

PORT AUTHORITY TRANS-HUDSON CORPORATION

MINUTES

Thursday, November 16, 2006

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MINUTES of the Meeting of Port Authority Trans-Hudson Corporation held Thursday, November 16, 2006 at 225 Park Avenue South, City, County and State of New York

PRESENT:

NEW JERSEY

Hon. Anthony R. Coscia, Chairman
 Hon. Angelo J. Genova
 Hon. Raymond M. Pocino
 Hon. Anthony J. Sartor
 Hon. Jack G. Sinagra
 Hon. David S. Steiner

Ernesto L. Butcher, Vice-President
 Darrell B. Buchbinder, Counsel

A. Paul Blanco
 John D. Brill
 Arthur J. Cifelli
 Jennifer Coady
 John D'Amore
 William R. DeCota
 John C. Denise
 Pasquale DiFulco
 Francis A. DiMola
 John Drobny
 Karen E. Eastman
 Michael G. Fabiano
 Ziomara Y. Foster
 Michael B. Francois
 Aaron Graham
 Howard G. Kadin
 Kirby King
 Louis J. LaCapra
 Dennis Lombardi
 Francis J. Lombardi
 Robert F. Lurie
 Stephen Marinko
 James E. McCoy
 Lynn A. Nerney
 Steven P. Plate
 Samuel J. Plumeri
 Alan L. Reiss
 Edmond F. Schorno
 Stephen Sigmund
 Ralph Tragale
 Michael L. Valetta
 Sheree VanDuyne
 Peter J. Zipf

NEW YORK

Hon. Bruce A. Blakeman
 Hon. Michael J. Chasanoff
 Hon. Christine A. Ferer
 Hon. David S. Mack
 Hon. Henry R. Silverman

p.m. The Board met in executive session prior to the public session. Vice-Chairman Gargano was present for the executive session.

Action on Minutes

The Vice-President submitted for approval Minutes of the meeting of September 21, 2006. 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.

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 extend Port Authority Trans-Hudson Corporation's (PATH) current agreement with New Jersey Transit Corporation (NJT) to sell PATH QuickCards through NJT's ticket vending machines (TVMs) and monthly Mail-Tik program for a one-year term with one, one-year extension option, at a total estimated cost of \$2 million.

On December 10, 1992, the Board authorized the Vice President and General Manager to enter into a joint ticketing agreement with NJT, retroactive to January 1, 1991, pursuant to which NJT would sell monthly PATH QuickCards to PATH riders as part of NJT's Mail-Tik program. The QuickCards were to be sold either in conjunction with a NJT ticket purchase or separately. This agreement expired on December 31, 1995.

On April 11, 1996, the Board authorized the President to enter into a new agreement with NJT, effective January 1, 1996, which provided for the sale of QuickCards through NJT's Mail-Tik program and TVMs. This agreement was to expire on December 31, 2000. On December 14, 2000, the Board authorized the President to continue this agreement through December 31, 2003, at an estimated cost of \$551,000 for three years. The only change to the existing terms and conditions was a provision excusing NJT from paying PATH for a QuickCard Mail-Tik purchase when the customer's check was not honored by the customer's bank. PATH would absorb any related bank fees. In October 2001, the Acting President advised the Board of an increase in expenditures under the agreement, from an estimated amount of \$551,000 to an estimated amount of \$1,606,000 for the period January 1, 2001 to December 31, 2003.

On October 23, 2003, the Board authorized the President to enter into a new agreement with NJT, effective January 1, 2004, to continue to provide for the sale of QuickCards through NJT's Mail-Tik program and TVMs, at an estimated amount of \$1,737,750 for three years. The modifications to the previous terms and conditions were: (1) a 2.35 percent transaction fee charge for purchasing QuickCards with credit cards (This increase of .39 percent over the previous rate of 1.96 percent is applied to the total credit card revenue sold through TVMs.); and (2) NJT was authorized to take deductions from the revenue payment due PATH for instances when a Mail-Tik passenger drops out of the program without paying for the previous month's tickets received. On October 21, 2004, the Board authorized an increase in expenditures under that agreement, from an estimated amount of \$1,737,750 to an estimated amount of \$2,782,250 for the period January 1, 2004 to December 31, 2006. That agreement is scheduled to expire on December 31, 2006.

Without the proposed extension, NJT would cease selling PATH QuickCards through its Mail-Tik program and TVMs, resulting in a degradation of service. QuickCards are also sold at various off-site vendors, but these vendors alone do not offer the best service level for PATH's patrons, especially those using NJT. This relationship between PATH and NJT provides customers with services that reduce waiting time and offers convenient choices regarding the method of payment. The Mail-Tik program permits customers to write a check, charge by credit card, or use TransitChek vouchers.

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

RESOLVED, that the President be and he hereby is authorized, for and on behalf of Port Authority Trans-Hudson Corporation (PATH), to extend the current agreement with New Jersey Transit Corporation (NJT) to sell PATH QuickCards through NJT's ticket vending machines and the monthly Mail-Tik program for a one-year term, with PATH having one, one-year extension option, at a total estimated cost of \$2 million; and it is further

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

Whereupon, the meeting was adjourned.

Vice-President