

**The Port Authority of New York and New Jersey  
Committee on Capital Planning, Execution and Asset Management Meeting Transcripts  
September 20, 2012**

[Chair S. Rechler] --for the late start. We got held up at the Operations Committee. Pleased to welcome everyone to our first formal meeting of Capital Planning, Execution and Asset Management, which we believe helps consolidate a number of the port activities in a manner that's more efficient and a way for us to work more strategically and work more strategically with the team members from the port to align the interest with the strategic goals of the port. The first part of today's meetings of the Committee on Capital Planning, Execution and Asset Management is being held in public session. Afterwards, the committee will meet in executive session to discuss matters involving ongoing negotiations or reviews of contracts and proposals. 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. As part of the public session, our first area of business relates to Newark Liberty International Airport. We're fortunate to have Susan Baer here to present for us. Susan?

[S. Baer] Thank you. Good morning. I'm happy to be the first to present to the newly reorganized committee. I'm here to seek project-- I'm sure we'll be back often. I'm here to seek project authorization for system enhancements to the existing Central Terminal Area electrical service to provide greater redundancy, increase operational efficiencies, and improve system operation's flexibility and expandability at Newark Liberty International Airport. This project will produce 90 job years, \$6 million in wages, and nearly \$25 million in economic activity. Newark is engaged in an extensive and comprehensive infrastructure renewal of primary utility service systems. As part of this effort, the existing electrical distribution service for the Central Terminal Area requires modifications to enhance the reliability and inherent redundancy of the system. The existing PSE&G electrical service is original to this construction of the central terminal area in 1968 and supplies Terminals A, B, and C, Runway 11/29's lights and associated taxiway lights, the fuel farm, the FAA tower, and the Central Heating and Refrigeration Plant. The Port Authority has requested PSE&G initiate modifications to the Central Terminal Area electrical infrastructure to provide alternate power delivery routes for the area. The project before you would create a ring by extending the existing service area back to the PSE&G substation, whose ring is shown in green, and to install isolation switches at four critical locations around this ring shown as yellow dots. This would effectively create a back-up electrical service. PSE&G provides a basic level of service; however, this redundancy is critical to meet the required level of service to our customers at the airport. The project design will be developed by PSE&G and submitted as a tenant construction alteration process application to verify its compliance with Port Authority standards. The Port Authority will reimburse PSE&G for its design and construction costs. This project represents significant economic benefits for the region. The total economic impact of the project is estimated to include 90 job years, \$6 million in wages, and \$25 million in economic activity over the life of the project, including indirect effects such as construction employment and materials purchased. The total project cost is estimated at \$8.9 million, of which \$600,000 consists of design and engineering costs performed in house. This authorization will also include authorization for the Executive Director to enter into agreements with PSE&G for design and construction of electrical distribution associated with this project at an estimated cost of \$7.5 million. The project is expected to be fully recoverable through

Passenger Facility Charges through an application we've already made. Completion of this project is expected by the second quarter of 2014. Commissioners, I request that you advance this item to the full Board for approval. Thank you. >>

[Chair S. Rechler] Question?

[Comm. D.Steiner] Could you bring up the screen again showing the location? Put the green up too--the next one. It seems to me you're not getting another independent source. You're just running another line back to the same point of supply. I don't call that redundancy at all. All you've done is connected the loop around it, but it's to the same power source. You don't have an independent power source. If public service goes down, you're still down. I'd hardly call that a redundant system. All it is--you're adding another feeder in case one of your lines goes down, but if public service goes down you're out. [S.Baer] Yes. [Comm. D.Steiner] So you're not getting any redundancy. [S.Baer] We are getting redundancy because-- [Comm. D.Steiner] Not from my thinking. [S.Baer] We are getting redundancy because we will now be able, if there is a problem, to isolate that problem and still provide power to the remainder of the Central Terminal Area. [Comm. D.Steiner] And feed from a different direction? [S.Baer] Feed from a different direction. [P. Zipf] Yes, if I may add to that? The experience we had is we lost some lines, because if we have fire in the existing lines, we lose the whole airport. [Comm. D.Steiner] We're not looped? >> [P. Zipf] No. >> [S.Baer] No. [P. Zipf] So this will provide that service. >>[S.Baer] This provides the loop. [Comm. D.Steiner] So we're continuing the loop so we can--? >>[S.Baer] Yes. [Comm. D.Steiner] It is not a redundancy. [P.Zipf] >>[Inaudible] [Comm. D.Steiner] That makes sense. >>[Inaudible] [S.Baer] Okay, we will not call it redundancy. [Comm. D.Steiner] Because it's not redundancy. >>Not fully. [S.Baer] It's not full redundancy. >>[Comm. D.Steiner] It's nowhere near full redundancy. [S.Baer] But it would solve the problems that we have had on a number of occasions at Newark Airport where pieces of this have been lost. [Comm. D.Steiner] I want the electrical engineering line--[laughter]

[Chair S.Rechler] You've made that clear to us on many occasions. [Comm. D.Steiner] And I shall continue to do so. [Chair S.Rechler] I appreciate it. Any other questions?

[Comm. R.Pocino] [inaudible] [Comm. D.Steiner] Second. [Laughter] [Chair S.Rechler] Okay, we're going to move this to the full Calendar. Thank you, Susan. [S.Baer] Thank you.

[Chair S.Rechler] Before we go to executive session, again, just to touch upon some of the responsibilities of this Committee and why, I think, it's critical that we focus. Yesterday we provided the results of the Navigant report, and in that report it talked about over \$26 billion of capital projects that have been identified for the Capital Plan that ends in 2020 and over \$40 billion of other identified, or inclusive of the 26, of fully identified projects that the port has on their list. I think one of the objectives and responsibilities for this Committee is to further prioritize those capital projects in terms of what is the critical ones for the state of good repair of our infrastructure, which are the ones that are going to generate economic development the quickest, and which of the ones, frankly, that could be done more innovatively or deferred more with the least amount of impact to our region. We as a group are going to have to spend a lot of time on that. I think once we get through that process, it's going to be important at these meetings to take the projects that come forward and look at them under the same lens that we prioritize

that capital plan relative to the different types of segments and impacts on the community. Okay, we're going to jump into executive session then reconvene quickly. It will be a short executive session, so those who want to come in for the Subcommittee on World Trade Center, we'll be jumping right into that.