

**The Port Authority of New York and New Jersey
Committee on Capital Planning, Execution & Asset Management Transcript
September 17, 2014**

[Chair S. Rechler] —Capital Planning, Execution and Asset Management. The first portion of today's meeting of the Committee is being held in public session after which the Committee will meet in executive session to discuss 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. In addition, the public portion of this meeting is being broadcast live on the Port Authority's website for those interested in viewing today's proceedings via the Internet. I'd now like to ask the Board Secretary to note if we have any Commissioner recusing from any of the items on the agenda.

[K. Eastman] With regard to the Greenville Yard- Port Authority Marine Terminal redevelopment program authorization, Commissioner Moerdler and Commissioner Steiner are recused.

[Chair S. Rechler] Thank you. Okay, our first item on the agenda is the Greenville Yard-Port Authority Marine Terminal redevelopment program authorization and Mark Hoffer is going to give us a presentation of that. Mark.

[M. Hoffer] Good morning, Mr. Chairman. Good morning, Commissioners. I'm here today to present and request authorization for a redevelopment program for Greenville Yard in Jersey City, New Jersey. This is further to the briefing that was given to Board in the spring. This is a program that costs in total approximately 356 million dollars of which the Port Authority would contribute approximately 320 million with an aggregate total of 36 million being contributed by third parties, notably Conrail and Global Marine Terminal. This is one of the largest and most complex projects that the port commerce department has advanced in many years. Our objective here is to develop the yard into a versatile multimodal freight facility, and in so doing, try to restore a semblance of balance to the transportation system for freight in the region, that is, shifting freight from truck, which the region is almost totally dependent on today to our underutilized waterborne and rail transportation assets. If I could have the next slide. Just to give you a little bit of background— I know you've seen this before— to refresh your recollection, this is where Greenville Yard is. It's in Jersey City directly on the harbor with direct access to deep water and to two of the major Class I railroads, Norfolk Southern and CSX. We currently lease, through New York New Jersey Rail, about twenty-seven acres of land there to serve as a freight yard. It is the western terminus of our Cross Harbor Marine Railroad, which moves freight in rail-cars on a barge from New Jersey to Brooklyn and vice versa. We acquired that operation in 2008. It's been around for about a century. When we acquired it, it was in poor shape with a relatively low level of activity, and we've been successful in building the business up slowly year by year. We're now at a level of about 4,000 freight cars a year with different commodities moving between New Jersey and New York. And we have expectations that we could grow it even further in the future as a result of the project that I'm bringing to you today. Next slide if I could. General orientation here is an aerial photo of the yard. The two main elements of the program that you can see marked there are Cross Harbor

and ICTF. Cross Harbor is a series of improvements to the marine railroad I just described. The ICTF, which I will give you more detail on in a moment, is basically another ExpressRail facility to shift containers coming in by ship into the port onto rail, and it is designed to service the Global Container Terminal, which you can see down there in the lower right-hand corner of the photo. Global is a terminal, which today, does not have direct rail access and that is a serious handicap for the terminal and a serious handicap for the port and its competitive position. Could I have the next slide? ICTF, which I just mentioned, is an ExpressRail type facility. Down in the lower right you can see a photo of our actual ExpressRail facility at Elizabeth. Up in the left is a conceptual drawing of what it would look like at Greenville, very much the same, concrete pad, rail mounted gantry cranes moving back and forth, shifting containers on and off of rail cars. The objective here would be to get containers out of the Global Terminal, which again is almost totally truck dependent today, have an option for shippers to move their goods out by rail, which shippers increasingly want, and in so doing, increase the versatility of the terminal and the competitive position of the port. Global was acquired in 2009. We bought the terminal; we turned around and leased it back to Global under a thirty-seven year agreement to operate. One of the commitments we made to Global was to build the ICTF with an initial capacity of 125,000 container lifts a year. We want to fulfill that commitment. The Board had previously authorized some money for planning and for site preparation and soil stabilization. One of the things we're asking you for today is authority to complete the build-out of this ICTF, which again is a lease obligation of the Port Authority. Our outlay is recoverable through the cargo facility charge, which we levy in the port. On our implementation of the project is contingent on the CFC, the cargo facility charge remaining in full force and effect. If I could have the next slide— something you've seen—I know— but just to refresh your recollection, the Cross Harbor Marine Railroad, it does take freight cars— as I mentioned— from New Jersey to Brooklyn and vice versa. On the upper left you have a picture of a loaded carfloat, which is nothing more than a barge with rail tracks on it, being taken by a tug boat across the harbor. At the bottom you can see a transfer bridge. This happens to be the transfer bridge at Greenville, a temporary structure which we would like to replace with a more robust, permanent bridge. It's an articulated structure that lets you roll a rail car from the land onto the barge or vice versa. What you see there is an old pontoon bridge that was originally located in Brooklyn. After the damage caused by Hurricane Sandy, we moved it across the harbor to Greenville where it exists today. It's how we conduct our business, but it is an old, obsolete structure, and we clearly need to replace it with a modern, hydraulically-operated bridge, which is one of the things we plan to do through the project. The Board had previously authorized \$118.1 million for improvements to the carfloat system. We're coming to you today for re-authorization because the project has changed somewhat. We originally looked at buying land at Greenville— which we currently lease today. That became prohibitively expensive. Plus, I mentioned Hurricane Sandy. There was tremendous devastation at Greenville in the aftermath of that storm. We had our trailer totally destroyed, and the transfer bridges that were there, which were close to seventy-years-old, were literally torn apart and pulled down towards the river. We looked at it; it became an unsafe situation. We had the structures demolished. The point I'm basically making is rather than trying to patch together and upgrade and maintain the infrastructure that was there, we need to build new infrastructure now, which is why we're coming back. The cost of the project has increased slightly from 118 to approximately 133 million. So we are respectfully asking the Board to reauthorize these improvements for the carfloats system and increase the authorized amount to 133 million. I should mention briefly

that the costs of the project include certain off-site improvements that we will be making to the freight rail network in northern New Jersey. These are improvements that were demanded by the big railroads that we deal with. They are concerned—we think legitimately—that all of this new activity that we're hoping to bring to Greenville not become a roadblock or an impediment to the smooth functioning of the freight railroads in northern New Jersey. Greenville, if this proceeds, is going to be a busier place than it's been in forty or fifty years. So we've included some funding of offsite improvements in the overall project package. The off-sites together cost about 59 million. The Port Authority is going to contribute approximately 38 and the railroads are going to contribute approximately 21 for a sharing of the costs. Next slide please. The numbers speak for themselves. Again, as I mentioned, the objective of the exercise here is to try to bring some balance back to the way freight moves in the region. Today, about 97-98 percent of the goods we use and consume move into and through the region by truck. The results of that are obvious; we have massive traffic congestion in the region. Heavy trucks do a number on our bridges and tunnels and on the highways in the region. And diesel exhaust is an unfortunate by-product and it contributes to a non-attainment status in the area in terms of compliance with the federal Clean Air Act. If we go forward with this program, we've projected, and these are benefits projected using federal TIGER formulas that were computed for us by a national modeling firm, we could avoid something on the order of seventeen million truck trips a year, something on the order of 1.6 million metric tons of carbon dioxide avoided simply by shifting some of the freight, not all, but we should start with something meaningful, shifting some of the freight that is now carried by truck onto rail. We feel the program, when completed, will yield real substantial benefits to the region and people who live and work here, and economically as you can see it generates a decent number of job years, wages, and economic activity, and that's both construction work at Greenville and permanent employment at Greenville and on the railroads that serve Greenville. Next slide if I could. Commissioners, so therefore, we respectfully ask for approval of a Greenville redevelopment program, which again is about \$356 million in total. Port Authority investment, a great deal of which is recoverable from other sources, is about 320 million. Third-parties are contributing 36 million. We would like to get started with construction in early 2015. We will phase the construction to get some of the improvements, especially the ICTF, into operation as quickly as possible. So that 2020 is an absolute end-date of the phased schedule. We hope to get things rolling very much in advance of that, and we are asking you to approve the program, the expenditures that are associated therewith, the acquisition of certain minor pieces of property that we need for retaining walls, the authorization to proceed with certain contracts so that we can get started as early as first quarter 2015. And notably there, is a contract to build a new permanent transfer bridge to replace that temporary structure that I pointed out to you, which is a pontoon. It is literally a floating, wooden box with a metal deck on top with rail tracks. We would like to replace that with a permanent bridge, which will enable the Cross Harbor Railroad to grow potentially as much as 23,000-24,000 rail cars a year moving through Greenville. That contrasts with 1,000 cars a year when we first bought the railroad in 2008. This is a project that has taken quite a bit to put together, but as I hope the slides have conveyed to you, it is one that really offers a tremendous shift, and a positive shift, in how freight is moved in the region with real environmental and economic benefits for the people who live and work here. And with that, I conclude and I would be happy to address any questions.

[Chair S. Rechler] Sir, Mr. Lipper.

[Commissioner K. Lipper] My question is you said that we could recover much of the cost. Could you give us a bit of an elaboration of— from what source? I know the port fee.

[M. Hoffer] Sure, yes. Absolutely, the—

[Commissioner K. Lipper] Can you go through those and see where it is and secondarily, are we actually now collecting that fee from the— per truck or per container?

[M. Hoffer] Taking your second question first, yes, we do collect the cargo facility charge today. It's levied on containers moving through the port and it creates a fund that's used to defray the cost of road and rail improvements. Your first question—

[Exec. Dir. P. Foye] It's important to add to that that our obligation to go forward with this is a condition, among other things, in the continuing presence and the collection of the CFC in both states. >> Okay. >> And just one further elaboration, this project's cost is not yet factored into that recovery. So while we are currently recovering it, it's not these dollars. >>

[Chair S. Rechler] That's right. >> So I just want to make it clear those— >>

[Chair S. Rechler] So the dollars we're collecting now from this— >> Are recovering prior investments.

[M. Hoffer] We would adjust the cargo facility charge. And we're always very, very careful about how we do that because it's a cost of doing business in the port. We would adjust the CFC to recover a portion of the costs of this project, correct?

[Commissioner K. Lipper] Right, so that's what I want to elaborate on because I know this has been— just like we're listening— over the years, quite political and quite contentious. I'd like to know about—

[M. Hoffer] May I mention one other thing in response to your first question? I want to make sure you get all the information you need. Another major source of cost recovery here is a federal earmark that relates in particular to the Cross Harbor Marine Railroad. In 2005, Congressman Nadler from New York secured a \$100 million earmark as part of the SAFETEA-LU legislation specifically designated as going to this project. We've not drawn all of that money down. We've drawn some of it down to date. We intend to draw down the balance to defray a portion of the costs of this project. So that's the other big piece I wanted you to be aware of.

[Commissioner K. Lipper] I compliment Congressman Nadler because I remember back in the early 1980s, when I was deputy major, he was talking about we should focus on this. >>Yes sir, yes sir. >>Well his persistence paid off. The—could you quantify the specific— the estimated amounts of recovery— >>Certainly, certainly. >>—by source, and as Pat was saying now this is premised on getting those collections. What mechanism exists? Is that legislation we need or have? Or is it some kind of internal process? What is it that allows us to now collect this

money?

[Exec. Dir. P. Foye] So Commissioner, legislation was passed and is in effect in both states allowing the collection. This Board, just a month or so ago, approved an adjustment in the CFC and some other port commerce revenue items. This would be subject to an on ramp/off ramp process if the CFC were not to be collected and that's why I think this transaction investment is specifically conditioned on keeping continued collection of the CFC.

[Chair S. Rechler] Just to clear up a couple things before you answer Commissioner Lipper's question, so it seems there's 86 million dollars that's going to be net cost to the port. >>That's correct. >>So the difference between the 86 and the 320 is— I guess what I'd like to know from Libby, is that— the 86 is in the capital plan? The net difference isn't in the capital plan, and we're assuming we're going to have incremental revenue from the collections of— from the shipper fee that's going to enhance the capacity or we're going to try to take the revenue that's paying for something else? I just want to make sure we're not double counting where we're using those fees from.

[E. McCarthy] So the capital plan assumed that we will continue to collect the CFC. And that the cost of—a portion of this will be factored into that. So that revenue stream's already assumed— the grant is already assumed. So to the extent there was a difference in sources to fund this project versus what was in the capital plan. Port Commerce has identified offsets to advance this at this stage for this project. And that's all been factored in and considered in approving this to advance to the Board at this point.

[Chair S. Rechler] Offsets of how much?

[E. McCarthy] I believe it was 38 million? >>Yeah. >>Thirty-eight million. >>

[Commissioner K. Lipper] Consisting of? >>

[E. McCarthy] It was consisting of some—

[Board Chair J. Degnan] When we do offsets, we are effectively eliminating or deferring other projects. So that's a sizable mediation from the capital plan. It think it's incumbent upon you in these presentations to make it clear to the Board what the nature of the offsets are so that we can understand what we're deferring or eliminating in the capital plan to subsidize this.

[Chair S. Rechler] And let me, just to be clear, because I think what you said was the offsets are really— is being—it's a cushion if the other sources don't come in, or is that—for the first phase of this capital plan? Is that what you said?

[E. McCarthy] What was under lying in the plan in terms of sources of revenue was an additional source that in this structure will not come in. So that's why we said that there needed to be an offset, a deferral or something else in terms of the program. Some of it is the way the program is phased nothing more than the timing of what's happening in the program in the parts that are being done. And some of it is some other port related projects. But—and Michael can

talk about this further— the way offsets are identified is by priority. We work our way from the bottom priority projects up so it's really a concept and we work with the line departments on that.

[Chair S. Rechler] And I think and I compliment the use of them and it's consistent with our pay as you go strategy of not just signing on new projects without identifying where they come from, but I agree with Chairman Degnan that it would be valuable for us to have the exposure to know where they're coming from because it's part of the discipline of letting us know that we're trading off something for something else.

[E. McCarthy] Right and as I said, its—these, in this particular case, was a change in phasing of the existing— that project as it was in the plan and some deferral— as I recall—it's some deferral of some road improvements. >>Deferral of some road improvements, so—? >>At the port. Moving them out further into the plan. >>And that is what the \$38 million is comprised of? The deferral of road improvements?

[E. McCarthy] No, it's predominantly the elimination of portions of the project that were assumed by phasing the project differently. And then a small piece was the deferral of road work.

[Board Chair J. Degnan] Now, that doesn't do it for me. So if it's a \$38 million deviation from the capital plan, how much of it is timing and how much of it is road deferral? And when you say timing, are you just deferring—

[M. Hoffer] I can explain how the 38 was approached and you'll ask me whatever you want to ask. We had a \$38 million piece that we had to figure out how to deal with in terms of fitting this into the capital plan. >>Right. >>Step one, we basically cut an element out of the project, which we don't need to advance at this point in time to build what I presented in the slides. That was about \$33 million roughly. The other 5 came from an offset, which the department took, which affected a road improvement project which we had planned for the port. The project is still on the books, but we reduced the amount thereof by \$5 million. So the 5 and the 33—

[Board Chair J. Degnan] So we're clear, the 33 is gone; if you want to come back and spend that at some later date— >>The \$33 million expenditure— >>Just let me finish the question. Please, let me finish the question. >>I'm sorry. >>The \$33 million is gone. >>Yes. >>If you want to come back and spend that at some future date, you'll have to make the argument to us that the— >>Absolutely. >>—that the capital plan— then that answers my question. >>So it's effectively out of the scope whatever that \$33 million was for.

[M. Hoffer] That's correct; if it has to come back in, for whatever reason, we need to come back and justify it.

[Chair S. Rechler] Just to—you made a comment on the CFCs and just—this was a little unclear, is the— if we're starting this project, we're committed. Is there a point where we're too far committed that the CFCs are gone then we really are stuck?

[Exec. Dir. P. Foye] Yeah, no, Scott, like any project, that is the case, but we thought it was important to have that discipline and since the CFC is a substantial source of the funding, it was important to tie or continue commitment to what is a contractual matter to continued collection of the CFC on both sides.

[Chair S. Rechler] So if, for example, there's a point in the next 24 months or something that that looks like it's disappearing, we'll ramp this project off and not make further—

[Exec. Dir. P. Foye] I guess the thing I'd say, Scott that provision is not self operative, and if the CFC were to disappear this Board and the authority have a decision to make as to what to do, what to stop, when to stop, etc. Obviously we're not going to do something irrational. >>Right. >>But our commitment is conditional on continued collection of CFC >>

[inaudible] >>Yes sir? Yes?

[Commissioner K. Lipper] The shippers are mandated to pay. It's really—we—it's totally our collection process that's at issue.

[Exec. Dir. P. Foye] Well, that and the continued existence of the statute— >>The legislation. >>up to—exactly.

[Chair S. Rechler] Basically he saying that each state can pass a legislation that could change that is your point? >>Both states would have to? >>Right, gotcha. Any other comments or questions? Commission Schuber?

[Commissioner W.P. Schuber] I had a question on the logistics of this; I heard in your presentation that in the preparation of this and its execution, that you were trying to alleviate a concern that the railroads had with regard to its impact on freight or rail traffic in north Jersey. I was wondering if you could elaborate on that for me?

[M. Hoffer] Sure, first off the \$38 million offsite improvements, it consists of two parts. One is a \$17 million commitment that the Port Authority made in 2008 when we bought the railroads. So that is not new. The \$21 million on top of the 17, which makes the total of 38 that I cited, those were new demands by the railroads. Their concern was that Greenville would become so active that there might be a possibility, given the types of tracks that are in existence today, where the signals are, the drawbridge which is a major potential cork in the bottle across Newark Bay, Greenville became so busy and if—heaven forbid—the yard was not run efficiently and there was no room for a train that was waiting to come in to actually park and sort out its cars, there could be a ripple effect backwards through the freight system in northern New Jersey. >>Through the line, okay. >>And you could have a freight train sitting in Harrisburg, Pennsylvania waiting to come east that couldn't move because literally there was a cork in the bottle somewhere. It consists of—the improvements consist of more sidings signals, and adding a second lead track, and this is an important one, from the Newark Bay drawbridge into this yard. Today there's only one track that comes in. The railroads would like to see two to avoid the prospect of a delay, of something happening that would block the yard in or out.

[Commissioner W.P. Schuber] Okay, I understand; parochially, I'd be more concerned of them backing up and through Bergen County and sitting there. But having said that, I understand. >>Conceivably, it could happen. >>I understand.

[Chair S. Rechler] Mark, just one quick clarification on the— you said there's 17 million truck trips are forecasted to be removed out of the equation here if we're able to do this. Was that—you said annually. Is that an annual number?

[M. Hoffer] I apologize. I misspoke. That is a 30-year aggregate number looking up there. >>Okay, good because if that's annual— >>No, no. >>we shouldn't be arguing this. >>No no, I misspoke. It's about 560,000—I'm forgetting my math. >>Okay. >>It's about 560,000 trucks trips a year, which is still a significant— >>That's a lot. >>that's a lot of truck traffic. That is a 30-year projection that was up on the screen. I apologize. >>Why don't you put that on next time so we know what we are talking about; we don't have to ask that question. >>Yes sir.

[Chair S. Rechler] Okay, any further questions? If not, can I have a motion to move this to the full Board for approval? >>So moved. >>Second? Can I get a second? Thank you. >>Second. Okay, as we move to the full Board, thank you Mark. Appreciate your presentation. >>Thank you very much, Commissioners. >>Our next item on the agenda is the Port Authority Bus Terminal. This is—we have Cedric Fulton who is going to provide us with an update. Again, this is not for a vote, just to set the stage. If you recall at our last meeting, we had a discussion about the bus terminal and the poor condition, and it was a consensus of the Board that we needed an immediate reallocation of the capital plan to try to do some immediate repairs. And we had some good discussion here already about capital plan reallocation. So we asked at that meeting for Cedric to come back with two things to report to the Board. One, to talk about— on the \$90 million— where that would be spent to make improvements to the bus terminal that would be most impactful to our users. And second, where the \$90 million would be reallocated from so we can ensure that we're being disciplined to our pay as you go strategy. So, Cedric, that is the background. Why don't I hand it over to you.

[C. Fulton] Okay, very good. Thank you very much. And Commissioners, good morning. I think you pretty much covered my intro so I'll go to the next slide.

[Chair S. Rechler] Trying to keep things moving along.

[C. Fulton] Okay. And so since July, consistent with your instructions, we did embark upon a number of initiatives. First and foremost, we spoke with our customers. We had a forum in August, and one of the things we committed was that we'd continually meet with them on a regular basis. We also met with our carriers, and we said to them that we have to come together and take full advantage of the limited capacity that we have in a tight environment. For example, one of the things that we were able to get them to agree to was that we don't need bus drivers there no more than ten minutes before their departure time. And so we're working with them and thus far that is working out. We've also been able to work with carriers, in particular New Jersey Transit, and they've been utilizing handheld information so that they're better equipped to be able to give information to customers who are standing in line. And then finally, one of the things that we did that seems very important is to be able to respond rapidly to

disabled vehicles. Disabled vehicles have a huge impact, as you can imagine on our ability to keep buses moving. So we actually trained with New Jersey Transit. We have copies of their manuals so that when we have to respond to one of their buses, we know exactly what to do, and our people are trained to be able to move the buses quicker. Next slide. In addition, what we've been able to do is we've been able to put in place personal electronic stations. Six were slotted; two are already in place. We've installed— more than fifty fans have been installed inside of the facility. We've identified upgrades for the electronic kiosks that are on the floor. We're working with vendors and carriers. We're working with Rob Galvin and his staff to begin to advance improvements in cell phones and WiFi in the facility. We've actually begun efforts to reconstruct the restrooms on the second floor of the bus terminal. In order to expedite the delivery of the work that we're going to talk about shortly, we've solicited proposals and received bids for construction management and construction services. And as you are aware, we were able to submit an FTA grant application for Galvin Plaza on bus staging and storage and solicited a proposal for facility programming. We believe that this is one of the most important things that we do for long term improvement at the bus terminal. The Port Authority will invest 263 million in the bus terminal over the next 10 years. A 173 million was in the existing 2014-2023 plan. And this "Quality of Commute" Capital Program will invest an additional 90 million. When we talked to our customers, there were a couple of key things that they were most interested in. First and foremost is improved on-time performance. So we've advanced several efforts. You've heard about some of these; I'll just restate them. A by-pass lane will provide greater flexibility for buses heading to the fourth floor from Tenth Avenue. Additional bus parking and staging in New York will mean that buses do not have to come back through the Lincoln Tunnel during the afternoon rush period. The use of E-ZPass technology will better enable us to track buses in route to the bus terminal, through the terminal, and as they are departing the terminal. We're also, again, advancing the bus parking staging at Galvin; very, very critical for us. Through these initiatives, we plan to invest near \$18 million. Other improvements are involved in the building and the building systems. Leaks were raised as an issue— leak repair program is underway, and we will be continuing larger efforts that will continue to the third quarter 2017. As I previously state, we are actively rehabilitating the second floor restrooms. We hope to have the second part— a portion of the second floor restrooms completed by the end of 2014. All of the restrooms will be completed in the bus terminal by the end of third quarter 2017. I mean, it's important that we know, I can't do them all at one time because we have to keep some open for people to use. We'll begin replacing the visual paging system in the second quarter of 2015 and complete that project in 2018. We're also initiating a project to do repairs on doors and in the vestibules. Notably, we're also working on the fourteen elevators and fifty-four escalators that are so very important in the bus terminal. With regard to where we got the money from to be able to advance these initiatives, \$57 million dollars out of it were identified in TB&T programs. These are programs that we have deferred or slowed down is another way to consider them over the next one to three years, so that our spending will slow down on that work. So the work, we will manage, and we will look at it through maintenance efforts over the next several years or calling contracts as necessary, those operating dollars that we would have to use if we had to make those short-term improvements as we slowed these projects down to find the \$57 million referenced here. In addition, we are— the Port Authority is involved in energy savings programs, and the doors in particular, we believe are a great candidates to be able to secure \$7 million to be able to replace them. And then the rest of the agency was able to find \$26 million dollars. I'm told that those projects were

projects for data rooms that is data rooms that were not large enough, data rooms that needed to have power modifications. These projects have been slowed down. They will be deferred until a later date; they will be accomplished in accordance with the same program. There is also some work that was going to be done on a roof replacement at building fourteen at JFK as well as an operations control center at Stewart. Again, I'm told they were originally later in the program, they were moved up in the program, and they've now been moved back to the back end of the program. And through those efforts, \$26 million of deferred dollars were identified for a total of \$90 million.

[E. McCarthy] Mr. Chairman, if I could address your earlier question on offsets? There was a scope change in the later part of the plan that identified \$90 million in reduction in the plan. So accommodating this program earlier was merely a matter of priority and timing. So your concern about is this just a deferral or not, there was a scope change that took \$90 million out of the plan. This is then re-prioritizing the projects that remain so that we could accommodate this earlier.

[Chair S. Rechler] So to that point this doesn't really tell us where that scope change is, right, because that's what I was trying to get—these are mostly deferrals. >>Right. >>But what you're saying is—because that was going to be my question is these are deferrals; at some point we're going to have to take a scope change to remove something out of the plan when these are no longer deferred and are required at that point. So do we know what scope— what was actually identified to be removed out of the plan in terms of the scope?

[E. McCarthy] It was a modification in scope on the George Washington suspender rope program. >>Right, okay, which was a later part of the— that was the back part of the plan. >>—back part of the plan. >>So we're now moving the funds there and then the back part will be able to accommodate it. >>That's correct. >>Gotcha. Other than the 7 million in energy savings that's identified here, that is effectively paid for by lower energy costs. >>Right.

[Board Chair J. Degnan] Two questions; one is all of the—I applaud this presentation by the way— the specificity of how the money is going to be spent and then the actual identification of the offset is helpful. But all of the improvements that are related to the additional \$90 million in spend are improvements that would have been done but for this \$90 million? That's a question, not a statement.

[C. Fulton] They would not have been done certainly within this time window. They did not make the ten-year capital plan. >>They did not. >>Right. And the last question, and a small one, I see in the presentation that all of the restrooms will be rehabilitated by the third quarter of 2017. I thought I heard you say 2018. Did I miss hear or is there—? >>No, 17. If I misspoke I made a mistake. >>17. That's good; I was wondering how we could build the George Washington Bridge in a shorter time than we changed the restrooms in less than three years. Thank you.

[Commissioner D. Steiner] Question, how many restrooms are there that have to be changed?

[C. Fulton] Oh, quite a number. >>What does that mean? Quite a number? >>I have to start

thinking. >>What like twenty, thirty? >>Close to that. At least ten to fourteen. >>I don't understand why it should take so long? Why that isn't done on a crash program, work around the clock on the weekends and pay the overtime and get that done? It's really such a critical item. >>That's what we're proposing, Commissioner, the first group of bathrooms exactly that, we're literally going to put a barrier up and three shifts just work to do that, but the issue is the staging of the operation. >>Right, you need to keep some of them open.

[Commissioner D. Steiner] I think you only have to do one at a time. >>We do them in two by the end of the year. That's exactly your approach. >>I think they can be done in a month. >>Agreed. Agreed.

[phone rings] >>They could be done in a month? >>It wouldn't be a Port Authority meeting if we didn't have a phone call. >>—after about six weeks. We're planning to order fixtures in advance We're doing the design now, we're going to close the bathroom, and have the contractor— hoping to have three shifts, so by the end of the year.

[Commissioner D. Steiner] Sorry about that.

[Commissioner K. Lipper] Commissioners, I commend you on we're moving forward with this. On the broader issue for next month's calendar, we're going to be discussing the new bus terminal or major facility. Could we be provided with the RFP that was left— was given to the people making the master plan? Particularly, I'd like to see what provisions are in there for studying the new facility versus renovation, all the different things that we asked them to study or they submitted in response to our requests. I'd like to know what it is we're going to get a year from now on this plan, and I'd like to have that presented to us by the people involved in that process so that I know—I mean I know that it is our general intention to do this. I'd like to see how that intention specifically is going to be carried out in the proposal that we gave out so that a year from now, we're not here with a gap.

[Board Chair J. Degnan] Just a point of clarification. I believe the bus master plan is scheduled to be completed in the first quarter of 2015?

[C. Fulton nods yes] Not a year from now? Okay. And to Commissioner Lipper's question, I was unaware because I wasn't here yet, there is an outside consultant? >>Yes. Yes. >>Based on an RFP which is facilitating the master plan? >>Yeah, I mean later in this session, Andy Lynn will be talking specifically about the master plan so we can— >>So we are going to hear something about it today. >>We're getting more into that.

[Commissioner K. Lipper] But I would still like to see— >>—a copy of the document, the RFP document. >>The document and specifically what we can expect to get in that plan by subject matter. >>Should be able to do that. >>We'll get you a copy.

[Commissioner K. Lipper] Just so we don't have—I want a discussion of that when we get to this whole meeting. I want to know what it is that we're going to have as data points to decide what we want to decide.

[Chair S. Rechler] Rather than identifying then what the deficiencies are. >>Exactly. I don't want to lose— >>It's a fair question. >>—nine months or whatever. >>Thank you. Any other comments or questions for Cedric on this proposal? Can I have a motion to move this— oh, we don't need to vote. Good. Cedric, you're done. Thank you. >>Thank you! >>Nicely done. The next item on the agenda is the review on the quarterly capital plan update. We all got a memo on that, and since we're short on time, if it's okay, I think that we can all read the memo. If we have questions, we could then follow back up. Mike, I apologize, I know that you worked hard on it, but the memo was comprehensive and helpful, so if we have followup questions, just try to get us a little bit back on schedule if that's okay? Thank you. So I will now end the— conclude the public portion of today's capital planning meeting, and we will now go into executive session to discuss matters involving ongoing negotiations or reviews of contracts or proposals and matters relating to the purchase, sale, or lease of real property or securities where disclosure would affect the value thereof or public interest.