PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES
Thursday, October 23, 2003

MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, October 23, 2003, at 225 Park Avenue South, City, County and State of New York.

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
Hon. Anthony J. Sartor
Hon. Jack G. Sinagra
Hon. David S. Steiner

NEW YORK

Hon. Charles A. Gargano, Vice-Chairman
Hon. Bruce A. Blakeman
Hon. Michael J. Chasanoff
Hon. David S. Mack
Hon. Henry R. Silverman

Joseph J. Seymour, President
Ernesto L. Butcher, Vice-President
Jeffrey S. Green, Counsel

Gwendolyn Archie
Paul Bea
Catherine M. Bergamini
A. Paul Blanco
Bruce D. Bohlen
John D. Brill
Anthony B. Ciavolella
Steven J. Coleman
Anthony G. Cracchiolo
William R. DeCota
Pasquale DiFulco
Michael P. Dombrowski
Karen E. Eastman
Michael G. Fabiano
Linda C. Handel
Paul Higgins
Edward L. Jackson
George Johansen
Howard G. Kadin
Kirby King
Louis J. LaCapra
Richard M. Larrabee
Robert R. Lurie
Stephen Marinko
Charles F. McClafferty
James E. McCoy
Mark F. Muriello
Lynn A. Nerney
Achille A. Niro
Joann S. Papageorgis
Catherine F. Pavelec
Michael A. Petralia
Kenneth P. Philmus
Edmond F. Schorno
Douglas L. Smith
Tiffany A. Townsend
Ralph Tragale
Gregory J. Trevor
Emery J. Ungrady
Sean P. Walsh

The public session was called to order by Chairman Coscia at 3:07 p.m. and ended at 3:16 p.m. The Board met in executive session prior to the public session. Vice-Chairman Gargano was present for executive session.

Action on Minutes

The Vice-President submitted for approval Minutes of the meeting of September 10, 2003. He reported that copies of these Minutes were sent to all of the Directors and to the Governors of New York and New Jersey. He reported further that the time for action by the Governors of New York and New Jersey has expired.

Whereupon, the Board of Directors unanimously approved the Minutes.

Report of Committee on Construction

The Committee on Construction reported, for information, and the report was received and is included with these minutes.

PORT AUTHORITY TRANS-HUDSON CORPORATION – EXTENSION OF AGREEMENT WITH NEW JERSEY TRANSIT CORPORATION TO SELL PATH QUICKCARDS THROUGH TICKET VENDING MACHINES AND MONTHLY MAIL-TIK PROGRAM

It was recommended that the Board authorize the President to enter into an agreement with New Jersey Transit Corporation (NJT) to extend the sale of Port Authority Trans-Hudson Corporation (PATH) QuickCards through NJT's ticket vending machines (TVMs) and Mail-Tik Program. The extension would be in effect for a one-year period from January 1, 2004 through December 31, 2004 at an estimated cost of $525,000. The agreement would also provide for two additional one-year extension options at a total estimated cost of $1,212,750.

The joint program with NJT began in January 1991 and covered sales through NJT's Mail-Tik Program. The Board subsequently approved extensions to that program effective from January 1, 1996 through December 31, 2000 and January 1, 2001 through December 31, 2003.

In 1996, the agreement was modified to include sale of tickets through NJT's TVMs. In 2001, the agreement was further modified to excuse NJT from paying PATH for a Mail-Tik purchase if the customer's check was not subsequently honored by the customer's bank. Effective January 1, 2004, the agreement will be further modified to increase NJT's credit card transaction fee to 2.35 percent, an increase from the previous level of 1.96 percent. Also, NJT will not be required to pay PATH for QuickCards sold to customers who drop out of the Mail-Tik Program without paying for those QuickCards if NJT's efforts to collect the monies due are unsuccessful.

The Mail-Tik Program reduces the time required for commuters to obtain PATH tickets and offers convenient choices regarding the method of fare payment. The program permits customers to pay by check, credit card or TransitChek voucher. The TVMs accept cash as well as credit and debit cards.

Pursuant to the foregoing report, the following resolution was adopted with Directors Blakeman, Chasanoff, Coscia, Mack, Silverman, Sinagra, and Steiner voting in favor; Director Sartor abstaining; none against:

RESOLVED, that the President be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to enter into an agreement with New Jersey Transit Corporation (NJT) to continue the sale of PATH QuickCards through NJT's ticket vending machines and Mail-Tik Program for a one-year period at an estimated cost of $525,000; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to exercise two one-year options to extend the above-referenced agreement at a total estimated cost of $1,212,750; and it is further

RESOLVED, that the form of all contracts and agreements in connection with the foregoing shall be subject to the approval of Counsel or his authorized representative.

PORT AUTHORITY TRANS-HUDSON CORPORATION – AGREEMENT WITH NEW YORK STATE'S METROPOLITAN TRANSPORTATION AUTHORITY AND THE NEW YORK CITY TRANSIT AUTHORITY FOR THE USE OF VALUE-BASED METROCARD FARE MEDIUM AT THE TEMPORARY WORLD TRADE CENTER PATH STATION

It was recommended that the Board authorize the President to enter into an agreement with New York State's Metropolitan Transportation Authority (MTA) and its subsidiary, the New York City Transit Authority (NYCT), to allow for the use of the value-based MetroCard fare medium at the temporary World Trade Center (WTC) Port Authority Trans-Hudson system (PATH) Station, for service on the PATH system, at an estimated cost of $175,000.

On December 13, 2001, the Board authorized the Regional Fare Collection System Project (Regional Fare Project) in the amount of $51 million. The Regional Fare Project includes the replacement and upgrade of the current PATH fare collection equipment to accept both the NYCT value-based MetroCard and a new interoperable smart card that could be used by other transit agencies in the region.

On March 20, 2003, the Board authorized an additional $16.9 million in funding for the Regional Fare Project, for a total estimated Project cost of $67.9 million. The Board also authorized the President of PATH to enter into an agreement with Cubic Transportation Systems, Inc. (Cubic) for the design, manufacture, delivery and installation of fare collection equipment and software at a negotiated price of $37.1 million.

To ensure that the fare collection system is installed and operable in support of the re-opening of the temporary WTC PATH Station in November 2003, Cubic was instructed to proceed with an accelerated installation plan for that station. The fare collection capabilities for the accelerated temporary WTC PATH Station component of the project will be limited to the PATH QuickCard and the NYCT value-based MetroCard. Regional smart card functionality will continue to be developed for implementation at a later date with the installation of fare collection equipment at the other PATH stations. The cost of this agreement will come from the existing Regional Fare Project.

This agreement will allow for the use of the NYCT value-based MetroCard for entry into the PATH system at the temporary WTC PATH Station. A more comprehensive agreement is under development to allow for the sale of value-based MetroCards at PATH stations and additional services to be provided by NYCT in supporting the value-based MetroCard and regional smart card operation on the PATH system.

Pursuant to the foregoing report, the following resolution was adopted with Directors Blakeman, Chasanoff, Coscia, Sartor, Silverman, Sinagra, and Steiner voting in favor; Director Mack abstaining; none against:

RESOLVED, that the President be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to enter into an agreement with New York State's Metropolitan Transportation Authority and the New York City Transit Authority to allow the use of the value-based MetroCard fare medium on the PATH rail system at the temporary World Trade Center PATH Station; and it is further

RESOLVED, that the form of the agreement shall be subject to the approval of Counsel or his authorized representative.

JOURNAL SQUARE TRANSPORTATION CENTER – AKBAR AND ASSOCIATES, INC. d/b/a DELI PLUS – LEASE L-RR-115 – LEASE RENEWAL

It was recommended that the Board authorize the President to enter into a supplemental lease agreement with Akbar and Associates, Inc. d/b/a Deli Plus (Akbar) to extend the term of the letting of retail space and a small storage area under its lease for the operation of a gourmet deli restaurant at the Journal Square Transportation Center for an approximate ten-year, two-month period commencing on January 1, 2004.

Akbar will pay an aggregate basic rental over the extended term of approximately $1,074,400, including a two-month rent concession, and will also pay a percentage rental based on gross sales. Akbar will spend approximately $300,000 on the renovation of its space. Port Authority Trans-Hudson Corporation will continue to have the right to terminate the letting on 30 days' notice, without cause, in which case it will be obligated to reimburse Akbar for its unamortized capital investment in the premises up to $300,000, calculated on a straight-line basis over the extended lease term.

Pursuant to the foregoing report, the following resolution was adopted with Directors Blakeman, Chasanoff, Coscia, Mack, Sartor, Silverman, Sinagra and Steiner voting in favor; none against:

RESOLVED, that the President be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation, to enter into a supplemental lease agreement with Akbar and Associates, Inc. extending the term of the letting of retail space at the Journal Square Transportation Center, substantially in accordance with the terms and conditions outlined to the Board, or on such other terms and conditions as the President deems appropriate, subject to the conditions set forth in the following paragraph; and it is further

RESOLVED, that the Committee on Operations be and it hereby is authorized to approve the final terms and conditions of the foregoing agreement in the event the rental payment terms and/or the term of the letting are not substantially in accordance with the terms outlined to the Board; and it is further

RESOLVED, that the form of the agreement shall be subject to the approval of Counsel or his authorized representative.

FINAL CONTRACT PAYMENTS

The Comptroller's Department reported, for information only, that the contracts set forth hereafter have been completed satisfactorily by the contractors. Final payments have been made in the period of July 1, 2003 to July 31, 2003.

CONTRACT NUMBER	CONTRACT TITLE FACILITY AND CONTRACTOR	TOTAL AUTHORIZED		TOTAL PAYMENTS	
PAT544	ROCK SLOPE STABILIZATION	224,009	(A)	224,009	(A)
	PORT AUTHORITY TRANS-HUDSON	568,000	(B)	299,277	(B)
	CORPORATION	400,000	(C)	220,815	(C)
	MARBELL, INC.	47,521	(D)	--0--	(D)
		5,782	(E)	5,782	(E)
		--0--	(F)	3,140	(F)
		1,245,312		753,023	

(A) Lump Sum.
(B) Classified Work.
(C) Net Cost - amount in the "Total Authorized" column represents the authorized estimated net cost amount. However, the amount in the "Total Payments" column is the actual net cost amount paid.
(D) Extra Work.
(E) Premium for furnishing performance and payment bond as provided for in the contract.
(F) Increase in compensation pursuant to "Emergency Delays" clause, as provided for in the contract.

Whereupon, the meeting was adjourned.

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Vice-President