank you all for that collectively, and I look forward to working with you. Before we continue the agenda, those of you who are more frequent participants in this meeting than I will recognize the different configuration of the room. This was an idea I discussed with Scott Rechler before asking Karen to do it. It was an idea I got

from Loretta Weinberg, who told me that the presence of the tables and the staff sitting between us and the population was creating an appearance that we were somehow safeguarding or wanted to maintain our distance. Nothing could be less accurate than that. It was a good suggestion and I'm glad we were able to do it quickly. It's symbolic. It's reflective I think of the attitude I found on this board about transparency going forward into the future. But at least it was one thing we could do quickly. Judge us by our performance over the next several months to see how consistent our behavior is with respect to this move. I'd like to note that it's a privilege and an honor to serve as the chairman of this great institution. I look forward to working with my fellow board members and the Port Authority staff in advancing the crucial and critical Port Authority projects and initiatives that are of such importance to this region. On behalf of the board, I'd also like to welcome my fellow new colleague on the board, Commissioner George Laufenberg, who was appointed to his position by Governor Christie. Next on the agenda is a solemn matter. Recently the Port Authority family lost its inspector general, Robert Van Etten. He passed away on June 30. I'd like to call on Commissioner Steiner to read a memorial tribute for Bob.

[Comm. D. Steiner] It is with profound sadness

[inaudible]

[Comm. D. Steiner] Oh, I'm sorry. He was an unusual individual that I got very friendly with. I knew I could always rely on him for good judgment and good advice. In my old neighborhood, we would call him a stand up guy. My people, we call him a mensch. And it's a real personal tragedy to me and I shall miss him. And I call for a moment of silence to honor his memory. Thank you.

[Chair J. Degnan] Thank you, Dave. I'll now request that our executive director and deputy executive director provide their report.

[Exec. Director P. Foye] Thank you, Chairman. Good afternoon, commissioners and members of the public. Before we start today, I too would like to extend my congratulations and warm welcome to Chairman Degnan and Commissioner Laufenberg on their appointments to the Port Authority Board of Commissioners. Their many years of public service and private sector experience will be a great asset to the Port Authority. Deb and I look forward to working with each of you as we continue our mission to keep the region's commuters, travelers, and cargo moving. This month, the agency continues its commitment in building and maintaining premiere transportation infrastructure within the region by moving ahead with several important projects. We are seeking board authorization for an aggregate of over \$450 million in investments this month which will allow us to enhance productivity in our ports, continue progress at the World Trade Center site, provide critical services at our airports, as well as strengthen the resiliency of some of our key assets. Today, Deb and I would like to take a few minutes to highlight a few actions for the board and to provide updates on a few other critical

initiatives already underway. First, on the subject of minimum wage. First I'd like to brief you on progress for the implementation of minimum wage standards at the airports. The Port Authority has long prided itself on providing quality, well-paying jobs to thousands of employees in the region. And at the board's April meeting, we adopted a policy to provide minimum wage standards and extend these increases to third party contractors, starting with workers at the airports. In early June, we posted the new minimum wage rules for airport workers online so that the public could provide comments. The 30-day comment period has now ended after receipt of several comments. The board has had the opportunity to consider and review these comments, and final rules have been posted on our website. On July 31st, the new rules will go into effect. This is the next step in our continued commitment to contract employees at JFK, LaGuardia, and Newark airports. Finally, as we have previously discussed, we will be working to expand this commitment across all our facilities. With that update, I'll turn it over to Deb.

[Dep. Exec. Director D. Gramiccioni] Thanks Pat, and good afternoon commissioners. Chairman Degnan and Commissioner Laufenberg, I'd like to join Pat in welcoming you to the board. I'd like to highlight one item for the board today, and then Pat and I will discuss critical next steps to improve the customer experience at the Port Authority Bus Terminal. Port Jersey. As you know, the Port Authority's marine terminals serve as a gateway to one of the most concentrated and affluent consumer markets in North America. As the largest port on the east coast, serving over 21 million people, it is vital to the regional economy that shippers can get their goods off ships, into our terminals, through our gates, and out to our customers as quickly and as efficiently as possible. As such, improving port productivity is one of the most important issues at our marine terminals. To that end, the port productivity task force comprised of leaders from across the maritime and trucking industry released its final report last month outlining steps to improve productivity, reduce truck congestion and pollution associated with idling trucks, and improve customer service at the port of New York and New Jersey. In the short term, the Port Authority is taking proactive steps to improve the flow of goods from the port to the marketplace. That is why we're asking you to authorize \$9.5 million to improve the roadway network serving Port Jersey. Cargo volumes at Global Container Terminal are projected to significantly increase over the next several years as the terminal recently debuted its new semiautomatic systems. But as it currently stands, Port Jersey Blvd, the roadway leading to the terminal, will not be able to provide an acceptable level of service. This project will allow the Port Authority to reconfigure Port Jersey Blvd and associated access roads to accommodate this growth and to maintain a level of service to keep our port competitive. It will improve access to the terminal gate complex and enhance movement of the new BMW vehicles from the processing facility to the vessel berthing area. The costs associated with this project are fully recoverable through the port's cargo facility charge, and we expect the project to generate 30 direct job years and \$16 million in regional economic activity. Continued growth at our port is good news for the region, but we must ensure the infrastructure that we will have in place can

handle the increased cargo volumes. This project will help relieve congestion and increase safety at one of our busiest port facilities. Pat, I'll turn it back over to you now.

[Exec. Director P. Foye] Deb and I'd now like to discuss improvements at the Port Authority Bus Terminal. Earlier today we had a comprehensive presentation in the committee on capital planning, execution, and asset management in public session on the condition of the bus terminal and initiatives to address customer concerns in both the short and long term. This follows extensive discussion in recent months among board members, elected officials, our customers, and the media. We have heard you loud and clear as to the conditions of the terminal as well as frustrations over delays. Deb and I want to take this opportunity to highlight initiatives already underway and others that are under consideration and evaluation to improve the passenger experience at the bus terminal in the coming months. Now, Deb and I recognize—as you all do—that the bus terminal is overextended and out of date. Built in the 1950s, the bus terminal operates beyond its capacity. Its functionality relies heavily on the network of New York—New Jersey highways and the flow of the Lincoln Tunnel in both directions. In the late 1990s and 2000s, the Port Authority recognized the need for investment and began to pursue redevelopment opportunities with a joint venture with a leading real estate developer in New York. The latest effort was derailed in 2008 with the onset of the financial crisis and terminated in 2012. I mention this merely to give some history as to one of the reasons why there has been previous underinvestment in the facility. With over 220,000 passengers per weekday, the bus terminal is the busiest in the United States and serves more transit riders on an average weekday than the PATH system. This is critical to highlight. Bus transportation is a major component of the trans-Hudson transportation market, and the bus terminal's share has risen over this past decade and we forecast that demand to grow in the next decade. Yet the bus terminal continues to operate with constrained capacity. This capacity challenge and the delays it causes is the root cause of customer dissatisfaction with the bus terminal. Our commuting public must have assurances of a reliable trip to and from work. That's why in mid-2013, the Port Authority embarked on a Midtown bus master planning effort. We anticipate completion of this effort in early 2015 with comprehensive redevelopment options in Midtown Manhattan. The master plan team will be informed of the board's desire expressed clearly today that a new bus terminal be included as a first order priority option among the options considered. Staff is already pursuing a critical finding from a master plan effort: the need for a new bus staging facility with development of Galvin Plaza to reduce congestion within the bus terminal and on city streets. However, we understand that the commuting public cannot wait for future development. We recognize the need to improve conditions today. Now Deb will discuss specific initiatives we are evaluating to improve the bus terminal in the coming months.

[Dep. Exec. Director D. Gramiccioni] Thank you, Pat. As staff presented earlier, concrete steps will be taken to improve the customer experience and optimize the current operations of the bus terminal in the very near term. We have heard the calls from our customers, as Pat said. And our customers specifically highlighted 3 areas of concern through public forums and prior

customer surveys: on-time performance and crowding issues, customer service and overall building conditions, and real-time and useful communications within the building. I'd like to highlight a few of our improvement initiatives in the coming months to address these concerns. In the area of on-time performance, staff is currently evaluating all options with regard to gate optimization. We must optimize the flow of buses and the use of gates within the terminal. In turn, we can help to improve overall bus flow during the PM peak. We look forward to working with all of the carriers to implement gate optimization strategies to get buses moving more efficiently so we can get people where they need to be more quickly. Staff is also working to provide buses direct access to the fourth floor from 10th Ave. Currently, all buses to the third and fourth floors share an access ramp, which can contribute to congestion and cause delays accessing the bus terminal. We are also investigating the addition of street level gates that can help to distribute passenger pressure on the bus terminal and can relieve crowding on existing service within the building. In the area of customer service and building conditions, we've heard the complaints about the excessive heat at certain platforms and we are undergoing installation of 24 industrial fans at certain heat spots. We have already completed installation of 17 fans to help circulate the air while in parallel, our 10 year capital plan already includes funding for a significant replacement of the HVAC system or air conditioning units throughout the building. We are also going to renovate the 2nd floor restrooms in the short term, and repair major ceiling leaks at targeted locations, increase homeless outreach services, and enhance our cleaning program to create a more customer-friendly environment within our building. As for real-time and usable communications, efforts will commence to improve cell phone service and provide Wi-Fi at the bus terminal. A major complaint we heard was that passengers could not get timely information regarding delays due to the lack of cell service in certain areas of the terminal. We will work with the major cell phone carriers to enhance our customers' ability to communicate within the bus terminal. Now while these are short term improvements in the coming months, we also have moved ahead to make the new bus staging facility a reality, which Pat referenced earlier. During Superstorm Sandy, the bus terminal played a critical role in post-storm recovery, taking in additional customers from PATH. The Federal Transit Administration recognized this and specifically included bus terminals in the list of transit facilities eligible for funding under a competitive grant program focusing on transit resiliency post-Sandy. Earlier this year, we applied for \$230 million under the competitive grant program to support the development of a new bus staging facility which will increase resiliency of one of the only transit systems that was able to operate in the immediate aftermath of Sandy. This grant application will provide additional capacity in bus staging, with direct connections from the Lincoln Tunnel to the bus terminal, as well as the flexibility to load and unload passengers in a major event. We hope to be favorably considered under this grant program, and look forward to hearing from the FTA in early fall. Now back to Pat.

[Exec. Director P. Foye] Thanks. Ultimately, all of the good initiatives we're evaluating will be considered and implemented in the context of the existing 10-year capital plan. That plan adopted in February includes \$173 million dedicated to the bus terminal over the life of the

capital plan. These projects focus on major life safety and building system improvements, including the HVAC units which Deb just mentioned. Other projects already underway include work on the building automation and control system, the bus terminal access control system, relocation of the operations control center, and replacement of fire pumps within the building. Given all of these proposals, we will come back in September and present a comprehensive quality of commute improvement program at the Port Authority Bus Terminal. We understand that passengers want improvements that go beyond the existing capital plan. To that end, we will propose reallocation—and the board will consider it today—reallocation of an additional \$90 million in the capital plan for better commutes for the over 200,000 people that use the bus terminal every day. Staff will prioritize its list of impactful initiatives and will properly scope out items to deliver concrete improvements to the passenger. Finally, in order to maintain the integrity of the capital plan and the newly-established process, we must implement appropriate offsets in the capital plan. We look forward to discussing these initiatives with the board and with you in September. We hear you, and we are on our way to make much-needed improvements to the facility. Chairman Degnan.

[Chair J. Degnan] Thank you, Pat and Deb. I think at this point we're gonna move directly to the resolution that was recommended by the capital planning committee this morning in public session. Because it has not been posted prior to the meeting, I'm gonna read the 2 resolved paragraphs for you. "Resolved, that the quality of commute improvement program—" that was just referenced by Deb and by Pat— "at the Port Authority Bus Terminal at an estimated total program cost of \$90 million "be and it is hereby authorized; "and it is further resolved that the executive director "is directed to present a plan at the September 17, 2014 board meeting "for the reallocation of \$90 million "in the 2014-2023 capital plan to support this program and recommend appropriate capital plan offsets to effectuate the program." Before we move and hear comments on this resolution, I'd like to make a few points clear that we discussed at a pretty robust discussion of this morning. But I'd be remiss if I didn't start out by thanking several people for their role in getting us to this point today. Commissioner Lipper has been a long-heard voice on the need to deal with the Port Authority Bus Terminal problems over the period of several meetings, at least of this mission, and was quick to tell me that it was a first priority issue that should be dealt with when I became chairman. Vice-Chairman Rechler, who joined Ken and I at the tour of the bus facility on Monday, was instrumental in helping us get this resolution together and passed quickly this morning. The staff that operates the bus terminal deserves our gratitude, for within the severe resource constraints they have, making the best use of what they have and minimizing inconvenience to the consumers and to enhance the experience. Unfortunately, they're not armed enough with resources to make the changes that are necessary. The board this morning, at the meeting, in connection with the 2015 master bus study due early next year, instructed staff to include among the options there the replacement of the bus terminal with a new facility. It was the clear consensus of the board that given the projected increase in utilization of the bus terminal over the next several years, the existing facility is not capable of sustaining the increased projection— it can barely make it today with

the current ridership that it has. So the clear consensus was that a new bus terminal will be necessary, and that the capital plan should be revisited in the context of assessing what needs to be moved in order to include a new bus terminal as a long term solution. Pending that— which is probably 10-15 years away though— the immediate obligation of the Port Authority is to enhance the commuters' experience in the Port Authority Bus Terminal. People ought to arrive at work not hot and dirty and tired and frustrated by an everyday experience that doesn't meet normal standards that one would expect from a governmental institution. I understand how we got there. I understand deferred maintenance pending the resolution of building a new building over the existing Port Authority Bus Terminal and the possibility that could be enhanced in the process. But now that does not look like a near term solution. And while what we're authorizing today is probably not all that we need to do, it is a significant step forward in meeting our obligations to commuters. Finally, we ask staff to prepare for the implementation of the quality of commute initiatives immediately after the September meeting. Not to begin the process of evaluating what and how to implement after that meeting. So we will be ready to put a proverbial shovel in the ground the day after the board meets in September. With those remarks, I know Senator Weinberg has presigned— I'm not surprised— for the opportunity to speak to this issue. She's done it persuasively and convincingly, and is among the people that we ought to thank for making sure this was called to our attention. So Senator, if you'd like to make a few remarks, we'd welcome them.

[Senator L. Weinberg] Thank you very much. Good afternoon. First of all, you make me very proud today that I had the opportunity to vote for you, both in the judiciary committee as well as on the floor of the Senate for both you and newly-sworn Commissioner George Laufenberg. It's been a short time. You haven't disappointed me yet.

[Chair J. Degnan] Give me a chance.>>>

[Senator L. Weinberg] I will, don't worry. So I want to congratulate both of you. And you in particular, Chairman Degnan. You've taken on an awesome responsibility. And the reconfiguration of this room which you just gave me credit for— if you listen as quickly and as expeditiously to everything else I've said, I'll be a happy person. So having said that, I am delighted with your movement on taking care of the issues around the Port Authority Bus Terminal. An issue that I have heard much about from people I represent particularly, in eastern Bergen County, over the last number of months. And if I may point out, I actually wrote a letter about this to you, Executive Director Foye, about 15 months ago, long before some of these issues percolated. A letter to which, to my knowledge, I did not get a reply. And perhaps that's something you can look at as you're updating your policies and procedures on how you handle correspondence from folks, and how correspondence gets answered. And one more suggestion. We did pass in the Senate, and the New York legislature passed unanimously, a bill to require the Port Authority to follow the Open Public Records Act. Not talking about meetings. The Open Public Records Act. Both states— although that has not yet been passed by the assembly, nor signed by the New York governor, there is nothing to prevent you from doing that on your

own. So it's another suggestion that I make to you. And lastly, if you remember, Chairman Degnan, it was one of my colleagues across the aisle, Senator Doherty, who asked questions about the lot that was rented. He gave the figure—the only thing I could find on it— "Rented by the Port Authority at a cost of \$95.5 million." It was leased for the building of the ARC tunnel about a week before the ARC tunnel was cancelled. And there was a question raised at the judiciary committee about whether that property is being used, how it's being used, and if you can find some answer to that, we'd appreciate knowing that since as I said, it did come up at the judiciary committee. So with that, a special thank you to Commissioner Lipper for— though you're on the New York side— on behalf of New Jersey commuters, thank you for your advocacy. To Commissioner Rechler, who I know joined Chairman Degnan on the tour, and you called to me. Not that I needed validation, but I appreciated your calling to say that the issues we outlined, you found yourself. So thank you very much. And one other quick comment. This is not about an enhanced commuter. This is just about basic commuting. So I'd like not to use the word "enhanced." This is about what people should expect in a normal commute in this state, in New York, and in the United States. Thank you again for all you've done and all that you're going to be doing.

[Chair J. Degnan] Thank you, Senator. I didn't mean to suggest it was— as you correctly pointed out—an enhanced experience. It'll be enhanced relative to where it is now, which is abysmal. So at this point, I would entertain a motion to adopt the resolution that I read.>>

[Comm. J. Moerdler] Moved.

[Chair J. Degnan] Is there a second?>>

[Comm.] Second.

[Chair J. Degnan] I ask the secretary at this point to take a roll call vote.

[K. Eastman] Chairman Degnan.>>

[Chair J. Degnan] Yes.

[K. Eastman] Vice-Chairman Rechler.>>

[Board Vice-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger. Commissioner Laufenberg. Commissioner Lipper. Commissioner Lynford. Commissioner Moerdler>>

[Comm. J. Moerdler] Yes.

[K. Eastman] Commissioner Pocino.>>

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Rosado. Commissioner Steiner.

[Chair J. Degnan] Motion is deemed passed. And thank you. Karen, at this point, is this a public comment opportunity before we go on to the rest of the resolutions? So we'll now provide an opportunity for members of the public to comment on other Port Authority matters. This public comment period, which may be limited to 30 minutes in total, provides an opportunity for members of the public to present their views directly to the board, but does not provide for a dialogue. Members of the public wishing to discuss a specific matter with the Port Authority staff are advised to contact our public affairs department. And finally, speakers are asked to comply with a fixed time limit of 3 minutes. So I'll call upon Murray Bodin.

[Murray Bodin] Avianca Flight 52 was a regularly scheduled flight from Bogotá to New York via Medellín, Colombia. On Thursday, January 25, 1990, a Boeing 707 registered as HK-2016 operating this flight ran out of fuel on the approach to JFK International Airport, resulting in the aircraft crashing into the small village of Cove Neck, New York on the north shore of Long Island. Eight of the nine crew members and 65 of the 149 passengers on board were killed. The National Transportation Safety Board determined that the crash was caused by the flight crew's failure to properly declare a fuel emergency, resulting in air traffic control underestimating the seriousness of the situation. Links to the actual pages are in an email to Pat which I sent yesterday afternoon. Why am I concerned? This picture I took yesterday at JFK shows an exit ramp. And in the middle is that thing, that post. I put it there so I would time this. Those barricades, those posts like that, tell me a driver shouldn't cross that area. They're all over. Ubiquitous. Yet the line on a ramp on a driver's left is white. Once those posts are up, it must be by requirement, by the manual, yellow. I've been discussing this with the Port Authority for 5 years. I guess I didn't declare this is an emergency. I listened to everything that you said this morning and the comments about how difficult it was to get things changed. This needs to be changed immediately. Pat, will you direct somebody to go out, remove the white line, and put the yellow line in starting tomorrow morning?

[Board Chair J. Degnan] Mr. Bowden, as I indicated, this is not an occasion for dialogue between us and— >>

[Murray Bodin] I know. What that crash happened—

[Chair J. Degnan] Your point is well taken, sir.>>

[Murray Bodin] No, wait, wait.

[Chair J. Degnan] I've asked Pat to answer your comment in writing and you can expect that shortly.>>

[Murray Bodin] What that crash said, that there are times when you have to do things differently. What I heard this morning Was that Ken, a couple of others said, "We're not

getting what we need." In order to get what we need, sometimes somebody has to stand up and say the rules need to change. How do we get the change? For 5 years I've been asking for that. You wanna make change here? You want a transpa—you changed the room. You could change, and you could say, Pat, will you answer and say somebody will go out tomorrow? Because I've asked what you said to meet with these people, and got nowhere. I failed. I didn't declare an emergency. I'm declaring this is an emergency. Pat, it's your responsibility to send somebody out there tomorrow. And if Pat doesn't, it's your responsibility to find somebody who will.

[Chair J. Degnan] Okay. Thank you, sir. I'd next like to call on Henry—is it Pacheo? Am I saying that name correctly? Pacheco. Sorry.

[Henry Pacheco] One two. Hello, Port Authority board and staff. My name is Henry Pacheco, and I am a proud member of United Here Local 100. My coworkers and I have been here every month since January to represent the concession and catering workers at our 3 major airports and to make sure that all airport workers receive a fair and necessary wage increase for our hard work. I am pleased to say that Sky Chefs at JFK has agreed to the wage increase, and my coworkers received a \$1 increase last week. Thank you Port Authority, for putting forward this policy. While my brothers and sisters in other catering and concessions work are still awaiting a wage increase, we are hopeful that this will be worked out soon. Thank you for your time.

[Chair J. Degnan] Thank you, Mr. Pacheco. James Carter.

[James Carter] Good afternoon, Port Authority. My name is James Carter. I work at Gate Gourmet in Newark, New Jersey at Newark Airport. I'm pleased to hear my brothers and sisters at Sky Chef have received their increase. It means the company has listened to the policies passed by the Port Authority. We are also pleased that the Port leadership commit to wage increase to make sure that airport workers were included. We look forward to a summer where we work out those details. Hopefully in September, the meeting will have great news. My coworkers are all members of the United Here Local 100, and are committed to ensuring that New York airports' jobs in customer service are #1. Thank you. Have a wonderful afternoon.

[Board Chair J. Degnan] Thank you, Mr. Carter. Is it Neil Weissman? Am I pronouncing "Neile" right? It's misspelled on the paper here.

[Neile Weissman] No, it's right, and you're getting it right.>>

[Chair J. Degnan] Okay.

[Neile Weissman] Congratulations.>>

[Chair J. Degnan] Thank you.

[Neile Weissman] Chairman Degnan, welcome, commissioners, and thank you for the opportunity to speak on expanding the bicycle paths on the George Washington Bridge.

Denmark and Sweden just announced that they would construct a pair of elevated cycleways over the Øresund Bridge connecting Copenhagen and Malmö. The Øresund Bridge is 8 miles long. The city of London is extending a public-private partnership with Barclays Bank to build out their bike share program with a network of cycle superhighways from the outer suburbs into and across central London. This is part of a regional plan to increase cycling by 400% by 2025. In this context, I refer you to your handout which outlines the benefits of building an AASHTO-compliant 4-lane facility on the GWB, and it's organized along USDOT criteria for a TIGER grant. It's also online at CompleteGeorge.org/benefits. Some of the benefits are readily quantified. Millions in mass transit subsidies by commuters cycling versus taking a train or bus. Millions in fuel cost savings each year that commuters can now spend locally. Harder to quantify but no less significant is the impact of a billion dollars a year in bi-state economic activity categorically attributed to recreational cycling. This is from a Rutgers study, and we can extend it to New York. But if the network's lynchpin is allowed to degrade to a pedestrian facility, you can imagine the impact on that economy. Similarly, the degradation or enhancement of some \$2 billion worth of connected cycling facilities including 2 of the most heavily used bike corridors in the United States, Hudson Greenway and 9W. The value of having a non-motorized connector to help the region more quickly recover from a weather- or man-made event. This list can form the basis of a highly competitive grant for federal funding, TIGER grant, or TAP, or to leverage the GWB's visibility into a public-private partnership, something comparable to Citi Bikes, or simply examples of the Authority's commitment to sustainable transport and economic growth. One more thing. Last week I was offered the opportunity to present a proposal on near term improvements for cyclist safety and access to Authority staff. My thanks to Ed Varga, Tom Harriott, Robert Carlton, and Robert Durando who were gracious during the presentation and merciless thereafter. And to Deputy Director Fulton for permissioning the meeting, and to Client Manager Bill Young who sweated the details and made sure everything ran smoothly. I am deeply appreciative to them and to you all. Thank you and have a good summer.

[Chair J. Degnan] Thank you, Mr. Carter. Margaret Donovan.

[Margaret Donovan] Good afternoon.>>

[Chair J. Degnan] Good afternoon. The Twin Towers Alliance welcomes the new commissioners and another chance for the Port Authority to come clean. Better late than never is true when it comes to most things, but it is especially true when learning the lessons of the past. It certainly seems that Chairman Degnan intends to correct the agency's profound problems. But I can't help but be skeptical because this board has been giving us born again speeches since 2012. All the blue ribbon panels and multibillion dollar audits have been quick to acknowledge the obvious. But the bizarre, totally incredible omission of the bus terminal from the 10-year capital plan takes dysfunctional to a whole new level and establishes for all time that the commissioners' and directors' judgment cannot be trusted. It requires the public's monitoring. Specious executive sessions have to end. That is what we've been trying to draw

attention to for 4 tiresome years. It was never about the Twin Towers. It's time for all to see if the commissioners' and directors' judgment can't be trusted when it comes to the bus terminal, it can't be trusted on anything. That is not to say you aren't decent and capable people. But the public is entitled to monitor your decision-making, with all the political overtones and undertones, and to be taken seriously when it comes to examining the way you dispense the public's money before it is too late to do anything about it. Last month we were accused by Mr. Silverstein's mouthpiece, Janno Lieber, of spinning tall tales month after month. We were then expected to listen silently while he made bogus claims about the insurance proceeds that neither he nor the Port Authority is willing or able to substantiate. At the end, Vice-Chairman Rechler actually gave him a little silent applause just to show where he stands. The same flawed judgment that brushed off the bus terminal negotiated the Silverstein and Durst contracts. And as we said last month, we trust District Attorney Vance will not stop at the Pulaski Skyway shenanigans but will look into the far more troubling history of the WTC through the lens of the Martin Act. Rebuilding the World Trade Center was not the Manhattan Project, and we expect it will be discovered that most of the secrecy the Port Authority employed was unnecessary, inappropriate, and politically driven. We believe that our lawsuit will establish that this agency has no authority to enter into confidentiality agreements that keep the public out of the loop on how you spend the public's money. It can't just be onward and upward from here because of all the dirt lying under the rug. If you really want to be credible, you can start today by posting all the videos of the press briefings that were always open to the public following these sessions until they were suddenly closed by David Samson and Bill Baroni, and by telling the secretary to stop playing games with the Freedom of Information Code, because as soon as the New Jersey assembly does its duty, it's going to be the law. Finally, it's time for dialogue. You owe the public direct answers to direct questions. That's not so bizarre. As Murray explained, asking public affairs to address specific concerns is a fool's errand, and we're not fools. Thank you.

[Chair J. Degnan] Thank you, Ms. Donovan. Richard Hughes.

[Richard Hughes] Welcome aboard, Mr. Degnan.>>

[Chair J. Degnan] Thank you.

[Richard Hughes] You're becoming the captain of a sinking ship. It's been sinking for some time. Maybe you're that rare person who might be able to refloat it. There are a lot of good people at the Port Authority, in our experience. They are poorly led. Very poorly led. The fact that we suddenly discovered that the bus terminal needs to be replaced is a perfect example of that. That you would have a capital plan that you passed recently, no provision at all for either improving or replacing the bus terminal, knowing full well that the West Side is backing up with buses every day. People sit on these buses for up to an hour. Ridiculous. Now, Mr. Lipper joined recently, and you are brand new, and Mr. Laufenberg, and maybe you can make a difference. But this is a badly, badly led agency, and has been badly led for at least a dozen years now. You're taking on a heck of a job, a heck of a role. We at the Twin Towers Alliance

have been calling for major improvements for a long time. We don't get listened to. Although we do sort of get listened to. Things do change. But they're changing too slowly. You're wasting our money. That Port Authority Bus Terminal in 2011 had a proposal for \$800 million to be replaced or expanded. It was cancelled. Why? There wasn't enough money. And yet we discover, oh, the governors have a billion dollar slush fund for their own little projects. Oh, the Pulaski Skyway needs to be rebuilt. Oh, let's get the Port Authority to commit \$1.8 billion to that. Oh, Larry Silverstein needs more money at Ground Zero, and oh, let's give him \$1.2 billion in loan guarantees which could have been used to cover a new Port Authority Bus Terminal. That's quite a lot of money, isn't it? It's like \$4 billion, not to mention the \$3-4 billion you're wasting on that giant stegosaurus of a dinosaur at the World Trade Center, the new PATH station courtesy of Mr. Calatrava. You're wasting money left and right, and yet you can't do what you're meant to do. This is a transportation agency. Hardly anybody on this board knows anything about transportation. Hardly anybody on this board really pays attention. Mr. Moerdler here is always in his papers. Other people are always playing with their smartphones. Nobody pays attention. Maybe you will pay attention. I hope you do. This is an agency that's about to drown. It needs to be refloated. There are good people aboard, but it's sinking. Thank you.>>

[Chair J. Degnan] Thank you, Mr. Hughes. Yvonne Garrett Moore.

[Yvonne Garrett Moore] Good afternoon, commissioners. Welcome aboard.>>

[Chair J. Degnan] Thank you.

[Yvonne Garrett Moore] Yvonne Garrett Moore from Newark, New Jersey. I represent Moore Vision Public Relations and Planning. I came before the board about 3 years ago, when Christopher Ward was leaving out, and I submitted a proposal called Newark Airport City. I live in the city of Newark. I live in the neighborhood that abuts the airport. I was raised in that neighborhood. And we're living so far beneath what that airport can ultimately produce for us economically. When we talk about resilience, we talk about Sandy resilience, we're not looking very carefully at how Newark International Airport can serve the global community in a more effective way. We are a global port. And if you looked at some of the recent articles in the paper, the city of Newark's airport is at the bottom end of amenities and services. We serve 32 million people and we're at the bottom end of amenities and services. We need jobs. We need opportunities. And we're missing opportunities because we're not looking, the Port is not engaging with us in conversations that help us to produce our full potential. I have met with economic development. And you know, it's like, "Yes, it's a good idea—" It is a sound idea. We have done our research. We understand that there are aerotropolises that exist around the world. Aerotropolises are comprehensive economic development engines to build full capacity in and around our airports. We want that at Newark International. We need it. We talk about resiliency in the case of emergency. We need to be able to service the global community like none other. We have an opportunity to do that. I not only propose Newark Airport City, but I also propose a

flagship initiative that would be the anchor for Airport City, which would be to develop a global center. This global center would be marketed to every nation in our world to be able to put their embassy auxiliary offices at the global center. Not only build world-class malls and shops, restaurants, and so on and so forth. We have to drive this economic engine that we have by seeing its full potential. But it will not be done unless there's effective engagement with the community in which these resources exist. You can't build without the building blocks of the community in which we serve. So the agency has got to keep its ear to the ground so that it understands how to build effectively. Every good farmer looks at the soil and says, "What can this soil produce?" We need this agency to be sensitive to what we can ultimately produce. Not only for the city of Newark and the greater area, our region, but for our world's sake. So I thank you for the opportunity to continue to lobby for Airport City and the global center at Airport City of Newark. Thank you very much.

[Chair J. Degnan] Thank you, ma'am. At this point, we'll close the session for public comment and we have several other items on today's agenda for which the respective committee chairs will be asked to provide a brief report prior to the matter being considered by the board. As chair of the committee myself on operations, I'll now submit an item that authorizes new and supplemental agreements with car rental companies serving John F. Kennedy International, Newark Liberty, and LaGuardia, which includes the addition of 4 new rental car companies. These agreements will provide for the extension of leases for rental car companies currently serving JFK and Newark airports for 10 years, and includes a collective \$83 million in planned private investment. In addition, the permits would now require that a 50 cent per car per day fee be assessed on each rental car transaction, which would result in incremental revenue to the Port Authority of approximately \$60 million over the term of the agreement. Prior to making a motion on this item, I would ask the corporate secretary to note any commissioner recusals on this matter.

[K. Eastman] There are no recusals.

[Chair J. Degnan] Do any of the commissioners have any comments on this item? If not, I'll request a motion on the item. Motion's been made and seconded. I now ask the corporate secretary to call the roll.

[K. Eastman] Chairman Degnan.>>

[Chair J. Degnan] Yes.

[K. Eastman] Vice Chairman Rechler.>>

[Vice-Chair S. Rechler] Yes.

[inaudible]

[Chair J. Degnan] As the votes are in order, the item is moved. The next item under the purview of the committee on operations would authorize a 6-month extension to a permit with Millennium Marine Rail, a joint venture of APM Terminals North America and Maher Terminals, for its continued operation and maintenance of the ExpressRail Elizabeth intermodal facility at the Elizabeth-Port Authority Marine Terminal. Prior to making a motion on this item, I'd ask the corporate secretary to note any commissioner recusals on this matter.

[K. Eastman] There are no recusals.

[Chair J. Degnan] Do any of the commissioners have any comments? I will now request a motion on this item. It's been made and... seconded. So will the secretary please take a roll?

[K. Eastman] Chairman Degnan.>>

[Chair J. Degnan] Yes.

[K. Eastman] Vice-Chairman Rechler.>>

[Vice-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger. Commissioner Laufenberg. Commissioner Lipper. Commissioner Lynford.>>

[Comm. J. Lynford] Yes.

[K. Eastman] Commissioner Moerdler.>>

[Comm. J. Moerdler] Yes.

[K. Eastman] Commissioner Pocino.>>

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Rosado. Commissioner Steiner.

[Chair J. Degnan] The next item under the purview of the committee on operations would authorize the early exercise of operating permits with Smarte Carte, Inc., which is the Port Authority's luggage cart provider at JFK, Newark, and LaGuardia and also Stewart International airports. in exchange for the immediate benefit of an increased Port Authority share in gross revenues under those permits. In addition, the item authorizes a \$1 increase to the luggage cart rental fee at JFK, Newark, and LaGuardia from \$5 to \$6 effective September 1, 2014. The luggage cart fee however at Stewart would remain at the current rate of \$3. Prior to making a motion on this item, I'd ask the corporate secretary to note any commissioner recusals on the matter.

[K. Eastman] There are no recusals.

[Chair J. Degnan] Do any of the commissioners have any comments? If not, I'll request a motion on this item. A second. Motion's been made and seconded. Will the corporate secretary call the roll please?

[K. Eastman] Chairman Degnan.>>

[Chair J. Degnan] Yes.

[K. Eastman] Vice-Chairman Rechler.>>

[Vice-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger. Commissioner Laufenberg. Commissioner Lipper. Commissioner Moerdler. Commissioner Pocino. Commissioner Rosado. Commissioner Steiner.

[Chair J. Degnan] The votes are in order and the motion's approved. I'd now ask Vice-Chairman Rechler to provide his report as chair of the committee on capital planning, execution, and asset management. [Board Vice-Chair S. Rechler] Thank you, Mr. Chairman. As chairman of the committee on capital planning, execution, and asset management, I wish to report a proposed \$9.5 million project for the construction and reconfiguration of certain roadways at the Port Jersey-Port Authority Marine Terminal, inclusive of the award of a construction contract to implement the work. The project would result in 60 total job years, \$4 million in wages, and \$15 million in economic activity. Prior to making this motion, I'd like to ask the corporate secretary to note if there's any recusals on this matter.

[K. Eastman] Commissioner Moerdler is recused on this matter.

[Vice-Chair S. Rechler] Thank you. Do any of the commissioners have any comments? Okay. I'd like to request a motion. Do I have a second? Okay. I'd like to ask the corporate secretary to do a roll call vote on this matter.

[K. Eastman] Chairman Degnan.>>

[Comm. J. Degnan] Yes.

[K. Eastman] Vice-Chairman Rechler.>>

[Vice-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger. Commissioner Laufenberg. Commissioner Lipper.>>

[Comm. K. Lipper] Yes.

[K. Eastman] Commissioner Lynford.>>

[Comm. J. Lynford] Yes.

[K. Eastman] Commissioner Moerdler.>>

[Comm. J. Moerdler] Recused.

[K. Eastman] Commissioner Pocino.>>

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Rosado. Commissioner Steiner.

[Vice-Chair S. Rechler] As the votes are in order, the item is approved.

[Chair J. Degnan] Thank you, Scott. Now I ask Commissioner Pocino to provide his report on the World Trade Center-related matters concerning Hurricane Sandy recovery efforts at the site.

[Comm. R. Pocino] Thank you, Chairman. On behalf of the World Trade Center site redevelopment subcommittee, I wish to submit an item for the board's consideration that would authorize additional expenditures totaling \$21.14 million for construction contracts to repair and replace facilities and equipment at the World Trade Center site that were damaged or destroyed by Hurricane Sandy and its associated storm surge. Prior to making a motion on this item, I would ask the corporate secretary to note any commissioner recusals on this matter.

[K. Eastman] Vice-Chairman Rechler and Commissioner Moerdler are recused on this matter.

[Comm. R. Pocino] Do any of the commissioners have any comments on this project? I will now request a motion on this item. Can I have a second? Yes, okay. I will now request the corporate secretary to call the roll for voting on this item.

[K. Eastman] Chairman Degnan.>>

[Comm. J. Degnan] Yes.

[K. Eastman] Vice-Chairman Rechler.>>

[Vice-Chair S. Rechler] I'm recused.

[K. Eastman] Commissioner Bagger. Commissioner Laufenberg. Commissioner Lipper. Commissioner Lynford.

[K. Eastman] Commissioner Moerdler.>>

[Comm. J. Moerdler] Recused.

[K. Eastman] Commissioner Pocino.>>

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Rosado. Commissioner Steiner.

[Comm. R. Pocino] Votes are in order. The item is approved. The next item would authorize additional expenditures totaling \$1.86 million for architectural and engineering design, construction support, and other consultant services to effectuate the ongoing repair and replace facilities and equipment at the World Trade Center site that were damaged or destroyed by Hurricane Sandy and its associated storm surge. Prior to making a motion on this item, I would ask the corporate secretary to note any commissioner recusals on this matter.

[K. Eastman] Vice-Chairman Rechler and Commissioner Moerdler are recused on this matter.

[Comm. R. Pocino] Do any of the commissioners have any comments on this item? I will now request a motion on this item. And a second. I will now request the corporate secretary to call the roll for voting on this item.

[K. Eastman] Chairman Degnan.>>

[Chair J. Degnan] Yes.

[K. Eastman] Vice-Chairman Rechler.>>

[Vice-Chair S. Rechler] Recused.

[K. Eastman] Commissioner Bagger. Commissioner Laufenberg. Commissioner Lipper. Commissioner Lynford.>>

[Comm. J. Lynford] Yes.

[K. Eastman] Commissioner Moerdler.>>

[Comm. J. Moerdler] Recused.

[K. Eastman] Commissioner Pocino.>>

[Comm. R. Pocino] Yes. [K. Eastman] Commissioner Rosado. Commissioner Steiner.

[Comm. R. Pocino] As the votes are in order, the item is approved.

[Chair J. Degnan] Thank you, Ray. I'm gonna now ask Vice-Chairman Rechler to provide his report on the other World Trade Center-related actions to be considered as part of today's meeting.

[Vice-Chair S. Rechler] Thank you, Chairman. The next 2 items are focused on the completion of the World Trade Center project. The first is a \$412 million project for the design and construction of the World Trade Center West Bathtub Vehicular Access and related infrastructure, inclusive of certain contract actions to support the implementation of the project.

The project will result in 1850 total job years, \$121 million in wages, and \$574 million in economic activity. Prior to making this motion, I'd like to ask the corporate secretary to note any recusals on this matter.>>

[K. Eastman] There are no recusals.

[Vice-Chair S. Rechler] Do any commissioners have any comments? Okay, I'd like to request a motion. Second. The corporate secretary to give a roll call vote, please.

[K. Eastman] Chairman Degnan.>>

[Chair J. Degnan] Yes.

[K. Eastman] Vice-Chairman Rechler. Commissioner Bagger. Commissioner Laufenberg. Commissioner Lipper. Commissioner Lynford.>>

[Comm. J. Lynford] Yes.

[K. Eastman] Commissioner Moerdler. Commissioner Pocino.

[K. Eastman] Commissioner Rosado. Commissioner Steiner.

[Vice-Chair S. Rechler] As the votes are in order, the item is approved. The next item would authorize the award of a construction contract through construction manager Tishman Construction Corporation to T. B. Penick & Sons to furnish and install street and sidewalk surfaces and streetscape elements for open spaces as part of the World Trade Center Streets and Utilities Program, as well as certain security-related infrastructure at a total estimated amount of \$13.6 million. Prior to making this motion, I'd like to ask the corporate secretary if there are any recusals.

[K. Eastman] Commissioner Moerdler is recused on this matter.

[Vice-Chair S. Rechler] Thank you. Any commissioners have any comments? May I have a motion? May I have a second? Okay. Corporate secretary, can you call the roll call vote please?

[K. Eastman] Chairman Degnan.>>

[Chair J. Degnan] Yes.

[K. Eastman] Vice-Chairman Rechler.>>

[Vice-Chair S. Rechler] Yes.

[K. Eastman] Commissioner Bagger. Commissioner Laufenberg. Commissioner Lipper. Commissioner Lynford.

[K. Eastman] Commissioner Moerdler.>>

[Comm. J. Moerdler] Recused.

[K. Eastman] Commissioner Pocino.>>

[Comm. R. Pocino] Yes.

[K. Eastman] Commissioner Rosado. Commissioner Steiner.

[Vice-Chair S. Rechler] As the votes are in order, the item is approved.

[Chair J. Degnan] I believe that brings to a close the business on the agenda today. Does any member of the board have any further comments or new business, questions?

[Vice-Chair S. Rechler] Congratulations on your first meeting. Got one under the belt.>>

[Chair J. Degnan] Thank you. There being no further business then I move to adjourn the meeting. All in favor? Meeting's now adjourned. Thank you very much.

[THE PORT AUTHORITY] [OF NEW YORK & NEW JERSEY]