

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, September 26, 2019

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MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, September 26, 2019 at 2 Montgomery Street, City of Jersey City, County of Hudson and State of New Jersey

PRESENT:

NEW JERSEY

Hon. Kevin J. O'Toole, Chairman
 Hon. Richard H. Bagger
 Hon. Kevin P. McCabe
 Hon. Raymond M. Pocino

NEW YORK

Hon. Jeffrey H. Lynford, Vice Chairman
 Hon. Leecia R. Eve
 Hon. Daniel J. Horwitz
 Hon. Gary LaBarbera
 Hon. George T. McDonald
 Hon. Rossana Rosado

Richard Cotton, President
 Michael E. Farbiarz, Counsel

Cheryl Ann Albiez
 James K. Allen Jr.
 Carol Bennett
 Justin E. Bernbach
 Benjamin M. Branham
 Alessandra Brown
 Michael Brown
 Meredith L. Brooks
 Ana Carvajalino
 Christopher Canary
 Rebecca L. Cassidy
 Edward T. Cetnar
 Steven J. Coleman
 Nicole Crifo
 Silvia M. Cuevas
 Jennifer S. Davis
 Clarelle D. DeGraffe
 Michael P. Dombrowski
 Diannae C. Ehler
 Benjamin Feldman
 Amy H. Fisher
 Kevin Frick
 Robert E. Galvin
 Erik George
 Glenn Guzi
 Mercedes Guzman
 Linda C. Handel
 MaryLee Hannell
 Benjamin Jarvis
 Milena Kosc-Garcia
 Lindsay M. Kryzak
 Scott Ladd
 Cristina M. Lado

Michael Lavery
 Huntley A. Lawrence
 Stephen Marinko
 Michael G. Massiah
 Daniel G. McCarron
 Elizabeth M. McCarthy
 James E. McCoy
 Alec Nadeau
 Steven Plate
 Sam Ruda
 Mark B. Spector
 James A. Starace
 K. Ocean Stokes
 Deborah Torres
 Derek H. Utter
 Lillian D. Valenti
 Kathryn Winfree

Guests:

Edmund Caulfield, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey
 Michael Wojnar, Deputy Secretary for Transportation, Office of the Governor of New York

Speakers:

Christine Berthet, CHEKPEDS
 Melodie Bryant, Manhattan Resident
 Manual Camacho
 Betty Crockett, Newark's South Ward Resident
 Tom Devito, Transportation Alternatives
 Peter Franco, Candidate 1st Ward City Council Bayonne
 Yvonne Garrett Moore, Moore Vision Public Relations
 & Planning
 Thomas Grech, Queens Chamber of Commerce
 Noam Kogen, Transportation Alternatives
 & Kogen's Financial Services LLC
 Paula Mahayosnand, Jersey City Parks Coalition
 Vincent Marchetto, JSQ Resident
 Henry Pacheco, UniteHere Local 100
 Joshua Pierre
 Harley Pollack, Jersey City Bicyclist
 Francesca Royal, Brooklyn Resident
 Victor Salazar, New York Taxi Workers Alliance
 Samuel Santaella, Queens Resident
 Laura Shepard, Bike New York
 Saibou Sidibe, NYC Taxi Driver
 Brian Sullivan, Jersey City Bicyclist
 Charlene Talarico
 Javaid Tariq, NYC Taxi Driver
 Hon. Loretta Weinberg, Majority Leader, New Jersey State
 Senate
 Neile Weissman, Complete George

Topic:

Long distance buses
 Oonee Pod
 Bike Parking JSQ
 Community Responsibility
 Secure bike parking
 Impact of toll increase
 PATH Extension to EWR
 AirTrain LaGuardia Station
 Bike Parking in NYC
 Oonee Pods
 Oonee Pods
 Airport workers issues
 Oonee Pod
 Oonee Pod
 Secure bike parking
 Taxi and For Hire Vehicles
 Secure bike parking
 Secure bike parking
 Taxi and For Hire Vehicles
 Oonee Pod
 Port Authority
 Taxi and Fore Hire Vehicles
 Bus Tolls
 Climate Change

The public meeting was called to order by Chairman O’Toole at 12:19 p.m. and ended at 2:18 p.m. The Board also met in executive session prior to the public session.

Report on Prior Meeting’s Minutes

Copies of the Minutes of the meeting of June 27, 2019 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on June 28, 2019. The time for action by the Governors of New York and New Jersey expired at midnight on July 15, 2019.

Moment of Silence

In observance of the 18th anniversary of the September 11, 2001 terrorist attacks on The World Trade Center, the Chairman requested a moment of silence in memory of the 84 Port Authority employees lost on that day, and the first responders and recovery workers who were lost due to illnesses relating to their work at the World Trade Center site, as well as for those who perished as a result of the bombing of The World Trade Center on February 26, 1993.

PATH SYSTEM FARE INCREASE

The Port Authority was established in 1921, by a Compact between the States of New York and New Jersey, approved by the United States Congress. The Compact charged the agency with “the development of the [region’s] . . . special blessings and natural advantages.” And that is precisely what the Port Authority has done. The agency has developed seaports to take advantage of our deep natural harbors, and bridges and tunnels and train lines to cross them. And the agency has developed airports and a World Trade Center, to connect the nation’s greatest metropolitan area with every corner of the United States --- and with the broader world beyond our shores. Nearly a century from the Port Authority’s founding, our facilities are fundamental pillars of regional prosperity and vitality. And they fuel the engine of our ever-expanding regional economy.

But we must do more and we must do better. To thrive in the 21st century, to secure *today’s* “special blessings,” a modern metropolis needs transportation infrastructure that is fully up to contemporary standards. Infrastructure that moves people and goods safely, efficiently, and reliably. Infrastructure that makes use of cutting-edge technologies. And infrastructure that is built for long-haul resilience, with an eye firmly fixed on environmental sustainability. That is world-class infrastructure in the 21st century. And that is precisely the kind of infrastructure that the Port Authority is committed to delivering. The agency’s concrete recent accomplishments make that clear.

During 2018, the Port Authority opened the Goethals Bridge, the agency’s first new bridge since 1931; completed systematic safety and signals improvements at PATH; inaugurated new gates and a new concourse at LaGuardia Airport, as part of an \$8 billion total airport rebuild; and broke ground on major terminal construction work at Newark Liberty International Airport.

During 2019, the agency has pressed forward with the wholesale redevelopment of John F. Kennedy International Airport and with the federal environmental review process both to build a rail mass transit link to LaGuardia Airport and to replace the obsolete Port Authority Bus Terminal; formally completed the project to re-build the Bayonne Bridge, which included the raising of the Bridge, a step that opened the way for the wave of ultra-large container ships coming through the widened Panama Canal to serve the region; and initiated the PATH Improvement Plan, to provide major capacity increases across the system and to reduce delays.

Doing all this requires funding. But the Port Authority does not rely on taxes or on funding from the States of New York or New Jersey; the agency is self-funding. The Port Authority funds itself, in substantial measure, by working very aggressively to generate revenue from businesses that use our facilities. From global airlines that seek to operate out of our airports. From large-scale cargo-handling firms that do business at a Port Authority marine terminal. And from major commercial developers that want access to agency property. The list goes on, and fully 2/3 of the Port Authority’s revenues come from these sorts of sources. But in the end, operating infrastructure and making serious infrastructure investments are extremely expensive. And it has long been understood that the agency must supplement its revenue --- by making use of its legal authority to collect tolls, fares, and fees from individual users of its facilities.

Periodically adjusting these tolls, fares, and fees is a task that is entrusted to the agency’s Board of Commissioners, acting on advice from Port Authority staff. At its June 27, 2019 meeting, the Board received a recommendation prepared by the agency’s staff --- a proposed set of adjustments to tolls, fares, and fees, along with an explanation as to why the adjustments were

being proposed. In light of the staff proposal, the Board directed that six public hearings be held. To ensure maximal opportunities for participation, six different hearing venues were chosen, three in New York and three in New Jersey. Some hearings were set for the evening and others for the morning, to accommodate different schedules. At the Board's direction, the hearings were widely advertised in area newspapers. An on-line comments portal was established, so that people could readily write in. And various commenters sent in their comments by mail.

During the public comment period, more than 1,300 written comments were received. In addition, seven total public hearings were ultimately conducted; the six that had been scheduled, plus an additional Staten Island hearing, because of inclement weather on the date of the initial Staten Island hearing. Each hearing was attended by one Commissioner from New York and one Commissioner from New Jersey. Spanish and American sign language interpreters were on hand for all hearings, and a video of each hearing was posted to the Port Authority's public website, along with a transcript of the proceedings. Multiple hearings were attended by over a hundred people. And at each hearing every person who wanted to speak was able to.

At the Board's June 27, 2019 meeting, it was resolved that, "in light of information gained during the hearings and by means of written comments," the Board "would expect to consider enacting the [proposed] toll, fare, and fee adjustments" at its September 26, 2019 meeting. Now, after a period of both extensive public comment and internal Port Authority deliberation, the Board is prepared to act.

* * *

As to four of the staff's June 27, 2019 proposals, relatively fewer comments were made:

- Increasing the JFK and Newark Liberty International AirTrain fares to \$7.75, with an automatic inflation-adjustment mechanism added on a going-forward basis. These adjustments were proposed in light of the fact that AirTrain fares have not been adjusted since 2003 (JFK) and 2005 (Newark), and to ensure that, in the future, accumulated inflation can be smoothly and predictably reflected in AirTrain fares.
- Maintaining the PATH single-ride fare at \$2.75, where it has been since 2014, with an automatic inflation-adjustment mechanism added on a going-forward basis and with certain multi-ride PATH discounts to be scaled back.
- Offering E-ZPass discounts only to bridge and tunnel customers with New York or New Jersey E-ZPass accounts. This would bring the Port Authority into line with its peers, such as the New York State Thruway Authority and the New Jersey Turnpike Authority, which do not offer E-ZPass discounts to those who do not have a New York or New Jersey account, respectively.
- Eliminating the bridge and tunnel carpool discount. Toll booths are being phased out as part of the agency's transition to all-electronic tolling, and it is difficult to offer a carpool discount without toll booth operators to see how many passengers are in a given car. In addition, the agency's experience with the carpool discount has raised safety concerns; significant numbers of people stand on the shoulder of busy bridge and tunnel approach roads --- waiting for a pick-up for themselves, and to allow drivers to secure a carpool discount. Finally, at the Port Authority bridges and tunnels that still offer it, the carpool discount is generally utilized by a relatively small percentage of vehicles, about 3.2%.

The justifications for the four above-listed staff proposals were described to the Board in June. These proposals attracted some limited comments; staff closely studied these comments but determined not to alter its earlier recommendations. In addition, each of the proposals set out above is important from the perspective of generating revenues --- and, as set out more fully below, such revenue provides critical support for the Port Authority's operations and for necessary investments.

Accordingly, staff recommended that the four proposals set out above, which are described in more detail in the attached schedule ("Schedule"), should be adopted by the Board of Commissioners, for the reasons presented to the Board in June.

* * *

A fifth proposal made by staff on June 27, 2019 concerned an adjustment to tolls. Under that proposal, a \$1.00 upward adjustment in bridge and tunnel tolls would go into effect on January 5, 2020, and future inflation adjustments would continue thereafter. In light of the very significant growth in E-ZPass penetration (up from 74% in 2008 to more than 85% in 2018), the proposal would also reduce the E-ZPass discount for autos and motorcycles by 25 cents, two times. In addition, bus tolls would have scheduled increases over five years. Finally, staff proposed a change to the Staten Island Bridges Discount Plan. That Plan currently provides toll discounts to those who use the agency's Staten Island/New Jersey bridges three times per month. Agency staff proposed that: (1) the discounted toll should rise from \$6.25 to \$6.88, and (2) the trip threshold for discounted tolls should rise from three trips to ten.

Significant comment was received on various aspects of the proposed toll increases. Numerous comments expressed opposition to staff's proposal for bridge and tunnel toll adjustments --- on the general ground that tolls should not be increased, and on certain more particular grounds that are described below.

In assessing staff's toll adjustments proposal, context is critical. In January of 2008, the Board directed that bridge and tunnel toll increases must keep pace with inflation. This required inflation adjustment was later re-affirmed by the Board in 2011. The 2008 decision, as re-confirmed in 2011, provides that Port Authority tolls must track inflation, beyond any specific toll increase that the Board may approve at any moment in time. When the cumulative impact of inflation builds to \$1.00, calculated from the last toll increase, the Port Authority must put an inflation adjustment into effect. The Port Authority's Chief Financial Officer has concluded that this \$1.00 threshold will be crossed in 2020. This is because the Port Authority has not had a general bridges and tunnels toll increase since 2015 --- and the CFO, using consumer price inflation data and projections, has advised that, in 2020, more than one dollar's worth of inflation will have accumulated since 2015.

Accordingly, under the Board's directives from 2008 and 2011, bridge and tunnel tolls must be increased in 2020 to reflect the five-year (2015-2020) impact of pent-up inflation. In addition, in February of 2017, the Board approved a ten-year capital plan, that outlined a decade's worth of important, much-needed transportation projects. The 2017 capital plan rested on the assumption "that the Board of Commissioners will take certain actions in the future to create or raise certain fees and charges at [Port Authority] facilities to maintain a balanced [capital] plan."

In short, the large bulk of the bridge and tunnel toll adjustment recommended by staff --- the \$1.00 across-the-board inflation adjustment --- is a matter of necessary follow-through on

decisions made and publicly announced years ago by prior Boards, to keep the Port Authority on sound financial footing. Today's proposed \$1.00 inflation adjustment amounts to executing on a decision that was made in 2008; that was re-affirmed in 2011; and that has been relied upon since then, including in the Board's 2017 action to adopt the current 2017-2026 capital plan.

The Board's public commitments in 2008, 2011, and 2017 represent consistent action to chart a responsible long-term course. Following through on these commitments facilitates careful planning and helps to keep the agency's borrowing costs low --- and this redounds directly to the benefit of the people who use the region's facilities every day. No entity can be expected to effectively function if it cannot adjust prices to reflect a build-up of inflation. The Port Authority's long-planned inflation adjustment to its tolls reflects a prudent effort to keep up with rising costs.

In turn, this effort to keep up must, in the case of the Port Authority, account for three important factors --- which can impose costs beyond the general impact of inflation.

The first is that our region is the most persistently threatened area in the United States with respect to terrorist threats. National inflation rates, of the kind used to calculate the proposed \$1.00 toll adjustment, may not fully capture the cost of responding to rising threats to our region --- and the out-of-the-ordinary security expenditures the Port Authority has made, and must continue to make, to protect the hundreds of millions of people who use our facilities each year.

Second, during recent years the inflation rate for infrastructure investments has out-paced the more general rate of inflation. Accordingly, the proposed inflation adjustment may not capture all of the inflation associated with recent work on the Port Authority's infrastructure projects.

And third, as this Board has recently observed, the Port Authority's facilities are being used at record-setting levels. Record-breaking activity means unprecedented wear and tear --- of a kind that takes an especially serious toll on legacy facilities, and that is especially costly to address.

The bigger picture is plain to see. If tolls are not permitted to rise to meet pent-up inflation, the value of those tolls will steadily drop. In real terms, the Port Authority will then have much less money to invest in safely and efficiently operating existing facilities, and in making necessary investments to upgrade or replace worn-out, older facilities. As this Board has previously noted, the American Society of Civil Engineers issues "report cards" that grade U.S. infrastructure; the most recent overall grade is a D+. This is, simply put, a national crisis. And its cause is clear. Throughout the United States, infrastructure spending has plummeted --- annual spending on infrastructure as a percentage of gross domestic product has fallen to levels not seen since the 1940s.

The infrastructure crisis that has gripped the nation must be addressed head on. More than virtually anywhere else in the United States, the shared prosperity and continued vitality of the New York/New Jersey region depends on our public transportation infrastructure functioning, and functioning well. The Port Authority is committed to operating world-class facilities. This requires occasional adjustments to bridge and tunnel tolls to keep up with changing circumstances. And that, at its core, is what the agency's long-planned inflation adjustment is all about.

Moreover, even accounting for an inflation adjustment, Port Authority crossings will *not* generally be more expensive than regional comparators. For a car crossing the MTA's Verrazzano Bridge, the toll by mail rate is \$19; for a car crossing a Port Authority bridge or tunnel, the toll by mail rate/cash rate is today \$15 and is proposed to move up to \$16. In a similar vein, the average

of the Port Authority's peak and off-peak E-ZPass rates for autos and motorcycles would be essentially equivalent to the MTA's comparable E-ZPass rates.

Separate from broader questions with respect to toll adjustments, certain commenters suggested that *bus* tolls should not be adjusted upwards. These commenters generally emphasized that Port Authority tolls should not deter people from commuting by bus, because the alternative is making use of cars, which cause more traffic and impose greater harms on the environment.

But the proposed toll structure does not offer any change in incentive for people to switch from buses to cars. Under the toll proposal, for example, the cash toll for cars will go up in 2020 by \$1.00, and so will the cash toll for buses. Similarly, the peak E-ZPass toll for cars will go up in 2020 by \$1.25, while the peak E-ZPass toll for buses will go up by less --- \$1.00. More fundamentally, tolls on a bus are spread over many more passengers than a car. A one dollar increase on a car toll might be spread over 2 people, for an implied contribution of fifty additional cents per passenger. By contrast, a one dollar increase on a bus toll might be spread over 25 people, for a much *smaller* implied contribution per bus passenger, of four cents per person. How private bus companies choose to handle slightly increased toll costs is up to them. But if bus companies pass toll increases on to their riders on a roughly proportional, per-passenger basis --- bus customers would generally be charged only additional pennies per ride, and much less, on a per-passenger basis, than they would pay for taking a car.

To be sure, after 2020, staff's proposal envisions some regular increases in tolls imposed on buses, beyond those imposed on cars. These scheduled bus toll adjustments, increasing every other year from 2020 to 2026, are designed to provide bus companies with ample time to plan for and accommodate the increases. Moreover, the Port Authority has made, and will continue to make, extraordinary capital investments specifically designed to improve bus travel. These include the multi-billion dollar Port Authority Bus Terminal replacement described above, as well as improvements to the buses-only Lincoln Tunnel XBL-lane; replacement of the Lincoln Tunnel helix, as reflected in the current capital plan; and the wholesale refurbishment of the George Washington Bridge Bus Station, completed in 2017.

In sum, staff's proposed bridge and tunnel toll adjustments, including the proposed bus toll adjustments, are as an overall matter both reasonable and necessary.

One specific toll increase attracted significant commentary and criticism. Staff had proposed, in June of 2019, that the Staten Island Bridges Discount Plan be changed. The discount plan allows for toll discounts on the three Port Authority bridges that connect New Jersey with Staten Island, the Goethals, the Bayonne, and the Outerbridge. As currently formulated, the discount plan is available to any E-ZPass account holder who enrolls their account in the plan. These registered accounts receive the discount if the account holder makes 3 trips on the listed bridges in a given calendar month. During June of this year, staff proposed: (1) the discounted toll should rise from \$6.25 to \$6.88 and (2) the trip-threshold for discounted toll should rise from 3 trips in a calendar month to 10.

At agency public hearings, this proposal was opposed on a variety of grounds. Most speakers emphasized that a discount triggered by 10 monthly trips would have a direct impact on people, some on fixed incomes, who travel to see relatives or to visit sick family members or to the Jersey shore; such trips, even if undertaken every Saturday and every Sunday, would not typically be made on a ten-trips-per-month basis. Other speakers noted that, by virtue of being on

an island, motorists have no ready access to other parts of the region without going over a toll bridge.

In light of these comments, staff recommended that the increase in the discounted toll from \$6.25 to \$6.88 should be adopted as originally proposed with no change, but that the discounted toll should continue to be triggered by 3 trips.

Staff's recommendations as to bridge and tunnel adjustments are generally sound and balanced. They should be adopted as laid out in more detail in the attached Schedule. The Schedule, among other things, reflects a 3-trip trigger for the Staten Island Discount Plan.

* * *

Staff's final June 27, 2019 proposal was to impose an access fee on for-hire vehicles ("FHV's") and taxis operating at the agency's three major airports, JFK, Newark, and LaGuardia (collectively, "Airports"); \$4.00 for each FHV passenger pick-up and drop-off, and \$4.00 for taxi pick-up.

Staff has now revised its proposal, based on both the information that has been received during the public comment period and further study of the relevant issues. Staff's current proposal has two key elements.

First, airport access fees should not be imposed until October 3, 2020 --- to give stakeholders ample time to plan for a fee that, though ubiquitous nationally, will be new for the New York/New Jersey region. Building in sufficient planning time is especially important against the backdrop of severe difficulties in the regional taxi industry, as well as ongoing and planned construction at the Airports.

Second, staff has proposed that access fees be scaled back --- to \$2.50 for FHV drop-offs and pick-ups; to \$1.25 for pooled FHV drop-offs and pick-ups; and to an initial taxi fee of \$1.25 per taxi pick-up, moving up two years later to \$1.75 per taxi pick-up. The multi-year phase-in as to taxi fees accounts for current circumstances --- the taxi industry is passing through an especially difficult period. And more generally, with these relatively lower access fee levels for both taxis and FHV's, the Port Authority Airports' fees would be the lowest of any of the agency's peer airports.

Staff's current proposal should be adopted. At a fundamental level, an airport access fee makes sense. For the reasons described above, revenue is generally needed to support the agency's operations and its infrastructure investments. And access fees are routinely imposed at peer airports around the country, in Atlanta, Charlotte, Denver, Dallas/Fort Worth, Detroit, Houston, Las Vegas, Los Angeles, Orlando, Miami, Chicago, Philadelphia, Phoenix, Seattle, San Francisco, and Washington, D.C. Of the fifteen largest airports in the United States as measured by passenger volume, *every one* imposes an access fee --- with the exception only of the Port Authority's Airports.

Airport access fees have become a national standard practice in part because airports around the country routinely spend millions of dollars for the specific purpose of accommodating FHV's and taxis. The Port Authority's Airports are no exception. The agency has invested in building and operating hold-lots. It has invested in traffic management, taxi dispatch systems, and

pick-up facilities, including in many cases in the staffing of these pick-up operations. And, as set forth below, more investment is to come.

Moreover, the Airports are simply being deluged with FHVs. During one year --- between 2017 and 2018 alone --- the number of FHV drop-offs and pick-ups at the Airports surged by 39%. This is an extraordinary increase. It represents an additional increment of more than 6 million drop-offs or pick-ups in just one year. What this means in practice is crystal clear to anyone who has been to the Airports recently. Airport terminal frontages are overwhelmed with volumes of FHVs they were not built for. And the extraordinary surge of FHVs has necessitated a cascade of adjustments that have a broad impact across the Airports as a whole. The agency has had to build FHV-specific hold-lots at each of the Airports. At LaGuardia, the Port Authority recently spent hundreds of millions of dollars on the newly-opened West Garage. And that garage now devotes more than 1/3 of its capacity to FHV staging and pick up.

In sum, while FHVs and taxis provide an important service, they also impose costs. Modest revenue contributions in the form of an access fee are consistent with how airports around the nation operate --- and provide an appropriate and reasonable support to the agency's overall capital plan, with its heavy emphasis on Airport investment.

Agency staff has proposed a higher fee for FHVs than taxis. This, too, is reasonable. An aggregate price differential between FHVs and taxi is consistent with airport practice in Atlanta, Chicago, Las Vegas, Orlando, Philadelphia, Los Angeles, and San Francisco. And the extraordinary recent deluge of Airport FHVs described above imposes a variety of operational challenges on the Airports that the agency must work to address.

In addition, an FHV/taxi price differential helps to ensure customer choice. FHVs and taxis provide different services that appeal to different Airport customers. More than 95% of the FHVs at the Port Authority's Airports rely on a now-familiar business model; customers use phone-based apps to hail drivers for pickups and to make payments. Taxis are different than app-based FHVs. A higher percentage of taxis than FHVs are wheelchair-accessible. Taxis take cash, app-based FHVs generally do not. Taxis do not require a smart phone; app-based FHVs do. And airport taxis are required to charge a fixed rate to many common destinations, like Manhattan; prices charged by app-based FHVs can fluctuate --- which may reduce wait times during high demand periods, but at a greater cost to passengers.

These are substantial differences --- and in light of them, it is hardly surprising that recent national polling data shows that app-based FHVs are more appealing to certain segments of the population (under-50s, for example, and people who are financially better off) and, by implication, taxis are more appealing to other segments of the population.

Against this backdrop, the Port Authority's interest is in seeing the entire Airport community's transportation needs met --- by preserving consumer choice and by seeing to it that ample numbers of reasonably-priced FHVs and taxis are available at the Airports for our customers who prefer them. With respect to FHVs this is not a problem. As noted above, the volume of FHVs at the Airports is soaring. Meanwhile, the supply of Airport taxis is falling. Recent data shows a year to year *decline* of more than 3% in the number of taxis making Airport pick-ups. And there has been a 16% decline in the number of active New York City taxi drivers between

2015 and 2018. Moreover, taxi undersupply may well grow worse --- the New York/New Jersey taxi industry has suffered through severe and well-documented fiscal problems of late, that the Board is familiar with.

A slightly lower initial access fee will help to ensure that taxis remain a reasonably-priced option. This will be especially beneficial for older customers, customers who use wheelchairs, less well-off customers, and customers (including customers arriving from abroad) who do not have smart phones or the appropriate apps --- all of whom, the evidence suggests, disproportionately prefer taxis. And a slightly lower access fee for taxis, especially during the initial phase-in period, will ensure that taxis keep coming to the Airports, even in the current circumstances, as the industry suffers through a difficult period.

In sum, a price differential between FHV and taxis is reasonable. Staff’s current recommendation is for Airport access fees to be set at \$2.50 for FHV drop-offs and pick-ups; to \$1.25 for drop-offs and pick-ups for pooled FHVs, which expand consumer choice while keeping cars off the roads; and \$1.25 per taxi pick-ups, moving two years later to \$1.75 per pick-up.

As noted, at these lower fee levels, the Port Authority Airports’ access fees for both FHVs and taxis would be the lowest of any of the agency’s peer airports. That makes sense. In the New York/New Jersey region, access fees would be new. Other airports around the United States have had ample time to adjust their fees in a measured, incremental way. Moreover, access fees are to be introduced at an unusually sensitive time, marked by dislocation in the industry, the near-term on-set of Manhattan congestion pricing, and a period of intense Airport construction. Relatively low access fees will help to keep FHV drivers and taxi drivers coming to the Airports and in ample numbers, even against the backdrop of changing circumstances.

* * *

One important final point bears mention. Various comments received during the public comment period have underscored that the Port Authority can do much more at the Airports to improve the pick-up/drop-off experience, signage, facilities, traffic management, and amenities for drivers. That is precisely what we intend to do, in accord with the Driver Experience Improvement Plan set out below.

First, more can be done with respect to drivers who illegally pick up Airport passengers:

- Educating customers about both the dangers of illegal drivers, and the safety and ease of a legitimate Airport pick-up into Manhattan or elsewhere.
- Ensuring enforcement resources are focused on the Airports --- including by dispatching larger numbers of officers, increasing reliance on specially-trained officers assigned to “hack” enforcement, and making use of both undercover officers and advanced technology.
- Coordinating with District Attorneys and other local agencies and officials to ensure that all available legal tools are brought to bear --- including, for serious

recidivist illegal drivers, forfeiture of vehicles used to make illegal pick-ups, and imposition of either substantial fines or custodial penalties.

Second, facilities at the hold-lots at the Airports must be improved:

- Improving existing bathroom facilities, and moving rapidly to high-quality permanent bathrooms.
- Making available meditation/prayer spaces, as well as driver wash-up spaces.
- Dramatically upgrading cellular service at hold-lots.
- Establishing bulletin boards, to be used by drivers' organizations to provide information to their members.
- Installing improved paving in and around hold-lots, including needed speed bumps.

Third, the Airport taxi dispatch system must be improved.

- Dispatcher policies and procedures should be revised as needed, with direct input from drivers.
- Taxi drivers should be invited to participate in relevant aspects of dispatcher training.
- The Port Authority should work in consultation with drivers, taxi owners, and other stakeholders to generate specifications for a next-generation dispatch system, that operates hold-lots more efficiently and that is not subject to abuse or favoritism. A virtual queue system is one possibility.
- The "short haul" policy seeks to accommodate taxi drivers who return to the Airport after a short or low-fare ride. The current policy should be revisited, and potentially adjusted, with an improved focus on distance and fare received, rather than just geographical location.

Fourth, in connection with Airport construction and development, continuing consultation with all ground transportation stakeholders, including drivers, must be undertaken --- with a focus on improving access, efficiency, and convenience with respect to Airport frontages.

Finally, agency staff should establish regular and suitably high-level communications channels between Port Authority personnel and both the services and the drivers who serve the Airport community. Trust has frayed. Communication and collaboration can help to bring it back. Taxi and FHV drivers and their partners are an integral part of the Airport community --- and they are, in turn, the Port Authority's partners. Systematic efforts must be made to hear their concerns, and to directly address them.

Pursuant to the foregoing report, the following resolution was adopted, with Directors Bagger, Eve, Horwitz, Lynford, LaBarbera, McCabe, McDonald, O'Toole, Pocino, and Rosado in favor. Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

RESOLVED, that the President of Port Authority Trans-Hudson Corporation (PATH) be, and he hereby is, authorized and directed to adjust fares in accord with the PATH Schedule attached to this Resolution; and it is further

RESOLVED, that the President be and he hereby is authorized, for and on behalf of PATH, to exercise all discretion and take any and all action necessary or appropriate in his judgment to effectuate the provisions of the foregoing, including, but not limited to, the execution of agreements, contracts, or analogous documents with any appropriate parties, together with amendments and supplements thereof, and to take action in accordance with the terms of such agreements, contracts, and other documents as may be necessary in connection therewith.

PATH Fares-Existing & Proposed

Effective November 1, 2019

1. It is proposed that all fares shall be adjusted for inflationary increases from time to time based on annual calculations of Consumer Price Index (CPI) growth*

Fare Option	Price		Price Per Ride	
	Existing	Proposed ¹	Existing	Proposed ¹
1-Trip SmartLink /PATH SingleRide Ticket / Pay-Per-Ride MetroCard	\$2.75	\$2.75	\$2.75	\$2.75
PATH 2-Trip MetroCard	\$5.50	\$5.50	\$2.75	\$2.75
10-Trip - SmartLink	\$21.00	\$25.00 on 11/01/2019, \$26.00 on 11/01/2020	\$2.10	\$2.50 on 11/01/2019, \$2.60 on 11/01/2020
20-Trip - SmartLink	\$42.00	\$50.00 on 11/01/2019, \$52.00 on 11/01/2020	\$2.10	\$2.50 on 11/01/2019, \$2.60 on 11/01/2020
40-Trip - SmartLink	\$84.00	\$100.00 on 11/01/2019, \$104.00 on 11/01/2020	\$2.10	\$2.50 on 11/01/2019, \$2.60 on 11/01/2020
Senior SmartLink Card - for riders 65 years or older	\$1.00	\$1.25 on 11/01/2019	\$1.00	\$1.25 on 11/01/2019
SmartLink 1-Day Pass - unlimited for 1 day	\$8.25	\$10.00 on 11/01/2019, \$10.50 on 11/01/2020	N/A	N/A
SmartLink 7-Day Pass - unlimited for 7 days	\$29.00	\$34.50 on 11/01/2019, \$36.00 on 11/01/2020	N/A	N/A
SmartLink 30-Day Pass - unlimited for 30 days	\$89.00	\$106.00 on 11/01/2019, \$110.25 on 11/01/2020	N/A	N/A

*The CPI increase threshold for PATH fares will be met when the cumulative impact of inflation results in an adjustment of \$0.25 when applied to the PATH SingleRide ticket fare as of November 1, 2020

Whereupon, the meeting was adjourned.

Counsel