

**THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY**

**MINUTES**

**Thursday, June 28, 2018**

Report on Prior Meeting’s Minutes	86
Tribute to Karen E. Eastman and Award of Howard S. Cullman Distinguished Service Medal	87
Wages at the Port Authority’s Three Major Airports	88
Outerbridge Crossing and Goethals Bridge – Implementation of Cashless Tolling – Project Authorization	92
Newark Liberty International Airport – Rehabilitation of Runway 4R-22L – Planning Authorization	95
World Trade Center – Authorization of Energy Conservation Improvements Facilitated Through the Port Authority’s Multi-Facility Guaranteed Energy Savings Program	96
Authorization for the Port Authority to Continue Participation in Transcom, Inc. for 2019 - 2023	97
Lincoln Tunnel - Lincoln Tunnel Park-and-Ride Lot – New Jersey Transit Bus Operations, Inc. – Lease Amendment	100
Gateway Program – Confirmation of Capital Plan Allocation for The Hudson Tunnel Project	101

**MINUTES of the Meeting of The Port Authority of New York and New Jersey held Thursday, June 28, 2018 at 150 Greenwich Street, City, County and State of New York**

**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. George T. McDonald

Richard Cotton, Executive Director  
 Michael E. Farbiarz, General Counsel  
 Karen E. Eastman, Secretary

Arnaz Ali, Manager, Corporate Transparency, Office of the Secretary  
 James K. Allen Jr., Chief of Staff to the Vice Chairman  
 Krystal Armenti, Police Officer  
 Nicholas Armenti, Police Officer  
 Adam L. Barsky, Chief of Staff to the Executive Director  
 Luke S. Bassis, Deputy Director, Procurement  
 Justin E. Bernbach, Director, Government and Community Affairs, New York  
 John Bilich, Chief Security Officer  
 Vincent J. Borst Jr., Assistant Director, Real Estate Services  
 Benjamin M. Branham, Chief of Public and Government Affairs  
 Molly C. Campbell, Director, Port  
 Edward T. Cetnar, Director, Public Safety/Superintendent of Police  
 Steven J. Coleman, Deputy Director, Media Relations  
 Nicole Crifo, Deputy Chief Ethics and Compliance Officer  
 Jennifer Davis, Chief Intergovernmental Affairs Officer  
 Clarelle D. DeGraffe, Deputy Director, Rail Transit  
 John C. Denise, Audio Visual Supervisor, Marketing  
 Michael P. Dombrowski, Audio Visual Specialist, Marketing  
 Diannae C. Ehler, Director, Tunnels, Bridges and Terminals  
 Amy H. Fisher, First Deputy General Counsel  
 Kevin Frick, Esq., Law  
 Ann M. Georgas, Manager, Legal Management Division, Law  
 Mercedes Guzman, Secretary to the Executive Director  
 Richard Hallquist, Senior Tunnel and Bridge Agent, Tunnels, Bridges and Terminals  
 Linda C. Handel, Deputy Secretary, Office of the Secretary  
 Mary Lee Hannell, Chief, Human Capital  
 Howard G. Kadin, Esq., Law  
 Christopher Kerrigan, Tunnel and Bridge Agent, Tunnels, Bridges and Terminals  
 Cristina M. Lado, Director, Government and Community Affairs, New Jersey  
 Huntley A. Lawrence, Director, Aviation

Andrea C. Leconte, Senior Business Manager, Office of the Secretary  
 Carmela Loffio, Staff Legal Management Specialist, Chief Ethics and Compliance Office  
 John A. Malles, Deputy Director, Technology  
 Stephen Marinko, Assistant General Counsel  
 Ronald Marsico, Director, Media Relations  
 Michael G. Massiah, Chief Diversity and Inclusion Officer  
 Daniel G. McCarron, Comptroller  
 Elizabeth M. McCarthy, Chief Financial Officer  
 James E. McCoy, General Manager, Board Unit, Office of the Secretary  
 Camille T. Moglia, Executive Business Manager, Chief Financial Office  
 Christopher J. Mohr, Supervising Management Analyst, Real Estate  
 Mary K. Murphy, Director, Planning and Regional Development  
 Nicholas Natole, Tunnel and Bridge Agent, Tunnels, Bridges and Terminals  
 Ricardo Pachon, Tunnel and Bridge Agent, Tunnels, Bridges and Terminals  
 Steven P. Plate, Chief, Major Capital Projects  
 Suchetha Premchan, Principal Board Management and Support Specialist, Office of the Secretary  
 Anthony Puleo, Tunnel and Bridge Agent, Tunnels, Bridges and Terminals  
 Alan L. Reiss, Director, World Trade Center Construction  
 Jessica Russ, Principal Board Management and Support Specialist, Office of the Secretary  
 Aaron F. Sherbourne, Director, Operations Services  
 Beth E. Siegel, Program Director, Rail Transit  
 Peter D. Simon, Chief of Staff to the Chairman  
 Mark Spector, Director, Real Estate Development Initiatives  
 James A. Starace, Chief Engineer/Director of Engineering  
 Debra M. Torres, Chief Ethics and Compliance Officer  
 Derek H. Utter, Chief Development Officer  
 Christine M. Weydig, Director, Office of Environmental and Energy Programs  
 Brenda V. Wright Rice, Principal Business Manager, Marketing  
 Cheryl A. Yetka, Treasurer

Guests:

Edmund Caulfield, Associate Counsel, Authorities Unit, Office of the Governor of New Jersey  
 Tara N. Eastman  
 Thomas J. Eastman  
 Marion Kohr  
 Michael Wojnar, Assistant Secretary for Transportation, Office of the Governor of New York

Speakers:

Ashley Asie, Unite Here, Local 100  
 Freddie Brioso, SEIU 32BJ  
 Vladimir Cleurjune, SEIU 32BJ  
 Maritza Collado, SEIU 32BJ  
 David Cotton, CEO, Flying Food Group, LLC  
 Felice Farber, General Contractors Association  
 of New York  
 Fernando Garcia, Unite Here, Local 100  
 Donna Hampton, SEIU 32BJ

Topic:

Airport Wage Increase  
 Airport Wage Increase  
 Airport Wage Increase  
 Airport Wage Increase  
 Airport Wage Increase  
 AirTrain LaGuardia  
 Airport Wage Increase  
 Airport Wage Increase

Speakers:

Patrick Jean, Unite Here, Local 100  
 Josh Kellerman, RWDSU  
 Lindell Lawrence, Unite Here, Local 100  
 Raquel Leonol, SEIU 32BJ  
 Zakiyy Medina, SEIU 32BJ  
 Rafael Ortega, Unite Here, Local 100  
 Henry Pacheco, Unite Here, Local 100  
 Angie Parson, SEIU 32BJ  
 Justin Pascone, New York Building Congress  
 Yocasta Reynoso, RWDSU-UFCW  
 Tom Rowland, RWDSU-UFCW  
 Jason Styles, SEIU 32BJ  
 Charlene Talarico  
 Beverly Thompson, Unite Here, Local 100  
 Neile Weissman, Complete George  
 Ahmad Williams, SEIU 32BJ  
 Brenda Wilson, SEIU 32BJ

Topic:

Airport Wage Increase  
 Airport Wage Increase  
 Airport Wage Increase  
 Airport Wage Increase  
 Airport Wage Increase  
 Airport Wage Increase  
 Airport Wage Increase  
 Airport Wage Increase  
 Airport Wage Increase  
 AirTrain LaGuardia  
 Airport Wage Increase  
 Airport Wage Increase  
 Airport Wage Increase  
 Human Resources Policies and Procedures  
 Airport Wage Increase  
 Widening Paths on George Washington Bridge  
 Airport Wage Increase  
 Airport Wage Increase

The public meeting was called to order by Chairman O’Toole at 12:23 p.m. and ended at 1:55 p.m. Commissioner McCabe was present for a portion of the public session. The Board also met in executive session prior to the public session. Commissioner LaBarbera was present for most of the executive session.

**Report on Prior Meeting’s Minutes**

Copies of the Minutes of the meeting of May 24, 2018 were delivered to the Governors of New York (in electronic form) and New Jersey (in paper form) on May 25, 2018. The time for action by the Governors of New York and New Jersey had expired at midnight on June 11, 2018.

**TRIBUTE TO KAREN E. EASTMAN AND AWARD OF HOWARD S. CULLMAN  
DISTINGUISHED SERVICE MEDAL**

In recognition of 40 years of dedicated service to The Port Authority of New York and New Jersey, we congratulate Karen E. Eastman on her retirement. Karen joined the Port Authority in 1978, has served in the Office of the Secretary for 39 years, and as the Secretary of The Port Authority of New York and New Jersey for over 16 years.

Karen has dedicated her career to the governance and administration of The Port Authority of New York and New Jersey, and its component units, with the utmost integrity and honesty. She has provided sound guidance and served as a trustworthy liaison between staff and the Board of Commissioners in advancing the Port Authority's mission for the betterment of the bi-state region and has been instrumental in the development and implementation of numerous governance reforms. Her efforts have assisted in promoting the highest levels of honesty, integrity and transparency to the public. Karen has played a vital role as a member of the agency's executive management team and has worked with numerous administrations throughout her career, including 10 Chairmen, 8 Vice Chairmen, 91 Commissioners and 12 Executive Directors.

The Port Authority's mission to meet critical transportation infrastructure needs and to provide high quality, efficient transportation facilities and services for the people of this region can only be achieved through the hard work and dedication of employees like Karen. Her unwavering belief in the importance of the agency to the region has served as an inspiration to the Board and staff alike, including during the most trying times following the tragic events of September 11, 2001 and the 1993 World Trade Center bombing.

By resolution adopted by the Board on March 14, 1957, the Howard S. Cullman Distinguished Service Medal was established to honor Howard S. Cullman for his outstanding achievements and contributions to the Port Authority and service to the people of the Port District, having served as a Commissioner, Vice Chairman, Chairman and Honorary Chairman of the agency over a significant period of time; and which award has been designated as the highest award for service given by the Port Authority to a Port Authority employee who has performed the most outstanding service. In the case of Karen E. Eastman, it is recommended that the Howard S. Cullman Distinguished Service Medal be awarded to Karen E. Eastman for her 40 years of exemplary service to this agency and her integrity and dedication to a career in public service, which has benefited the Port Authority and the entire region it serves.

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

**NOW, therefore, be it**

**RESOLVED**, that the Howard S. Cullman Distinguished Service Medal be awarded to Karen E. Eastman for the performance of outstanding service.

## **WAGES AT THE PORT AUTHORITY’S THREE MAJOR AIRPORTS**

The Port Authority is undertaking a systematic effort to rebuild and upgrade every aspect of John F. Kennedy International Airport, LaGuardia Airport, and Newark Liberty International Airport (collectively, “Airports” or “Port Authority Airports”). This effort includes multi-billion dollar, once-in-a-generation construction projects --- to re-make the Airports, and to greatly improve access to them. This effort also includes an intense focus on security and safety; on effective functioning in inclement weather; on greatly improved customer service; and on the use of modern, customer-facing technology. And this effort includes ensuring that the Airports’ workforce is appropriately skilled, stable, and motivated --- so that the Airports are operated in the safe and efficient manner that the public expects.

At its meeting of March 22, 2018, the Board directed the Executive Director to post on the public website of the Port Authority certain proposed “Rules for Implementation of Minimum Wage Policy for Non-Trade Labor Service Contracts – LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport” (“Proposed Minimum Wage Rules” or “Proposed Rules”). The Proposed Minimum Wage Rules were formulated in light of information gathered by the Board over the years, including from Airport workers and others who spoke at Board meetings. The Proposed Rules were also formulated in light of expert studies that establish, as a general matter, that a rise in Airport wages reduces turnover and improves worker performance and productivity.

The Proposed Minimum Wage Rules were posted for 60 days of public comment, from April 10, 2018 through June 11, 2018. The comment period has now closed, and more than 700 comments have been received --- from employers and employees; from labor unions and trade associations; from leading industrial relations scholars and elected officials. The Board has been provided with all the public comments. The comments have been thoughtful, and, as hoped, they have been clarifying.

In addition, the Board has received a June 22, 2018 memorandum prepared by Port Authority staff (“Summary Memorandum”) that summarizes the comments. The Summary Memorandum, without exhibits, is attached to this Resolution.

As noted in the Summary Memorandum, the overwhelming majority of the public comments --- 98% --- support the Proposed Minimum Wage Rules. The supportive public comments include comments from workers at the Airports, academic experts, and over 30 elected officials. As described in the Summary Memorandum, the supportive public comments provide systematic, first-hand evidence that tends to bolster the Board’s March 2018 conclusion that a strong case has been made that Airport minimum wages should ultimately be raised for covered workers to \$19 per hour. The supportive comments emphasize, among other things, that the Proposed Minimum Wage Rules would enhance the safe and efficient functioning of the Airports -- - by, among other things, greatly reducing employee turnover, improving employee morale, and buttressing Airport security.

In addition, some of the public comments underscore that current conditions at the Airports have become untenable. One union that represents approximately 8,000 Airport workers has analyzed its membership data and concluded that the annual employee turnover rate for the twelve months ending in May 2018 is 65%. One employer reported an annual turnover rate of 160%. This kind of workplace “churn” makes it all-but impossible to operate the Airports in the way that the public rightly expects. And it imposes difficulties from a safety and security perspective, which have been described to the Board in Executive Session by the Chief Security Officer.

But these are not the only comments that have been received. As reported in the Summary Memorandum, other comments, submitted principally by Airport businesses and trade associations, emphasize that Newark, JFK, and LaGuardia are three of the five most expensive airports in the United States --- and that added costs, in the form of higher minimum wages, could trigger a series of unintended consequences, including Airport layoffs. In addition, certain commenters have questioned the legal basis for the Proposed Minimum Wage Rules. As described in the Summary Memorandum, commenters have argued that the Port Authority lacks legal authority under its 1921 Compact and related laws to enact the Proposed Rules. And commenters have also argued that any legal power the Port Authority may have in this area is preempted --- by the federal Airline Deregulation Act, for example.

In light of the various comments that have been received, the Board’s role is straightforward --- to thoughtfully and closely analyze the full range of information that has been provided, so that a well-reasoned and well-informed final determination can be made with respect to minimum wages at the Airports.

But before proceeding to a final determination, the professional staff of the Port Authority has strongly recommended that additional public comments should be solicited. The memorandum that makes this recommendation (“Staff Memorandum”) is attached, without exhibits.

Among the issues that have been raised in the course of the public comment period are issues related to tipped workers, benefits offsets, “street pricing,” and small employers. These issues are described in the Summary Memorandum, and are analyzed in some detail there. Each of these four issues is potentially significant, and, as the Staff Memorandum explains, each of these issues implicates important policy questions.

More significantly, and as set forth in the Staff Memorandum, none of these four issues were suggested on the face of the Proposed Minimum Wage Rules themselves, as relevant matters for stakeholders to consider and comment upon. And none of these issues was highlighted by the Board in its public consideration of the Proposed Rules. There is simply no indication that the broad group of Airport stakeholders and the public were focused on these four issues, or even aware that they might be in play. The broad group of Airport stakeholders and the public deserve a full and fair opportunity to be heard. And it is essential to the process of reasoned, well-informed decision-making that the Board be given the benefit of a full and productive public comment on these issues.

This is the second time in recent years that the Port Authority has taken up the minimum wages question. During 2014 and 2015, there were two comment periods --- a 60-day comment period and a 30-day comment period. During 2014 and 2015, the two-part, 90-days-in-total comment period gave the public the requisite opportunity to be heard. And it gave the Port

Authority the opportunity to hear --- to focus carefully on stakeholders' comments; to analyze them rigorously; and, ultimately, to act in light of that analysis. Minimum wage issues have not become any less complex or consequential in the years since 2014 and 2015. And it is imperative that the Board take no less care and no less time with these issues than it has in the recent past.

Against this backdrop, and for the reasons set out in the Staff Memorandum, the professional staff of the Port Authority has strongly recommended that that the Board initiate a supplemental 30-day public comment period, to commence on the effective date of this Resolution. We accept the staff's recommendation. A 30-day supplemental comment period will help to ensure that important decisions are made in an appropriately well-reasoned and judicious manner, with the benefit of broad public participation, focused comments, and as much information as can reasonably be obtained.

To help make the comments period as productive as possible, Port Authority staff have conducted a preliminary analysis of the above-referenced issues, and identified a set of specific questions that it would be especially helpful for stakeholders to weigh in on. These specific questions are included as bullet points in the attached Staff Memorandum.

The Executive Director should initiate a supplemental 30-day comment period, to commence on the effective date of this Resolution. During this period, commenters are specifically invited to provide information and opinions on the four overarching issues described in the attached Staff Memorandum, as well as on any other matters they deem relevant. Following the comment period, the Executive Director should provide the Board with a holistic analysis of all comments that have been received --- during the initial 60-day comment period, as well as the added 30-day period.

After the supplemental round of public comments has closed, the Board will act, no later than its September meeting, with respect to the minimum wage at the Airports.

In addition, commenters are specifically invited to address what the effective date of any change to the Port Authority minimum wage at the Airports should be.

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

**RESOLVED**, that the Executive Director shall designate an email address where comments can be received for 30 days from the effective date of this Resolution on the proposed Rules for Implementation of Minimum Wage Policy for Non-Trade Labor Service Contracts – LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport that had been previously made public on March 22, 2018; and it is further

**RESOLVED**, that commenters should specifically focus on issues related to tipped workers, benefits offsets, street pricing, and small employers; on the effective date of any change to the Port Authority minimum wage at the Airports; and on any other matters commenters deem relevant; and it is further

**RESOLVED**, that all comments received shall be timely provided to the Board by Port Authority staff, and contemporaneously posted on the public website of the Port Authority, with all identifying information removed, unless the sender of an email requests a different course; and it is further

**RESOLVED**, that, at an appropriate time, the Executive Director should provide the Board with a holistic analysis of all comments that have been received --- during the initial 60-day comment period, as well as the added 30-day period; and it is further

**RESOLVED**, that the Board will act, no later than its September meeting, with respect to the minimum wage at the Airports.

To: Board of Commissioners

From: Huntley A. Lawrence  
Director of Aviation

Date: June 26, 2018

Re: Minimum Wage Proposal

cc: R. Cotton, J. Allen, A. Barsky, K. Eastman, M.  
Farbiarz, E. McCarthy, P. Simon

The public comment period with respect to the March 22, 2018 proposal to raise the minimum wage ("Wage Proposal") for certain workers at John F. Kennedy International Airport, LaGuardia Airport, and Newark Liberty International Airport ("Airports") ended on June 11, 2018. The comments were provided to the Board on June 22, 2018, and summarized in a memorandum for the Board. See Exhibit A (June 22, 2018 Memorandum).

The purpose of this memorandum is to focus on a particular subset of issues raised in the course of the public comments. These issues --- related to tipped workers; benefits offsets; "street pricing;" and small employers --- have two things in common.

First, these issues are potentially significant and plainly complex. They raise difficult questions that warrant careful consideration as to whether and how the Wage Proposal should potentially be revised.

Second, and more importantly, none of these four issues were called out by the proposed Wage Proposal itself or in the posting of the Proposal for comment on April 11, 2018. Rather, these four issues were raised in the first instance by public commenters, some of whom made relevant suggestions during the last few days of the comment period. As the Board now turns to consider these issues, the broader group of Airport stakeholders deserves a full and fair opportunity to be heard on the issues that have now been brought to the fore by commenters. And it is essential to the process of reasoned, well-informed decision-making that the Board be given the benefit of a public comment period on the full range of issues that the Board will be deciding.

This Memorandum proceeds in two parts.

Part I analyzes the four issues listed above. As is set forth in Part I, these issues are complex and significant. They are issues as to which it would plainly be valuable to receive additional information, and at relevant points in Part I specific questions are posed --- as to which Port Authority staff believes that it would be useful to receive comments from stakeholders and from the public.

Part II recommends that the Board permit a supplemental 30-day public comment period, to specifically address the four issues enumerated above, as well as any other matters commenters deem relevant. Following that comment period, staff will provide the Board with a holistic analysis of all comments that have been received --- during the initial 60-day comment period, as well as the supplemental 30-day period.

This procedure follows the process the Port Authority utilized in 2014 and 2015, when the minimum wage policy was also the subject of two comment periods. As the Board knows, this is the second time in recent years that the Port Authority has taken up the minimum wages question. During 2014 and 2015, there was a 60-day comment period and a separate 30-day comment period, largely as is proposed here, in the instant memorandum. During 2014 and 2015, the 90-day, two-part comment period gave the public the requisite opportunity to be heard. And it gave the Port Authority the opportunity to hear --- to focus carefully on stakeholders' comments; to analyze them rigorously; and, ultimately, to act in light of that analysis. Minimum wage issues have not become any less complex or consequential in the years since 2014 and 2015. And it is imperative that the Board take no less care and no less time than it has in the recent past.

## **I. Issues Raised in Public Comments**

### **A. Tipped Workers**

As the United States Department of Labor has recently explained with respect to federal minimum wage law:

Tipped employees are those who customarily and regularly receive more than [a certain amount] per

month in tips[.] . . . [A]n employer [may] take a tip credit toward its minimum wage obligation for tipped employees equal to the difference between the required cash wage (which [is a fixed number]) and the federal minimum wage. . . . Employers electing to use the tip credit provision must be able to show that tipped employees receive at least the minimum wage when direct (or cash) wages and the tip credit amount are combined. If an employee's tips combined with the employer's direct (or cash) wages . . . do not equal the minimum hourly wage . . . , the employer must make up the difference.

See Exhibit B (United States Department of Labor, Fact Sheet #15: Tipped Employees Under the Fair Labor Standards Act, April 2018). New York and New Jersey law are to generally comparable effect, though the laws of each state vary in various particulars.

To establish what tips have been received by an employee for the purpose of calculating an employer's tip credit, commonly-relied upon sources of evidence include: (a) monthly statements provided by employees to employers (as recorded, for example, on IRS Form 4070, a one-page form called Employee's Report of Tips to Employer); or (b) amounts indicated on customers' bills (such as credit card bills). In general, the burden is on the employer to establish that, taking account of the tip credit, the employee is receiving the requisite wage. See Exhibit B (United States Department of Labor, Fact Sheet #15: Tipped Employees Under the Fair Labor Standards Act, April 2018) ("Employers . . . must be able to show that tipped employees receive at least the minimum wage when direct (or cash) wages and the tip credit amount are combined."). Precisely how much evidence the employer must come forward with is not spelled out in relevant New Jersey statutes or regulations. But under New York law, "substantial evidence" is generally required. See Exhibit C (statutory excerpts).

Against this backdrop, one commenter has suggested that the Proposed Rules should be amended, so that minimum wages must be paid to Airport workers who provide wheelchair assistance services ("Wheelchair Attendants") or assist with hauling passenger luggage ("Skycaps") --- without allowing employers of Wheelchair Attendants or Skycaps to reduce the wages they must otherwise pay by a "tip credit." See Exhibit D (June 8, 2018 Memorandum) at 13-15; see also Exhibit E (June 1, 2018 Letter)

at 2 (seeking elimination of tip credit as to Wheelchair Attendants); compare Exhibit F (email dated June 8, 2018) (similar).

In advancing this suggestion, it has been emphasized that Skycaps have seen a rapid decline in the tips they receive --- as airport customers, in response to now-ubiquitous airport baggage fees, have begun to offer much less in the way of tips. Moreover, it has been noted that Wheelchair Attendants also receive relatively little in the way of tips --- in part because federal regulations make it unlawful for Wheelchair Attendants to seek tips from those they serve. See Exhibit D (June 8, 2018 Memorandum) at 13-15; Exhibit E (June 1, 2018 Letter) at 2.

These are highly specific suggestions that are not themselves suggested on the face of the Wage Proposal. And without further information, it is difficult to evaluate these suggestions. Accordingly, we recommend that the Port Authority seek further comment, including with respect to the following specific questions:

- Under both New York and New Jersey law, employers must generally "top off" the wages of their employees who are receiving insufficient tips. See Exhibit G (statutory excerpts). Are the wages of Wheelchair Attendants and Skycaps being appropriately topped off? Are there particular impediments to supplementing the wages of Wheelchair Attendants and Skycaps? In the case of these particular workers, are reporting requirements too laborious or complex? Is there cause to consider altering relevant standards of proof?
- In order for employers to take a tip credit for certain employees, various statutory standards must be met. In New York, for example, an employer may take a tip credit only if the employee's occupation is one in which tips are "customarily and usually" provided. See Exhibit H (statutory excerpts). Do Wheelchair Attendants meet this standard if it is indeed unlawful for them to ask for tips? Do Skycaps meet this standard if, in light of now-ubiquitous baggage fees, tips are no longer "customarily and usually" provided?
- In general terms, what does available data show about the weekly tips received at the Airports by Wheelchair Attendants and Skycaps? How does that compare with available data as to other Airport workers?

Moreover, at least one commenter has suggested that the "tip credit" should be wholly eliminated at the Airports, across the board. See Exhibit E (June 1, 2018 Letter) at 2 (advocating for wholesale elimination of tip credits at the Airports).

We recommend the Agency seek further comments from Airport workers who rely on tips, their employers, and customers to assess the proposal to eliminate Airport tip credits, either wholly or in part. Indeed, on June 27, 2018, the New York State Commissioner of Labor will complete the last of seven public hearings throughout the State on the subject of eliminating the tip credit. The extent of this effort to gather and assess information speaks to the complexity of the tip credit question. And that question is no less complex or important at the Airports than it is elsewhere.

Before definitively determining how to proceed with respect to the tip credit, it is important for the Board to have an opportunity to consider the evidence that has been put before the New York State Commissioner of Labor. In addition, the public should be invited to submit comments as to whether the tip credit should be wholly eliminated or altered at the Airports --- including as to whether there are specific facts, particular to the Airports or Airport labor markets, that bear on this question.

### **B. Benefits Offsets**

During the public comment period, two entities commented that employers should receive an offset for certain benefits (such as health care benefits and retirement benefits) they have contractually committed to paying their employees. As one major Airport employer put it: "the total value of an employee's compensation, including the value of benefits, should be considered in determining the [minimum] wage." See Exhibit I (May 17, 2018 letter) at 2; see also, e.g., Exhibit J (e-mail dated June 11, 2018) (pressing similar suggestion).

To see how such a benefits offset regime might work in practice, consider, for example, a hypothetical Airport employee who is paid \$16 per hour in wages, and receives health care benefits worth \$3 per hour. Under a benefits offset regime, the employer could argue that it need not pay \$19 per hour in cash to satisfy a mandated \$19 minimum wage --- because the "total value" of the compensation the employer is providing (\$16 in cash plus \$3 in benefits) equals the minimum wage rate of \$19 per hour.

The question of whether to permit benefits offsets of this kind is important, with considerations on both sides.

On the one hand, there is a strong argument against permitting benefits offsets. Benefits offsets are not a feature of either New York or New Jersey minimum wage law. See Exhibit K (statutory excerpts). Federal minimum wage law is to the same effect. See Exhibit L (statutory excerpt).

In addition, the prior Port Authority minimum wage policy did not allow for benefits offsets. See Exhibit M (Rules for Implementation of Minimum Wage Policy for Non-Trade Labor Service Contracts - LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport) (March 18, 2015). Throughout the April 2018 - June 2018 comment period, more than 700 comments have been received. See Exhibit A (June 22, 2018 Memorandum) at 1. But no commenter has stated that, in the absence of a benefits offset, the prior Port Authority minimum wage policy did not function during previous years in an appropriate or effective manner.

Finally, administering a benefits offset regime could potentially require Port Authority administrators to become involved in complex judgments about the relative worth of cash wages or benefits. As one commenter noted, "[i]t is safe to say that employees consider more than wages when valuing a job, and it is also safe to say that 'benefits' offer significant financial value to a job.'" See Exhibit I (May 17, 2018 Letter) at 2. This may well be accurate. But the question of precisely how much "financial value" is offered by a particular benefits package may be the sort of matter that is better resolved around the bargaining table, directly between employers and employees, with no involvement from a third-party such as the Port Authority.

On the other hand, not providing benefits offsets may cause harmful unintended consequences at the Airports.

For example, if benefits offsets are not allowed, that might tend to dis-incentivize employers from providing robust health care and retirement benefits to their employees. In the long-run, less in the way of such benefits may tend to undermine a core goal of the Wage Proposal --- reducing rapid turnover among airport workers, so as to ensure the safe and effective functioning of the Airports. See Exhibit I (May 17, 2018 Letter) at 2 (arguing that if benefits offsets are not provided,

"companies could off-set any wage increase mandated by [the Wage Proposal] by reducing other benefits").

In addition, not allowing for benefits offsets may put at a competitive disadvantage those employers who have invested in their employees, by contractually committing to provide them with certain benefits. See Exhibit N (June 5, 2018 letter) at 1-2 (describing a "balance" that had been struck with employees that included "fair wages and benefits" set forth in "fully legally-enforceable" agreements).

It may be that there are ways to address these competing concerns.

For example, it may make sense to allow an employer to be afforded only what might be called a "fractional offset" --- an offset that allows only a portion of the cost of the benefits the employer is providing to be offset. Such a fractional offset ought to be enough to lessen any arguable disincentive to providing ample and robust benefits, but not so large an offset that the offset eats deeply into employees' cash wages.

Similarly, it might make sense to allow full benefits offsets only during some limited initial time period during which an employer first provides such benefits. Such "temporary offsets" could potentially minimize any potential disincentive the minimum wage otherwise arguably creates to offering robust benefits in the first place.

Ultimately, though, it is difficult to thoughtfully address questions related to benefits offsets without additional public input. Accordingly, it would be useful to receive comments with respect to benefits offsets, including with respect to the following specific questions:

- What experiences, if any, have others have had with "fractional offsets"? What is the appropriate fraction to set, and why? What experiences, if any, have others have had with "temporary offsets"? What is the appropriate time period for such offsets, and why? Should the Port Authority's minimum wage policy allow employers to receive a fractional offset or a temporary offset if employers and employees contractually agree to a mutually acceptable offset?

- What kinds of benefits should be included in any potential benefits offset? If benefits offsets are offered, how should they be administered? How should employers and employees assess the value of benefits? Should third parties (such as the Port Authority) have a role?
- The Wage Proposal includes a provision --- that no commenter objected to --- that allows exceptions to be made by the Port Authority in its discretion to the proposed minimum wage rules. This provision precisely mirrors a provision that has been a part of the Port Authority's minimum wage rules since 2015. See Exhibit M (Rules for Implementation of Minimum Wage Policy for Non-Trade Labor Service Contracts - LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport) (March 18, 2015). Should a benefits offset be affirmatively addressed in this way, rather than be included in any Port Authority minimum wage policy? Under this approach, employers could simply be permitted to seek a benefits offset on an ad hoc, case-by-case basis, using the long-standing exception to the Port Authority's minimum wage policy that allows the Authority to make discretionary exceptions to that policy.

### **C. "Street Pricing"**

Certain commenters who sell products to consumers at the Airports have stated that the Wage Proposal will make the Airports too costly for employers --- such that the Proposal risks triggering layoffs, the withdrawal of certain businesses from the Airports, or other unintended consequences, which could in turn undermine some of the Proposal's basic goals, such as reducing workforce turnover. See Exhibit O (June 11, 2018 Letter) at 2 (arguing that raising minimum wages forces businesses to lay off workers, and will result in "many popular branded and independent restaurants not renewing their lease agreements with the Port Authority").

In making this point, some commenters have noted that, they, in addition to being impacted by the Wage Proposal, are subject to the Port Authority Aviation Department Street Pricing Policy ("Street Pricing Policy"), which generally fixes the maximum prices that may be charged for certain items sold at the Airports. See Exhibit P (standard-form Port Authority lease provision requiring compliance with Street Price Policy). These maximum prices are set based on "street prices" --- the prices charged for

the relevant items in the New York-New Jersey metropolitan area. See Exhibit P (current Street Pricing Policy).

A combination of rising labor costs (due to a Port Authority-mandated rise in minimum wages) and price ceilings (imposed by the Street Pricing Policy) could potentially put certain businesses in a difficult position. One commenter stated that the Wage Proposal was "understandable," but involved an "exorbitant" pay raise increase. The commenter then asked: "With the PANYNJ demanding street pricing on its operators, how is the operator supposed to be profitable, much less stay in business[?]" See Exhibit Q (e-mail dated May 24, 2018) at 2.

This is an important issue to be addressed. It suggests that it might potentially make sense to consider altering the Street Pricing Policy, so as to allow Airport businesses some limited additional flexibility in pricing to defray rising labor costs.

For example, virtually all of the 20 largest airports in the United States allow on-airport business to charge "street prices" --- plus an additional 10%. See Exhibit R (chart prepared based on data obtained by Port Authority Aviation Department). The Port Authority might potentially consider allowing businesses at Port Authority Airports to do something similar --- to charge street prices, plus an additional percentage.

To cite another example, the Street Pricing Policy, as noted, generally sets maximum prices with reference to typical retail prices in the greater New York and New Jersey metropolitan area. See Exhibit P (current Street Pricing Policy). But the Wage Proposal would raise Airport wages up toward New York State's current minimum wage, and away from New Jersey's relatively lower minimum wage. Accordingly, it may make less sense to baseline Airport prices on "street prices" in New Jersey (where wage costs outside the airport are lower than they would be at the Airports under the proposed Wage Proposal) than on "street prices" in New York (where wage costs are closer to what they would be at the Airports under the proposed Wage Proposal).

Under the Wage Proposal, covered Airport workers would be paid at hourly rates that are, at least in the medium term, generally comparable to New York State's minimum wage. This relatively close yoking of Airport minimum wages and New York minimum wages would last through to September 2020, when the Airport minimum wage is proposed to rise again, beyond the New York State minimum wage.

Accordingly, it might be argued that the Street Pricing Policy should be modified --- so that between now and 2020, the prices that Airport businesses can charge for retail goods should be equivalent to the prices that are generally charged in an analogous labor market in metropolitan New York State, such as Manhattan.

All this said, the Board's consideration of a change in the Agency's Street Pricing Policy should be informed by specific public comment from stakeholders and the public. Accordingly, it is important to receive comments with respect to the Street Pricing Policy, including as to the following specific questions:

- If the Street Pricing Policy were altered, would Airport businesses raise prices? By how much? Are Airport businesses constrained less by the current Street Pricing Policy than by market forces? See generally Exhibit S (email dated June 3, 2018).
- What has been the experience at other major U.S. airports, where a street-pricing-plus-10% policy has long been in effect?
- For Airport businesses that are subject to the Street Pricing Policy, labor costs are what percentage of overall costs? How tight are profit margins? To what extent would a change to Street Pricing Policy meaningfully defray higher labor costs? See generally Exhibit T (email dated May 30, 2018) (business operator describing his/her Airport business as a "'penny' business with tight margins," in which "Labor costs are a major expense for us").
- What would be the practical impact of a Street Pricing Policy that is based through to the end of 2020 on Manhattan prices? What price baseline should be employed after 2020? Should such a baseline be selected now? How should it be selected? Should the Port Authority conduct a study of regional labor costs to help resolve this question?

#### **D. Small Employers**

A number of commenters have suggested that smaller businesses will be especially burdened by a minimum wage hike --- and this may be an argument for allowing smaller businesses at the airports to pay a somewhat lower minimum wage than larger businesses, or to be subject to a somewhat lengthier phase-in period. See Exhibit T (email dated May 30, 2018) (business

operator stating that higher minimum wages "will put a lot of us out of business or cripple the ability for us to compete with the bigger players").

Considering this question is especially complicated. New York labor law allows for lower minimum wages for smaller businesses. See Exhibit U (statutory excerpt). New Jersey minimum wage law generally does not. See Exhibit V (statutory excerpt). Moreover, New York minimum wage law differentiates between minimum wages offered at small businesses that are franchises of national fast food chain restaurants and small business that are not. See Exhibit W (statutory excerpt).

In addition, while academic experts have offered opinions in the context of the comment process as to how the Wage Proposal might impact the Airports, none of these experts have specifically focused on small businesses.

Ultimately, the Port Authority would benefit from additional comments addressing small business issues. It is important to understand the labor market dynamics that may be particular to Airport small businesses --- and that impact whether and to what extent it might make sense to treat small businesses differently under the Wage Proposal than larger businesses. Accordingly, it would be useful to receive comments as to the small employer issue, including with respect to the following specific questions:

- How, precisely, should a "small employer" be defined? Should an Airport franchise of a global business be considered a small employer?
- What has been the experience of jurisdictions whose minimum wage laws treat employers differently based on how small or large they are?
- A key goal of the Wage Proposal is improving operational effectiveness, customer service, and safety and security at the Airports. At the same wage scale, do small employers advance these goals more effectively or less effectively than large employers?
- Some of the comments suggest that Airport small businesses already operate with tight profit margins and high labor costs. See Exhibit T (email dated May 30, 2018) (business operator suggesting small Airport businesses have tighter

margins and higher labor costs); Exhibit J (e-mail dated June 11, 2018) (similar). How do margins and labor costs compare between smaller Airport businesses and larger ones?

- As noted above, the Wage Proposal includes a provision that allows exceptions to be made by the Port Authority to the proposed minimum wage rules. Should a different approach to minimum wages for small employer be affirmatively included in any minimum wage policy? Or should small employers simply be permitted to seek an exception on an ad hoc, case-by-case basis? If the latter, should small employers be required to show serious economic hardship? What would that mean? If small employers show the requisite hardship, what relief would they receive from the minimum wage policy?

## **II. Supplemental Comment Period**

As described above, during the April 2018 - June 2018 public comment period, substantive comments have been received with respect to tipped workers, benefits offsets, "street pricing," and small employers.

Each of these issues raises important questions. And, more importantly, none of these issues are obviously suggested on the face of the Wage Proposal. Each issue was raised in the first instance during the comment period. It is essential to the process of reasoned and careful decision-making that the Board be permitted the chance to hear from all stakeholders on these issues --- not just the particular stakeholders who first raised them.

Against this backdrop, I recommend that the Board allow for a supplemental comment period of 30 additional days. The purpose of such a supplemental comment period would be to invite specific public comment with respect to the four issues set out above, and any other relevant issues that commenters might seek to raise. At the close of a 30-day comment period, staff will respond systematically and holistically to all comments that have been received --- comments made during the initial 60-day period, as well as comments received during the 30-day period.

Extending the current comment period by 30 days, the period suggested by Article IX of the Port Authority's By-Laws, ensures that any changes that might be enacted to Airport minimum wages

are effectuated in a well-informed and thoughtful manner, and are, accordingly, ultimately able to accomplish their intended goals.

**MEMORANDUM**

To: All Commissioners  
 From: Elizabeth McCarthy, Chief Financial Officer  
 Date: June 22, 2018  
 Re: **Summary Report on Public Comments on the Port Authority’s Proposed Wages at the Three Major Airports**

Copy to: R. Cotton, A. Barsky, M. Farbiarz, K. Eastman, J Allen, P. Simon, H. Lawrence

In accordance with the Port Authority’s mission and commitment to transparency and accountability, the proposed “Rules for Implementation of Minimum Wage Policy for Non-Trade Labor Service Contracts – LaGuardia Airport, John F. Kennedy International Airport and Newark Liberty International Airport” (“Rules”) was posted on the Port Authority’s website for public comment through June 11, 2018. The public comment period was 60 days.

The purpose of this memo is to provide you with a summary of the comments received. We will provide an update to this memo together with staff recommendations prior to the June 28 Board meeting. Copies of the comments are attached hereto as noted below.

**Summary**

The proposed Rules were posted on the Port Authority’s website on April 10. Over the 60-day comment period a total of 733 comments were received. Of these, 98% voiced general support. Common themes in this category included: 1) providing a livable wage; 2) bolstering aviation safety and security; 3) improving customer service; and 4) reducing turnover. Four comments were received from academia and non-profits, all providing research in support of the minimum wage increase. Twelve comments (2%) voiced concerns or opposition. All comments are further detailed below.

The Table below summarizes the comments received:

Proposed Rule Public Comment Summary					
Affiliation	General Support	Concern	Opposition	Grand Total	Percent
Airport Worker	675	-	-	675	92.1%
No Reported Affiliation	30	2	-	32	4.4%
Non-Profit/Government	9	1	4	14	1.9%
Union	3	-	-	3	0.4%
Academic	3	-	-	3	0.4%
Airport Employer	1	3	2	6	0.8%
<b>Grand Total</b>	<b>721</b>	<b>6</b>	<b>6</b>	<b>733</b>	<b>100.0%</b>
Percent	98.4%	0.8%	0.8%	100.0%	-

### Comments in Support

As noted in the table above, 721 comments were received in support of the proposed Rules. The vast majority of those comments came directly from airport workers (94%), many of whom spoke of how they and their families would be positively impacted by the proposed Rules. They also noted the workplace benefits listed above and those that they have voiced over the past several years at Public Board meetings.

The comments in support of the proposed Rules cite benefits that are consistent with those considered by the Board when it determined that, subject to final determination after consideration of the public comments received, a strong case had been made for implementation of the proposed Rules. In addition to citing the academic literature related to San Francisco International Airport that the Board considered, comments cited the expected positive impacts of the proposed rules on workforce morale and effectiveness, customer service and retention. In addition, the critical role the covered employees play in bolstering the safety and security of the airports was noted, supporting the value of paying a higher wage at the airports. Furthermore, the potential for carry over regional economic benefits was noted.

The comments in support also thanked the Commissioners for including Airport Catering Workers in the group of employees that would be covered by the proposed Rules. This group of workers are not included in the Port Authority's current rules, and will add approximately 5,000 workers to the covered worker pool.

Thirty-four New Jersey, New York and New York City elected officials, including 28 of whom were co-signatories to a single letter, also included comments in support of the proposed Rules. Specifically:

- New York City Comptroller Scott M. Stringer quoted from a forthcoming report "Restoring Altitude: Economic Impacts of the Port Authority of New York and New Jersey Minimum Wage Proposal," "earning a \$19 an hour minimum wage would result in an additional \$431.6 million in increased household spending for New York and New Jersey airport workers. This spending would support over 2,700 added jobs in the regional economy, while sales to local businesses would grow by \$465.1 million..."
- New Jersey Senator Loretta Weinberg stated, "The wage increase will directly affect the lives and families of the tens of thousands of people who work at JFK, LaGuardia and Newark Airports...I believe this wage policy *as currently written* means so much to NJ & NY residents. I fully support this resolution and hope that it passes into policy without any major changes."
- New Jersey Assemblyman Gordon M. Johnson said, "Most notably the wage policy includes airport catering workers ...The wage policy will ensure that airport workers earn a livable wage and have dignity at their place of employment."
- New York Senator Gustavo Rivera said, "Airport workers dedicate their days to ensuring our City's airports operate smoothly and this new minimum wage finally fairly recognizes their contribution towards ensuring our airports work safely and seamlessly."
- New York Assemblyman William Colton said, "This policy will be truly life changing for New York and New Jersey residents who work at Newark, JFK and LaGuardia airports. It

will also increase the quality of services and security at our airports by creating a more stable, qualified and skilled workforce”

- New York Assemblyman Marco Crespo said, “As a legislator who represents a Bronx district in which many airport workers live, I can see firsthand the impact that low wages can have on the community. Our major transportation centers can only be economic engines for the community when they provide good, family sustaining jobs.”

(See Appendix A for full Comments from elected officials. Page 7 has the names of the elected official who co-signed the single letter)

### **Areas of Concern and Opposition**

Twelve of the commenters expressed concerns or opposition to the proposed rules; some on behalf of specific employers and some on behalf of trade groups or business associations. These comments are summarized below by general theme or topic.

#### *Port Authority legal authority to regulate wages of third parties*

A leading trade organization that represents a large number of major airlines has communicated its “strong” opposition to the proposed Rule, arguing, among other things, that the Port Authority lacks legal authority under its Compact to regulate the wages of individuals “who work within the airports but not for the Port” --- and that even if the Port Authority generally has such authority, its legal authority has been preempted by various federal and state statutes, including the Airline Deregulation Act.

Similar legal arguments are pressed by an entity that operates off-airport catering facilities, which has written to “strongly object” to the minimum wage proposal. This entity contends that the Port Authority lacks legal authority under its Compact to regulate the wages of individuals who works outside of its airports, even if those individuals work at other locations within the statutorily-defined Port District. In addition, this entity argues that FDA and FAA regulations preempt any power that the Port Authority may have to regulate off-airport food preparation businesses.

#### *Impact on overall labor cost, employment and regional economy*

Several commenters noted that increasing the minimum wage will either drive up all labor costs, cause wage compression that will lead to morale or retention issues, and/or, result in cuts in jobs or hours. One commenter noted: “[N]ationally, only 2.7 percent of hourly employees are paid at the state prescribed minimum wage. The remaining 97.3 percent are paid more than the state minimum wage. Substantially increasing the minimum wage for all workers would create a ripple effect, negatively impacting all employees and employers alike.” They also cited the December 2017 paper by the Employment Policies Institute titled “California Dreamin’ of Higher Wages”. This paper estimates that the move in California’s minimum wage to \$15 per hour by 2022 will eliminate 400,000 jobs in the State. It also notes the study found that a 10 percent increase in the minimum wage would result in a 5 percent reduction in employment in industries with a large number of workers earning close to the minimum wage—primarily in foodservice and retail industries.

Several commenters noted that the Port Authority's three major airports are already among the most expensive airports in the country for airline passengers and note that the Federal Aviation Administration reports Newark is the most expensive major airport in the country, with JFK at number two and LaGuardia at number five. They raise the concern that the proposed Rules will ultimately be borne by businesses and consumers and that the policy, specifically in New Jersey, could have a negative impact on the State's overall economy.

*Requested changes in the proposed Rules*

A number of commenters also noted several exceptions and modifications that should be considered for incorporation into the proposed Rules. These are detailed below:

1. **Eliminate or modify the "Tip Credit"**. Under current New Jersey and New York law, and the current Port Authority rules at the airports, employers are allowed, subject to certain limitations, to credit tips the workers receive against the cash wage employers pay tipped workers, as long as the combined value of the tips and wage paid equal or exceed the minimum wage. One commenter proposed eliminating the Tip Credit completely, and if not completely, at least for wheelchair attendants and Skycaps. The commenter stated (1) that under FAA rules wheelchair attendants are not allowed to solicit tips, and (2) that changes in airlines charges for checked bags has impacted tips for Skycaps. The commenter therefore requested the Board to modify the proposed Rules to not allow the Tip Credit to be applied to this class of worker. If elimination of the tip credit is not possible, the Board has been asked to bring parity to the Tip Credit by conforming the Rule to the New York law version, as it is more favorable for the employee.
2. **Utilize the total value of compensation (including the value of benefits) to satisfy the Rules**. The commenters note that some employees enjoy a wide array of financially valuable benefits, including premium healthcare insurance, pensions and educational benefits as part of their total compensation. They note that benefits offer significant financial value to employees beyond wages that are considered by the employees when valuing a job. They argue that if the value of the benefits is not considered as part of the compensation to satisfy the Rules, employers could offset any wage increase with a reduction in employer provided benefits. The commenter notes that the value of the benefits to the employee may far exceed the value of an increase in the wage.
3. **Exempt small businesses**. The participation by small businesses is an important Port Authority policy goal, and provides an opportunity to bring a local "feel" to the Port Authority airports. A concern was raised by several commenters that small businesses will have more difficulty managing the increase in labor costs under the proposed Rules resulting in lower margins or profitability that might be unsustainable. The Board was asked to consider an exemption to the Rules for small businesses. Such an exemption could guard against an unintended consequence of losing small businesses at the Port Authority airports.

4. **Modify “Street Pricing” rule.** As a corollary to the concern regarding the impact of the Rule on overall costs, commenters noted that absent some relief on the Port Authority’s “Street Pricing” rules for retail concessions, businesses with already thin margins will be negatively impacted. The concern is that if the “Street Pricing” reference point is to entities in areas with a sharp wage differential, and therefore lower labor costs, the reference price may be too low. This result would negatively impact the airport vendor’s margins. It was suggested that Port Authority consider a modification to its current rule to some percentage above the surrounding area “street prices”.
5. **Modification of the phase-in schedule of the proposed Rules.** A number of commenters noted that the phase-in schedule should be revised to ensure only one increase is scheduled per year to decrease administrative burdens, and to lengthen the phase-in schedule to lessen the impact in New Jersey, whose minimum wage is currently lower than New York State’s.
6. **Exclude employees covered by Collective Bargaining.** The commenters argue that unions and the employees they represent use an arms-length bargaining process to ensure fair wages and benefits for all union employees, and that the Rules would cause inequities for union employees and their employers because the Rules may impact some worksites but not others that have workers covered by the same collective bargaining agreement.

As I noted, a follow up memo with staff recommendations regarding these comments will be sent in advance of the June 28 meeting. Please let me know if you have any questions or require additional information.

Attachments:

- Appendix A: Comments from Elected Officials
- Appendix B: Comments from Unions
- Appendix C: Comments from Academia and others
- Appendix D: Comments from Employers or their representatives
- Appendix E: All comments

## **OUTERBRIDGE CROSSING AND GOETHALS BRIDGE – IMPLEMENTATION OF CASHLESS TOLLING – PROJECT AUTHORIZATION**

It was recommended that the Board authorize a project to implement an open-road cashless tolling system at the Outerbridge Crossing and the Goethals Bridge, at a total estimated project cost of \$52 million, and, due to the practical impossibility of continuing the Port Authority Carpool Plan (Carpool Plan), that upon implementation of cashless tolling, direct the discontinuation of the Carpool Plan at the Outerbridge Crossing and the Goethals Bridge. It was also recommended that the Executive Director take the following actions in connection with the delivery of the project: (a) amend the Memorandum of Agreement (MOA) with the Triborough Bridge and Tunnel Authority (TBTA) and the New York State Thruway Authority to reimburse the TBTA under the MOA for capital costs to expand the customer service center located in Endicott, New York, to support the increased volume of Tolls by Mail transactions, at an estimated cost to the Port Authority of \$2.4 million; (b) award a work-order contract for all physical changes, including but not limited to, gantry construction, roadway modifications, demolition, and all related work required to deploy cashless tolling at the Outerbridge Crossing and the Goethals Bridge, at an estimated amount of \$27.9 million; and (c) amend a contract with Conduent State & Local Solutions, Inc. to expand E-ZPass New York Customer Service Center facilities and staffing, as necessary to process Tolls by Mail transactions generated by users of the Outerbridge Crossing and the Goethals Bridge, at an estimated cost to the Port Authority of \$11.1 million, including \$1.2 million for start-up equipment costs and \$9.9 million for ongoing operational support for these two facilities for the remaining life of the Customer Service Center contract, which ends in October 2020.

The existing Integrated Toll Collection System (ITCS) is used to process tolls electronically, record cash tolls, capture images of vehicles of violators, report revenue and traffic data, control in-lane operations, record equipment maintenance activities and interface with the New York Customer Service Center for electronic toll transactions.

The current ITCS at the Outerbridge Crossing and the Goethals Bridge was deployed in 1997, and though it was upgraded in 2016 and 2017, respectively, it has exceeded its design life and requires replacement. At its June 30, 2016 meeting, the Board authorized, among other things, a project for the final design and construction of a new Replacement Toll Collection System (RTCS), with cashless all-electronic tolling capability, at all Port Authority bridge and tunnel vehicular crossings.

As part of the implementation of the Bayonne Bridge Navigational Clearance Program, open-road cashless tolling was introduced at the Bayonne Bridge in February 2017. In the past two years, the New York State Metropolitan Transportation Authority has implemented open-road cashless tolling for its toll facilities, including the Verrazano Bridge. Incorporating open-road cashless tolling into the implementation of the new RTCS at the Outerbridge Crossing and the Goethals Bridge will create a more streamlined and consistent experience for customers who often use the Port Authority's Staten Island vehicular crossings. Further, at those crossings, cashless tolling can allow drivers to move freely and efficiently across the Outerbridge Crossing and the Goethals Bridge, which will save commuter time, reduce traffic congestion, and protect the environment by decreasing vehicular emissions.

The construction schedule will be developed in coordination with the affected communities.

Because the new open-road cashless tolling system at the Outerbridge Crossing and the Goethals Bridge will no longer make use of toll plazas, it will not be possible, as a practical matter, to administer the Carpool Plan. For example, there will be no toll plaza operators who could determine whether a vehicle seeking to make use of the Carpool Plan has the requisite number of occupants. Accordingly, it was recommended that the Carpool Plan be discontinued at the Outerbridge Crossing and the Goethals Bridge due to the practical impossibility of continuing the Carpool Plan, effective at the onset of open-road cashless tolling at the Outerbridge Crossing and the Goethals Bridge.

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

**RESOLVED**, that a project to implement an open-road cashless tolling system at the Outerbridge Crossing and the Goethals Bridge, at a total estimated project cost of \$52 million, be and it hereby is authorized; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take the following actions in connection with the foregoing project: (1) amend the Memorandum of Agreement (MOA) with the Triborough Bridge and Tunnel Authority (TBTA) and the New York State Thruway Authority to reimburse the TBTA under the MOA for capital costs to expand a customer service center to support the increased volume of Tolls by Mail transactions, at an estimated cost to the Port Authority of \$2.4 million; (2) award a work-order contract for all physical changes, including, but not limited to, gantry construction, roadway modifications, demolition, and all related work required to deploy cashless tolling at the Outerbridge Crossing and the Goethals Bridge, at an estimated amount of \$27.9 million; and (3) amend a contract with Conduent State & Local Solutions, Inc. to expand E-ZPass New York Customer Service Center facilities and staffing, as necessary to process Tolls by Mail transactions generated by users of the Outerbridge Crossing and the Goethals Bridge, at an estimated cost to the Port Authority of \$11.1 million, including \$1.2 million for start-up equipment costs and \$9.9 million for ongoing operational support for these two facilities for the remaining life of the Customer Service Center contract, which ends in October 2020; and it is further

**RESOLVED**, that, without need of additional public hearings or further public consideration or comment, due to the practical impossibility of continuing the Port Authority Carpool Plan (Carpool Plan), the Carpool Plan discount will no longer be available to vehicles crossing the Outerbridge Crossing and the Goethals Bridge, effective at the onset of open-road cashless tolling at each bridge, and the resolution adopting a toll schedule applicable to Port Authority vehicular crossings, revised by the Board of Commissioners on August 19, 2011, be and it hereby is amended accordingly; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to exercise any discretion or judgment, and to take all action necessary or appropriate, or which may be or is required to be exercised or taken, to implement the provisions of this resolution; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to construction contracts, contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing project, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**NEWARK LIBERTY INTERNATIONAL AIRPORT – REHABILITATION OF  
RUNWAY 4R-22L – PLANNING AUTHORIZATION**

It was recommended that the Board authorize the Executive Director to: (1) spend approximately \$1.4 million for planning efforts to develop a project for the rehabilitation of Runway 4R-22L at Newark Liberty International Airport (EWR); and (2) apply for Passenger Facility Charge (PFC) funding to cover eligible planning costs.

Runway 4R-22L is 10,000 feet long and 150 feet wide and was last rehabilitated in 2012. This runway is one of three runways at EWR, and it serves as the primary arrival runway. The most recent inspection of the runway identified pavement deterioration as a result of normal wear associated with use and weather.

Planning and engineering services are necessary to develop the rehabilitation of Runway 4R-22L, which would also include the evaluation of existing electrical and drainage infrastructure to determine improvements that may be required to comply with the latest Federal Aviation Administration standards.

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

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and behalf of the Port Authority, to expend approximately \$1.4 million for planning efforts to develop a project for the rehabilitation of Runway 4R-22L at Newark Liberty International Airport (EWR); and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and behalf of the Port Authority, apply to the Federal Aviation Administration for permission to use Passenger Facility Charge (PFC) funding to cover eligible costs in connection with the foregoing planning work; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to take action with respect to contracts for professional and advisory services and such other contracts and agreements as may be necessary to effectuate the foregoing, pursuant to authority granted in the By-Laws or other resolution adopted by the Board; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**WORLD TRADE CENTER – AUTHORIZATION OF ENERGY CONSERVATION IMPROVEMENTS FACILITATED THROUGH THE PORT AUTHORITY'S MULTI-FACILITY GUARANTEED ENERGY SAVINGS PROGRAM**

It was recommended that the Board authorize the Executive Director to implement upgrades to lighting systems to improve energy efficiency at the World Trade Center (WTC) site, through the issuance of a work order under an existing agreement with Constellation New Energy, Inc. (Constellation), in an amount not to exceed \$8 million.

The work order would provide for certain lighting upgrades at the Vehicular Security Center, Central Chiller Plant, Port Authority Trans-Hudson rail system (PATH) fare and platform area, WTC Transportation Hub, and back-of-house spaces, including the conversion of over 13,000 existing lighting fixtures from prior generation lighting to high-efficiency light-emitting-diode (LED) technology and the installation of new dynamic LED fixtures at the WTC Oculus.

The Port Authority is responsible for the operation and maintenance of approximately 1.6 million square feet of space at the WTC site, including Port Authority and PATH facilities and certain common areas within the WTC campus. These facilities contain approximately 13,500 lighting fixtures, none of which are currently LEDs. Energy efficiency improvements have proven to be an effective strategy for reducing Port Authority greenhouse gas (GHG) emissions. Operational savings achieved through reduced energy consumption and avoided material costs due to longer lasting LED bulbs would yield an average of approximately \$950,000 in annual savings, resulting in a net present value of approximately \$1 million over the life of the asset, which would more than fully cover the cost of the LED lighting upgrades over time.

Under the Port Authority's Guaranteed Energy Savings Program, the existing agreement with Constellation provides a performance guarantee for energy conservation measures undertaken under the agreement. Constellation is also responsible, under the existing agreement, for identifying and pursuing grants or incentives that may be available to reduce the total cost of the improvements.

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

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to issue a work order under an existing agreement with Constellation New Energy, Inc. to implement upgrades to lighting systems to improve energy efficiency at the World Trade Center site, in an amount not to exceed \$8 million; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**AUTHORIZATION FOR THE PORT AUTHORITY TO PARTICIPATE IN TRANSCOM, INC. FOR 2019-2023**

It was recommended that the Board authorize: (1) the Port Authority's continued membership in TRANSCOM, Inc. (TRANSCOM), a not-for-profit corporation organized to undertake regional transportation programs, for a five-year period commencing on January 1, 2019; (2) the Director, Tunnels, Bridges and Terminals (TB&T) to enter into an agreement or agreements with TRANSCOM's other members to continue to participate in TRANSCOM programs, operations and to serve on TRANSCOM's Board of Trustees during such five-year period and to provide for the Port Authority's financial contributions, including, but not limited to: (a) financial contributions toward the Port Authority's continued membership in TRANSCOM, in an estimated amount of \$3.8 million; (b) contributions toward the operations and maintenance of TRANSCOM's OpenReach regional transportation management and information software, at an estimated cost of \$290,000; and (c) contributions for operations and maintenance services, power and telecommunications for up to 87 travel time reader sites currently in place or to be installed at Port Authority facilities, at an estimated cost of \$2.9 million.

TRANSCOM originally was created by the Port Authority in 1986 as a three-year demonstration program focused on enhancing the region's transportation management capabilities; by 1989 TRANSCOM had become a permanent regional institution with regional agency contributions. Other TRANSCOM members include the Connecticut Department of Transportation, the State of New York Metropolitan Transportation Authority (MTA), MTA Bridges and Tunnels, MTA New York City Transit, New Jersey Department of Transportation, New Jersey State Police, New Jersey Transit Corporation, New Jersey Turnpike Authority, New York City Department of Transportation, New York City Police Department, New York State Bridge Authority, New York State Department of Transportation, New York State Police, New York State Thruway Authority, and Port Authority Trans-Hudson Corporation (PATH). Both the Port Authority and PATH are represented on TRANSCOM's Board of Trustees, by the Deputy Director, Tunnels, Bridges and Terminals, and the Director/General Manager of PATH, respectively.

At its special meeting of December 4, 2013, the Committee on Operations, acting for and on behalf of the Board pursuant to the By-Laws, authorized, among other things, the Director, Tunnels, Bridges and Terminals, to enter into an agreement providing for the Port Authority's financial contribution toward continued membership in TRANSCOM for the five-year period from the 2014 through 2018 calendar years, at a maximum total contribution of approximately \$2.9 million, and for the Director, Tunnels, Bridges and Terminals, to serve on TRANSCOM's Board of Trustees during such five-year period.

The Port Authority is expanding its coverage of TRANSCOM roadside travel-time readers. There are 49 roadside travel-time readers currently operational across the agency's bridge, tunnel, aviation and port facilities. As currently planned, there will be a total of 61 travel time sites in operation in 2019, with 87 sites planned by 2023.

A companion item is being submitted to PATH's Board of Directors requesting authorization to provide for PATH's continued participation in TRANSCOM for the 2019-2023 period and financial contributions toward such membership.

Authorization of the Port Authority's continued participation in TRANSCOM would enable TRANSCOM to continue its regional transportation coordination and technology development programs, and ensure that the Port Authority's regional transportation leadership role is advanced. TRANSCOM's services to the Port Authority, its other members and the region include:

- Regional Interagency Transportation Monitoring and Incident Management through TRANSCOM's Operations Information Center, which collects and disseminates real-time regional information on highway and transit conditions, incidents, construction and special events, 24 hours a day.
- Regional Interagency Construction Coordination, to avoid restricting capacity on parallel or intersecting roadways or transit lines.
- Intelligent Transportation Systems (ITS) Program that enables members, including the Port Authority and PATH, to benefit from implementing transportation management technologies, including regional transportation information systems across modes, jurisdictions and states. The system also provides public data feeds to 511 traveler information systems and the Port Authority's *Crossing Time* app.
- TRANSCOM's TIMED system, to relay real-time travel times and average speeds and detect incidents.
- TRANSCOM's OpenReach regional architecture, which integrates member agencies' ITS systems to enable electronic sharing of real-time operating conditions, information and facility video feeds, and archived data among agency operations centers.

Pursuant to the foregoing report, the following resolution was adopted, with Commissioners Bagger, Eve, Horwitz, Lynford, McCabe, McDonald and O'Toole voting in favor. Commissioner Pocino recused and did not participate in the consideration of, or vote on, this item. General Counsel confirmed that sufficient affirmative votes were cast for the action to be taken, a quorum of the Board being present.

**RESOLVED**, that the Port Authority's continued membership in TRANSCOM, Inc. (TRANSCOM) for a five-year period commencing on January 1, 2019 and ending on December 31, 2023, be and it hereby is authorized; and it is further

**RESOLVED**, that the Director, Tunnels, Bridges and Terminals be and she hereby is authorized, for and on behalf of the Port Authority, to enter into an agreement or agreements with TRANSCOM's other members for the Port Authority to continue to participate in TRANSCOM programs, operations and to serve on TRANSCOM's Board of Trustees during such five-year period, and to provide for the Port Authority's financial contributions, including, but not limited to: expending: (1) an estimated amount of \$3.8 million for the Port Authority's contribution toward its continued

membership in TRANSCOM for the five-year period from 2019 through 2023; (2) an estimated amount of \$290,000 toward operations and maintenance of TRANSCOM's OpenReach regional transportation management and information software; and (3) an estimated amount of \$2.9 million to provide for operations and maintenance services, power and telecommunications for up to 87 travel time reader sites currently in place or to be installed at Port Authority facilities; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

**LINCOLN TUNNEL – LINCOLN TUNNEL PARK-AND-RIDE LOT – NEW JERSEY TRANSIT BUS OPERATIONS, INC. – LEASE AMENDMENT**

It was recommended that the Board authorize the Executive Director to enter into a lease amendment with New Jersey Transit Corporation, acting by and through its wholly owned subsidiary, New Jersey Transit Bus Operations, Inc. (NJT), for the continued letting of approximately 13.87 acres of property located in North Bergen, New Jersey for its use as a Lincoln Tunnel Park-and-Ride Lot (LTPR), through August 31, 2023. The lease amendment would provide for increased rent, at an aggregate rental of approximately \$4.8 million over the five-year term of the lease. NJT would continue to be responsible for all maintenance of and capital improvements at the facility.

The Port Authority acquired the LTPR property, located in the Township of North Bergen, in the 1950s, as part of the construction of the third tube of the Lincoln Tunnel. The Port Authority owns fee simple title to the 13.87-acre property, a portion of which lies directly beneath Route 495, less than two miles from the New Jersey entrance to the Lincoln Tunnel. The LTPR has been leased since 1955 to NJT (including its predecessor entity), as authorized by the Board most recently at its meeting of July 23, 2015.

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

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into a lease amendment with New Jersey Transit Corporation, acting by and through its wholly owned subsidiary, New Jersey Transit Bus Operations, Inc. (NJT), for the continued letting by NJT of approximately 13.87 acres of property located in North Bergen, New Jersey for its use as a Lincoln Tunnel Park-and-Ride Lot, for an additional five-year term through August 31, 2023, substantially in accordance with the terms outlined to the Board; and it is further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any other contracts and agreements necessary or appropriate in connection with the foregoing; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

## **GATEWAY PROGRAM – CONFIRMATION OF CAPITAL PLAN ALLOCATION FOR THE HUDSON TUNNEL PROJECT**

In order to advance the Gateway Program in a manner that allows for more efficient use of available local funding for projects currently contemplated (“Program Phase 1”), it was recommended that the Board authorize the Executive Director to: (i) reallocate the Port Authority’s commitment, previously authorized by the Board, to repay certain low-cost federal loans relating to replacement of the Portal Bridge in New Jersey (the “Portal North Bridge Project”), to the “Hudson Tunnel Project,” consisting of construction of two railroad tubes connecting the States of New York and New Jersey, the rehabilitation of the existing North River Tunnel and the completion of certain ancillary facilities, including the construction of concrete casing at Hudson Yards in Manhattan, New York; and (ii) to confirm that, giving effect to reallocation of the Port Authority’s Portal North Bridge Project commitment to the Hudson Tunnel Project, the total Gateway Program support of \$2.7 billion in the Port Authority’s 2017-2026 capital plan is unchanged.

The 2017-2026 Capital Plan includes Port Authority support of debt service payments for up to an aggregate principal amount of \$2.7 billion of low-cost borrowing for Program Phase 1 (the “Capital Plan Amount”). Pursuant to the 2017-2026 Capital Plan, the Port Authority’s support is capped at the Capital Plan Amount, subject to the conditions that the Port Authority is not the primary obligor for the loans and is not liable for any construction completion, cost overrun or project funding risk in connection with the Gateway Program.

On October 20, 2016, in support of a portion of the funding needed for the Portal North Bridge Project, the Board authorized the Executive Director for and on behalf of the Port Authority, to enter into an agreement with Gateway Program Development Corporation (“GDC”), that would provide for payment by the Port Authority to GDC of amounts equal to the scheduled annual debt service when due (without acceleration), and any fees, costs or expenses associated with low-interest federal loans obtained from the federal Railroad Rehabilitation and Improvement Financing (“RRIF”) Program, and/or the federal Transportation Infrastructure Finance and Innovation Act (“TIFIA”) Program, by GDC for the Portal North Bridge Project in principal amount not to exceed \$284 million, subject to certain terms and conditions. This \$284 million is a part of the \$2.7 billion in support included in the Port Authority’s 2017-2026 Capital Plan.

However, on June 13, 2018, in support of a revised funding plan for the Portal North Bridge Project, New Jersey Transit Corp. (NJT) pledged appropriations made by the New Jersey State Legislature to the New Jersey Transportation Trust Fund Authority to enable payment of amounts equal to the scheduled annual debt service on New Jersey Economic Development Authority-issued bonds in a principal amount up to \$600 million for the Portal North Bridge Project, representing substantially all the local portion of the Portal North Bridge Project and obviating the need for the Port Authority’s \$284 million debt service support.

In light of this commitment to the Portal North Bridge Project, it was recommended that the Port Authority’s commitment to support debt service for the Portal North Bridge be reallocated to the Hudson Tunnel Project, with the understanding that future iterations of the Hudson Tunnel Project funding plan will reflect a commensurate reduction in the support of debt service pledged by NJT. The reallocation is subject to future Board authorization and shall be on terms and

conditions similar to those provided for the Portal North Bridge Project support as authorized by the Board on October 20, 2016.

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

**RESOLVED**, that the Port Authority's commitment to pay amounts equal to the scheduled annual debt service (principal and interest) when due without acceleration, on federal loans in aggregate principal amount equal to \$284 million, as authorized by the Board on October 20, 2016 for the Portal Bridge North Project and any fees, costs, or expenses associated therewith, is reallocated to the Hudson Tunnel Project subject to future authorization by the Board, on the terms and conditions similar to those provided for the Portal North Bridge Project support as authorized by the Board on October 20, 2016.; and it is further

**RESOLVED**, that giving effect to reallocation of the Port Authority's Portal North Bridge Project commitment to the Hudson Tunnel Project, the total capital support for Phase 1 of the Gateway Program remains \$2.7 billion as set forth in the Port Authority's 2017-2026 capital plan; and it is further

**RESOLVED** that, prior to the execution of an agreement with GDC to fund the Port Authority's commitment, General Counsel or his designee shall render a legal opinion indicating whether payments to GDC for the Hudson Tunnel Project are authorized by the Port Compact and the various Port Authority statutes; and it is further

**RESOLVED**, that a facility certification is required before such agreement can be executed in support of any federal loan applied for by GDC; and be it further

**RESOLVED**, that the Executive Director be and he hereby is authorized, for and on behalf of the Port Authority, to enter into any agreements necessary or appropriate in connection with the foregoing; and it is further

**RESOLVED**, that the form of all contracts, agreements and other documents in connection with the foregoing shall be subject to the approval of General Counsel or his authorized representative, and the terms of such contracts, agreements and other documents shall be subject to review by General Counsel or his authorized representative.

Whereupon, the meeting was adjourned.

---

Secretary